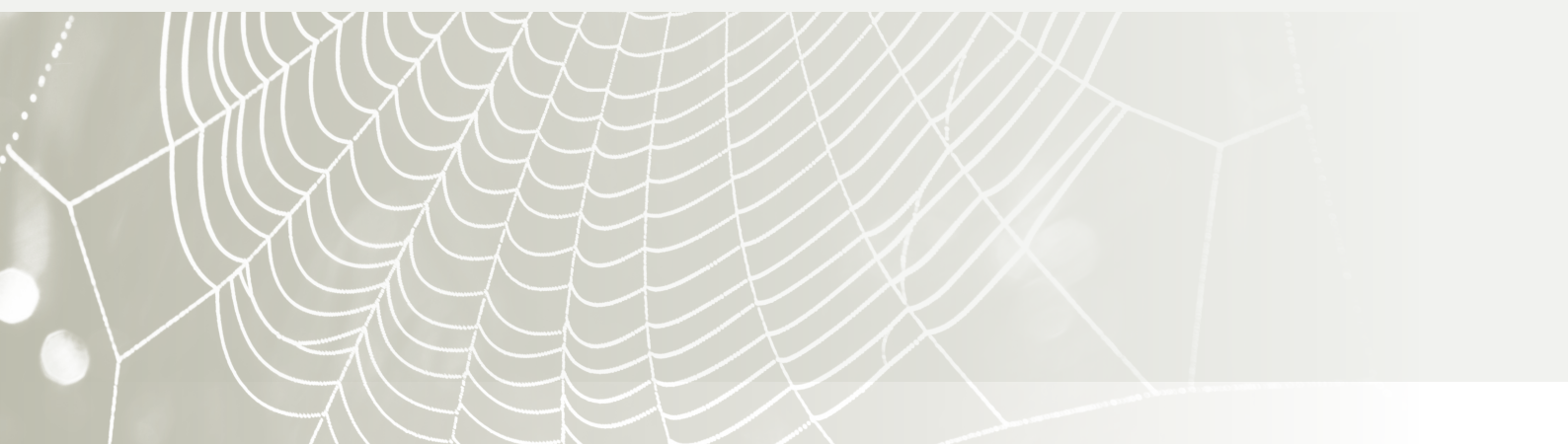


ADDITION

2013 Annual Accounts of the Max Planck Society for the Advancement of Science



GENERAL

As an annex to the 2013 Annual Report, the audited 2013 Annual Accounts¹ are presented to the General Meeting of the members of the Max-Planck-Gesellschaft zur Förderung der Wissenschaften e. V. (Max Planck Society for the Advancement of Science, Max Planck Society) for examination and approval at its meeting on June 5, 2014, subject to their statutory treatment by the Executive Committee at its meeting on June 4, 2014 and by the Senate at its meeting on June 5, 2014.²

The 2013 Annual Accounts consist of a statement of income and expenditure as well as an overview of assets

- of the General Budget, and
- of the Max Planck Institute for Plasma Physics (Budget B).

The statement of income and expenditure for the General Budget aggregates the Max Planck institutes (MPIs), research units and other legally dependent institutions that are jointly financed by the federal government and the federal states. These are supplemented in the assets overview by managed or active units, such as operations according to § 26 of the Federal Budget Ordinance (BHO).

The legally independent Max Planck institutes (Max-Planck-Institut für Eisenforschung GmbH (Max Planck Institute for Iron Research) and Max-Planck-Institut für Kohlenforschung (rechtsfähige Stiftung) (Max Planck Institute of Coal Research (legal foundation)) present a separate set of annual financial statements that are not included in the Annual Accounts of the Max Planck Society.³

The structure of the income and expenditure statement is in line with the budget plan of the Max Planck Society.

The assets overview was based on German commercial law principles, and prepared in accordance with administration and accounting regulations applying to the Society. The breakdown takes into account the particular requirements of a registered association.

1 In line with the audit mandate issued to it by the 2013 General Meeting of the Members, the Audit Department of the Administrative Headquarters of the Max Planck Society audited the 2013 Annual Accounts, and awarded them an unqualified audit opinion. The auditing company *Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft*, Nuremberg, audited the annual financial statements of the Max Planck Institute for Plasma Physics (Budget B), and the auditing company *Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft*, Munich, audited the annual financial statements of the Private Assets of the Max Planck Society in line with the resolutions of the 2013 General Meeting of members and the accordingly issued audit mandates. Both sets of annual financial statements were awarded unqualified audit opinions.

2 The statutory treatment of the Annual Accounts is based on the articles 13 and 18 of the Statutes. Pursuant to article 14 para 2 of the Statutes, the audit will be carried out starting from the 2015 Annual Accounts by the Audit Committee.

3 The Max Planck Society, the Max Planck Institute for Iron Research, and the Max Planck Institute of Coal Research (legal foundation) comprise an association that submits joint applications for grants. The grants are awarded to the corporations represented in this association. With respect to invoicing, the companies present their own evidence of expenditure, which the Max Planck Society integrates into the overall evidence of expenditure for the grant providers (Budget A). They did not, however, form part of the Annual Accounts of the Max Planck Society for the Advancement of Science.

I. Notes to the statement of income and expenditure

On account of the Research and Innovation Pact II that was concluded for the years 2011 to 2015, which includes an annual 5% increase in grants for non-university research facilities, a significant increase occurred again in income and public-sector subsidies from the proportional financing which were affected by the Pact in this context. This enables the Max Planck Society, within the framework of research policy objectives, to flexibly structure and expand its basic research and to invest in new areas.

