European Medicines Agency

ANNUAL ACCOUNTS

FINANCIAL YEAR 2007

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ANNUAL ACCOUNTS

FINANCIAL YEAR 2007

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ACCOUNTANT'S CERTIFICATE ON THE ANNUAL ACCOUNTS

FOR THE FINANCIAL YEAR 2007

The Annual Accounts of the European Medicines Agency have been prepared in accordance with Title VII of the Agency's Financial Regulation as well as the accounting rules and methods adopted by the European Commission's Accounting Officer.

I hereby certify that based on the information provided by the Authorising Officer, I have reasonable assurance that the Annual Accounts present a true and fair view of the financial position of the European Medicines Agency, as at December 31, 2007 in all material aspects.

Gerard O'Malley
Accounting Officer
London, June 15th, 2008

ANNUAL ACCOUNTS

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PART I

FINANCIAL STATEMENTS AND EXPLANATORY NOTES

PRINCIPAL ACTIVITIES OF EMEA

Working with the Member States and the European Commission as partners in a European medicines network, the European Medicines Agency:

- provides independent, science-based recommendations on the quality, safety and efficacy of medicines, and on more general issues relevant to public and animal health that involve medicines;
- applies efficient and transparent evaluation procedures to help bring new medicines to the market by means of a single, EU-wide marketing authorisation granted by the European Commission;
- implements measures for continuously supervising the quality, safety and efficacy of authorised medicines to ensure that their benefits outweigh their risks;
- provides scientific advice and incentives to stimulate the development and improve the availability of innovative new medicines;
- recommends safe limits for residues of veterinary medicines used in food-producing animals, for the establishment of maximum residue limits by the European Commission;
- involves representatives of patients, healthcare professionals and other stakeholders in its work, to facilitate dialogue on issues of common interest;
- publishes impartial and comprehensible information about medicines and their use;
- develops best practice for medicines evaluation and supervision in Europe, and contributes alongside the Member States and the European Commission to the harmonisation of regulatory standards at the international level.

INTRODUCTION AND LEGAL BASIS

The accounts are kept in accordance with the provisions of Title VII of the Financial Regulation applicable to the EMEA as adopted by the Management Board on 10 June 2004. These accounting provisions are the same as Title VII of the Framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, EURATOM) no 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.

As required by Article 76 of the Framework Financial Regulation the EMEA annual accounts for 2007 comprise:

- The financial statements i.e. the balance sheet, economic outturn account, cash flow statement and relevant annexes which supplement the information contained in the financial statements (Pages 10 - 21).

- The reports on the implementation of the budget (Pages 23 - 40).

ACCOUNTING PRINCIPLES

The objectives of financial statements are to provide information about the financial position, performance and cash flows of an entity that is useful to a wide range of users. For a public sector entity such as the EMEA, the objectives are more specifically to provide information useful for decision making, and to demonstrate the accountability of the entity for the resources entrusted to it.

If they are to present a true and fair view, financial statements must not only supply relevant information to describe the nature and range of an Institution's activities, explain how it is financed and supply definitive information on its operations, but do so in a clear and comprehensible manner which allows comparisons between financial years. It is with these goals in mind that the present report has been drawn up.

The accounting system of the EMEA (in common with all European Institutions) comprises general accounts prepared on the accrual basis and budget accounts prepared on the modified cash accounting basis. The application of accrual accounting principles essentially means that income and expenditure is recorded in the accounts when it is earned / incurred and not just when cash is received or paid. The biggest impact of applying the accrual basis in the EMEA financial statements relates to:

Caption	Accrual	Budget
Fee Revenue	Based on invoices raised	Cash received
Community Contribution	Net amount due after deduction of budget outturn	Amount received by EMEA
Fixed assets	Purchases of fixed assets are capitalised and cost depreciated over useful life of the assets	Total amount charged to the budget
Expenditure	Actual amounts paid plus actual liabilities at year end	Actual amounts paid plus budgetary carry over

The reconciliation between the budget result and the economic outturn are explained in Note 5 to the accounts on page 16.

Article 78 of the Financial Regulation of the EMEA sets out the accounting principles for drawing up the financial statements which are:

- The going concern principle means that for the purposes of preparing the financial statements, the EMEA is deemed to be established for an indefinite duration;

- The consistent accounting methods means that the structure of the components of the financial statements and the accounting methods and valuation rules may not be changed from one year to the next;

- The comparability of information means that for each item the financial statements shall also show the amount of the corresponding item for the previous year;

- The materiality principle means that all operations which are of significance for the information sought shall be taken into account in the financial statements. Materiality shall be assessed in particular by reference to the nature of the transaction or the amount;

- The no-netting principle means that receivables and debts may not be offset against each other, nor may charges and income, save where charges and income derive from the same transaction, from similar transactions and provided that they are not individually material;

- The principle of reality over appearance means that accounting events recorded in the financial statements shall be presented by reference to their economic nature;

- The accrual-based accounting principle means that transactions and events shall be entered in the accounts when they occur and not when amounts are actually paid or recovered. They shall be booked to the financial years to which they relate;

- The principle of prudence means that assets and income shall not be overstated and liabilities and charges shall not be understated. However, the principle of prudence does not allow the creation of hidden reserves or undue provisions.

ACCOUNTING POLICIES

These accounts have been prepared following, in all material respects, the accounting rules adopted by the Accountant of the European Commission in accordance with Articles 133 and 185 of the Financial Regulation applicable to the budget of the European Communities.

Recognition of Revenue

The Agency charges a fee to applicants for services rendered in accordance with Council Regulation EC no 1905/2005 of 14th December 2005.

Recovery orders (invoices) are processed on administrative validation at the start of the procedure to which the service relates. The evaluation service is subcontracted to the national competent authorities (NCAS) of the Member States who receive a fixed percentage of the fee (generally 50% except for annual maintenance fees where it is 30%).

Initial Applications

For initial marketing applications which account for approximately 16% of fees, revenue is accrued on the following basis:

a) 50% on reception of the rapporteur assessment report;

b) 50% at the end of the procedure i.e. the finalisation of the EMEA opinion

The amount of revenue deferred at December 31, 2007 amounts to €11,981,950 (2006 €9,069,100).

Annual Fees

In addition to procedures validated during the year an annual maintenance fee is charged to Marketing Authorisation Holders in respect of post authorisation monitoring activities required by legislation. These fees which account for approximately 28% of revenue are due on the first and each subsequent anniversary of the notification of the marketing authorisation decision and revenue is accrued as a pro rata basis in relation to the time passed since the previous anniversary date. The accrued fees at December 31, 2007 amount to € 15,858,000 (2006: € 12,715,000).

The amounts due to the National Competent Authorities are accrued at the same time as the revenue is recognised.

For all other fees revenue is recognised when invoices are processed as the related procedures are generally started and completed within the financial year.

Bases for Conversion of Currencies

The accounts are presented in Euro. Assets and liabilities are converted into Euro on the basis of the exchange rate ruling at December 31, 2007, except for tangible and intangible assets, which retain their value in Euro at the rate that applied when they were purchased. During the year revenue and expenditure incurred in currencies other than the Euro (mainly Pounds Sterling) are converted to Euro based on the monthly exchange rates published by the European Commission.

Tangible and Intangible Fixed Assets

Tangible and intangible fixed assets are valued at their acquisition price converted into Euro at the rate applying when they are purchased. The book value of a fixed asset is equal to its acquisition price or production cost, plus or minus revaluations, depreciation and other amounts written off. (See depreciation rates below).

Software development costs paid to third party consultants are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the EMEA and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the economic outturn account during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Software Licences	25%
Software development costs paid to Third Party Consultants	25%
Furniture and Office Equipment	10%
Technical Equipment	12.5%
Fitting out of leasehold premises	25%
Computer Hardware	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the economic outturn account.

Leases

Leases where the lessor retains a significant portion of the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are charged to the economic outturn account on a straight-line basis over the period of the lease.

The EMEA has not entered into financing leases (i.e. where the lessee holds substantially all the risks and rewards of ownership).

Receivables

Receivables are carried at original invoice amount less write-down for impairment. A write-down for impairment of receivables is established when there is objective evidence that the EMEA will not be able to collect all amounts due according to the original terms of receivables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount.

Cash & cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. They include cash in hand, deposits held at call and short term deposits with banks.

Pension obligations

The EMEA staff are members of the European Communities Pension Scheme which is a defined benefit pension plan.

A defined benefit plan is a pension plan that generally defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. Staff contribute 10.25% of their basic salaries and an additional 20.5% contribution is made by the European Communities.

In accordance with Article 83 of the Staff Regulations, the payment of the benefits provided for in the pension scheme constitutes a charge on the Communities' budget. The provision for this charge is not funded, but the Member States guarantee the payment of these benefits collectively according to the scale fixed for the financing of this expenditure.

Future benefits payable to Agency staff under the community pension scheme are accounted for in the consolidated accounts of the European Communities as they are the responsibility of the Communities. Accordingly, no provisions for pension payments or any pension fund deficits are required to be included in these accounts.

BALANCE SHEET AS AT 31 DECEMBER, 2007

AMOUNTS IN EUR

ASSETS

	Note	31.12.2007	31.12.2006
NON CURRENT ASSETS			
INTANGIBLE FIXED ASSETS	1	**17,972,617.78**	**14,889,243.89**
TANGIBLE FIXED ASSETS	2	**12,672,671.74**	**6,695,767.73**
TOTAL NON CURRENT ASSETS		**30,645,289.52**	**21,585,011.62**
CURRENT ASSETS			
Short term receivables	3	**32,036,684.25**	**26,045,192.62**
VAT recoverable from Member states		1,907,222.12	802,884.87
Consolidated EC Entities		-	31,156.55
Debtors and Accrued Revenue		27,398,084.18	23,277,146.41
Provision for doubtful debts		-41,760.00	-710,932.63
Sundry receivables		2,773,137.95	2,644,937.42
CASH &CASH EQUIVALENTS	4	34,318,411.51	37,508,209.28
TOTAL CURRENT ASSETS		**66,355,095.76**	**63,553,401.90**
TOTAL ASSETS		**97,000,385.28**	**85,138,413.52**

LIABILITIES

	Note	31.12.2007	31.12.2006
CAPITAL			
Accumulated surplus/deficit		43,889,416.72	27,108,605.22
Economic Outturn for the year	5	9,180,669.58	16,780,811.50
TOTAL CAPITAL		**53,070,086.30**	**43,889,416.72**
CURRENT LIABILITIES			
Deferred Income		11,981,950.00	9,069,100.00
Employee Benefits		2,909,331.00	2,699,378.61
Current payables	6	22,660,963.17	18,758,669.55
Sundry payables		268,911.78	309,600.81
Advances from customers		204,323.75	1,726,103.40
EC Entities		959,422.57	506,901.53
Budgetary outturn	9	4,945,396.71	8,179,242.90
TOTAL CURRENT LIABILITIES		**43,930,298.98**	**41,248,996.80**
TOTAL LIABILITIES		**97,000,385.28**	**85,138,413.52**

