

# Final annual accounts of the Innovative Health Initiative Joint Undertaking

Financial year 2024

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## **CERTIFICATION OF THE ACCOUNTS**

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the **Innovative Health Initiative** Joint Undertaking, in accordance with Article 52 of the Model Financial Regulation ('MFR') <sup>1</sup> and I hereby certify that the annual accounts of the **Innovative Health Initiative** JU for the year 2024 have been prepared in accordance with Chapter 8 and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and Union bodies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the **Innovative Health Initiative** Joint Undertaking's assets and liabilities and the budgetary implementation.

Based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the **Innovative Health Initiative** JU.

My assurance statement related to the Final Accounts 2024 will be transmitted to the Accounting Officer of the Commission. The Management Representation Letter, signed by the Authorising Officer and myself, will be sent to the European Court of Auditors for the audit of the Final Accounts.

Andrei Hretu

**Accounting Officer of the Innovative Health  
Initiative Joint Undertaking**

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<sup>1</sup> COMMISSION DELEGATED REGULATION (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.

## BACKGROUND INFORMATION NOTE

### 1. General background on the entity

#### Establishment

Horizon Europe – the new EU Framework Programme for Research and Innovation (2021-2027) – aims to increase the EU's research and innovation impact by combining European partnership co-investment with additional private and public sector funds in areas where the scope and scale of the research and innovation resources can help achieve the EU's Horizon Europe priorities notably, its Pillar II – Global challenges and European industrial competitiveness.

The Innovative Health Initiative Joint Undertaking (IHI JU) is a public-private partnership, based in Brussels, that is focused on funding health research and innovation.

Its establishment is regulated by Council Regulation (EU) 2021/2085 of 19 November 2021 and published in the Official Journal on 30 November 2021 (date of entry into force of the Single Basic Act (SBA)).

Under the Single Basic Act (Article 174.7), the Innovative Health Initiative Joint Undertaking shall be the legal and universal successor in respect of all contracts, including employment contracts and grant agreements, liabilities and acquired property of the Innovative Medicines Initiative 2 Joint Undertaking established by Council Regulation (EU) No 557/2014 of 6 May 2014, which it shall replace and succeed.

#### Mission

IHI JU's core goals are to translate health research and innovation into tangible benefits for patients and society and ensure that Europe remains at the cutting edge of interdisciplinary, sustainable, patient-centric health research. IHI JU facilitates collaboration between the key players involved in health research, including universities, research centers, life sciences industries, small and medium-sized enterprises (SMEs), patient organisations, regulators, etc.

The Strategic Research and Innovation Agenda (SRIA) details the areas IHI JU should work on and helps to guide IHI JU's decisions on which ideas should be turned into call topics. The SRIA also flags up potential synergies with other initiatives.

#### Main operational activities

The general IHI JU's objectives set by the Single Basic Act are:

- Turn health research and innovation into real benefits for patients and society;
- Deliver safe, effective health innovations that cover the entire spectrum of care – from prevention to diagnosis and treatment – particularly in areas where there is an unmet public health need;
- Make Europe's health industries globally competitive.

The legislation also includes the following specific objectives, which are described in more detail in the Strategic Research and Innovation Agenda (SRIA):

- Improve our understanding of the factors that affect our health and the development and treatment of certain diseases;
- Integrate fragmented health research and innovation efforts by bringing together health industry sectors and other stakeholders. This will enable the development of tools, data, platforms, technologies and processes that will in turn facilitate the prevention, diagnosis, treatment and management of diseases, especially in areas where there is an unmet public health need;
- Demonstrate the feasibility of integrated healthcare solutions that draw on various technologies from different sectors and address the needs of the people who will use them, such as patients and healthcare professionals;
- Make better use of opportunities to gather health data and use it in research and care, all while respecting relevant privacy legislation; and
- Develop ways of assessing the value of innovative, integrated health care solutions to patients,

carers, healthcare professionals and organisations, and other stakeholders.

## **Governance**

The founding members of IHI JU are the European Union, represented by the European Commission, and the European life science industry, represented by the industry associations COCIR, EFPIA (including Vaccines Europe), EuropaBio and MedTech Europe.

The Governing Board is the main decision-making body of IHI JU. It has overall responsibility for the strategic orientation and the operations of the IHI JU and supervises the implementation of its activities. It is composed of four representatives from the European Commission and four representatives of the industry partners.

The Joint Undertaking is headed by an Executive Director, appointed by the Governing Board and who is the legal representative of IHI JU and the chief executive responsible for the implementation of the Joint Undertaking's operations, in accordance with the decisions of the Governing Board. The Programme Office supports the Executive Director in the day-to-day management of the Joint Undertaking.

The Science and Innovation Panel (SIP) and the States' Representatives Group are the advisory bodies of IHI JU. The Science and Innovation Panel (SIP) provides the Governing Board with science-based advice on a range of matters. Panelists include representatives of the European Commission, IHI JU industry partners and the States' Representatives Group as well as the scientific community and the wider healthcare community. The States' Representatives Group is consulted on a range of issues, including draft call topics. It also acts as a vital link between IHI JU and relevant national and regional research and innovation programmes. It consists of representatives of the EU Member States and countries associated to Horizon Europe.

## **Sources of financing**

IHI JU is jointly funded by the contributions of its members.

The total budget for IHI JU for the period 2021-2027 is EUR 2.4 billion:

- EUR 1.2 billion comes from Horizon Europe, the EU's framework programme for research and innovation;
  - EUR 1 billion will come from the IHI JU industry partners;
  - EUR 200 million will come from other life science industries or associations that decide to contribute to IHI JU as contributing partners.

The administrative costs are covered by financial contributions divided equally between the EU and the industry partners (EFPIA, COCIR, MedTech and EuropaBio). The operational costs are covered by the financial contributions of the EU and the financial contributions and in-kind contributions of the industry partners. The in-kind contributions to operational activities (IKOP) are the eligible costs incurred by the industry partners in implementing IHI JU indirect actions that are not reimbursed by the Joint Undertaking. The in-kind contributions to additional activities (IKAA) are costs incurred by industry partners in implementing additional activities that contribute to the IHI JU objectives and that are not reimbursed by the Union.

IHI JU also receives contributions to its operational costs from its contributing partners. Any country, international organisation or legal entity that wants to contribute to the IHI JU objectives can apply to become an IHI JU contributing partner, as long as it is not a member or affiliate of one of the IHI JU industry partners. Contributing partners invest their own resources (IKOP which can be researchers' time, laboratories, data, etc.) or cash in a specific IHI JU project or projects.

## 2. Annual accounts

### Basis for preparation

The legal framework and the deadlines for the preparation of the annual accounts are set by Model Financial Regulation (MFR)<sup>2</sup>. As per this regulation, the annual accounts are prepared in accordance with the rules adopted by the Accounting Officer of the Commission (EU Accounting Rules, EAR), which are based on internationally accepted accounting standards for the public sector (IPSAS).

### Accounting Officer

In accordance with the MFR, the Governing Board of the entity appoints the Accounting Officer who is, amongst other tasks, responsible for preparation of the annual accounts.

The Single Basic Act<sup>3</sup> establishing the new generations of JUs required, within one year following the date of entry into force of the Regulation, to establish back-office arrangements to provide horizontal support functions to the joint undertakings, by concluding service level agreements. The Back Office Arrangement for Accounting Services (BOA Acc) was established and took over the accounting services from the Accounting Officer of the European Commission from 1 December 2022.

Following the decision of the **Innovative Health Initiative** Joint Undertaking Governing Board of 30 November 2022 (IHI-GB-DEC-2022-17), on behalf of the BOA Acc, Ms. Katty Hancq, as of 1 December 2022, acts as the Accounting Officer. The Accounting Officers of Clean Aviation Joint Undertaking and Europe Rail Joint Undertaking were appointed as the Deputy Accounting Officers of the **Innovative Health Initiative** Joint Undertaking. Following the enactment of the contingency back-up plan for long term leaves, the deputation of Mr. Andrei Hretu was activated from the date 14 November 2024, in accordance with the GB decision IHI-GB-DEC-2022-17. The deputation remains active until revoked.

### Composition of the annual accounts

The annual accounts cover the period from 1 January to 31 December and comprise the financial statements and the reports on the implementation of the budget. While the financial statements and the complementary notes are prepared on an accrual accounting basis, the budget implementation reports are primarily based on movements of cash.

### Process from provisional accounts to discharge

The provisional annual accounts prepared by the Accounting Officer are transmitted, by 1 March of the following year, to the European Court of Auditors (ECA) and to the audit company contracted by the JU. Following the audit, the Accounting Officer prepares the final annual accounts and submits them to the Governing Board for opinion.

The final annual accounts, together with the opinion of the Governing Board, are sent to the Accounting Officer of the Commission, the European Court of Auditors, the European Parliament and the Council by 1 July of the following financial year. The ECA scrutinises the final annual accounts and includes any findings in the annual report for the European Parliament and the Council.

It falls to the Council to recommend, and then to the European Parliament to decide, whether to grant discharge to the Executive Director in respect of the implementation of the budget for a given financial year. Amongst other elements this decision is also based on a review of the accounts and the annual report of the ECA.

<sup>2</sup> Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (OJ L 14 2, 29.5.2019, p. 16)

<sup>3</sup> COUNCIL REGULATION (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014

### 3. Operational highlights

#### Achievements of the year

IHI JU's operational highlights in 2024 include the launch of IHI calls 6, 7 and 8.

IHI call 6 is a two-stage call with topics on treatment persistency and the use of real-world data and evidence. IHI call 7 is a single stage call with topics on heart disease, the healthcare workforce, and biomarker validation. IHI call 8 is a two-stage call with topics on cardiovascular disease, osteoarthritis, regulatory sandboxes, and patient-centred endpoints.

IHI also received Governing Board approval to launch, in early 2025, an applicant-driven call for proposals which invites researchers to identify ideas for strong IHI projects in the IHI Strategic Research and Innovation Agenda. To foster networking and the sharing of ideas for this call, IHI held a brokerage event and launched a brokerage platform in late 2024.

In 2024, IHI signed grant agreements for 15 projects resulting from IHI calls 4 and 5. These included the 200th project to be launched under the IMI/IHI framework. The new projects address key EU priorities including the 3Rs (on the use of animals in research); cancer; the Green Deal; and improving cancer care.

#### Budget and budget implementation

IHI JU' total budget for 2024 was **EUR 269.779.145 in commitment appropriations (CA)** and **EUR 205.697.059 in payment appropriations (PA)**. The budget execution of the commitment appropriations and the payment appropriations reached **65,56%** and **94,63%** respectively.

The IHI JU' budget is divided into three titles:

- Title 1 covers staff expenditure such as salaries, training, costs associated with recruitment procedures, missions and staff well-being.
- Title 2 covers the costs associated with functioning of IHI JU such as renting of premises, IT needs, meetings expenses related to external communication and studies.

Titles 1 and 2 together form the administrative expenditure.

- Title 3 covers IHI JU's operational activities.

The IHI JU Governing Board approved the 2024 budget on 14 December 2023. The total budget approved was EUR 189.680.000 in commitment appropriations and EUR 197.951.000 in payment appropriations. The payment appropriations included carry overs from previous years of EUR 22.271.000. The budget was subsequently amended during 2024.

The budget amendment was approved by the Governing Board on 21 June 2024. The commitment appropriations were adjusted to include the carry overs from the previous year, of EUR 72.353.086. The total budget approved was EUR 262.033.086 in commitment appropriations and EUR 197.951.000 in payment appropriations.

Additionally, the total assigned revenue for 2024 was of EUR 7.746.059 in commitment appropriations and equal amount in payment appropriations.

#### Operational expenditure

The operational budget for 2024 was **EUR 259.972.450 in commitment appropriations (CA)** and **EUR 195.890.364 in payment appropriations (PA)**. The operational budget execution, of the commitment and payment appropriations, reached a level of **64,51%** and **94,94%** respectively.

IHI JU's operational budget (Title 3) reflects expenses linked to the implementation of the IHI JU's Strategic research and innovation agenda. Here it should be noted that, since November 2021, IHI JU has managed three programmes in parallel:

#### IHI JU (under Horizon Europe, HE)

Starting from 30 November 2021, the IHI JU managed a third programme, Horizon Europe.



As set out in the 2021 Council Regulation establishing IHI JU, the EU has committed to contribute EUR 1.170 billion from Horizon Europe to the IHI JU programme, for operational activities. The IHI JU industry partners have committed up to EUR 1 billion to IHI JU, and furthermore up to EUR 200 million can be committed by other organisations that decide to support the objectives of IHI JU in specific areas of research, by becoming contributing partners.

In 2024, IHI JU committed EUR 167.697.848 from the operational budget of EUR 259.972.450. This budget was mainly allocated to the sixth, seventh, and eighth calls for proposals under Horizon Europe, with commitments of EUR 24.600.000, EUR 95.000.000, and EUR 47.550.000, respectively. Furthermore, EUR 500.000 was allocated to commitment of evaluation experts and EUR 47.848 was dedicated to the IMI2 programme for projects regularizations.

A significant portion of the unused 2024 budget (EUR 71.211.094) was carried over from the first three Horizon Europe calls, launched in 2022. The changes in the rules of the new programme Horizon Europe coupled with the launching of a larger number of single stage calls led to a lower number of quality proposals being submitted than expected, as the research community adapted to the new programme, Horizon Europe.

The ability to use the carry overs has been complicated by the EU-UK 2024 agreement by making UK entities ineligible to access the budget carried over from the 2021-2023 financial years. As UK entities remain highly engaged in the IHI JU programme, and the majority of consortia selected for funding under IHI contain UK entities, the inability to access these carry overs for use with these consortia has hindered IHI JU's efforts to utilize them.

IHI JU is actively working with the European Commission to identify potential solutions to consume these carry overs.

### IMI2 (under Horizon 2020, H2020)

As initially set out in the 2014 Council Regulation, the European Union has committed to contribute EUR 1.595 billion from H2020 to the IMI2 programme, for operational activities. At the end of 2021, the total EU commitments available at programme level over the lifetime of the IMI2 JU (2014-2021) for operational activities amount to EUR 1.456,6 billion:

EUR 1.595 billion	(as initially set out in Council Regulation 557/2014)
- EUR 139 million	(reduction in 2019)
- EUR 6,7 million	(redeployment to climate related activities under Horizon 2020)
+ EUR 7,3 million	(50% of unused commitments since 2014, transferred from the administrative budget to the operational budget)
= EUR 1.456,6 billion	total EU commitments available at programme level over the lifetime of the IMI2 JU (2014-2021) for operational activities at the end of 2021

In 2024, payments related to H2020 projects amounted to EUR 113.246.214. The payment appropriations related to H2020 were mainly used by interim and final payments for projects of IMI2 calls 1-23.

### IMI1 (under the Seventh Framework Programme, FP7)

FP7 was the EU's research and innovation funding programme for 2007-2013. Through FP7, the EU contributed EUR 966 million to the IMI1 research programme. In 2024, there were no payments related to FP7 projects.

### Administrative expenditure

In 2024, the total administrative budget was **EUR 9.806.695 for commitment (CA)** and equal amount for **payment (PA) appropriations**. The budget execution reached a level of **93,38% and 88,40%** respectively.

This indicates strong performance in managing administrative expenses (Titles 1 and 2) throughout 2024, a result of proactive budgeting and consistent monitoring.

- Title 1 budget execution was 94,44% in commitment appropriations and 91,86% in payment appropriations.
- Title 2 budget execution was 91,17% in commitment appropriations and 81,01% payment appropriations.

A substantial portion of the Title 2 budget was allocated to expenses related to rent, IT infrastructure, meetings, workshops, communication activities and research studies. These expenditures primarily supported the management of the three ongoing research programmes.

Throughout the year, the IHI JU adhered to sound financial management practices, resulting in several budget transfers between budget chapters to align with evolving operational needs. To address the increased demand for IT resources, a budget transfer of EUR 71.464 was approved from Title 1 to Title 2 at the end of 2024.

### **Impact of the activities in the financial statements**

In the financial statements, the impact of the above-mentioned activities can be noted in the:

**Pre-financing:** The increase from EUR 260.708 thousand in 2023 to EUR 260.850 thousand in 2024 is a combined result of the payments of the pre-financing for HE projects and the clearings of the pre-financing with incurred expenses for ongoing IMI2 JU projects and the finalisation of several projects. (see note **2.3**).

**Members' contributions:** The decrease of in-kind contributions to be validated is in line with the phasing out of the legacy projects where the estimated in-kind contributions are being replaced by the validated in-kind contributions actually incurred on the basis of validated cost claims (for the FP7) or IKC certificates (for the H2020). The 'Contributions in cash to be validated' are the received but not yet validated EC financial contributions to the Horizon Europe Programme (see note **2.7**). The contributions from members increased by EUR 368.159 thousand and amounted to EUR 4.456.812 thousand in 2024. The increase of EUR 172.724 thousand in the cash contributions comprises cash funding from the EU and the private members to cover the administrative and operating activities of the JU in 2024. The increase of EUR 195.435 thousand in the in-kind contributions comprises the in-kind contributions from the members other than EU that have been validated by the IHI JU Authorising Officer or a delegate in 2024 (see note **2.9**).

