



Innovative Medicines Initiative

**FINAL ANNUAL ACCOUNTS
OF
THE INNOVATIVE MEDICINES INITIATIVE
JOINT UNDERTAKING
FOR THE YEAR 2011**





Innovative Medicines Initiative

The amended annual accounts of the Innovative Medicines Initiative Joint Undertaking for the year 2011 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 amended annual accounts of the Innovative Medicines Initiative Joint Undertaking in accordance with art 61 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 a true and fair view of the financial position of the Innovative Medicines Initiative Joint Undertaking in all material aspects.

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

Khâm LÊ
Accounting Officer
of The Innovative Medicines Initiative Joint Undertaking

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The Innovative Medicines Initiative (IMI) was launched in 2008 as a large-scale public-private partnership between the European Commission and the European Federation of Pharmaceutical Industries and Associations (EFPIA). With a total budget of 2 billion Euro, the IMI JU aims to boost the development of new medicines across Europe by implementing new collaborative endeavours between large pharmaceutical companies and other key actors in the health-care ecosystem, i.e. academic institutions, small and medium enterprises, patients, and regulatory authorities.

Set up by Council Regulation (EC) N° 73/2008 of December 2007, for a period up to 31 December 2017, the Innovative Medicines Initiative Joint Undertaking has achieved its second full year of activities with twenty eight long-term projects (15 projects of Call 1 initiated in 2010, 8 projects of Call 2 launched in 2011 and 5 grant agreements from Call 3 concluded in December 2011).

IMI JU contribution budgeted for these projects amounted to 269.200.556 EUR.

1 FINANCIAL STATEMENTS

1.1 Balance sheet

ASSETS						
Heading	Account Description	G/L acct	Note n°	Balance period 2011 EUR	Balance period 2010 EUR	
I. NON-CURRENT ASSETS				88.993.954,34	34.725.685,34	
Intangible fixed assets		21000000		0,00	0,00	
	<i>Computer software</i>		3.1 a	256.674,08	0,00	
	<i>Purchase price</i>	21001001		342.232,11	0,00	
	<i>Depreciation</i>	21008001		-85.558,03	0,00	
Tangible fixed assets						
	<i>Computer hardware</i>		3.1 b	85.838,60	21.502,07	
	<i>Purchase price</i>	24101001		123.702,17	28.440,09	
	<i>Depreciation</i>	24108001		-37.863,57	-6.938,02	
	<i>Office furniture</i>		3.1 b	180.498,38	0,00	
	<i>Purchase price</i>	24001001		205.274,10	0,00	
	<i>Depreciation</i>	24008001		-24.775,72	0,00	
Long - term prefinancing		29911100	3.1 c	88.470.943,28	34.704.183,27	
II. CURRENT ASSETS				17.192.536,45	70.870.344,49	
Short - term receivables			3.2 a	1.761.495,36	139.277,74	
	<i>Receivable from EFPIA</i>	40001000		1.660.162,00		
	<i>Receivable from other JU</i>	40005300		2.906,72		
	<i>Bank interest to be received</i>	49100000		94.579,09	129.096,02	
	<i>Advances on missions</i>	45321000		3.133,70	5.243,70	
	<i>Advances on salaries</i>	45311000		713,85	4.638,02	
	<i>Staff</i>	40007000		0,00	300,00	
Cash & Cash equivalents			3.2 b	15.431.041,09	70.731.066,75	
	<i>Cash at banks</i>			<u>15.431.041,09</u>	<u>70.731.612,03</u>	
		55023000		15.431.041,09	70.731.612,03	
	<i>Cash in transit</i>	56023000		0,00	-545,28	
TOTAL ASSETS				106.186.490,79	105.596.029,83	
III. NET ASSETS				-22.986.571,92	-80.368.941,68	
Members Contributions (EU + EFPIA Contribution)		14400000	3.3	-128.879.681,75	-108.754.197,40	
Accumulated contributions used in previous years		14000000		28.385.255,77	621.906,70	
(economic result of the year: surplus(-) / deficit (+))				77.507.854,06	27.763.349,02	
TOTAL NET ASSETS				-22.986.571,92	-80.368.941,68	

LIABILITIES						
Heading	Account Description	G/L acct	Note n°	Balance period 2011	Balance period 2010	
				EUR	EUR	
IV. NON-CURRENT LIABILITIES				0,00	0,00	
Long term provision		16320000		0,00	0,00	
V. CURRENT LIABILITIES				-83.199.918,87	-25.227.088,15	
Accounts Payables			3,4	-99.373,76	-4.230.528,96	
	<i>Accounts payables with consolidate entities</i>	44005100		0,00	-1.785,00	
	<i>Grant beneficiaries</i>			<u>0,00</u>	<u>-4.226.564,10</u>	
		44001000		0,00	-502.081,15	
		44002000		0,00	-1.142.465,38	
		44004000		0,00	-2.582.017,57	
	<i>Suppliers</i>			<u>-99.373,76</u>	<u>-2.179,86</u>	
		44001000		-102.315,29	-6.049,12	
		44002000		-638,59	-228,00	
	<i>Eligibility to be confirmed</i>	49030000		3.580,12	0,00	
	<i>Verification - invoices</i>	49040000		0,00	4.097,26	
Other accounts payables			3,4	-83.100.545,11	-20.996.559,19	
	<i>Taxes, salaries and social security</i>			<u>-15,70</u>	<u>-49.577,93</u>	
	<i>Contribution for pension costs</i>	45491000		0,00	-18.362,62	
	<i>Contribution for sicknesscosts</i>	45492000		0,00	-8.287,72	
	<i>Contribution for taxes</i>	45493000		0,00	-18.371,53	
	<i>Contribution for accident costs</i>	45622000		0,00	-1.316,47	
	<i>Contribution for unemployment</i>	45800000		0,00	-3.239,59	
	<i>Contribution for nurserycosts</i>	46207000		-15,70	0,00	
	<i>Net salary to be paid</i>	47530100		0,00	0,00	
	<i>Accrued charges:</i>		3,4	<u>-83.100.529,41</u>	<u>-20.946.981,26</u>	
	<i>Estimated "in-kind" contribution of EFPIA members</i>	44520000		-52.755.564,11	-14.160.447,00	
	<i>Cost claims received after the year end</i>	49030000		0,00	-6.399.720,90	
	<i>Accrued administrative charges</i>	49055000	3,4	-386.812,95	-386.813,36	
	<i>Accrued operational cost claims</i>	49055000		-29.958.152,35		
TOTAL LIABILITIES				-83.199.918,87	-25.227.088,15	