ECONOMIC OUTTURN ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2007

AMOUNTS IN EUR

Operating Income	**Notes**	**31.12.2007**	**31.12.2006**
Fees relating to marketing authorisations	**8**	**112,708,169.70**	**110,469,193.30**
European Commission subsidy		34,804,594.81	23,753,666.35
EEA subsidy		798,000.00	618,000.00
European Commission subsidy for orphan medicines		4,892,000.00	6,633,250.00
European Commission grant		649,677.00	498,464.00
			-
Total Community Contributions	**10**	**41,144,271.81**	**31,503,380.35**
			-
Administrative revenue	**11**	4,748,596.00	4,956,940.00
Sundry revenue	**12**	2,848,174.02	3,612,646.30
			-
a) Total Operating Income		**161,449,211.53**	**150,542,159.95**
Operating Charges			
Staff expenditure	**13**	50,164,628.62	45,149,599.46
Administrative expenditure	**14**	25,751,853.29	19,916,841.19
Operating Expenditure	**15**	67,402,036.66	63,436,826.48
Depreciation for year	**(1&2)**	7,761,326.27	6,127,486.63
Other expenditure		-	563,331.41
b) Total Operating Charges		**151,079,844.84**	**135,194,085.17**
c) Surplus / (deficit) from operating activities (c = a - b)		10,369,366.69	15,348,074.78
Surplus / (deficit) from non operating activities (e)	**16**	< 1,188,697.11 >	1,432,736.72
f) Surplus / (deficit) from ordinary activities (f = c + e)		**9,180,669.58**	**16,780,811.50**
Surplus / (deficit) from extraordinary items (g)		-	-
Economic Outturn of the Year (f + g)		**9,180,669.58**	**16,780,811.50**

CASH FLOW STATEMENT

Cash Flow Statement for the Year ended December 31, 2007 Eur

	2007	2006
Cash Flows from ordinary activities		
Surplus from ordinary activities	**9,180,669.58**	**16,780,811.50**
Operating activities		
Adjustments		
Amortization (intangible fixed assets) +	4,250,494.74	3,283,484.23
Depreciation (tangible fixed assets) +	3,510,831.53	1,273,337.52
Increase/(decrease) in Provisions for risks and liabilities	209,952.39	1,485,786.40
Increase/(decrease) in Value reduction for doubtful debts	< 669,172.63 >	424,132.63
(Increase)/decrease in Short term Receivables	< 5,353,475.55 >	< 12,197,101.17 >
(Increase)/decrease in Receivables related to consolidated EC entities	-	217,695.85
Increase/(decrease) in Accounts payable	5,252,442.35	1,456,874.48
Increase/(decrease) in Liabilities related to consolidated EC entities	< 2,752,804.49 >	3,553,590.49
(Gains)/losses on sale of Property, plant and equipment	1,434.24	1,634,465.47
Net cash Flow from operating activities	**13,630,372.16**	**17,913,077.40**
Cash Flows from investing activities		
Purchase of tangible and intangible fixed assets (-)	< 16,820,169.93 >	< 10,339,194.39 >
Net cash flow from investing activities	**< 16,820,169.93 >**	**< 10,339,194.39 >**
Net increase/(decrease) in cash and cash equivalents	< 3,189,797.77 >	7,573,883.01
Cash and cash equivalents at the beginning of the period	37,508,209.28	29,934,326.27
Cash and cash equivalents at the end of the period	34,318,411.51	37,508,209.28

STATEMENT OF CHANGES IN CAPITAL

The following are the movements on the Capital Accounts for the year:

	Accumulated Surplus	Economic Outturn for the Year	Capital TOTAL
BALANCE AS OF 31 DECEMBER 2005 as restated	23,280,380.52	3,828,224.70	27,108,605.22
Allocation of economic outturn 2005	3,828,224.70	< 3,828,224.70 >	-
Economic outturn 2006	-	16,780,811.50	16,780,811.50
BALANCE AS OF 31 DECEMBER 2006	**27,108,605.22**	**16,780,811.50**	**43,889,416.72**
Allocation of economic outturn 2006	16,780,811.50	< 16,780,811.50 >	-
Economic outturn 2007	-	9,180,669.58	9,180,669.58
BALANCE AS OF 31 DECEMBER 2007	**43,889,416.72**	**9,180,669.58**	**53,070,086.30**

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Intangible Fixed Assets

Intangible fixed assets are identifiable non-monetary assets without physical substance and it is probable that the asset will produce future economic benefit for the Agency. In the case of the EMEA this comprises computer software licences and consulting costs related to the development of certain major EU Telematics and internal projects.

The following table summarises the accounting movements for the year EUR thousands

Cost	Software Licences and Consulting Costs	Intangibles in Progress	**TOTAL**
BALANCE 1.1.2007	**17,861**	**6,324**	**24,185**
Additions	4,799	2,797	7,596
Incorporation of intangible in progress	3241	- 3,241	-
Reclassification to tangible assets	-262	-	- 262
BALANCE 31.12.2007	**25,639**	**5,880**	**31,519**
ACCUMULATED DEPRECIATION			
BALANCE 1.1.2007	**9,296**		**9,296**
Charge for the year	4,250		4,250
BALANCE 31.12.2007	**13,546**		**13,546**
NET BOOK VALUE 31.12.2007	**12,093**	-	**17,973**

Note 2. Tangible Fixed Assets

This item comprises the following EUR thousands

Cost	Building Fitting out costs	Furniture and Equipment	Computer Hardware	Tangible Fixed Assets Under Construction	**TOTAL**
BALANCE 1.1.2007	**8,096**	**3,578**	**7,192**	**45**	**18,911**
Additions for the year	5,832	1,496	1,240	656	9,224
Transfer from intangible	262	-	-		262
Disposals and other adjustments	< 72 >	< 14 >	-	72	< 14 >
BALANCE 31.12.2007	**14,118**	**5,060**	**8,432**	**773**	**28,383**
ACCUMULATED DEPRECIATION					
BALANCE 1.1.2007	**5,730**	**1,377**	**5,108**		**12,215**
Charge for the year	1,778	1,111	622		3,511
Disposals and other adjustments			< 16 >		< 16 >
BALANCE 31.12.2007	**7,508**	**2,488**	**5,714**		**15,710**
NET BOOK VALUE 31.12.2007	**6,610**	**2,572**	**2,718**	**773**	**12,673**

Note 3. Short Term Receivables

VAT Recoverable from Member States

The protocol agreement between the Agency and the UK authorities provides that the Agency pays VAT and air passenger duty on goods and services invoiced by UK registered entities and subsequently reclaims the amounts. The amount of Euro 1,907,222.12 will be recovered in 2008.

Debtors and Accrued Revenue

This caption includes: EUR thousands

	31.12.2007	**31.12.2006**
Fees invoiced	9,150	9,206
Fees invoiced - payment deferred	2,390	1,355
Total Invoiced Fees Outstanding	**11,540**	**10,561**
Accrued Fees	15,858	12,715
Total Debtors and Accrued Revenue	**27,398**	**23,276**

In certain instances collection of invoiced fees is deferred for pandemic influenza products and applications by Micro, Small and Medium enterprises.

The provision for doubtful debts is a specific provision i.e. amounts concerned likely to be uncollected for specific customers.

Note 4. Cash and Cash Equivalents

Bank balances are comprised as follows: EUR thousands

	31.12.2007	31.12.2006
Short term deposits	28,636	35,078
Interest bearing current accounts	5,676	2,421
Imprest Accounts	6	9
	34,318	**37,508**

The cash balance at the year end are earmarked to pay the budget surplus of € 4.9 million to the European Commission and the budget carry forwards of € 32.03 million as disclosed in the budgetary outturn account on page 23.

Note 5. Capital

The Economic outturn for the year is made up of: EUR thousands

		31.12.2007	31.12.2006
The budgetary outturn	**a**	**4,945**	**8,179**
Result of adjustments			
Positive movements			
Budgetary commitments carry forward for future services		13,675	10,350
Capitalisation of intangible assets		7,596	7,751
Capitalisation of tangible assets		9,224	2,588
Revenue due not collected at 31.12.2007		26,229	14,041
Prepaid expenses		568	350
	b	**57,292**	**35,080**
Negative movements			
Increase (decrease) in deferred revenue		2,914	< 4,631 >
Reduction of EC contribution considered as prefinancing		4,945	8,179
Depreciation of intangible assets		4,250	3,283
Depreciation of tangible assets		3,511	2,845
Provision for untaken leave		219	1,514
Provision for doubtful debts		< 602 >	484
Reversal of 2006 accrued revenue		12,715	694
Reversal of 2006 carry-forwards		10,350	7,791
Revenue 2006 collected 2007		9,902	2,091
Miscellaneous receivables / dues		96	79
Accrual for amounts due to National Competent Authorities		4,756	4,150
	c	**53,056**	**26,479**
Economic outturn (a + b - c)		**9,181**	**16,780**

Note 6. Current Liabilities

Current payables represent amounts accrued due for goods and services at 31 December 2007.

EUR thousands

	31.12.2007	31.12.2006
Amounts carried over in the budgetary accounts were	32,039	29,413
Accrual for rapporteur fees	4,756	4,150
Adjustments for amounts not due at December 31, 2007	< 13,675 >	< 14,500 >
	23,120	**19,063**
Less carryovers related to EC entities	459	304
	22,661	**18,759**

Note 7. Non-Budgetary Commitments and Contingent Liabilities

The major future commitment entered into by the Agency is the rental contract of the building at numbers 1 and 7 Westferry Circus. At present it is estimated that rent payable for the period 2007 to 2014 amounts to approximately Euro 105 million inclusive of service charges.

In addition the Agency will be liable on non renewal of the lease, to bear the cost of restoring the premises to its original state. The best estimate of this cost amounts to Euro 7.3 million.

The Agency is co defendant together with the European Commission in a number of administrative appeals filed in the Courts by applicants. These legal cases or administrative appeals can be considered to be part of the normal course of business for a pharmaceutical regulatory authority. At this moment there is no reason to believe that any significant financial obligation would arise as a result of these cases. However this cannot be guaranteed until judgement is received from the Court.

Note 8. Fees relating to Marketing Authorisations

Revenue from fees comprise: EUR thousands

	2007	2006
Fees for initial applications	18,342	14,891
Annual fees	31,150	28,217
Other fees	63,216	67,361
	112,708	**110,469**

Note 9. Budgetary Surplus

The budgetary outturn calculated as set out on page 23 is transferred to the European Commission. The Commission treats this amount as earmarked revenue, which can at the discretion of the Commission be included in the contribution to the Agency budgets of the next two years.

Note 10. Commission Subsidy for Orphan Medicinal Products

Each year the European Parliament and Council allocate a special contribution from the EU budget to allow EMEA to offer financial incentives to sponsors of orphan medicinal products.

The decrease in the Orphan Medicines contribution (-26.25% in 2007 compared to 2006) is due to a change in policy for orphan fee reductions where since 1 January 2007 a 100% reduction is granted for Protocol Assistance and pre-authorisation inspections and 50% reduction for Marketing Applications. A 50% fee reduction for post-marketing activities is only granted for micro-, small and medium sized enterprises (SMEs) during the first year on the market whereas up to 31 December 2006 this fee reduction was available to all applicants.