**Operational costs:** The decrease of the total operating cost from EUR 367.772 thousand in 2023 to EUR 316.871 thousand in 2024 is an effect of the decrease of the total validated costs combined and the decrease of the estimated costs. This evolution is in line with the phasing out of the IMI JU (legacy IMI1 and IMI2 projects) where larger costs are incurred on the basis of the validated mid-term and final cost claims and lower amounts thus need to be estimated and validated (see note **3.4**).

INNOVATIVE HEALTH INITIATIVE JOINT UNDERTAKING

FINANCIAL YEAR 2024

# **FINANCIAL STATEMENTS AND EXPLANATORY NOTES**

## BALANCE SHEET

	Note	31.12.2024	31.12.2023
<b>NON-CURRENT ASSETS</b>			
Intangible assets	2.1	-	97,56
Intangible assets under construction	2.1	-	-
Property, plant and equipment	2.2	116.600,66	113.131,05
Long term pre-financing	2.3	168.837.050,98	161.010.849,83
		<b>168.953.651,64</b>	<b>161.124.078,44</b>
<b>CURRENT ASSETS</b>			
Short term pre-financing	2.3	92.013.394,66	99.696.662,72
Exchange receivables and non-exchange recoverables	2.4	56.649.183,11	70.380.006,80
Cash and cash equivalent	2.5	-	-
		<b>148.662.577,77</b>	<b>170.076.669,52</b>
<b>TOTAL ASSETS</b>		<b>317.616.229,41</b>	<b>331.200.747,96</b>
<b>CURRENT LIABILITIES</b>			
Short term provisions	2.6	-	-
Payables and other liabilities	2.7	214.168.262,08	260.637.234,34
Accrued charges and deferred income	2.8	109.615.492,67	120.425.408,14
<b>TOTAL LIABILITIES</b>		<b>323.783.754,75</b>	<b>381.062.642,48</b>
Contribution from Members	2.9	4.456.811.659,34	4.088.652.420,83
Accumulated deficit		(4.138.514.315,35)	(3.764.796.514,72)
Economic result of the year		(324.464.869,33)	(373.717.800,63)
<b>NET ASSETS</b>		<b>(6.167.525,34)</b>	<b>(49.861.894,52)</b>
<b>LIABILITIES AND NET ASSETS</b>		<b>317.616.229,41</b>	<b>331.200.747,96</b>

## STATEMENT OF FINANCIAL PERFORMANCE

	Note	2024	2023
<b>REVENUE</b>			
<b>Revenue from non-exchange transactions</b>			
Recovery of operating expenses	3.1	1.389.847,32	1.672.581,07
<b>Revenue from exchange transactions</b>			
	3.3		
Financial revenues		22.283,17	4.211,00
Other exchange revenue		27.995,25	29.813,97
<b>Total revenue</b>		<b>1.440.125,74</b>	<b>1.706.606,04</b>
<b>EXPENSES</b>			
Operating costs	3.4	(316.871.227,01)	(367.772.083,29)
Staff costs	3.5	(5.660.657,23)	(5.075.637,87)
Financial expenses	3.6	-	(7.425,53)
Other expenses	3.7	(3.373.110,83)	(2.569.259,98)
<b>Total expenses</b>		<b>(325.904.995,07)</b>	<b>(375.424.406,67)</b>
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>(324.464.869,33)</b>	<b>(373.717.800,63)</b>

## CASHFLOW STATEMENT<sup>4</sup>

	2024	2023
Economic result of the year	(324.464.869,33)	(373.717.800,63)
<b>Operating activities</b>		
Depreciation and amortization	42.831,04	64.655,74
(Increase)/decrease in pre-financing	(142.933,09)	(5.649.419,09)
(Increase)/decrease in exchange receivables and non-exchange recoverables	13.730.823,69	(22.543.863,60)
Increase/(decrease) in payables	(46.468.972,26)	(17.124.926,55)
Increase/(decrease) in accrued charges & deferred income	(10.809.915,47)	(16.063.623,17)
Increase/(decrease) in cash contributions	172.724.282,69	209.299.532,37
Increase/(decrease) in in-kind contributions	195.434.955,82	225.746.296,54
Other non-cash movements	-	-
<b>Investing activities</b>		
(Increase)/decrease in intangible assets and property, plant and equipment	(46.203,09)	(10.851,61)
<b>NET CASHFLOW</b>	<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at year-end	-	-

<sup>4</sup> The treasury of IMI2 JU was integrated into the Commission's treasury system. Because of this, IHI 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 and non-exchange recoverables.

## STATEMENT OF CHANGES IN NET ASSETS

	Contribution from Members	Accumulated Surplus/(Deficit)	Economic result of the year	Net Assets
<b>BALANCE AS AT 31.12.2022</b>	<b>3.653.606.591,92</b>	<b>(3.294.225.065,37)</b>	<b>(470.571.449,35)</b>	<b>(111.189.922,80)</b>
<i>Allocation 2022 economic result</i>	-	(470.571.449,35)	470.571.449,35	-
<i>Cash contribution</i>	209.299.532,37	-	-	209.299.532,37
<i>Contribution in-kind</i>	225.746.296,54	-	-	225.746.296,54
<i>Economic result of the year</i>	-	-	(373.717.800,63)	(373.717.800,63)
<b>BALANCE AS AT 31.12.2023</b>	<b>4.088.652.420,83</b>	<b>(3.764.796.514,72)</b>	<b>(373.717.800,63)</b>	<b>(49.861.894,52)</b>
<i>Allocation 2023 economic result</i>	-	(373.717.800,63)	373.717.800,63	-
<i>Cash contribution</i>	172.724.282,69	-	-	172.724.282,69
<i>Contribution in-kind</i>	195.434.955,82	-	-	195.434.955,82
<i>Economic result of the year</i>	-	-	(324.464.869,33)	(324.464.869,33)
<b>BALANCE AS AT 31.12.2024</b>	<b>4.456.811.659,34</b>	<b>(4.138.514.315,35)</b>	<b>(324.464.869,33)</b>	<b>(6.167.525,34)</b>

## **NOTES TO THE FINANCIAL STATEMENTS**



# 1. SIGNIFICANT ACCOUNTING POLICIES

## 1.1. ACCOUNTING PRINCIPLES

The objective of financial statements is to provide information about the financial position, performance and cash flows of an entity that is useful to a wide range of stakeholders.

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 euros, the budget implementation tables are presented in thousands of euros, the euro being the EU's functional 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	31.12.2024	31.12.2023	Currency	31.12.2024	31.12.2023
<b>BGN</b>	<b>1,9558</b>	1,956	<b>PLN</b>	<b>4,275</b>	4,34
<b>CZK</b>	<b>25,185</b>	24,724	<b>RON</b>	<b>4,9743</b>	4,976
<b>DKK</b>	<b>7,4578</b>	7,453	<b>SEK</b>	<b>11,459</b>	11,096
<b>GBP</b>	<b>0,8218</b>	0,887	<b>CHF</b>	<b>0,9412</b>	0,926
<b>NOK</b>	<b>11,795</b>	11,241	<b>JPY</b>	<b>163,06</b>	156,33
<b>HUF</b>	<b>411,35</b>	382,80	<b>USD</b>	<b>1,0389</b>	1,105

### 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: amounts for employee benefit liabilities, financial risk of accounts receivable and the amounts disclosed in the notes concerning financial instruments, impairment allowance for financial assets at amortised cost and for financial guarantee contract liabilities, accrued revenue and charges, provisions, degree of impairment of intangible assets and property, plant and equipment, net realisable value of inventories, contingent assets and liabilities. Actual results could differ from those estimates. Reasonable estimates are an 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.

### 1.2.4. Application of new and revised European Union Accounting Rules (EAR)

#### **Revised IPSAS standards which have been issued, and are effective for annual periods beginning on or after 1 January 2025**

The following new IPSAS standards and amendments are effective as of January 1, 2025:

- **IPSAS 46 Measurement:** IPSAS 46 brings measurement guidance together in a single standard, and introduces a public sector specific current value measurement basis for assets held for their operational capacity and provides additional generic guidance on fair value. IPSAS 46 will be effective for periods beginning on or after January 1, 2025.
- **IPSAS 45 Property, Plant, Equipment:** IPSAS 45 introduces the current operational value as a measurement basis in the updated current value model for assets and also identifies the characteristics of heritage and infrastructure assets and provides new guidance on how these types of assets should be recognized and measured. IPSAS 45 will be effective for periods beginning on or after January 1, 2025.
- **IPSAS 43 Leases:** IPSAS 43 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. IPSAS 43 will be effective for periods beginning on or after January 1, 2025.
- **IPSAS 44 Non-current Assets Held for Sale and Discontinued Operations:** IPSAS 44 specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. IPSAS 44 includes additional public sector requirements, in particular, the disclosure of the fair value of assets held for sale that are measured at their carrying amounts, when the carrying amount is materially lower than their fair value. IPSAS 44 will be effective for periods beginning on or after January 1, 2025.
- **Amendment to IPSAS 43 Leases:** This amendment offers a practical expedient to account for lease modifications in IPSAS 43, Leases. This amendment will be effective for periods beginning on or after January 1, 2025.

The following new IPSAS standards and amendments are effective as of January 1, 2026:

- **IPSAS 49 Retirement Benefits:** IPSAS 49 prescribes the accounting and reporting requirements for public sector retirement benefit plans, which provide retirement benefits to public sector employees and other eligible participants. IPSAS 49 will be effective for periods beginning on or after January 1, 2026.
- **IPSAS 47 Revenue:** IPSAS 47 is a single standard to account for revenue transactions in the public sector. IPSAS 47 replaces the existing three revenue standards and presents accounting models which will improve financial reporting and support effective public sector financial

management.

IPSAS 47 will be effective for periods beginning on or after January 1, 2026.

- **IPSAS 48 Transfer Expenses:** IPSAS 48 provides guidance on a major area of expenditure for governments and other public sector entities. IPSAS 48 fills a gap which had previously led to ambiguity and inconsistency of accounting policies in the public sector. IPSAS 48 will be effective for periods beginning on or after January 1, 2026.
- **Amendment to IPSAS 1, Presentation of Financial Statements:** The amendments clarify the principles related to the right to defer settlement for at least twelve months (with or without covenants); and the meaning of 'settlement' when a liability is rolled over under and existing loan facility. These amendments will be effective for periods beginning on or after January 1, 2026.
- **Amendment to IPSAS 43 Leases:** Amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any gain or loss that relates to the right-of-use it retains. This amendment will be effective for periods beginning on or after January 1, 2026.

The following new IPSAS standards and amendments are effective as of January 1, 2027:

- **Concessionary Leases and Other Arrangements Conveying Rights over Assets (Amendments to IPSAS 43, IPSAS 47, and IPSAS 48):** The new guidance enhances IPSAS 43, IPSAS 47, and IPSAS 48 by addressing the accounting for arrangements that are prevalent in the public sector consistent with the principles in those Standards. These amendments will be effective for periods beginning on or after January 1, 2027.
- **IPSAS 50, Exploration for and Evaluation of Mineral Resources:** IPSAS 50 provides guidance related to the costs incurred for exploration for, and evaluation of, mineral resources (for example, minerals, oil, natural gas and similar non-regenerative resources), as well as the costs of determining the technical feasibility and commercial viability of extracting the mineral resources. IPSAS 50 will be effective for periods beginning on or after January 1, 2027.
- **Stripping Costs in the Production Phase of a Mine (Amendments to IPSAS 12):** Appendix A in IPSAS 12, Inventories, provides interpretive guidance on accounting for waste removal costs that are incurred in surface mining activities during the production phase of the mine. These amendments will be effective for periods beginning on or after January 1, 2027.

The Accounting Officer of the European Commission (following consultation with the accounting officers of other EU bodies) is assessing the impact of the above standards on the Annual Accounts and considering a possible revision of relevant EAR accordingly. For the new standards and amendments where early application has been permitted, no early application has been adopted.

The new IPSAS 43 standard will have a limited impact on the Joint Undertaking. The corresponding EAR 8 (Leases) was issued in 2025, the entities shall apply the revised EAR for annual financial statements covering periods beginning on or after 1 January 2027. The scope of lease contracts falling under IPSAS 43 will be limited to the rental commitment of the office building of the Joint Undertaking. The total commitment under **note 3.7** can give an indication of the impact of the new standard on the financial statements.

## 1.3. BALANCE SHEET

### 1.3.1. Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is identifiable if it is either separable or arises from binding arrangements. Acquired intangible assets are stated at historical cost less accumulated amortisation and impairment losses. Internally developed intangible assets are capitalised when the relevant criteria of the EU accounting rules are met, and the expenses relate solely to the development phase of the asset. Intangible assets are amortised on a straight-line basis over their estimated useful lives (3 to 11 years).

### 1.3.2. Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition, construction or transfer 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 is not depreciated, as it is deemed to have an indefinite useful life. Assets under construction are not depreciated as these assets are not yet available for use. Depreciation 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>	<i>4 % to 10 %</i>
<i>Plant and equipment</i>	<i>10 % to 25 %</i>
<i>Furniture and vehicles</i>	<i>10 % to 25 %</i>
<i>Computer hardware</i>	<i>25 % to 33 %</i>
<i>Other</i>	<i>10 % to 33 %</i>

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

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time. Leases are classified as either finance leases or operating leases.

Finance leases are leases where substantially all the risks and rewards incidental to ownership are transferred to the lessee.

An operating lease is a lease other than a finance lease, i.e., a lease where the lessor retains substantially all the risks and rewards incidental to ownership of an asset. When entering an operating lease as a lessee, the operating lease payments are recognised as an expense in the statement of financial performance on a straight-line basis over the lease term with neither an asset nor a liability recognised in the balance sheet.

### 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 tested for impairment whenever there is an indication at the reporting date that an asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable (service) amount. The recoverable (service) 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. If the reasons for impairments recognised in previous years

no longer apply, the impairment losses are reversed accordingly.

#### **1.3.4. Financial assets**

The classification of the financial instruments is determined at initial recognition. Based on the management model and the asset contractual cash-flow characteristics the financial assets can be classified in three categories: Financial assets at amortised cost ('AC'), financial assets at fair value through net assets/equity ('FVNA') or financial assets at fair value through surplus or deficit ('FVSD'). Based on this classification, the entity has only 'financial assets at amortised cost', which are exchange receivables.

Financial assets at amortised cost are non-derivative financial assets that meet two conditions: 1) The entity holds them in order to collect the contractual cash flows. 2) On specified days, there are contractual cash flows that are solely payments of the principal and interest on the outstanding principal.

Financial assets at amortised cost are included in current assets, except for those with maturity of more than 12 months from the balance sheet reporting date.

#### **Initial recognition and measurement**

Financial assets at amortised cost are initially recognised at their fair value plus the transaction costs.

#### **Subsequent measurement**

Financial assets at amortised cost are carried at amortised cost, which is the amount initially recognised minus the principal repayments, plus or minus the cumulative amortisation of the interests using the effective interest method. In addition, the entity recognises a loss allowance for expected credit losses over the lifetime of the financial assets. At each reporting date, the annual movement in the loss allowance adjusts the carrying amount of the financial asset. In the statement of financial performance, the entity recognises an impairment gain or loss for the adjustment of the loss allowance.

#### **Derecognition**

Financial assets at amortised cost are derecognised either when the rights to receive cashflows from the investments have expired or are waived, or and when the entity has transferred substantially all risks and rewards of ownership to another party.

#### **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. Thus, as the entity retains control over the pre-financing and is entitled to a refund for the ineligible part, the amount is recognised as an asset.

Pre-financing is initially recognised on the balance sheet when cash is transferred to the recipient. It is measured at the amount of the consideration given. In subsequent periods pre-financing is 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

The EU accounting rules require separate presentation of exchange and non-exchange transactions. To distinguish between the two categories, the term 'receivable' is reserved for exchange transactions, whereas for non-exchange transactions, i.e., when the EU receives value from another entity without directly giving approximately equal value in exchange, the term 'recoverables' is used (e.g., recoverables from Member States related to own resources).

Receivables from exchange transactions meet the definition of financial instruments. The entity classified them as financial assets at amortised cost and measured them accordingly.

Recoverables from non-exchange transactions are carried at fair value as at the date of acquisition 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 assets at amortised cost 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. 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, or pre-financing received (see note **1.3.5**), or non-validated in-kind contributions to operational activities (see note **1.6.2**).

Where grants or other funding are provided to the beneficiaries, the cost claims are recorded as payables for the requested amount, at the moment 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. The corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the entity.

### 1.3.9. 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, or 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. These 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.

### 1.3.10. 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).

When an obligation arises by uncertain future events that are not wholly within the control of the entity, a contingent liability is disclosed (refer to note **1.5.2**).

### 1.3.11. Net assets

Net assets are the residual of assets and liabilities and comprise of accumulated contributions received from the members of the JU (EU and industry) less the accumulated contributions used. The contributions include financial contributions received by the JU and contributions provided by the members to the funded projects in-kind. The net assets also contain reserves, if applicable. Refer to note **1.6** for details.

