



Annual accounts of the
Innovative Medicines
Initiative Joint Undertaking

Financial year 2017

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CERTIFICATION OF THE ACCOUNTS

The final annual accounts of the Innovative Medicines Initiative Joint Undertaking for the year 2017 have been prepared in accordance with the Financial Regulation of the JU 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 Joint Undertaking in accordance with Article 43 of the Financial Regulation of the JU.

I have obtained from the Authorising Officer, who guaranteed its reliability, all the information necessary for the production of the accounts that show the JU'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 JU in all material aspects.

[signed]

Rosa ALDEA BUSQUETS

Accounting Officer

June 2018

BACKGROUND INFORMATION ON THE IMI JU

The Innovative Medicines Initiative 2 Joint Undertaking (IMI2 JU) is the European public-private partnership (PPP) based in Brussels that works on improving health by speeding up the development of, and patient access to, the next generation of medicines, particularly in areas where there is an unmet medical or social need. It does this by facilitating collaboration between the key players involved in healthcare research, including universities, pharmaceutical companies, other companies active in healthcare research, small and medium-sized enterprises (SMEs), patient organisations, and medicines regulators. This approach has proven highly successful, and IMI projects are delivering exciting results that are helping to advance the development of urgently-needed new treatments in diverse areas.

IMI2 JU was launched in 2008 as a partnership between the European Union (EU), represented by the European Commission¹, and the European pharmaceutical industry, represented by the European Federation of Pharmaceutical Industries and Associations (EFPIA). The partnership was renewed in 2014 with the creation of the IMI 2 programme. IMI2 JU is funded by the members contributing either in cash or in-kind to the administrative and operational costs of the JU.

IMI2 JU ongoing projects focus on specific health issues such as neurological conditions (Alzheimer's disease, schizophrenia, depression, chronic pain, and autism), infectious diseases (including antimicrobial resistance and Ebola), diabetes, lung disease, oncology, inflammation & infection, tuberculosis, and obesity.

Others focus on broader challenges in drug development like drug and vaccine safety, knowledge management, the sustainability of chemical drug production, the use of stem cells for drug discovery, drug behaviour in the body, and the creation of a European platform to discover novel medicines. IMI2 JU also supports education and training projects.

IMI2 JU has a budget of over EUR 5 billion for the period 2008-2024, making it the world's largest PPP in health research. Half of this comes from the EU's research and innovation programmes, the Seventh Framework Programme (FP7) and Horizon 2020. The other half comes from large companies and organisations, mostly EFPIA companies. These do not receive any EU funding, but contribute to the projects 'in kind', for example by investing their researchers' time or providing access to research facilities or resources.

Following Article 22 of the IMI2 JU Financial Rules², the Governing Board of IMI2 JU appoints the Accounting Officer who is, amongst other tasks, responsible for preparation of the annual accounts of the joint undertaking. Following Article 40 of the IMI2 JU Financial Rules the annual accounts shall be prepared in accordance with the accounting rules adopted by the Commission's Accounting Officer (EU Accounting Rules, EAR) that are based on the International Public Sector Accounting Standards (IPSAS). In accordance with the decision of the IMI2 JU's Governing Board of 23 July 2015 (IMI2-GB-DEC-2015-33) , the Accounting Officer of the Commission acts, as of 1 September 2015, as the Accounting Officer of IMI2 JU.

¹ Hereinafter referred to as 'Commission'.

² Adopted by the decision IMI2-GB-DEC-2015-44 of the IMI2 JU Governing Board.

FINANCIAL STATEMENTS AND EXPLANATORY NOTES

It should be noted that due to the rounding of figures into thousands of euros, some financial data in the tables below may appear not to add-up.

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BALANCE SHEET

EUR '000

| | Note | 31.12.2017 | 31.12.2016 |
|---|------|------------------|------------------|
| NON-CURRENT ASSETS | | | |
| <i>Property, plant and equipment</i> | 2.1 | 100 | 123 |
| <i>Pre-financing</i> | 2.2 | 173 471 | 182 426 |
| | | 173 570 | 182 549 |
| CURRENT ASSETS | | | |
| <i>Pre-financing</i> | 2.2 | 59 451 | 62 204 |
| <i>Exchange receivables and non-exchange recoverables</i> | 2.3 | 76 317 | 95 389 |
| | | 135 768 | 157 592 |
| TOTAL ASSETS | | 309 339 | 340 141 |
| CURRENT LIABILITIES | | | |
| <i>Payables and other liabilities</i> | 2.4 | (174 167) | (203 695) |
| <i>Accrued charges</i> | 2.5 | (134 836) | (103 887) |
| | | (309 003) | (307 582) |
| TOTAL LIABILITIES | | (309 003) | (307 582) |
| NET ASSETS | | | |
| <i>Contribution from Members</i> | 2.6 | 1 626 324 | 1 323 107 |
| <i>Accumulated deficit</i> | | (1 290 548) | (1 060 729) |
| <i>Economic result of the year</i> | | (335 440) | (229 819) |
| NET ASSETS | | 336 | 32 559 |

STATEMENT OF FINANCIAL PERFORMANCE

EUR '000

| | Note | 2017 | 2016 |
|---|------|------------------|------------------|
| REVENUE | | | |
| Revenue from non-exchange transactions | | | |
| <i>Recovery of expenses</i> | | 55 | 34 |
| <i>Other</i> | | - | 0 |
| | | 55 | 34 |
| Revenue from exchange transactions | | | |
| <i>Financial revenue</i> | | (6) | 10 |
| <i>Other exchange revenue</i> | | 33 | 25 |
| | | 27 | 35 |
| Total revenue | | 82 | 70 |
| EXPENSES | | | |
| <i>Operating costs</i> | 3.1 | (327 103) | (221 209) |
| <i>Staff costs</i> | 3.2 | (4 480) | (4 168) |
| <i>Finance costs</i> | 3.3 | (8) | (91) |
| <i>Other expenses</i> | 3.4 | (3 931) | (4 421) |
| Total expenses | | (335 522) | (229 889) |
| ECONOMIC RESULT OF THE YEAR | | (335 440) | (229 819) |

CASHFLOW STATEMENT³

EUR '000

| | 2017 | 2016 |
|---|-----------|-----------|
| <i>Economic result of the year</i> | (335 440) | (229 819) |
| Operating activities | | |
| <i>Depreciation and amortization</i> | 40 | 86 |
| <i>(Increase)/decrease in pre-financing</i> | 11 708 | 7 058 |
| <i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i> | 19 071 | (26 298) |
| <i>Increase/(decrease) in payables</i> | (29 529) | (56 347) |
| <i>Increase/(decrease) in accrued charges</i> | 30 950 | (32 063) |
| <i>Increase/(decrease) in cash contributions</i> | 126 599 | 209 265 |
| <i>Increase/(decrease) in in-kind contributions</i> | 176 618 | 128 166 |
| Investing activities | | |
| <i>(Increase)/decrease in intangible assets and property, plant and equipment</i> | (17) | (48) |
| NET CASHFLOW | - | - |
| <i>Net increase/(decrease) in cash and cash equivalents</i> | - | - |
| <i>Cash and cash equivalents at the beginning of the year</i> | - | - |
| <i>Cash and cash equivalents at year-end</i> | - | - |

³ Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of IMI JU, the treasury of IMI JU was integrated into the Commission's treasury system. Because of this, IMI JU does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts, which are presented under the heading exchange receivables.

STATEMENT OF CHANGES IN NET ASSETS

EUR '000

| | Contribution from Members | Accumulated Surplus/ (Deficit) | Economic result of the year | Net Assets |
|--|------------------------------|--------------------------------------|-----------------------------------|-----------------|
| BALANCE AS AT 31.12.2015 | 985 676 | (681 256) | (379 473) | (75 053) |
| <i>Allocation 2015 economic result</i> | - | (379 473) | 379 473 | - |
| <i>Cash contribution</i> | 209 265 | - | - | 209 265 |
| <i>Contribution in-kind</i> | 128 166 | - | - | 128 166 |
| <i>Economic result of the year</i> | - | - | (229 819) | (229 819) |
| BALANCE AS AT 31.12.2016 | 1 323 107 | (1 060 729) | (229 819) | 32 559 |
| <i>Allocation 2016 economic result</i> | - | (229 819) | 229 819 | - |
| <i>Cash contribution</i> | 126 599 | - | - | 126 599 |
| <i>Contribution in-kind</i> | 176 618 | - | - | 176 618 |
| <i>Economic result of the year</i> | - | - | (335 440) | (335 440) |
| BALANCE AS AT 31.12.2017 | 1 626 324 | (1 290 548) | (335 440) | 336 |

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. ACCOUNTING PRINCIPLES

The objective of financial statements is to provide information about financial position, performance and cashflows of an entity that is useful to a wide range of users.

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

1.2. BASIS OF PREPARATION

1.2.1. Reporting period

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

1.2.2. Currency and basis for conversion

The annual accounts are presented in thousands of euros, the euro being the EU's functional and reporting currency. Foreign currency transactions are translated into euros using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the re-translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance. Different conversion methods apply to property, plant and equipment and intangible assets, which retain their value in euros at the date when they were purchased.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are translated into euros on the basis of the European Central Bank (ECB) exchange rates applying on 31 December.

Euro exchange rates

| Currency | 31.12.2017 | 31.12.2016 | Currency | 31.12.2017 | 31.12.2016 |
|------------|-----------------|------------|------------|---------------|------------|
| BGN | 1.9558 | 1.9558 | PLN | 4.177 | 4.4103 |
| CZK | 25.5350 | 27.0210 | RON | 4.6585 | 4.5390 |
| DKK | 7.4449 | 7.4344 | SEK | 9.8438 | 9.5525 |
| GBP | 0.8872 | 0.8562 | CHF | 1.1702 | 1.0739 |
| HRK | 7.4400 | 7.5597 | JPY | 135.01 | 123.4000 |
| HUF | 310.3300 | 309.8300 | USD | 1.1993 | 1.0541 |

1.2.3. Use of estimates

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

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

1.3. BALANCE SHEET

1.3.1. Intangible assets

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

1.3.2. Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the entity and its cost can be measured reliably. Repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred. Land and works of art are not depreciated as they are deemed to have an indefinite useful life. Assets under construction are not depreciated as these assets are not yet available for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

| Type of asset | Straight line depreciation rate |
|-------------------------------|---------------------------------|
| <i>Buildings</i> | 4 % to 10 % |
| <i>Plant and equipment</i> | 10 % to 25 % |
| <i>Furniture and vehicles</i> | 10 % to 25 % |
| <i>Computer hardware</i> | 25 % to 33 % |
| <i>Other</i> | 10 % to 33 % |

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

Leases

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

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

1.3.3. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation/depreciation and are tested annually for impairment. Assets that are subject to amortisation/depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Intangible assets and property, plant and equipment residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. If the reasons for impairments recognised in previous years no longer apply, the impairment losses are reversed accordingly.

1.3.4. Financial assets

The financial assets are classified in the following categories: financial assets at fair value through surplus or deficit; loans and receivables; held-to-maturity investments; and available for sale financial assets. The classification of the financial instruments is determined at initial recognition and re-evaluated at each balance sheet date.

(i) Financial assets at fair value through surplus or deficit

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by the entity. Derivatives are also categorised in this category. Assets in this category are classified as current assets if they are expected to be realised within 12 months of the balance sheet date. During this financial year, the entity did not hold any investments in this category.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the entity provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in non-current assets, except for maturities within 12 months of the balance sheet date. Loans and receivables include term deposits with the original maturity above three months.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the entity has the positive intention and ability to hold to maturity. During this financial year, the entity did not hold any investments in this category.

(iv) Available for sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are classified as either current or non-current assets, depending on the period of time the entity expects to hold them, which is usually the maturity date.

Initial recognition and measurement

Purchases and sales of financial assets at fair value through surplus or deficit, held-to-maturity and available for sale are recognised on trade date - the date on which the entity commits to purchase or sell the asset. Cash equivalents, loans and term deposits are recognised at settlement date. Financial instruments are initially recognised at fair value. For all financial assets not carried at fair value through surplus or deficit transaction costs are added to the fair value at initial recognition.

Financial instruments are derecognised when the rights to receive cashflows from the investments have expired or the entity has transferred substantially all risks and rewards of ownership to another party.

Subsequent measurement

Financial assets at fair value through surplus or deficit are subsequently carried at fair value with gains and losses arising changes in the fair value being included in the statement of financial performance in the period in which they arise.

Loans and receivables and held-to maturity investments are carried at amortised cost using the effective interest method.

Available for sale financial assets are subsequently carried at fair value. Gains and losses arising from changes in the fair value are recognised in the fair value reserve. Interest on available for sale financial

assets calculated using the effective interest method is recognised in the statement of financial performance.

The entity assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired and whether an impairment loss should be recorded in the statement of financial performance.

1.3.5. Pre-financing amounts

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

Pre-financing is, on subsequent balance sheet dates, measured at the amount initially recognised on the balance sheet less eligible expenses (including estimated amounts where necessary) incurred during the period.

1.3.6. Receivables and recoverables

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

Receivables from exchange transactions meet the definition of financial instruments and are thus classified as loans and receivables and measured accordingly (see 1.3.4 above).

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

1.3.7. Cash and cash equivalents

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

1.3.8. Provisions

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

1.3.9. Payables

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

Where grants or other funding is provided to the beneficiaries, the cost claims are recorded as payables for the requested amount when the cost claim is received. Upon verification and acceptance of the eligible costs, the payables are valued at the accepted and eligible amount.

Payables arising from the purchase of goods and services are recognised at invoice reception for the original amount and corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the entity.

1.3.10. Accrued and deferred revenue and charges

Transactions and events are recognised in the financial statements in the period to which they relate. At year-end, if an invoice is not yet issued but the service has been rendered, the supplies have been delivered by the entity or a contractual agreement exists (e.g. by reference to a contract), an accrued revenue will be recognised in the financial statements. In addition, at year-end, if an invoice is issued but the services have not yet been rendered or the goods supplied have not yet been delivered, the revenue will be deferred and recognised in the subsequent accounting period.

Expenses are also accounted for in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. The calculation of accrued expenses is done in accordance with detailed operational and practical guidelines issued by the Accounting Officer which aim at ensuring that the financial statements provide a faithful representation of the economic and other phenomena they purport to represent. By analogy, if a payment has been made in advance for services or goods that have not yet been received, the expense will be deferred and recognised in the subsequent accounting period.