Note 11. Administrative Revenue

This chapter includes administrative charges for: EUR thousands

	31.12.2007	**31.12.2006**
Processing Parallel Distribution notifications	3,947	4,127
Processing Export Certificates	783	803
Subscriptions	19	27
	4,749	**4,957**

A Community marketing authorization is valid throughout the EU and a centrally authorized medicinal product is by definition identical in all Member States. Products placed on the market in one Member State can be marketed in any other part of the Community by a "parallel distributor" independent of the marketing authorization holder. Typically, this is done to benefit from price differentials. The EMEA checks compliance of such products distributed in parallel with the appropriate terms of the Community marketing authorization. In 2007 the Agency invoiced 1285 initial notifications (2006: 1080).

The purpose of the EMEA scheme for certificates of medicinal products is to support the work of health authorities outside the European Union, in particular in developing countries. EMEA certificates are issued by the Agency, on behalf of the European Commission through the marketing authorization status of products authorized by the European Commission through the centralized procedure.

Note 12. Sundry Revenue

This chapter includes: EUR thousands

	31.12.2007	31.12.2006
Budgetary carryovers from previous years not used	1,135	2,131
Capital contribution from landlord - 7 Westferry Circus	-	663
EDQM refund	401	70
Other Sundry Income	1,312	749
	2,848	**3,613**

Note 13. Staff Expenditure

From 2006 to 2007 staff expenditure has increased by 11.1% as basic salaries increased by 1.0% and the average number of staff has increased from 406 to 459 (13.1%).

Note 14. Administrative Expenditure

This comprises: EUR thousands

	31.12.2007	31.12.2006
Building occupancy costs	14,744	11,742
Communication and Networking expenditure on annual IT costs	9,262	6,646
Others, ie Telecommunication, Library etc	1,746	1,529
	25,752	**19,917**

The increase of € 5.83 million is principally due to an increase in building occupancy costs of €3.01 million arising from increased occupancy of agency's premises. The average space occupied in 2007 was sqmts 13,078 an increase of 20.9% over 2006 (sqmts 10,817).

Note 15. Operating Expenditure

The principal items included are: EUR thousands

	31.12.2007	31.12.2006
Share of evaluation and annual fees to NCAs	56,444	54,620
Reimbursement of Committee Members travelling		
costs and accommodation	6,953	5,915
Translation	3,232	2,152
Other	773	749
	67,402	**63,436**

Note 16. Non-Operating Activities

This caption relates to income from financial sources as follows: EUR thousands

	31.12.2007	31.12.2006
Interest Income	1,234	599
Bank charges	< 70 >	< 60 >
	1,164	**540**
Exchange loss / gain	< 2,353 >	893
	< 1,189 >	**1,432**

The increase in the interest revenue is largely due to the increase in the Euro and Pound Sterling (GBP) interest rates from an average of Euro 2.66 / GBP 4.15% in 2006 to Euro 3.81 / GBP 5.57% in 2007 and also having more funds on deposit as a result of increased revenue.

The exchange loss is an accounting adjustment mainly arising from the revaluation of GBP bank balances at the year end.

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PART II

REPORTS ON THE IMPLEMENTATION OF THE BUDGET

BUDGET OUTTURN ACCOUNT FOR 2007

: EUR

REVENUE	2007	2006
EC subsidies including EEA contribution	40,547,991.52	32,550,909.25
EC subsidy for "Orphan Drugs"	4,892,000.00	6,633,250.00
Evaluation Fees	111,752,775.75	94,556,224.25
Revenue from administrative operations	5,065,361.10	5,406,347.25
Contribution to community programmes	582,833.55	741,000.00
Miscellaneous Revenue	2,448,490.37	1,414,144.70
Total A	**165,289,452.29**	**141,301,875.45**
EXPENDITURE		
TITLE 1 - Staff		
Payments	49,106,750.38	42,941,164.44
Automatic carry forwards	764,301.23	767,609.76
Sub-total	**49,871,051.61**	**43,708,774.20**
TITLE 2 - Buildings, Equipment and operating expenditure		
Payments	25,863,037.98	18,946,265.19
Automatic carry forwards	18,894,780.67	15,060,819.64
Non-automatic carry forwards	-	-
Sub-total	**44,757,818.65**	**34,007,084.83**
TITLE 3 - Operating Expenditure		
Payments	52,117,980.36	44,846,632.75
Automatic carry forwards	12,379,225.91	13,584,591.00
Sub-total	**64,497,206.27**	**58,431,223.75**
Total Payments	127,087,768.72	106,734,062.38
Total for automatic carry forwards	32,038,307.81	29,413,020.40
Total for non-automatic carry forwards	-	-
Total B	**159,126,076.53**	**136,147,082.78**
Budget Outturn for the Year (A - B)	6,163,375.76	5,154,792.67
Appropriations carried forward from the previous year which lapse	1,135,338.44	2,131,294.86
Differences on exchange	< 2,353,317.49 >	893,155.37
Balance carried over from year 2006	8,179,242.90	4,739,774.48
Positive balance from year 2006 reimbursed in year 2007 to the Commission	< 8,179,242.90 >	< 4,739,774.48 >
Balance for the Year	**4,945,396.71**	**8,179,242.90**
Interest yielded on the EC subsidy and to be reimbursed to the Commission	402,422.94	184,907.60

GENERAL UTILISATION OF APPROPRIATIONS

Financial Year 2007 EURO

Art	Item	Heading	For 2007 Total Appropriations	Commitments 2007	Payments Made 2007	From 2007 to 2008 Carry overs Art 10.6	From 2007 to 2008 Non-automatic Carry Overs Art 10.6	Cancellation of Appropriations
1	2	3	9	10	11	13		14
		Title 1 Staff	51,132,000.00	49,871,051.61	49,106,750.38	764,301.23	-	1,260,948.39
		Title 2 Buildings,Equipment and miscellaneous operating expenditure	47,198,000.00	44,757,818.65	25,863,037.98	18,894,780.67	-	2,440,181.35
		Title 3 Operating expenditure	64,783,000.00	64,497,206.27	52,117,980.36	12,379,225.91	-	285,793.73
			163,113,000.00	**159,126,076.53**	**127,087,768.72**	**32,038,307.81**	-	**3,986,923.47**

Carry overs 2006 EURO

Art	Item	Heading	From 2006 to 2007 Carry over Art 10.6	Non-automatic Carry over	Payments against appropriations carried over	Cancellations of Automatic Carry over	Cancellations Non-automatic Carry over Art.	Total Cancellations
1	2	3	5		7	8		
		Title 1 Staff	767,609.76	-	661,165.69	106,444.07	-	106,444.07
		Title 2 Buildings,Equipment and miscellaneous operating expenditure	15,060,819.64	-	14,359,787.52	701,032.12	-	701,032.12
		Title 3 Operating expenditure	13,584,591.00	-	13,256,728.75	327,862.25	-	327,862.25
			29,413,020.40	-	**28,277,681.96**	**1,135,338.44**	-	**1,135,338.44**

Development and Use of the appropriations for the Financial Year 2007

EURO

Art./ Item	HEADING	INITIAL APPROPIATIONS	AMENDMENTS BY RECTIFYING BUDGETS	TRANSFERS OF APPROPRIATIONS	TRANSFER OF RESERVE	2007 ACTUAL APPROPRIATIONS	COMMITMENTS	PAYMENTS MADE	AUTOMATIC CARRY FORWARD	BUDGET to be cancelled
	1	2	3	4	5	6	7	8	9	10
	TITLE 1 : EXPENDITURE RELATING TO PERSONS WORKING WITH THE INSTITUTION									
	CHAPTER 11 - STAFF IN ACTIVE EMPLOYMENT									
110	*STAFF HOLDING A POST PROVIDED FOR IN THE ESTABLISHMENT PLAN*									
1100	BASIC SALARIES	24,934,000.00	-	- 635,000.00		24,299,000.00	24,176,789.61	24,176,789.61	-	122,210.39
1101	FAMILY ALLOWANCES	1,997,000.00	-	-		1,997,000.00	1,933,868.44	1,933,868.44	-	63,131.56
1102	EXPATRIATION AND FOREIGN RESIDENCE ALLOWANCES	3,237,000.00	-	- 33,000.00		3,204,000.00	3,193,914.49	3,193,914.49	-	10,085.51
1103	FIXED ALLOWANCES	115,000.00	-	-		115,000.00	95,515.52	95,515.52	-	19,484.48
	TOTAL OF ARTICLE 110	**30,283,000.00**	**-**	**- 668,000.00**		**29,615,000.00**	**29,400,088.06**	**29,400,088.06**	**-**	**214,911.94**
111	*OTHER STAFF*									-
1110	AUXILIARY STAFF	80,000.00	-	-		80,000.00	64,934.72	64,934.72	-	15,065.28
1112	LOCAL STAFF	-	-	-		-	-	-	-	-
1113	SPECIAL ADVISERS	-	-	-		-	-	-	-	-
1114	CONTRACT AGENT ART. 3A	1,547,000.00	-	140,000.00		1,687,000.00	1,633,466.61	1,633,466.61	-	53,533.39
	TOTAL OF ARTICLE 111	**1,627,000.00**	**-**	**140,000.00**		**1,767,000.00**	**1,698,401.33**	**1,698,401.33**	**-**	**68,598.67**
1120	FURTHER TRAINING, LANGUAGE COURSES AND RETRAINING FOR STAFF	784,000.00	-	150,000.00		934,000.00	801,847.23	550,495.52	251,351.71	132,152.77
	TOTAL OF ARTICLE 112	**784,000.00**	**-**	**150,000.00**		**934,000.00**	**801,847.23**	**550,495.52**	**251,351.71**	**132,152.77**
114	*MISCELLANEOUS ALLOWANCES AND GRANTS*									
1140	BIRTH AND DEATH GRANTS	4,000.00	-	2,000.00		6,000.00	5,552.68	5,552.68	-	447.32
1141	TRAVEL EXPENSES FROM THE PLACE OF EMPLOYMENT TO THE PLACE OF ORIGIN	507,000.00	-	34,000.00		541,000.00	539,752.40	539,752.40	-	1,247.60
1142	RENT AND TRANSPORTS ALLOWANCES	-	-	-		-	-	-	-	-
1143	FIXED ENTERTAINMENT ALLOWANCES	2,000.00	-	-		2,000.00	1,189.92	1,189.92	-	810.08
1144	FIXED LOCAL TRAVEL ALLOWANCES	1,000.00	-	-		1,000.00	892.44	892.44	-	107.56
1145	SPECIAL ALLOWANCE FOR ACCOUNTING OFFICERS AND ADMINISTRATORS OF IMPREST ACCOUNTS	-	-	-		-	-	-	-	-
1149	OTHER ALLOWANCES AND REPAYMENTS	-	-	42,000.00		42,000.00	40,862.81	40,862.81	-	1,137.19
	TOTAL OF ARTICLE 114	**514,000.00**	**-**	**78,000.00**		**592,000.00**	**588,250.25**	**588,250.25**	**-**	**3,749.75**
115	*OVERTIME*	-	-	-		-	-	-	-	-
	TOTAL OF ARTICLE 115	-	-	-		-	-	-	-	-