## 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, revenue 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. For the EU entities, transfers mostly comprise funds received from the Commission (e.g., balancing subsidy to the traditional agencies, operating subsidy for the delegation agreements).

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.

#### *(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 the incurring of liabilities that result in decreases in net assets. 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 the 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 either a possible obligation 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 where it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation.

A contingent liability also arises in the rare circumstances where a present obligation exists but cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the accounts. They are disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

## 1.6. CONTRIBUTIONS FROM MEMBERS

The Members of the JU are the European Union on one hand, represented by the European Commission, and the Private Members on the other hand, represented by industry trade associations, i.e., EFPIA (under FP7 and Horizon 2020 programmes) and COCIR, EFPIA (including Vaccines Europe), EuropaBio and MedTech Europe (under Horizon Europe programme).

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 of the JU (no shares are issued) 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.

#### Horizon 2020 programme:

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

#### Horizon Europe programme:

- EU Contributions: In accordance with Article 19 of the Financial Framework Partnership Agreement (FFPA) 2020-2027, the JU received from the European Union a pre-financing payment for the implementation of the Horizon Europe Framework programme.
- According to the Specific Guidance for the accounting of the EU cash contributions received by the Joint Undertakings under FFPA related to MFF 2021-2027, the contributions payments done by the EU for the Horizon Europe programme are accounted as 'Contributions in cash to be validated'. During the accounting closure, the JU should, on the basis of the payment's implementation report, determine the amount of operating and administrative expenditure that have been covered from the EU financial contributions to the Horizon Europe programme. In the accounting of the JU the underlying amount should be, for the purpose of the preparation of the financial statements, transferred from the provisional payments to the net assets of the JU (cut-off procedure). It will be qualified as final payments and formally transferred to the net assets once the Commission has accepted the Consolidated Annual Activity Report – CAAR (Art. 19.2 FFPA)
- Private (Industry Members) contributions: financial contributions are contributions made in cash in order to provide funding of the administrative needs of the JU. These financial contributions are recognised in net assets in the period in which the enforceable 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 is recognised in net assets of the JU in the period when the conditions for Members' contributions stipulated by the Regulation are met.

As IKOP calculated from periodic cost claims of projects is not automatically recorded in the statement of financial performance, at year-end, this incurred IKOP as well as IKOP not yet reported (via received costs claims) is estimated and recorded under the "payables and other liabilities" ('Contribution in cash to be validated').

The EU makes available the cash contributions in advance (until the payments reach the 90%), providing the beneficiaries with sufficient level of funds to implement the programme activities; while the in-kind contributions provided by the private members can be verified and recognised only after the activities are concluded, reported, and certified.

The EU cash contributions are validated and recognised in the accounts of the JU when paid to the JU (or based on the payments processed by the JU, in case of Horizon Europe, see point 1.6.1, while members' in-kind contributions are only recognised after validation of the costs incurred and declared. Consequently, due to this time gap, during the program implementation the amounts of contributions recognised per member category (EU and private members) differ significantly from each other. This gap

between the recognised amount of EU cash contributions, on one hand, and in-kind contributions, on the other hand, will be closed as the programme is approaching the finalisation stage.

Due to major simplifications introduced in Horizon Europe, the certification for IKOP is based on the certificate on the statements of contributions (CCS). The certificates for IKOP are only due to be submitted to the JU after the end of the last project reporting period. This time difference is a cause of a major delay between the time when the IKOP balances are committed (upon signature of the grant) until they could be validated and recognised in net assets of the JU.

For the IKAA (under Horizon Europe), additional activities shall be carried out in the Union or countries associated with Horizon Europe and may include:

- (a) Activities contributing towards the achievement of objectives of indirect actions funded by the Innovative Health Initiative Joint Undertaking;
- (b) Activities contributing towards the dissemination, sustainability or exploitation of results of indirect actions funded by the Innovative Health Initiative Joint Undertaking.

IKAA can be either programme or project specific:

1. Programme-specific additional activities contribute to the uptake of results from IMI JU, IMI2 JU, IHI JU projects or have a significant added value for the Union.
2. Project-specific additional activities contribute towards the achievement of objectives of the IHI JU funded projects, or the dissemination, sustainability, or exploitation of the IHI JU project results.

Because the outflow of resources related to those activities is outside of the control of the JU, these contributions are not recognised in the financial statements of the JU. However, to provide a complete picture of the operational activities related to the JU they are still disclosed as additional information in the notes.

## 2. NOTES TO THE BALANCE SHEET

### ASSETS

#### 2.1. INTANGIBLE ASSETS

The intangible assets category comprises computer software licenses which are used in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one reporting period.

	TOTAL
<i>Gross carrying amount at 31.12.2023</i>	391.066,22
<i>Additions</i>	-
<b>Gross carrying amount at 31.12.2024</b>	<b>391.066,22</b>
<i>Accumulated depreciation at 31.12.2023</i>	(390.968,66)
<i>Depreciation charge for the year</i>	(97,56)
<b>Accumulated depreciation at 31.12.2024</b>	<b>(391.066,22)</b>
<b>Net carrying amount at 31.12.2024</b>	<b>-</b>
<i>Net carrying amount at 31.12.2023</i>	97,56

The amounts above relate primarily to computer software with amortisation rate 25%.

## 2.2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one reporting period.

	Furniture and vehicles	Computer hardware	TOTAL
<i>Gross carrying amount at 31.12.2023</i>	157.916,25	274.169,37	432.085,62
<i>Additions</i>	23.317,00	22.886,09	46.203,09
<i>Disposals</i>	-	(22.979,36)	(22.979,36)
<b>Gross carrying amount at 31.12.2024</b>	<b>181.233,25</b>	<b>274.076,10</b>	<b>455.309,35</b>
<i>Accumulated depreciation at 31.12.2023</i>	(95.445,88)	(223.508,69)	(318.954,57)
<i>Depreciation charge for the year</i>	(12.206,94)	(30.526,54)	(42.733,48)
<i>Write back of depreciation on disposal</i>	-	22.979,36	22.979,36
<b>Accumulated depreciation at 31.12.2024</b>	<b>(107.652,82)</b>	<b>(231.055,87)</b>	<b>(338.708,69)</b>
<b>Net carrying amount at 31.12.2024</b>	<b>73.580,43</b>	<b>43.020,23</b>	<b>116.600,66</b>
<i>Net carrying amount at 31.12.2023</i>	62.470,37	50.660,68	113.131,05

The additions and disposals of equipment are at the standard level of the Joint Undertaking's policy for equipment replacement.

During 2024, the Joint Undertaking acquired new office furniture for the value of EUR 23.317 and EUR 22.886,09 of laptops and mobile phones.

The disposed IT equipment having an initial gross value of EUR 22.979,36 consisted mainly of laptops and mobile phones purchased in 2019 and 2020 which were fully depreciated at the time of the disposal.

For Furniture the depreciation rate is 10% and for Computer hardware the depreciation rate is 25%.

The Innovative Health Initiative Joint Undertaking does not own any vehicles at the end of the fiscal year 2024.

## 2.3. PRE-FINANCING

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e., a float. It may be split into a number of payments over a period defined in the particular underlying contract, decision, agreement or basic legal act.

	31.12.2024	31.12.2023
<i>Long term pre-financing</i>	168.837.050,98	161.010.849,83
<i>Short term pre-financing</i>	92.013.394,66	99.696.662,72
<b>Total</b>	<b>260.850.445,64</b>	<b>260.707.512,55</b>

The pre-financing included under this heading comprises mainly pre-financing for operational activities.

For all pre-financing amounts open at 31 December 2024 a case-by-case assessment has been performed and all the pre-financing that was considered unlikely to be cleared in the course of 2025 was classified as non-current.

The overall high amount of the open pre-financing can be explained by the fact that for FP7, Horizon 2020 and Horizon Europe rules, the incurred costs (both actual and estimated) are cleared against pre-financing when the total amounts paid to the beneficiary reach 90% of the grant agreement amount. In addition, only the amount exceeding this threshold is cleared. Consequently, in the first years of the project's life there is significant open pre-financing that will only be cleared in later years.

The outstanding pre-financing, presented under this heading is net of estimated (cut-off) expenses for ongoing projects without validated cost claims on 31 December 2024. The clearing of pre-financing with year-end (cut-off) adjustments amounted to EUR 83.021 thousand (2023: EUR 100.843 thousand). The remaining portion of the cut off expenses is recorded in accrued charges (see note **2.8**).

The overall level of pre-financing has remained stable between the years. In 2024 the pre-financing for 15 projects was paid for a total of EUR 61.902 thousand (2023: EUR 70.491 thousand). At the same time, the clearing of pre-financing with incurred expenses and recoveries amounted to EUR 79.333 thousand in 2024 (2023: EUR 75.016 thousand).

The stable trend indicates an equilibrium in the value of projects financed under Horizon 2020 which are reaching their final stages and the value of new projects being financed under the Horizon Europe programme.

## 2.4. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

Exchange transactions are transactions in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. Non-exchange transactions are transactions in which an entity either receives value from another entity without directly giving approximately equal value in exchange or gives value to another entity without directly receiving approximately equal value in exchange.

On 31 December 2024 IHI JU does not have any long-term receivables, all amounts included under this heading are current and are as follows:

	31.12.2024	31.12.2023
<b>Recoverables from non-exchange transactions</b>		
<i>Public bodies</i>	1.447,71	-
<i>Central treasury liaison accounts</i>	56.111.722,31	68.941.106,21
<i>Receivables from members and partners</i>	421.926,44	1.324.914,40
	<b>56.535.096,46</b>	<b>70.266.020,61</b>
<b>Receivables from exchange transactions</b>		
<i>Accrued income and deferred charges</i>	113.992,88	109.908,59
<i>Other</i>	93,77	4.077,60
	<b>114.086,65</b>	<b>113.986,19</b>
<b>Total</b>	<b>56.649.183,11</b>	<b>70.380.006,80</b>

The largest amount under this heading relates to the Central treasury liaison (intercompany) accounts with the European Commission that represent a virtual bank account of IHI JU. The treasury of IHI JU has been integrated into the European Commission's treasury system. The payments and receipts are processed via the European Commission's treasury system and registered on these intercompany accounts. The ending balance of this heading is thus the result of the incoming and outgoing payments and represents the funds available for the Joint Undertaking.

The value of the receivables is presented net of the amounts written down and any cut-off adjustments for a combined reduction of approx. EUR 800 thousand.

The amounts written down represent reductions made on a case-by-case basis for doubtful receivables from members and partners to which IHI JU still maintains a valid claim.

During 2024 the value of the amounts written down amounts to EUR 307 thousand following the write-down of two outstanding debts for which the recovery was assessed as being improbable.

Cut-off adjustments are made to include the value of debit notes for ex-post audits which have been agreed but not issued by 31 December 2024.

At 31.12.2024, out of the total value of receivables, only an amount of EUR 94 thousand remains outstanding from 2023.

Repayment plans in instalments are on-going for receivables with an outstanding value of EUR 210 thousand at 31 December 2024. At the time of drawing up the final annual accounts, the outstanding value has been reduced to EUR 171 thousand.

## 2.5. CASH AND CASH EQUIVALENTS

All the payments and receipts are processed via the Commission's treasury system and registered on liaison accounts, which are presented under heading 'Recoverables from non-exchange transactions' (see note 2.4).

Innovative Health Initiative Joint Undertaking does not hold any form of cash or cash equivalents at hand or in accounts with financial institutions under its name.

## LIABILITIES

### 2.6. 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).

At 31 December 2024 the Joint undertaking did not have any provisions established.

## 2.7. PAYABLES AND OTHER LIABILITIES

Payables are liabilities to pay for goods or services that have been received or supplied and - unlike accrued charges have already been invoiced or formally agreed with the supplier. Payables can relate to both exchange transactions (such as the purchase of goods and services) and non-exchange transactions (e.g., cost claims from beneficiaries of grants, pre-financing or other EU funding).

	31.12.2024	31.12.2023
Contribution in kind to be validated	183.252.943,68	223.615.985,90
Contribution in cash to be validated	11.366.196,42	9.936.303,63
<b>Total contributions to be validated</b>	<b>194.619.140,10</b>	<b>233.552.289,53</b>
Public bodies and other current payables	10.931.307,67	13.109.805,36
Suppliers	8.617.814,31	13.975.139,45
<b>Total payables to entities</b>	<b>19.549.121,98</b>	<b>27.084.944,81</b>
<b>Total</b>	<b>214.168.262,08</b>	<b>260.637.234,34</b>

Under the heading 'Contribution in-kind to be validated' are presented the in-kind contributions related to on-going projects which have not been validated by the year-end. The amount for the 2024 IKOP is recognised based on estimates. For the H2020 programme the estimates are based on reported numbers from the members, for the FP7 programme on reported numbers from the members and/or pro-rata and for the Horizon Europe programme the estimates are based on pro-rata.

The decrease of in-kind contributions to be validated is in line with the phasing out of the legacy projects where the estimated in-kind contributions are being replaced by the validated in-kind contribution actually incurred on the basis of validated cost claims (for the FP7) or IKC certificates (for the H2020)

After validation of the contributions by the Authorising Officer, the amounts will be booked to Net Assets and presented as Contribution received from members (see note **2.9**).

The 'Contributions in cash to be validated' are the received but not yet validated EC financial contributions to the Horizon Europe programme (see notes **1.6.1** and **2.9.3**).

The current payables shown under the heading Total payables to entities for a combined total of EUR 27.085 thousand in 2023 and EUR 19.549 thousand in 2024 relate mainly to cost claims received and not validated at year-end and invoices outstanding at the year-end. The overall reduction of approx. 28% in this heading is mostly attributable to an improvement in the payment rates.

Due to the nature of the activities of the Joint Undertaking, approx. 91% of the total liabilities (in-kind and cash contributions to be validated) are liabilities towards the members of the Joint Undertaking. This makes the exposure of the Joint Undertaking to claims from external unrelated parties to be very low.

## 2.8. ACCRUED CHARGES

Accruals are liabilities to pay for goods or services that have been received or supplied but - unlike payables - have not yet been invoiced or formally agreed with the supplier. They include amounts due to employees (e.g., accruals for untaken holidays). The calculation of accruals is based on the open amount of budgetary commitments at year-end.

	31.12.2024	31.12.2023
<i>Accrued charges</i>	109.615.492,67	120.425.408,14

The heading is mainly composed of operational accrued charges (EUR 109.195 thousand) for on-going or ended projects without a validated cost statement where the 2024 operational costs were estimated on a case by-case basis using the best available information about the projects at 31 December 2024.

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 **2.3**). The reduction of approx. 9% in the title is mainly driven by projects of the Horizon 2020 programme which is in line with the normal evolution of a programme.

This heading also includes administrative accrued charges of EUR 278 thousand and staff-related accrued charges of EUR 143 thousand.



## NET ASSETS

### 2.9. CONTRIBUTIONS FROM MEMBERS

IHI JU is funded by contributions from its members. Given their funding nature these contributions, which comprise both cash contributions and contributions in kind, are recognised in the JU's net assets as 'Contributions from owners' once validated. The term 'owner' does not imply ownership of any shares of the JU (in fact no shares are issued) but reflects the specific governance of the JU where voting rights are allocated in accordance with the contributions made.

Programming period	2024			2023		
	Cash	in-Kind	Total	Cash	in-Kind	Total
FP7	960.252.069,81	836.488.618,66	1.796.740.688,47	960.252.069,81	816.313.919,34	1.776.565.989,15
Horizon 2020	1.252.802.732,61	1.241.521.947,08	2.494.324.679,69	1.164.271.370,13	1.072.288.432,18	2.236.559.802,31
Horizon Europe	159.719.549,58	6.026.741,60	165.746.291,18	75.526.629,37	-	75.526.629,37
<b>Total</b>	<b>2.372.774.352,00</b>	<b>2.084.037.307,34</b>	<b>4.456.811.659,34</b>	<b>2.200.050.069,31</b>	<b>1.888.602.351,52</b>	<b>4.088.652.420,83</b>

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

Member	Commission Cash	Industry Grouping			Total	
		Cash	In kind	Total	Cash	In kind
<i>Running costs contributions at 31.12.2023</i>	34.366.451,00	21.898.055,36	-	21.898.055,36	56.264.506,36	-
<i>Current year contributions</i>	-	-	-	-	-	-
<b>Running costs contributions at 31.12.2024</b>	<b>34.366.451,00</b>	<b>21.898.055,36</b>	<b>-</b>	<b>21.898.055,36</b>	<b>56.264.506,36</b>	<b>-</b>
<i>Operating costs contributions at 31.12.2023</i>	903.987.563,45	-	816.313.919,34	816.313.919,34	903.987.563,45	816.313.919,34
<i>Current year contributions</i>	-	-	20.174.699,32	20.174.699,32	-	20.174.699,32
<b>Operating costs contributions at 31.12.2024</b>	<b>903.987.563,45</b>	<b>-</b>	<b>836.488.618,66</b>	<b>836.488.618,66</b>	<b>903.987.563,45</b>	<b>836.488.618,66</b>
<i>TOTAL contributions at 31.12.2023</i>	938.354.014,45	21.898.055,36	816.313.919,34	838.211.974,70	960.252.069,81	816.313.919,34
<b>TOTAL contributions at 31.12.2024</b>	<b>938.354.014,45</b>	<b>21.898.055,36</b>	<b>836.488.618,66</b>	<b>858.386.674,02</b>	<b>960.252.069,81</b>	<b>836.488.618,66</b>

Similar to Horizon 2020 (see note **2.9.2** below), under the FP7 programme only certified in-kind contributions from the EFPIA, validated by the Authorising Officer of IHI JU, are considered as net assets.

