

**EUROPEAN GRID INITIATIVE FOUNDATION
IN AMSTERDAM**

Annual Report 2012
March 1, 2013

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d.d. - 1 MAART 2013

A handwritten signature in black ink, appearing to be 'S. J.', is written over the text 'Initialled for identification purposes' and the date '1 MAART 2013'.

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FINANCIAL STATEMENTS

Balance as per December 31, 2012
Income and expense account 2012
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1 BALANCE AS PER DECEMBER 31, 2012

(after appropriation of result)

	December 31, 2012		December 31, 2011	
	€	€	€	€
ASSETS				
Current assets				
Trade and other receivables	(1)			
Debtors	2,696		31,484	
Other receivables, prepayments and accrued income	429,109		1,483,233	
		431,805		1,514,717
Cash and cash equivalents		(2)	1,718,974	672,977
			2,150,779	2,187,694



	December 31, 2012		December 31, 2011	
	€	€	€	€
LIABILITIES				
Appropriated reserves		1,233,688		994,491
Appropriated reserves		<u>1,233,688</u>		<u>994,491</u>
Current liabilities	(3)	917,091		1,193,203
		<u><u>2,150,779</u></u>		<u><u>2,187,694</u></u>

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2 INCOME AND EXPENSE ACCOUNT 2012

		2012	2011
		€	€
Income	(4)	2,911,536	3,180,815
Expenses			
Employee expenses	(5)	1,801,576	1,621,444
Travel and accommodation expenses	(6)	137,363	131,672
Accommodation expenses	(7)	-52,241	92,172
Operating costs	(8)	554,010	655,663
Office expenses	(9)	47,361	58,529
Conference Lyon	(10)	-	-41,018
Events expenses	(11)	6,534	10,040
General expenses	(12)	69,807	72,500
Consumable project expenditure, central budget	(13)	160,658	184,062
		<u>2,725,068</u>	<u>2,785,064</u>
Operating result		186,468	395,751
Financial income and expenses	(14)	52,730	36,776
		-	-
Appropriated result		<u>239,198</u>	<u>432,527</u>

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3 NOTES TO THE FINANCIAL STATEMENTS

GENERAL

Activities

European Grid Initiative Foundation was founded on February 8, 2010. The activities of European Grid Initiative Foundation, with registered offices in Amsterdam, consist mainly of the following:

Provisioning and maintaining a pan-European grid infrastructure in cooperation with NGI's with the target of providing a long-term infrastructure, available for the implementation of research and innovation activities, through the coordination of grid activities between European NGI's, the coordination and participation in grid projects, encouraging proposals for grid projects, supporting and encouraging initiatives in the field of grids and by everything that is connected to or can contribute to the above.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at nominal value.

Income and expenses are accounted for on accrual basis.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

Trade and other receivables

Upon initial recognition the receivables on and loans to participations and other receivables are valued at fair value and then valued at amortised cost, which equals the face value, after deduction of any provisions.

Cash and cash equivalents

The cash is measured at face value. If cash equivalents are not freely disposable, then this has been taken into account upon measurement.

Liabilities

Liabilities are valued at nominal value, unless disclosed differently.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

The result is defined as the difference between the income and on the other hand the costs and expenses for that year, valued at historical costs.

Determination of the result

The result is determined based upon the difference between the nett turnover and the costs and other expenses taking into account the accounting principles mentioned before.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Income

Income is defined as the contribution received or to be received from the EC and from EGI.eu participants for the purpose of the activities and related costs incurred by EGI.eu.

Contributions received from the EC are recognized as income as far as the related eligible costs are incurred at EGI.eu during the year. Remaining amounts are considered to be receipts in advance, as the EC contribution is directly related to the occurrence of eligible costs.

Contributions from participants are recognized as income for the total amount, even when costs related to the contribution will occur in the future. Remaining amounts during the year will be added to the appropriated reserves through the determination of result.