1.4. STATEMENT OF FINANCIAL PERFORMANCE

1.4.1. Revenue

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

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

(i) Revenue from non-exchange transactions

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

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

(ii) Revenue from exchange transactions

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

1.4.2. Expenses

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

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

Expenses from non-exchange transactions relate to transfers to beneficiaries and can be of three types: entitlements, transfers under agreement and discretionary grants, contributions and donations. Transfers are recognised as expenses in the period during which the events giving rise to the transfer occurred, as long as the nature of the transfer is allowed by regulation or an agreement has been signed authorising the transfer; any eligibility criteria have been met by the beneficiary; and a reasonable estimate of the amount can be made.

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

1.5. CONTINGENT ASSETS AND LIABILITIES

1.5.1. Contingent assets

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

1.5.2. Contingent liabilities

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

1.6. CONTRIBUTIONS FROM MEMBERS

The contributions from the Members of the joint undertakings (JU) form the funding of the JU and are treated as contributions from owners. An owner in this context does not mean an owner in the sense of owning shares (no shares are issued) of the JU but rather in the sense of political interest and governance of the JU by exercising the voting rights linked to these contributions

1.6.1. Financial contributions

Financial contributions are contributions of Members made in cash in order to provide funding of the operational or administrative needs of the JU. The financial contributions are recognised in the net assets in the period in which the right to receive the payment was established.

1.6.2. In-kind contributions

Members other than the EU (i.e. 'Private Members') can also contribute resources other than cash, e.g. laboratory equipment, specialised staff, etc. These in-kind contributions consist of the costs incurred by Private Members in implementing indirect actions.

The Regulation distinguishes between two types of in-kind contributions: (1) In-kind contributions to operational activities (IKOP) and (2) in-kind contributions to additional activities (IKAA).

The IKOP represents in-kind contributions made to the JU linked to its work plan and co-financed by the EU. The IKOP are recognised in the net assets of the JU in the period when the conditions for Members' contributions stipulated by the Regulation were met.

The expenses related to the IKOP incurred in the financial year are recognised in the statement of financial performance. At year-end, incurred IKOP not yet reported are estimated and recorded as other liabilities ('Contributions of Members to be validated').

The IKAA relate to contributions linked to implementing additional activities outside the work plan of the JU that contribute to the objectives of the JU. Because the outflow of resources related to those activities is outside of control of the JU, the contributions are not recognised in the financial statements of the JU.

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. PROPERTY, PLANT AND EQUIPMENT

| | Furniture and vehicles | Computer hardware | '000 EUR TOTAL |
|---|------------------------|-------------------|-------------------|
| Gross carrying amount at 31.12.2016 | 134 | 214 | 349 |
| Additions | - | 17 | 17 |
| Disposals | - | (9) | (9) |
| Gross carrying amount at 31.12.2017 | 134 | 222 | 357 |
| Accumulated depreciation at 31.12.2016 | (50) | (176) | (226) |
| Depreciation charge for the year | (13) | (26) | (39) |
| Depreciation written back | - | 6 | 6 |
| Disposals | - | 2 | 2 |
| Accumulated depreciation at 31.12.2017 | (63) | (194) | (257) |
| NET CARRYING AMOUNT AT 31.12.2017 | 71 | 28 | 100 |
| NET CARRYING AMOUNT AT 31.12.2016 | 85 | 38 | 123 |

2.2. PRE-FINANCING

For all pre-financing amounts open at 31 December 2017 a case-by-case assessment has been performed and all pre-financing that was considered unlikely to be cleared in the course of 2018 was classified as non-current pre-financing.

The outstanding pre-financing was reduced by kEUR 58 465 of estimated (cut-off) expenses for on-going or ended projects without validated cost claims on 31 December 2017. The remaining portion of the cut-off expenses is recorded in accrued charges (see note 2.5).

| | EUR '000 | |
|---------------------------|----------------|----------------|
| | 31.12.2017 | 31.12.2016 |
| Non-current pre-financing | 173 471 | 182 426 |
| Current pre-financing | 59 451 | 62 204 |
| Total | 232 922 | 244 629 |

Guarantees received covering pre-financing amounted to kEUR 3 904 at year-end.

The overall high amount of the open pre-financing can be explained by the fact that according to the Horizon 2020 rules the pre-financing is only cleared when the payments to the beneficiary reach 90 % of the grant agreement amount.

2.3. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

At 31 December 2017 IMI2 JU does not have any long term receivables, all amounts included under this heading are current and are as follows:

| | Note | EUR '000 | |
|---|-------|---------------|---------------|
| | | 31.12.2017 | 31.12.2016 |
| Recoverables from non-exchange transactions | | - | 7 |
| Receivables from exchange transactions | 2.3.1 | 76 317 | 95 381 |
| Total | | 76 317 | 95 389 |

2.3.1. Receivables from exchange transactions

EUR '000

| | 31.12.2017 | 31.12.2016 |
|---|---------------|---------------|
| <i>Central treasury liaison accounts</i> | 76 235 | 95 214 |
| <i>Customers</i> | 37 | 3 |
| <i>Deferred charges relating to exchange transactions</i> | 21 | 150 |
| <i>Others</i> | 25 | 15 |
| Total | 76 317 | 95 381 |

The main element concerns the treasury liaison/intercompany accounts with the Commission that represent a virtual bank account of IMI JU. Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of IMI JU, the treasury of IMI JU was integrated into the Commission's treasury system. Because of this, IMI JU does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts which are presented under this heading.

The result of the incoming and outgoing payments represents the cash balance of kEUR 76 235 (2016: kEUR 95 214).

The decrease in deferred charges can be largely explained by the absence of pre-payments of rental costs in 2017. The underlying invoices for 2018 rent were received in January 2018.

LIABILITIES

2.4. PAYABLES AND OTHER LIABILITIES

EUR '000

| | 31.12.2017 | 31.12.2016 |
|---|----------------|----------------|
| <i>Contribution in kind to be validated</i> | 169 415 | 194 229 |
| <i>Current payables</i> | 159 | 1 651 |
| <i>Member States</i> | - | 500 |
| <i>Public bodies</i> | 1 702 | 7 349 |
| <i>Sundry payables</i> | 2 891 | (33) |
| Total | 174 167 | 203 696 |

Included under the sub-heading 'Contribution in-kind to be validated' are the in kind contributions from Members related to on-going or ended projects without a validated cost statement at 31 December 2017. The amount of in-kind contributions was estimated on a case-by-case basis using the best available information on the projects. The decrease of the estimated in kind contributions compared to 2016 is due to the fact that many claims for in kind contributions related to IMI1 JU projects were submitted, but not yet paid at 31 December 2016. A significant amount of in kind contributions was validated in 2017, reducing the 'Contribution in-kind to be validated'.

The decrease of payables to Public bodies, Member States and suppliers compared to 2016 is due to the fact that in 2016 many cost claims for the final payments related to IMI1 project were submitted but not yet paid at 31 December 2016.

For all H2020 grant agreements signed, there is an automatic guarantee retention of 5 % from the pre-financing payment due to Beneficiaries. The guarantee is transferred to the Participant Guarantee Fund ("the Fund") and paid to the beneficiary by the Fund only when the project is successfully accomplished. This mechanism arises from EU Regulation 1290/2013 laying down the rules for participation and dissemination in "Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)". Since the integration of IMI2 JU into Sygma, the EU IT tool for H2020 grant management, from September 2017 DG RTD is responsible for initiating the procedure by which IMI2 JU transfers the retained guarantee to the Participants Guarantee Fund. The payable as at 31.12.2017 represents automatically retained amounts from the pre-financing of 8 Horizon 2020 beneficiaries' projects, which have not yet been transferred to the Fund. At 31.12.2016 no outstanding payables to the Fund existed at year-end.

2.5. ACCRUED CHARGES

| | <i>EUR '000</i> | |
|------------------------|-----------------|----------------|
| | 31.12.2017 | 31.12.2016 |
| <i>Accrued charges</i> | 134 820 | 103 887 |
| <i>Other</i> | 16 | – |
| Total | 134 836 | 103 887 |

Accrued charges are the amounts estimated by the Authorising Officer of costs incurred for services and goods delivered in year 2017 but not yet invoiced or processed by the end of the year. They are mainly composed of estimated operating expenses of kEUR 133 506 for on-going or ended projects without a validated cost statement where the 2017 expense was estimated on a case-by-case basis using the best available information about the projects at 31 December 2017. Accrued charges also include estimated administrative expenses kEUR 1 215. The amounts presented under this heading are net of pre financing: the portion of the estimated accrued charges which relates to pre-financing paid has been recorded as a reduction of the pre-financing amounts (see note **2.2**).

Included under this heading is also kEUR 98 related to the accrued staff expenses for untaken leave.

The substantial increase of the accruals compared to last year relates to the new projects started in 2017 or at the end of 2016 for which no cost claims have been received and validated yet and the entire underlying 2017 expense had thus to be estimated during the closure (cut-off) exercise (see note **3.1**).

NET ASSETS

2.6. CONTRIBUTIONS FROM MEMBERS

| Programming period | 2017 | | | 2016 | | | EUR '000 |
|--------------------|------------------|----------------|------------------|----------------|----------------|------------------|----------|
| | Cash | In-kind | Total | Cash | In-kind | Total | |
| FP7 | 849 079 | 529 861 | 1 378 940 | 745 196 | 388 528 | 1 133 724 | |
| H2020 | 164 869 | 82 515 | 247 384 | 142 153 | 47 230 | 189 383 | |
| Total | 1 013 947 | 612 376 | 1 626 324 | 887 348 | 435 758 | 1 323 107 | |

2.6.1. Research and Innovation funding programme for 2007-2013 (FP7)

Unlike for Horizon 2020 (see below 2.6.2), under FP7 programme all services in-kind validated by the Executive Director of IMI JU are considered in-kind contribution.

| Member | EU | | EFPIA | | Total | | EUR '000 |
|--|----------------|---------|---------------|----------------|----------------|----------------|----------|
| | Cash | In-kind | Cash | In-kind | Cash | In-kind | |
| <i>Running costs contributions at 31.12.2016</i> | 30 752 | – | 17 629 | – | 48 381 | – | |
| <i>Current year contributions</i> | 3 615 | – | 4 269 | – | 7 883 | – | |
| Running costs contributions at 31.12.2017 | 34 366 | – | 21 898 | – | 56 265 | – | |
| <i>Operating costs contributions at 31.12.2016</i> | 696 814 | – | – | 388 528 | 696 814 | 388 528 | |
| <i>Current year contributions</i> | 96 000 | – | – | 141 333 | 96 000 | 141 333 | |
| Operating costs contributions at 31.12.2017 | 792 814 | – | – | 529 861 | 792 814 | 529 861 | |
| <i>TOTAL contributions at 31.12.2016</i> | 727 566 | – | 17 629 | 388 528 | 745 196 | 388 528 | |
| TOTAL contributions at 31.12.2017 | 827 181 | – | 21 898 | 529 861 | 849 079 | 529 861 | |
| <i>% of total contributions (by type)</i> | 97.42% | 0.00% | 2.58% | 100.00% | 100.00% | 100.00% | |
| <i>Total contribution in %</i> | 59.99% | | 40.01% | | 100.00% | | |
| <i>Voting rights %</i> | 50.00% | | 50.00% | | 100.00% | | |

2.6.2. Research and Innovation funding programme for 2014-2020 (Horizon 2020)

With regard to the Horizon 2020, Council Regulation (EC) No 557/2014 (IMI2 JU) distinguishes members of the JU: the EU, represented by the Commission, the European pharmaceutical industry, represented by the EFPIA and Members other than the Union and Associated Partners. Only certified in-kind contributions from the Members validated by the Executive Director of IMI JU are considered in-kind contribution.

| Member | EU | | EFPIA | | Associated Partners | | Total | |
|--|----------------|---------|--------------|---------------|---------------------|--------------|----------------|----------------|
| | Cash | In kind | Cash | In-kind | Cash | In-kind | Cash | In-kind |
| <i>Running costs contributions at 31.12.2016</i> | 2 380 | - | 4 047 | - | - | - | 6 427 | - |
| <i>Current year contributions</i> | 1 300 | - | (367) | - | - | - | 933 | - |
| Running costs contributions at 31.12.2017 | 3 680 | - | 3 680 | - | - | - | 7 360 | - |
| <i>Operating costs contributions at 31.12.2016</i> | 132 857 | - | - | 47 230 | 2 869 | - | 135 726 | 47 230 |
| <i>Current year contributions</i> | 20 783 | - | 1 200 | 34 092 | (200) | 1 193 | 21 783 | 35 285 |
| Operating costs contributions at 31.12.2017 | 153 639 | - | 1 200 | 81 322 | 2 669 | 1 193 | 157 509 | 82 515 |
| <i>TOTAL contributions at 31.12.2016</i> | 135 237 | - | 4 047 | 47 230 | 2 869 | - | 142 153 | 47 230 |
| TOTAL contributions at 31.12.2017 | 157 320 | - | 4 880 | 81 322 | 2 669 | 1 193 | 164 869 | 82 515 |
| <i>% of total contributions (by type)</i> | 95.42% | 0.00% | 2.96% | 0.00% | 1.62% | 0.00% | 100.00% | 100.00% |
| <i>Total contribution in %</i> | 63.59% | | 34.85% | | 1.56% | | 100.00% | |
| <i>Voting rights %</i> | 50.00% | | 50.00% | | 0.00% | | 100.00% | |

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

EXPENSES

3.1. OPERATING COSTS

Included under this heading are operating expenses related to projects that were carried out in 2017. A part of the operating costs related to on-going or ended projects without any validated cost claims (or equivalent) available at 31 December, was estimated using the best information available at the time of the preparation of the annual accounts. The estimation is based on the case-by-case assessment of completion which ensures that only costs that reflect the services or work performed by 31 December are included in the operating costs of the year. Depending on the availability of information at the time of the preparation of the annual accounts, the estimates are based on reports of services or work performed (e.g. Report of the member of the Joint Undertaking other than the EU on the in-kind contributions in the meaning of Article 4(3) and 4(4) of Regulation (EU) No 557/2014) or costs incurred to date as a proportion of the estimated total costs of the projects ('pro-rata temporis').

The break-down of the operating costs between operating costs incurred on the basis of validated cost claims (or equivalent) and estimated operating costs, is given in the table below. It should be noted that in line with the accounting rules the portion of the estimated cost also includes a revision of accounting estimates made in the previous periods.

| | <i>EUR '000</i> | |
|---|-----------------|----------------|
| | 2017 | 2016 |
| <i>Operating costs: validated in-kind contributions</i> | 176 618 | 124 995 |
| <i>Operating costs: estimated in-kind contributions</i> | (24 814) | (33 379) |
| Total operating costs from in-kind contributions | 151 804 | 91 616 |
| <i>Operating costs: validated EU contributions</i> | 155 689 | 156 989 |
| <i>Operating costs: estimated EU contributions</i> | 19 611 | (27 396) |
| Total operating costs from EU contributions | 175 299 | 129 593 |
| Total | 327 103 | 221 209 |

The substantial increase in the validated in kind contributions stems from the fact that 2017 was the first year in which the contributions related to Horizon 2020 projects were certified and validated by the Executive director of IMI JU. The increase in the estimated in kind contributions and EU contributions can be explained by the new projects started in 2017 or at the end of 2016 for which no cost claims (or equivalent) have yet been validated and the entire underlying 2017 expense had thus to be estimated during the closure (cut-off) exercise.