The 2013 accounting year closed for the Max Planck Society with income and expenditure of €1,940.5 million (2012: €1,826.6 million), and an increase of €113.9 million (6.2%) compared with the previous year. On the expenditure side, cash outflow under proportional financing was postponed to the subsequent year owing, in particular, to delays in founding new institutes and in construction projects, partly caused by capacity shortages in the construction sector. Accordingly, expenditure under special financing expenses that was not made in the accounting year has been transferred to the subsequent year for expenditure in line with the budget and objectives.

The following overview presents the income and expenditure for the accounting year compared with the previous year. The change compared with the previous year is presented in both absolute and percentage terms for each item.

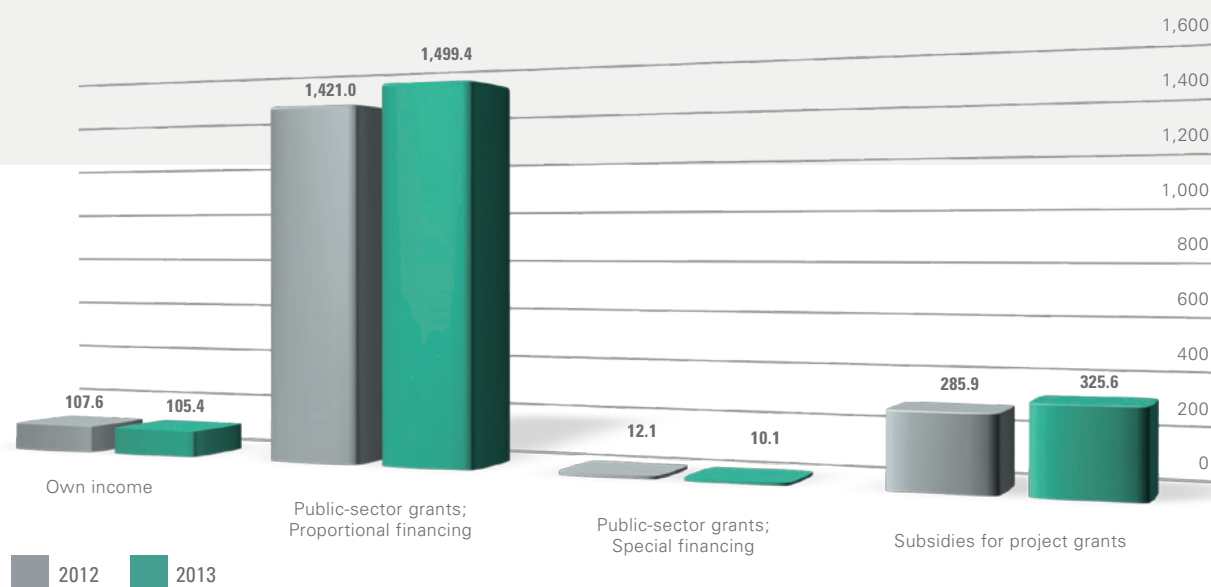
Income (EUR mill.)	2013		2012		Change	
Own income	105.4	(5.4 %)	107.6	(5.9 %)	-2.2	(-2.0 %)
Public-sector subsidies for institutional funding						
• Proportional financing	1,499.4	(77.3 %)	1,421.0	(77.8 %)	78.4	(5.5 %)
• Special financing	10.1	(0.5 %)	12.1	(0.7 %)	-2.0	(-16.5 %)
Project grant subsidies	325.6	(16.8 %)	285.9	(15.6 %)	39.7	(13.9 %)
AMOUNT INCOME	1,940.5	(100.0 %)	1,826.6	(100.0 %)	113.9	(6.2 %)
Expenditure (EUR mill.)						
Personnel expenses	750.1	(38.7 %)	728.8	(39.9 %)	21.3	(2.9 %)
Expenditure on tangible items	554.4	(28.5 %)	516.1	(28.2 %)	38.3	(7.4 %)
Grants (excluding investments)	168.8	(8.7 %)	166.5	(9.1 %)	2.3	(1.4 %)
Expenditure on construction projects and other investments	345.2	(17.8 %)	366.6	(20.1 %)	-21.4	(-5.8 %)
AMOUNT EXPENDITURE	1,818.5	(93.7 %)	1,778.0	(97.3 %)	40.5	(2.3 %)
Special financing expenses	122.0	(6.3 %)	48.6	(2.7 %)	73.4	(151.0 %)
APPLICATION OF FUNDS	1,940.5	(100.0 %)	1,826.6	(100.0 %)	113.9	(6.2 %)

Income

The **income** of the Max Planck Society increased in 2013 by €113.9 million (6.2%) to €1,940.5 million.

As a basic research institute, the Max Planck Society is supported by public-sector subsidies from the federal government and federal states. The following diagram shows the significance of the Society's institutional funding compared to other financing and funding:

BREAKDOWN OF INCOME 2012 / 2013 (EUR mill.)



Own income decreased by €2.2 million (-2.0%) to €105.4 million. This item includes income from licenses and patents exploitation, income from scientific investigations and expert opinions, and other income.