During 2024, the only addition to the net assets of the Joint Undertaking related to the FP7 programme was the validation of EUR 20.175 thousand of in-kind contributions provided by the Industry Grouping. There are no expected cash contributions for this programme. The movements are consistent with a programme which has reached its final stages of implementation.

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

Member	Commission	Industry Grouping		Associated partner			Total	
	Cash	Cash	In kind	Cash	In kind	Total	Cash	In kind
<i>Running costs contributions at 31.12.2023</i>	31.069.818,00	27.995.670,72	-	-	-	27.995.670,72	59.065.488,72	-
<i>Current year contributions</i>	3.146.000,00	2.527.231,00	-	-	-	2.527.231,00	5.673.231,00	-
<b>Running costs contributions at 31.12.2024</b>	<b>34.215.818,00</b>	<b>30.522.901,72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30.522.901,72</b>	<b>64.738.719,72</b>	<b>-</b>
<i>Operating costs contributions at 31.12.2023</i>	1.093.942.380,40	4.200.000,00	940.676.119,30	7.063.501,01	131.612.312,88	1.083.551.933,19	1.105.205.881,41	1.072.288.432,18
<i>Current year contributions</i>	83.500.000,00	(641.868,52)	151.686.190,37		17.547.324,53	168.591.646,38	82.858.131,48	169.233.514,90
<b>Operating costs contributions at 31.12.2024</b>	<b>1.177.442.380,40</b>	<b>3.558.131,48</b>	<b>1.092.362.309,67</b>	<b>7.063.501,01</b>	<b>149.159.637,41</b>	<b>1.252.143.579,57</b>	<b>1.188.064.012,89</b>	<b>1.241.521.947,08</b>
<i>TOTAL contributions at 31.12.2023</i>	1.125.012.198,40	32.195.670,72	940.676.119,30	7.063.501,01	131.612.312,88	1.111.547.603,91	1.164.271.370,13	1.072.288.432,18
<b>TOTAL contributions at 31.12.2024</b>	<b>1.211.658.198,40</b>	<b>34.081.033,20</b>	<b>1.092.362.309,67</b>	<b>7.063.501,01</b>	<b>149.159.637,41</b>	<b>1.282.666.481,29</b>	<b>1.252.802.732,61</b>	<b>1.241.521.947,08</b>

In line with the Horizon 2020 rules, only contributions from the members certified by an external auditor and validated by the Authorising Officer by Delegation of the JU are considered in-kind contributions to the net assets. Estimated in-kind contributions, i.e., contributions for which no certification has been received and/or this certification has not been validated by the Authorising Officer, are reported under other liabilities.

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 Associated Partners.

Out of the total contributions of EUR 257.765 thousand which have been added to the net assets of the Joint Undertaking in 2024 in relation to the Horizon 2020 programme, 66% have been provided by the Industry Grouping and Associated Partners and 34% by the EU. The split, in the type of contributions provided during the year, 66% in-kind and 34% cash, is in line with a programme which is heading towards the end of its implementation period when more in-kind contributions are validated and less cash is required to sustain the on-going projects.

The overall status at the end of the financial year 2024 show a funding ratio of 51% from the Industry Grouping and Associated Partners and 49% from the EU from the total funding of EUR 2.494 million.

### 2.9.3. Research and Innovation funding programme for 2021-2027 (Horizon Europe)

Member	Commission	Industry Grouping		Contributing partner		Total	Total	
	Cash	Cash	In kind	Cash	In kind		Cash	In kind
Running costs contributions at 31.12.2023	2.266.755,43	1.287.868,00	-	1.367.065,00	-	2.654.933,00	4.921.688,43	-
Current year contributions	1.517.137,93	1.428.813,00				1.428.813,00	2.945.950,93	-
<b>Running costs contributions at 31.12.2024</b>	<b>3.783.893,36</b>	<b>2.716.681,00</b>	<b>-</b>	<b>1.367.065,00</b>	<b>-</b>	<b>4.083.746,00</b>	<b>7.867.639,36</b>	<b>-</b>
Operating costs contributions at 31.12.2023	70.604.940,94	-	-	-	-	-	70.604.940,94	-
Current year contributions	81.246.969,28		5.259.288,09		767.453,51	6.026.741,60	81.246.969,28	6.026.741,60
<b>Operating costs contributions at 31.12.2024</b>	<b>151.851.910,22</b>	<b>-</b>	<b>5.259.288,09</b>	<b>-</b>	<b>767.453,51</b>	<b>6.026.741,60</b>	<b>151.851.910,22</b>	<b>6.026.741,60</b>
TOTAL contributions at 31.12.2023	72.871.696,37	1.287.868,00	-	1.367.065,00	-	2.654.933,00	75.526.629,37	-
<b>TOTAL contributions at 31.12.2024</b>	<b>155.635.803,58</b>	<b>2.716.681,00</b>	<b>5.259.288,09</b>	<b>1.367.065,00</b>	<b>767.453,51</b>	<b>10.110.487,60</b>	<b>159.719.549,58</b>	<b>6.026.741,60</b>

Under the new SBA (Horizon Europe) the in-kind contributions to operational activities should be accounted for solely on the basis of eligible costs and should be reported and audited in accordance with the mechanism applicable to the specific grant agreement. These legal requirements do not change the substance of the operation: also, under Horizon Europe only validated and accepted contributions by the Authorising Officer can be recognised under net assets. Therefore, the same accounting treatment as used under the previous regulations should be applied to IKOP under Horizon Europe.

With regard to the Horizon Europe, Council Regulation (EU) 2021/2085 (IHI JU) distinguishes members of the JU: the EU, represented by the Commission, the life science industries, represented by COCIR, EFPIA (also representing Vaccines Europe), EuropaBio and MedTech Europe (i.e., the Private Members) and Contributing Partners.

According to the specific guidance issued by the EC Accounting Officer<sup>[1]</sup> for the accounting of the EU cash contributions received under Horizon Europe, the accounting treatment of the EU contribution should align with Art. 19.1 of the Financial Framework Partnership Agreement (FFPA), defining that the Union contributions take form of provisional payments ("pre-financings"). Based on this new requirement, the JU determines, on the basis of the payment implementation report the amount of operating and administrative expenditure that have been covered from the EU financial contributions to the Horizon

<sup>[1]</sup> . Ares(2022)6810956 – 03/10/2022 : Specific Guidance: Accounting for EU cash contributions received by Joint Undertakings under the Financial Framework Partnership Agreement related to MFF 2021-2027

Europe programme and enters only this amount into the net assets. The funds not yet validated in 2024 (EUR 11.366 thousand) are booked among the liabilities as "Contributions in cash to be validated" (note **2.7**).

Out of the total contributions of EUR 90.220 thousand which have been added to the net assets of the Joint undertaking in 2024 in relation to the Horizon Europe programme, 92% have been provided by the EU and 8% by the Industry Grouping and Contributing Partners.

The difference in the rate of contributions is normal for a programme which is at the beginning of its life-cycle due to the differences in the type of contributions which are provided by the different members. While the EU is contributing cash as an advance which is needed to start the project activities, the majority of the contributions from the Industry Grouping and Contributing Partners are in the form of in-kind which require a longer period to meet the requirements for recognition in the net assets of the Joint Undertaking. The gap is expected to start closing in the second half of the programme's implementation period when the value of the validated in-kind contributions is expected to increase once the projects are finalized and the value of the payments for the on-going projects is expected to decrease.

### 3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

#### REVENUE

#### NON-EXCHANGE REVENUE

Revenue from non-exchange transactions relates to transactions where the transferor provides resources to the recipient entity without the recipient entity providing approximately equal value directly in exchange. The heading mainly includes amounts received from the Commission during the year and recoveries of operational expenses.

##### 3.1. RECOVERY OF EXPENSES

The revenue resulting from recovery of expenses refers to operational expenses recovered from beneficiaries during the year and adjustments coming from ex-post audits that will be collected in the following year.

	2024	2023
<i>Recovery of expenses</i>	1.389.847,32	1.672.581,07

##### 3.2. OTHER NON-EXCHANGE REVENUE

No other non-exchange revenue was earned during the financial year 2024 or 2023.

#### EXCHANGE REVENUE

##### 3.3. REVENUE FROM EXCHANGE TRANSACTIONS

The revenue from exchange transactions and events relates to following types of transactions: rendering of services; sales of goods; and the use by others of entity assets yielding interest, royalties and dividends.

	2024	2023
<i>Other exchange revenue</i>	27.995,25	29.777,72
<i>Financial revenues</i>	22.283,17	4.247,25
<b>Total</b>	<b>50.278,42</b>	<b>34.024,97</b>

Innovative Health Initiative JU sublet in 2024 until end of September the 1st floor of the office building to EDCTP3. The amount shown above under Other exchange revenue refers to the Recovery of administrative expenses resulting from EDCTP3's share in the works of the 1st floor and some office materials used by EDCTP3.

The increase in the overall value of the revenue was driven mainly by the increase of the financial revenues from interest on late payments in 2024 (EUR 22 thousand) compared to the year 2023 (EUR 4 thousand).

## EXPENSES

### 3.4. OPERATIONAL COSTS

Included under this heading are operational expenses related to projects that were carried out in the current year. The part of the operational costs related to on-going projects without any validated cost claims (or equivalent) available on 31 December was estimated using the best information available at the time of 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 operational costs of the year. Depending on the availability of information at the time of preparation of the annual accounts, the estimates are based on costs incurred to date as a proportion of the estimated total costs of the projects ("pro-rata temporis").

The break-down of the operational costs between operational costs incurred on the basis of validated cost claims (or equivalent) and estimated operational costs is given in the table below:

	2024	2023
<i>Operational costs: validated in-kind contributions</i>	195.434.955,82	225.746.296,54
<i>Operational costs: estimated in-kind contributions</i>	(40.363.042,22)	(23.850.770,98)
<b>Total operational costs from in-kind contributions</b>	<b>155.071.913,60</b>	<b>201.895.525,56</b>
<i>Operational costs: validated EU contributions</i>	194.986.492,95	198.408.448,16
<i>Operational costs: estimated EU contributions</i>	(33.187.179,54)	(32.531.890,43)
<b>Total operational costs from EU contributions</b>	<b>161.799.313,41</b>	<b>165.876.557,73</b>
<b>Total</b>	<b>316.871.227,01</b>	<b>367.772.083,29</b>

The overall value of the operational costs has remained stable when compared to the previous period.

The main contribution to the operational costs financed through in-kind contributions comes from the Horizon 2020 projects which account for 87% of the total validation in 2024. The projects under the FP7 programme have contributed a further 10% while the projects under the Horizon Europe programme account for 3%.

The overall decrease in the operational in-kind costs of approx. 23% is considered normal as the FP7 programme is at the end of its life cycle and the Horizon Europe programme is still in the early stages of its implementation.

The value of the operational costs financed through cash has remained stable, registering only a 2% variation between the years.

### 3.5. STAFF COSTS

This heading includes the expenses for salaries, allowances and other employment-related benefits. Based on the service level agreement between the JU and the Commission, the calculations of staff -related costs is carried out by the Commission's Office for Administration and Payment of Individual Entitlements (also known as the Paymaster's Office - PMO). The pensions of the JU staff members are covered by the Pension Scheme of European Officials. This pension scheme is a defined benefit plan, i.e., the amount of benefit an employee will receive on retirement depends on several factors, the most important of which is years of service. Both the JU staff, the JU and the EU budget contribute to the pension scheme, with the contribution percentage being revised annually in line with the changes in the Staff Regulation governing the scheme.

The increase in the staff costs is related to the indexation in 2024 due to the high inflation rate. Additionally, the recruitments to fill the vacant positions increased the salary costs compared to 2023. Both factors had also an effect on the allowances.

The cost to the EU Budget is not reflected in the JU accounts. Similarly, no provision related to the future pension payments is recognised in the annual accounts of the JU, as the obligation falls to the Commission.

	2024	2023
<i>Staff costs</i>	5.660.657,23	5.075.637,87

As per Article 83a (2) of the Staff Regulations, the part paid by the JU shall correspond to the percentage share between a) the JU's revenues without the subsidy from the general budget, and b) its total revenues. To avoid disruptive variations over time, the JUs employer's pension contribution is calculated with a single percentage share for the whole duration of the JU. This single percentage was established on the basis of the EU and non-EU members' respective contributions, as foreseen in the JU's legal basis, with a correction and regularisation at the last year of existence of the JU. The contribution of Innovative Health Initiative Joint Undertaking was set as 2.5% of the total pension scheme contributions. This contribution is accounted within staff costs.

In view of implementation problems and the principle of good administration, it was agreed between the Commission and the JUs that the provisions of Article 83a(2) are applied only to the JUs set up by the SBA and EuroHPC and not to those established under the previous Regulations. Given the late entry into force of the SBA at the end of November 2021, the applicability started as from 2022.

### 3.6. FINANCE EXPENSES

	2024	2023
<i>Interest expense on late payment of charges</i>	-	318,73
<i>Other financial expenses</i>	-	7.106,80
<b>Total</b>	-	<b>7.425,53</b>

No financial expenses were incurred during the course of the financial year 2024.



### 3.7. OTHER EXPENSES

Included under this heading are expenses of administrative nature such as external non-IT services, operating leasing expenses, communications and publications, training costs etc., as well as the debts written-off.

The increase in administrative costs is mainly due to the increase in the external non-IT, office supplies and maintenance, training and mission costs, and the losses incurred on trade debtors. The loss on trade debtors relates to the write off of a debt established following an audit on an operational project and the write-down of two outstanding debts for which the collection is considered to be improbable.

	2024	2023
<i>Property, plant and equipment related expenses</i>	42.831,04	63.685,73
<i>External non-IT services</i>	974.736,08	683.849,66
<i>Legal Expenses</i>	-	8.080,00
<i>Maintenance and security expenses</i>	213.009,67	183.399,99
<i>Office Supplies &amp; maintenance</i>	64.931,60	21.601,21
<i>External IT services</i>	938.911,55	946.488,33
<i>Experts' expenses</i>	111.814,72	108.881,07
<i>Car &amp; transport expenditures</i>	16.217,77	17.730,67
<i>Training costs</i>	42.105,35	29.384,30
<i>Recruitment costs</i>	640,00	2.142,98
<i>Missions</i>	49.772,62	32.954,67
<i>Communications &amp; publications</i>	30.491,77	69.060,66
<i>Rent expenses</i>	406.421,30	402.000,37
<i>Losses on trade debtors</i>	481.189,04	-
<i>Realised &amp; Unrealised Exchange Rate Losses</i>	38,32	0,34
<b>Total</b>	<b>3.373.110,83</b>	<b>2.569.259,98</b>

An overview of the amounts to be committed and paid during the remaining term of these lease contracts are as follow:

	EUR '000			
	Future amounts to be paid			Total
	< 1 year	1- 5 years	> 5 years	
<i>Buildings</i>	387.869,69	1.630.619,74	865.043,74	2.883.533,16

The Joint Undertaking has co-signed a new lease agreement for the rental of the office space and parking places located in the White Atrium building for the years 2025-2031.

## 4. OTHER SIGNIFICANT DISCLOSURES

### 4.1. CONTINGENT ASSETS

	2024	2023
<i>Contingent assets</i>	599.653,42	1.033.619,02

The contingent assets of Innovative Health Initiative JU relate to ex-post audit findings for which the amounts have not yet been agreed with the beneficiaries.

### 4.2. CONTINGENT LIABILITIES

No contingent liabilities of material significance were identified by the Joint Undertaking at the time of drawing the provisional annual accounts.

### 4.3. OUTSTANDING COMMITMENTS NOT YET EXPENSED

The outstanding commitments not yet expensed comprise the budgetary RAL ('Reste à Liquider') less related amounts that have been included as expenses in the current year's statement of financial performance. The RAL represents the open budgetary commitments for which payments and/or de-commitments have not yet been made. This is the normal consequence of the existence of multi-annual programmes.

	2024	2023
<i>Outstanding commitment not yet expensed</i>	508.656.017,03	555.539.766,60

The outstanding commitments not yet expensed represent the correction of the budgetary RAL with the estimated costs which are determined by using the accrual-based principle not reflected in the budgetary result, where the cash-based principle is used. The decrease between the years is driven by the high decrease in the budgetary RAL by EUR 65.253 thousand, which is seen in the budget implementation reports (chapter 6: EUR 637.678 thousand in 2024 compared to EUR 702.931 thousand in 2023).

### 4.4. IN-KIND CONTRIBUTIONS

According to both Council Regulation (EU) No 558/2014 and Council Regulation (EU) No 2021/2085, the members other than the Union shall provide in-kind contributions to the Joint Undertaking.

