European Medicines Agency

ANNUAL ACCOUNTS

FINANCIAL YEAR 2008

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ANNUAL ACCOUNTS

FINANCIAL YEAR 2008

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ACCOUNTANT'S CERTIFICATE ON THE ANNUAL ACCOUNTS

FOR THE FINANCIAL YEAR 2008

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, 2008 in all material aspects.

Gerard O'Malley
Accounting Officer
London 19 June 2009

ANNUAL ACCOUNTS

FINANCIAL YEAR 2008

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 Commission Regulation (EC,Euratom) No 652/2008 of 9 July 2008 amending Regulation (EC, Euratom) No 2343/2002 on 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 2008 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 to 22).
>
> The reports on the implementation of the budget (Pages 37 to 42).

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 agency'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 by EMEA during the year
Community Contribution	Net amount due after deduction of budget outturn	Cash received by EMEA during the year
Fixed assets	Purchases of fixed assets are capitalised and their cost depreciated over the useful life of the assets	Total amount purchased during the years 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 17.

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, as amended by Commission Regulation (EC) No. 312/2008 of 3 April 2008, effective 1st April 2008.

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 18% 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, 2008 amounts to € 11,700,800 (2007 €11,981,950).

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 27% 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, 2008 amount to € 18,124,000 (2007: € 15,858,000).

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, 2008, except for Tangible and Intangible fixed 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.

Cash Flow Hedges

Derivative financial instruments consisting of forward exchange contracts are measured at fair value on the balance sheet. The forward exchange contracts are designated as a hedge of highly probable expected future cash flows. Gains and loses on derivative financial instruments designated as cash flow hedges and assessed as effective for the period are taken to equity. Gains and loses taken to equity are reflected in the economic outturn account when the hedged cash flow impacts income.

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 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. 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 10.9% of their basic salaries and an additional 21.8% 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, 2008

Amounts in Euros

ASSETS

	Note	31.12.2008	31.12.2007
NON CURRENT ASSETS			
INTANGIBLE FIXED ASSETS	1	24,229,074.03	17,972,617.78
TANGIBLE FIXED ASSETS	2	13,491,405.55	12,672,671.74
TOTAL NON CURRENT ASSETS		37,720,479.58	30,645,289.52
CURRENT ASSETS			
Short term receivables	3	35,347,234.55	32,036,684.25
VAT recoverable from Member states		2,187,175.76	1,907,222.12
Consolidated EC Entities		1,018,179.26	
Debtors and Accrued Revenue		27,011,491.74	27,398,084.18
Provision for doubtful debts		<161,760.00>	<41,760.00>
Sundry receivables		5,292,147.79	2,773,137.95
CASH &CASH EQUIVALENTS	4	41,887,748.36	34,318,411.51
TOTAL CURRENT ASSETS		77,234,982.91	66,355,095.76
TOTAL ASSETS		114,955,462.49	97,000,385.28

LIABILITIES

	Note	31.12.2008	31.12.2007
CAPITAL			
Accumulated surplus		53,070,086.30	43,889,416.72
Economic Outturn for the year	5	9,551,934.75	9,180,669.58
Fair Value Movement	17	<8,661,663.00>	
TOTAL CAPITAL		53,960,358.05	53,070,086.30
CURRENT LIABILITIES			
Deferred Income		11,700,800.00	11,981,950.00
Current payables	6	25,366,511.15	25,570,294.17
Sundry payables		275,114.84	268,911.78
Advances from customers		238,312.94	204,323.75
EC Entities		884,817.26	959,422.57
Derivative financial instrument	17	7,951,295.00	
Budgetary Outturn	9	14,578,253.25	4,945,396.71
TOTAL CURRENT LIABILITIES		60,995,104.44	43,930,298.98
TOTAL LIABILITIES		114,955,462.49	97,000,385.28