The **subsidies for proportional financing** registered an increase of €78.4 million (5.5%) to €1,499.4 million. The following overview shows the way the subsidy is split between the General Budget and the Max Planck Institute for Plasma Physics:

Proportional financing (EUR mill.)	2013	2012	Change	
General Budget				
Current subsidies				
Granted subsidies (without MPI for Iron Research and MPI of Coal Research)	1,397.1	1,329.9	67.2	(5.1 %) *
Implementations in the special society	-0.9	-0.8	-0.1	(0.0 %)
Amount current subsidies	1,396.2	1,329.1	67.1	(5.1 %)
Transferable funding from previous years	-2.4	-10.1	7.7	
MPI for Plasma Physics				
Current subsidies	105.6	102.9	2.7	(2.6 %)
Transferable funding from previous years	0.0	-0.9	0.9	
TOTAL	1,499.4	1,421.0	78.4	(5.5 %)

* commercially rounded

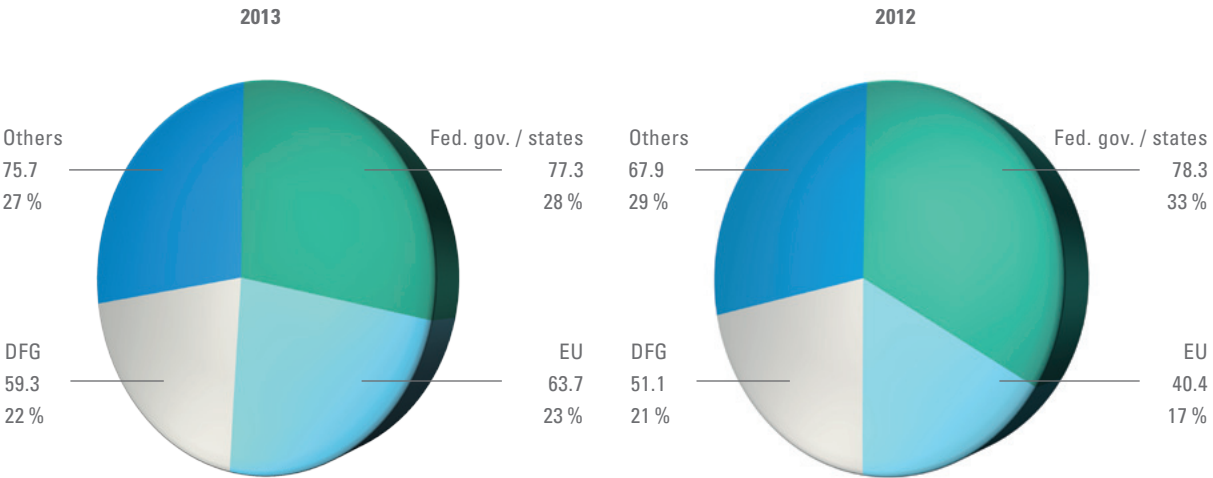
The approved subsidies of the General Budget report a 5.1% year-on-year increase because of the continuation of the Research and Innovation Pact. Following implementations in the association that submits joint applications for grants (excluding subsidies for the legally independent Max Planck Institute for Iron Research and Max Planck Institute of Coal Research), the current subsidies of the General Budget increased by €67.1 million (5.1%) to reach €1,396.2 million.

The **subsidies for special financing** (please refer to table on page 127) relates solely to the General Budget. Compared with the previous year, a total decline of €2.0 million is occurred (-16.5%).

The **subsidies for project grants** (please refer to table on page 127) amount to 16.8% of total income. At €325.6 million, they were €39.7 million (13.9%) above the previous year's level.

The current subsidies for project grants of €276.0 million (previous year: €237.7 million) – excluding a residual transfer of €49.6 million (previous year: €48.2 million) – break down as follows according to grant providers:

BREAKDOWN OF SUBSIDY PROVIDERS (EUR mill.)



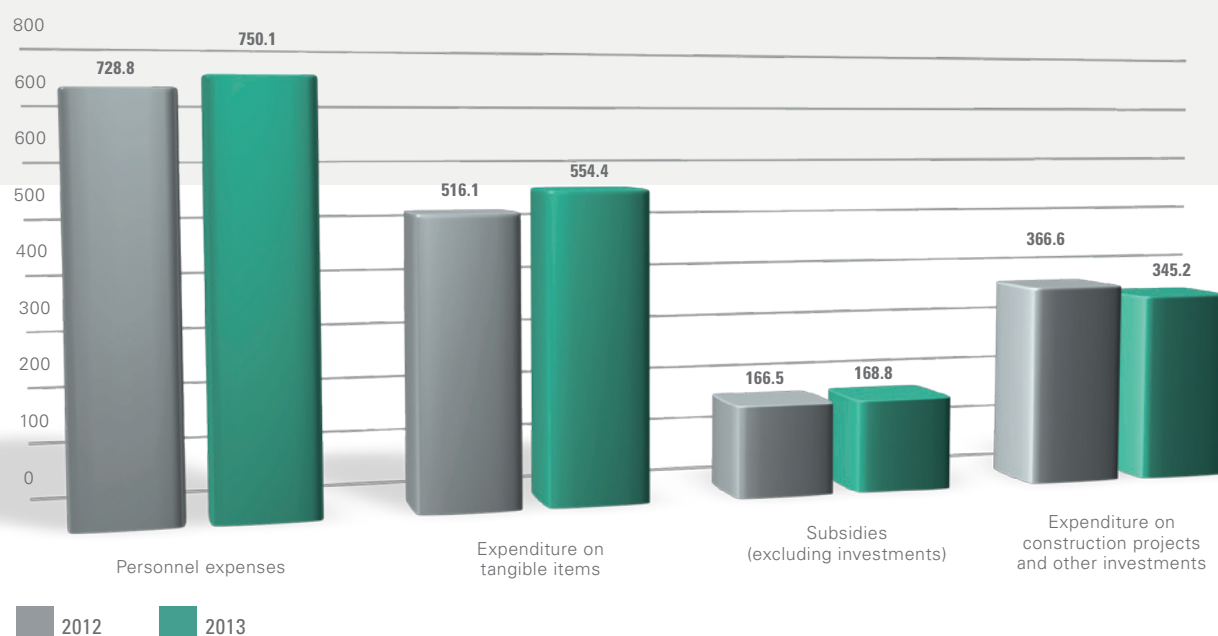
Within the General Budget, current project grant subsidies increased year-on-year from €227.1 million to €255.6 million, also an increase was reported in Budget B from €10.6 million in the previous year to €20.4 million. The amount of project funding received from the EU has risen in particular, both in the General Budget and in Budget B.

