

Financial report

In the following pages, you will find all you need to know about Inria's 2016 budget: a summary of the accounts and a breakdown of expenditure!

Inria's budget for 2016

Inria's initial budget for 2016, adopted in November 2015, was established in terms of revenue and expenditure for a total sum of €231.1 million. The 2016 budget was executed according to the budget management and public accounting (GBCP) framework.

Regarding execution of the 2016 budget in terms of revenue, the **subsidy for public service expenses (SCSP)** for 2016 was €167.5 million, compared to €168.1 million in 2015. This subsidy accounted for 75% of revenue.

Own resources amounted to €54.2 million, i.e. a 98% execution rate compared to the amounts set in the initial budget for 2016.

This accounts for 25% of all Inria's resources for 2016.

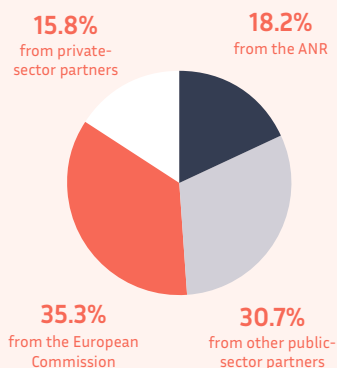
The main sources of Inria's own resources are:

- **research contracts with third parties in the private or public sectors** (€10 million);
- **research project and programme subsidies** (€35 million);
- **product sales: publications, conferences, etc.** (€2.5 million);
- **financial transactions** related to fixed assets (€3.2 million).

Total revenue was €221.7 million in 2016, i.e. an execution rate of 95.9% compared to the initial 2016 budget.

SOURCES OF INRIA'S OWN RESOURCES

for research contracts and project subsidies



Nature and purpose of expenditure in 2016

BY NATURE,
expenditure is broken down as follows:

- €164.3 million for **payroll costs** (72.4% of total expenditure), including €127.3 million for the restrictive wage bill and €37.0 million for the non-restrictive wage bill. The workforce of staff whose salaries are capped as financed under the SCSP was 1,604 in full-time equivalent terms (FTE) in 2016, compared to 1,649 FTE in 2015, and with the initial 2016 budget forecasting 1,650 FTE. The workforce of staff whose salaries are not capped as financed out of own resources was 805 FTE, compared to 809 FTE in 2015;
- €53.3 million for **non-scheduled investment and operating costs (FCI)**;
- €9.3 million **relative to scheduled investment transactions (OIP)**.

Total disbursements in 2016 came to €226.9 million, compared to the initial forecast of **€231.1 million**, i.e. a **98.2%** execution rate.

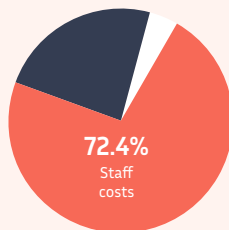
BY PURPOSE,
expenditure in 2016,
i.e. €226.9 million, included:

- €132 million on **scientific activities at the research centres** (Aggregate 1), i.e. 58.2% of total expenditure in 2016;
- €23.1 million on **joint research activity** (Aggregate 2), i.e. 10.2%;
- €71.8 million on **support functions** (Aggregate 3) i.e. 31.6%.

EXPENDITURE BY NATURE

23.5%
Expenditure relative to scheduled investment transactions (OIP)

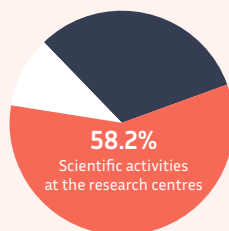
4.1%
investment and operating costs (FCI)



EXPENDITURE BY PURPOSE

10.2%
Joint research activity

31.6%
Support functions



The scientific themes relating to Inria's key objectives are shown in the table below and factor in all expenditure, regardless of funding source and all aggregates combined.

	% spent in 2015	spent in 2016 (in millions of €)	% spent in 2016
TEAM EXPENDITURE PER THEME	50%	117103	51%
Applied Mathematics, Computing and Simulation	8%	18.846	8%
Algorithms, Programming, Software and Architectures	10%	24.688	11%
Networks, Systems and Services, Distributed Calculation	10%	22.681	10%
Perception, Cognition, Interaction	12%	27.408	12%
Healthcare, Biology and Digital Planet	10%	23.479	10%

CERTIFICATION OF FINANCIAL ACCOUNTS FOR 2016

2016 was a busy year for the finance departments, thanks to the implementation of major accounting reforms: changes to tools and procedures following the Decree relative to budget management and public accounting; application of a new accounting instruction applicable to all public establishments and new accounting nomenclature introduced on 1 January 2016; deployment of a computer tool to monitor fixed assets; reactivation of the accounting, financial and budgetary risk control system, etc.