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Art./ Item	HEADING	INITIAL APPROPIATIONS	AMENDMENTS BY RECTIFYING BUDGETS	TRANSFERS OF APPROPRIATIONS	TRANSFER OF RESERVE	2007 ACTUAL APPROPRIATIONS	COMMITMENTS	PAYMENTS MADE	AUTOMATIC CARRY FORWARD	BUDGET to be cancelled
	1	2	3	4	5	6	7	8	9	10
117	*SUPPLEMENTARY SERVICES*									
1170	FREELANCE JOINT INTERPRETING AND CONFERENCE SERVICE INTERPRETERS	10,000.00	-	-10,000.00		-	-	-	-	-
1173	TRANSLATION CENTRE, LUXEMBOURG	10,000.00	-	-10,000.00		-	-	-	-	-
1174	ADMINISTRATIVE ASSISTANCE FROM THE EC	227,000.00	-	7,000.00		234,000.00	233,628.00	228,640.50	4,987.50	372.00
1175	INTERIM SERVICES	1,600,000.00	-	100,000.00		1,700,000.00	1,558,869.41	1,387,869.41	171,000.00	141,130.59
	TOTAL OF ARTICLE 117	**1,847,000.00**	**-**	**87,000.00**		**1,934,000.00**	**1,792,497.41**	**1,616,509.91**	**175,987.50**	**141,502.59**
118	*ALLOWANCES AND EXPENSES ON ENTERING AND LEAVING THE SERVICE AND ON TRANSFER*									
1180	MISCELLANEOUS EXPENDITURE ON RECRUITMENT	210,000.00	-	40,000.00		250,000.00	161,541.81	127,484.88	34,056.93	88,458.19
1181	TRAVEL EXPENSES (including members of the family)	10,000.00	-	3,000.00		13,000.00	10,401.59	10,401.59	-	2,598.41
1182	INSTALLATION, RESETTLEMENT AND TRANSFER ALLOWANCES	195,000.00	-	20,000.00		215,000.00	177,755.94	177,755.94	-	37,244.06
1183	REMOVAL EXPENSES	95,000.00	-	-		95,000.00	56,120.04	46,824.79	9,295.25	38,879.96
1184	TEMPORARY DAILY SUBSISTENCE ALLOWANCES	100,000.00	-	103,000.00		203,000.00	181,495.77	181,495.77	-	21,504.23
	TOTAL OF ARTICLE 118	**610,000.00**	**-**	**166,000.00**		**776,000.00**	**587,315.15**	**543,962.97**	**43,352.18**	**188,684.85**
119	*SALARY WEIGHTINGS*									
1190	WEIGHTINGS	12,043,000.00	-	-402,000.00		11,641,000.00	11,383,523.47	11,383,523.47	-	257,476.53
1191	PROVISIONAL APPROPRIATION	-	-	-		-	-	-	-	-
	TOTAL OF ARTICLE 119	**12,043,000.00**	**-**	**-402,000.00**		**11,641,000.00**	**11,383,523.47**	**11,383,523.47**	**-**	**257,476.53**
	TOTAL OF CHAPTER 11	**47,708,000.00**	**-**	**-449,000.00**		**47,259,000.00**	**46,251,922.90**	**45,781,231.51**	**470,691.39**	**1,007,077.10**
	CHAPTER 13 - MISSIONS AND DUTY TRAVEL									
1300	MISSION EXPENSES, TRAVEL EXPENSES AND INCIDENTAL EXPENDITURE	610,000.00	-	50,000.00		660,000.00	582,989.33	511,489.33	71,500.00	77,010.67
	TOTAL OF ARTICLE 130	**610,000.00**	**-**	**50,000.00**		**660,000.00**	**582,989.33**	**511,489.33**	**71,500.00**	**77,010.67**
	TOTAL OF CHAPTER 13	**610,000.00**	**-**	**50,000.00**		**660,000.00**	**582,989.33**	**511,489.33**	**71,500.00**	**77,010.67**
	CHAPTER 14 - SOCIOMEDICAL INFRASTRUCTURE									
1400	RESTAURANT AND CANTEENS	372,000.00	-	-13,000.00		359,000.00	280,909.51	227,595.02	53,314.49	78,090.49
	TOTAL OF ARTICLE 140	**372,000.00**	**-**	**-13,000.00**		**359,000.00**	**280,909.51**	**227,595.02**	**53,314.49**	**78,090.49**
1410	MEDICAL SERVICE	127,000.00	-	-27,000.00		100,000.00	63,775.42	48,775.42	15,000.00	36,224.58
	TOTAL OF ARTICLE 141	**127,000.00**	**-**	**-27,000.00**		**100,000.00**	**63,775.42**	**48,775.42**	**15,000.00**	**36,224.58**
	TOTAL OF CHAPTER 14	**499,000.00**	**-**	**-40,000.00**		**459,000.00**	**344,684.93**	**276,370.44**	**68,314.49**	**114,315.07**

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Art./ Item	HEADING	INITIAL APPROPIATIONS	AMENDMENTS BY RECTIFYING BUDGETS	TRANSFERS OF APPROPRIATIONS	TRANSFER OF RESERVE	2007 ACTUAL APPROPRIATIONS	COMMITMENTS	PAYMENTS MADE	AUTOMATIC CARRY FORWARD	BUDGET to be cancelled
	1	2	3	4	5	6	7	8	9	10
	CHAPTER 15 - EXCHANGES OF OFFICIALS AND EXPERTS									
1520	STAFF EXCHANGES	1,053,000.00	-	- 302,000.00		751,000.00	735,110.59	600,508.18	134,602.41	15,889.41
1530	COST OF ORGANISING GRADUATE TRAINEESHIPS	322,000.00	-	132,000.00		454,000.00	447,214.38	447,214.38	-	6,785.62
	TOTAL OF ARTICLE 152	**1,375,000.00**	**-**	**- 170,000.00**		**1,205,000.00**	**1,182,324.97**	**1,047,722.56**	**134,602.41**	**22,675.03**
	TOTAL OF CHAPTER 15	**1,375,000.00**	**-**	**- 170,000.00**		**1,205,000.00**	**1,182,324.97**	**1,047,722.56**	**134,602.41**	**22,675.03**
	CHAPTER 16 - SOCIAL WELFARE									
1600	SPECIAL ASSISTANCE GRANTS	2,000.00	-	-		2,000.00	-	-	-	2,000.00
	TOTAL OF ARTICLE 160	**2,000.00**	**-**	**-**		**2,000.00**	**-**	**-**	**-**	**2,000.00**
1630	EARLY CHILDHOOD CENTRES AND OTHER CRECHES	235,000.00	-	- 185,000.00		50,000.00	46,500.70	46,500.70	-	3,499.30
	TOTAL OF ARTICLE 163	**235,000.00**	**-**	**- 185,000.00**		**50,000.00**	**46,500.70**	**46,500.70**	**-**	**3,499.30**
1640	COMPLEMENTARY AID FOR THE HANDICAPPED	3,000.00	-	-		3,000.00	-	-	-	3,000.00
	TOTAL OF ARTICLE 164	**3,000.00**	**-**	**-**		**3,000.00**	**-**	**-**	**-**	**3,000.00**
	TOTAL OF CHAPTER 16	**240,000.00**	**-**	**- 185,000.00**		**55,000.00**	**46,500.70**	**46,500.70**	**-**	**8,499.30**
	CHAPTER 17 - ENTERTAINMENT AND REPRESENTATION					-				
1700	ENTERTAINMENT AND REPRESENTATION EXPENSES	24,000.00	-	13,000.00		37,000.00	35,965.04	16,772.10	19,192.94	1,034.96
	TOTAL OF ARTICLE 170	**24,000.00**	**-**	**13,000.00**		**37,000.00**	**35,965.04**	**16,772.10**	**19,192.94**	**1,034.96**
	TOTAL OF CHAPTER 17	**24,000.00**	**-**	**13,000.00**		**37,000.00**	**35,965.04**	**16,772.10**	**19,192.94**	**1,034.96**
	CHAPTER 18 - INSURANCE AGAINST SICKNESS, ACCIDENTS, UNEMPLOYMENT AND PENSION BENEFITS									
1820	SOCIAL CONTACTS BETWEEN STAFF	25,000.00	-	-		25,000.00	19,528.99	19,528.99	-	5,471.01
	TOTAL OF ARTICLE 182	**25,000.00**	**-**	**-**		**25,000.00**	**19,528.99**	**19,528.99**	**-**	**5,471.01**
183	*INSURANCE AGAINST SICKNESS, ACCIDENTS AND OCCUPATIONAL DISEASE, UNEMPLOYMENT INSURANCE AND MAINTENANCE OF PENSION RIGHTS*									
1830	INSURANCE AGAINST SICKNESS	869,000.00	-	25,000.00		894,000.00	892,188.66	892,188.66	-	1,811.34
1831	INSURANCE AGAINST ACCIDENTS AND OCCUPATIONAL DISEASE	222,000.00	-	- 35,000.00		187,000.00	185,213.47	185,213.47	-	1,786.53
1832	UNEMPLOYMENT INSURANCE FOR TEMPORARY STAFF	321,000.00	-	10,000.00		331,000.00	329,732.62	329,732.62	-	1,267.38
1833	ESTABLISHMENT OR MAINTENANCE OF PENSION RIGHTS	20,000.00	-	-		20,000.00	-	-	-	20,000.00
	TOTAL OF ARTICLE 183	**1,432,000.00**	**-**	**-**	**-**	**1,432,000.00**	**1,407,134.75**	**1,407,134.75**	**-**	**24,865.25**
	TOTAL OF CHAPTER 18	**1,457,000.00**	**-**	**-**	**-**	**1,457,000.00**	**1,426,663.74**	**1,426,663.74**	**-**	**30,336.26**
	TOTAL OF TITLE 1	**51,913,000.00**	**-**	**- 781,000.00**		**51,132,000.00**	**49,871,051.61**	**49,106,750.38**	**764,301.23**	**1,260,948.39**