Project EGI-InSPIRE

According to the GRANT AGREEMENT No 261323 for the project Integrated Sustainable Pan-European Infrastructure for Researchers has the Union decided to grant a financial contribution for the implementation of the project as specified within the framework of the specific Programme "Capacities" and under the conditions laid down in the mentioned agreement. The maximum financial contribution of the Union to the project shall be € 25.000.000.- for the whole project of which € 5.535.861 is for EGI.eu, starting on 11-05-2010 until 30-04-2014 (48 months)

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Project e-ScienceTalk

According to the GRANT AGREEMENT No 260733 for the project e-Science Talk the Union has decided to grant a financial contribution for the implementation of the project as specified in Annex I, called "e-Science Talk: Supporting Grid and High Performance Computing reporting across Europe " within the framework of the Specific Programme "capacities" and under the condition of the mentioned agreement. The maximum financial contribution of the Union to the project shall be € 1.300.000,- for the whole project of which € 219.794 is for EGI.eu.

Project BioVel

According to the GRANT AGREEMENT No 283359 for the project BioVel - Biodiversity Virtual eLaboratory, coordinated by CARDIFF University, EGI.eu identified as partner 15 has been granted a total EC contribution amounting to € 108.298 for the total duration of the project, starting on 1/09/2011 until 31/08/2014 (36 months).

Project ENVRI

According to the GRANT AGREEMENT No 283465 for the project ENVRI - Operations of Environmental Research Infrastructures, coordinated by UNIVERSITEIT VAN AMSTERDAM, EGI.eu identified as partner 16 has been granted a total EC contribution amounting to € 78.776 for the total duration of the project, starting on 01/11/2011 until 31/10/2014 (36 months).

Project e-FISCAL

According to the GRANT AGREEMENT No 283449 for the project e-FISCAL - Financial Study for Sustainable Computing e-Infrastructure, coordinated by ATHENS University of Economics and Business, EGI.eu identified as partner 2 has been granted a total EC contribution amounting to € 60.669 for the total duration of the project, starting on 01/08/2011 until 31/01/2013 (18 months).

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Project BioMedBridges

According to the GRANT AGREEMENT No 284209 for the project BioMedBridge -Building data bridges between biological and medical infrastructures in Europe, coordinated by European Molecular Biology Laboratory-EMBL, EGI.eu identified as partner 17 has been granted a total EC contribution amounting to € 5,040 for the total duration of the project, starting on 1/01/2013 until 31/12/2016 (48 months).

Project FedSM:

According to the GRANT AGREEMENT No 312851 for the project FedSM -Service Management in Federated e-Infrastructures, coordinated by LUDWIG-MAXIMILIANS-UNIVERSITAET MUENCHEN (LMU), EGI.eu identified as partner 4 has been granted a total EC contribution amounting to €133,471 for the total duration of the project, starting on 01/09/2012 until 31/08/2015 (36 months).

Project Helix Nebula:

According to the GRANT AGREEMENT No 312301 for the project Helix Nebula - The Science Cloud, coordinated by EUROPEAN ORGANIZATION FOR NUCLEAR RESEARCH (CERN), EGI.eu identified as partner 2 has been granted a total EC contribution amounting to €182,573 for the total duration of the project, starting on 01/06/2012 until 31/05/2014 (24 months).

Project DCH-RP:

According to the GRANT AGREEMENT No 312274 for the project DCH-RP -Digital Cultural Heritage Roadmap for Preservation - Open Science Infrastructure for DCH in 2020, coordinated by Istituto Centrale per il Catalogo Unico delle biblioteche italiane e per le informazioni bibliografiche (ICCU), EGI.eu identified as partner 7 has been granted a total EC contribution amounting to €75,071 for the total duration of the project, starting on 01/10/2012 until 30/09/2014 (24 months).

Project ER-Flow:

According to the GRANT AGREEMENT No 312579 for the project ER-flow -Building an European Research Community through Interoperable Workflows and Data, coordinated by THE UNIVERSITY OF WESTMINSTER, EGI.eu identified as partner 4 has been granted a total EC contribution amounting to €100,794 for the total duration of the project, starting on 01/09/2012 until 30/08/2014 (24 months).

Expenses

Other operating expenses also include payments to project partners as far as these payments are related to contributions received from participants.