1.2 Economic outturn account

Heading	Account Description	G/L acct	Note N°	Balance period 2011	Balance period 2010
				EUR	EUR
I. OPERATING REVENUES				289.966,27	44.164,01
	Miscellaneous income from other JU	74025000	3.5	85.065,89	44.164,01
	Other Income (Fixes assets)	74000700		204.900,38	
II. OPERATING EXPENSES				-78.341.758,41	-28.404.492,41
Administrative Expenses				-5.201.608,12	-3.083.378,38
	<i>Experts & Related Expenses</i>	61085000	3.5	-596.303,73	-341.077,98
	<i>Fixed Assets related expenses (Depreciation of Assets)</i>	63020000		-141.259,30	-6.938,02
	<u><i>Other administrative expenses</i></u>		3.5	<u>-1.402.533,72</u>	<u>-589.763,95</u>
	<i>Office supplies</i>	61010000		-64.124,75	-5.313,29
	<i>Communications & publications</i>	61020000		-159.000,99	-168.762,39
	<i>Miscellaneous insurances</i>	61040000		-20,00	-3.725,70
	<i>Transport expenses</i>	61050000		-4.478,45	-3.372,00
	<i>Recruitment costs</i>	61060000		-708,84	-73.789,08
	<i>Training costs</i>	61070000		-12.908,19	
	<i>Missions costs</i>	61080000		-114.443,85	-54.458,42
	<i>Other goods & services</i>	61090000		0,00	376,36
	<i>IT-development costs</i>	61094020		-104.627,71	0,00
	<i>IT-operational costs</i>	61094030		-502.187,27	-31.660,61
	<i>Other external services non IT</i>	61095000		-339.976,13	-188.404,14
	<i>Other administrative expenses with Consolidated entities</i>	61100000		-100.057,54	-60.654,68
	<u><i>Rent expenses</i></u>		3.5	<u>-331.907,60</u>	<u>-302.819,65</u>
	<i>Rent of land & buildings</i>	61001000		-278.176,93	-273.924,37
	<i>Other rental expenses</i>	61001500		-53.730,67	-28.895,28
	<u><i>Staff expenses</i></u>		3.5	<u>-2.729.603,77</u>	<u>-1.842.778,78</u>
	<i>Staff costs</i>	62000000		-2.174.824,57	-1.515.593,51
	<i>Employer's contribution to unemployment costs</i>	62020000		-25.298,20	-18.296,55
	<i>Employer's contribution to Social Security</i>	62030000		-78.690,16	-55.933,72
	<i>Social activities</i>	62040000		-23.050,30	-28.005,04
	<i>Staff allowances</i>	62050000		-427.740,54	-224.949,96
Operational Expenses				-73.140.150,29	-25.321.114,03
	Cost Claims paid to beneficiaries	60810000		-34.545.033,18	-11.160.667,03
	Contribution in-kind	60820000		-38.595.117,11	-14.160.447,00
DEFICIT FROM OPERATING ACTIVITIES				-78.051.792,14	-28.360.328,40
III. FINANCIAL REVENUE				546.603,88	601.515,31
Interest Revenue				546.603,88	601.515,31
	Prefinancing Interest	74005000	3.5	19.285,68	
	Bank Interest	75016000		525.839,39	601.515,31
	Exchange Gain	74850000		1.478,81	
IV. FINANCIAL EXPENSES				-2.665,80	-4.535,93
Financial Expenses and others				-2.650,80	-4.148,78
	Exchange Loss	64850000		-1.979,17	
	Interest on late payment	65010000		-669,28	
	Extraordinary losses	69000000		-2,35	
Bank fees				-15,00	-387,15
SURPLUS FROM NON-OPERATING ACTIVITIES				543.938,08	596.979,38
CONTRIBUTION FROM MEMBERS USED DURING THE YEAR				-77.507.854,06	-27.763.349,02

1.3 Cash flow table

	2011	2010
Surplus/Surplus/(deficit) from ordinary activities	-77.507.854,06	-27.763.349,02
Cash Flows from ordinary activities		
Operating activities		
Adjustments		
Amortization (intangible fixed assets) (+)	85.558,03	
Depreciation (tangible fixed assets) (+)	55.701,27	6.938,02
Increase/(decrease) in Provisions for risks and liabilities	0,00	-3.547,19
Increase/(decrease) in Value reduction for doubtful debts	0,00	0,00
(Increase)/decrease in Stock	0,00	
(Increase)/decrease in Long term Pre-financing	-53.766.760,01	-34.704.183,27
(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	-1.622.217,62	-71.732,40
(Increase)/decrease in Receivables related to consolidated EU entities		
Increase/(decrease) in Other Long term liabilities	0,00	0,00
Increase/(decrease) in Accounts payable	57.974.615,72	24.709.601,73
Increase/(decrease) in Liabilities related to consolidated EU entities	-1.785,00	-1.297,05
Net cash Flow from operating activities	-74.782.741,67	-37.827.569,18
Cash Flows from investing activities		
Increase of tangible and intangible fixed assets (-)	-642.768,34	-28.440,09
Proceeds from tangible and intangible fixed assets (+)		
Net cash flow from investing activities	-642.768,34	-28.440,09
Cash flow from financial activities		
Contribution from owners	20.125.484,35	26.936.300,00
Net Cash Flow from financial activities	20.125.484,35	26.936.300,00
Net increase/(decrease) in cash and cash equivalents	-55.300.025,66	-10.919.709,27
Cash and cash equivalents at the beginning of the period	70.731.066,75	81.650.776,02
Cash and cash equivalents at the end of the period	15.431.041,09	70.731.066,75

1.4 Statement of changes in Net Assets

Net assets	Reserves		Accumulated Surplus / Deficit	Members' contribution used during the year	Net assets (total)
	Fair value reserve	Other reserves			
Balance as of 31 December 2010	Fair value reserve	Other reserves	108.132.290,70	-27.763.349,02	80.368.941,68
Balance as of 1 January 2011	0,00	0,00	108.132.290,65	-27.763.349,02	80.368.941,63
Cash Contribution from members			20.125.484,35		20.125.484,35
Allocation of the Economic Result of Previous Years			-27.763.349,02	27.763.349,02	0,00
Economic result of the year				-77.507.854,06	-77.507.854,06
Balance as of 31 December 2011	0,00	0,00	100.494.425,98	-77.507.854,06	22.986.571,92

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 Implementation 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)
Intangible fixed assets	
Software for personal computers and servers	25%
Tangible fixed assets	
Land	0%
Buildings	4%
Plant and equipment	
Lifting and mechanical handling equipment for public works, prospecting and mining	12,5%
Control and transmission devices, motors, compression, vacuum and pumping equipment	12,5%
Equipment for the supply and treatment of electric power	12,5%, 25%
Specific electric equipment	25%
Furniture and vehicles	
Office, laboratory and workshop furniture	10%
Electrical office equipment, printing and mailing equipment	25%
Print shop and post room equipment	12,5%
Equipment and decorations for garden, kitchen, canteen, restaurant, crèche and school	12,5%
Motorised outdoor equipment	25%
Furniture for restaurant/cafeteria/bar area	10%, 12,5%
Cash registers and card acceptor devices	25%
Antiques, artistic works, collectors' items	0%
Transport equipment (vehicles and accessories)	25%
Computer hardware	
Computers, servers, accessories, data transfer equipment, printers, screens	25%
Copying equipment, digitising and scanning equipment	25%
Other fixtures and fittings	
Telecommunications equipment	25%
Audiovisual equipment	25%
Computer, scientific and general books, documentation	
Computer books, CDs, DVDs	33%
Scientific books, general books, CDs, DVDs	25%
Health, safety and protective equipment, medical equipment,	12,5%

➤ **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. They will be consolidated in the books of the European Union by using "Equity method". This view is also evidenced by the Commission decision SEC (2007) 607/2 and confirmed by EC accounting rule nr 1.