Implementation of the new accounting nomenclature took the form of changes in the presentation of the accounts and financial statements with retroactive effect on the accounts for 2016.

From 2016, Inria launched a number of projects to modernise and optimise its processes. Inria undertook these projects to simplify and modernise its processes with a view to making them smoother, more efficient and more reliable. This mainly involved work in the area of expenditure to begin with, followed by revenue and human resources management. On 1st January 2017, a shared "expenses" service (Authorising Officer) and an "invoicing" service (Accounting Office) were set up. Starting up these new services required a great deal of preparatory work. This large-scale reform also

included the simultaneous deployment of fully computerised invoicing and administrative instruments (money orders, securities, etc.).

As it has been the case since 2010, the 2016 accounts were certified by two auditors. The auditors reiterated the two reservations previously noted (listing of trade payables; physical inventory and monitoring fixed assets), specifying that the reforms in progress should make it possible to lift these reservations in 2017. A third "technical" reservation, related to the entry regarding a building in the accounts, should also be lifted in 2017.

The auditors highlighted the quality of the reforms being implemented by Inria and the significant improvements found in overall financial management.

The financial accounts for 2016 show a deficit of €6.3 million (compared to €7.2 million the previous year), mainly as a result of higher rents which have only partially been offset by reducing other operating costs, as well as an increase in allocations to contingency and loss provisions.

The balance (assets and liabilities) stood at €239.42 million, compared to €240.55 million in 2015.

INCOME STATEMENT

Other operating costs (incl. losses/write-offs)			
	2016	2015 PRO-FORMA	Variation 2016/2015
ITEM	Amount (in euros)	Amount (in euros)	%
Subsidy for public service expenses	167,493,833	168,069,957	- 0.3%
Operating subsidies granted by the State and other public entities	40,705,534	37,206,302	9.4%
Subsidies allocated to funding maintenance costs	-	-	
Donations and bequests	207,639	339,679	- 38.9%
Allocated tax income	-	-	
SUBSIDIES AND SIMILAR INCOME	208,407,006	205,615,938	1.4%
Sales of goods or services	11,534,270	10,389,471	11.0%
Income from the sale of assets	56,964	35,070	62.4%
Other management income	1,194,164	783,095	52.5%
Inventory and self-constructed assets	-	-	
Income earned for provision of a public service	-	-	
DIRECT INCOME FROM ACTIVITY	12,785,398	11,207,636	14.1%
Write-backs on depreciation and provisions	14,517,025	13,297,571	9.2%
Write-backs of asset-related funds	5,440,306	6,036,585	- 9.9%
OTHER INCOME	19,957,331	19,334,156	3.2%
OPERATING INCOME	241,149,735	236,157,730	2.1%
Purchases	111,596	99,685	11.9%
Use of goods and supplies, works and services	41,974,856	40,554,875	3.5%
Payroll costs	152,310,350	152,132,102	0.1%
Other operating costs (incl. losses/write-offs)	20,944,880	21,032,180	- 0.4%
Depreciations and provisions, Net accounting value of assets disposed of	32,114,199	29,539,531	8.7%
OPERATING COSTS	247,455,881	243,358,373	1.7%
NET INCOME (OR LOSS) FROM ACTIVITY	- 6,306,146	- 7,200,643	- 12.4%

INCOME STATEMENT

ITEM	2016	2015 PRO-FORMA	Variation 2016/2015
	Amount (in euros)	Amount (in euros)	%
Income from shares and loans	-	-	
Net income from sale of financial assets	-	-	
Interest on non-capital receivables	-	-	
Income from short-term investments and cash	-	-	
Income from sales of short-term investments	-	-	
Foreign exchange gains	3,751	8,632	- 56.5%
Other financial income	14,019	-	
Write-backs on depreciation and provisions	-	-	
FINANCIAL INCOME	17,770	8,632	105.9%
Interest	-	-	
Net loss on disposal of securities	-	-	
Foreign exchange losses	11,992	25,958	- 53.8%
Other financial costs	-	-	
Depreciation and provisions for financial costs	35,300	-	
FINANCIAL COSTS	47,292	25,958	82.2%
NET FINANCIAL INCOME (OR LOSS)	- 29,522	- 17,326	70.4%
Corporate tax	-	-	
FISCAL YEAR PROFIT OR LOSS	- 6,335,668	- 7,217,969	- 12.2%