ECONOMIC OUTTURN ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2008

Amounts in Euro

	Notes	31/12/2008	31/12/2007
Operating Income			
Fees relating to marketing authorisations		131,879,252.00	112,708,169.70
European Commission subsidy		27,806,860.03	34,804,594.81
EEA subsidy		955,926.23	798,000.00
European Commission subsidy for orphan medicines		4,767,500.00	4,892,000.00
European Commission Pre-Financing-Others		478,373.00	649,677.00
Total Community Contributions		34,008,659.26	41,144,271.81
Administrative revenue	11	5,318,260.00	4,748,596.00
Sundry revenue	12	3,627,947.14	2,848,174.02
a) Total Operating Income		**174,834,118.40**	**161,449,211.53**
Operating Charges			
Staff expenditure	13	53,829,035.32	50,164,628.62
Administrative expenditure	14	23,275,504.23	25,751,853.29
Operating Expenditure	15	72,030,625.75	67,402,036.66
Depreciation for year	(1&2)	11,216,626.51	7,761,326.27
Other expenditure		145,095.88	
b) Total Operating Charges		**160,496,887.69**	**151,079,844.84**
c) Surplus / (deficit) from operating activities (c = a - b)		14,337,230.71	10,369,366.69
Surplus / (deficit) from non operating activities (e)	16	<4,785,295.96>	<1,188,697.11>
f) Surplus / (deficit) from ordinary activities (f = c + e)		**9,551,934.75**	**9,180,669.58**
Surplus / (deficit) from extraordinary items (g)			
Economic Result of the Year (f + g)		**9,551,934.75**	**9,180,669.58**

CASH FLOW STATEMENT

Cash Flow Statement for the Year ended December 31, 2008 Eur

	2008	2007
Cash Flows from ordinary activities		
Surplus from ordinary activities	**9,551,934.75**	**9,180,669.58**
Operating activities		
Adjustments		
Amortization (intangible fixed assets) +	6,482,731.51	4,250,494.74
Depreciation (tangible fixed assets) +	4,733,895.00	3,510,831.53
Increase/(decrease) in Provisions for risks and liabilities	8,851,870.20	209,952.39
Increase/(decrease) in Value reduction for doubtful debts	120,000.00	< 669,172.63 >
(Increase)/decrease in Short term Receivables	<2,412,371.04>	< 5,353,475.55 >
(Increase)/decrease in Receivables related to consolidated EC entities	<1,018,179.26>	-
Increase/(decrease) in Accounts payable	7,316,347.03	5,252,442.35
Increase/(decrease) in Liabilities related to consolidated EC entities	9,558,251.23	< 2,752,804.49 >
(Gains)/losses on sale of Property, plant and equipment	44,730.60	1,434.24
Net cash Flow from operating activities	**43,229,210.02**	**13,630,372.16**
Cash Flows from investing activities		
Purchase of tangible and intangible fixed assets (-)	<18,336,547.17>	< 16,820,169.93 >
Net cash flow from investing activities	**<18,336,547.17>**	**< 16,820,169.93 >**
Net increase/(decrease) in cash and cash equivalents	24,892,662.85	< 3,189,797.77 >
Cash and cash equivalents at the beginning of the period	34,318,411.51	37,508,209.28
Cash and cash equivalents at the end of the period	41,887,748.36	34,318,411.51

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 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**
Allocation of economic outturn 2007	9,180,669.58	- <9,180,669.58>	-
Economic outturn 2008		9,551,934.75	9,551,934.75
Fair value movement		<8,661,663.00>	<8,661,663.00>
BALANCE AS OF 31 DECEMBER 2008	**53,070,086.30**	**890,271.75**	53,960,358.05

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 1.1.2008	**25,639**	**5,880**	**31,519**
Additions	5,673	7,067	12,740
Incorporation of intangible in progress	4,226	<4,226>	-
Disposal	<3>	-	<3>
BALANCE 31.12.2008	**35,535**	**8,721**	**44,256**
ACCUMULATED DEPRECIATION			
BALANCE 1.1.2007	**13,546**		**13,546**
Charge for the year	6,482		6,482
BALANCE 31.12.2008	**20,028**		**20,028**
NET BOOK VALUE 31.12.2008	**15,507**	8,721	**24,228**