➤ **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 2011

3.1 Non-current assets

Total of non-current assets amounted to 88.993.954,34 EUR in year 2011. The main part consists of long term pre-financing paid in favour of beneficiaries of grants in 2010 and 2011.

a) Intangible fixed assets

Computer software for a gross amount of 342.232,11 EUR 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, and the donation named “Submission tool” from EFPIA.

2011		Other Computer Software	Total Computer Software	Other Intangible fixed assets (1)	Total
Gross carrying amounts 01.01.2011	+		0,00	0,00	0,00
Additions	+	137.331,73	137.331,73	204.900,38	342.232,11
Disposals	-		0,00		0,00
Transfer between headings	+/-		0,00		0,00
Other changes (2)	+/-		0,00		0,00
Gross carrying amounts 31.12.2011		137.331,73	137.331,73	204.900,38	342.232,11
Accumulated amortization and impairment 01.01.2011	-		0,00		0,00
Amortization	-	-34.332,93	-34.332,93	-51.225,10	-85.558,03
Write-back of amortization	+		0,00		0,00
Disposals	+		0,00		0,00
Impairment (2)	-		0,00		0,00
Write-back of impairment	+		0,00		0,00
Transfer between headings	+/-		0,00		0,00
Other changes (2)	+/-		0,00		0,00
Accumulated amortization and impairment 31.12.2011		-34.332,93	-34.332,93	-51.225,10	-85.558,03
Net carrying amounts 31.12.2011		102.998,80	102.998,80	153.675,28	256.674,08

(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. In addition, development costs related to this application incurred in 2011 amounted to 67.822,33 EUR and are booked as expenses.

b) Tangible fixed assets

- Computer hardware which gross value amounted to 123.702,17 EUR consists of laptops and printers used by staff members;
- Office furniture is bought for 205.274,10 EUR as IMI JU moved to new premises on January 2011.

2011		Computer hardware	Furniture and vehicles	Total
Gross carrying amounts 01.01.2010	+	28.440,09		28.440,09
Additions	+	95.262,08	205.274,10	300.536,18
Other changes (1)	+/-			0,00
Gross carrying amounts 31.12.2011		123.702,17	205.274,10	328.976,27
Accumulated amortization and impairment 01.01.2010	-			0,00
Depreciation	-	-6.938,02		-6.938,02
Write-back of depreciation	+			0,00
Accumulated amortization and impairment 31.12.2011		-37.863,57	-24.775,72	-62.639,29
Net carrying amounts 31.12.2011		85.838,60	180.498,38	266.336,98

c) Long-term pre-financing

Pre-financings are classified as long term, due to the duration of IMI JU projects.

As of end 2011, IMI JU has awarded a total pre-financing amount of 88.470.943,28 EUR to 28 long-term projects. The details can be listed 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

3.2 Current Assets

a) Short-term receivables

As of 31st December 2011, short-term receivables are mainly constituted of:

- cash contribution from EFPIA for 1.660.162 EUR not yet received,
- receivable from other JU for 2.906,72 EUR,
- bank interest income for 94.579,09 EUR, related to 4th quarter 2011, cashed in January 2012,
- and miscellaneous advances to staff members.

b) Cash

IMI JU ended year 2011 with a cash at bank of 15.431.041,09 EUR, including bank interest of the 3 first quarters 2011.

3.3 Net Assets

A net asset of -22.986.571,92 EUR is booked in year 2011, as the difference between the total of contributions from founding members and the total of cumulated contributions that IMI used for activities during years 2009, 2010 and 2011.

The cumulated cash contribution received from its members amounts to 128.879.681,75 EUR:

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
Total	10.612.078,85	113.769.813,00	4.497.789,90	128.879.681,75

The European Commission has 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.

3.4 Current liabilities

a) Accounts payables

Accounts payables of IMI JU as of Dec 2011 amounted to 99.373,76 EUR including 102.315,29 EUR as payables to suppliers, a fund returned of 638,59 EUR and a cost claim from an expert for 3.580,12 EUR which was being validated.

b) Other accounts payables and contingent liabilities

Taxes, salaries and social security

All debts regarding salaries and social security are settled as of end December 2011, excepted a minor amount of 15,70 EUR related to contribution of IMI JU to nursery costs.

Accrued charges

A total amount of 83.100.529,41 EUR is booked as accrual charges:

- 386.812,95 EUR booked as accrual for administrative charges relating to services and goods delivered by vendors, expert reimbursements, and missions’ fees of staff during year 2011 but not yet settled in the same year. Included in this amount, the total number of vacation days not yet been 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, following the decision of the Council, etc...

Administrative charges accrual 2011	Amount
Salary indexation 1,7%	23.942,12
Untaken holidays in 2011	55.061,56
Human resources expenses	9.453,91
Investments in IT not yet booked	19.027,22
Communication & Publication	121.743,45
Experts costs	68.064,97
Missions fees	17.601,23
IT expenses	71.918,49
TOTAL:	386.812,95

- 52.755.564,11 EUR as estimated “in-kind” contribution from EFPIA members. This amount is based on value declared (but not yet validated by IMI JU) and a pro-rata calculation on the number of remaining months between the end of the respective reporting periods and the end of 2011.