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4 NOTES TO THE BALANCE SHEET AS PER DECEMBER 31, 2012

ASSETS

CURRENT ASSETS

1. Trade and other receivables

	12/31/2012	12/31/2011
	€	€
Debtors		
Debtors	2,696	31,484
	<u>2,696</u>	<u>31,484</u>
Other receivables		
Part of the prefinancing for the project EGI-InSPIRE towards EGI.eu	340,194	1,373,527
Part of the prefinancing for the project BIOVEL towards EGI.eu	-	2,179
Part of the prefinancing for the project FedSM towards EGI.eu	7,300	-
Part of the prefinancing for the project e-FISCAL towards EGI.eu	1,109	-
	<u>348,603</u>	<u>1,375,706</u>
Prepayments and accrued income		
Interest	47,280	62,230
Receivables employees	388	776
Prepayments	19,301	44,521
Receivable insurance M.Drescher	13,537	-
	<u>80,506</u>	<u>107,527</u>
2. Cash and cash equivalents		
Rabobank	1,204,524	189,444
ING Bank N.V.	498,300	467,383
Deposits	16,150	16,150
	<u>1,718,974</u>	<u>672,977</u>

Four bank accounts have not been disclosed in this report as cash and cash equivalents. The total balance of these bank accounts amounts to 7,425,767 €. The bank accounts have not been disclosed as EGI Foundation has no independent power of disposing of these accounts. Any transfer of money from these accounts needs approval from the EC.

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EQUITY AND LIABILITIES

	12/31/2012	12/31/2011
	€	€
Appropriated reserves		
Appropriated reserve for Global tasks EGI.eu (1)	35,092	34,394
Appropriated reserve for Global tasks Partners (2)	9,324	-13,334
Cumulative Appropriated reserve for EGI.eu (3)	1,189,272	973,431
Appropriated result (Sum appropriated reserves)	<u>1,233,688</u>	<u>994,491</u>

See also annexed Summary table page 21

	2012	2011
	€	€
<i>Appropriated reserve for Global tasks EGI.eu (1)</i>		
Book value as per January 1	34,394	103,470
Budget	427,987	364,727
Global tasks	-427,289	-433,803
Book value as per December 31	<u>35,092</u>	<u>34,394</u>
<i>Appropriated reserve for Global tasks Partners (2)</i>		
Book value as per January 1	-13,334	41,930
Budget	585,046	600,401
Global tasks	-562,388	-655,665
Book value as per December 31	<u>9,324</u>	<u>-13,334</u>
<i>Cumulative Appropriated reserve for EGI.eu (3)</i>		
Book value as per January 1	973,431	416,567
Change book year	215,841	556,864
Book value as per December 31	<u>1,189,272</u>	<u>973,431</u>

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1- Appropriated reserve for Global Tasks EGI.eu:

The reserve as on December 31, 2012 amounting to 35,092 € represents the remaining balance of the contributions received from EGI.eu's participants and distributed to refund the costs incurred for the Global Tasks completed by EGI.eu until December 31, 2012.

2- Appropriated reserve for Global Tasks partners:

The reserve as on December 31, 2012 amounting to 9,324 € represents the remaining balance of the contributions received from EGI.eu's participants and distributed to refund the costs incurred for the Global Tasks completed by EGI-InSPIRE partners until December 31, 2012.

3- Cumulative appropriate reserve for EGI.eu:

The reserve as on December 31, 2012 amounting to 1.189.272 € represents the cumulative operating surplus of EGI.eu, balanced with participants' contribution and Global tasks repayments.

The operating surplus is mainly influenced by the costs incurred by EGI.eu, costs not-refunded by the EC, the yearly contributions from EGI.eu participants and the remaining pre-financing against which work has still to be delivered. This methodology is in line with the obligation of EGI.eu acting as beneficiary of an EC Grant Agreement to bear its own costs incurred in connection with the performance of the Grant Agreement.

