

**EUROPEAN GRID INITIATIVE FOUNDATION
AT AMSTERDAM**

Annual Report 2010
22 march 2011

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FINANCIAL STATEMENTS


Balance as at December 31, 2010
Income and expense account 2010
Cash flow statement for the year ended December 31, 2010
Notes to the financial statements
Notes to the balance sheet as at December 31, 2010
Notes to the income and expense account 2010

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European Grid Initiative Foundation at Amsterdam

1 BALANCE AS AT DECEMBER 31, 2010
(after appropriation of result)

	December 31, 2010	
	€	€
ASSETS		
Current assets		
Trade and other receivables	(1) 16,016	
Cash and cash equivalents	(2) 1,457,386	
		1,473,402
		<u>1,473,402</u>
LIABILITIES		
Reserve		
Appropriated reserves		561,967
Current liabilities	(3)	911,435
		<u>1,473,402</u>

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2 INCOME AND EXPENSE ACCOUNT 2010

	2010
	€
Income	(4) 1,853,174
Expenses	
Wages and salaries	(5) 508,035
Social security charges	(6) 53,008
Pension expenses	(7) 21,596
Other employee expenses	(8) 82,102
Other operating expenses	(9) 634,069
	<u>1,298,810</u>
Operating result	<u>554,364</u>
Financial income and expenses	(10) 7,603
	<u>-</u>
Appropriated result	<u><u>561,967</u></u>

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3 CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2010

(According to the indirect method)

	2010	
	€	€
Cash flow from operating activities		
Operating result	554,364	
Adjustments for:		
Changes in working capital:		
Movements in accounts receivable	-16,016	
Movements in current liabilities (exclusive of current portion long-term liabilities)	911,435	
	1,449,783	
Cash flow from operating activities		1,449,783
Income from fixed asset receivables and securities		7,603
Appropriated result		-561,967
		895,419
Cash flow from operating activities		895,419
Cash flow from financing activities		
Addition reservable costs, paid amounts in advance		561,967
		1,457,386
		1,457,386

Movements in cash

	2010	
	€	€
Cash and cash equivalents as at February 8, 2010	-	
	-	
Movements in cash and cash equivalents for the year	1,457,386	
	1,457,386	
		1,457,386

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4 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

Trade and other receivables are stated at nominal value, less any provision for doubtful debts. Provisions are designated on basis of individual assessment of recoverability of the receivables.

Cash and cash equivalents

Cash and cash equivalents are valued at nominal value.

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 from the grant of the projects and on the other hand the costs and expenses for that year, valued at historical costs.

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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 € 5.455.945 is for EGI.eu.

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 € 187.692 is for EGI.eu.

Expenses

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

PRINCIPLES FOR PREPARATION OF THE CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method.

Transactions that do not result in exchange of cash and cash equivalents are not presented in the cash flow statement

Transactions that do not result in exchange of cash and cash equivalents are not presented in the cash flow statement.

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5 NOTES TO THE BALANCE SHEET AS AT DECEMBER 31, 2010

ASSETS

CURRENT ASSETS

1. Trade and other receivables


	<u>12/31/2010</u>
	€
Debtors	
Debtors	1,940
	<u>1,940</u>

Prepayments and accrued income

Interest	7,579
Receivables employees	6,497
	<u>14,076</u>

2. Cash and cash equivalents

ING Bank N.V. Bank in transit	1,456,812 574
	<u>1,457,386</u>
ING Bank N.V 5048098, EGI.eu Current account	850,516
ING Bank N.V 5048098 Savings, EGI.eu Savings account	606,296
Bank in transit	574
	<u>1,457,386</u>

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	12/31/2010
	€
Appropriated reserves	
Appropriated reserve for E-tasks EGI.eu	103,470
Appropriated reserve for EGI.eu	416,567
Appropriated reserve for E-tasks Partners	41,930
	<u>561,967</u>

The reserves are paid amounts in advance by the European Commission and by the participants.

Appropriated reserve for EGI.eu

The reserve as at December 31, 2010 amounting to € 416.567 relates to the remaining balance of the initial contribution 2009 of € 468.150 from EGI.eu partners. This contribution was provided to EGI.eu to cover non-funded expenditure.

Appropriated reserve for E-tasks partners

The reserve as at December 31, 2010 amounting to € 41.930 relates to the remaining balance of the contribution 2010 from € 1.000.000 EGI.eu partners as far as this remaining contribution 2010 relates to E-tasks to be performed by other EGI.eu partners in the future.

Appropriated reserve for E-tasks EGI.eu

The reserve as at December 31, 2010 amounting to € 103.470 relates to the remaining balance of the contribution 2010 from € 1.000.000 EGI.eu partners as far as this remaining contribution 2010 relates to E-tasks to be performed by EGI.eu in the future.