IMI JU ANNUAL ACCOUNTS 2011 – Corrigendum 17 September 2012

	Projects	Start date of the Project	End of Reporting period	Duration in months	Accrued months in 2011	Total in-kind	ACTUAL			ACCRUAL
							EFPIA in kind DECLARED not yet validated Actual P1	EFPIA in kind DECLARED not yet validated Actual P2	EFPIA in kind DECLARED not yet validated Actual P1+P2	Estimated claim
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (6) + (7)	(9) = 5 / 3 * 4
Call 1 Projects										
1	EMTRAIN	1/10/2009	30/09/2011	84	3	3.722.663,00	260.852,47	498.175,00	759.027,47	132.952,25
2	e-Tox	1/01/2010	31/12/2011	60		6.997.915,00	992.985,33	1.145.744,34	2.138.729,67	
3	EU2P	1/09/2009	31/08/2011	60	4	3.791.161,00	257.896,73	645.668,00	903.564,73	252.744,07
4	EUROPAIN	1/10/2009	30/09/2011	60	3	11.513.835,00	1.974.255,37	2.376.240,31	4.350.495,68	575.691,75
5	IMIDIA	1/02/2010	31/01/2012	60	-1	15.081.800,00	1.945.167,80	2.734.405,87	4.679.573,67	- 251.363,33
6	MARCAR	1/01/2010	31/12/2011	60		5.155.604,00	1.228.110,75	1.051.839,05	2.279.949,80	
7	NEWMEDS	1/09/2009	31/08/2011	60	4	13.196.110,00	1.359.239,31	2.458.984,42	3.818.223,73	879.740,67
8	PHARMA-	1/01/2010	31/12/2011	60		10.187.989,00	1.638.885,21	3.484.398,11	5.123.283,32	
9	PHARMA	1/05/2009	30/04/2011	60	8	3.143.288,00	356.628,83	542.149,23	898.778,06	419.105,07
10	PROactive	1/09/2009	31/08/2011	60	4	8.225.389,00	545.949,11	907.768,00	1.453.717,11	548.359,27
11	PROTECT	1/09/2009	31/08/2011	60	4	9.984.735,00	734.699,57	1.351.003,28	2.085.702,85	665.649,00
12	SAFE T	15/06/2009	31/07/2011	60	5	17.855.120,00	1.607.201,56	1.755.510,13	3.362.711,69	1.487.926,67
13	SafeSciME	1/01/2010	31/12/2011	60		3.391.459,00	721.667,25	469.241,64	1.190.908,89	
14	SUMMIT	1/11/2009	31/10/2011	60	2	9.992.200,00	2.323.426,94	1.897.995,30	4.221.422,24	333.073,33
15	U-BIOPRE	1/10/2009	30/09/2011	60	3	10.374.199,00	1.581.987,00	2.144.347,12	3.726.334,12	518.709,95
							17.528.953,23	23.463.469,80	40.992.423,03	5.562.588,68
Call 2 Projects										
16	BTCURE	1/04/2011	31/12/2011	60		15.627.031,00	688.555,32		688.555,32	
17	DDmore	1/03/2011	31/12/2011	60		9.820.120,00	974.954,91		974.954,91	
18	EHR4CR	1/03/2011	31/12/2011	48		7.042.616,00	1.138.122,26		1.138.122,26	
19	OncoTrack	1/01/2011	31/12/2011	60		9.726.557,00	1.186.995,33		1.186.995,33	
20	Open PHA	1/03/2011	31/12/2011	36		4.142.649,00	563.248,02		563.248,02	
21	PREDECT	1/02/2011	31/12/2011	60		7.066.607,00	893.782,66		893.782,66	
22	Quic-Cond	1/09/2011	31/07/2012	60	4	6.788.606,00			-	452.573,73
23	RAPP-ID	1/04/2011	31/12/2011	60		5.848.470,00	302.320,16		302.320,16	
							5.747.978,66		5.747.978,66	452.573,73
TOTAL										
									46.740.401,69	6.015.162,42
										52.755.564,11

- 29.958.152,35 EUR as accrual for cost claims related to year 2011.

		Total duration		Months in 2011	Accrued months in 2011	Period Start	Period End	CLAIMS PAID			IMI JU total contribution EUR	Claims received in 2012	Accrual Estimated claim
		months	years					2010	2011 Q1-Q2-Q3	2011 Q4			
		(a)		(b)				(c)	(d) = (c) \times (a) \times (b)				
CALL1													
1	PHARMA TRAIN	60	5	4	8	01/05/2010	30/04/2011	534.382,00		797.594,61	3.510.300,00		468.040,00
2	SAFE-T PERIOD 1 -2	60	5	7	5	15/06/2010	31/07/2011		507.645,64	2.811.209,37	13.901.971,00		1.158.497,58
3	EU2P	60	5	8	4	01/09/2010	31/08/2011		710.808,20		3.479.725,00	952.791,40	231.981,67
4	NEWMEDS	60	5	8	4	01/09/2010	31/08/2011		1.397.846,76		8.211.206,00	1.624.138,16	547.413,73
5	PROACTIVE	60	5	8	4	01/09/2010	31/08/2011		927.212,05		6.767.597,00	907.912,78	451.173,13
6	PROTECT	60	5	8	4	01/09/2010	31/08/2011		1.092.623,49		11.009.715,00	1.521.154,46	733.981,00
7	EMTRAIN	84	7	9	3	01/10/2010	30/09/2011		255.880,57		4.000.000,00	684.422,10	142.857,14
8	U-BIOPRED	60	5	9	3	01/10/2010	30/09/2011		494.383,36		8.976.474,00	1.278.129,20	448.823,70
9	EUROPAIN	60	5	9	3	01/10/2010	30/09/2011		669.962,87		5.999.344,00	1.211.924,79	299.967,20
10	SUMMIT	60	5	10	2	01/11/2010	31/10/2011		1.483.855,67		13.999.979,00	2.303.716,38	466.665,97
11	E-TOX	60	5		0	01/01/2011	31/12/2011		666.326,58		4.737.991,00	1.172.458,27	
12	MARCAR	60	5		0	01/01/2011	31/12/2011		811.784,45		6.049.578,00	1.241.445,75	
13	PHARMA-COG	60	5		0	01/01/2011	31/12/2011		1.106.756,26		9.658.388,00	1.921.641,22	
14	SAFESCI MET	60	5		0	01/01/2011	31/12/2011		452.805,72		2.216.405,00	596.237,99	
15	IMIDIA	60	5		-1	01/02/2011	31/01/2012		1.026.470,23		7.074.760,00	1.622.347,87	-117.912,67
								534.382,00	11.604.361,85	3.608.803,98	109.593.433,00	17.038.320,37	4.831.488,46
								TOTAL ACCRUAL CALL 1 :					21.869.808,83
CALL2													
16	PREDECT	60	5	11	0	01/02/2011	31/12/2011				8.100.509,00	1.050.757,65	
17	ONCOTRACK	60	5	11	0	01/01/2011	31/12/2011				16.050.282,00	1.183.901,72	
18	QUIC-CONCEPT	60	5		4	01/09/2011	31/07/2012				7.000.000,00		466.666,67
19	RAPP-ID	60	5	9	0	01/04/2011	31/12/2011				6.828.438,00	663.006,36	
20	BT-CURE	60	5	9	0	01/04/2011	31/12/2011				16.137.872,00	1.055.105,31	
21	DDMORE	60	5	10	0	01/03/2011	31/12/2011				9.615.058,00	1.045.180,95	
22	OPEN PHACTS	36	3	10	0	01/03/2011	31/12/2011				9.988.867,00	1.725.815,06	
23	EHR4CR	48	4	10	0	01/03/2011	31/12/2011				7.019.046,00	897.909,80	
											80.740.072,00	7.621.676,85	466.666,67
								TOTAL ACCRUAL CALL 2 :					8.088.343,52
								TOTAL ACCRUAL 2011					29.958.152,35

It should be noted that as contingent liabilities, a total amount of 164.982.064,89 EUR is estimated as long-term liabilities, difference between total IMI JU contribution for 28 projects until their achievement and total amounts paid until 31 December 2011 (Pre-financing and cost claims).