Under H2020 programme, in-kind contributions by the Members other than the Union and the Associated Partners, or their constituent entities or their affiliated entities consist of the costs incurred by them in implementing indirect actions less the contribution of the joint undertaking and any other Union contribution to those costs. For the purpose of valuing these in-kind contributions, the costs are determined in accordance with the usual cost accounting practices of the entities concerned, to the applicable accounting standards of the country where the entity is established, and to the applicable International Accounting Standards and International Financial Reporting Standards. The costs shall be certified by an independent external auditor appointed by the entity concerned. The valuation method may be verified by the joint undertaking, should there be any uncertainty arising from the certification. Further simplification was introduced under Horizon Europe programme. In that context, a simplified reporting mechanism was put in place for the members, who are no longer required to report on non-eligible costs for in-kind contributions to operational activities. According to Art.2. (8) of the SBA: "in-kind contributions to operational activities" means contributions by private members, constituent entities or the affiliated entities of either, by international organisations and by contributing partners, consisting of the eligible costs incurred by them in implementing indirect actions less the contribution of that joint undertaking and of the participating states of that joint undertaking to those costs". Consequently, in-

kind contributions to operational activities are accounted for solely on the basis of eligible costs and reported and audited in accordance with the mechanism applicable to the specific grant agreement. Such accounting on the basis of eligible costs allows for the automated calculation of in-kind contributions to operational activities via the Horizon Europe IT tools.

## **4.5. IN-KIND IN ADDITIONAL ACTIVITIES (IKAA)**

The joint undertakings provide a systematic opportunity and incentive for members other than the Union to combine their research and innovation activities with those of the joint undertaking. Additional activities do not receive financial support from the joint undertaking. However, they are accounted for as members' in-kind contributions to additional activities when they contribute to the objectives of the joint undertaking and are directly linked to its activities, including non-eligible costs of indirect actions funded by the joint undertaking where this is provided for in the annual additional activities plan. That link can be established through the uptake of results from indirect actions funded by the joint undertaking or its preceding initiatives, or by demonstrating a significant Union added value. The respective costs should be certified by an independent audit body appointed by the entity concerned subject to the valuation method being open to verification by the joint undertaking in the event of uncertainty. Council Regulation (EU) No 2021/2085 laid down more specific provisions concerning the scope of additional activities for each joint undertaking, to the extent that it is necessary to achieve the desired directionality and impact.

"Additional activity" means an activity, included in the annual additional activities plan annexed to the main part of the work programme, that does not receive financial support from the joint undertaking but contributes to its objectives and is directly linked to the uptake of results from projects under that joint undertaking or its preceding initiatives or that has a significant Union added value.

In-kind contributions to additional activities means contributions by the private members, constituent entities or the affiliated entities of either, and by international organisations, consisting of the costs incurred by them in implementing additional activities less any contribution to those costs from the Union and from the participating states of that joint undertaking;

Art. 120 of the SBA defines the scope of IHI JU's additional activities:

1. For the purpose of Article 11(1), point (b), additional activities shall be carried out in the Union or countries associated with Horizon Europe and may include:
  - (a) activities contributing towards the achievement of objectives of indirect actions funded by the Innovative Health Initiative Joint Undertaking;
  - (b) activities contributing towards the dissemination, sustainability or exploitation of results of indirect actions funded by the Innovative Health Initiative Joint Undertaking.
2. Where relevant, project proposals shall include a plan for their related additional activities. Costs associated to such project-specific additional activities must be incurred between the date of submission of the proposal and up to two years after the end date of the indirect action.
3. In order for the costs to be accounted for as in-kind contributions referred to in Article 11(1), point (b), the underlying additional activities shall be carried out within the Union or countries associated to Horizon Europe.

## 4.6. CONTRIBUTIONS PER PROGRAMME

	Members' contributions (as per Funding regulation)					
	EU cash	Third country contribution (UK)	Private members' cash	Private members' IKOP	Private members' IKAA	Total (f)=(a)+(b)+(c)+(d)+(e)
	(a)	(b)	(c)	(d)	(e)	
FP7	1.000.000.000,00	N/A	34.000.000,00	966.000.000,00	N/A	2.000.000.000,00
H2020	1.638.000.000,00	N/A	42.600.000,00	1.595.400.000,00	N/A	3.276.000.000,00
Horizon Europe	1.200.000.000,00	N/A	30.193.000,00	1.169.807.000,00		2.400.000.000,00

	Members contributions as of 31.12.2024								
	EU cash validated	EU cash not validated (PF)	Other members cash	Other members IKOP validated	Other members IKOP reported but not validated	IKAA certified	IKAA reported but not certified	Total	Achievement rate
FP7	938.354.014,45	-	21.898.055,36	836.488.618,66	251.728,03	N/A	N/A	1.796.992.416,50	90%
H2020	1.211.658.198,40	-	41.144.534,21	1.241.521.947,08	145.500.986,67	N/A	N/A	2.639.825.666,36	81%
Horizon Europe	155.635.803,58	11.366.196,42	4.083.746,00	6.026.741,60	37.500.228,98	896.141,00	14.350.603,00	229.859.460,58	10%

#### **4.6.1. 2007-2013 (FP7) MFF: Total Members' Contributions**

IMI1 (FP7) programme is in the phase of winding down.

At the end of 2024, the JU had committed the maximum EU operational contributions of EUR 926 million for signed grant agreements under the FP7 programme. By the end of 2024 the last FP7 project finished its activities. IHI is in the process of establishing the final balances and validation of in-kind contributions. The unused amount of prefinancing will be recovered and no further payments are foreseen.

98% of the adjusted commitment appropriations had been paid out at the end of 2024. Private members had legally committed to provide in-kind contributions of EUR 894.9 million or 93% of the original legal target of EUR 966 million. Of this committed amount, they reported EUR 836.7 million (or 86.6% of the original legal target) at the end of 2024.

#### **4.6.2. 2014-2020 (Horizon 2020) MFF: Total Members' Contributions**

At the end of 2024, the JU had committed EUR 1 452.1 million or 91 % of the maximum EU operational contribution of EUR 1 595.4 million for signed grant agreements under the Horizon 2020 programme. Of this committed amount, around EUR 244,6 million (or 17 %) remains to be paid in the coming years for projects yet to be completed. At the same time, private members and associated partners had legally committed to provide in-kind contributions of EUR 1 510.1 million or 95 % of the minimum target of EUR 1 595.4 million. Of this committed amount, they reported EUR 1 387 million (or 87 % of the target) at the end of 2024.

The last IMI2 projects were signed in 2021, some with an expected end date in 2028. At the end of 2024 there were still 42 IMI2 projects running with 83% of the commitment appropriations paid out. As the programme is still being implemented there is a natural difference between the Members' contributions and their contribution targets as per Founding Regulation. It should also be noted that the initial commitment in the 2014 Council Regulation has been reduced. At the end of 2024, the total EU operational commitment appropriations at programme level over the lifetime of the IMI2 JU (2014-2021) amount to EUR 1 456.6 million instead of initial commitment of EUR 1 595.4 million.

The difference between EU cash contributions and private members' validated in-kind contributions is due to the fact that EU cash contributions are recognised when paid to IHI JU before the project implementation while the in-kind contributions from the private members are only recognised after the validation of the costs incurred and declared for the project implementation.

#### **4.6.3. 2021-2027 (Horizon Europe) MFF: Total Members' Contributions**

During 2024 IHI portfolio under Horizon Europe has reached 30 projects. At the end of 2024, the commitments for the signed grant agreements from EU funding were EUR 352.3 million (29% of the target) and EUR 396.6 (34% of the target) from IHI JU private members and contributing partners under the Horizon Europe programme. At the end of 2024, 28 % of the commitment appropriations had been paid out.

The IHI JU private members and contributing partners reported EUR 43.5 million of in-kind contributions (IKOP) by the end of 2024.

Certified IKAA from IHI private members reached EUR 0,9 million in 2024 and additional EUR 14 million were reported.

The total reported amount of private member and contributing partner contributions (IKOP, IKAA) covers 5% of the legal target.

### **4.7. RELATED PARTIES**

The related parties of the JU are the key management personnel of these entities. As transactions between the JU and these parties take place as part of the normal operations of the JU and on terms and conditions that are normal for such transactions, no specific disclosures are required.

## 4.8. KEY MANAGEMENT ENTITLEMENTS

The Executive Director, is remunerated in accordance with the Staff Regulations of the European Union, which establish the rights and obligations of all officials of the EU. The Staff Regulations are published on the Europa website.

	31.12.2024	31.12.2023
<i>Executive Director</i>	<i>AD 14</i>	<i>AD 14</i>

Having regard to Governing Board Decision No IHI-GB-DEC-2024-38 appointing the Executive Director of IHI JU as from 16 January 2024.

## 4.9. OTHER EVENTS

### **The Russian war of aggression against Ukraine**

The war does not affect materially the recognition and measurement of any assets and liabilities on the balance sheet and also of any revenue and expenses recognised in the statement of financial performance.

Based on the facts and circumstances at the time of preparation of these financial statements, in particular, the evolving situation, the financial effect of the war on subsequent reporting periods of IHI JU cannot be reliably estimated.

## 4.10. OTHER INFORMATION

### **BREXIT - United Kingdom joins the Horizon Europe programme**

As of 1 January 2024, the United Kingdom has become an associated country to Horizon Europe. Its researchers are able to participate in this research and innovation programme of the EU on the same terms as researchers from other associated countries and will have access to Horizon Europe funding.

## 4.11. EVENTS AFTER REPORTING DATE

Not applicable.

## 4.12. OBSERVATIONS ON MANAGEMENT AND CONTROL SYSTEMS

Not applicable.

## 5. FINANCIAL RISK MANAGEMENT

### 5.1. TYPES OF RISK

**Market risk** is the risk that the fair value or future cash flows 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 entity has no significant interest rate risk and other price risk).

(1) Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. This risk arises from the change in the price of a foreign currency against the functional currency of an entity.

(2) Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As an example, higher interest rates will lead to lower prices of fixed rate bonds (other things equal), and vice versa. The entity 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 non-payment or other failure to meet a contractual obligation. The default events include a delay in repayments, and bankruptcy.

**Liquidity risk** is the risk that an EU entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

### 5.2. CURRENCY RISKS

At the end of the year, the financial assets are composed of exchange receivables. The financial liabilities are composed of accounts payable. Their ending balances are quoted in EUR, the entity is thus not exposed to currency risk.

### 5.3. CREDIT RISK

At the end of the year, the financial assets comprise exchange receivables that are not past due for more than 30 days. As no credit loss is expected during the lifetime of those receivables the entity is not exposed to any significant credit risk.

### 5.4. LIQUIDITY RISK

The financial liabilities are mainly composed of accounts payable. All the accounts payable have remaining contractual maturity of less than 1 year.

INNOVATIVE HEALTH INITIATIVE JOINT UNDERTAKING

FINANCIAL YEAR 2024

# **THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES**



# **1. BUDGETARY PRINCIPLES AND STRUCTURE**

## **1.1. BUDGETARY PRINCIPLES**

The establishment and implementation of the budget of Innovative Health Initiative is governed by the following basic principles set out in the Chapter 2 of the Financial Rules of the joint undertaking:

### **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 the joint undertaking. 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 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.

### **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 euro and the accounts shall be presented in euro.

### **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 economy**

The principle of economy requires that the resources used by the JU in the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price.

### **Principle of efficiency**

The principle of efficiency concerns the best relationship between resources employed and results achieved.

### **Principle of effectiveness**

The principle of effectiveness concerns the attainment of the specific objectives set and the achievement of the intended results.

### **Principle of internal control**

The principle of internal control of budget implementation means that the JU budget shall be implemented in compliance with effective and efficient internal control in order to provide reasonable assurance of achieving effectiveness, efficiency and economy of operations; reliability of reporting; safeguarding of assets and information; prevention, detection, correction and follow-up of fraud and irregularities; inadequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multi-annual character of the programmes as well as the nature of the payments concerned.

### **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 the internet site of the joint undertaking within four weeks of their adoption and shall be transmitted to the Commission and the Court of Auditor.

## **1.2. STRUCTURE AND PRESENTATION OF THE BUDGET**

Since 1 January 2015, no distinction between non-dissociated and dissociated appropriations is made. All appropriations follow the dissociated logic.

Following the provisions of the Financial rules of the joint undertaking, 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 relating to staff expenditure such as salaries and allowances for personnel working with the joint undertaking. It also includes recruitment expenses, staff missions, expenses for the socio-medical infrastructure and representation costs.

### **Title 2**

Budget lines relating to all infrastructure, equipment, meetings, experts, studies, and miscellaneous administrative expenditure.

### **Title 3**

Budget lines providing for the implementation of the activities and tasks assigned to the joint undertaking in accordance with its establishing Council Regulation (including experts for evaluations).

## 2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

		EUR '000	
	Title	2024	2023
<b>Revenue</b>		<b>181.830</b>	<b>225.622</b>
<i>of which:</i>			
Revenue of IMI	1	170.840	214.750
Revenue of IMI from EFPIA and other Members	2	3.314	4.210
Operational recovery	4	108	159
Other revenue	5	7.568	6.503
<b>Expenditure</b>		<b>(194.656)</b>	<b>(203.918)</b>
<i>of which:</i>			
Staff expenditure	1	(6.136)	(5.602)
Administrative expenditure	2	(2.533)	(2.130)
Operational expenditure	3	(185.987)	(196.185)
<b>Exchange rate differences</b>		<b>-</b>	<b>(1)</b>
<b>Budget result</b>		<b>(12.826)</b>	<b>21.704</b>

### 3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

EUR '000

	2024	2023
<b>ECONOMIC RESULT OF THE YEAR</b>	<b>(324.465)</b>	<b>(373.718)</b>
<b>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</b>	<b>191.985</b>	<b>240.540</b>
<i>In-kind contributions validated in the year</i>	195.435	225.746
<i>Adjustments for accrual cut-off (net)</i>	(72.288)	(57.098)
<i>Unpaid invoices at year end but booked in expenses</i>	(3.972)	3.334
<i>Depreciation, amortization and impairment of intangible and tangible assets</i>	43	64
<i>Movement in provisions</i>	-	-
<i>Recovery orders issued in the year and not yet cashed</i>	(499)	(195)
<i>Correction of recovery orders issued last year</i>	-	-
<i>Pre-financing given in previous year and cleared in the year</i>	73.073	68.688
<i>Payments made from carry-over of payment appropriations</i>	-	-
<i>loss on trade receivable realisation</i>	193	-
<i>Other individually immaterial</i>	-	1
<b>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</b>	<b>119.654</b>	<b>154.882</b>
<i>Members' cash contributions collected in the year</i>	175.044	218.960
<i>Asset acquisitions (less unpaid amounts)</i>	(46)	(11)
<i>Payments made from non-budget lines</i>	-	-
<i>New pre-financing paid in the year and remaining open as at 31 December</i>	(61.902)	(70.491)
<i>New pre-financing received in the year and remaining open as at 31 December</i>	6.494	6.339
<i>Recovery of the prefinancing paid in previous years</i>	69	85
<i>Entitlements established in previous year and cashed in the year</i>	-	-
<i>Entitlements established on balance sheet accounts and cashed in the year</i>	-	-
<i>Payment appropriations carried over to next year</i>	-	-
<i>Cancellation of unused carried over payment appropriations from previous year</i>	-	-
<i>Adjustment for carry-over of assigned revenue appropriations from previous year</i>	-	-
<i>Other individually immaterial</i>	(5)	-
<b>BUDGET RESULT OF THE YEAR</b>	<b>(12.826)</b>	<b>21.704</b>

## 4. IMPLEMENTATION OF BUDGET REVENUE

EUR '000

	Item	Income appropriations		Entitlements established			Revenue				Out-standing
		Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10=5-8
1000	European Commission contribution out of IMI2 budge	86.646	86.646	86.646	-	86.646	86.646	-	86.646	100%	-
1001	European Commission contribution - appropriations	22.271	22.271							-	
1002	European Commission contribution out of IHI budget	84.194	84.194	84.194	-	84.194	84.194	-	84.194	100%	-
Total Chapter 10		193.111	193.111	170.840	-	170.840	170.840	-	170.840	88%	-
<b>Total Title 1</b>		<b>193.111</b>	<b>193.111</b>	<b>170.840</b>	<b>-</b>	<b>170.840</b>	<b>170.840</b>	<b>-</b>	<b>170.840</b>	<b>88%</b>	<b>-</b>
2000	European Federation of Pharmaceutical Industries a	3.146	3.146	2.527	-	2.527	2.527	-	2.527	80%	-
2002	European Federation of Pharmaceutical Industries a	832	832	703	-	703	703	-	703	84%	-
2010	EuropaBio contribution for IHI current year	15	15	12	-	12	12	-	12	77%	-
2021	COCIR contribution for IHI current year	424	424	357	-	357	357	-	357	84%	-
2030	MedTech Europe contribution for IHI current year	424	424	357	-	357	357	-	357	84%	-
2025	Subsidy from other members (other than Union and a	-	-	(642)	-	(642)	(642)	-	(642)	-	-
Total Chapter 20		4.840	4.840	3.314	-	3.314	3.314	-	3.314	68%	-
<b>Total Title 2</b>		<b>4.840</b>	<b>4.840</b>	<b>3.314</b>	<b>-</b>	<b>3.314</b>	<b>3.314</b>	<b>-</b>	<b>3.314</b>	<b>68%</b>	<b>-</b>
4000	Recovery ex-post audit	-	-	248	62	310	39	69	108	-	202
Total Chapter 40		-	-	248	62	310	39	69	108	-	202
<b>Total Title 4</b>		<b>-</b>	<b>-</b>	<b>248</b>	<b>62</b>	<b>310</b>	<b>39</b>	<b>69</b>	<b>108</b>	<b>-</b>	<b>202</b>
5000	Miscellaneous revenue	-	-	7.551	1.031	8.582	7.262	306	7.568	-	1.014
Total Chapter 50		-	-	7.551	1.031	8.582	7.262	306	7.568	-	1.014
<b>Total Title 5</b>		<b>-</b>	<b>-</b>	<b>7.551</b>	<b>1.031</b>	<b>8.582</b>	<b>7.262</b>	<b>306</b>	<b>7.568</b>	<b>-</b>	<b>1.014</b>
<b>GRAND TOTAL</b>		<b>197.951</b>	<b>197.951</b>	<b>181.954</b>	<b>1.093</b>	<b>183.047</b>	<b>181.455</b>	<b>376</b>	<b>181.830</b>	<b>92%</b>	<b>1.217</b>