3.2. STAFF COSTS

Included under this heading are expenses for salaries, other employment-related allowances and benefits. The calculations related to staff costs are, based on the service level agreement, entrusted to the Office for Administration and Payment of Individual Entitlements (also known as the Paymaster's Office-PMO).

The staff members of the IMI JU are part of the Pension Scheme of European Officials. The administration of pensions is entrusted to the Commission which also accounts for the underlying pension expenses and liabilities.

A defined benefit plan is a pension plan that generally defines an amount of benefit an employee will receive on retirement, usually dependent on one or more factors such as age and years of service. Both IMI JU staff and the Commission contribute to the pension scheme in the function of the basic salary of the staff. The contribution percentage is yearly revised to reflect the changes in staff regulation. The cost to the Commission is not reflected in the IMI JU's accounts.

Future benefits payable to the IMI JU staff under the Pension Scheme of European Officials are accounted for in the accounts of the Commission since it is the Commission who will pay these pensions. No provisions for such pensions are made in these accounts.

3.3. FINANCE COSTS

Included under this heading are expenses related to interest on late payments.

3.4. OTHER EXPENSES

EUR '000

| | 2017 | 2016 |
|---|--------------|--------------|
| <i>Experts expenses</i> | 1 008 | 811 |
| <i>External non IT services</i> | 885 | 2 098 |
| <i>External IT services</i> | 832 | 582 |
| <i>Operating lease expenses</i> | 719 | 445 |
| <i>Communications & publications</i> | 171 | 238 |
| <i>Missions</i> | 153 | 87 |
| <i>Other</i> | 62 | 27 |
| <i>Training costs</i> | 57 | 24 |
| <i>Property, plant and equipment related expenses</i> | 46 | 108 |
| <i>Foreign exchange losses</i> | (0) | (0) |
| Total | 3 931 | 4 421 |

The significant increase of kEUR 513 expenses related to experts fees, missions and IT costs covering the operational phase of IT projects is due to additional operational activities covered per IMI2 JU calls and the migration to the new H2020 IT tools. Overall other expenses decreased by kEUR 490 compared to 2016, mainly due to reduction in external non IT services.

The operating lease expenses relate to the IMI JU building 'White Atrium'. An overview of the amounts to be committed and paid during the remaining term of this lease contract, including rent and related charges, is as follow:

'000 EUR

| | Future amounts to be paid | | | Total |
|------------------|---------------------------|------------|-----------|-------|
| | < 1 year | 1- 5 years | > 5 years | |
| <i>Buildings</i> | 507 | 2 130 | 1 130 | 3 766 |

4. OTHER SIGNIFICANT DISCLOSURES

4.1. OUTSTANDING COMMITMENTS NOT YET EXPENSED

EUR '000

| | 31.12.2017 | 31.12.2016 |
|---|------------|------------|
| <i>Outstanding commitments not yet expensed</i> | 417 792 | 610 178 |

The outstanding commitments not yet expensed amounted consists of the budgetary RAL ('Reste à Liquider') less related amounts that have been included as expenses in the 2017 statement of financial performance. The budgetary RAL is an amount representing the open commitments for which payments and/or de-commitments have not yet been made. This is the normal consequence of multi-annual programmes.

4.2. RELATED PARTIES

The related parties of the IMI JU are the venturers and key management personnel of these entities. Transactions between these entities take place as part of the normal operations of IMI JU and as this is the case, no specific disclosure requirements are necessary for these transactions in accordance with the EU accounting rules.

4.3. KEY MANAGEMENT ENTITLEMENTS

The highest ranked civil servant of IMI2 JU is the Executive Director, who executes the role of the Authorising Officer.

| | 31.12.2017 | 31.12.2016 |
|---------------------------|------------|------------|
| <i>Executive Director</i> | AD 14 | AD 14 |

The Executive Director is remunerated in accordance with the Staff Regulation of the European Union that is published on the Europa website and which is the official document describing the rights and the obligation of all officials of the EU. The Executive Director has not received any preferential loans from IMI2 JU.

4.4. EVENTS AFTER REPORTING DATE

The in-kind contributions validated between 31.12.2017 and 14.05.2018 amounted to kEUR 15 264. The entire amount relates to the contribution of EFPIA to the FP7 programme. The validated contributions are recorded as additions to net assets in 2017.

5. FINANCIAL RISK MANAGEMENT

5.1. TYPES OF RISK

Market risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate, because of variations in market prices. Market risk embodies not only the potential for loss, but also the potential for gain. It comprises *currency risk*, *interest rate risk* and *other price risk* (the IMI JU has no significant other price risk).

- (1) *Currency risk* is the risk that the IMI JU operations or its investments' value will be affected by changes in exchange rates. This risk arises from the change in price of one currency against another.
- (2) *Interest rate risk* is the possibility of a reduction in the value of a security, especially a bond, resulting from an increase in interest rates. In general, higher interest rates will lead to lower prices of fixed rate bonds, and vice versa. IMI JU does not have any securities thus it is not exposed to the interest rate risk.

Credit risk is the risk of loss due to a debtor's/borrower's non-payment of a loan or other line of credit (either the principal or interest or both) or other failure to meet a contractual obligation. The default events include a delay in repayments, restructuring of borrower repayments and bankruptcy.

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

5.2. CURRENCY RISKS

Exposure to currency risk at year-end

At 31 December 2017 the financial assets and financial liabilities ending balances did not include any material amounts quoted in different currencies other than the euro.

5.3. CREDIT RISK

Financial assets that are neither past due nor impaired

The financial assets are entirely composed of receivables and recoverables that are neither past due nor impaired.

Financial assets by risk category

At 31 December 2017 the financial assets are entirely composed of receivables and recoverables against entities without an external credit rating. The entire amount relates to entities which never defaulted in the past.

5.4. LIQUIDITY RISK

Maturity analysis of financial liabilities by remaining contractual maturity

Financial liabilities entirely consist of accounts payable. All the accounts payable have a remaining contractual maturity of less than 1 year.

REPORTS ON THE IMPLEMENTATION OF THE BUDGET

It should be noted that due to the rounding of figures into thousands of euros, some financial data in the tables below may appear not to add-up.

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1. BUDGETARY PRINCIPLES, STRUCTURE AND IMPLEMENTATION

1.1. BUDGETARY PRINCIPLES

The establishment and implementation of the budget of IMI JU is governed by the following basic principles set out in the Chapter 2 of the Financial Rules of IMI JU:

Principles of unity and budget accuracy

This principle means that no revenue shall be collected and no expenditure effected unless booked to a line in the budget of IMI JU. No expenditure may be committed or authorised in excess of the appropriations authorised by the budget. An appropriation may be entered in the budget only if it is for an item of expenditure which is considered necessary.

Principle of annuality

The appropriations entered in the budget shall be authorised for a financial year which shall run from 1 January to 31 December. As specified in its Financial Rules, IMI JU is subject to an exception to the annuality principle, specific only to the joint undertakings (the "N+3" rule), whereby any unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years. These appropriations must be used first.

Principle of equilibrium

Revenue and payment appropriations shall be in balance.

Principle of unit of account

The budget shall be drawn up and implemented in euros and the accounts shall be presented in euros.

Principle of universality

Total revenue shall cover total payment appropriations and all revenue and expenditure shall be entered in full without any adjustment against each other.

Principle of specification

Appropriations shall be earmarked for specific purposes at least by title and chapter.

Principle of sound financial management

Appropriations shall be used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness.

Principle of transparency

The budget shall be established and implemented and the accounts presented in accordance with the principle of transparency. The budget and any amending budgets shall be published on IMI JU's internet site within four weeks of adoption and shall be transmitted to the Commission and the Court of Auditors.

1.2. STRUCTURE AND PRESENTATION OF THE BUDGET

IMI JU makes use of differentiated appropriations for its administrative expenditure and operational expenditure.

Following the provisions of the Financial rules of IMI JU, the budget accounts shall consist of a statement of revenue and a statement of expenditure. The budget is distributed in the following titles:

Title 1 budget lines are related to staff expenditure such as salaries and allowances for persons working with IMI2 JU. It also includes recruitment expenses, staff missions, expenses for the socio-medical infrastructure and representation costs.

Title 2 budget lines relate to all infrastructure, equipment, meetings, experts, studies, ex-post audits and miscellaneous administrative expenditure.

Title 3 budget lines provide for the implementation of the activities and tasks assigned to IMI JU in accordance with its establishing Council Regulation (EC) No 73/2008 (IMI1 JU) and Council Regulation (EC) No 557/2014 (IMI2 JU).

1.3. HIGHLIGHTS OF THE BUDGETARY IMPLEMENTATION

The IMI2 JU Governing Board approved the 2017 budget on 23 December 2016. The IMI2 JU Governing Board approved the first budget amendment on 11 July 2017 in order to include the carry over amounts from previous year as well as to reduce the operational payment appropriations by EUR 56 million. The Staff Establishment Plan 2017 remained unchanged.

The IMI2 JU Governing Board approved the second budget amendment on 28 November 2017 in order to further reduce the operational payment appropriations by EUR 25.8 million, in line with updated projects spending. The Staff Establishment Plan 2017 remained unchanged.

The total budget approved for 2017 was EUR 322.4 million in commitment appropriations and EUR 206.4 million in payment appropriations.

Overall, in 2017, the budget implementation of the commitment and payment appropriations reached a level of 97 % and 72 % respectively.

Operational expenditure

IMI's operational budget ('Title 3') reflects expenses linked to the implementation of the IMI research agenda. Here it should be noted that since 2014, IMI has managed two programmes in parallel:

- IMI1 (under the Seventh Framework Programme, FP7)

FP7 was the EU's research and innovation funding programme for 2007-2013. Through FP7, the EU contributes EUR 966 million to the IMI1 research programme.

- IMI2 (under Horizon 2020, H2020)

H2020 is the EU's research and innovation funding programme for 2014-2020. The EU has committed to contribute EUR 1.638 billion from H2020 to the IMI2 programme.

In 2017, the implementation of the operational commitment and payment appropriations reached a level of 97 % and 72 % respectively.

The commitment appropriations related to H2020 were consumed by Grant Agreements implementing the Call for proposals 7, 8 and 9 and by launching Calls for proposals 8 (the fourth cut off), 11, 12 and 13.

The payment appropriations related to H2020 were mainly used by pre-financing for projects of Call 7, 8 and 9 and by intermediate payments for projects of Call for proposals 1 – 4.

The relatively low budget implementation in payment appropriations related to H2020 was mostly due to the reduction or postponement of clinical trials within projects under Ebola+ programme. Furthermore, the EBOLA Open Call of March 2017 did not result in any eligible applicant; as a result, the payment of pre-financing foreseen in 2017 is postponed to 2018.

The payment appropriations related to FP7 were mainly used by final and intermediate payments for Call for proposals 1 – 11. The main reasons for the relatively low payment implementation rate was the significant underspending affecting the projects under ND4BB programme.

Administrative expenditure

The budget implementation of the commitment and payment appropriations reached a level of 86 % and 72 % respectively. IMI continued to implement its budget applying principles of sound financial management, which resulted in savings in the communication, meetings and other administrative budget lines.

Despite recruitments carried in 2017, the number of staff employed at the end of 2017 was lower than the maximum authorised, resulting in lower implementation than foreseen.

More detailed information about the budgetary implementation is provided in the Report on budgetary and financial management of the year.

2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

| | | EUR '000 | |
|----------------------------------|-------|------------------|------------------|
| | Title | 2017 | 2016 |
| Revenue | | 126 661 | 211 481 |
| of which: | | | |
| Subsidies And Revenues | A-2 | 126 638 | 211 456 |
| Op Recovery | B0-3 | 23 | 25 |
| Expenditure | | (148 514) | (183 339) |
| of which: | | | |
| Staff expenditure | A-1 | (4 941) | (4 649) |
| Admin expenditure | A-2 | (3 192) | (3 507) |
| Operational expenditure | B0-3 | (140 381) | (175 183) |
| Exchange rate differences | | 1 | 1 |
| Budget result of the year | | (21 853) | 28 143 |

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

| | EUR '000 | |
|--|------------------|------------------|
| | 2017 | 2016 |
| ECONOMIC RESULT OF THE YEAR | (335 440) | (229 819) |
| Adjustment for accrual items (items not in the budgetary result but included in the economic result) | | |
| <i>In-kind contributions validated in the year</i> | 176 618 | 128 167 |
| <i>Adjustments for accrual cut-off (net)</i> | (6 385) | (62 891) |
| <i>Unpaid invoices at year end but booked in expenses</i> | 48 | 120 |
| <i>Depreciation of intangible and tangible assets</i> | 39 | 86 |
| <i>Recovery orders issued in the year and not yet cashed</i> | 37 | 782 |
| <i>Correction of recovery orders issued last year</i> | (447) | 328 |
| <i>Pre-financing given in previous year and cleared in the year</i> | 60 569 | 19 377 |
| <i>Correction pre-financing in the year</i> | - | 2 100 |
| <i>Other individually immaterial</i> | (26) | 9 |
| Adjustment for budgetary items (item included in the budgetary result but not in the economic result) | | |
| <i>Members' cash contributions collected in the year</i> | 126 661 | 207 914 |
| <i>Asset acquisitions (less unpaid amounts)</i> | 17 | (48) |
| <i>New pre-financing paid in the year and remaining open as at 31 December</i> | (43 544) | (48 167) |
| <i>Correction pre-financing in the year</i> | - | 8 818 |
| <i>Entitlements established in previous year and cashed in the year</i> | - | 1 367 |
| BUDGET RESULT OF THE YEAR | (21 853) | 28 143 |