	PROJECT NAME	Managing entity	CALL	Contract amount (in EUR)	Prefinancing	Cost claims	Liabilities
1	EMTRAIN	Medizinische Universitaet Wien, MUW	1	4.000.000,00	914.285,71	255.880,57	2.829.833,72
2	E-TOX	Fundació IMIM Carlos Diaz	1	4.737.991,00	1.516.157,12	666.326,58	2.555.507,30
3	EU2P	Université Victor Segalen Bordeaux 2, UB2	1	3.479.725,00	1.113.512,00	710.808,20	1.655.404,80
4	EUROPAIN	Kings College London, KCL	1	5.999.344,00	1.919.790,08	669.962,87	3.409.591,05
5	IMIDIA	UNIL-Université de Lausanne	1	7.074.760,00	2.263.923,20	1.026.470,23	3.784.366,57
6	MARCAR	UNIVERSITY OF DUNDEE	1	6.049.578,00	1.935.864,96	811.784,45	3.301.928,59
7	NEWMEDS	King's College London, KCL	1	8.211.206,00	2.627.585,92	1.397.846,76	4.185.773,32
8	Pharma Train	Universitaet Basel, UNIBAS,	1	3.510.300,00	1.123.296,00	797.594,61	1.589.409,39
9	PHARMA-COG	Université de la Méditerranée – Aix- Marseille IIPr,	1	9.658.388,00	3.090.683,16	1.106.756,26	5.460.948,58
10	PROactive	Katholieke Universiteit Leuven, KUL	1	6.767.597,00	2.165.631,04	1.461.594,05	3.140.371,91
11	PROTECT	DKMA-Danish Medicines Agency	1	11.009.715,00	3.523.108,80	1.092.623,49	6.393.982,71
12	SafeSciMET	VUA-Vrije Universiteit Amsterdam	1	2.216.405,00	709.249,60	452.805,72	1.054.349,68
13	SAFE-T	NMI Natural and Medical Sciences Institute	1	13.901.971,00	4.448.630,72	3.318.855,01	6.134.485,27
14	SUMMIT	Lunds Universitet, ULUND	1	13.999.979,00	4.479.993,28	1.483.855,67	8.036.130,05
15	U-BIOPRED	AMC	1	8.976.474,00	2.872.471,68	494.383,36	5.609.618,96
16	BTCURE	Karolinska Institutet	2	16.137.872,00	5.164.119,04		10.973.752,96
17	DDmore	Uppsala University	2	9.615.058,00	3.076.818,56		6.538.239,44
18	EHR4CR	EuroRec	2	7.019.046,00	2.807.618,40		4.211.427,60
19	OncoTrack	Max-Planck Institute	2	16.050.282,00	5.136.090,24		10.914.191,76
20	Open PHACTS	University of Wien	2	9.988.867,00	5.327.395,73		4.661.471,27
21	PREDECT	University of Helsinki (Ineum)	2	8.100.509,00	2.592.162,88		5.508.346,12
22	Quic-Concept	EORTC, Belgium	2	7.000.000,00	2.240.000,00		4.760.000,00
23	RAPP-ID	University of Antwerp, Belgium	2	6.828.438,00	2.185.100,16		4.643.337,84
24	BIOVACSAFE	St- George's Hospital Medical School, UK	3	17.425.666,00	5.576.213,00		11.849.453,00
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	EUPATI	European Patients' Forum	3	5.250.000,00	1.680.000,00		3.570.000,00
28	MIP DILI	University of Liverpool, UK	3	15.335.538,00	4.907.372,00		10.428.166,00
TOTAL:				269.200.556,00	88.470.943,28	15.747.547,83	164.982.064,89

3.5 Economic Outturn account

IMI JU ended the year 2011 with an accounting result of -77.507.854.06 EUR.

a) Administrative expenses

Administrative expenses amounted to 5.201.608,12 EUR comprised mainly of staff salary expenses (2.729.603,77 EUR), experts reimbursement (596.303,73 EUR), renting fees (331.907,60 EUR) and other administrative expenses (1.402.533,72 EUR).

An amount of 141.259,30 EUR is also booked as depreciation of assets newly invested in 2011.

In 2011 there were two key management personnel in the IMI JU, the Executive Director and the Head of Administration and Finance (since October 2011). 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, AD14/2 (AD14/3 since September 2011) for the Executive Director and AD12/2 for the Head of Administration and Finance.

During year 2011, the number of staff members increased from 22 to 32 individuals.

Category and grade	Posts actually filled at 31.12.2010	Posts filled in by external publication in 2011	Departures 2011	Posts actually filled at 31.12.2011
AD 14	1	0	0	1
AD 12	0	1	0	1
AD 11	4	0	0	4
AD 9	0	2	0	2
AD 8	8	4	1	11
AD 7	0	1	0	1
Total AD	13	8	1	20
AST 8	1	0	0	1
AST 3	4	2	1	5
Total AST	5	2	1	6
Total TA	18	10	2	26
FG IV	1	2	1	2
FG III	2	1	0	3
FG II	1	0	0	1
Total CA	4	3	1	6
TOTAL	22	13	3	32

b) Operational expenses

Operational expenses amounted to 73.140.150,29 EUR of which:

- 34.545.033,18 EUR represent the total of cost claims: 15.213.165,83 EUR paid in year 2011, 29.958.152,35 EUR as accrual, and -10.626.285 EUR for the reversal of accrual 2010.

It should be noted that the first ex-post audits launched in November 2011 are not yet concluded and any amount 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) a verification that the debt exists;
- b) the determination or verification of the reality and the amount of the debt; and
- c) the verification of the conditions in which the debt is due.

The necessary adjustments to operational expenditure of 2011 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 final audit reports are received from the contracted external audit firm.

- 38.595.117,11 EUR as in-kind contribution from companies that are EFPIA members (total estimated of 52.755.564,11 EUR minus reversed accrual 2010 for 14.160.447 EUR).

c) Other Administrative expenses

Included in the total amount of 1.402.533,72 EUR, are:

- 606.814,98 EUR 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.
- 339.976,13 EUR for the organisation of the evaluations for the calls as well as external meetings.
- 159.000,99 EUR related to external communication expenses.

d) Miscellaneous and financial income

Cash at bank has generated in 2011 a bank interest income of 525.839,39 EUR, including an amount of 94.579,09 EUR received in January 2012, which is booked as "accrual income".

Grants pre-financings have generated interest income for 19.285,68 EUR and IMI JU received as reimbursements from other JUs a total amount of 85.065,89 EUR for expenses regarding using of S-TESTA and other facilities.

3.6 Cash flow

IMI JU started year 2011 with a cash of 70.731.612,03 (included -545,28EUR that was “cash in transit” as of end 2010) and has an end cash balance of 15.431.041,09 EUR, a decrease of cash in bank of 55.300.025,66 EUR 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,
- contribution from owners for 20.125.484,35 EUR.

These movements prove the boost in activities of the Joint Undertaking during year 2011, comparing with 2010 and reflected in the changes in Net Assets of the year.

