

BALANCE SHEET

BUDGET REPORT FOR THE 2015 FINANCIAL YEAR

Inria's initial budget (resources and expenditure) for 2015, approved in November 2014, was set at €229.6M.

Regarding the implementation of the 2015 budget, on the revenue side, the **public service subsidy (SCSP)** for 2015 was €168.1M, compared with €168.3M in 2014 and €170.8M in 2013, and represented **73%** of revenue in 2015.

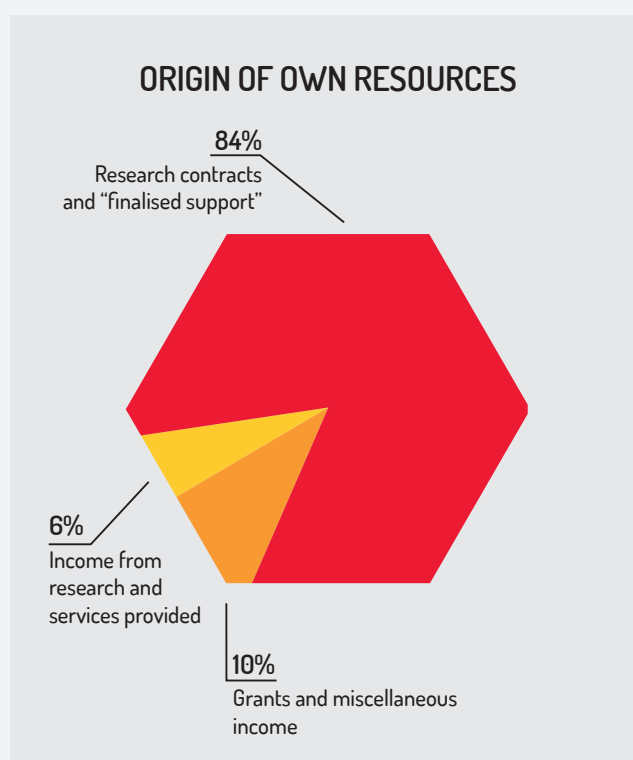
Securitised **own resources** fell by 11% between 2014 and 2015, from €62.6M to €55.5M, due to several factors: an investment income time lag (of several months eating into 2016), a change in the budgeting and accounting of advances and investment subsidies and contracts tending to arrive at the end of their life cycle thereby reducing somewhat the level of revenue to be recorded.

Own resources represented **27%** of total funding in 2015 and originated from the following:

- **research contracts and "finalised support":** €46.5M (including €17.2M from European research contracts and €11.9M from ANR - national research agency - research contracts);
- **income from research and services provided:** €3.5M;
- **grants and miscellaneous income:** €5.5M.

Actual revenue received totalled 101.1% of the initial 2015 budget.

Resources (excluding amounts carried forward and taken from working capital) totalled €223.6M compared with €230.87M in 2014.