4. IMPLEMENTATION OF BUDGET REVENUE

4.1. Implementation of budget revenue – Title A-2

EUR '000

| | Income appropriations | | Entitlements established | | | Revenue | | | | Outstanding | |
|------------------------|---|----------------|--------------------------|----------------|------------|----------------|----------------|------------|----------------|-------------|-----------|
| | Initial budget | Final budget | Current year | Carried | Total | Current year | Carried | Total | % | | |
| | 1 | 2 | 3 | 4 | 5=3+4 | 6 | 7 | 8=6+7 | 9=8/2 | | |
| A-2001 | Subsidy from EC | 201 697 | 121 697 | 121 697 | - | 121 697 | 121 697 | - | 121 697 | 100% | - |
| A-2002 | EFPIA running costs | 4 915 | 4 915 | 3 902 | - | 3 902 | 3 902 | - | 3 902 | 79% | - |
| A-2003 | Miscellaneous revenues | - | - | (712) | 782 | 71 | (743) | 782 | 39 | 0% | 32 |
| A-2004 | JTI revenues | - | - | 0 | - | 0 | 0 | - | 0 | 0% | - |
| A-2005 | Subsidy from other members (other than union and associated partners, or constituent or affiliated) | 1 000 | 1 000 | 1 000 | - | 1 000 | 1 000 | - | 1 000 | 100% | - |
| Total chapter A-20 | | 207 612 | 127 612 | 125 887 | 782 | 126 670 | 125 856 | 782 | 126 638 | 99% | 32 |
| Total Title A-2 | | 207 612 | 127 612 | 125 887 | 782 | 126 670 | 125 856 | 782 | 126 638 | 99% | 32 |

4.2. Implementation of budget revenue – Title A-3

EUR '000

| | Income appropriations | | Entitlements established | | | Revenue | | | | Outstanding | |
|------------------------|----------------------------------|--------------|--------------------------|----------|----------|--------------|----------|----------|----------|-------------|----------|
| | Initial budget | Final budget | Current year | Carried | Total | Current year | Carried | Total | % | | |
| | 1 | 2 | 3 | 4 | 5=3+4 | 6 | 7 | 8=6+7 | 9=8/2 | | |
| A-3000 | Subsidy from associated partners | 1 831 | - | - | - | - | - | - | - | 0% | - |
| Total chapter A-30 | | 1 831 | - | - | - | - | - | - | - | 0% | - |
| Total Title A-3 | | 1 831 | - | - | - | - | - | - | - | 0% | - |

4.3. Implementation of budget revenue – Title B0-3

EUR '000

| | Income appropriations | | Entitlements established | | | Revenue | | | | Outstanding | |
|-------------------------|------------------------|----------------|--------------------------|----------------|------------|----------------|----------------|------------|----------------|-------------|-----------|
| | Initial budget | Final budget | Current year | Carried | Total | Current year | Carried | Total | % | | |
| | 1 | 2 | 3 | 4 | 5=3+4 | 6 | 7 | 8=6+7 | 9=8/2 | | |
| B3-999 | Recovery ex post audit | - | - | 24 | 4 | 28 | 19 | 4 | 23 | 0% | 5 |
| Total chapter B3-9 | | - | - | 24 | 4 | 28 | 19 | 4 | 23 | 0% | 5 |
| Total Title B0-3 | | - | - | 24 | 4 | 28 | 19 | 4 | 23 | 0% | 5 |
| GRAND TOTAL | | 209 443 | 127 612 | 125 911 | 786 | 126 698 | 125 874 | 786 | 126 661 | 99% | 37 |

5. IMPLEMENTATION OF BUDGET EXPENDITURE

5.1. Breakdown & changes in commitment appropriations

5.1.1. Breakdown & changes in commitment appropriations – Title A-1

| | | Budget appropriations of the year | | | | Additional appropriations | | | EUR '000 |
|------------------------|--|-----------------------------------|------------------|-----------|----------------------|---------------------------|------------------|----------|--------------------------|
| | | Initial adopted budget | Amending budgets | Transfers | Final budget adopted | Carryover | Assigned revenue | Total | Total appropr. available |
| | | 1 | 2 | 3 | 4=1+2+3 | 5 | 6 | 7=5+6 | 8=4+7 |
| A-1100 | Staff in active employment and costs linked to empl. | 3 576 | - | (161) | 3 415 | - | - | - | 3 415 |
| A-1101 | Family allowances | 361 | - | - | 361 | - | - | - | 361 |
| A-1102 | Transfer and expatriation allowance | 391 | - | 15 | 406 | - | - | - | 406 |
| A-1110 | Contract agents | 576 | - | 47 | 623 | - | - | - | 623 |
| A-1130 | Insurance against sickness | 95 | - | 4 | 99 | - | - | - | 99 |
| A-1131 | Insurance against accidents and occupational disease | 14 | - | - | 14 | - | - | - | 14 |
| A-1132 | Unemployment insurance for temporary staff | 38 | - | 0 | 38 | - | - | - | 38 |
| A-1140 | Birth and death allowance | 10 | - | - | 10 | - | - | - | 10 |
| A-1141 | Annual travel costs from the place of employment to origin | 57 | - | - | 57 | - | - | - | 57 |
| A-1144 | Fixed local travel allowances | 3 | - | - | 3 | - | - | - | 3 |
| A-1172 | Cost of organizing traineeships within IMI | 16 | - | - | 16 | - | - | - | 16 |
| A-1177 | Other services rendered | 5 | - | - | 5 | - | - | - | 5 |
| A-1178 | PMO fees | 41 | - | - | 41 | - | 0 | 0 | 41 |
| A-1181 | Travelling expenses (taking up duty) | 5 | - | - | 5 | - | - | - | 5 |
| A-1182 | Installation allowance | 42 | - | - | 42 | - | - | - | 42 |
| A-1184 | Temporary daily allowance | 10 | - | 3 | 13 | - | - | - | 13 |
| A-1190 | Weightings (correction coefficients) | 2 | - | 0 | 2 | - | - | - | 2 |
| Total chapter A-11 | | 5 242 | - | (91) | 5 151 | - | 0 | 0 | 5 151 |
| A-1200 | Miscellaneous expenditure on staff recruitment | 20 | - | - | 20 | - | - | - | 20 |
| Total chapter A-12 | | 20 | - | - | 20 | - | - | - | 20 |
| A-1300 | Mission expenses | 190 | - | - | 190 | - | - | - | 190 |
| Total chapter A-13 | | 190 | - | - | 190 | - | - | - | 190 |
| A-1410 | Other trainings | 60 | - | (13) | 47 | - | - | - | 47 |
| A-1430 | Medical service | 5 | - | 3 | 8 | - | - | - | 8 |
| A-1440 | Trainings covered by the SLA | 6 | - | 13 | 19 | - | - | - | 19 |
| A-1490 | Other interventions | 159 | - | 88 | 247 | - | - | - | 247 |
| Total chapter A-14 | | 230 | - | 91 | 321 | - | - | - | 321 |
| A-1700 | Entertainment and representation expenses | 20 | - | - | 20 | - | - | - | 20 |
| Total chapter A-17 | | 20 | - | - | 20 | - | - | - | 20 |
| Total Title A-1 | | 5 702 | - | 0 | 5 702 | - | 0 | 0 | 5 702 |

5.1.2. Breakdown & changes in commitment appropriations – Title A-2

| | | Budget appropriations of the year | | | | Additional appropriations | | | |
|------------------------|---|-----------------------------------|------------------|-----------|----------------------|---------------------------|------------------|-----------|-------------------------|
| | | Initial adopted budget | Amending budgets | Transfers | Final budget adopted | Carryover | Assigned revenue | Total | Total approp. available |
| | | 1 | 2 | 3 | 4=1+2+3 | 5 | 6 | 7=5+6 | 8=4+7 |
| A-2000 | Rentals | 570 | - | 11 | 581 | - | - | - | 581 |
| A-2020 | Water, gas, electr and charges | 80 | - | 9 | 89 | - | - | - | 89 |
| A-2040 | Furnishing of premises (works) | 10 | - | 70 | 80 | - | - | - | 80 |
| A-2050 | Security and surveillance | 19 | - | - | 19 | - | - | - | 19 |
| Total chapter A-20 | | 679 | - | 90 | 769 | - | - | - | 769 |
| A-2101 | Hardware, infrastructure and related services | 168 | - | 152 | 320 | - | - | - | 320 |
| A-2102 | Software development, licenses and related services | 424 | - | 27 | 451 | - | - | - | 451 |
| Total chapter A-21 | | 592 | - | 179 | 771 | - | - | - | 771 |
| A-2200 | Purchase | 123 | - | (93) | 30 | - | - | - | 30 |
| A-2201 | Rentals | 10 | - | - | 10 | - | - | - | 10 |
| A-2202 | Maintenance utilisation and repair | 20 | - | - | 20 | - | - | - | 20 |
| Total chapter A-22 | | 153 | - | (93) | 60 | - | - | - | 60 |
| A-2300 | Stationery and office supply | 40 | - | (1) | 39 | - | - | - | 39 |
| A-2350 | Other operating expenditure | 13 | - | 1 | 14 | - | 1 | 1 | 15 |
| A-2360 | Library stocks purchase of books and subscriptions | 44 | - | - | 44 | - | - | - | 44 |
| A-2370 | Translation interpretation | 26 | - | (21) | 5 | - | - | - | 5 |
| Total chapter A-23 | | 123 | - | (21) | 102 | - | 1 | 1 | 103 |
| A-2400 | Correspondence and communication expenses | 68 | - | 10 | 78 | - | - | - | 78 |
| Total chapter A-24 | | 68 | - | 10 | 78 | - | - | - | 78 |
| A-2500 | Formal meetings | 158 | - | - | 158 | - | - | - | 158 |
| Total chapter A-25 | | 158 | - | - | 158 | - | - | - | 158 |
| A-2600 | Running costs in connection with operational | 24 | - | 4 | 28 | - | - | - | 28 |
| A-2602 | Workshops | 270 | - | 10 | 280 | - | - | - | 280 |
| A-2603 | Knowledge management | 6 | - | - | 6 | - | - | - | 6 |
| Total chapter A-26 | | 300 | - | 14 | 314 | - | - | - | 314 |
| A-2700 | External communication | 225 | - | (71) | 154 | - | - | - | 154 |
| A-2701 | Events | 300 | - | (61) | 239 | - | - | - | 239 |
| A-2702 | Material | 100 | - | - | 100 | - | - | - | 100 |
| Total chapter A-27 | | 625 | - | (132) | 493 | - | - | - | 493 |
| A-2800 | Ex-post audits | 615 | - | (260) | 355 | - | - | - | 355 |
| A-2801 | Studies, consultancy | 114 | - | - | 114 | - | - | - | 114 |
| Total chapter A-28 | | 729 | - | (260) | 469 | - | - | - | 469 |
| A-2900 | Evaluation experts meetings | 600 | - | 213 | 813 | - | 35 | 35 | 848 |
| A-2901 | Evaluation facilities | 100 | - | - | 100 | - | - | - | 100 |
| Total chapter A-29 | | 700 | - | 213 | 913 | - | 35 | 35 | 948 |
| Total Title A-2 | | 4 127 | - | - | 4 127 | - | 36 | 36 | 4 163 |

5.1.3. Breakdown & changes in commitment appropriations – Title B0-3

EUR '000

| | Initial adopted budget | Budget appropriations of the year | | | Additional appropriations | | | Total | Total approp. available |
|---|------------------------|-----------------------------------|------------|----------------------|---------------------------|------------------|----------------|----------------|-------------------------|
| | | Amending budgets | Transfers | Final budget adopted | Carryover | Assigned revenue | | | |
| | 1 | 2 | 3 | 4=1+2+3 | 5 | 6 | 7=5+6 | 8=4+7 | |
| <i>B3-000 Implementing the research agenda of IMI JU</i> | - | - | - | - | 130 | - | 130 | 130 | |
| <i>B3-001 Call 1</i> | - | - | - | - | - | 19 | 19 | 19 | |
| <i>B3-002 Call 2</i> | - | - | - | - | - | 4 | 4 | 4 | |
| <i>B3-003 Call 3</i> | - | - | - | - | - | 3 | 3 | 3 | |
| <i>B3-020 IMI2 implementing the research agenda of IMI JU</i> | 178 039 | - | (175 939) | 2 100 | 7 983 | - | 7 983 | 10 083 | |
| <i>B3-027 IMI2 call 7</i> | - | - | 38 770 | 38 770 | 8 025 | - | 8 025 | 46 795 | |
| <i>B3-028 IMI2 call 8</i> | - | - | 70 000 | 70 000 | - | - | - | 70 000 | |
| <i>B3-031 IMI2 call 11</i> | - | - | 5 000 | 5 000 | - | - | - | 5 000 | |
| <i>B3-032 IMI2 call 12</i> | - | - | 62 169 | 62 169 | 1 908 | - | 1 908 | 64 077 | |
| <i>B3-033 IMI2 call 13</i> | - | - | - | - | 116 421 | - | 116 421 | 116 421 | |
| Total chapter B3-0 | 178 039 | - | (0) | 178 039 | 134 467 | 26 | 134 493 | 312 532 | |
| Total Title B0-3 | 178 039 | - | (0) | 178 039 | 134 467 | 26 | 134 493 | 312 532 | |
| GRAND TOTAL | 187 868 | - | 0 | 187 868 | 134 467 | 62 | 134 529 | 322 396 | |