3. Current liabilities

Taxes and social securities

Pay-roll tax	24,972
Pension premiums	34,952
	<u>59,924</u>

Other liabilities and Accruals and deferred income

Other liabilities	517,015
Accrued liabilities	334,500
	<u>851,515</u>

Other liabilities

EGI-InSPIRE to be paid to partners	231
Part of the prefinancing for the project EGI-InSPIRE towards EGI.eu	412,044
Part of the prefinancing for the project e-ScienceTalk towards EGI.eu	59,748
Transport	<u>472,023</u>

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	<u>12/31/2010</u>
	€
Transport	472,023
Accounts Payable	<u>44,992</u>
	<u>517,015</u>
 Accrued liabilities	
E-tasks to other partners	275,851
Accountant	8,330
Administration	2,185
Other amounts payable	378
Holiday pay	34,097
Reserve holiday days	11,875
Wages and loans	1,784
	<u>334,500</u>

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6 NOTES TO THE INCOME AND EXPENSE ACCOUNT 2010

	2010
	€
4. Income	
EGL.eu Participants	1,468,150
Projects	385,024
	<u>1,853,174</u>
EGL.eu Participants 2009	468,150
EGL.eu Participants 2010	1,000,000
	<u>1,468,150</u>
EGL-InSPIRE	354,060
e-ScienceTalk	30,964
	<u>385,024</u>
	<u>1,853,174</u>
Employee expenses	
<i>5. Wages and salaries</i>	
Gross wages	347,956
Gross wages 30% rule	105,788
Holiday allowance	34,260
Salary expenses foreign employees	8,156
Reserve holiday days	11,875
	<u>508,035</u>
<i>6. Social security charges</i>	
Social charge	47,386
Costs insurance	5,622
	<u>53,008</u>
<i>7. Pension expenses</i>	
Pension expenses	<u>21,596</u>
<i>8. Other employee expenses</i>	
International Schools	24,914
Transport	24,914

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	2010
	€
Transport	24,914
Relocation	26,262
Recruitment	11,567
Travelling residence-labour	8,124
Advisory costs 30% rule	5,236
Other personnel expenses	3,207
Education and training employees	2,792
	<u>82,102</u>
	<u>82,102</u>

Staff

At the end of 2010 there are 16 employees employed at the foundation.

9. Other operating expenses

Travel and accommodation expenses

Travel expenses	59,446
Conferences	25,336
Hotels	20,964
Daily compensations	9,407
Lunches and dinners	411
	<u>115,564</u>

Operating costs

E-tasks to project partners	<u>398,436</u>
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Office expenses

Computer hardware	26,569
Communication	8,686
Printed matter	7,431
Designer, writer	5,871
Computer technology, licences	3,904
Office supplies	3,065
Postage and stamps	1,799
Contributions, season tickets, magazines	1,196
	<u>58,521</u>

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	2010
	€
<i>Events expenses</i>	
Stand 4 Exhibition	19,721
Local meeting costs	3,540
Conference goodies	1,480
Costs representation	946
	<u>25,687</u>
 <i>General expenses</i>	
Administration	16,838
Accountant	8,330
Advisors	5,194
Insurances general	4,959
Bank costs	504
Payment difference due to currency exchange rate changes	36
	<u>35,861</u>
 10. Financial income and expenses	
 <u>Receivable interest bank</u>	
European Grid Initiative Foundation	<u>7,603</u>

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1 Off balance sheet commitments and assets

As EGI.eu is the coordinator for the projects EGI-InSPIRE and e-scienceTalk, EGI.eu receives the total funding for these projects from the EC. As far as this funding relates to other project partners, EGI.eu receives the money and consequently has the obligation of through payment of the amounts to these other partners when these partners have fulfilled their commitments. The related funding and the through payments are performed through three bank accounts specially held for this purpose. These bank accounts are registered at the name of EGI.eu. Payments from these bank accounts need approval from both EGI.eu and the EC. As a consequence EGI.eu has no independent power of disposing of these accounts. As a consequence of the system as described before, the related funding, the through payments and the bank accounts are not under full control of EGI.eu. Consequently the related funding, payments and bank accounts are not included in the financial statements of EGI.eu.

The balances at the related bank accounts as at December 31, 2010 amount to:

ING Bank NV 65.05.57.840 EGI-InSPIRE Current account	€	24.127
ING Bank NV 65.05.69.156 EGI-InSPIRE Savings account	€	4.538.581
ING Bank NV 65.18.97.076 e-Science Talk Current account	€	7

These balances relate to funding received in advance from the EC to be paid to partners after fulfilling their contractual commitments for the projects.

An overview of the total EC funding for the related projects is included in the table as stated below:

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FUNDING	EGI-InSPIRE	€	€	€	Description
Total funding by the European commission				25.000.000	
period 01-05-2010 until 30-04-2014					
Received from the European commission in 2010					
	Received for EGI.eu				
	Eligible costs 2010	354.060			Included in income statement 2010
	Received in advance	412.044			Included in current liabilities as at December 31, 2010
			766.104		
	Received for partners				
	Paid to partners	3.420.957			
	to be paid to partners	4.562.939			Remaining balance at ING bank accounts:
			7.983.896		ING Bank NV 65.05.57.840 EGI-InSPIRE Current account
					ING Bank NV 65.05.69.156 EGI-InSPIRE Savings account
				8.750.000	
To be received from the European commission				16.250.000	
FUNDING	e-Science Talk	€	€	€	
Total funding by the European commission				1.300.000	
period 01-09-2010 until 01-06-2013					
Received from the European commission in 2010					
	Received for EGI.eu				
	Eligible costs 2010	30.964			Included in income statement 2010
**	Received in advance	59.755			Included in current liabilities as at December 31, 2010
			90.719		
	Received for partners				
	Paid to partners	537.614			
**	to be paid to partners	7			Remaining balance at ING bank account:
			537.621		ING Bank NV 65.18.97.076 e-Science Talk Current account
Subtotal				628.340	
To be received from the European Commission				671.660	
**	Total in current liabilities	59.748			

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