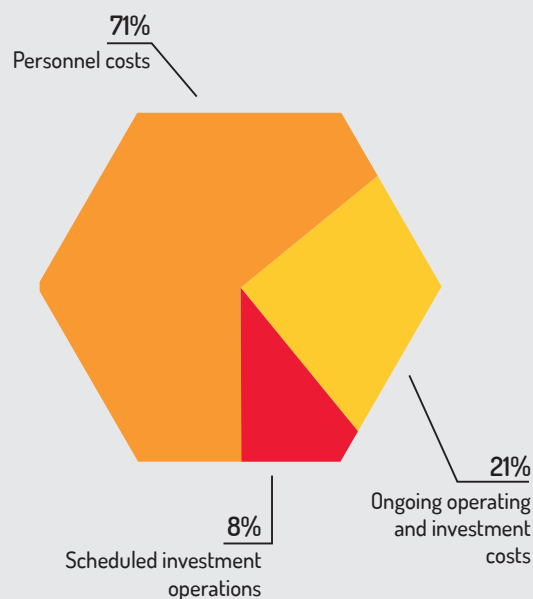


2015 TYPE AND PURPOSE OF EXPENDITURES

Breakdown of expenditure **by TYPE:**

- > **personnel costs:** €163.8M (70.6% of total expenditure compared with 72.5% in 2014), breaking down into €127.3M for the “limiting wage bill” and €36.5M for the “non-limiting wage bill”, with the “capped” workforce (i.e. those whose remuneration is based on state funding) totalling 1,638 full-time equivalent (FTE) jobs in 2015, compared with the initial budget projection of 1,668, and the “uncapped” workforce (i.e. those whose pay is based on the institute’s own resources) totalling 809 FTE jobs;
- > **ongoing operating and investment costs:** €51.6M, compared with €49.4M in 2014 and €53.4M in 2013;
- > **scheduled investment operations:** €16.6M, compared with €14.4M in 2014.

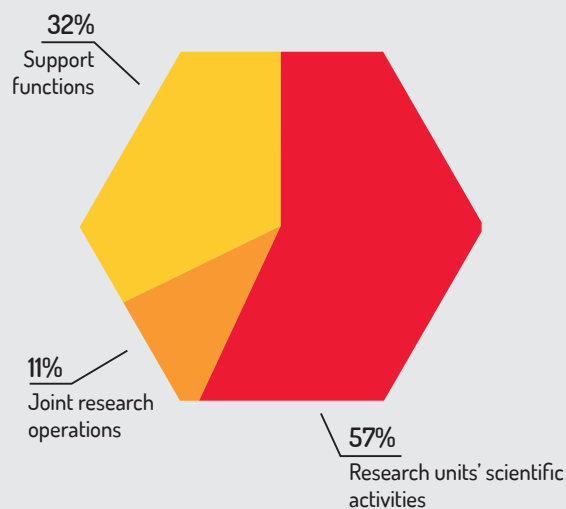
BREAKDOWN OF EXPENDITURE BY TYPE



Breakdown of authorised expenditure (€232M) **by APPROPRIATION:**

- > **research units’ scientific activities** (aggregate 1): €131.6M, i.e. 56.7% of total expenditure in 2015 compared with 58.8% in 2014;
- > **joint research operations** (aggregate 2): €26M, i.e. 11.2% compared with 10.8% in 2014;
- > **support functions** (aggregate 3): €74.3M, i.e. 32% compared with 30.4% in 2014.

BREAKDOWN OF EXPENDITURE BY APPROPRIATION



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The scientific themes corresponding to the institute's main aims are shown in the enclosed table and take account of all expenditure irrespective of the funding sources and combining all aggregates.

	AMOUNT SPENT IN 2015 (€M)	% OF 2015 EXPENDITURE
TEAM EXPENSES BROKEN DOWN BY THEME	116.849	50.36%
Applied mathematics, computing and simulation	18,339	8%
Algorithms, programming, software and architecture	23,990	10%
Networks, systems & services and distributed computing	22,621	10%
Perception, cognition and interaction	28,688	12%
Digital health, biology and planet	23,211	10%

CERTIFICATION OF 2015 FINANCIAL ACCOUNT

The institute's finance department was particularly busy in 2015 with the implementation of various changes and major reforms such as devising a new accounts classification taking effect on 1st January 2016, deploying a computerised tool for tracking fixed assets, reactivating the accounting and budgetary risk control system and initiating a project to update and optimise processes, notably the expenditure chain.

Another major event during the year was the introduction of a new accounting and financial tool (SAFIn), which has made it possible to modernise processes and bring them into line with the relevant technical and regulatory standards while dispensing with a large number of specific tools and functions. The new application also incorporates the budgetary and accounting changes arising from the Public Budgeting and Accounting Decree of 7th November 2012.

The institute's annual accounts have been certified by two auditors since 2010. Despite a shorter timescale than in previous years (regulatory one-month reduction in the period

for the board of directors to approve the financial account), the 2015 accounts settlement operations were completed on time, thanks in particular to the very strong commitment of all the staff as part of an authorising / accounting officer partnership.

The annual accounts have been certified by the auditors, though again with two reservations (out of six originally expressed) concerning the listing of supplier debts and tracking of fixed assets. However, the auditors emphasised the quantity and quality of the work done by Inria to remove the reservations and highlighted the significant progress in the overall management of the financial chain since 2010.