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 1.1.2008	**14,118**	**5,060**	**8,432**	**773**	**28,383**
Additions for the year	1,992	695	2,740	170	5,596
Transfer from intangible	217	351	205	<773>	-
Disposals and other adjustments	-	<239>	<713>	-	<952>
BALANCE 31.12.2008	**16,327**	**5,866**	**10,664**	**170**	**33,027**
ACCUMULATED DEPRECIATION					
BALANCE 1.1.2008	**7,509**	**1,983**	**6,219**	**-**	**15,710**
Charge for the year	2,248	809	1,496		4,734
Disposals and other adjustments		<199>	<710>		<909>
BALANCE 31.12.2008	**9,937**	**2,593**	**7,005**		**19,535**
NET BOOK VALUE 31.12.2008	**6,390**	**3,273**	**3,658**		**13,491**

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 2,187,175 will be recovered in 2009.

Debtors and Accrued Revenue

This caption includes: EUR thousands

	31.12.2008	31.12.2007
Fees invoiced	4,639	9,150
Fees invoiced - payment deferred	4,248	2,390
Total Invoiced Fees Outstanding	**8,887**	**11,540**
Accrued Fees	18,124	15,858
Total Debtors and Accrued Revenue	**27,011**	**27,398**

The fees invoiced with deferred payment relates to pandemic influenza products and applications by Micro, Small and Medium enterprises.

The provision for doubtful debts is a specific provision i.e. the amounts concerned are unlikely to be collected for specific customers.

Note 4. Cash and Cash Equivalents

Bank balances are comprised as follows: EUR thousands

	31.12.2008	31.12.2007
Short term deposits	34,473	28,636
Interest bearing current accounts	7,412	5,676
Imprest Accounts	2	6
	41,887	**34,318**

The cash balance at the year end are earmarked, together with vat recoverable and other sundry receivables, to pay the budget surplus of € 14.6 million to the European Commission and the budget carry forwards of € 36.07 million as disclosed in the budgetary outturn account on page 24.

Note 5. Capital

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

		31.12.2008	31.12.2007
The budgetary outturn	a	**14,578**	**4,945**
Result of adjustments			
Positive movements			
Reversal of budgetary commitments carry forward		18,568	13,675
Capitalisation of intangible assets		12,740	7,596
Capitalisation of tangible assets		5,596	9,224
Revenue due not collected at 31.12.2008		25,889	26,229
Prepaid expenses		1,449	568
	b	**64,242**	**57,292**
Negative movements			
Increase (decrease) in deferred revenue		<281>	2,914
Reduction of EC contribution considered as prefinancing		14,578	4,945
Depreciation of intangible assets		6,483	4,250
Depreciation of tangible assets		4,733	3,511
Provision for untaken leave		<25>	219
Provision for doubtful debts		100	602
Reversal of 2007 accrued revenue		15,857	12,715
Reversal of 2007 carry-forwards		13,675	10,350
Revenue 2007 collected 2008		9,402	9,902
Miscellaneous		<245>	96
Accrual for amounts due to National Competent Authorities		680	4,756
Unrealised exchange differences		4,311	
	c	**69,268**	**53,056**
Economic outturn (a + b - c)		**9,552**	**9,181**

Note 6. Current Liabilities

Current payables represent amounts accrued due for goods and services at 31 December 2008. It also includes liability of €2.6 M for untaken leave (2007 €2.9M)

EUR thousands

	31.12.2008	31.12.2007
Amounts carried over in the budgetary accounts were	36,077	32,039
Accrual for rapporteur fees	5,437	4,756
Untaken Leave and Provisions	2,883	2,909
Adjustments for amounts not due at December 31, 2008	<18,568>	< 13,675 >
	25,829	**26,029**
Less carryovers related to EC entities	463	459
	25,366	**25,570**

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 2009 to 2014 amounts to approximately Euro 69.8 million inclusive of service charges.

In addition the Agency would 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 5.5 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.

The Agency has entered into various legal commitments under which future obligations are estimated to be € 2.2 million.