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Art./ Item	HEADING	INITIAL APPROPIATIONS	AMENDMENTS BY RECTIFYING BUDGETS	TRANSFERS OF APPROPRIATIONS	TRANSFER OF RESERVE	2007 ACTUAL APPROPRIATIONS	COMMITMENTS	PAYMENTS MADE	AUTOMATIC CARRY FORWARD	BUDGET to be cancelled
	1	2	3	4	5	6	7	8	9	10
	TITLE 2 - EXPENDITURE RELATING TO BUILDINGS, EQUIPMENT, AND MISCELLANEOUS OPERATING EXPENDITURE									
	CHAPTER 20 - INVESTMENTS IN IMMOVABLE PROPERTY RENTAL OF BUILDINGS AND ASSOCIATED COSTS									
2000	RENT	8,633,000.00	-	- 261,000.00		8,372,000.00	8,351,000.00	8,247,919.40	103,080.60	21,000.00
	TOTAL OF ARTICLE 200	**8,633,000.00**	**-**	**- 261,000.00**		**8,372,000.00**	**8,351,000.00**	**8,247,919.40**	**103,080.60**	**21,000.00**
2010	INSURANCE	420,000.00	-	- 80,000.00		340,000.00	120,164.35	57,164.35	63,000.00	219,835.65
	TOTAL OF ARTICLE 201	**420,000.00**	**-**	**- 80,000.00**		**340,000.00**	**120,164.35**	**57,164.35**	**63,000.00**	**219,835.65**
2020	WATER, GAS, ELECTRICITY AND HEATING	707,000.00	-	- 20,000.00		687,000.00	461,116.36	400,753.01	60,363.35	225,883.64
	TOTAL OF ARTICLE 202	**707,000.00**	**-**	**- 20,000.00**		**687,000.00**	**461,116.36**	**400,753.01**	**60,363.35**	**225,883.64**
2030	MAINTENANCE AND CLEANING	605,000.00	-	-		605,000.00	433,370.46	385,829.69	47,540.77	171,629.54
	TOTAL OF ARTICLE 203	**605,000.00**	**-**	**-**		**605,000.00**	**433,370.46**	**385,829.69**	**47,540.77**	**171,629.54**
2040	FITTING OUT OF PREMISES	2,054,000.00	-	495,000.00	-	2,549,000.00	2,267,085.79	2,121,240.93	145,844.86	281,914.21
	TOTAL OF ARTICLE 204	**2,054,000.00**	**-**	**495,000.00**		**2,549,000.00**	**2,267,085.79**	**2,121,240.93**	**145,844.86**	**281,914.21**
2050	SECURITY AND SURVEILLANCE OF BUILDINGS	348,000.00	-	120,000.00		468,000.00	343,071.36	156,356.60	186,714.76	124,928.64
	TOTAL OF ARTICLE 205	**348,000.00**	**-**	**120,000.00**		**468,000.00**	**343,071.36**	**156,356.60**	**186,714.76**	**124,928.64**
2080	OTHER EXPENDITURE PRELIMINARY TO CONSTRUCTION OF A BUILDINGS OR THE ACQUISITION OF IMMOVABLE PROPERTY	230,000.00	-	- 100,000.00		130,000.00	100,107.56	31,604.43	68,503.13	29,892.44
	TOTAL OF ARTICLE 208	**230,000.00**	**-**	**- 100,000.00**		**130,000.00**	**100,107.56**	**31,604.43**	**68,503.13**	**29,892.44**
2090	OTHER EXPENDITURE ON BUILDINGS	3,609,000.00	-	- 20,000.00		3,589,000.00	3,486,089.28	3,032,509.59	453,579.69	102,910.72
	TOTAL OF ARTICLE 209	**3,609,000.00**	**-**	**- 20,000.00**		**3,589,000.00**	**3,486,089.28**	**3,032,509.59**	**453,579.69**	**102,910.72**
	TOTAL OF CHAPTER 20	**16,606,000.00**	**-**	**134,000.00**		**16,740,000.00**	**15,562,005.16**	**14,433,378.00**	**1,128,627.16**	**1,177,994.84**
	CHAPTER 21 - EXPENDITURE ON DATA PROCESSING									
211	*MAINTENANCE OF COMPUTER NETWORKS & EQUIPMENT*									
2110	NEW PURCHASES OF HARDWARE FOR THE EMA	1,465,000.00	684,000.00	298,000.00		2,447,000.00	2,441,362.87	1,107,757.67	1,333,605.20	5,637.13
2111	NEW PROCUREMENT OF SOFTWARE FOR THE EMA	582,000.00	340,000.00	46,000.00		968,000.00	900,667.73	316,444.83	584,222.90	67,332.27
2112	REPLACEMENT OF HARDWARE AND SOFTWARE FOR THE EMA	150,000.00	-	- 150,000.00		-	-	-	-	-
2113	HIRE OF HARDWARE AND SOFTWARE FOR THE EMA	-	-	-		-	-	-	-	-
2114	MAINTENANCE AND REPAIR OF HARDWARE AND SOFTWARE FOR THE EMA	2,575,000.00	-	323,000.00		2,898,000.00	2,889,840.88	1,882,857.27	1,006,983.61	8,159.12
2115	ANALYSIS, PROGRAMMING AND TEC. ASSISTANCE FOR THE EMA	1,909,000.00	-	665,000.00		2,574,000.00	2,552,349.21	787,811.63	1,764,537.58	21,650.79
	TOTAL OF ARTICLE 211	**6,681,000.00**	**1,024,000.00**	**1,182,000.00**		**8,887,000.00**	**8,784,220.69**	**4,094,871.40**	**4,689,349.29**	**102,779.31**

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	1	2	3	4	5	6	7	8	9	10
212	*COMPUTER NETWORKS & EQUIPMENT FOR SPECIFIED PROJ.*									
2120	NEW PURCHASES OF HARDWARE FOR SPECIFIED PROJ.	200,000.00	592,000.00	- 200,000.00		592,000.00	591,667.52	-	591,667.52	332.48
2121	NEW PROCUREMENT OF SOFTWARE FOR SPECIFIED PROJ.	243,000.00	559,000.00	279,000.00		1,081,000.00	1,079,991.49	45,786.00	1,034,205.49	1,008.51
2122	REPLACEMENT OF HARDWARE AND SOFTWARE FOR SPECIFIED PROJECTS	215,000.00	-	-		215,000.00	133,275.63	133,275.63	-	81,724.37
2123	HIRE OF HARDWARE AND SOFTWARE FOR SPECIFIED PROJ.	-	-	-		-	-	-	-	-
2124	MAINTENANCE AND REPAIR OF HARDWARE AND SOFTWARE FOR SPECIFIED PROJECTS	4,622,000.00	51,000.00	- 1,642,000.00		3,031,000.00	3,022,204.87	1,209,336.05	1,812,868.82	8,795.13
2125	ANALYSIS, PROGRAMMING AND TEC. ASSISTANCE FOR SPECIFIED PROJECTS	6,262,000.00	3,433,000.00	1,959,000.00		11,654,000.00	11,534,208.55	2,553,580.37	8,980,628.18	119,791.45
	TOTAL OF ARTICLE 212	**11,542,000.00**	**4,635,000.00**	**396,000.00**		**16,573,000.00**	**16,361,348.06**	**3,941,978.05**	**12,419,370.01**	**211,651.94**
214	*ANALYSIS, PROGRAMMING, AND SPECIAL PROJECTS*	-	-	-		-	-	-	-	-
2140	ANALYSIS, PROGRAMMING, AND SPECIAL PROJECTS	-	-	-		-	-	-		-
	TOTAL OF ARTICLE 214	-	-	-		-	-	-	-	-
	TOTAL OF CHAPTER 21	**18,223,000.00**	**5,659,000.00**	**1,578,000.00**		**25,460,000.00**	**25,145,568.75**	**8,036,849.45**	**17,108,719.30**	**314,431.25**
	CHAPTER 22 - MOVABLE PROPERTY AND ASSOCIATED COST									
220	*TECHNICAL EQUIPMENT AND INSTALLATIONS*									
2200	NEW PURCHASES OF TECHNICAL EQUIPMENT AND INSTALLATIO	1,428,000.00	-	- 25,000.00		1,403,000.00	1,213,062.73	1,166,528.49	46,534.24	189,937.27
2201	REPLACEMENT OF TECHNICAL EQUIPMENT AND INSTALLATIONS	15,000.00	-	-		15,000.00	2,978.02	2,978.02	-	12,021.98
2202	HIRE OF TECHNICAL EQUIPMENT AND INSTALLATIONS	1,000.00	-	-		1,000.00	-	-	-	1,000.00
2203	MAINTENANCE, USE AND AND REPAIR OF TECHNICAL EQUIPMENT AND INSTALLATIONS	598,000.00	-	25,000.00		623,000.00	543,885.05	526,327.81	17,557.24	79,114.95
	TOTAL OF ARTICLE 220	**2,042,000.00**	-	-		**2,042,000.00**	**1,759,925.80**	**1,695,834.32**	**64,091.48**	**282,074.20**
221	*FURNITURE*									
2210	NEW PURCHASE OF FURNITURE	536,000.00	-	- 35,000.00		501,000.00	452,726.27	102,926.36	349,799.91	48,273.73
2211	REPLACEMENT OF FURNITURE	15,000.00	-	35,000.00		50,000.00	49,352.50	-	49,352.50	647.50
2212	HIRE OF FURNITURE	-	-	-		-	-	-	-	-
2213	MAINTENANCE, USE AND REPAIR OF FURNITURE	-	-	-		-	-	-	-	-
	TOTAL OF ARTICLE 221	**551,000.00**	-	-		**551,000.00**	**502,078.77**	**102,926.36**	**399,152.41**	**48,921.23**

Development and Use of the appropriations for the Financial Year 2007

EURO

Art./ Item	HEADING	INITIAL APPROPIATIONS	AMENDMENTS BY RECTIFYING BUDGETS	TRANSFERS OF APPROPRIATIONS	TRANSFER OF RESERVE	2007 ACTUAL APPROPRIATIONS	COMMITMENTS	PAYMENTS MADE	AUTOMATIC CARRY FORWARD	BUDGET to be cancelled
	1	2	3	4	5	6	7	8	9	10
223	*VEHICLES*									
2230	NEW PURCHASE OF VEHICLES	-	-	-		-	-	-	-	-
2231	REPLACEMENT OF VEHICLES	-	-	-		-	-	-	-	-
2232	HIRE OF VEHICLES	1,000.00	-	-		1,000.00	-	-	-	1,000.00
2233	MAINTENANCE, USE AND REPAIR OF VEHICLES	-	-	-		-	-	-	-	-
	TOTAL OF ARTICLE 223	**1,000.00**	-	-		**1,000.00**	-	-	-	**1,000.00**
225	*DOCUMENTATION AND LIBRARY EXPENDITURE*									
2250	LIBRARY FUNDS, PURCHASE OF BOOKS	90,000.00	-	-		90,000.00	33,439.69	24,117.69	9,322.00	56,560.31
2251	SPECIAL LIBRARY, DOCUMENTATION AND REPRODUCTION EQUIPMENT	-	-	-		-	-	-	-	-
2252	SUBSCRIPTION TO NEWSPAPERS AND PERIODICALS	464,000.00	-	-		464,000.00	243,414.76	214,054.76	29,360.00	220,585.24
2254	PRESERVATION OF DOCUMENTS	-	-	-		-	-	-	-	-
	TOTAL OF ARTICLE 225	**554,000.00**	-	-		**554,000.00**	**276,854.45**	**238,172.45**	**38,682.00**	**277,145.55**
	TOTAL OF CHAPTER 22	**3,148,000.00**	-	-		**3,148,000.00**	**2,538,859.02**	**2,036,933.13**	**501,925.89**	**609,140.98**
	CHAPTER 23-CURRENT ADMINISTRATIVE EXPENDITURE									
2300	STATIONERY AND OFFICE SUPPLIES	250,000.00	-	- 21,000.00		229,000.00	213,892.23	197,669.16	16,223.07	15,107.77
	TOTAL OF ARTICLE 230	**250,000.00**	-	**- 21,000.00**		**229,000.00**	**213,892.23**	**197,669.16**	**16,223.07**	**15,107.77**
232	*FINANCIAL CHARGES*									
2320	BANK CHARGES	70,000.00	-	-		70,000.00	70,000.00	51,489.22	18,510.78	-
2321	EXCHANGE LOSSES	-	-	-		-	-	-	-	-
2329	OTHER FINANCIAL CHARGES	-	-	-		-	-	-	-	-
	TOTAL OF ARTICLE 232	**70,000.00**	-	-		**70,000.00**	**70,000.00**	**51,489.22**	**18,510.78**	-
2330	LEGAL EXPENSES	100,000.00	-	10,000.00		110,000.00	96,628.00	74,982.43	21,645.57	13,372.00
	TOTAL OF ARTICLE 233	**100,000.00**	-	**10,000.00**		**110,000.00**	**96,628.00**	**74,982.43**	**21,645.57**	**13,372.00**
2340	DAMAGES	20,000.00	-	- 20,000.00		-	-	-	-	-
	TOTAL OF ARTICLE 234	**20,000.00**	-	**- 20,000.00**		-	-	-	-	-