5.2. Breakdown & changes in payment appropriations

5.2.1. Breakdown & changes in payment appropriations – Title A-1

| | | Budget appropriations of the year | | | | Additional appropriations | | | EUR '000 | |
|--------------------|--|-----------------------------------|------------------|-----------|----------------------|---------------------------|------------------|------------|-------------------------|--------------|
| | | Initial adopted budget | Amending budgets | Transfers | Final budget adopted | Carryover | Assigned revenue | Total | Total approp. available | |
| | | 1 | 2 | 3 | 4=1+2+3 | 5 | 6 | 7=5+6 | 8=4+7 | |
| A-1100 | Staff in active employment and costs linked to empl. | 3 576 | - | (161) | 3 415 | - | - | - | - | 3 415 |
| A-1101 | Family allowances | 361 | - | - | 361 | - | - | - | - | 361 |
| A-1102 | Transfer and expatriation allowance | 391 | - | 15 | 406 | - | - | - | - | 406 |
| A-1110 | Contract agents | 576 | - | 47 | 623 | - | - | - | - | 623 |
| A-1130 | Insurance against sickness | 95 | - | 4 | 99 | - | - | - | - | 99 |
| A-1131 | Insurance against accidents and occupational disease | 14 | - | - | 14 | - | - | - | - | 14 |
| A-1132 | Unemployment insurance for temporary staff | 38 | - | 0 | 38 | - | - | - | - | 38 |
| A-1140 | Birth and death allowance | 10 | - | - | 10 | - | - | - | - | 10 |
| A-1141 | Annual travel costs from the place of employment to origin | 57 | - | - | 57 | - | - | - | - | 57 |
| A-1144 | Fixed local travel allowances | 3 | - | - | 3 | - | - | - | - | 3 |
| A-1172 | Cost of organizing traineeships within IMI | 16 | - | - | 16 | - | - | - | - | 16 |
| A-1177 | Other services rendered | 5 | - | - | 5 | - | - | - | - | 5 |
| A-1178 | PMO fees | 41 | - | - | 41 | - | 0 | 0 | - | 41 |
| A-1181 | Travelling expenses (taking up duty) | 5 | - | - | 5 | - | - | - | - | 5 |
| A-1182 | Installation allowance | 42 | - | - | 42 | - | - | - | - | 42 |
| A-1184 | Temporary daily allowance | 10 | - | 3 | 13 | - | - | - | - | 13 |
| A-1190 | Weightings (correction coefficients) | 2 | - | 0 | 2 | - | - | - | - | 2 |
| Total chapter A-11 | | 5 242 | - | (91) | 5 151 | - | 0 | 0 | - | 5 151 |
| A-1200 | Miscellaneous expenditure on staff recruitment | 20 | - | - | 20 | 6 | - | 6 | - | 26 |
| Total chapter A-12 | | 20 | - | - | 20 | 6 | - | 6 | - | 26 |
| A-1300 | Mission expenses | 190 | - | - | 190 | 8 | - | 8 | - | 198 |
| Total chapter A-13 | | 190 | - | - | 190 | 8 | - | 8 | - | 198 |
| A-1410 | Other trainings | 60 | - | (13) | 47 | 3 | - | 3 | - | 50 |
| A-1430 | Medical service | 5 | - | 3 | 8 | 3 | - | 3 | - | 11 |
| A-1440 | Trainings covered by the SLA | 6 | - | 13 | 19 | 4 | - | 4 | - | 23 |
| A-1490 | Other interventions | 159 | - | 88 | 247 | 95 | - | 95 | - | 342 |
| Total chapter A-14 | | 230 | - | 91 | 321 | 104 | - | 104 | - | 425 |
| A-1700 | Entertainment and representation expenses | 20 | - | - | 20 | 7 | - | 7 | - | 27 |
| Total chapter A-17 | | 20 | - | - | 20 | 7 | - | 7 | - | 27 |
| Title A-1 | | 5 702 | - | 0 | 5 702 | 125 | 0 | 125 | - | 5 827 |

5.2.2. Breakdown & changes in payment appropriations – Title A-2

EUR '000

| | | Budget appropriations of the year | | | | Additional appropriations | | | Total 7=5+6 | Total appropr. available 8=4+7 |
|--------------------|---|-----------------------------------|---------------------|-----------|-------------------------|---------------------------|---------------------|--------------|----------------|--------------------------------------|
| | | Initial adopted budget | Amending budgets | Transfers | Final budget adopted | Carryover | Assigned revenue | | | |
| | | 1 | 2 | 3 | 4=1+2+3 | 5 | 6 | | | |
| A-2000 | Rentals | 570 | - | 11 | 581 | 88 | - | 88 | 669 | |
| A-2020 | Water, gas, electr and charges | 80 | - | 9 | 89 | 2 | - | 2 | 91 | |
| A-2040 | Furnishing of premises (works) | 10 | - | 70 | 80 | - | - | - | 80 | |
| A-2050 | Security and surveillance | 19 | - | - | 19 | 12 | - | 12 | 31 | |
| Total chapter A-20 | | 679 | - | 90 | 769 | 103 | - | 103 | 872 | |
| A-2101 | Hardware, infrastructure and related services | 168 | - | 152 | 320 | 130 | 1 | 131 | 451 | |
| A-2102 | Software development, licenses and related services | 424 | - | 27 | 451 | 315 | - | 315 | 766 | |
| Total chapter A-21 | | 592 | - | 179 | 771 | 445 | 1 | 446 | 1 217 | |
| A-2200 | Purchase | 123 | - | (93) | 30 | - | - | - | 30 | |
| A-2201 | Rentals | 10 | - | - | 10 | - | - | - | 10 | |
| A-2202 | Maintenance utilisation and repair | 20 | - | - | 20 | - | - | - | 20 | |
| Total chapter A-22 | | 153 | - | (93) | 60 | - | - | - | 60 | |
| A-2300 | Stationery and office supply | 40 | - | (1) | 39 | 7 | - | 7 | 46 | |
| A-2350 | Other operating expenditure | 13 | - | 1 | 14 | 2 | - | 2 | 16 | |
| A-2360 | Library stocks purchase of books and subscriptions | 44 | - | - | 44 | 0 | - | 0 | 44 | |
| A-2370 | Translation interpretation | 26 | - | (21) | 5 | 2 | - | 2 | 7 | |
| Total chapter A-23 | | 123 | - | (21) | 102 | 11 | - | 11 | 113 | |
| A-2400 | Correspondence and communication expenses | 68 | - | 10 | 78 | 21 | 0 | 21 | 99 | |
| Total chapter A-24 | | 68 | - | 10 | 78 | 21 | 0 | 21 | 99 | |
| A-2500 | Formal meetings | 158 | - | - | 158 | 30 | - | 30 | 188 | |
| Total chapter A-25 | | 158 | - | - | 158 | 30 | - | 30 | 188 | |
| A-2600 | Running costs in connection with operational | 24 | - | 4 | 28 | 0 | - | 0 | 28 | |
| A-2602 | Workshops | 270 | - | 10 | 280 | 35 | - | 35 | 315 | |
| A-2603 | Knowledge management | 6 | - | - | 6 | 1 | - | 1 | 7 | |
| Total chapter A-26 | | 300 | - | 14 | 314 | 36 | - | 36 | 350 | |
| A-2700 | External communication | 225 | - | (71) | 154 | 119 | - | 119 | 272 | |
| A-2701 | Events | 300 | - | (61) | 239 | 32 | - | 32 | 271 | |
| A-2702 | Material | 100 | - | - | 100 | 30 | - | 30 | 130 | |
| Total chapter A-27 | | 625 | - | (132) | 493 | 180 | - | 180 | 673 | |
| A-2800 | Ex-post audits | 615 | - | (260) | 355 | 380 | - | 380 | 735 | |
| A-2801 | Studies, consultancy | 114 | - | - | 114 | 32 | - | 32 | 146 | |
| A-2802 | Audits | - | - | - | - | 47 | - | 47 | 47 | |
| Total chapter A-28 | | 729 | - | (260) | 469 | 459 | - | 459 | 928 | |
| A-2900 | Evaluation experts meetings | 600 | - | 213 | 813 | 6 | 35 | 40 | 853 | |
| A-2901 | Evaluation facilities | 100 | - | - | 100 | 1 | - | 1 | 101 | |
| Total chapter A-29 | | 700 | - | 213 | 913 | 6 | 35 | 41 | 954 | |
| Title A-2 | | 4 127 | - | - | 4 127 | 1 292 | 36 | 1 328 | 5 455 | |

5.2.3. Breakdown & changes in payment appropriations – Title B0-3

EUR '000

| | | Budget appropriations of the year | | | Additional appropriations | | | Total approp. available | |
|--------------------|---|-----------------------------------|-------------------------|-----------|---------------------------|---------------|------------------|----------------------------|----------------|
| | | Initial adopted budget | Budget Amending budgets | Transfers | Final budget adopted | Carryover | Assigned revenue | | Total |
| | | 1 | 2 | 3 | 4=1+2+3 | 5 | 6 | 7=5+6 | 8=4+7 |
| B3-000 | Implementing the research agenda of IMI JU | 120 000 | - | (120 000) | - | 130 | - | 130 | 130 |
| B3-001 | Call 1 | - | - | 6 940 | 6 940 | - | 19 | 19 | 6 959 |
| B3-002 | Call 2 | - | - | 6 650 | 6 650 | - | 4 | 4 | 6 654 |
| B3-003 | Call 3 | - | - | 11 000 | 11 000 | - | 3 | 3 | 11 003 |
| B3-004 | Call 4 | - | - | 15 000 | 15 000 | - | - | - | 15 000 |
| B3-005 | Call 5 | - | - | 8 000 | 8 000 | - | - | - | 8 000 |
| B3-006 | Call 6 | - | - | 7 000 | 7 000 | - | - | - | 7 000 |
| B3-007 | Call 7 | - | - | 1 900 | 1 900 | - | - | - | 1 900 |
| B3-008 | Call 8 | - | - | 18 000 | 18 000 | - | - | - | 18 000 |
| B3-009 | Call 9 | - | - | 12 000 | 12 000 | - | - | - | 12 000 |
| B3-010 | Call 10 | - | - | 1 220 | 1 220 | - | - | - | 1 220 |
| B3-011 | Call 11 | - | - | 23 700 | 23 700 | - | - | - | 23 700 |
| B3-013 | Enso 2013 | - | - | 590 | 590 | 500 | - | 500 | 1 090 |
| B3-020 | IMI2 implementing the research agenda of IMI JU | 79 614 | (2 528) | (77 086) | 0 | 6 205 | - | 6 205 | 6 205 |
| B3-021 | IMI2 call 1 | - | - | 1 600 | 1 600 | 1 511 | - | 1 511 | 3 111 |
| B3-022 | IMI2 call 2 | - | (18 725) | 25 000 | 6 275 | 11 000 | - | 11 000 | 17 275 |
| B3-023 | IMI2 call 3 | - | (9 990) | 12 300 | 2 310 | 4 080 | - | 4 080 | 6 390 |
| B3-024 | IMI2 call 4 | - | - | 600 | 600 | - | - | - | 600 |
| B3-025 | IMI2 call 5 | - | (3 200) | 3 200 | - | - | - | - | - |
| B3-026 | IMI2 call 6 | - | - | - | - | - | - | - | - |
| B3-027 | IMI2 call 7 | - | (2 895) | 17 400 | 14 505 | 8 025 | - | 8 025 | 22 530 |
| B3-028 | IMI2 call 8 | - | - | 5 100 | 5 100 | - | - | - | 5 100 |
| B3-029 | IMI2 call 9 | - | (18 662) | 19 886 | 1 224 | 20 000 | - | 20 000 | 21 224 |
| B3-030 | IMI2 call 10 | - | - | - | - | - | - | - | - |
| B3-031 | IMI2 call 11 | - | - | - | - | - | - | - | - |
| B3-032 | IMI2 call 12 | - | - | - | - | - | - | - | - |
| B3-033 | IMI2 call 13 | - | - | - | - | - | - | - | - |
| Total chapter B3-0 | | 199 614 | (56 000) | 0 | 143 614 | 51 451 | 26 | 51 477 | 195 091 |
| Title B0-3 | | 199 614 | (56 000) | 0 | 143 614 | 51 451 | 26 | 51 477 | 195 091 |
| GRAND TOTAL | | 209 443 | (56 000) | 0 | 153 443 | 52 868 | 62 | 52 930 | 206 372 |

5.3. IMPLEMENTATION OF COMMITMENT APPROPRIATIONS

5.3.1. Implementation of commitment appropriations - Title A-1

EUR '000

| | Total approp. availab. | from final adopt. budget | Commitments made | | | | Appropriations carried over to 2018 | | | Appropriations lapsing | | | Total 13=10+11+12 |
|---|------------------------|--------------------------|------------------|----------------------|--------------|-------------|-------------------------------------|-------------|----------|--------------------------|------------------|----------------------|----------------------|
| | | | from carry-overs | from assign. revenue | Total | % | Assign. revenue | By decision | Total | from final adopt. budget | from carry-overs | from assign. revenue | |
| | 1 | 2 | 3 | 4 | 5=2+3+4 | 6=5/1 | 7 | 8 | 9=7+8 | 10 | 11 | 12 | |
| A-1100 Staff in active employment and costs linked to empl. | 3 415 | 2 895 | - | - | 2 895 | 85% | - | - | - | 520 | - | - | 520 |
| A-1101 Family allowances | 361 | 315 | - | - | 315 | 87% | - | - | - | 46 | - | - | 46 |
| A-1102 Transfer and expatriation allowance | 406 | 406 | - | - | 406 | 100% | - | - | - | 0 | - | - | 0 |
| A-1110 Contract agents | 623 | 623 | - | - | 623 | 100% | - | - | - | 0 | - | - | 0 |
| A-1130 Insurance against sickness | 99 | 99 | - | - | 99 | 100% | - | - | - | 0 | - | - | 0 |
| A-1131 Insurance against accidents and occupational disease | 14 | 11 | - | - | 11 | 80% | - | - | - | 3 | - | - | 3 |
| A-1132 Unemployment insurance for temporary staff | 38 | 38 | - | - | 38 | 100% | - | - | - | 0 | - | - | 0 |
| A-1140 Birth and death allowance | 10 | 0 | - | - | 0 | 2% | - | - | - | 10 | - | - | 10 |
| A-1141 Annual travel costs from the place of employment to origin | 57 | 45 | - | - | 45 | 80% | - | - | - | 12 | - | - | 12 |
| A-1144 Fixed local travel allowances | 3 | 0 | - | - | 0 | 13% | - | - | - | 3 | - | - | 3 |
| A-1172 Cost of organizing traineeships within IMI | 16 | - | - | - | - | 0% | - | - | - | 16 | - | - | 16 |
| A-1177 Other services rendered | 5 | - | - | - | - | 0% | - | - | - | 5 | - | - | 5 |
| A-1178 PMO fees | 41 | 36 | - | - | 36 | 88% | 0 | - | 0 | 5 | - | - | 5 |
| A-1181 Travelling expenses (taking up duty) | 5 | 0 | - | - | 0 | 0% | - | - | - | 5 | - | - | 5 |
| A-1182 Installation allowance | 42 | - | - | - | - | 0% | - | - | - | 42 | - | - | 42 |
| A-1184 Temporary daily allowance | 13 | 13 | - | - | 13 | 96% | - | - | - | 1 | - | - | 1 |
| A-1190 Weightings (correction coefficients) | 2 | 2 | - | - | 2 | 90% | - | - | - | 0 | - | - | 0 |
| Total chapter A-11 | 5 151 | 4 484 | - | - | 4 484 | 87% | 0 | - | 0 | 667 | - | - | 667 |
| A-1200 Miscellaneous expenditure on staff recruitment | 20 | 20 | - | - | 20 | 100% | - | - | - | - | - | - | - |
| Total chapter A-12 | 20 | 20 | - | - | 20 | 100% | - | - | - | - | - | - | - |
| A-1300 Mission expenses | 190 | 150 | - | - | 150 | 79% | - | - | - | 40 | - | - | 40 |
| Total chapter A-13 | 190 | 150 | - | - | 150 | 79% | - | - | - | 40 | - | - | 40 |
| A-1410 Other trainings | 47 | 44 | - | - | 44 | 93% | - | - | - | 3 | - | - | 3 |
| A-1430 Medical service | 8 | 8 | - | - | 8 | 100% | - | - | - | - | - | - | - |
| A-1440 Trainings covered by the SLA | 19 | 19 | - | - | 19 | 100% | - | - | - | - | - | - | - |
| A-1490 Other interventions | 247 | 200 | - | - | 200 | 81% | - | - | - | 47 | - | - | 47 |
| Total chapter A-14 | 321 | 271 | - | - | 271 | 85% | - | - | - | 50 | - | - | 50 |
| A-1700 Entertainment and representation expenses | 20 | 20 | - | - | 20 | 100% | - | - | - | - | - | - | - |
| Total chapter A-17 | 20 | 20 | - | - | 20 | 100% | - | - | - | - | - | - | - |
| Total Title A-1 | 5 702 | 4 945 | - | - | 4 945 | 87% | 0 | - | 0 | 757 | - | - | 757 |