Note 8. Fees relating to Marketing Authorisations

Revenue from fees comprise: EUR thousands

	2008	2007
Fees for initial applications	24,057	18,342
Annual fees	36,109	31,150
Other fees mainly post authorization variations	71,712	63,216
	131,879	**112,708**

Note 9. Budgetary Surplus

Until 2008 the budgetary outturn calculated as set out on page 24 was transferred to the European Commission. The Commission treated this amount as earmarked revenue, which could at the discretion of the Commission be included in the contribution to the Agency budgets of the next two years.

For 2008 the surplus shall be duly taken into account by the Commission when assessing the financial needs of the Agency for 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.

Note 11. Administrative Revenue

This chapter includes administrative charges for: EUR thousands

	31.12.2008	31.12.2007
Processing Parallel Distribution notifications	3,924	3,947
Processing Export Certificates	1,192	783
Other Charges	202	19
	5,318	**4,749**

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.

The EMEA issues certificates of a medicinal product in conformity with the arrangements laid down by the World Health Organisation. These certify the marketing authorization and good manufacturing status of medicinal products in the EU and are intended for use in support of marketing authorization applications in and export to non-EU

Note 12. Sundry Revenue

This chapter includes: EUR thousands

	31.12.2008	31.12.2007
Budgetary carryovers from previous years not used	1,501	1,135
Capital contribution from landlord and rental income from 1 Westferry Circus	1,684	-
EDQM refund	-	401
Other Sundry Income	443	1,312
	3,628	**2,848**

Note 13. Staff Expenditure

From 2007 to 2008 staff expenditure has increased by 7.9%. Basic salary and allowances increased by 3.4% and the average number of staff has increased from 459 to 508 (11%). However, at the same time the London weighting decreased from 143.1 on 1 July 2007 to 125.6 from 15 May 2008.

Note 14. Administrative Expenditure

This comprises: EUR thousands

	31.12.2008	31.12.2007
Building occupancy costs	12,915	14,744
Communication and Networking expenditure on annual IT costs	8,457	9,262
Others, i.e. Telecommunication, Library etc	1,903	1,746
	23,275	**25,752**

The decrease of € 1.82 million in Building occupancy costs is principally due to depreciation of GBP in which the costs are payable. The average space occupied in 2008 was sqmts 18,449 an increase of 41% over 2007 (sqmts 13,078).

Note 15. Operating Expenditure

The principal items included are: EUR thousands

	31.12.2008	31.12.2007
Share of evaluation and annual fees to NCAs	60,259	56,444
Reimbursement of Committee Members traveling costs and accommodation	7,259	6,953
Translation	3,886	3,232
Other	626	773
	72,030	**67,402**

Note 16. Non-Operating Activities

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

	31.12.2008	31.12.2007
Interest Income	2,100	1,234
Bank charges	<54>	< 70 >
	2,046	**1,164**
Exchange loss / gain	<6,832>	< 2,353 >
	<4,786>	**< 1,189 >**

The average interest rates for Euro and GBP remained comparably similar to that of 2007 (Euro3.8/GBP 5.57% in 2008, Euro 3.64/GBP 5.17% in 2007). The increase in the interest revenue is mainly due to the increase in fee revenue resulting in an increase in the average amount held in short term deposits.

The exchange loss includes an unrealised amount of €4.3M relating to the year end revaluation of GBP balances at the year end rate of 0.9525 GBP/€.

Note 17. Financial instruments

Currency risk

The Agency's functional and presentational currency is the Euro.

The Agency is exposed to a currency risk on expenditure denominated in pounds sterling (GBP). The Agency seeks to maintain the budgeted appropriations in Euros on approx 50% of GBP denominated commitments which are highly probable cash flows, being salary payments and rent. In particular salary payments from January 1^{st} to June 30^{th} are denominated in Euros but paid out in GBP at a rate fixed on July 1^{st} of the previous year. (July 1^{st} 2008 €1=GBP 0.7924)

Hedged item

The hedged amount consists of the highly probable cash flows of GBP 39,405,000 which spreads as follows in 2009:

	GBP Millions		
Jan-March	5.2	July-Sept	11.4
April-June	11.4	Oct-Dec	11.4

Hedging Instrument

The Agency entered into forward contracts with Lloyd's bank to sell Euro and buy GBP at a rate of €1=GBP 0.795. The hedged amount is GBP 39,405,000.