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Art./ Item	HEADING	INITIAL APPROPIATIONS	AMENDMENTS BY RECTIFYING BUDGETS	TRANSFERS OF APPROPRIATIONS	TRANSFER OF RESERVE	2007 ACTUAL APPROPRIATIONS	COMMITMENTS	PAYMENTS MADE	AUTOMATIC CARRY FORWARD	BUDGET to be cancelled
	1	2	3	4	5	6	7	8	9	10
235	*OTHER OPERATING EXPENDITURE*									
2350	MISCELLANEOUS INSURANCE	3,000.00	-	1,000.00		4,000.00	3,137.00	2,840.31	296.69	863.00
2353	DEPARTMENTAL REMOVALS AND ASSOCIATED HANDLING	52,000.00	-	-		52,000.00	33,159.21	33,159.21	-	18,840.79
2354	ARCHIVING OF DOCUMENTS	152,000.00	-	-6,000.00		146,000.00	141,851.58	125,358.02	16,493.56	4,148.42
2358	COVER EXPENSES RELATING TO BUSINESS CONTINUITY PLAN	110,000.00	-	29,000.00		139,000.00	106,939.23	86,215.25	20,723.98	32,060.77
2359	OTHER OPERATING EXPENDITURE	10,000.00	-	7,000.00		17,000.00	1,550.42	1,550.42	-	15,449.58
	TOTAL OF ARTICLE 235	**327,000.00**	**-**	**31,000.00**		**358,000.00**	**286,637.44**	**249,123.21**	**37,514.23**	**71,362.56**
2390	PUBLICATIONS	25,000.00	-	-		25,000.00	15,000.00	10,850.23	4,149.77	10,000.00
	TOTAL OF ARTICLE 239	**25,000.00**	**-**	**-**		**25,000.00**	**15,000.00**	**10,850.23**	**4,149.77**	**10,000.00**
	TOTAL OF CHAPTER 23	**792,000.00**	**-**	**-**		**792,000.00**	**682,157.67**	**584,114.25**	**98,043.42**	**109,842.33**
	CHAPTER 24 - POSTAL CHARGES, TELECOMMUNICATIONS, RADIO AND TELEVISION STUDIOS									
2400	POSTAGE AND DELIVERY CHARGES	250,000.00	-	-10,000.00		240,000.00	206,106.36	191,020.32	15,086.04	33,893.64
	TOTAL OF ARTICLE 240	**250,000.00**	**-**	**-10,000.00**		**240,000.00**	**206,106.36**	**191,020.32**	**15,086.04**	**33,893.64**
241	*TELECOMMUNICATIONS*									
2410	PHONE, FAX, TELEX	710,000.00	-	-60,000.00		650,000.00	552,025.08	512,130.87	39,894.21	97,974.92
2411	TELECOMMUNICATION EQUIPMENT	23,000.00	-	70,000.00		93,000.00	9,256.92	6,772.27	2,484.65	83,743.08
	TOTAL OF ARTICLE 241	**733,000.00**	**-**	**10,000.00**		**743,000.00**	**561,282.00**	**518,903.14**	**42,378.86**	**181,718.00**
	TOTAL OF CHAPTER 24	**983,000.00**	**-**	**-**		**983,000.00**	**767,388.36**	**709,923.46**	**57,464.90**	**215,611.64**
	CHAPTER 25 - EXPENDITURE ON FORMAL AND OTHER MEETINGS									
2500	MEETINGS IN GENERAL	10,000.00	-	-		10,000.00	-	-	-	10,000.00
2501	MEMBERSHIPS TO FORA	65,000.00	-	-		65,000.00	61,839.69	61,839.69	-	3,160.31
	TOTAL OF ARTICLE 250	**75,000.00**	**-**	**-**	**-**	**75,000.00**	**61,839.69**	**61,839.69**	**-**	**13,160.31**
	TOTAL OF CHAPTER 25	**75,000.00**	**-**	**-**		**75,000.00**	**61,839.69**	**61,839.69**	**-**	**13,160.31**
	TOTAL OF TITLE 2	**39,827,000.00**	**5,659,000.00**	**1,712,000.00**		**47,198,000.00**	**44,757,818.65**	**25,863,037.98**	**18,894,780.67**	**2,440,181.35**

Development and Use of the appropriations for the Financial Year 2007

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Art./ Item	HEADING	INITIAL APPROPIATIONS	AMENDMENTS BY RECTIFYING BUDGETS	TRANSFERS OF APPROPRIATIONS	TRANSFER OF RESERVE	2007 ACTUAL APPROPRIATIONS	COMMITMENTS	PAYMENTS MADE	AUTOMATIC CARRY FORWARD	BUDGET to be cancelled
	1	2	3	4	5	6	7	8	9	10
	TITLE 3 - OPERATING EXPENDITURE									
300	*MEETINGS*									
3000	REIMBURSEMENT OF PERSONS ATTENDING MEETINGS	7,086,000.00	-	- 133,000.00		6,953,000.00	6,953,000.00	6,043,051.77	909,948.23	-
3001	INTERPRETATION	24,000.00	-	7,000.00		31,000.00	31,000.00	16,320.00	14,680.00	-
3002	CATERING	183,000.00	-	- 23,000.00		160,000.00	159,690.27	129,690.27	30,000.00	309.73
3003	OTHER EXPENDITURE	5,000.00	-	- 5,000.00		-	-	-	-	-
	TOTAL OF ARTICLE 300	**7,298,000.00**	**-**	**- 154,000.00**		**7,144,000.00**	**7,143,690.27**	**6,189,062.04**	**954,628.23**	**309.73**
301	*EVALUATION OF MEDICINAL PRODUCTS*									
3010	EVALUATION OF MEDICINAL PRODUCTS	46,513,000.00	2,700,000.00	1,402,000.00		50,615,000.00	50,473,857.50	40,900,867.50	9,572,990.00	141,142.50
3011	EVALUATION OF DESIGNATED ORPHAN MEDICINAL PROD.	4,576,000.00	-	- 1,559,000.00	-	3,017,000.00	3,016,310.00	2,256,510.00	759,800.00	690.00
3012	SPECIAL ACTIVITIES	-	-	-		-	-	-	-	-
	TOTAL OF ARTICLE 301	**51,089,000.00**	**2,700,000.00**	**- 157,000.00**		**53,632,000.00**	**53,490,167.50**	**43,157,377.50**	**10,332,790.00**	**141,832.50**
302	*TRANSLATION CENTRE, LUXEMBOURG*									
3020	TRANSLATION CENTRE, LUXEMBOURG	2,500,000.00	-	- 160,000.00		2,340,000.00	2,339,247.00	1,828,514.12	510,732.88	753.00
3021	OTHER TRANSLATIONS	1,093,000.00	-	- 250,000.00		843,000.00	843,000.00	394,968.00	448,032.00	-
	TOTAL OF ARTICLE 302	**3,593,000.00**	**-**	**- 410,000.00**		**3,183,000.00**	**3,182,247.00**	**2,223,482.12**	**958,764.88**	**753.00**
3030	STUDIES AND CONSULTANTS	150,000.00	-	- 50,000.00		100,000.00	81,040.02	38,812.22	42,227.80	18,959.98
	TOTAL OF ARTICLE 303	**150,000.00**	**-**	**- 50,000.00**		**100,000.00**	**81,040.02**	**38,812.22**	**42,227.80**	**18,959.98**
3040	PUBLICATIONS	178,000.00	-	- 104,000.00		74,000.00	69,039.54	64,224.54	4,815.00	4,960.46
	TOTAL OF ARTICLE 304	**178,000.00**	**-**	**- 104,000.00**		**74,000.00**	**69,039.54**	**64,224.54**	**4,815.00**	**4,960.46**
3050	COMMUNITY PROGRAMMES	490,000.00	216,000.00	- 56,000.00		650,000.00	531,021.94	445,021.94	86,000.00	118,978.06
	TOTAL OF ARTICLE 305	**490,000.00**	**216,000.00**	**- 56,000.00**		**650,000.00**	**531,021.94**	**445,021.94**	**86,000.00**	**118,978.06**
	TOTAL OF CHAPTER 30	**62,798,000.00**	**2,916,000.00**	**- 931,000.00**		**64,783,000.00**	**64,497,206.27**	**52,117,980.36**	**12,379,225.91**	**285,793.73**
	TOTAL OF TITLE 3	**62,798,000.00**	**2,916,000.00**	**- 931,000.00**		**64,783,000.00**	**64,497,206.27**	**52,117,980.36**	**12,379,225.91**	**285,793.73**
	TOTAL EXPENSES	**154,538,000.00**	**8,575,000.00**	**-**	**-**	**163,113,000.00**	**159,126,076.53**	**127,087,768.72**	**32,038,307.81**	**3,986,923.47**

Statement of the Development and Use of appropriations carried forward from the financial year 2006 to 2007 in accordance with Art. 10.6 of Financial Regulation