5.3.2. Implementation of commitment appropriations - Title A-2

EUR '000

| | Commitments made | | | | | | Appropriations carried over to 2018 | | | Appropriations lapsing | | | Total 13=10+11 +12 |
|--|------------------------------|--------------------------------|----------------------|----------------------------|--------------|------------|-------------------------------------|-------------|----------|--------------------------------|----------------------|----------------------------|--------------------------|
| | Total approp. availab. | from final adopt. budget | from carry- overs | from assign. revenue | Total | % | Assign. revenue | By decision | Total | from final adopt. budget | from carry- overs | from assign. revenue | |
| | 1 | 2 | 3 | 4 | 5=2+3+4 | 6=5/1 | 7 | 8 | 9=7+8 | 10 | 11 | 12 | |
| A-2000 Rentals | 581 | 543 | - | - | 543 | 93% | - | - | - | 38 | - | - | 38 |
| A-2020 Water, gas, electr and charges | 89 | 82 | - | - | 82 | 92% | - | - | - | 7 | - | - | 7 |
| A-2040 Furnishing of premises (works) | 80 | 70 | - | - | 70 | 87% | - | - | - | 10 | - | - | 10 |
| A-2050 Security and surveillance | 19 | 5 | - | - | 5 | 27% | - | - | - | 14 | - | - | 14 |
| Total chapter A-20 | 769 | 700 | - | - | 700 | 91% | - | - | - | 69 | - | - | 69 |
| A-2101 Hardware, infrastructure and related services | 320 | 320 | - | - | 320 | 100% | - | - | - | - | - | - | - |
| A-2102 Software development, licenses and related services | 451 | 442 | - | - | 442 | 98% | - | - | - | 9 | - | - | 9 |
| Total chapter A-21 | 771 | 762 | - | - | 762 | 99% | - | - | - | 9 | - | - | 9 |
| A-2200 Purchase | 30 | - | - | - | - | 0% | - | - | - | 30 | - | - | 30 |
| A-2201 Rentals | 10 | - | - | - | - | 0% | - | - | - | 10 | - | - | 10 |
| A-2202 Maintenance utilisation and repair | 20 | - | - | - | - | 0% | - | - | - | 20 | - | - | 20 |
| Total chapter A-22 | 60 | - | - | - | - | 0% | - | - | - | 60 | - | - | 60 |
| A-2300 Stationery and office supply | 39 | 37 | - | - | 37 | 95% | - | - | - | 2 | - | - | 2 |
| A-2350 Other operating expenditure | 15 | 14 | - | 1 | 15 | 100% | - | - | - | 0 | - | - | 0 |
| A-2360 Library stocks purchase of books and subscriptions | 44 | 42 | - | - | 42 | 95% | - | - | - | 2 | - | - | 2 |
| A-2370 Translation interpretation | 5 | 2 | - | - | 2 | 49% | - | - | - | 3 | - | - | 3 |
| Total chapter A-23 | 103 | 95 | - | 1 | 96 | 94% | - | - | - | 7 | - | - | 7 |
| A-2400 Correspondence and communication expenses | 78 | 60 | - | - | 60 | 77% | - | - | - | 18 | - | - | 18 |
| Total chapter A-24 | 78 | 60 | - | - | 60 | 77% | - | - | - | 18 | - | - | 18 |
| A-2500 Formal meetings | 158 | 120 | - | - | 120 | 76% | - | - | - | 38 | - | - | 38 |
| Total chapter A-25 | 158 | 120 | - | - | 120 | 76% | - | - | - | 38 | - | - | 38 |
| A-2600 Running costs in connection with operational | 28 | 28 | - | - | 28 | 100% | - | - | - | - | - | - | - |
| A-2602 Workshops | 280 | 280 | - | - | 280 | 100% | - | - | - | - | - | - | - |
| A-2603 Knowledge management | 6 | 4 | - | - | 4 | 67% | - | - | - | 2 | - | - | 2 |
| Total chapter A-26 | 314 | 312 | - | - | 312 | 99% | - | - | - | 2 | - | - | 2 |
| A-2700 External communication | 154 | 132 | - | - | 132 | 86% | - | - | - | 22 | - | - | 22 |
| A-2701 Events | 239 | 175 | - | - | 175 | 73% | - | - | - | 65 | - | - | 65 |
| A-2702 Material | 100 | 18 | - | - | 18 | 18% | - | - | - | 82 | - | - | 82 |
| Total chapter A-27 | 493 | 324 | - | - | 324 | 66% | - | - | - | 169 | - | - | 169 |
| A-2800 Ex-post audits | 355 | 326 | - | - | 326 | 92% | - | - | - | 29 | - | - | 29 |
| A-2801 Studies, consultancy | 114 | 100 | - | - | 100 | 88% | - | - | - | 14 | - | - | 14 |
| Total chapter A-28 | 469 | 427 | - | - | 427 | 91% | - | - | - | 42 | - | - | 42 |
| A-2900 Evaluation experts meetings | 848 | 631 | - | 35 | 666 | 79% | - | - | - | 182 | - | - | 182 |
| A-2901 Evaluation facilities | 100 | 98 | - | - | 98 | 98% | - | - | - | 2 | - | - | 2 |
| Total chapter A-29 | 948 | 729 | - | 35 | 764 | 81% | - | - | - | 184 | - | - | 184 |
| Total Title A-2 | 4 163 | 3 529 | - | 36 | 3 565 | 86% | - | - | - | 598 | - | - | 598 |

5.3.3. Implementation of commitment appropriations - Title B0-3

EUR '000

| | Total approp. availab. | Commitments made | | | | | Appropriations carried over to 2018 | | | Appropriations lapsing | | | Total 13=10+11+12 |
|---|------------------------|--------------------------|------------------|----------------------|----------------|------------|-------------------------------------|-------------|-----------|--------------------------|------------------|----------------------|----------------------|
| | | from final adopt. budget | from carry-overs | from assign. revenue | Total | % | Assign. revenue | By decision | Total | from final adopt. budget | from carry-overs | from assign. revenue | |
| | | 1 | 2 | 3 | 4 | 5=2+3+4 | 6=5/1 | 7 | 8 | 9=7+8 | 10 | 11 | |
| <i>B3-000 Implementing the research agenda of IMI JU</i> | 130 | - | - | - | - | 0% | - | - | - | - | 130 | - | 130 |
| <i>B3-001 Call 1</i> | 19 | - | - | - | - | 0% | 19 | - | 19 | - | - | - | - |
| <i>B3-002 Call 2</i> | 4 | - | - | - | - | 0% | 4 | - | 4 | - | - | - | - |
| <i>B3-003 Call 3</i> | 3 | - | - | - | - | 0% | 3 | - | 3 | - | - | - | - |
| <i>B3-020 IMI2 implementing the research agenda of IMI JU</i> | 10 083 | 2 100 | 39 | - | 2 139 | 21% | - | - | - | - | 7 944 | - | 7 944 |
| <i>B3-027 IMI2 call 7</i> | 46 795 | 38 770 | 8 025 | - | 46 795 | 100% | - | - | - | - | - | - | - |
| <i>B3-028 IMI2 call 8</i> | 70 000 | 70 000 | - | - | 70 000 | 100% | - | - | - | - | - | - | - |
| <i>B3-031 IMI2 call 11</i> | 5 000 | 5 000 | - | - | 5 000 | 100% | - | - | - | - | - | - | - |
| <i>B3-032 IMI2 call 12</i> | 64 077 | 62 169 | 1 908 | - | 64 077 | 100% | - | - | - | - | - | - | - |
| <i>B3-033 IMI2 call 13</i> | 116 421 | - | 116 421 | - | 116 421 | 100% | - | - | - | - | - | - | - |
| Total chapter B3-0 | 312 532 | 178 039 | 126 393 | - | 304 432 | 97% | 26 | - | 26 | - | 8 074 | - | 8 074 |
| Total Title B0-3 | 312 532 | 178 039 | 126 393 | - | 304 432 | 97% | 26 | - | 26 | - | 8 074 | - | 8 074 |
| GRAND TOTAL | 322 396 | 186 513 | 126 393 | 36 | 312 941 | 97% | 26 | - | 26 | 1 355 | 8 074 | - | 9 429 |

5.4. IMPLEMENTATION OF PAYMENT APPROPRIATIONS

5.4.1. Implementation of payment appropriations - Title A-1

EUR '000

| | Total approp. availab. | from final adopt. budget | from carry-overs | Payments made from assign. revenue | | Total | % | Appropriations carried over to 2018 | | | | Appropriations lapsing | | Total |
|---|------------------------|--------------------------|------------------|------------------------------------|----------------------|------------|----------|-------------------------------------|-------------|---------------|------------|--------------------------|------------------|-------------|
| | | | | from carry-overs | from assign. revenue | | | Autom. carry-overs | By decision | Assigned rev. | Total | from final adopt. budget | from carry-overs | |
| | 1 | 2 | 3 | 4 | 5=2+3+4 | 6 = 5/1 | 7 | 8 | 9 | 10=7+8+9 | 11 | 12 | 13 | 14=11+12+13 |
| A-1100 Staff in active employment and costs linked to empl. | 3 415 | 2 895 | - | - | 2 895 | 85% | - | - | - | - | 520 | - | - | 520 |
| A-1101 Family allowances | 361 | 315 | - | - | 315 | 87% | - | - | - | - | 46 | - | - | 46 |
| A-1102 Transfer and expatriation allowance | 406 | 406 | - | - | 406 | 100% | - | - | - | - | 0 | - | - | 0 |
| A-1110 Contract agents | 623 | 623 | - | - | 623 | 100% | - | - | - | - | 0 | - | - | 0 |
| A-1130 Insurance against sickness | 99 | 99 | - | - | 99 | 100% | - | - | - | - | 0 | - | - | 0 |
| A-1131 Insurance against accidents and occupational disease | 14 | 11 | - | - | 11 | 80% | - | - | - | - | 3 | - | - | 3 |
| A-1132 Unemployment insurance for temporary staff | 38 | 38 | - | - | 38 | 100% | - | - | - | - | 0 | - | - | 0 |
| A-1140 Birth and death allowance | 10 | 0 | - | - | 0 | 2% | - | - | - | - | 10 | - | - | 10 |
| A-1141 Annual travel costs from the place of employment to origin | 57 | 45 | - | - | 45 | 80% | - | - | - | - | 12 | - | - | 12 |
| A-1144 Fixed local travel allowances | 3 | 0 | - | - | 0 | 13% | - | - | - | - | 3 | - | - | 3 |
| A-1172 Cost of organizing traineeships within IMI | 16 | - | - | - | - | 0% | - | - | - | - | 16 | - | - | 16 |
| A-1177 Other services rendered | 5 | - | - | - | - | 0% | - | - | - | - | 5 | - | - | 5 |
| A-1178 PMO fees | 41 | 36 | - | - | 36 | 88% | - | - | 0 | 0 | 5 | - | - | 5 |
| A-1181 Travelling expenses (taking up duty) | 5 | 0 | - | - | 0 | 0% | - | - | - | - | 5 | - | - | 5 |
| A-1182 Installation allowance | 42 | - | - | - | - | 0% | - | - | - | - | 42 | - | - | 42 |
| A-1184 Temporary daily allowance | 13 | 13 | - | - | 13 | 96% | - | - | - | - | 1 | - | - | 1 |
| A-1190 Weightings (correction coefficients) | 2 | 2 | - | - | 2 | 90% | - | - | - | - | 0 | - | - | 0 |
| Total chapter A-11 | 5 151 | 4 484 | - | - | 4 484 | 87% | - | - | 0 | 0 | 667 | - | - | 667 |
| A-1200 Miscellaneous expenditure on staff recruitment | 26 | 7 | - | - | 7 | 26% | - | - | - | - | 13 | 6 | - | 19 |
| Total chapter A-12 | 26 | 7 | - | - | 7 | 26% | - | - | - | - | 13 | 6 | - | 19 |
| A-1300 Mission expenses | 198 | 111 | 8 | - | 119 | 60% | - | - | - | - | 79 | 0 | - | 79 |
| Total chapter A-13 | 198 | 111 | 8 | - | 119 | 60% | - | - | - | - | 79 | 0 | - | 79 |
| A-1410 Other trainings | 50 | 44 | 3 | - | 46 | 93% | - | - | - | - | 3 | - | - | 3 |
| A-1430 Medical service | 11 | 8 | 3 | - | 11 | 100% | - | - | - | - | 0 | - | - | 0 |
| A-1440 Trainings covered by the SLA | 23 | 9 | 1 | - | 10 | 44% | - | - | - | - | 10 | 2 | - | 13 |
| A-1490 Other interventions | 342 | 238 | 1 | - | 240 | 70% | - | - | - | - | 9 | 93 | - | 102 |
| Total chapter A-14 | 425 | 299 | 8 | - | 307 | 72% | - | - | - | - | 22 | 96 | - | 118 |
| A-1700 Entertainment and representation expenses | 27 | 20 | 4 | - | 24 | 89% | - | - | - | - | 0 | 3 | - | 3 |
| Total chapter A-17 | 27 | 20 | 4 | - | 24 | 89% | - | - | - | - | 0 | 3 | - | 3 |
| Total Title A-1 | 5 827 | 4 921 | 20 | - | 4 941 | 85% | - | - | 0 | 0 | 781 | 105 | - | 886 |