Expenditure

Expenditures in 2013 increased by €40.5 million (2.3%) to €1,818.5 million compared with the previous year.

The following diagrams present the expenditures in graphical form:

BREAKDOWN OF EXPENDITURE 2012 / 2013 (EUR mill.)



The individual items as well as their changes compared with the previous year (please refer to table on page 127) are explained in greater detail below.

Personnel expenses rose by €21.3 million (2.9%) to €750.1 million against the backdrop of the increase in wages in accordance with the Collective Wage Agreement for Government Service Workers (TVöD) and earnings in accordance with the German Federal Salary Law (with effect January 1, 2013 and August 1, 2013, respectively). Detailed information can be found in the Annual Report (chapter: „Central matters, Staff“).

Expenditure on tangible items increased by €38.3 million (7.4%) to €554.4 million. In the previous year, temporary savings had been recognised in the General Budget, predominantly in the area relating to the maintenance of land and buildings (building maintenance).

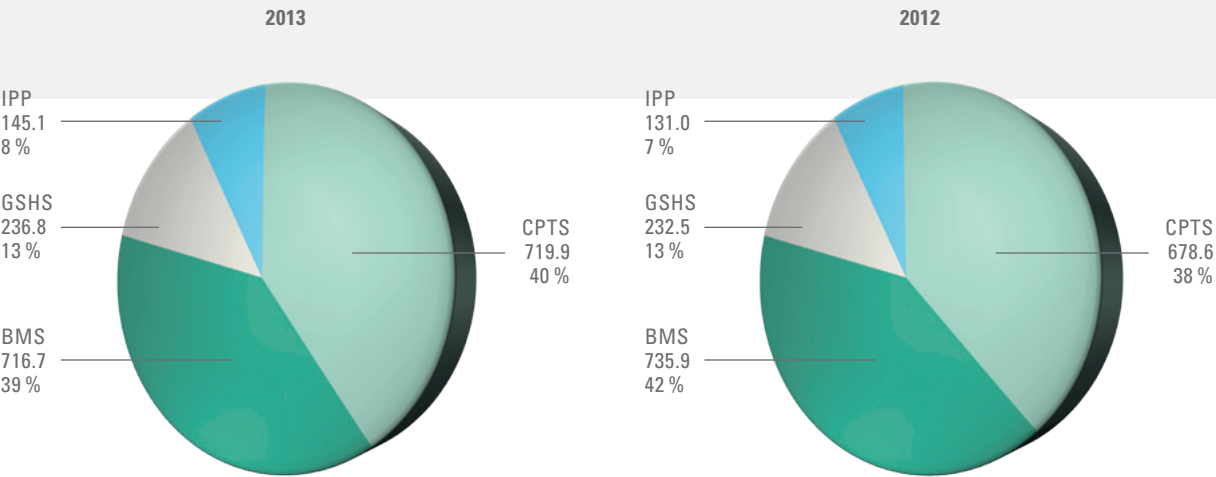
Subsidies (excluding investments) rose by €2.3 million (1.4%) to €168.8 million. This item mainly contains expenses of €120.6 million for the support of junior scientists.

Expenditure on construction projects and other investments decreased by €21.4 million (-5.8%) to €345.2 million. The General Budget posted a €45.1 million reduction in expenditure on building projects, taking the total to €139.4 million. The main reason for this were the delays experienced in construction projects caused by capacity shortages in the construction sector, which meant that cash outflow was postponed to the subsequent year. The expenditure for the initial equipping of buildings and facilities slightly increased by €0.5 million to €9.1 million. This item also contains €196.6 million (previous year: €173.5 million) of expenditure for other investments including appointment funds.

In 2013, among other items, significant amounts of expenditure for construction projects were invested in new institute buildings for the MPI for Solar System Research in Göttingen (€33.3 million), for the MPI for Biology of Ageing in Cologne (€10.5 million) and for the MPI for Brain Research in Frankfurt am Main (€6.8 million).

The following presents a breakdown of expenditures according to research focus, the so-called sections of the Max Planck Society:

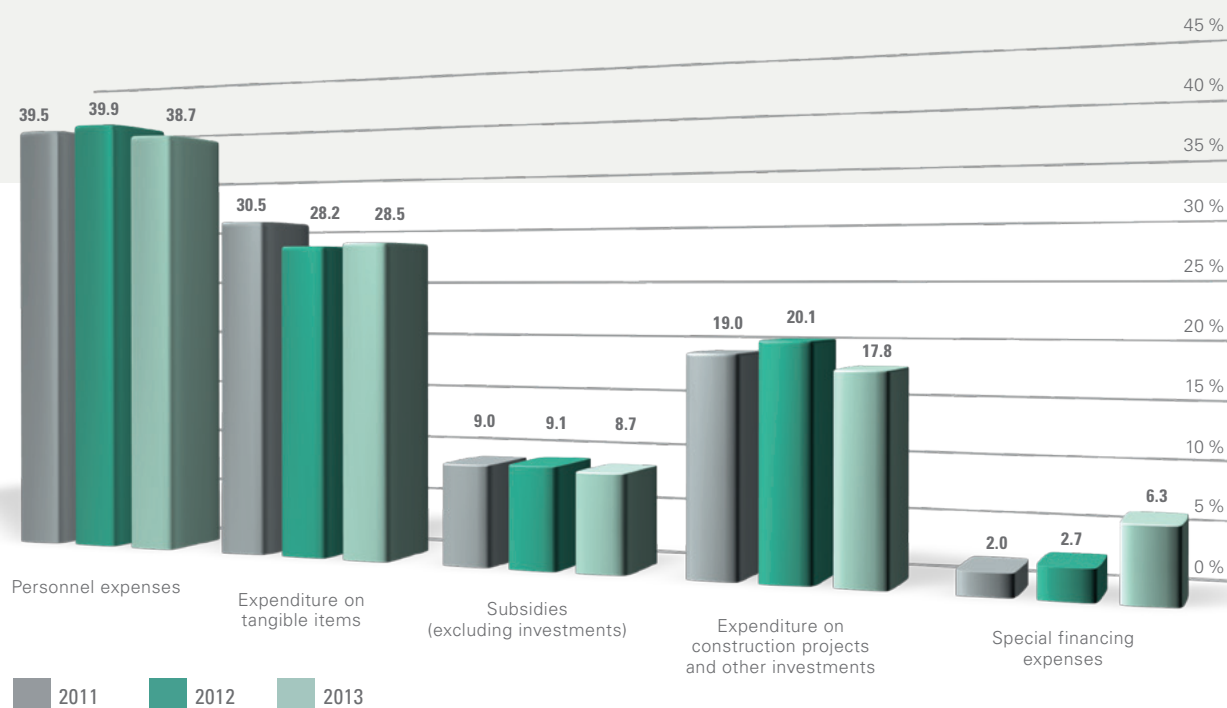
EXPENDITURE BREAKDOWN BY SECTION (EUR mill.)