EURO

Item	HEADING	Appropriations carried forward from 2006	Payments made	Cancellations
1	2	3	4	5
	TITLE 1 : EXPENDITURE RELATING TO PERSONS WORKING WITH THE INSTITUTION			
	CHAPTER 11 - STAFF IN ACTIVE EMPLOYMENT			
1120	FURTHER TRAINING, LANGUAGE COURSES AND RETRAINING FOR STAFF	*231,420.41*	*188,934.69*	42,485.72
	TOTAL OF ARTICLE 112	**231,420.41**	**188,934.69**	**42,485.72**
1174	ADMINISTRATIVE COSTS EC	*4,300.00*	*4,250.00*	50.00
1175	INTERIM SERVICES	*118,945.51*	*118,945.51*	-
	TOTAL OF ARTICLE 117	**123,245.51**	**123,195.51**	**50.00**
1180	MISCELLANEOUS EXPENDITURE ARISING FROM RECRUITMENT PROCEDURES	*37,218.04*	*25,094.32*	12,123.72
1183	REMOVAL EXPENSES	*28,142.32*	*24,912.60*	3,229.72
1184	TEMPORARY DAILY SUBSISTENCE ALLOWANCE	-	-	-
	TOTAL OF ARTICLE 118	**65,360.36**	**50,006.92**	**15,353.44**
	TOTAL OF CHAPTER 11	**420,026.28**	**362,137.12**	**57,889.16**
	CHAPTER 13 - MISSIONS AND DUTY TRAVEL			
1300	MISSION EXPENSES, TRAVELLING EXPENSES AND INCIDENTAL EXPENDITURE	*58,400.00*	*44,201.24*	14,198.76
	TOTAL OF ARTICLE 130	**58,400.00**	**44,201.24**	**14,198.76**
	TOTAL OF CHAPTER 13	**58,400.00**	**44,201.24**	**14,198.76**
	CHAPTER 14 - SOCIOMEDICAL INFRASTRUCTURE			
1400	RESTAURANT AND CANTEENS	*89,993.75*	*74,938.39*	15,055.36
	TOTAL OF ARTICLE 140	**89,993.75**	**74,938.39**	**15,055.36**
1410	MEDICAL SERVICE	*22,256.23*	*12,941.09*	9,315.14
	TOTAL OF ARTICLE 141	**22,256.23**	**12,941.09**	**9,315.14**
	TOTAL OF CHAPTER 14	**112,249.98**	**87,879.48**	**24,370.50**
	CHAPTER 15 - EXCHANGES OF OFFICIALS AND EXPERTS			
1520	STAFF EXCHANGE	*158,984.16*	*150,427.84*	8,556.32
1530	COST OF ORGANISING GRADUATE TRAINEESHIPS	*530.87*	*516.98*	13.89
	TOTAL OF ARTICLE 152	**159,515.03**	**150,944.82**	**8,570.21**
	TOTAL OF CHAPTER 15	**159,515.03**	**150,944.82**	**8,570.21**
	CHAPTER 17 - ENTERTAINMENT AND REPRESENTATION			
1700	ENTERTAINMENT AND REPRESENTATION EXPENSES	*16,281.47*	*14,908.33*	1,373.14
	TOTAL OF ARTICLE 170	**16,281.47**	**14,908.33**	**1,373.14**
	TOTAL OF CHAPTER 17	**16,281.47**	**14,908.33**	**1,373.14**
	CHAPTER 18 - INSURANCE AGAINST SICKNESS, ACCIDENTS, UNEMPLOYMENT AND PENSION BENEFITS			
1820	SOCIAL CONTACTS BETWEEN STAFF	*1,137.00*	*1,094.70*	42.30
	TOTAL OF ARTICLE 182	**1,137.00**	**1,094.70**	**42.30**
	TOTAL OF CHAPTER 18	**1,137.00**	**1,094.70**	**42.30**
	TOTAL OF TITLE 1	**767,609.76**	**661,165.69**	**106,444.07**

Statement of the Development and Use of appropriations carried forward from the financial year 2006 to 2007 in accordance with Art. 10.6 of Financial Regulation

EURO

Item	HEADING	Appropriations carried forward from 2006	Payments made	Cancellations
1	2	3	4	5
	TITLE 2 - EXPENDITURE RELATING TO BUILDINGS, EQUIPMENT, AND MISCELLANEOUS OPERATING EXPENDITURE			
	CHAPTER 20 - INVESTMENTS IN IMMOVABLE PROPERTY RENTAL OF BUILDINGS AND ASSOCIATED COSTS			
2000	RENT	-	-	-
	TOTAL OF ARTICLE 200	-	-	-
2010	INSURANCE	*201,940.45*	*143,150.54*	58,789.91
	TOTAL OF ARTICLE 201	**201,940.45**	**143,150.54**	**58,789.91**
2020	WATER, GAS, ELECTRICITY AND HEATING	*329,137.18*	*303,062.50*	26,074.68
	TOTAL OF ARTICLE 202	**329,137.18**	**303,062.50**	**26,074.68**
2030	MAINTENANCE AND CLEANING	*180,618.27*	*155,864.75*	24,753.52
	TOTAL OF ARTICLE 203	**180,618.27**	**155,864.75**	**24,753.52**
2040	FITTING OUT OF PREMISES	*3,689,738.00*	*3,638,051.87*	51,686.13
	TOTAL OF ARTICLE 204	**3,689,738.00**	**3,638,051.87**	**51,686.13**
2050	SECURITY AND SURVEILLANCE OF BUILDINGS	*34,891.79*	*31,492.33*	3,399.46
	TOTAL OF ARTICLE 205	**34,891.79**	**31,492.33**	**3,399.46**
2080	OTHER EXPENDITURE PRELIMINARY TO CONSTRUCTION OF A BUILDING	*196,744.13*	*168,660.12*	28,084.01
2090	OTHER EXPENDITURE ON BUILDINGS	*1,639,078.67*	*1,612,062.45*	27,016.22
	TOTAL OF ARTICLE 209	**1,835,822.80**	**1,780,722.57**	**55,100.23**
	TOTAL OF CHAPTER 20	**6,272,148.49**	**6,052,344.56**	**219,803.93**
	CHAPTER 21 - EXPENDITURE ON DATA-PROCESSING			
2110	NEW PURCHASES OF HARDWARE FOR THE EMA	*57,628.81*	*57,491.52*	137.29
2111	NEW PROCUREMENT OF SOFTWARE FOR THE EMA	*152,606.12*	*150,851.64*	1,754.48
2112	REPLACEMENT OF HARDWARE AND SOFTWARE FOR THE EMA	*118,563.93*	*118,548.46*	15.47
2113	HIRE OF HARDWARE AND SOFTWARE	-	-	-
2114	MAINTENANCE AND REPAIR OF HARD & SOFTWARE	*803,408.63*	*733,518.12*	69,890.51
2115	ANALYSIS, PROGRAMMING & TECHNICAL ASSISTANCE	*850,546.47*	*780,796.09*	69,750.38
	TOTAL OF ARTICLE 211	**1,982,753.96**	**1,841,205.83**	**141,548.13**
2120	NEW PURCHASES OF HARDWARE FOR SPECIFIC PRJ	*715.00*	*153.67*	561.33
2121	NEW PROCUREMENT OF SOFTWARE FOR SPECIFIC PRJ	*455,870.00*	*455,869.78*	0.22
2122	REPL. OF HARDWARE AND SOFTWARE FOR SPECIFIC PRJ	-	-	-
2123	HIRE OF HARDWARE AND SOFTWARE FOR SPECIFIC PRJ	-	-	-
2124	MAINT. AND REPAIR OF HARD & SOFTWARE FOR SPECIFIC PRJ	*1,707,171.62*	*1,687,411.05*	19,760.57
2125	ANALYSIS, PROGRAMMING & TECH. ASSIST. FOR SPECIFIC PRJ	*3,985,579.51*	*3,749,163.96*	236,415.55
	TOTAL OF ARTICLE 212	**6,149,336.13**	**5,892,598.46**	**256,737.67**
	TOTAL OF CHAPTER 21	**8,132,090.09**	**7,733,804.29**	**398,285.80**
	CHAPTER 22 - MOVABLE PROPERTY AND ASSOCIATED COST			
2200	NEW PURCHASES OF TECHNICAL EQUIPMENT AND INSTALLATIONS	*79,793.25*	*76,315.94*	3,477.31
2201	REPLACEMENT OF TECHNICAL EQUIPMENT	*7,098.10*	*7,029.91*	68.19
2203	MAINTENANCE USE AND REPAIR OF TECHNICAL INSTALLATIONS	*16,236.42*	*8,176.78*	8,059.64
	TOTAL OF ARTICLE 220	**103,127.77**	**91,522.63**	**11,605.14**
2210	NEW PURCHASE OF FURNITURE	*255,993.96*	*252,404.43*	3,589.53
2211	REPLACEMENT OF FURNITURE	-	-	-
	TOTAL OF ARTICLE 221	**255,993.96**	**252,404.43**	**3,589.53**
2232	HIRE OF VEHICLES	-	-	-
	TOTAL OF ARTICLE 223	-	-	-
2250	LIBRARY STOCKS, PURCHASE OF BOOKS	*26,210.00*	*18,562.75*	7,647.25
2252	SUBSCRIPTION TO NEWSPAPERS AND PERIODICALS	*73,310.00*	*62,083.94*	11,226.06
2254	PRESERVATION OF DOCUMENTS	-	-	-
	TOTAL OF ARTICLE 223	**99,520.00**	**80,646.69**	**18,873.31**
	TOTAL OF CHAPTER 22	**458,641.73**	**424,573.75**	**34,067.98**

Statement of the Development and Use of appropriations carried forward from the financial year 2006 to 2007 in accordance with Art. 10.6 of Financial Regulation