5.4.2. Implementation of payment appropriations - Title A-2

EUR '000

| | | Payments made | | | | | | Appropriations carried over to 2018 | | | | Appropriations lapsing | | | Total |
|------------------------|---|------------------------|--------------------------|------------------|----------------------|--------------|------------|-------------------------------------|-------------|---------------|--------------|--------------------------|------------------|-------------------|-------|
| | | Total approp. availab. | from final adopt. budget | from carry-overs | from assign. revenue | Total | % | Autom. carry-overs | By decision | Assigned rev. | Total | from final adopt. budget | from carry-overs | from assign. rev. | |
| | | 1 | 2 | 3 | 4 | 5=2+3+4 | 6 = 5/1 | 7 | 8 | 9 | 10=7+8+9 | 11 | 12 | 13 | |
| A-2000 | Rentals | 669 | 450 | - | - | 450 | 67% | - | - | - | 131 | 88 | - | 219 | |
| A-2020 | Water,gas,electr and charges | 91 | 83 | - | - | 83 | 91% | - | - | - | 6 | 2 | - | 8 | |
| A-2040 | Furnishing of premises (works) | 80 | 8 | - | - | 8 | 10% | - | - | - | 72 | - | - | 72 | |
| A-2050 | Security and surveillance | 31 | 17 | - | - | 17 | 56% | - | - | - | 2 | 12 | - | 14 | |
| Total chapter A-20 | | 872 | 559 | - | - | 559 | 64% | - | - | - | 210 | 103 | - | 313 | |
| A-2101 | Hardware, infrastructure and related services | 451 | 168 | 2 | 1 | 171 | 38% | - | - | - | 152 | 128 | - | 280 | |
| A-2102 | Software development, licenses and related services | 766 | 429 | - | - | 429 | 56% | - | - | - | 22 | 315 | - | 337 | |
| Total chapter A-21 | | 1 217 | 597 | 2 | 1 | 600 | 49% | - | - | - | 174 | 443 | - | 617 | |
| A-2200 | Purchase | 30 | - | - | - | - | 0% | - | - | - | 30 | - | - | 30 | |
| A-2201 | Rentals | 10 | - | - | - | - | 0% | - | - | - | 10 | - | - | 10 | |
| A-2202 | Maintenance utilisation and repair | 20 | - | - | - | - | 0% | - | - | - | 20 | - | - | 20 | |
| Total chapter A-22 | | 60 | - | - | - | - | 0% | - | - | - | 60 | - | - | 60 | |
| A-2300 | Stationery and office supply | 46 | 36 | - | - | 36 | 78% | - | - | - | 3 | 7 | - | 10 | |
| A-2350 | Other operating expenditure | 16 | 9 | 0 | - | 9 | 58% | - | - | - | 5 | 2 | - | 7 | |
| A-2360 | Library stocks purchase of books and subscriptions | 44 | 42 | - | - | 42 | 95% | - | - | - | 2 | 0 | - | 2 | |
| A-2370 | Translation interpretation | 7 | 2 | - | - | 2 | 33% | - | - | - | 3 | 2 | - | 5 | |
| Total chapter A-23 | | 113 | 89 | 0 | - | 89 | 79% | - | - | - | 13 | 11 | - | 24 | |
| A-2400 | Correspondence and communication expenses | 99 | 24 | 0 | 0 | 24 | 25% | - | - | - | 54 | 21 | - | 75 | |
| Total chapter A-24 | | 99 | 24 | 0 | 0 | 24 | 25% | - | - | - | 54 | 21 | - | 75 | |
| A-2500 | Formal meetings | 188 | 100 | 1 | - | 101 | 54% | - | - | - | 58 | 29 | - | 87 | |
| Total chapter A-25 | | 188 | 100 | 1 | - | 101 | 54% | - | - | - | 58 | 29 | - | 87 | |
| A-2600 | Running costs in connection with operational | 28 | 15 | 0 | - | 15 | 53% | - | - | - | 13 | 0 | - | 13 | |
| A-2602 | Workshops | 315 | 254 | 0 | - | 254 | 81% | - | - | - | 26 | 35 | - | 61 | |
| A-2603 | Knowledge management | 7 | - | - | - | - | 0% | - | - | - | 6 | 1 | - | 7 | |
| Total chapter A-26 | | 350 | 269 | 1 | - | 270 | 77% | - | - | - | 45 | 35 | - | 80 | |
| A-2700 | External communication | 272 | 57 | 114 | - | 171 | 63% | - | - | - | 97 | 5 | - | 102 | |
| A-2701 | Events | 271 | 163 | - | - | 163 | 60% | - | - | - | 77 | 32 | - | 109 | |
| A-2702 | Material | 130 | 17 | - | - | 17 | 13% | - | - | - | 83 | 30 | - | 113 | |
| Total chapter A-27 | | 673 | 237 | 114 | - | 350 | 52% | - | - | - | 256 | 67 | - | 323 | |
| A-2800 | Ex-post audits | 735 | 256 | 71 | - | 327 | 44% | - | - | - | 99 | 309 | - | 408 | |
| A-2801 | Studies, consultancy | 146 | 92 | 8 | - | 100 | 69% | - | - | - | 22 | 23 | - | 45 | |
| A-2802 | Audits | 47 | - | 47 | - | 47 | 100% | - | - | - | - | - | - | - | |
| Total chapter A-28 | | 928 | 348 | 126 | - | 475 | 51% | - | - | - | 121 | 332 | - | 453 | |
| A-2900 | Evaluation experts meetings | 853 | 621 | - | 5 | 626 | 73% | - | 30 | 30 | 192 | 6 | - | 198 | |
| A-2901 | Evaluation facilities | 101 | 98 | - | - | 98 | 97% | - | - | - | 2 | 1 | - | 3 | |
| Total chapter A-29 | | 954 | 718 | - | 5 | 723 | 76% | - | 30 | 30 | 195 | 6 | - | 201 | |
| Total Title A-2 | | 5 455 | 2 942 | 245 | 6 | 3 192 | 59% | - | 30 | 30 | 1 185 | 1 048 | - | 2 233 | |

5.4.3. Implementation of payment appropriations - Title B0-3

EUR '000

| | Total approp. availab. | from final adopt. budget | Payments made | | | | Total | % | Appropriations carried over to 2018 | | | Appropriations lapsing | | | Total |
|--------|---|--------------------------|------------------|----------------------|--------------------|----------------|------------|----------|-------------------------------------|-----------|--------------------------|------------------------|-------------------|---------------|-------|
| | | | from carry-overs | from assign. revenue | Autom. carry-overs | By decision | | | Assigned rev. | Total | from final adopt. budget | from carry-overs | from assign. rev. | | |
| | 1 | 2 | 3 | 4 | 5=2+3+4 | 6 = 5/1 | 7 | 8 | 9 | 10=7+8+9 | 11 | 12 | 13 | 14=11+12+13 | |
| B3-000 | Implementing the research agenda of IMI JU | 130 | - | 130 | - | 130 | 100% | - | - | - | - | - | - | - | |
| B3-001 | Call 1 | 6 959 | 1 633 | - | - | 1 633 | 23% | - | 19 | 19 | 5 307 | - | - | 5 307 | |
| B3-002 | Call 2 | 6 654 | 6 060 | - | - | 6 060 | 91% | - | 4 | 4 | 590 | - | - | 590 | |
| B3-003 | Call 3 | 11 003 | 2 842 | - | - | 2 842 | 26% | - | 3 | 3 | 8 158 | - | - | 8 158 | |
| B3-004 | Call 4 | 15 000 | 3 559 | - | - | 3 559 | 24% | - | - | - | 11 441 | - | - | 11 441 | |
| B3-005 | Call 5 | 8 000 | 7 991 | - | - | 7 991 | 100% | - | - | - | 9 | - | - | 9 | |
| B3-006 | Call 6 | 7 000 | 532 | - | - | 532 | 8% | - | - | - | 6 468 | - | - | 6 468 | |
| B3-007 | Call 7 | 1 900 | 958 | - | - | 958 | 50% | - | - | - | 942 | - | - | 942 | |
| B3-008 | Call 8 | 18 000 | 15 911 | - | - | 15 911 | 88% | - | - | - | 2 089 | - | - | 2 089 | |
| B3-009 | Call 9 | 12 000 | 7 108 | - | - | 7 108 | 59% | - | - | - | 4 892 | - | - | 4 892 | |
| B3-010 | Call 10 | 1 220 | 841 | - | - | 841 | 69% | - | - | - | 379 | - | - | 379 | |
| B3-011 | Call 11 | 23 700 | 23 448 | - | - | 23 448 | 99% | - | - | - | 252 | - | - | 252 | |
| B3-013 | Enso 2013 | 1 090 | 590 | 412 | - | 1 001 | 92% | - | - | - | - | 88 | - | 88 | |
| B3-020 | IMI2 implementing the research agenda of IMI JU | 6 205 | - | 7 | - | 7 | 0% | - | - | - | 0 | 6 198 | - | 6 198 | |
| B3-021 | IMI2 call 1 | 3 111 | 1 598 | 1 511 | - | 3 109 | 100% | - | - | - | 2 | - | - | 2 | |
| B3-022 | IMI2 call 2 | 17 275 | 6 275 | 10 481 | - | 16 756 | 97% | - | - | - | - | 519 | - | 519 | |
| B3-023 | IMI2 call 3 | 6 390 | 2 310 | 4 041 | - | 6 352 | 99% | - | - | - | 0 | 39 | - | 39 | |
| B3-024 | IMI2 call 4 | 600 | 113 | - | - | 113 | 19% | - | - | - | 487 | - | - | 487 | |
| B3-027 | IMI2 call 7 | 22 530 | 14 505 | 2 568 | - | 17 073 | 76% | - | - | - | - | 5 457 | - | 5 457 | |
| B3-028 | IMI2 call 8 | 5 100 | 5 072 | - | - | 5 072 | 99% | - | - | - | 28 | - | - | 28 | |
| B3-029 | IMI2 call 9 | 21 224 | 1 224 | 18 662 | - | 19 886 | 94% | - | - | - | - | 1 338 | - | 1 338 | |
| | Total chapter B3-0 | 195 091 | 102 569 | 37 813 | - | 140 381 | 72% | - | 26 | 26 | 41 045 | 13 639 | - | 54 684 | |
| | Total Title B0-3 | 195 091 | 102 569 | 37 813 | - | 140 381 | 72% | - | 26 | 26 | 41 045 | 13 639 | - | 54 684 | |
| | GRAND TOTAL | 206 372 | 110 431 | 38 077 | 6 | 148 514 | 72% | - | 56 | 56 | 43 011 | 14 791 | - | 57 802 | |

6. COMMITMENTS OUTSTANDING

6.1. Commitments outstanding – Title A-1

| | | Commitments outstanding at the end of prev. year | | | | Commitments of the year | | | | EUR '000 |
|------------------------|--|--|-------------------------------------|-----------|------------|----------------------------|--------------|---|---------------------------------|---|
| | | Comm. carried forward from prev. year | Decommit. Revaluation Cancellations | Payments | Total | Comm. made during the year | Payment | Cancellation of comm. which cannot be carried forward | Commit. outstanding at year-end | Total commitments outstanding at year-end |
| | | 1 | 2 | 3 | 4=1+2-3 | 5 | 6 | 7 | 8=5-6-7 | 9=4+8 |
| A-1100 | Staff in active employment and costs linked to empl. | - | - | - | - | 2 895 | 2 895 | - | - | - |
| A-1101 | Family allowances | - | - | - | - | 315 | 315 | - | - | - |
| A-1102 | Transfer and expatriation allowance | - | - | - | - | 406 | 406 | - | - | - |
| A-1110 | Contract agents | - | - | - | - | 623 | 623 | - | - | - |
| A-1130 | Insurance against sickness | - | - | - | - | 99 | 99 | - | - | - |
| A-1131 | Insurance against accidents and occupational disease | - | - | - | - | 11 | 11 | - | - | - |
| A-1132 | Unemployment insurance for temporary staff | - | - | - | - | 38 | 38 | - | - | - |
| A-1140 | Birth and death allowance | - | - | - | - | 0 | 0 | - | - | - |
| A-1141 | Annual travel costs from the place of employment to origin | - | - | - | - | 45 | 45 | - | - | - |
| A-1144 | Fixed local travel allowances | - | - | - | - | 0 | 0 | - | - | - |
| A-1178 | PMO fees | - | - | - | - | 36 | 36 | - | - | - |
| A-1181 | Travelling expenses (taking up duty) | - | - | - | - | 0 | 0 | - | - | - |
| A-1184 | Temporary daily allowance | - | - | - | - | 13 | 13 | - | - | - |
| A-1190 | Weightings (correction coefficients) | - | - | - | - | 2 | 2 | - | - | - |
| Total chapter A-11 | | - | - | - | - | 4 484 | 4 484 | - | - | - |
| A-1200 | Miscellaneous expenditure on staff recruitment and | 6 | (5) | 1 | (0) | 20 | 6 | - | 14 | 14 |
| Total chapter A-12 | | 6 | (5) | 1 | (0) | 20 | 6 | - | 14 | 14 |
| A-1300 | Mission expenses | 8 | (2) | 6 | - | 150 | 113 | - | 37 | 37 |
| Total chapter A-13 | | 8 | (2) | 6 | - | 150 | 113 | - | 37 | 37 |
| A-1410 | Other trainings | 3 | - | 3 | - | 44 | 44 | - | 0 | 0 |
| A-1430 | Medical service | 3 | - | 3 | - | 8 | 8 | - | 0 | 0 |
| A-1440 | Trainings covered by the SLA | 4 | - | 4 | - | 19 | 6 | - | 13 | 13 |
| A-1490 | Other interventions | 95 | (46) | 49 | - | 200 | 191 | - | 10 | 10 |
| Total chapter A-14 | | 104 | (46) | 58 | - | 271 | 249 | - | 23 | 23 |
| A-1700 | Entertainment and representation expenses | 7 | (3) | 4 | - | 20 | 20 | - | 0 | 0 |
| Total chapter A-17 | | 7 | (3) | 4 | - | 20 | 20 | - | 0 | 0 |
| Total Title A-1 | | 125 | (55) | 69 | (0) | 4 945 | 4 871 | - | 74 | 74 |

