

Proposed agreement to increase the funding for the construction and equipping of the Josep Carreras Leukaemia Research Institute

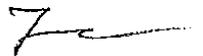
Background

The agreement of 30 November 2010 between the Josep Carreras International Foundation and the Generalitat de Catalunya (Government of Catalonia), approved by this Board of Trustees in a meeting held on that same day, establishes that our organisation would contribute to the development of the new Leukaemia Research Institute with funding of a maximum of €14,000,000 for the construction and equipping of its University of Barcelona Hospital Clínic Campus (Hospital Clínic-UB Campus) and the Catalan Institute for Oncology/Germans Trias i Pujol Campus (ICO-GTiP Campus) as reproduced below:

Així mateix, es compromet a aportar les quantitats adequades per a la promoció, projecció i construcció de l'edifici on s'emplaçarà el centre de



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recerca del Campus Germans Trias i Pujol de l'Institut Josep Carreras i l'adquisició del seu equipament, així com també per a la remodelació dels espais necessaris per a l'emplaçament del Campus Clínic, situat en les instal·lacions de l'Hospital Clínic de Barcelona i de la Facultat de Medicina de la Universitat de Barcelona, i l'adquisició del seu equipament, fins a un límit en el seu conjunt de catorze milions d'euros (14.000.000,00 €). Aquesta aportació es farà efectiva de manera successiva en el temps, d'acord amb les necessitats financeres de l'Institut Josep Carreras, i tindrà la naturalesa de dotació fundacional.

Despite the precautions taken in the tendering and adjudication processes, and despite having obtained large savings in contracts for the building work, installations and equipment, it has become necessary to increase the amount originally foreseen. The report provided to the members of the Board of Trustees that has been drawn up by the Project Controller acting on behalf of the Foundation, Mr. Joan Carreño, contains the details concerning the various headings which require funding in order to complete Phase 1 of the ICO-GTiP Campus.

So far the resources committed to the execution of the project and to the equipping of the Hospital Clínic-UB Campus have been funded from the reserves previously generated through the Foundation's ordinary activities. At the present time the amounts disbursed plus the amounts committed to be disbursed over the coming months have exhausted the funding generated at 31 December 2015.

Funding generated at 31/12/2015	€14,911,128.97
Amount committed	€14,410,162.69
Of which already disbursed	€9,311,165.70

The headings to be completed before Phase 1 can be finished and stereology equipment acquired for the Hospital Clínic-UB Campus, as detailed in the report and in the previously distributed itemised summary sheet are:

	2016	2017	TOTAL
Stereology equipment	59,402		59,402
Deviation Phase 1	325,368		325,368
Conclusion Phase 1 Building works	143,536	44,770	188,306
Conclusion Phase 1 Installations	655,277		655,277
Conclusion Phase 1 Furniture	1,195,480	172,062	1,367,542
Conclusion Phase 1 Equipment	37,510	1,382,205	1,419,715
Conclusion Phase 1 Various	18,755		18,755
Conclusion Phase 1 (shared equip.)	143,178		143,178

Items excluded		131,648	131,648
TOTAL	2,578,506	1,730,685	4,309,191

Sum of amounts already committed plus those yet to be disbursed:

Amount committed at 31/12/2015	14.410.163 €
plus needs to be committed 2016	2.578.506 €
Necessary funding 2016	16.988.669 €
plus needs to be committed 2017	1.730.685 €
Necessary funding 2017	18.719.354 €

It is therefore necessary to increase the funding available at 31 December 2015 (€14,911,128.97) with resources of some kind. The most prudent forecast is the one based on the foreseen operating results for 2016. The budget drawn up foresees a net generation of resources of €2,120,292.90. During the financial year the following situation will therefore pertain:

Funds generated at 31/12/2015	€14,911,129
Funds generated 2016 financial year	€2,120,292
Total expected at 31/12/2016	€17,031,421

That is to say, by the end of 2016 we shall have generated the resources necessary (€17,031,421) to finance the items we need to commit during the 2016 financial year (up to €16,988,669). With the data available at 31 March 2016 from the Profit and Loss Account, the foreseen income and expenses for the second, third and fourth quarters and the evolution of the loyalty of our support base, we consider it completely feasible to commit to these undertakings. It is the opinion of these Administrators that the Board of Directors can adopt the agreement to increase funding safe in the knowledge that the Foundation is in no way acting imprudently.

With regard to the headings to be carried out in the 2017 financial year these Administrators propose the adoption of an agreement that is dependent on the generation of resources. If, during the 2016 financial year and the first quarter of 2017 it proves possible to achieve a level of funding such that the Foundation is in a position to finance the additional necessary resources (€1,730,685), the proposal would be to authorise the Delegate Committee to approve committing these resources, if it were to deem such a course of action appropriate.

Proposed agreement

Given Mr. Joan Carreño's report on additional needs for the equipping of the Hospital Clínic-UB Campus and for the completion of Phase 1 of the ICO-GTiP Campus of the Josep Carreras Leukaemia Research Institute, and given the opinion of the Administrators about the financial feasibility of assuming new commitments, the Board of Trustees agrees to increase the limit of funding assigned to the Josep Carreras Leukaemia Research Institute that was established in the agreement of 30 November 2010 from the €14,000,000 established in that agreement, and raise it to €18,800,000.

This funding will be phased in stages so that in the 2016 financial year the Foundation can commit up to €17,000,000. In accordance with the circumstances regarding the implementation of the project, and if the future financial situation allows for it, the Board of Trustees authorises the Delegate Committee to increase the financial commitment up to a sum of €18,800,000.