BMS: Biology & Medicine Section
CPTS: Chemistry, Physics & Technology Section
GSHS: Human Sciences Section
IPP: MPI for Plasma Physics (Budget B)

The changes relating to available resources can also be seen in summary form in the modified structure of expenditure, and the special financing expenses:

APPLICATION OF FUNDS 2011 – 2013 (as % of total expenditure)



The structure of expenditure relating to the funding categories is similar in overall terms on a three-year comparison.

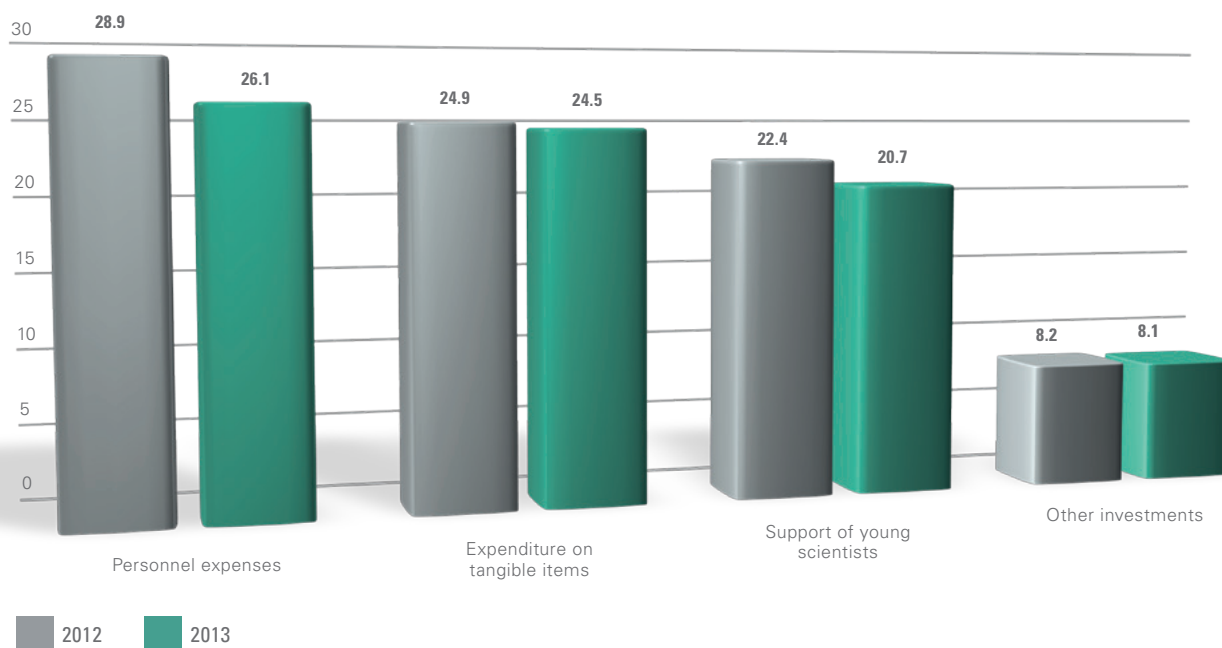
Expenditure trends in 2013 recorded a slight year-on-year increase in the share of expenditure on tangible items, accounting for 28.5% of total expenditure. There was a slight decrease in the proportion accounted for by personnel expenditure, at 38.7%, and subsidies (excluding investments), at 8.7% of total expenditure. The share of expenditure on construction projects and other investments fell to 17.8%, the previous year having been marked by increased investment activity and the expenditure on construction projects being lower in 2013 owing to delays. Accordingly, special financing expenses (see page 133) rose to account for a share of 6.3%.

One of the focal points of the budget execution is the continuation of all projects that have been started as part of the Strategic Innovation Fund, which was set up in line with the recommendation of the international system evaluation commission in 2002. Funding under the Strategic Innovation Fund is employed specifically to fund innovations, new forms of work and cooperation, and new research fields in the institutes, taking into account science policy and research strategy considerations.

Projects are supported, amongst others in the field of pharmacological active ingredient research, and programs are supported, such as those in the area of affirmative action, the Minerva Program, in the area of support of junior scientists, the Max Planck Research Groups, in the area of the cooperation with the universities, the Max Planck Fellow program, and, in the area of cooperation with foreign research facilities, the program of the Max Planck Centers. Detailed information about these projects can be found in the Annual Report (chapter: „Support of Junior Scientists“ and „Cooperation Programs“).