Appropriated reserves strategy:

Therefore in order to guarantee its liabilities towards the European Commission and its employees in compliance with the Dutch law, the Executive Board recommends a restrictive use of the cumulative appropriated reserve for EGI.eu as follows:

- 1- To cover future operating costs of EGI.eu not reimbursed by the European Commission,
- 2- To cover a potential future provision for redundancy costs in view of a possible termination of EGI.eu staff at the end of the EGI-InSPIRE project in April 2014, estimated at 635,000 €;
- 3- To provide an operating reserve for EGI.eu activities , estimated at 500,000 €

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3. Current liabilities

	12/31/2012	12/31/2011
	€	€
Taxes and social securities		
Pay-roll tax	65,401	52,811
Pension premiums	1,083	382
	<u>66,484</u>	<u>53,193</u>
Other liabilities and Accruals and deferred income		
Other liabilities	231,012	137,769
Accrued liabilities	619,595	1,002,241
	<u>850,607</u>	<u>1,140,010</u>
Other liabilities		
Part of the prefinancing for the project e-ScienceTalk towards EGI.eu	21,556	3,332
Part of the prefinancing for the project e-FISCAL towards EGI.eu	-	28,970
Part of the prefinancing for the project ENVRI towards EGI.eu	38,972	57,754
Part of the prefinancing for the project ER-Flow towards EGI.eu	49,883	-
Accounts Payable	30,314	47,713
Part of the prefinancing for the project Helix Nebula towards EGI.eu	5,004	-
Part of the prefinancing for the project BioMedbridges towards EGI.eu	1,760	-
Part of the prefinancing for the project DCH-RP towards EGI.eu	38,567	-
Part of the prefinancing for the project BioVel towards EGI.eu	44,956	-
	<u>231,012</u>	<u>137,769</u>
Accrued liabilities		
Global tasks to other partners	358,724	646,046
Accountant	5,000	5,258
Administration	6,199	2,298
Other amounts payable	-	147
EC projects Interests yielded on Partners pre-Financing	48,682	27,962
Holiday pay	66,112	47,905
Reserve holiday days	46,859	41,770
Wages and loans	2,601	-
Advanced payments received	85,418	230,855
	<u>619,595</u>	<u>1,002,241</u>

The money received from the Commission should always be distributed to the partners and EGI Foundation. At the end of 2012 for an amount of 7,425,767 € EGI Foundation has received money which was not yet distributed to either the partners or EGI Foundation. This amount has been eliminated in line with the explanations detailed on page 11 under cash and cash equivalents.

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5 NOTES TO THE INCOME AND EXPENSE ACCOUNT 2012

	2012	2011
	€	€
4. Income		
EGI.eu Participants	1,523,637	965,128
EGI-InSPIRE	1,225,571	2,115,741
Other EC Projects- not coordinating	118,862	7,866
e-Science Talk	43,466	73,823
Conference Lyon	-	18,257
	<u>2,911,536</u>	<u>3,180,815</u>
EGI.eu Participants	1,523,637	965,128
EGI-InSPIRE	2,114,548	2,140,361
Non refundable charges EGI-InSPIRE	-888,977	-368,531
EGI-InSPIRE 2010	-	486,817
Non refundable charges EGI-InSPIRE 2010	-	-142,906
EGI-InSPIRE total	<u>1,225,571</u>	<u>2,115,741</u>
e-Fiscal	33,734	4,889
Non refundable charges e-Fiscal	-3,655	-530
ER-Flow	6,229	-
Non refundable charges ER-Flow	-675	-
ENVRI	23,313	2,435
Non refundable charges ENVRI	-4,531	-1,107
BIOVEL	5,843	2,179
Non refundable charges BIOVEL	-633	-
BioMedBridges	2,023	-
Non refundable charges BioMedBridges	-1,012	-
EGI other	3,000	-
Helix Nebula	50,696	-
Non refundable charges Helix Nebula	-5,492	-
DCH-RP	3,053	-
Non refundable charges DCH-RP	-331	-
FedSM	8,187	-
Non refundable charges FedSM	-887	-
Other EC Projects- not coordinating total	<u>118,862</u>	<u>7,866</u>
e-Science Talk	54,979	88,522
Non refundable charges e-Science Talk	-11,513	-14,699
e-Science Talk total	<u>43,466</u>	<u>73,823</u>
Conference Lyon	-	18,257
	<u>2,911,536</u>	<u>3,180,815</u>