Reconciliation of the accrual based result with the budget result

2011	sign +/-	amount
Economic result (- for loss)	+/-	-77.507.854,06
<i>Ajustment 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)	-	-25.173.534,10
Adjustments for Accrual Cut-off (cut- off 31.12.N)	+	83.081.502,19
Unpaid invoices at year end but booked in charges (class 6)	+	46.222,52
Depreciation of intangible and tangible fixed assets (1)	+	141.259,30
Adjustment on Assets (GL 49275 ==> GL 61)		7.145,42
Donation received as assets evaluated at fair value	-	-204.900,38
Bank fees	+	15,00
Exceptional loss	+	2,35
Exchange rate differences (2) (3)	+/-	500,39
<i>Ajustment for budgetary items (item included in the budgetary result but not in the economic result)</i>		
Asset acquisitions (less unpaid amounts)	-	-376.221,99
New pre-financing paid in the year 2010 and remaining open as at 31.12.2010	-	-53.766.760,01
Contribution from Owners	+	20.125.484,35
Payment invoice 2010	-	-664,33
Funds returned	+/-	-5.914,43
Payment appropriations carried over to 2012	-	-13.526.846,00
Cancellation of unused appropriations	+	375.357,00
total		-66.785.206,78
Budgetary result (+ for surplus)		-66.785.206,78
Delta not explained		0,00

4 REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT - FINANCIAL YEAR 2011, ACCOMPANYING THE IMI JU'S ACCOUNTS (ART. 111 OF IMI JU'S FR)

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

The IMI JU used the following software during 2011:

- ABAC – budgetary accounting system,
- SAP R/3 – accounting system and execution of payments,
- DATAWAREHOUSE – a financial reporting tool with the support of DB BUDG,
- ALTRAN – Submission tool for applicants to IMI JU's grants (migrated to SOFIA – Submission OF Information Application – in December 2011).

These information systems allow efficient management of the appropriations allocated to the IMI JU and respect the principles of the financial rules.

The “four eyes” principle has been applied for each financial transaction.

4.3 Budget

The IMI JU budget 2011 was approved by the Governing Board on 4th April 2011. From January 2011 the IMI JU was carrying out the budgetary activities following the principle of provisional twelfths according to Article 14.1 of the IMI Financial Rules. In addition, the Governing Board agreed on 28th January 2011 to use two additional provisional twelfths to cover commitments related to the first stage evaluation of call 3, mainly those related to Chapter 29 – Expert contracts and meetings.

The budget of the IMI JU is divided in three titles.

- Title I covers staff expenditure such as salaries, training, costs associated to recruitment procedures and staff well-being.
- Title II covers the costs associated to the functioning of the 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.

There were no amendments to the budget in 2011.

4.4 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 contract to reduce administrative burden created by proprietary contract management.

In 2011, two of the major framework contracts were carried out jointly with other JUs:

- Multiple framework contracts in the field of financial audits, other assurance engagements and related services (this tender has been launched in 2010 and finalised in 2011)
- Framework contract in the field of interim services

In addition, IMI JU signed framework contract for the provision of meeting services for the IMI JU call evaluations.

4.5 Revenue

For 2011, the budget of EUR 285.379.570 in commitment appropriation and the budget of EUR 88.898.250 in payment appropriation was approved by the IMI JU Governing Board.

IMI JU's revenue for the year was 20.651.323,74 EUR:

Source of revenue	2011 (in EUR)	2010 (in EUR)
Subsidy from European Commission	18.465.322,35	24.809.840
Subsidy from EFPIA	*1.660.162,00	2.126.460
Bank interest	525.839,39	601.515,31
TOTAL	20.651.323,74	27.537.815,31

*Payment from EFPIA was requested at the end of 2011 with due date in January 2012 (not cashed in 2011)

4.6 Expenditure

4.6.1 TITLE I

4.6.1.1 Chapter 11 – Staff in active employment

2011			2010		
Budget	Commitments	Payments	Budget	Commitments	Payments
3.437.000	2.702.529	2.702.529	3.805.140	1.871.677	1.868.177
	78,63%	78,63%		49,19%	49,10%

By the end of 2011, the IMI JU employed 32 staff members, 26 Temporary Agents and 6 Contractual Agents. Within this chapter, expenditure related to staff such as insurance, pension, taxes and allowances is included.

Voted budget for Chapter 11 was 3.492.000. It was decreased by EUR 55.000 which was transferred to Chapter 14.

4.6.1.2 Chapter 12 – Miscellaneous expenditure on staff recruitment and transfer

2011			2010		
Budget	Commitments	Payments	Budget	Commitments	Payments
60.000	54.874	54.629	144.000	17.196	15.196
	91,46%	91,05%		11,94%	10,55%

Several recruitments have been conducted during 2011 in order to achieve a target of 31 staff members as well as to replace personnel on vacant posts following resignation of 3 staff members. Following new posts have been filled in 2011: two Scientific Project Managers, Financial Manager, HR Officer, Communication Manager, Finance & Procurement Officer, Head of Administration & Finance and Legal Manager. 1 contractual agent has been recruited in addition to original staff planning in order to replace a staff member during her maternity leave.

An income from one of the applicants (EUR 244,80) has been deducted from the payment execution.

4.6.1.3 Chapter 13 – Missions and duty travel

2011			2010		
Budget	Commitments	Payments	Budget	Commitments	Payments
250.000	141.567	99.619	101.260	56.260	35.227
	56,63%	39,85%		55,56%	34,79%

Chapter 13 covers the costs incurred by the IMI JU staff for missions carried out during 2011 (daily allowances and travel costs). In total, there were 127 administrative missions in 2011. The claims were first forwarded to PMO for calculation and control and then reimbursed by the IMI JU.

4.6.1.4 Chapter 14 – Socio-medical structure

2011			2010		
Budget	Commitments	Payments	Budget	Commitments	Payments
243.000	185.996	148.106	60.756	20.000	0
	76,54%	60,95%		32,92%	0%

Chapter 14 covers payments related to the annual medical service, staff training as well as interim services. The IMI JU has signed service level agreements (SLAs) with DG HR for annual medical visits and for training courses.

Voted budget for Chapter 14 was EUR 188.000. It was increased by EUR 55.000, transferred from Chapter 11.

4.6.1.5 Chapter 17 – Entertainment and representation expenses

2011			2010		
Budget	Commitments	Payments	Budget	Commitments	Payments
20.000	7.496	6.826	20.252	1.754	754
	37,48%	34,13%		8,66%	3,72%

Chapter 17 contains entertainment and representation costs of the IMI JU. Representation costs linked to evaluation or formal meetings are not included in this chapter.

4.6.2 TITLE II**4.6.2.1 Chapter 20 – Rental of buildings and associated costs**

2011			2010		
Budget	Commitments	Payments	Budget	Commitments	Payments
710.000	365.748	344.783	911.340	504.715	112.281
	51,51%	48,56%		55,38%	12,32 %

Chapter 20 covers costs related to renting of the IMI JU's premises in White Atrium, including all the charges.

4.6.2.2 Chapter 21 – Information Technology purchases

2011			2010		
Budget	Commitments	Payments	Budget	Commitments	Payments
576.620	508.798	342.223	664.806	561.964	42.133
	88,24%	59,35%		84,83%	6,34 %

Chapter 21 covers the expenses related to the purchase and maintenance of IT data processing equipment and software. This Chapter also includes costs related to ABAC which is not operational without secured connection sTESTA. The IMI JU is contractually responsible for sTESTA, the costs are shared with four other JUs. Payments received from other JUs (EUR 37.987,87) have been deducted from the payment execution.