Expenditure volumes amounted to approximately €79.4 million in 2013, and €84.4 million in the previous year. This decline is due to the fact that new projects and calls for applications under the programs to promote other areas were postponed temporarily.

STRATEGIC INNOVATION FUND EXPENDITURE (EUR mill.)



Special financing expenses

Special financing expenses primarily comprise funds available on a multi-year basis. Special financing expenses rose by €73.4 million (151.0%) to a total of €122.0 million. This rise is largely down to the volume of €62.2 million in multi-year funds arising in the area of proportional financing in the General Budget. This volume of €62.2 million is predominantly transferred to the subsequent year within the framework of self-administration for which funds in the amount of €53.0 million had been taken up by December 31, 2013. In the project grants area within the General Budget, special financing expenses of €57.2 million (2012: €52.5 million) arose (already offset with advances).

II. Notes to the overview of assets

The overview of assets reports total assets of €2,894.9 million as of December 31, 2013 (2012: €2,763.5 million).⁴ Total assets rose by €131.4 million year-on-year (4.8%).

The following table shows the change in the individual asset items of the balance sheet as of December 31, 2013 compared with the previous year. The change compared with the previous year is presented in both absolute and percentage terms:

Assets (EUR mill.)	2013		2012		Change	
Fixed assets						
Intangible assets	9.1	(0.3 %)	11.6	(0.4 %)	-2.5	(-21.6 %)
Tangible assets	2,470.4	(85.3 %)	2,408.7	(87.2 %)	61.7	(2.6 %)
Financial assets	133.5	(4.6 %)	136.4	(4.9 %)	-2.9	(-2.1 %)
Amount Fixed assets	2,613.0	(90.2 %)	2,556.7	(92.5 %)	56.3	(2.2 %)
Current Assets						
Inventories	10.2	(0.4 %)	10.0	(0.4 %)	0.2	(2.0 %)
Receivables	146.9	(5.1 %)	90.7	(3.3 %)	56.2	(62.0 %)
Securities	0.6	(0.0 %)	1.1	(0.0 %)	-0.5	(-45.5 %)
Cash, bank balances, postal giro credits	116.3	(4.0 %)	97.5	(3.5 %)	18.8	(19.3 %)
Amount Current assets	274.0	(9.5 %)	199.3	(7.2 %)	74.7	(37.5 %)
Deferred expenses and accrued income	7.9	(0.3 %)	7.5	(0.3 %)	0.4	(5.3 %)
TOTAL	2,894.9	(100.0 %)	2,763.5	(100.0 %)	131.4	(4.8 %)

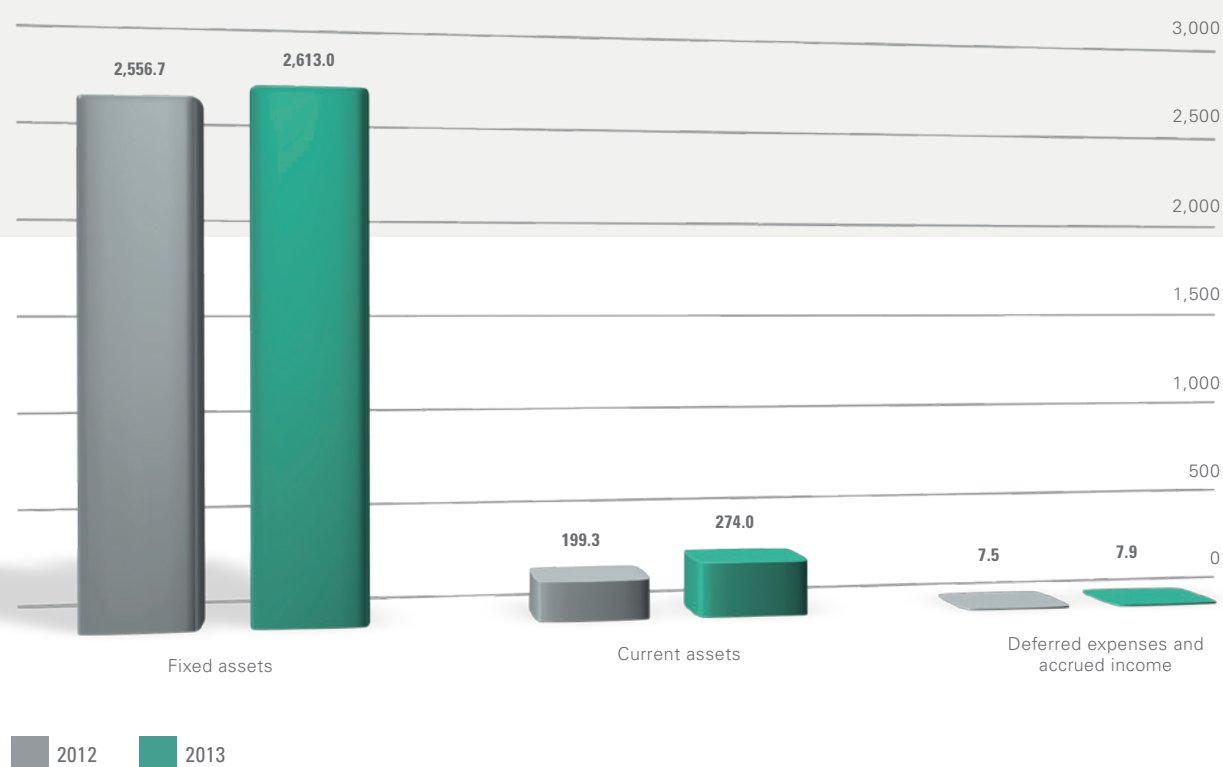
The following table shows the change in the individual equity and liabilities of the balance sheet as of December 31, 2013 compared with the previous year. The change compared with the previous year is presented in both absolute and percentage terms:

Equity and liabilities (EUR mill.)	2013		2012		Change	
Net assets	2,354.8	(81.3 %)	2,308.0	(83.5 %)	46.8	(2.0 %)
Provisions	315.2	(10.9 %)	302.6	(11.0 %)	12.6	(4.2 %)
Liabilities						
• Bank borrowings	1.2	(0.0 %)	1.2	(0.0 %)	0.0	(0.0 %)
• Trade payables	44.6	(1.5 %)	39.5	(1.4 %)	5.1	(12.9 %)
• Liabilities due to associated companies and companies in which an equity stake is held	5.9	(0.2 %)	9.1	(0.3 %)	-3.2	(-35.2 %)
• Other liabilities	16.7	(0.6 %)	13.7	(0.5 %)	3.0	(21.9 %)
Amount Liabilities	68.4	(2.4 %)	63.5	(2.3 %)	4.9	(7.7 %)
Deferred income and accrued expenses	156.5	(5.4 %)	89.4	(3.2 %)	67.1	(75.1 %)
TOTAL	2,894.9	(100.0 %)	2,763.5	(100.0 %)	131.4	(4.8 %)

⁴ The breakdown for the assets overview for the MPI for Plasma Physics was adjusted to reflect the breakdown for the Max Planck Society's General Budget.

Assets

ASSETS 2012 / 2013 (EUR mill.)



Fixed assets increased by €56.3 million (2.2%) to €2,613.0 million.

The statement of changes in fixed assets included on page 140 shows the changes in book values of **intangible assets** and **tangible assets** in 2013. Total additions of €421.8 million were capitalized. The inventory of assets fell by €49.0 million as the result of disposals. Depreciation and amortization amounted to €313.6 million.

The amount of **Financial assets** decreased by €2.9 million (-2.1%) to €133.5 million.

Current assets rose by €74.7 million (37.5%) to €274.0 million.

Inventories marginally increased by €0.2 million (2.0%) to €10.2 million. This item primarily includes the institutes' inventories of materials.

Receivables rose by €56.2 million (62.0%) year-on-year to €146.9 million. This item primarily reflects receivables due from grant providers, which were higher particularly as a result of the multi-year funds available within proportional financing that had not yet been drawn down (self-administration of funds).

The amount of **Securities held as current assets** decreased by €0.5 million (-45.5%) year-on-year.

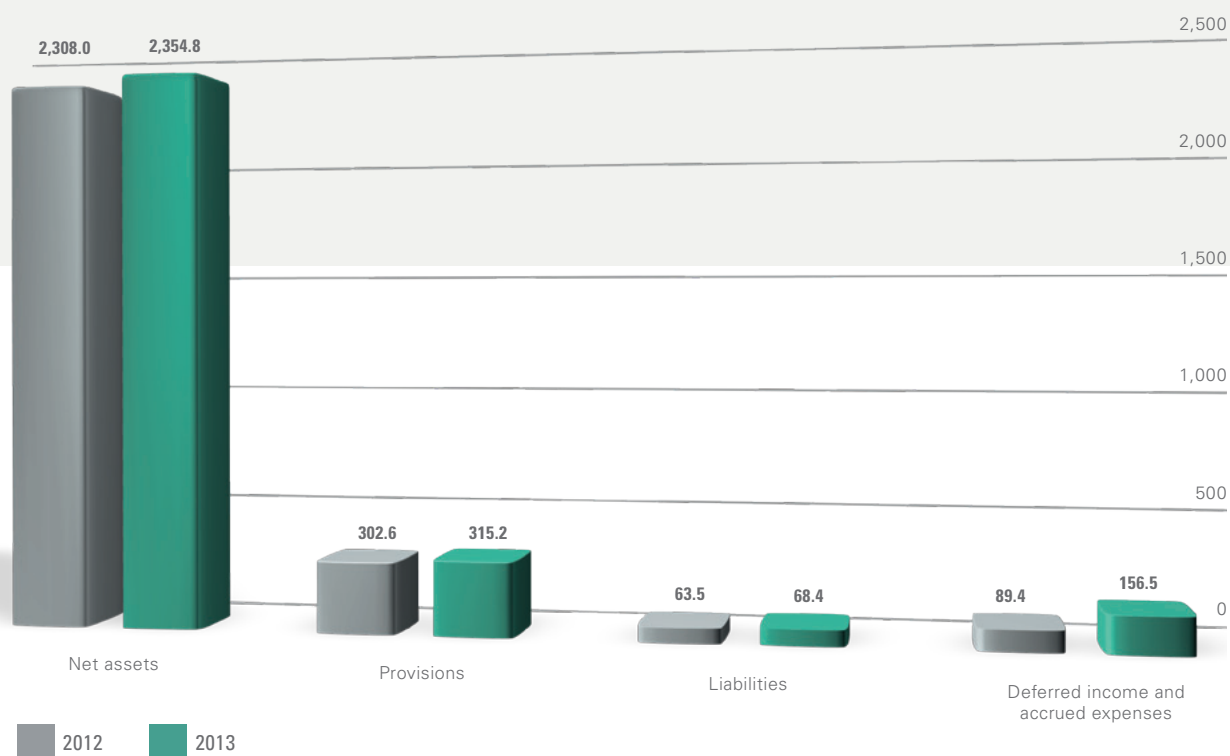
Liquid funds increased by €18.8 million (19.3%) to €116.3 million. This item includes cash holdings, current bank accounts in credit, and fixed-term deposits.

Deferred expenses and accrued income increased by €0.4 million (5.3%) compared with the previous year, to €7.9 million and primarily comprises personnel expenditures for the subsequent year.