6.2. Commitments outstanding – Title A-2

| | | Commitments outstanding at the end of prev. year | | | | Commitments of the year | | | | EUR '000 |
|------------------------|---|--|-------------------------------------|------------|------------|----------------------------|--------------|---|---------------------------------|---|
| | | Comm. carried forward from prev. year | Decommit. Revaluation Cancellations | Payments | Total | Comm. made during the year | Payment | Cancellation of comm. which cannot be carried forward | Commit. outstanding at year-end | Total commitments outstanding at year-end |
| | | 1 | 2 | 3 | 4=1+2-3 | 5 | 6 | 7 | 8=5-6-7 | 9=4+8 |
| A-2000 | Rentals | 88 | (75) | 13 | - | 543 | 437 | - | 106 | 106 |
| A-2020 | Water, gas, electr and charges | 2 | - | 2 | - | 82 | 81 | - | 1 | 1 |
| A-2040 | Furnishing of premises (works) | - | - | - | - | 70 | 8 | - | 62 | 62 |
| A-2050 | Security and surveillance | 12 | (0) | 12 | - | 5 | 5 | - | - | - |
| Total chapter A-20 | | 103 | (75) | 28 | - | 700 | 531 | - | 168 | 168 |
| A-2101 | Hardware, infrastructure and related services | 130 | (3) | 43 | 84 | 320 | 128 | - | 191 | 276 |
| A-2102 | Software development, licenses and related services | 315 | (0) | 305 | 10 | 442 | 124 | - | 318 | 328 |
| Total chapter A-21 | | 445 | (3) | 348 | 94 | 762 | 252 | - | 509 | 604 |
| A-2300 | Stationery and office supply | 7 | (6) | 1 | 0 | 37 | 35 | - | 2 | 2 |
| A-2350 | Other operating expenditure | 2 | (2) | 0 | - | 15 | 9 | - | 6 | 6 |
| A-2360 | Library stocks purchase of books and subscriptions | 0 | (0) | - | - | 42 | 42 | - | - | - |
| A-2370 | Translation interpretation | 2 | (2) | - | - | 2 | 2 | - | - | - |
| Total chapter A-23 | | 11 | (11) | 1 | 0 | 96 | 89 | - | 8 | 8 |
| A-2400 | Correspondence and communication expenses | 21 | (14) | 7 | - | 60 | 17 | - | 43 | 43 |
| Total chapter A-24 | | 21 | (14) | 7 | - | 60 | 17 | - | 43 | 43 |
| A-2500 | Formal meetings | 30 | (20) | 10 | - | 120 | 92 | - | 28 | 28 |
| Total chapter A-25 | | 30 | (20) | 10 | - | 120 | 92 | - | 28 | 28 |
| A-2600 | Running costs in connection with operational | 0 | - | 0 | - | 28 | 15 | - | 13 | 13 |
| A-2602 | Workshops | 35 | (4) | 31 | - | 280 | 223 | - | 57 | 57 |
| A-2603 | Knowledge management | 1 | (1) | - | - | 4 | - | - | 4 | 4 |
| Total chapter A-26 | | 36 | (4) | 32 | - | 312 | 238 | - | 74 | 74 |
| A-2700 | External communication | 119 | (5) | 114 | - | 132 | 57 | - | 75 | 75 |
| A-2701 | Events | 32 | (25) | 7 | - | 175 | 155 | - | 20 | 20 |
| A-2702 | Material | 30 | (24) | 6 | - | 18 | 11 | - | 6 | 6 |
| Total chapter A-27 | | 180 | (53) | 127 | - | 324 | 224 | - | 101 | 101 |
| A-2800 | Ex-post audits | 380 | (102) | 278 | - | 326 | 49 | - | 277 | 277 |
| A-2801 | Studies, consultancy | - | - | - | - | 100 | 100 | - | - | - |
| A-2802 | Audits | 79 | - | 47 | 32 | - | - | - | - | 32 |
| Total chapter A-28 | | 459 | (102) | 325 | 32 | 427 | 149 | - | 277 | 309 |
| A-2900 | Evaluation experts meetings | 6 | (6) | - | - | 666 | 626 | - | 40 | 40 |
| A-2901 | Evaluation facilities | 1 | - | 1 | - | 98 | 97 | - | 1 | 1 |
| Total chapter A-29 | | 6 | (6) | 1 | - | 764 | 723 | - | 41 | 41 |
| Total Title A-2 | | 1 292 | (289) | 878 | 126 | 3 565 | 2 315 | - | 1 250 | 1 376 |

6.3. Commitments outstanding – Title B0-3

| | | Commitments outstanding at the end of prev. year | | | | Commitments of the year | | | | EUR '000 |
|-------------------------|---|--|-------------------------------------|----------------|----------------|----------------------------|---------------|---|---------------------------------|---|
| | | Comm. carried forward from prev. year | Decommit. Revaluation Cancellations | Payments | Total | Comm. made during the year | Payment | Cancellation of comm. which cannot be carried forward | Commit. outstanding at year-end | Total commitments outstanding at year-end |
| | | 1 | 2 | 3 | 4=1+2-3 | 5 | 6 | 7 | 8=5-6-7 | 9=4+8 |
| B3-000 | Implementing the research agenda of IMI JU | 130 | - | 130 | - | - | - | - | - | - |
| B3-001 | Call 1 | 3 352 | - | 1 633 | 1 719 | - | - | - | - | 1 719 |
| B3-002 | Call 2 | 6 812 | - | 6 060 | 752 | - | - | - | - | 752 |
| B3-003 | Call 3 | 11 487 | - | 2 842 | 8 645 | - | - | - | - | 8 645 |
| B3-004 | Call 4 | 13 291 | - | 3 559 | 9 733 | - | - | - | - | 9 733 |
| B3-005 | Call 5 | 15 979 | - | 7 991 | 7 988 | - | - | - | - | 7 988 |
| B3-006 | Call 6 | 51 299 | - | 532 | 50 767 | - | - | - | - | 50 767 |
| B3-007 | Call 7 | 2 312 | - | 958 | 1 354 | - | - | - | - | 1 354 |
| B3-008 | Call 8 | 65 100 | - | 15 911 | 49 188 | - | - | - | - | 49 188 |
| B3-009 | Call 9 | 28 620 | - | 7 108 | 21 513 | - | - | - | - | 21 513 |
| B3-010 | Call 10 | 3 510 | - | 841 | 2 669 | - | - | - | - | 2 669 |
| B3-011 | Call 11 | 113 815 | - | 23 448 | 90 367 | - | - | - | - | 90 367 |
| B3-013 | Enso 2013 | 2 394 | - | 1 001 | 1 393 | - | - | - | - | 1 393 |
| B3-020 | IMI2 implementing the research agenda of IMI JU | - | - | - | - | 2 139 | 7 | - | 2 132 | 2 132 |
| B3-021 | IMI2 call 1 | 15 111 | - | 3 109 | 12 002 | - | - | - | - | 12 002 |
| B3-022 | IMI2 call 2 | 61 217 | - | 16 756 | 44 461 | - | - | - | - | 44 461 |
| B3-023 | IMI2 call 3 | 34 307 | - | 6 352 | 27 955 | - | - | - | - | 27 955 |
| B3-024 | IMI2 call 4 | 226 | - | 113 | 113 | - | - | - | - | 113 |
| B3-025 | IMI2 call 5 | 31 100 | - | - | 31 100 | - | - | - | - | 31 100 |
| B3-026 | IMI2 call 6 | 29 834 | - | - | 29 834 | - | - | - | - | 29 834 |
| B3-027 | IMI2 call 7 | - | - | - | - | 46 795 | 17 073 | - | 29 722 | 29 722 |
| B3-028 | IMI2 call 8 | - | - | - | - | 70 000 | 5 072 | - | 64 928 | 64 928 |
| B3-029 | IMI2 call 9 | 58 328 | (722) | 19 886 | 37 719 | - | - | - | - | 37 719 |
| B3-030 | IMI2 call 10 | 173 890 | (173 890) | - | - | - | - | - | - | - |
| B3-031 | IMI2 call 11 | - | - | - | - | 5 000 | - | - | 5 000 | 5 000 |
| B3-032 | IMI2 call 12 | - | - | - | - | 64 077 | - | - | 64 077 | 64 077 |
| B3-033 | IMI2 call 13 | - | - | - | - | 116 421 | - | - | 116 421 | 116 421 |
| Total chapter B3-0 | | 722 116 | (174 612) | 118 229 | 429 275 | 304 432 | 22 152 | - | 282 279 | 711 554 |
| Total Title B0-3 | | 722 116 | (174 612) | 118 229 | 429 275 | 304 432 | 22 152 | - | 282 279 | 711 554 |
| GRAND TOTAL | | 723 533 | (174 957) | 119 176 | 429 400 | 312 941 | 29 338 | - | 283 603 | 713 003 |

7. GLOSSARY

ABAC

This is the name given to the Commission's accounting system, which since 2005 has been enriched by accrual accounting rules. Apart from the cash-based budget accounts, the Commission produces accrual-based accounts which recognise revenue when earned, rather than when collected. Expenses are recognised when incurred rather than when paid. This contrasts with cash basis budgetary accounting that recognises transactions and other events only when cash is received or paid.

Accounting

The act of recording and reporting financial transactions, including the creation of the transaction, its recognition, processing, and summarisation in the financial statements.

Administrative appropriations

Administrative appropriations cover the running costs of the Institutions and entities (staff, buildings, office equipment).

Adjustment

Amending budget or transfer of funds from one budget item to another

Adopted budget

Draft budget becomes the adopted budget as soon as it is approved by the Budgetary Authority.

Agencies

EU bodies having a distinct legal personality, and to whom budget implementing powers may be delegated under strict conditions. They are subject to a distinct discharge from the discharge authority.

Amending budget

Decision adopted during the budget year to amend (increase, decrease, transfer) aspects of the adopted budget of that year.

Annuality

The budgetary principle according to which expenditure and revenue is programmed and authorised for one year, starting on 1 January and ending on 31 December.

Appropriations

Budget funding. The budget forecasts both commitments (legal pledges to provide finance, provided that certain conditions are fulfilled) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ — differentiated appropriations — because multiannual programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses. Non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments and commitment appropriations equal payment appropriations.

Assigned revenue External/Internal

Dedicated revenue received to finance specific items of expenditure. The main sources of external assigned revenue are financial contributions from third countries to programmes financed by the Union. The main sources of internal assigned revenue are revenue from third parties in respect of goods, services or work supplied at their request; revenue arising from the repayment of amounts wrongly paid and revenue from the sale of publications and films, including those on an electronic medium. The complete list of items constituting assigned revenue is given in the Financial Regulation Art.21.2.

Authorising Officer (AO)

The AO is responsible in each institution for authorising revenue and expenditure operations in accordance with the principles of sound financial management and for ensuring that the requirements of legality and regularity are complied with.

Budget

Annual financial plan, drawn up according to budgetary principles, that provides forecasts and authorises, for each financial year, an estimate of future costs and revenue and expenditures and their detailed description and justification, the latter included in budgetary remarks.

Budget implementation

Consumption of the budget through expenditure and revenue operations.

Budget item / Budget line / Budget position

As far as the budget structure is concerned, revenue and expenditure are shown in the budget in accordance with a binding nomenclature which reflects the nature and purpose of each item, as imposed by the budgetary authority. The individual headings (title, chapter, article or item) provide a formal description of the nomenclature.

Budget result

The difference between income received and amounts paid, including adjustments for carry-overs, cancellations and exchange rate differences. The resulting amount will have to be reimbursed to the funding authority as provided in the Financial Regulation for Agencies.

Budgetary authority

Institutions with decisional powers on budgetary matters: the European Parliament and the Council.

Budgetary commitment

A budgetary commitment is a reservation of appropriations to cover for subsequent expenses.

Cancellation of appropriations

Unused appropriations that may no longer be used.

Carryover of appropriations

Exception to the principle of annuality in so far as appropriations that could not be used in a given budget year may, under strict conditions, be exceptionally carried over for use during the following year.

Commitment appropriations

Commitment appropriations cover the total cost of legal obligations (contracts, grant agreements/decisions) that could be signed in the current financial year. Art. 7 FR: Commitment appropriations cover the total cost in the current financial year of legal obligations (contracts, grant agreements/decisions) entered into for operations extending over more than one year.

De-commitment

Cancellation of a reservation of appropriations.

Differentiated appropriations

Differentiated appropriations are used to finance multiannual operations; they cover, for the current financial year, the total cost of the legal obligations entered into for operations whose implementation extends over more than one financial year. Art. 7 FR: Differentiated appropriations are entered for multiannual operations. They consist of commitment appropriations and payment appropriations.

Earmarked revenue

Revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests, including the earmarked revenue specific to each institution. (Cf. Assigned revenue)

Economic result

Impact on the balance sheet of expenditure and revenue based on accrual accounting rules.

Entitlements established

Entitlements are recovery orders that the European Union must establish for collecting income.

Exchange rate difference

The difference resulting from currency exchange rates applied to the transactions concerning countries outside the euro area, or from the revaluation of assets and liabilities in foreign currency at the closure.

Expenditure

Term used to describe spending the budget from all types of funds sources.

Financial regulation (FR)

Adopted through the ordinary legislative procedure after consulting the European Court of Auditors, this regulation lays down the rules for the establishment and implementation of the general budget of the European Union. (OJ L 298, 26.10.2012)

Funds Source

Type of appropriations (e.g.: C1, C2, etc.)

Grants

Direct financial contributions, by way of donation, from the budget in order to finance either an action intended to help achieve an objective part of an EU policy or the functioning of a body which pursues an aim of general European interest or has an objective forming part of an EU policy.

Implementation

Cf. Budget implementation

Income

Cf. Revenue

Joint Undertakings (JUs)

A legal EU-body established under the TFEU. The term can be used to describe any collaborative structure proposed for the "efficient execution of Union research, technological development and demonstration programmes".

Lapsing appropriations

Unused appropriations to be cancelled at the end of the financial year. Lapsing means the cancellation of all or part of the authorisation to make expenditures and/or incur liabilities which is represented by an appropriation.

Legal base (basic act)

The legal base or basis is, as a general rule, a law based on an article in the Treaty giving competence to the Community for a specific policy area and setting out the conditions for fulfilling that competence including budget implementation. Certain Treaty articles authorise the Commission to undertake certain actions, which imply spending, without there being a further legal act.

Legal commitment

A legal commitment establishes a legal obligation towards third parties.

Non-differentiated appropriations

Non-differentiated appropriations are for operations of an annual nature. (Art. 9 FR). In the EU-Budget non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments

Operational appropriations

Operational appropriations finance the different policies, mainly in the form of grants or procurement.

Outstanding commitment

Legal commitments having not fully given rise to liquidation by payments. Cf. RAL.

Outturn

Cf. Budget result

Payment

A payment is a cash disbursement to honour legal obligations.

Payment appropriations

Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years (Art. 7 FR).

RAL

Sum of outstanding commitments. Outstanding commitments (or RAL, from the French 'reste à liquider') are defined as the amount of appropriations committed that have not yet been paid. They *stem directly* from the existence of multiannual programmes and the dissociation between commitment and payment appropriations. (Cf. Outstanding commitments)

Recovery

The recovery order is the procedure by which the Authorising officer (AO) registers an entitlement by the Commission in order to retrieve the amount which is due. The entitlement is the right that the Commission has to claim the sum which is due by a debtor, usually a beneficiary.

Revenue

Term used to describe income from all sources financing the budget.

Rules of application

Detailed rules for the implementation of the financial regulation. They are set out in a Commission regulation adopted after consulting all institutions and cannot alter the financial regulation upon which they depend.

Surplus

Positive difference between revenue and expenditure (see Budget result) which has to be returned to the funding authority as provided in the Financial Regulation.

Transfer

Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification. They are, however, expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation. The FR identifies different types of transfers depending on whether they are between or within budget titles, chapters, articles or headings and require different levels of authorization.