## 5. IMPLEMENTATION OF BUDGET EXPENDITURE

### 5.1. Breakdown & changes in commitment appropriations

#### 5.1.1. Breakdown & changes in commitment appropriations – Title 1

EUR '000

	Item	Budget appropriations				Additional appropriations			Total approp. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1100	Staff in active employment and costs linked to emp	3.745	-	(92)	3.653	-	-	-	3.653
1101	Family allowances	350	-	(38)	312	-	-	-	312
1102	Transfer and expatriation allowance	500	-	(15)	485	-	-	-	485
1110	Contract agents	970	-	(80)	890	-	-	-	890
1130	Insurance against sickness	127	-	(1)	126	-	-	-	126
1131	Insurance against accidents and occupational disease	17	-	(2)	15	-	-	-	15
1132	Unemployment insurance for temporary staff	50	-	(1)	49	-	-	-	49
1133	Pension	32	-	(3)	29	-	-	-	29
1140	Birth and death allowance	1	-	-	1	-	-	-	1
1141	Annual travel costs from the place of employment t	65	-	(6)	59	-	-	-	59
1172	Cost of organizing traineeships within IMI	10	-	-	10	-	-	-	10
1177	Other services rendered	120	-	(11)	109	-	-	-	109
1178	Paymaster Office (PMO) fees	75	-	(2)	73	-	-	-	73
1180	Sundry recruitment expenses	5	-	-	5	-	-	-	5
1181	Travelling expenses (including taking up duty)	1	-	2	3	-	-	-	3
1182	Installation allowance	30	-	-	30	-	-	-	30

EUR '000

	Item	Budget appropriations				Additional appropriations			Total appropr. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1183	Moving expenses	10	-	-	10	-	-	-	10
1184	Temporary daily allowance	15	-	7	22	-	-	-	22
1190	Weightings (correction coefficients)	5	-	-	5	-	-	-	5
Total Chapter 11		6.128	-	(243)	5.885	-	-	-	5.885
1200	Miscellaneous expenditure on staff recruitment	5	-	8	13	-	-	-	13
Total Chapter 12		5	-	8	13	-	-	-	13
1300	Mission expenses	144	-	(43)	101	-	-	-	101
Total Chapter 13		144	-	(43)	101	-	-	-	101
1401	EU school costs	150	-	-	150	-	-	-	150
1410	Other trainings	50	-	(2)	48	-	6	6	54
1420	Supplementary aid for the disabled	1	-	-	1	-	-	-	1
1430	Medical service	19	-	(3)	16	-	-	-	16
1440	Trainings covered by the EC service level agreement	30	-	-	30	-	-	-	30
1490	Other interventions	12	-	10	22	-	-	-	22
Total Chapter 14		262	-	5	267	-	6	6	273
1500	External staff expenditure	125	-	197	322	-	-	-	322
Total Chapter 15		125	-	197	322	-	-	-	322
1700	Representation expenses	10	-	5	15	-	-	-	15
Total Chapter 17		10	-	5	15	-	-	-	15
<b>Total Title 1</b>		<b>6.674</b>	<b>-</b>	<b>(71)</b>	<b>6.603</b>	<b>-</b>	<b>6</b>	<b>6</b>	<b>6.608</b>

## 5.1.2. Breakdown &amp; changes in commitment appropriations – Title 2

EUR '000

	Item	Budget appropriations				Additional appropriations			Total approp. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2000	Rentals office building	480	-	19	499	-	121	121	620
2020	Charges (water, gas, electricity, works)	180	-	33	213	-	-	-	213
2040	Furnishing of premises	10	-	69	79	-	-	-	79
2050	Security and surveillance	20	-	(20)	-	-	-	-	-
Total Chapter 20		690	-	101	791	-	121	121	912
2101	Hardware, infrastructure and related services	325	-	102	427	-	-	-	427
2102	Software development, licenses and related service	765	-	49	814	-	-	-	814
Total Chapter 21		1.090	-	151	1.241	-	-	-	1.241
2202	Maintenance utilisation and repair	5	-	(5)	-	-	-	-	-
Total Chapter 22		5	-	(5)	-	-	-	-	-
2300	Stationery and office supply	50	-	(28)	22	-	-	-	22
2330	Legal expenses	15	-	(15)	-	-	-	-	-
2350	Other operating expenditure	3	-	5	8	-	-	-	8
2360	Library stocks purchase of books and subscriptions	51	-	(9)	42	-	-	-	42
2370	Translation, interpretation	5	-	-	5	-	-	-	5
Total Chapter 23		124	-	(48)	76	-	-	-	76
2400	Correspondence and communication expenses	47	-	(30)	17	-	-	-	17
Total Chapter 24		47	-	(30)	17	-	-	-	17
2500	Formal meetings	100	-	(32)	68	-	-	-	68
Total Chapter 25		100	-	(32)	68	-	-	-	68
2600	Administrative costs in connection with operational	30	-	(30)	-	-	-	-	-



EUR '000

	Item	Budget appropriations				Additional appropriations			Total appropr. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2602	Workshops	280	-	(100)	180	-	-	-	180
Total Chapter 26		310	-	(130)	180	-	-	-	180
2700	External communication	60	-	(17)	43	-	-	-	43
2701	Events external communication	200	-	23	223	-	-	-	223
2702	Material	40	-	(18)	22	-	-	-	22
Total Chapter 27		300	-	(12)	288	-	-	-	288
2800	Ex-post audits	75	-	(62)	13	-	-	-	13
2801	Studies, consultancy	120	-	5	125	-	-	-	125
2802	Audits	55	-	(9)	46	-	-	-	46
2803	Accounting services	90	-	142	232	-	-	-	232
Total Chapter 28		340	-	76	416	-	-	-	416
<b>Total Title 2</b>		<b>3.006</b>	<b>-</b>	<b>71</b>	<b>3.077</b>	<b>-</b>	<b>121</b>	<b>121</b>	<b>3.198</b>

## 5.1.3. Breakdown &amp; changes in commitment appropriations – Title 3

EUR '000

		Budget appropriations				Additional appropriations			Total
	Item	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	appr. available
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
3000	Implementing the research agenda of IMI JU	-	-	-	-	142	-	142	142
3008	Call 8	-	-	-	-	-	162	162	162
3009	Call 9	-	-	-	-	-	242	242	242
3011	Call 11	-	-	-	-	-	4.961	4.961	4.961
3020	Implementing the research agenda of IMI2 JU	-	-	-	-	300	-	300	300
3027	IMI2 Call 7	-	-	-	-	-	747	747	747
3029	IMI2 Call 9	-	-	-	-	700	-	700	700
3032	IMI2 Call 12	-	-	-	-	-	574	574	574
3033	IMI2 Call 13	-	-	-	-	-	36	36	36
3036	IMI2 Call 16	-	-	-	-	-	734	734	734
3039	IMI2 Call 19	-	-	-	-	-	21	21	21
3041	IMI2 Call 21	-	-	-	-	-	116	116	116
3043	IMI2 Call 23	-	-	-	-	-	27	27	27
Total Chapter 30		-	-	-	-	1.142	7.619	8.761	8.761
3100	Implementing the research agenda of IHI JU	59.900	(47.550)	-	12.350	-	-	-	12.350
3106	IHI JU Call 6	24.600	-	-	24.600	-	-	-	24.600
3107	IHI JU Call 7	95.000	-	-	95.000	-	-	-	95.000
3108	UK IHI JU CALL 8	-	47.550	-	47.550	-	-	-	47.550
Total Chapter 31		179.500	-	-	179.500	-	-	-	179.500
3200	NON UK HE CARRY OVER	-	-	-	-	71.211	-	71.211	71.211
Total Chapter 32		-	-	-	-	71.211	-	71.211	71.211
3900	Evaluations experts	500	-	-	500	-	-	-	500
Total Chapter 39		500	-	-	500	-	-	-	500
<b>Total Title 3</b>		<b>180.000</b>	<b>-</b>	<b>-</b>	<b>180.000</b>	<b>72.353</b>	<b>7.619</b>	<b>79.972</b>	<b>259.972</b>
<b>GRAND TOTAL</b>		<b>189.680</b>	<b>-</b>	<b>-</b>	<b>189.680</b>	<b>72.353</b>	<b>7.746</b>	<b>80.099</b>	<b>269.779</b>

## 5.2. Breakdown & changes in payment appropriations

### 5.2.1. Breakdown & changes in payment appropriations – Title 1

EUR '000

		Budget appropriations				Additional appropriations			Total approp. available
	Item	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1100	Staff in active employment and costs linked to emp	3.745	-	(92)	3.653	-	-	-	3.653
1101	Family allowances	350	-	(8)	342	-	-	-	342
1102	Transfer and expatriation allowance	500	-	(15)	485	-	-	-	485
1110	Contract agents	970	-	(63)	907	-	-	-	907
1130	Insurance against sickness	127	-	-	127	-	-	-	127
1131	Insurance against accidents and occupational disease	17	-	-	17	-	-	-	17
1132	Unemployment insurance for temporary staff	50	-	-	50	-	-	-	50
1133	Pension	32	-	-	32	-	-	-	32
1140	Birth and death allowance	1	-	-	1	-	-	-	1
1141	Annual travel costs from the place of employment t	65	-	(3)	62	-	-	-	62
1172	Cost of organizing traineeships within IMI	10	-	-	10	-	-	-	10
1177	Other services rendered	120	-	-	120	-	-	-	120
1178	Paymaster Office (PMO) fees	75	-	-	75	-	-	-	75
1180	Sundry recruitment expenses	5	-	-	5	-	-	-	5
1181	Travelling expenses (including taking up duty)	1	-	2	3	-	-	-	3
1182	Installation allowance	30	-	-	30	-	-	-	30
1183	Moving expenses	10	-	-	10	-	-	-	10
1184	Temporary daily allowance	15	-	7	22	-	-	-	22

EUR '000

	Item	Budget appropriations				Additional appropriations			Total appropr. available
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1190	<i>Weightings (correction coefficients)</i>	5	-	-	5	-	-	-	5
Total Chapter 11		6.128	-	(172)	5.956	-	-	-	5.956
1200	<i>Miscellaneous expenditure on staff recruitment</i>	5	-	8	13	-	-	-	13
Total Chapter 12		5	-	8	13	-	-	-	13
1300	<i>Mission expenses</i>	144	-	(43)	101	-	-	-	101
Total Chapter 13		144	-	(43)	101	-	-	-	101
1401	<i>EU school costs</i>	150	-	-	150	-	-	-	150
1410	<i>Other trainings</i>	50	-	(3)	47	-	6	6	53
1420	<i>Supplementary aid for the disabled</i>	1	-	-	1	-	-	-	1
1430	<i>Medical service</i>	19	-	(2)	17	-	-	-	17
1440	<i>Trainings covered by the EC service level agreement</i>	30	-	-	30	-	-	-	30
1490	<i>Other interventions</i>	12	-	10	22	-	-	-	22
Total Chapter 14		262	-	5	267	-	6	6	273
1500	<i>External staff expenditure</i>	125	-	197	322	-	-	-	322
Total Chapter 15		125	-	197	322	-	-	-	322
1700	<i>Representation expenses</i>	10	-	5	15	-	-	-	15
Total Chapter 17		10	-	5	15	-	-	-	15
<b>Total Title 1</b>		<b>6.674</b>	<b>-</b>	<b>-</b>	<b>6.674</b>	<b>-</b>	<b>6</b>	<b>6</b>	<b>6.680</b>

## 5.2.2. Breakdown &amp; changes in payment appropriations – Title 2

EUR'000

	Item	Budget appropriations				Additional appropriations			Total approp. available
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2000	Rentals office building	480	-	19	499	-	121	121	620
2020	Charges (water, gas, electricity, works)	180	-	13	193	-	-	-	193
2040	Furnishing of premises	10	-	53	63	-	-	-	63
2050	Security and surveillance	20	-	(13)	7	-	-	-	7
Total Chapter 20		690	-	72	762	-	121	121	883
2101	Hardware, infrastructure and related services	325	-	(65)	260	-	-	-	260
2102	Software development, licenses and related service	765	-	65	830	-	-	-	830
Total Chapter 21		1.090	-	-	1.090	-	-	-	1.090
2202	Maintenance utilisation and repair	5	-	(5)	-	-	-	-	-
Total Chapter 22		5	-	(5)	-	-	-	-	-
2300	Stationery and office supply	50	-	(15)	35	-	-	-	35
2330	Legal expenses	15	-	(15)	-	-	-	-	-
2350	Other operating expenditure	3	-	19	22	-	-	-	22
2360	Library stocks purchase of books and subscriptions	51	-	(9)	42	-	-	-	42
2370	Translation, interpretation	5	-	-	5	-	-	-	5
Total Chapter 23		124	-	(20)	104	-	-	-	104
2400	Correspondence and communication expenses	47	-	(24)	23	-	-	-	23
Total Chapter 24		47	-	(24)	23	-	-	-	23
2500	Formal meetings	100	-	(20)	80	-	-	-	80
Total Chapter 25		100	-	(20)	80	-	-	-	80
2600	Administrative costs in connection with operational	30	-	(30)	-	-	-	-	-

EUR'000

	Item	Budget appropriations				Additional appropriations			Total approp. available
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2602	Workshops	280	-	(51)	229	-	-	-	229
Total Chapter 26		310	-	(81)	229	-	-	-	229
2700	External communication	60	-	(16)	44	-	-	-	44
2701	Events external communication	200	-	30	230	-	-	-	230
2702	Material	40	-	(14)	26	-	-	-	26
Total Chapter 27		300	-	-	300	-	-	-	300
2800	Ex-post audits	75	-	(61)	14	-	-	-	14
2801	Studies, consultancy	120	-	5	125	-	-	-	125
2802	Audits	55	-	(9)	46	-	-	-	46
2803	Accounting services	90	-	142	232	-	-	-	232
Total Chapter 28		340	-	78	418	-	-	-	418
<b>Total Title 2</b>		<b>3.006</b>	-	-	<b>3.006</b>	-	<b>121</b>	<b>121</b>	<b>3.127</b>

## 5.2.3. Breakdown &amp; changes in payment appropriations – Title 3

EUR '000

		Budget appropriations				Additional appropriations			Total approp. available
	Item	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
3008	Call 8	-	-	-	-	-	3	3	3
3020	Implementing the research agenda of IMI2 Joint Und	83.500	-	(83.500)	-	2.100	-	2.100	2.100
3021	IMI2 Call 1	-	-	1.763	1.763	-	-	-	1.763
3025	IMI2 Call 5	-	-	1.509	1.509	-	-	-	1.509
3026	IMI2 Call 6	-	-	358	358	-	-	-	358
3027	IMI2 Call 7	-	-	1.000	1.000	-	720	720	1.720
3028	IMI2 Call 8	-	-	332	332	-	-	-	332
3029	IMI2 Call 9	-	-	1.210	1.210	-	700	700	1.910
3030	IMI2 Call 10	-	-	6.252	6.252	3.000	-	3.000	9.252
3032	IMI2 Call 12	-	-	2.109	2.109	1.000	-	1.000	3.109
3033	IMI2 Call 13	-	-	2.900	2.900	-	2.536	2.536	5.436
3034	IMI2 Call 14	-	-	11.679	11.679	3.709	-	3.709	15.388
3035	IMI2 Call 15	-	-	15.051	15.051	4.500	-	4.500	19.551
3036	IMI2 Call 16	-	-	2.917	2.917	-	734	734	3.651
3037	IMI2 Call 17	-	-	6.200	6.200	-	-	-	6.200
3038	IMI2 Call 18	-	-	8.400	8.400	7.500	-	7.500	15.900
3039	IMI2 Call 19	-	-	1.300	1.300	-	521	521	1.821
3040	IMI2 Call 20	-	-	14.321	14.321	-	574	574	14.895
3041	IMI2 Call 21	-	-	6.200	6.200	-	1.778	1.778	7.978
3042	IMI2 Call 22	-	-	500	500	-	-	-	500
3043	IMI2 Call 23	-	-	8.600	8.600	-	54	54	8.654
Total Chapter 30		83.500	-	9.100	92.600	21.809	7.619	29.428	122.028
3100	Implementing the research agenda of IHI JU	82.000	-	(82.000)	-	-	-	-	-
3101	IHI JU Call 1	-	-	10.748	10.748	-	-	-	10.748