Trust assets rose by €1.2 million to €47.3 million, which mainly contains the trust administration of EU project funds of €45.5 million.

Equity and liabilities

EQUITY AND LIABILITIES 2012 / 2013 (EUR mill.)



The **Society's net assets** increased by €46.8 million (2.0%) compared with the previous year, to €2,354.8 million. The change mainly is in line with the increase in fixed assets. The increase in the provisions, in particular, reduced net assets.

Provisions increased by €12.6 million (4.2%) to €315.2 million caused by the increase of pension provisions by €12.6 million to €307.1 million.

Liabilities increased by €4.9 million (7.7%) compared with the previous year, to €68.4 million.

Deferred income and accrued expenses increased by €67.1 million (75.1%) to €156.5 million. This item primarily comprises the funds available on the multi-year basis which are included among special financing expenses; advances are reported in the „Receivables and other assets“ item in this context. The rise in this item is mainly a result of the multi-year funds available within proportional financing.

III. Statement of income and expenditure for 2013



	Actual 2013	Actual 2012
Income (EUR)		
Own income	105,350,036.37	107,546,863.47
Public-sector subsidies for institutional funding		
• Proportional financing	1,499,419,680.84	1,420,996,610.11
• Special financing	10,095,327.08	12,142,272.14
Project grant subsidies	325,636,303.74	285,865,861.06
AMOUNT INCOME	1,940,501,348.03	1,826,551,606.78
Expenditure (EUR)		
Personnel expenses	750,069,773.10	728,846,476.07
Expenditure on tangible items	554,403,360.42	516,069,498.15
Subsidies (excluding investments)	168,830,905.01	166,452,373.58
Expenditure on construction projects and other investments	345,166,301.11	366,598,173.60
AMOUNT EXPENDITURE	1,818,470,339.64	1,777,966,521.40
SPECIAL FINANCING EXPENSES	122,031,008.39	48,585,085.38

IV. Overview of assets as of December 31, 2013

ASSETS		31.12.2013 (EUR)	31.12.2012 (TEUR)
A. Fixed assets			
I. Intangible assets			
1. Concessions, industrial property rights and equivalent rights as well as licenses to such rights		9,091,344.38	11,612.1
II. Tangible assets			
1. Land, rights equivalent to land, and buildings including buildings on third-party land	1,161,365,597.59		1,193,842.1
2. Technical plant and machinery	487,073,696.99		480,752.1
3. Other plant, operating and office equipment	207,251,154.59		196,947.7
4. Plant under construction	614,686,378.98	2,470,376,828.15	537,144.5
III. Financial assets			
1. Equity stakes	1,535,569.96		1,550.6
2. Securities	127,918,105.78		129,224.4
3. Other loans	3,996,727.61	133,450,403.35	5,618.0
B. Current assets			
I. Inventories		10,245,286.33	10,014.2
II. Receivables and other assets			
1. Trade receivables	5,007,310.71		4,142.6
2. Receivables due from associated companies and companies in which an equity stake is held	2,247.19		0.0
3. Other assets	141,904,515.58	146,914,073.48	86,558.1
III. Securities		583,010.36	1,148.5
IV. Cash, bank deposits, postal giro credits		116,243,722.36	97,449.6
C. Deferred expenses and accrued income		7,946,948.90	7,516.4
TOTAL		2,894,851,617.31	2,763,520.9
Memorandum item: Trust assets		47,339,479.66	46,079.8

EQUITY AND LIABILITIES

	(EUR)	31.12.2013 (EUR)	31.12.2012 (TEUR)
A. Net assets		2,354,844,373.01	2,308,055.5

B. Provisions

1. Pension provisions and similar commitments	307,117,252.00		294,541.3
2. Other provisions	8,035,923.27	315,153,175.27	8,020.9

C. Liabilities

1. Bank borrowings	1,141,798.01		1,195.8
2. Trade payables	44,632,736.68		39,537.2
3. Liabilities due to associated companies and companies in which an equity stake is held	5,905,082.73		9,062.2
4. Other liabilities	16,713,071.28	68,392,688.70	13,745.8

D. Deferred income and accrued expenses		156,461,380.33	89,362.2
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TOTAL		2,894,851,617.31	2,763,520.9
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Memorandum item: Trust liability		47,339,479.66	46,079.8
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MAX-PLANCK-GESELLSCHAFT ZUR FÖRDERUNG DER WISSENSCHAFTEN E.V.

Statement of changes in fixed assets as of December 31, 2013

EUR	Book value 01.01.2013	Addition	Disposal	Reclassi- fication	Depreciation / amortization	Book value 31.12.2013
I. Intangible assets						
1. Concessions, industrial property rights and equivalent rights as well as licenses to such rights	11,612,069.10	3,416,842.49	-157,798.00	-42,000.00	-5,737,769.21	9,091,344.38
II. Tangible assets						
1. Land, rights equivalent to land, and buildings including buildings on third-party land	1,193,842,079.20	32,696,293.80	-1,892,587.41	4,649,108.25	-67,929,296.25	1,161,365,597.59
2. Technical plant and machinery	480,752,061.79	195,624,746.40	-5,177,049.10	26,922,207.49	-211,048,269.59	487,073,696.99
3. Other plant, operating and office equipment	196,947,676.05	40,014,677.82	-1,472,467.26	632,644.05	-28,871,376.07	207,251,154.59
4. Plant under construction	537,144,568.73	150,020,798.08	-40,317,028.04	-32,161,959.79	0.00	614,686,378.98
	2,408,686,385.77	418,356,516.10	-48,859,131.81	42,000.00	-307,848,941.91	2,470,376,828.15
TOTAL	2,420,298,454.87	421,773,358.59	-49,016,929.81	0.00	-313,586,711.12	2,479,468,172.53