The 2015 financial account shows an operating loss of €2.58M (compared with a profit of €3.01M for the previous year) primarily due to the fall in operating income, particularly contractual revenue (-€6M) despite the overall stability of operating expenses. The exceptional result was a deficit of €4.65M mainly due to subsidies and contributions paid to other parties. Thus, the overall result for the financial year was a loss of €7.22M, compared with a loss of €3.25M in 2014.

The balance sheet total (assets and liabilities) was €240.55M, compared with €231.80M in 2014.

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INCOME STATEMENT

	2015	2014	Change 2015/2014
ITEM	Amount (in euros)	Amount (in euros)	%
Sales of merchandises			
Contract revenue	41,879,208	48,022,739	- 12.8%
Revenue from related activities	3,501,907	3,474,492	0.8%
NET TURNOVER	45,381,115	51,497,230	- 11.9%
Change in inventory			
Own work capitalized			
Grants and subsidies	169,845,142	170,696,019	- 0.5%
Reversals of provisions and expense transfers	19,223,004	17,854,049	7.7%
Other revenue from everyday operations	1,548,113	1,023,285	51.3%
OPERATING REVENUE	235,997,374	241,070,583	- 2.1%
COST OF GOODS AND SERVICES REQUIRED FOR PRODUCTION	40,654,560	40,587,676	0.2%
Purchases of merchandise	4,690,550	3,566,245	31.5%
Other external purchases and expenses	35,964,010	37,021,431	- 2.9%
TAXES AND DUTIES	11,821,486	11,969,725	- 1.2%
STAFF COSTS	151,844,386	153,560,016	- 1.1%
Wages and salaries (except accounts 645 & 647)	94,194,635	95,599,490	- 1.5%
Payroll taxes	57,649,751	57,960,526	- 0.5%
OPERATING ALLOWANCES	29,441,615	28,226,701	4.3%
Amortization expense	14,685,504	15,985,195	- 8.1%
Provisions	14,756,111	12,241,505	20.5%
OTHER COSTS FROM EVERYDAY OPERATIONS	4,812,049	3,716,155	29.5%
OPERATING EXPENSES	238,574,096	238,060,273	0.2%
OPERATING INCOME	- 2,576,721	3,010,310	- 185.6%

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INCOME STATEMENT

	2015	2014	Change 2015/2014
ITEM	Amount (in euros)	Amount (in euros)	%
Income from shareholding			
Income from marketable securities			
Reversals of provision and financial cost transfers			
Positive foreign currency translation differences	8,632	2,685	221.5%
Income from disposal of marketable securities			
Other financial revenue			
FINANCIAL REVENUE	8,632	2,685	221.5%
Financial amortization expense and provisions			
Interest and other expenses			
Negative foreign currency translation differences	25,958	4,311	502.2%
Net expenses from disposal of marketable securities			
FINANCIAL EXPENSES	25,958	4,311	502.2%
NON-OPERATING INCOME	- 17,326	- 1,626	965.8%
PRE-TAX INCOME EXCLUDING EXTRAORDINARY ITEMS	- 2,594,048	3,008,684	- 186.2%
Extraordinary gains from operations	14,135	77,948	- 81.9%
Extraordinary gains from capital transactions	35,070	119,715	- 70.7%
Reversals of provision and cost transfers	111,152	224,294	- 50.4%
EXTRAORDINARY GAINS	160,356	421,957	- 62.0%
Extraordinary losses from operations	4,686,361	6,384,108	- 26.6%
Extraordinary losses from capital transactions	97,916	29,603	230.8%
Extraordinary amortization expense and provisions	0	262,235	- 100.0%
EXTRAORDINARY EXPENSES	4,784,277	6,675,946	- 28.3%
EXTRAORDINARY ITEMS	- 4,623,921	- 6,253,988	- 26.1%
TOTAL INCOME	236,166,362	241,495,226	- 2.2%
TOTAL EXPENSES	243,384,330	244,740,529	- 0.6%
RETAINED EARNINGS FOR THE YEAR (PROFIT OR LOSS)	- 7,217,969	- 3,245,304	122.4%