EUR '000

	Item	Budget appropriations				Additional appropriations			Total approp. available
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
3103	IHI JU Call 3	-	-	4.433	4.433	-	-	-	4.433
3104	IHI JU Call 4	-	-	17.600	17.600	-	-	-	17.600
3105	IHI JU Call 5	-	-	35.818	35.818	-	-	-	35.818
3107	IHI JU Call 7	-	-	4.300	4.300	-	-	-	4.300
Total Chapter 31		82.000	-	(9.100)	72.900	-	-	-	72.900
3200	NON-UK HE CARRY OVER	-	-	-	-	462	-	462	462
Total Chapter 32		-	-	-	-	462	-	462	462
3900	Evaluations experts	500	-	-	500	-	-	-	500
Total Chapter 39		500	-	-	500	-	-	-	500
<b>Total Title 3</b>		<b>166.000</b>	-	-	<b>166.000</b>	<b>22.271</b>	<b>7.619</b>	<b>29.890</b>	<b>195.890</b>
<b>GRAND TOTAL</b>		<b>175.680</b>	-	-	<b>175.680</b>	<b>22.271</b>	<b>7.746</b>	<b>30.017</b>	<b>205.697</b>



## 5.3. IMPLEMENTATION OF COMMITMENT APPROPRIATIONS

### 5.3.1. Implementation of commitment appropriations – Title 1

EUR '000

	Item	Total approp. available	Commitments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
1100	Staff in active employment and costs linked to emp	3.653	3.653	-	-	3.653	100%	-	-	-	-
1101	Family allowances	312	292	-	-	292	94%	19	-	-	19
1102	Transfer and expatriation allowance	485	485	-	-	485	100%	-	-	-	-
1110	Contract agents	890	890	-	-	890	100%	-	-	-	-
1130	Insurance against sickness	126	126	-	-	126	100%	-	-	-	-
1131	Insurance against accidents and occupational disease	15	14	-	-	14	91%	1	-	-	1
1132	Unemployment insurance for temporary staff	49	49	-	-	49	100%	-	-	-	-
1133	Pension	29	25	-	-	25	85%	4	-	-	4
1140	Birth and death allowance	1	-	-	-	-	0%	1	-	-	1
1141	Annual travel costs from the place of employment t	59	56	-	-	56	96%	2	-	-	2
1172	Cost of organizing traineeships within IMI	10	4	-	-	4	43%	6	-	-	6
1177	Other services rendered	109	4	-	-	4	3%	105	-	-	105
1178	Paymaster Office (PMO) fees	73	39	-	-	39	54%	34	-	-	34
1180	Sundry recruitment expenses	5	-	-	-	-	0%	5	-	-	5
1181	Travelling expenses (including taking up duty)	3	-	-	-	-	6%	2	-	-	2

EUR '000

	Item	Total approp. available	Commitments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
1182	Installation allowance	30	19	-	-	19	65%	11	-	-	11
1183	Moving expenses	10	-	-	-	-	0%	10	-	-	10
1184	Temporary daily allowance	22	16	-	-	16	73%	6	-	-	6
1190	Weightings (correction coefficients)	5	1	-	-	1	10%	4	-	-	4
Total Chapter 11		5.885	5.673	-	-	5.673	96%	212	-	-	212
1200	Miscellaneous expenditure on staff recruitment	13	13	-	-	13	100%	-	-	-	-
Total Chapter 12		13	13	-	-	13	100%	-	-	-	-
1300	Mission expenses	101	53	-	-	53	52%	48	-	-	48
Total Chapter 13		101	53	-	-	53	52%	48	-	-	48
1401	EU school costs	150	128	-	-	128	85%	22	-	-	22
1410	Other trainings	54	20	-	-	20	37%	28	-	6	34
1420	Supplementary aid for the disabled	1	-	-	-	-	0%	1	-	-	1
1430	Medical service	16	10	-	-	10	62%	6	-	-	6
1440	Trainings covered by the EC service level agreement	30	23	-	-	23	76%	7	-	-	7
1490	Other interventions	22	22	-	-	22	99%	0	-	-	0
Total Chapter 1490		273	202	-	-	202	74%	65	-	6	71
1500	External staff expenditure	322	287	-	-	287	89%	35	-	-	35
Total Chapter 15		322	287	-	-	287	89%	35	-	-	35
1700	Representation expenses	15	13	-	-	13	89%	2	-	-	2
Total Chapter 17		15	13	-	-	13	89%	2	-	-	2
<b>Total Title 1</b>		<b>6.608</b>	<b>6.241</b>	<b>-</b>	<b>-</b>	<b>6.241</b>	<b>94%</b>	<b>361</b>	<b>-</b>	<b>6</b>	<b>367</b>

## 5.3.2. Implementation of commitment appropriations – Title 2

EUR '000

	Item	Total approp. available	Commitments made					Appropriations lapsing			
			from final adopt. budget	from re- activations	from assign. revenue	Total	%	from final adopt. budget	from re- activa- tions	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+ 8+9
2000	Rentals office building	620	499	-	-	499	81%	-	-	121	121
2020	Charges (water, gas, electricity, works)	213	211	-	-	211	99%	2	-	-	2
2040	Furnishing of premises	79	79	-	-	79	100%	-	-	-	-
Total Chapter 20		912	789	-	-	789	87%	2	-	121	123
2101	Hardware, infrastructure and related services	427	427	-	-	427	100%	-	-	-	-
2102	Software development, licenses and related service	814	814	-	-	814	100%	-	-	-	-
Total Chapter 21		1.241	1.241	-	-	1.241	100%	-	-	-	-
2300	Stationery and office supply	22	22	-	-	22	100%	-	-	-	-
2350	Other operating expenditure	8	8	-	-	8	100%	-	-	-	-
2360	Library stocks purchase of books and subscriptions	42	38	-	-	38	92%	4	-	-	4
2370	Translation, interpretation	5	3	-	-	3	60%	2	-	-	2
Total Chapter 23		76	71	-	-	71	93%	6	-	-	6
2400	Correspondence and communication expenses	17	17	-	-	17	100%	-	-	-	-
Total Chapter 24		17	17	-	-	17	100%	-	-	-	-
2500	Formal meetings	68	46	-	-	46	67%	22	-	-	22
Total Chapter 2500		68	46	-	-	46	67%	22	-	-	22
2602	Workshops	180	119	-	-	119	66%	61	-	-	61
Total Chapter 26		180	119	-	-	119	66%	61	-	-	61
2700	External communication	43	40	-	-	40	93%	3	-	-	3

EUR '000

	Item	Total approp. available	Commitments made					Appropriations lapsing			
			from final adopt. budget	from re- activations	from assign. revenue	Total	%	from final adopt. budget	from re- activa- tions	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+ 8+9
2701	Events external communication	223	185	-	-	185	83%	37	-	-	37
2702	Material	22	3	-	-	3	15%	19	-	-	19
Total Chapter 27		288	229	-	-	229	80%	59	-	-	59
2800	Ex-post audits	13	13	-	-	13	100%	-	-	-	-
2801	Studies, consultancy	125	125	-	-	125	100%	-	-	-	-
2802	Audits	46	46	-	-	46	100%	-	-	-	-
2803	Accounting services	232	220	-	-	220	95%	12	-	-	12
Total Chapter 28		416	404	-	-	404	97%	12	-	-	12
<b>Total Title 2</b>		<b>3.198</b>	<b>2.916</b>	-	-	<b>2.916</b>	<b>91%</b>	<b>162</b>	-	<b>121</b>	<b>282</b>

## 5.3.3. Implementation of commitment appropriations – Title 3

EUR '000

	Item	Total approp. available	Commitments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
3000	Implementing the research agenda of IMI Joint Undertaking	142	-	-	-	-	0 %	-	142	-	142
3008	Call 8	162	-	-	-	-	0 %	-	-	162	162
3009	Call 9	242	-	-	-	-	0 %	-	-	242	242
3011	Call 11	4.961	-	-	-	-	0 %	-	-	4.961	4.961
3020	Implementing the research agenda of IMI2 Joint Und	300	-	-	-	-	0 %	-	300	-	300
3027	IMI2 Call 7	747	-	-	-	-	0 %	-	-	747	747
3029	IMI2 Call 9	700	-	-	-	-	0 %	-	700	-	700
3032	IMI2 Call 12	574	-	-	-	-	0 %	-	-	574	574
3033	IMI2 Call 13	36	-	-	-	-	0 %	-	-	36	36
3036	IMI2 Call 16	734	-	-	-	-	0 %	-	-	734	734
3039	IMI2 Call 19	21	-	-	21	21	100 %	-	-	-	-
3041	IMI2 Call 21	116	-	-	-	-	0 %	-	-	116	116
3043	IMI2 Call 23	27	-	-	27	27	100 %	-	-	-	-
Total Chapter 30		8.761	-	-	48	48	1%	-	1.142	7.572	8.714
3100	Implementing the research agenda of IHI JU	12.350	-	-	-	-	0 %	12.350	-	-	12.350
3106	IHI JU Call 6	24.600	24.600	-	-	24.600	100 %	-	-	-	-
3107	IHI JU Call 7	95.000	95.000	-	-	95.000	100 %	-	-	-	-
3108	UK IHI JU CALL 8	47.550	47.550	-	-	47.550	100 %	-	-	-	-

EUR '000

	Item	Total approp. available	Commitments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
Total Chapter 31		179.500	167.150	-	-	167.150	93%	12.350	-	-	12.350
3200	NON-UK HE CARRY OVER	71.211	-	-	-	-	0 %	-	71.211	-	71.211
Total Chapter 32		71.211	-	-	-	-	0%	-	71.211	-	71.211
3900	Evaluations experts	500	500	-	-	500	100 %	-	-	-	-
Total Chapter 39		500	500	-	-	500	100%	-	-	-	-
<b>Total Title 3</b>		<b>259.972</b>	<b>167.650</b>	<b>-</b>	<b>48</b>	<b>167.698</b>	<b>65 %</b>	<b>12.350</b>	<b>72.353</b>	<b>7.572</b>	<b>92.275</b>
<b>GRAND TOTAL</b>		<b>269.779</b>	<b>176.807</b>	<b>-</b>	<b>48</b>	<b>176.855</b>	<b>66 %</b>	<b>12.873</b>	<b>72.353</b>	<b>7.698</b>	<b>92.924</b>

## 5.4. IMPLEMENTATION OF PAYMENT APPROPRIATIONS

### 5.4.1. Implementation of payment appropriations – Title 1

EUR '000

	Item	Total approp. availab.	Payments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
1100	Staff in active employment and costs linked to emp	3.653	3.653	-	-	3.653	100 %	-	-	-	-
1101	Family allowances	342	292	-	-	292	85 %	50	-	-	50
1102	Transfer and expatriation allowance	485	485	-	-	485	100 %	-	-	-	-
1110	Contract agents	907	890	-	-	890	98 %	17	-	-	17
1130	Insurance against sickness	127	126	-	-	126	99 %	1	-	-	1
1131	Insurance against accidents and occupational disease	17	14	-	-	14	83 %	3	-	-	3
1132	Unemployment insurance for temporary staff	50	49	-	-	49	97 %	1	-	-	1
1133	Pension	32	25	-	-	25	77 %	7	-	-	7
1140	Birth and death allowance	1	-	-	-	-	0 %	1	-	-	1
1141	Annual travel costs from the place of employment t	62	56	-	-	56	90 %	6	-	-	6
1172	Cost of organizing traineeships within IMI	10	4	-	-	4	43 %	6	-	-	6
1177	Other services rendered	120	4	-	-	4	3 %	116	-	-	116
1178	Paymaster Office (PMO) fees	75	39	-	-	39	52 %	36	-	-	36
1180	Sundry recruitment expenses	5	-	-	-	-	0 %	5	-	-	5

EUR '000

	Item	Total approp. availab.	Payments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
1181	Travelling expenses (including taking up duty)	3	-	-	-	-	6 %	2	-	-	2
1182	Installation allowance	30	19	-	-	19	65 %	11	-	-	11
1183	Moving expenses	10	-	-	-	-	0 %	10	-	-	10
1184	Temporary daily allowance	22	16	-	-	16	73 %	6	-	-	6
1190	Weightings (correction coefficients)	5	1	-	-	1	10 %	4	-	-	4
Total Chapter 11		5.956	5.673	-	-	5.673	95 %	283	-	-	283
1200	Miscellaneous expenditure on staff recruitment	13	13	-	-	13	100 %	-	-	-	-
Total Chapter 12		13	13	-	-	13	100 %	-	-	-	-
1300	Mission expenses	101	51	-	-	51	50 %	50	-	-	50
Total Chapter 13		101	51	-	-	51	50 %	50	-	-	50
1401	EU school costs	150	128	-	-	128	85 %	22	-	-	22
1410	Other trainings	53	18	-	-	18	33 %	30	-	6	35
1420	Supplementary aid for the disabled	1	-	-	-	-	0 %	1	-	-	1
1430	Medical service	17	17	-	-	17	100 %	-	-	-	-
1440	Trainings covered by the EC service level agreement	30	13	-	-	13	45 %	17	-	-	17
1490	Other interventions	22	21	-	-	21	97 %	1	-	-	1
Total Chapter 14		273	197	-	-	197	72 %	70	-	6	76
1500	External staff expenditure	322	189	-	-	189	59 %	133	-	-	133
Total Chapter 15		322	189	-	-	189	59 %	133	-	-	133
1700	Representation expenses	15	13	-	-	13	89 %	2	-	-	2
Total Chapter 17		15	13	-	-	13	89 %	2	-	-	2
<b>Total Title 1</b>		<b>6.680</b>	<b>6.136</b>	-	-	<b>6.136</b>	<b>92 %</b>	<b>538</b>	-	<b>6</b>	<b>544</b>



## 5.4.2. Implementation of payment appropriations – Title 2

EUR '000

	Item	Total approp. availab.	Payments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
2000	Rentals office building	620	499	-	-	499	81 %	-	-	121	121
2020	Charges (water, gas, electricity, works)	193	193	-	-	193	100 %	-	-	-	-
2040	Furnishing of premises	63	34	-	-	34	53 %	29	-	-	29
2050	Security and surveillance	7	-	-	-	-	0 %	7	-	-	7
Total Chapter 20		883	726	-	-	726	82 %	36	-	121	157
2101	Hardware, infrastructure and related services	260	260	-	-	260	100 %	-	-	-	-
2102	Software development, licenses and related service	830	758	-	-	758	91 %	72	-	-	72
Total Chapter 21		1.090	1.018	-	-	1.018	93 %	72	-	-	72
2300	Stationery and office supply	35	23	-	-	23	66 %	12	-	-	12
2350	Other operating expenditure	22	16	-	-	16	72 %	6	-	-	6
2360	Library stocks purchase of books and subscriptions	42	38	-	-	38	92 %	4	-	-	4
2370	Translation, interpretation	5	3	-	-	3	60 %	2	-	-	2
Total Chapter 23		104	80	-	-	80	77 %	24	-	-	24
2400	Correspondence and communication expenses	23	11	-	-	11	47 %	12	-	-	12
Total Chapter 24		23	11	-	-	11	47 %	12	-	-	12
2500	Formal meetings	80	46	-	-	46	57 %	34	-	-	34
Total Chapter 25		80	46	-	-	46	57 %	34	-	-	34
2602	Workshops	229	105	-	-	105	46 %	124	-	-	124
Total Chapter 26		229	105	-	-	105	46 %	124	-	-	124
2700	External communication	44	21	-	-	21	48 %	23	-	-	23

EUR '000

	Item	Total approp. availab.	Payments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
2701	Events external communication	230	217	-	-	217	94 %	13	-	-	13
2702	Material	26	4	-	-	4	14 %	22	-	-	22
Total Chapter 27		300	241	-	-	241	80 %	59	-	-	59
2800	Ex-post audits	14	13	-	-	13	91 %	1	-	-	1
2801	Studies, consultancy	125	125	-	-	125	100 %	-	-	-	-
2802	Audits	46	17	-	-	17	38 %	29	-	-	29
2803	Accounting services	232	150	-	-	150	65 %	82	-	-	82
Total Chapter 28		418	306	-	-	306	73 %	112	-	-	112
<b>Total Title 2</b>		<b>3.127</b>	<b>2.533</b>	<b>-</b>	<b>-</b>	<b>2.533</b>	<b>81 %</b>	<b>473</b>	<b>-</b>	<b>121</b>	<b>594</b>