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	2012	2011
	€	€
5. Employee expenses		
Wages and salaries	1,474,661	1,309,181
Social security charges	175,666	161,125
Pension expenses	72,574	75,646
Other employee expenses	78,675	75,492
	<u>1,801,576</u>	<u>1,621,444</u>
<i>Wages and salaries</i>		
Gross wages	980,221	871,752
Gross wages 30% rule	340,109	304,450
Holiday allowance	81,785	64,591
Salary expenses foreign employees	59,791	38,493
Reserve holiday days	12,755	29,895
	<u>1,474,661</u>	<u>1,309,181</u>
<i>Social security charges</i>		
Social charge	163,794	131,896
Costs insurance	11,872	26,317
Tax and national insurance contributions salary savings	-	2,912
	<u>175,666</u>	<u>161,125</u>
<i>Pension expenses</i>		
Pension expenses	<u>72,574</u>	<u>75,646</u>
<i>Other employee expenses</i>		
International schools	38,749	15,557
Relocation	2,400	13,611
Recruitment	4,233	10,665
Travelling residence-labour	26,760	24,355
Advisory costs 30% rule	-	1,904
Other personnel expenses	750	1,514
Education and training employees	5,783	7,886
	<u>78,675</u>	<u>75,492</u>
	<u>78,675</u>	<u>75,492</u>

Staff

EGI.eu office totals at the end of 2011 20 FTEs and at the end of 2012 21 FTEs.

Other operating expenses

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	2012	2011
	€	€
6. Travel and accommodation expenses		
Travel expenses	51,948	42,552
Conferences	32,146	37,011
Hotels	35,555	35,288
Daily compensations	17,616	16,007
Lunches and dinners	98	814
	<u>137,363</u>	<u>131,672</u>
7. Accommodation expenses		
Rent buildings	42,809	46,099
Energy costs and water consumption	8,296	9,305
Maintenance buildings	14,357	8,140
Cleaning costs	7,073	6,050
Other accommodation expenses	2,816	22,578
Received compensation rent city of Amsterdam	-127,592	-
	<u>-52,241</u>	<u>92,172</u>
8. Operating costs		
Global tasks to project partners	<u>554,010</u>	<u>655,663</u>
9. Office expenses		
Computer hardware	4,852	19,017
Communication	18,592	11,630
Printed matter	2,289	5,770
Designer, writer	4,930	11,183
Advisors	3,411	-
Computer technology, licences	4,700	2,256
Office supplies	5,083	4,436
Postage and stamps	1,503	2,427
Contributions, season tickets, magazines	1,979	530
Other office supplies	22	1,280
	<u>47,361</u>	<u>58,529</u>
10. Conference Lyon		
External meeting costs	-	223,601
Conference Lyon contribution (participants)	-	-264,619
	<u>-</u>	<u>-41,018</u>

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	2012	2011
	€	€
11. Events expenses		
Stand for Exhibition	4,202	2,983
Local meeting costs	1,240	1,233
Branded goods	682	2,439
Costs representation	410	710
External meeting costs	-	2,675
	<u>6,534</u>	<u>10,040</u>
12. General expenses		
Administration	25,094	24,498
Accountant	24,293	28,584
Advisors	8,978	935
Insurances general	5,695	7,484
Bank costs	2,156	2,147
Payment difference due to currency exchange rate changes	209	62
Other general expenses	3,382	8,790
	<u>69,807</u>	<u>72,500</u>
13. Consumable project expenditure, central budget		
Travel expenses, external people and unfunded partners	43,792	33,985
Travel expenses, support	16,011	25,951
Stand for Exhibition, support	25,345	25,004
Printed materials, design and writers	48,234	45,037
Branded goods	27,276	54,085
	<u>160,658</u>	<u>184,062</u>
14. Financial income and expenses		
<u>Receivable interest bank</u>		
European Grid Initiative Foundation	<u>52,746</u>	<u>36,719</u>
<i>Interest and similar income</i>		
Interest revenue	<u>-16</u>	<u>57</u>

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