Voted budget for Chapter 21 was EUR 550.000. It was increased by EUR 26.120, transferred from Chapter 26, and by EUR 500, transferred from Chapter 23.

4.6.2.3 Chapter 22 – Movable property (office equipment)

2011			2010		
Budget	Commitments	Payments	Budget	Commitments	Payments
250.000	11.207	5.052	101.260	6.917	1.957
	4,48%	2,02%		6,83%	1,93%

Chapter 22 covers renting of copiers and their repair and maintenance. Costs under this chapter were shared with other JUs. Payments received from other JUs (EUR 5.110,40) have been deducted from the payment execution.

4.6.2.4 Chapter 23 – Current administrative expenditure

2011			2010		
Budget	Commitments	Payments	Budget	Commitments	Payments
149.500	75.764	48.934	159.319	84.733	5.883
	50,68%	32,73%		53,18%	3,69%

Chapter 23 covers stationery and office supplies, purchase of books, subscription to magazines and translation services. Office supplies and stationery are mostly ordered through an SLA with OIB and will be invoiced in 2012.

Voted budget for Chapter 23 was EUR 150.000. It was decreased by EUR 500 which was transferred to Chapter 21.

4.6.2.5 Chapter 24 – Postal expenses and Telecommunications

2011			2010		
Budget	Commitments	Payments	Budget	Commitments	Payments
185.000	29.160	869	81.008	53.818	422
	15,76%	0,47%		66,44%	0,52%

Chapter 24 is related to postal costs, DHL and telecommunication costs. Some telecommunications costs are shared with other JUs. Payments from other JUs and reimbursement of private calls by staff members (EUR 15.196,28) have been deducted from the payment execution.

4.6.2.6 Chapter 25 – Expenditures on formal meetings

2011			2010		
Budget	Commitments	Payments	Budget	Commitments	Payments
230.000	55.723	39.966	364.536	54.536	45.951
	24,23%	17,38%		14,96%	12,61%

Chapter 25 covers formal meetings and expenses for experts invited to formal meetings organised by the IMI JU (if entitled to reimbursement). Formal meetings include meetings of the Governing Board, the Scientific Committee and the State Representative Group (SRG). The low budget execution is due to meetings being held in the IMI JU office.

4.6.2.7 Chapter 26 – Expenditure in connection with operational activities

2011			2010		
Budget	Commitments	Payments	Budget	Commitments	Payments
1.041.360	105.175	78.591	948.303	108.036	97.191
	10,10%	7,55%		11,39%	10,25%

Chapter 26 covers running costs in connection with operational activities of the IMI JU, i.e. costs related to organising workshops, interim reviews, meetings and events targeting IMI JU projects.

Voted budget for Chapter 26 was EUR 1.067.480. It was decreased by EUR 26.120 which was transferred to Chapter 21.

4.6.2.8 Chapter 27 – Information and External Communication

2011			2010		
Budget	Commitments	Payments	Budget	Commitments	Payments
956.480	198.737	122.888	506.300	306.126	246.786
	20,78%	12,85%		60,46%	48,74%

Chapter 27 covers communication activities, namely IMI JU Stakeholder forum, Open Information Day and other external communication activities.

4.6.2.9 Chapter 28 – Studies

2011			2010		
Budget	Commitments	Payments	Budget	Commitments	Payments
600.000	370.790	0	30.000	30.000	24.000
	61,80%	0%		100%	80%

Chapter 28 is intended to cover costs of ex-post audits. The IMI JU signed framework contract with 3 external audit companies to carry out ex-post audits on behalf of the IMI JU. Specific contracts have been signed during second half of 2011. Payments will be executed in 2012.

4.6.2.10 Chapter 29 – Evaluation costs and expert contracts

2011			2010		
Budget	Commitments	Payments	Budget	Commitments	Payments
710.000	474.482	448.305	607.560	471.611	320.638
	66,83%	63,14%		77,62%	52,77%

Chapter 29 covers experts' contracts and evaluation costs. Evaluations related to Call 3 and Call 4 have been held during 2011.

4.6.3 TITLE III**4.6.3.1 Chapter 30 – Operational activities – Research agenda (differentiated budget lines)**

Commitment appropriation 2011		Commitment appropriation 2010	
Budget	Consumed	Budget	Consumed
159.098.520	105.000.000	98.644.744	0%
	66%		0%

A commitment of EUR 105.000.000 has been made following the Governing Board decision on results of stage 1 evaluations of Call 4 projects.

Payment appropriation 2011		Payment appropriation 2010	
Budget	Consumed	Budget	Consumed
14.972.613*	14.972.613	20.504.000	20.504.000
	100%		100%

*The payment appropriation includes budgeted bank interest of EUR 350.000.

Chapter 30 covers all the expenses linked to the Research Agenda of IMI JU. In 2011, intermediate payments for Call 1 projects have been made as well as pre-financing for projects of Call 2 and for five projects of Call 3.

The payment appropriation of 2011 (C1) was used first. When fully consumed, the funds carried over from previous years (C2) were used for payments.

Carried-over from 2010 on C2 of current financial year

Commitment Appropriations			
Budget	Commitments	Comments	Cancelled appropriation
116.862.090	112.250.000	Call 3	2.433.841*
	96,05%		
Payment Appropriations			
Budget	Payments	Comments	
64.506.677	54.007.313	Interim payments Call 1, Pre-financing Call 2 and some of the Call 3 projects.	
	83,72%		

* A global commitment for Call 3 was made at the beginning of 2011 in amount reserved for Call 3 of EUR 114.683.841. Following the governing board decision on the result of first stage of Call 3 evaluations a de-commitment of EUR 2.433.841 was made leaving the commitment for Call 3 to be EUR 112.250.000. The cancelled appropriation of 2.433.841 will be re-entered in the budget following Article 11 of IMI Financial rules.

4.7 TABLES

4.7.1 Budget outturn account

	2011	2010**
Revenue	EUR	EUR
Commission subsidy DG RTD	18.465.322	24.809.840
EFPIA subsidy for running costs (not cashed in 2011)	1.660.162	2.126.460
Bank interest	525.839	601.515
Interest on pre-financing	19.286	
Total revenue (a)	20.670.609	27.537.815
Expenditure	EUR	EUR
Personnel expenses – Title I	<u>3.032.742</u>	<u>1.919.353</u>
<i>Payments on current year appropriations (C1)</i>	3.011.709	1.919.353
<i>Payments on previous year appropriations (C8)</i>	21.033	0
Administrative expenses – Title II	<u>2.291.659</u>	<u>1.227.055</u>
<i>Payments on current year appropriations (C1)</i>	1.431.611	897.242
<i>Payments on previous year appropriations (C8)</i>	860.048	329.813
Operational expenses – Title III	<u>68.979.926</u>	<u>35.242.038</u>
<i>Payments on current year appropriations (C1)</i>	14.972.613	20.504.000
<i>Payments on previous year appropriations (C2)</i>	54.007.313	14.738.038
Total expenditure (b)	74.304.327	38.388.446
Outturn for the financial year (a-b)	-53.633.718	-10.850.631
Cancellation of unused appropriations	(+) 375.357	(+) 421.201
Appropriations carried over (Title I and II)	(-) 2.851.643	(-) 3.461.214
Appropriations carried over (Title III)	(-) 10.675.203	(-) 64.506.677
Balance of the outturn account for the financial year	-66.785.207	-78.397.321

*Bank interest includes amount for the last quarter of 2011 credited to IMI JU bank account in January 2012.