## 5.4.3. Implementation of payment appropriations – Title 3

EUR '000

	Item	Total approp. availab.	Payments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
3008	Call 8	3	-	-	-	-	0 %	-	-	3	3
3020	Implementing the research agenda of IMI2 Joint Und	2.100	-	2.100	-	2.100	100 %	-	-	-	-
3021	IMI2 Call 1	1.763	1.763	-	-	1.763	100 %	-	-	-	-
3025	IMI2 Call 5	1.509	1.509	-	-	1.509	100 %	-	-	-	-
3026	IMI2 Call 6	358	358	-	-	358	100 %	-	-	-	-
3027	IMI2 Call 7	1.720	-	-	641	641	37 %	1.000	-	79	1.079
3028	IMI2 Call 8	332	332	-	-	332	100 %	-	-	-	-
3029	IMI2 Call 9	1.910	1.210	-	700	1.910	100 %	-	-	-	-
3030	IMI2 Call 10	9.252	6.252	3.000	-	9.252	100 %	-	-	-	-
3032	IMI2 Call 12	3.109	2.109	1.000	-	3.109	100 %	-	-	-	-
3033	IMI2 Call 13	5.436	2.900	-	476	3.376	62 %	-	-	2.060	2.060
3034	IMI2 Call 14	15.388	11.679	3.709	-	15.388	100 %	-	-	-	-
3035	IMI2 Call 15	19.551	15.051	4.500	-	19.551	100 %	-	-	-	-
3036	IMI2 Call 16	3.651	2.917	-	734	3.651	100 %	-	-	-	-
3037	IMI2 Call 17	6.200	4.868	-	-	4.868	79 %	1.332	-	-	1.332
3038	IMI2 Call 18	15.900	7.000	7.477	-	14.477	91 %	1.400	23	-	1.423
3039	IMI2 Call 19	1.821	1.278	-	521	1.798	99 %	22	-	-	22
3040	IMI2 Call 20	14.895	13.890	-	574	14.463	97 %	431	-	-	431
3041	IMI2 Call 21	7.978	5.828	-	1.662	7.489	94 %	372	-	116	489
3042	IMI2 Call 22	500	100	-	-	100	20 %	400	-	-	400
3043	IMI2 Call 23	8.654	7.057	-	54	7.112	82 %	1.543	-	-	1.543
Total Chapter 30		122.028	86.100	21.785	5.362	113.246	93 %	6.500	23	2.258	8.782

EUR '000

	Item	Total approp. availab.	Payments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
3101	IHI JU Call 1	10.748	10.367	-	-	10.367	96 %	381	-	-	381
3103	IHI JU Call 3	4.433	4.433	-	-	4.433	100 %	-	-	-	-
3104	IHI JU Call 4	17.600	17.358	-	-	17.358	99 %	242	-	-	242
3105	IHI JU Call 5	35.818	35.818	-	-	35.818	100 %	-	-	-	-
3107	IHI JU Call 7	4.300	4.292	-	-	4.292	100 %	8	-	-	8
Total Chapter 31		72.900	72.269	-	-	72.269	99 %	631	-	-	631
3200	NON-UK HE CARRY OVER	462	-	-	-	-	- %	-	462	-	462
Total Chapter 32		462	-	-	-	-	- %	-	462	-	462
3900	Evaluations experts	500	471	-	-	471	94 %	29	-	-	29
Total Chapter 39		500	471	-	-	471	94 %	29	-	-	29
<b>Total Title 3</b>		<b>195.890</b>	<b>158.840</b>	<b>21.785</b>	<b>5.362</b>	<b>185.987</b>	<b>95 %</b>	<b>7.160</b>	<b>486</b>	<b>2.258</b>	<b>9.904</b>
<b>GRAND TOTAL</b>		<b>205.697</b>	<b>167.509</b>	<b>21.785</b>	<b>5.362</b>	<b>194.656</b>	<b>95 %</b>	<b>8.171</b>	<b>486</b>	<b>2.384</b>	<b>11.041</b>

## 6. OUTSTANDING COMMITMENTS

### 6.1. Outstanding commitments – Title 1

EUR '000

	Item	Commitments outstanding at the end of previous year				Commitments of the current year			Total commitm. outstanding at year-end
		Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Commit. outstanding at year-end	
		1	2	3	4=1+2-3	5	6	7=5-6	8=4+7
1100	Staff in active employment and costs linked to emp	-	-	-	-	3.653	3.653	-	-
1101	Family allowances	-	-	-	-	292	292	-	-
1102	Transfer and expatriation allowance	-	-	-	-	485	485	-	-
1110	Contract agents	-	-	-	-	890	890	-	-
1130	Insurance against sickness	-	-	-	-	126	126	-	-
1131	Insurance against accidents and occupational disease	-	-	-	-	14	14	-	-
1132	Unemployment insurance for temporary staff	-	-	-	-	49	49	-	-
1133	Pension	-	-	-	-	25	25	-	-
1141	Annual travel costs from the place of employment	-	-	-	-	56	56	-	-
1172	Cost of organizing traineeships within IMI	-	-	-	-	4	4	-	-
1177	Other services rendered	-	-	-	-	4	4	-	-
1178	Paymaster Office (PMO) fees	-	-	-	-	39	39	-	-
1181	Travelling expenses (including taking up duty)	-	-	-	-	-	-	-	-
1182	Installation allowance	-	-	-	-	19	19	-	-
1184	Temporary daily allowance	-	-	-	-	16	16	-	-
1190	Weightings (correction coefficients)	-	-	-	-	1	1	-	-
Total Chapter 11		-	-	-	-	5.673	5.673	-	-
1200	Miscellaneous expenditure on staff recruitment	2	(2)	-	-	13	13	-	-
Total Chapter 12		2	(2)	-	-	13	13	-	-
1300	Mission expenses	3	-	2	-	53	48	5	5

EUR '000

	Item	Commitments outstanding at the end of previous year				Commitments of the current year			Total commitm. outstanding at year-end
		Commitm. carried forward from previous year	Decommit. Revaluation Cancel-lations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Commit. outstanding at year-end	
		1	2	3	4=1+2-3	5	6	7=5-6	8=4+7
Total Chapter 13		3	-	2	-	53	48	5	5
1401	EU school costs	-	-	-	-	128	128	-	-
1410	Other trainings	8	-	8	-	20	10	10	10
1430	Medical service	10	(1)	9	-	10	8	2	2
1440	Trainings covered by the EC service level agreement	4	(3)	1	-	23	13	10	10
1490	Other interventions	2	(2)	-	-	22	21	1	1
Total Chapter 14		24	(6)	18	-	202	179	23	23
1500	External staff expenditure	107	(16)	91	-	287	98	189	189
Total Chapter 15		107	(16)	91	-	287	98	189	189
1700	Representation expenses	-	-	-	-	13	13	-	-
Total Chapter 17		-	-	-	-	13	13	-	-
<b>Total Title 1</b>		<b>135</b>	<b>(24)</b>	<b>112</b>	<b>-</b>	<b>6.241</b>	<b>6.025</b>	<b>216</b>	<b>216</b>

## 6.2. Outstanding commitments – Title 2

EUR '000

	Item	Commitments outstanding at the end of previous year				Commitments of the current year			Total commitm. outstanding at year-end
		Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Payments	Total	Commitments made during the year	Payments	Commit. outstanding at year-end	
		1	2	3	4=1+2-3	5	6	7=5-6	8=4+7
2000	Rentals office building	1	(1)	-	-	499	499	-	-
2020	Charges (water, gas, electricity, works)	14	(1)	13	-	211	179	31	31
2040	Furnishing of premises	-	-	-	-	79	34	46	46
Total Chapter 20		15	(2)	13	-	789	712	77	77
2101	Hardware, infrastructure and related services	122	(32)	89	-	427	171	256	256
2102	Software development, licenses and related service	372	(11)	359	2	814	399	416	418
Total Chapter 21		494	(43)	449	2	1.241	569	671	673
2300	Stationery and office supply	6	(2)	4	-	22	19	3	3
2350	Other operating expenditure	14	(5)	8	-	8	8	-	-
2360	Library stocks purchase of books and subscriptions	-	-	-	-	38	38	-	-
2370	Translation, interpretation	-	-	-	-	3	3	-	-
Total Chapter 23		20	(7)	12	-	71	68	3	3
2400	Correspondence and communication expenses	9	(4)	5	-	17	6	11	11
Total Chapter 24		9	(4)	5	-	17	6	11	11
2500	Formal meetings	-	-	-	-	46	46	-	-
Total Chapter 25		-	-	-	-	46	46	-	-
2602	Workshops	75	(28)	47	-	119	59	61	61
Total Chapter 26		75	(28)	47	-	119	59	61	61
2700	External communication	-	-	-	-	40	21	19	19
2701	Events external communication	100	(57)	42	1	185	175	11	12
2702	Material	2	(0)	2	-	3	2	1	1

EUR '000

		Commitments outstanding at the end of previous year				Commitments of the current year			Total commitm. outstanding at year-end
	Item	Commitm. carried for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	Payments	Total	Commit- ments made during the year	Payments	Commit. outstand- ing at year-end	
		1	2	3	4=1+2-3	5	6	7=5-6	8=4+7
Total Chapter 27		102	(57)	43	1	229	198	31	32
2800	Ex-post audits	-	-	-	-	13	13	-	-
2801	Studies, consultancy	125	-	125	-	125	-	125	125
2802	Audits	17	-	17	-	46	-	46	46
2803	Accounting services	101	(22)	80	-	220	71	150	150
Total Chapter 28		244	(22)	222	-	404	84	321	321
<b>Total Title 2</b>		<b>959</b>	<b>(164)</b>	<b>792</b>	<b>3</b>	<b>2.916</b>	<b>1.741</b>	<b>1.175</b>	<b>1.178</b>



## 6.3. Outstanding commitments – Title 3

EUR '000

	Item	Commitments outstanding at the end of previous year				Commitments of the current year			Total commitm. outstanding at year-end
		Commitm. carried for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	Payments	Total	Commit- ments made during the year	Payments	Commit. outstand- ing at year-end	
		1	2	3	4=1+2-3	5	6	7=5-6	8=4+7
3006	Call 6	6.122	-	-	6.122	-	-	-	6.122
3008	Call 8	7.798	-	-	7.798	-	-	-	7.798
3009	Call 9	5.870	(5.870)	-	-	-	-	-	-
3011	Call 11	11.286	-	-	11.286	-	-	-	11.286
3020	Implementing the research agenda of IMI2 Joint Und	2.100	-	2.100	-	-	-	-	-
3021	IMI2 Call 1	1.763	-	1.763	-	-	-	-	-
3025	IMI2 Call 5	2.451	-	1.509	942	-	-	-	942
3026	IMI2 Call 6	3.279	-	358	2.921	-	-	-	2.921
3027	IMI2 Call 7	3.706	-	641	3.065	-	-	-	3.065
3028	IMI2 Call 8	3.272	-	332	2.940	-	-	-	2.940
3029	IMI2 Call 9	4.112	-	1.910	2.201	-	-	-	2.201
3030	IMI2 Call 10	22.179	(727)	9.252	12.200	-	-	-	12.200
3031	IMI2 Call 11	175	-	-	175	-	-	-	175
3032	IMI2 Call 12	7.249	-	3.109	4.140	-	-	-	4.140
3033	IMI2 Call 13	15.046	(70)	3.376	11.599	-	-	-	11.599
3034	IMI2 Call 14	32.492	-	15.388	17.105	-	-	-	17.105
3035	IMI2 Call 15	67.531	-	19.551	47.980	-	-	-	47.980
3036	IMI2 Call 16	6.895	-	3.651	3.244	-	-	-	3.244
3037	IMI2 Call 17	10.278	-	4.868	5.410	-	-	-	5.410
3038	IMI2 Call 18	36.824	-	14.477	22.347	-	-	-	22.347
3039	IMI2 Call 19	2.221	-	1.778	444	21	21	-	444
3040	IMI2 Call 20	93.031	-	14.463	78.567	-	-	-	78.567
3041	IMI2 Call 21	14.521	-	7.489	7.031	-	-	-	7.031

EUR '000

	Item	Commitments outstanding at the end of previous year				Commitments of the current year			Total commitm. outstanding at year-end
		Commitm. carried for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	Payments	Total	Commit- ments made during the year	Payments	Commit. outstand- ing at year-end	
		1	2	3	4=1+2-3	5	6	7=5-6	8=4+7
3042	IMI2 Call 22	919	-	100	819	-	-	-	819
3043	IMI2 Call 23	28.512	-	7.085	21.427	27	27	-	21.427
Total Chapter 30		389.631	(6.667)	113.198	269.766	48	48	-	269.766
3101	IHI JU Call 1	45.360	-	10.367	34.993	-	-	-	34.993
3102	IHI JU Call 2	12.285	-	-	12.285	-	-	-	12.285
3103	IHI JU Call 3	55.701	-	4.433	51.268	-	-	-	51.268
3104	IHI JU Call 4	83.350	(7.996)	17.358	57.996	-	-	-	57.996
3105	IHI JU Call 5	115.000	(32.601)	35.818	46.581	-	-	-	46.581
3106	IHI JU Call 6	-	-	-	-	24.600	-	24.600	24.600
3107	IHI JU Call 7	-	-	-	-	95.000	4.292	90.708	90.708
3108	UK IHI JU CALL 8	-	-	-	-	47.550	-	47.550	47.550
Total Chapter 31		311.696	(40.597)	67.977	203.122	167.150	4.292	162.858	365.980
3900	Evaluations experts	509	-	147	362	500	324	176	538
Total Chapter 39		509	-	147	362	500	324	176	538
<b>Total Title 3</b>		<b>701.837</b>	<b>(47.264)</b>	<b>181.323</b>	<b>473.250</b>	<b>167.698</b>	<b>4.664</b>	<b>163.034</b>	<b>636.284</b>
<b>GRAND TOTAL</b>		<b>702.931</b>	<b>(47.452)</b>	<b>182.226</b>	<b>473.253</b>	<b>176.855</b>	<b>12.430</b>	<b>164.425</b>	<b>637.678</b>

## 7. GLOSSARY

### **Administrative appropriations**

App Appropriations to cover the running costs of the entities (staff, buildings, office equipment).

### **Adopted budget**

Draft budget becomes the adopted budget as soon as approved by the budgetary authority.

### **Amending budget**

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

### **Appropriations**

Budget funding.

The budget forecasts both commitments (legal pledges to provide finance) 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.

### **Assigned revenue**

Revenue dedicated to finance specific items of expenditure.

### **Budget result**

The difference between income received and amounts paid, including adjustments for carry -overs, cancellations and exchange rate differences.

For agencies, the resulting amount will have to be reimbursed to the funding authority.

### **Budget implementation**

Consumption of the budget through expenditure and revenue operations.

### **Budget item / Budget line / Budget position**

Revenue and expenditure are shown in the budget structure 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.

### **Budgetary commitment**

Operation by which the authorising officer responsible reserves the budget appropriations necessary to cover for subsequent payments to honour legal commitments.

### **Cancellation of appropriations**

Appropriations which have not been used by the end of the financial year and which cannot be carried over, shall be cancelled.

### **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 value of legal obligations (contracts, grant agreements or decisions) that could be signed in the current financial year.

### **De-commitment**

Operation whereby the authorising officer responsible cancels wholly or partly the reservation of appropriations previously made by means of a budgetary commitment.

### **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.

### **Economic result**

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

### **Entitlements established**

Right to collect income from a debtor as recognised through the issuing of a recovery order.

### **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 currencies at the date of the accounts.

### **Expenditure**

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

### **Grants**

Direct financial contributions from the budget to third-party beneficiaries, engaged in activities that serve Union policies.

### **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, as represented by an appropriation.

For joint undertakings (and EIT), as specified in their Financial Rules, any unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years (the so- called "N+3" rule). Hence, lapsing appropriations for JUs can be re -activated until financial year "N+3".

## **Legal basis / basic act**

The legal act adopted by the legislative authority (usually the Council and European Parliament) specifying the objective of a Union spending programme, the purpose of the appropriations, the rules for intervention, expiry date and the relevant financial rules to serve as a legal basis for the implementation of the spending programme.

## **Legal commitment**

The act whereby the Authorising Officer enters into an obligation towards third parties which results in a charge for the Union budget.

Common forms of legal commitments are contracts in the case of procurement, grant agreements and grant decisions.

## **Non-differentiated appropriations**

Appropriations which meet annual needs and must therefore be committed during the budget year. Only amounts qualifying for automatic carryover can be disbursed in the following year. Non - differentiated appropriations which have not been used, i.e. committed, by the end of the year, are cancelled (unless, exceptionally, permission is given by a Commission decision for a non-automatic carryover). Non- differentiated appropriations apply to administrative expenditure and commitment appropriations equal payment appropriations.

## **Operational appropriations**

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

## **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.

## **Payment appropriations**

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

## **RAL (Reste à liquider)**

Amount remaining to be paid on a budgetary commitment at a given moment. Cf. Outst Amount remaining to be paid on a budgetary commitment at a given moment. Cf. Outstanding commitments

## **Surplus**

Positive difference between revenue and expenditure, which has to be returned to the funding authority. Cf. Budget result

## **Transfer between budget lines**

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.