EURO

Item	HEADING	Appropriations carried forward from 2006	Payments made	Cancellations
1	2	3	4	5
	CHAPTER 23 - CURRENT ADMINISTRATIVE EXPENDITURE			
2300	STATIONERY AND OFFICE SUPPLIES	*25,849.91*	*22,153.06*	3,696.85
	TOTAL OF ARTICLE 230	**25,849.91**	**22,153.06**	**3,696.85**
2320	BANK CHARGES	*16,028.43*	*16,028.43*	-
	TOTAL OF ARTICLE 232	**16,028.43**	**16,028.43**	-
2330	LEGAL EXPENSES	*17,953.06*	*16,818.95*	1,134.11
	TOTAL OF ARTICLE 233	**17,953.06**	**16,818.95**	**1,134.11**
2350	MISCELLANEOUS INSURANCE	*623.58*	*413.30*	210.28
2353	DEPARTMENTAL REMOVALS AND ASSOCIATED HANDLING	*2,304.94*	*2,215.49*	89.45
2354	ARCHIVING OF DOCUMENTS	*22,965.37*	*20,652.49*	2,312.88
2358	BUSINESS CONTINUITY	*488.80*	*447.00*	41.80
2359	OTHER OPERATING EXPENDITURE	*4,096.78*	*3,982.59*	114.19
	TOTAL OF ARTICLE 233	**30,479.47**	**27,710.87**	**2,768.60**
2390	PUBLICATIONS	*21,045.17*	*15,469.79*	5,575.38
	TOTAL OF ARTICLE 239	**21,045.17**	**15,469.79**	**5,575.38**
	TOTAL OF CHAPTER 23	**111,356.04**	**98,181.10**	**13,174.94**
	CHAPTER 24 - POSTAL CHARGES, TELECOMMUNICATIONS,			
2400	POSTAL & DELIVERY CHARGES	*31,337.45*	*13,592.51*	17,744.94
	TOTAL OF ARTICLE 240	**31,337.45**	**13,592.51**	**17,744.94**
2410	TELECOMMUNICATION CHARGES	*34,115.55*	*18,283.29*	15,832.26
2411	TELECOMMUNICATION EQUIPMENT	*19,860.29*	*17,834.51*	2,025.78
	TOTAL OF ARTICLE 241	**53,975.84**	**36,117.80**	**17,858.04**
	TOTAL OF CHAPTER 24	**85,313.29**	**49,710.31**	**35,602.98**
	CHAPTER 25 - EXPENDITURE ON FORMAL & OTHER MEETINGS			
2500	MEETINGS IN GENERAL	*1,270.00*	*1,173.51*	96.49
	TOTAL OF ARTICLE 250	**1,270.00**	**1,173.51**	**96.49**
	TOTAL OF CHAPTER 25	**1,270.00**	**1,173.51**	**96.49**
	TOTAL OF TITLE 2	**15,060,819.64**	**14,359,787.52**	**701,032.12**
	TITLE 3 : OPERATING EXPENDITURE			
	CHAPTER 30 : OPERATING EXPENDITURE			
3000	REIMBURSEMENT OF PERSONS ATTENDING MEETINGS	*548,015.46*	*468,072.46*	79,943.00
3001	INTERPRETATION	*32,912.00*	*32,912.00*	-
3002	CATERING	*26,069.25*	*24,225.32*	1,843.93
3003	OTHER EXPENDITURE	-	-	-
	TOTAL OF ARTICLE 300	**606,996.71**	**525,209.78**	**81,786.93**
3010	EVALUATION OF MEDICINAL PRODUCTS	*10,380,118.00*	*10,320,915.97*	59,202.03
3011	ORPHAN DRUGS/ MRLs	*1,629,800.00*	*1,621,100.00*	8,700.00
3012	SPECIAL ACTIVITIES	-	-	-
	TOTAL OF ARTICLE 301	**12,009,918.00**	**11,942,015.97**	**67,902.03**
3020	STUDIES AND CONSULTATIONS	*315,290.50*	*315,290.50*	-
3021	OTHER TRANSLATIONS	*388,114.00*	*264,638.00*	123,476.00
	TOTAL OF ARTICLE 302	**703,404.50**	**579,928.50**	**123,476.00**
3030	STUDIES AND CONSULTATIONS	*64,294.84*	*29,764.32*	34,530.52
	TOTAL OF ARTICLE 303	**64,294.84**	**29,764.32**	**34,530.52**
3040	INFORMATION & PUBLICATIONS	*49,826.00*	*33,925.27*	15,900.73
	TOTAL OF ARTICLE 304	**49,826.00**	**33,925.27**	**15,900.73**
3050	***COMMUNITY PROGRAMMES***	*150,150.95*	*145,884.91*	4,266.04
	TOTAL OF ARTICLE 305	**150,150.95**	**145,884.91**	**4,266.04**
	TOTAL OF CHAPTER 30	**13,584,591.00**	**13,256,728.75**	**327,862.25**
	TOTAL OF TITLE 3	**13,584,591.00**	**13,256,728.75**	**327,862.25**
	GRAND TOTAL	**29,413,020.40**	**28,277,681.96**	**1,135,338.44**

EXPLANATORY NOTES TO THE REPORTS ON THE IMPLEMENTATION OF THE BUDGET

10.1 Budget Revenue

The EMEA budget is financed by fees paid by pharmaceutical industry applicants for obtaining or maintaining a Community marketing authorization and by contributions from the Community Budget. In addition the Agency receives a contribution from the European Community to fund various public health and harmonisation activity as described in the work programme.

In accordance with the Financial Regulation, the budget revenue is based on cash received from the Community contributions, the marketing license applications for pharmaceutical products and post authorization activities as well as various administrative activities (see table I).

Table I: Actual Revenue	**2007 Actual**	**2007 Initial**	**2006 Actual**	**Initial/Actual 2007**	**Actual 2006/2007**
	€ '000	€ '000	%	€ '000	%
Evaluation Fees	**111,753**	**105,870**	**94,556**	**5.56%**	**18.19%**
Total EU contribution	**44,642**	**41,000**	**38,566**	**8.88%**	**15.75%**
EU general contribution	25,942	26,228	23,933	-1.09%	8.39%
Telematics contribution	13,808	8,772	8,000	57.41%	72.60%
EC contribution for 'Orphan Medicines'	4,892	6,000	6,633	-18.47%	-26.25%
EEA contribution	**798**	**798**	**618**	**0.00%**	**29.13%**
Contribution to joint programmes	**583**	**490**	**741**	**18.98%**	**-21.32%**
Revenue from administrative operations	**5,046**	**4,618**	**5,407**	**9.27%**	**-6.68%**
Miscellaneous revenue	**2,467**	**1,762**	**1,414**	**40.01%**	**74.47%**
Total Revenue	**165,289**	**154,538**	**141,302**	**6.96%**	**16.98%**

EC general contribution including the Telematics contribution (€ 39.7 million) increased by 24.48% from 2006 to 2007 and represents 24.13% of the total 2007 revenue (€165.3 million). The main reason for this increase is the use of the surplus from 2005 (€4.7 million) to accelerate the development and implementation of Telematics programmes.

The decrease in the Orphan Medicines contribution (-26.25% in 2007 compared to 2006) is due to a change in policy for orphan fee reductions where since 1 January 2007 a 100% reduction is granted for Protocol Assistance and pre-authorisation inspections and 50% reduction for Marketing Applications. A 50% fee reduction for post-marketing activities is only granted for micro, small and medium sized enterprises (SMEs) during the first year on the market whereas up to 31 December 2006 this fee reduction was available to all applicants.

Fees income for evaluation services is the main source of revenue of the Agency representing 67.6% of the total 2007 revenue. In 2007 the income from fees increased by 18.19% compared to 2006 and the actual income exceeded the initial forecast by 5.56%. Increases in revenue not only involve an increase in the main evaluation activities but also an increase in the connected administrative activities such as the production of export certificates and parallel distribution fees. Revenue for charges levied for administrative operations represents 3.05% of the total 2007 revenue.

Miscellaneous revenue includes €1.2 million corresponding to bank interests (not from Community funding), €669,000 from regularisation from customer credits and €402,000 deriving from a refund from the Translation Centre Luxembourg.

10.2 Source of Funding

The funding can be split as follows:

Table II - Revenue funding	2007 Actual	of total	2006 Actual	of total
	€ '000	%	€ '000	%
Stable EMEA revenue	**71,149**	**43.0%**	**62,936**	**44.5%**
EU subsidies & contributions	46,023	27.8%	40,224	28.5%
Annual fees	25,126	15.2%	22,712	16.1%
Cyclical business revenue	**86,627**	**52.4%**	**71,844**	**50.8%**
Miscellaneous activities revenue	**7,513**	**4.5%**	**6,522**	**4.6%**
Total Revenue	**165,289**	**100.0%**	**141,302**	**100.0%**

In budgetary terms the stable revenue of Euro 71.15 million (43.05% of the total 2007 revenue) represents the proportion of revenue that is more or less guaranteed through Annual products maintenance fees received for both Human and Veterinary activities, the EC and EEA contributions, as well as contributions for Joint programmes.

In 2007 52.41% of the total revenue depended on the business cyclical activity.

10.3 Budget Expenditure

Budget expenditure includes payments made during the year plus carry forwards of budgetary commitments and appropriations to 2007 (as detailed in Annexes in chapter 12).

The EMEA expenditure budget is divided into 3 Titles:

Title 1 : Staff expenditure

Title 2 : Building, Equipment and Information Technology (IT)

Title 3 : Operational expenditure

The following table compares 2007 initial and actual expenditure with the 2006 actual expenditure:

Table III - Actual Expenditure	2007 Actual	2007 Initial	Initial - Actual	2006 Actual	Actual 06 - 07
	€ '000	€ '000	%	€ '000	%
Staff					
Staff in active employment	46,252	47,708	-3.1%	40,544	14.1%
Mission expenses	583	610	-4.4%	525	11.0%
Socio-medical infrastructure	345	499	-30.9%	399	-13.6%
Exchange of civil servants and experts	1,182	1,375	-14.0%	1,002	18.0%
Social welfare	47	240	-80.6%	3	1247.8%
Entertainment and representation expenses	36	24	49.9%	30	19.2%
Staff insurances	1,427	1,457	-2.1%	1,205	18.4%
Total Title 1	**49,871**	**51,913**	**-3.9%**	**43,709**	**14.1%**
Building/equipment					
Investment in immovable property, renting of building and associated costs	15,562	16,606	-6.3%	17,159	-9.3%
Expenditure on data processing	25,146	18,223	38.0%	14,490	73.5%
Movable property and associated costs	2,539	3,148	-19.4%	1,011	151.1%
Other administrative expenditure	682	792	-13.9%	632	7.9%
Postage and communications	767	983	-21.9%	661	16.1%
Expenditure on formal and other meetings	62	75	-17.5%	54	14.7%
Total Title 2	**44,758**	**39,827**	**12.4%**	**34,007**	**31.6%**
Operational expenditure					
Meetings	7,144	7,298	-2.1%	6,093	17.2%
Evaluations	53,490	51,089	4.7%	49,431	8.2%
Translation	3,182	3,593	-11.4%	2,110	50.8%
Studies and consultants	81	150	-46.0%	150	-46.1%
Publications	69	178	-61.2%	114	-39.4%
Community programmes	531	490	8.4%	534	-0.5%
Total Title 3	**64,497**	**62,798**	**2.7%**	**58,431**	**10.4%**
TOTAL EXPENDITURE	**159,126**	**154,538**	**3.0%**	**136,147**	**16.9%**

10.4 Staff

From 2006 to 2007 staff expenditure has increased by 14.1% as basic salary increased by 1.0% and the average number of staff has increased from 406 to 459 (13.1%).

In comparing actual vs budget expenditure for 2007 staff expenditure was 3.9% less than budget mainly due to a lower salary increase than budgeted.

10.5 Buildings and Related Expenditure

From 2006 to 2007 expenditure for investment in immovable property, renting of building and associated costs has decreased by 9.3%. This decrease is due to the refurbishment and fit-out of the 2nd floor being carried out over two years (2006 and 2007) with the major part of it allocated to 2006.

Expenditure for movable property in 2007 relates mainly to the audio-visual equipment for the 2nd floor meeting rooms as well as the fitting-out and furniture for the 6th floor extension at 1 Westferry Circus.

10.6 Information Technology Expenditure

The increase in expenditure on Information and Technology is due to the advancement of various EU Telematics project following the availability of funds for these projects.

10.7 Operational Expenditure

Operational expenditure relates to the fees paid for the Scientific Evaluation of applications which is carried out by the Scientific Committees. The Scientific Evaluation of individual dossiers is contracted to the National Competent Authorities (NCA) of the member states for which a fee is paid for providing scientific assessment reports. For this service EMEA pays to the NCAs 50% of the application fees received and 30% of the annual license maintenance fees.

The increase in the budgeted cost of evaluation fees is consistent with the increase in budget revenue.

EMEA provides the office accommodation and also pays for the cost of delegates' hotel and travel costs to attend Scientific Committee Meetings. This cost has increased by 17.2% compared to 2006 mainly for the implementation of the Pediatrics Committee.