**The Budget Outturn Account in Annual Accounts 2010 did not include bank interest and appropriations carried over. For comparison purposes the bank interest of 2010 and appropriations carried over to 2011 are included in this table.

4.7.2 Budgetary transfers

No budget transfer between Titles has been done during 2011.

Thirteen budget transfers were authorised in 2011. Nine of them were transfers within different budget lines of the same Chapter without an impact on voted budget. One budget transfer was made between Chapters of Title I and three budget transfers were made between Chapters of Title II. These transfers led to following changes to voted budget:

Chapter	Voted Budget	Budget transfer	Budget after transfers
Chapter 11	3.492.000	(-) 55.000	3.437.000
Chapter 14	188.000	(+) 55.000	243.000
Chapter 21	550.000	(+) 26.620	576.620
Chapter 23	150.000	(-) 500	149.500
Chapter 26	1.067.480	(-) 26.120	1.041.360

4.7.2.1 Report on C1 Current year

Running costs	Budget – Non Differentiated appropriation (PA equal CA)	Committed	Not used	Paid*	To be carried forward (RAL)	To be carried over to Title 3 C2 (EC)
Title I	4.010.000,00	3.092.462,02	917.537,98	3.011.709,48	80.507,74	458.768,99
Title II	5.408.960,00	2.195.582,76	3.213.377,24	1.431.610,74	705.677,47	1.606.688,62
Total I & II	9.418.960,00	5.288.044,78	4.130.915,22	4.443.320,22	786.185,21	2.065.457,61

*The amount paid has been reduced by the amount of payments from other JUs.

Research Title III	Budget Differentiated appropriation	Committed	Not used	Paid	To be carried forward (RAL)	Carry-over GB decision (Art 10 IMI FR)
Commitments	159.098.520	105.000.000	54.098.520	n/a	0	54.098.520
Payments	14.972.613	n/a	0	14.972.613	n/a	n/a

4.7.2.2 Report on carried forward contractual obligations & on-going projects/calls

	RAL 2010	Paid	RAL 2011	To be cancelled
Title I	21.033,39	21.033,39	n/a	n/a
Title II	1.261.931,72	860.047,78	n/a	375.357,40
Title III Call 1	74.354.867,70	15.213.165,83	59.141.701,87	n/a
Title III Call 2	80.740.072,00	28.529.305,01	52.210.766,99	n/a
Title III Call 3	n/a	25.237.455,00	87.012.545,00	n/a
Title III Call 4	n/a	n/a	105.000.000,00	n/a
TOTAL		69.861.007,01	303.365.013,86	*375.357,40

*Cancelled appropriation will be re-entered in the budget of 2012 based on the Governing Board decision

Payments made on C8 in 2011:

- Title I: payments of missions 2010
- Title II:
 - Chapter 20 – Rent, Furnishing of premises and other expenditure on buildings
 - Chapter 21 – Data processing equipment, software and other expenses (maintenance and repairs)
Payments received from other JUs (EUR 20.148,92) have been deducted from the payment execution.
 - Chapter 22 – Office equipment purchase, rentals, maintenance and repair
 - Chapter 23 – Stationery and office supplies, subscriptions and translation
 - Chapter 24 – Telecommunication expenses
Payments received from other JUs (EUR 6.377,62) have been deducted from the payment execution.
 - Chapter 25 – Expenses on formal meetings
 - Chapter 26 – Costs in relation to operational costs
 - Chapter 27 – Costs related to external communication
 - Chapter 28 – Studies
 - Chapter 29 – Experts’ fees reimbursement

The cancelled appropriation refers to de-commitments done at the end of 2011.

As a result of a common procurement the IMI JU made a few payments on behalf of other joint undertakings. The amounts due to the IMI JU were recovered from other JUs together with the amounts due to the IMI JU by the staff members. At the same time the amounts were deducted manually from the budget execution of the year so these amounts do not have an impact on the EFPIA contribution to the running costs of IMI JU. As a consequence, these amounts are available on the fund source C4 and C5. As they were manually deducted from the budget execution of the year, the amounts available on fund source C4 and C5 will be cancelled.

4.7.2.3 Report on C2

Title	Carried forward appropriation	Paid	Committed	Balance*
Title III Commitment appr.	116.862.090	n/a	112.250.000	4.612.090
Title III Payment appr.	64.506.677	54.007.313	n/a	10.499.364

*The respective balance of commitment appropriation and payment appropriation will be carried over and re-entered in the budget 2012 based on the Governing Board decision.

4.7.2.4 Overview of appropriations carried over to 2012

Title	Commitment appropriation	Payment appropriation	Comment
Title I&II → Title III	2.065.458	n/a	Non-used EU contribution in 2011
Title II → Title III	375.357	n/a	Appropriation cancelled in 2011
Title III	*59.970.746	n/a	Non-consumed appropriation
Title III	n/a	10.499.364	Non-consumed appropriation
Title III	n/a	175.839	Non-consumed bank interest
TOTAL	62.411.561	10.675.203	

*The amount represents a sum of EUR 54.098.520 (not consumed appropriation 2011), EUR 2.433.841 (de-commitment of Call 3), EUR 2.178.249 (carry-over of not consumed appropriation from 2010) and EUR 1.260.136 (cancelled appropriations in 2009 and 2010)

4.8 Financial operations

During the year, the IMI JU handled 1.110 financial files; payments, provisional and individual commitments, recovery orders and management of budget appropriations.

In total, forty three administrative commitments have been transferred to the financial year 2012 out of which five commitments of Title I are to be consumed before the end of March 2012.

Following transactions related to the operational expenditure have been executed in 2011:

a) Call 1

Sixteen intermediate payments were made for Call 1 projects.

b) Call 2

Eight grant agreements of Call 2 projects were signed in the first half of 2011 followed by pre-financing payments.

c) Call 3

Negotiations of five of seven Call 3 projects were finalised by the end of 2011 followed by signature of grant agreements and relevant pre-financing payments. Grant agreements of remaining two projects are foreseen to be signed in the first quarter of 2012.

d) Call 4

A global commitment in amount of EUR 105.000.000 was made following the Governing Board decision on the results of first stage evaluations of Call 4.

4.9 EFPIA contribution to IMI JU running costs

Year	2008	2009	2010	2011	Total
Payments received from EFPIA		711.167,90	2.126.460,00	*1.660.162,00	4.497.789,90
50% of payments executed on C1	171.974,04	397.989,50	1.408.297,53	2.221.660,11	4.199.921,18
50% of payments executed on C8	n/a	n/a	164.906,28	440.540,59	605.446,87
Balance					-307.578,15

*Debit note cashed in 2012

5 ANNEX - BUDGETARY EXECUTION

(attached excel worksheet)