Fair value measurement

The fair value adjustment charged to equity and reflected in the balance sheet is calculated as follows:

	€Millions
Notional amount at contract rate of 0.795	49.5
Notional amount at forward rate on 31/12/2008 of 0.9469	41.6
Financial Liability	7.9
Interest income attributable	0.7
Fair value adjustment	8.6

ANNUAL ACCOUNTS

FINANCIAL YEAR 2008

PART II

REPORTS ON THE IMPLEMENTATION OF THE BUDGET

BUDGET OUTTURN ACCOUNT FOR 2008

:   EUR

REVENUE	2008	2007
EC subsidies including EEA contribution	43,341,039.51	40,547,991.52
EC subsidy for "Orphan Drugs"	3,755,200.00	4,892,000.00
Evaluation Fees	132,178,865.00	111,752,775.75
Revenue from administrative operations	5,029,540.00	5,065,361.10
Contribution to community programmes	576,373.00	582,833.55
Miscellaneous Revenue	3,511,301.36	2,448,490.37
Total A	**188,392,318.87**	**165,289,452.29**
EXPENDITURE		
TITLE 1 - Staff		
Payments	53,072,007.21	49,106,750.38
Automatic carry forwards	725,813.11	764,301.23
Sub-total	**53,797,820**	**49,871,051.61**
TITLE 2 - Buildings, Equipment and operating expenditure		
Payments	25,850,348.59	25,863,037.98
Automatic carry forwards	21,445,543.98	18,894,780.67
Non-automatic carry forwards		-
Sub-total	**47,295,892.57**	**44,757,818.65**
TITLE 3 - Operating Expenditure		
Payments	58,213,834.78	52,117,980.36
Automatic carry forwards	13,905,869.00	12,379,225.91
Sub-total	**72,119,703.78**	**64,497,206.27**
Total Payments	137,136,190.58	127,087,768.72
Total for automatic carry forwards	36,077,226.09	32,038,307.81
Total for non-automatic carry forwards		-
Total B	**173,213,416.67**	**159,126,076.53**
Budget Outturn for the Year (A - B)	15,178,902.20	6,163,375.76
Appropriations carried forward from the previous year which lapse	1,501,464.16	1,135,338.44
Differences on exchange	<2,102,113.11>	< 2,353,317.49 >
Balance carried over from year 2006	4,945,396.71	8,179,242.90
Positive balance from year 2006 reimbursed in year 2007 to the Commission	<4,945,396.71>	< 8,179,242.90 >
Balance for the Year	**14,578,253.25**	**4,945,396.71**
Interest yielded on the EC subsidy and to be reimbursed to the Commission	421,404.52	402,422.94

GENERAL UTILISATION OF APPROPRIATIONS

Financial Year 2008

EURO

Art	Item	Heading	For 2008 Total Appropriations	Commitments 2008	Payments Made 2008	From 2008 to 2009 Carry overs Art 10.6	From 2008 to 2009 Non-automatic Carry Overs Art 10.6	Cancellation of Appropriations
1	2	3	9	10	11	13		14
		Title 1 Staff	59,245,000.00	53,797,820.32	53,072,007.21	725,813.11	-	5,447,179.68
		Title 2 Buildings,Equipment and miscellaneous operating expenditure	50,308,000.00	47,295,892.57	25,850,348.59	21,445,543.98	-	3,012,107.43
		Title 3 Operating expenditure	73,342,000.00	72,119,703.78	58,213,834.78	13,905,869.00	-	1,222,296.22
			182,895,000.00	173,213,416.67	137,136,190.58	36,077,226.09	-	9,681,583.33

Carry overs 2007

EURO

Art	Item	Heading	From 2007 to 2008 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	764,301.23	-	609,635.73	154,665.50	-	154,665.50
		Title 2 Buildings,Equipment and miscellaneous operating expenditure	18,894,780.67	-	17,896,052.04	998,728.63	-	998,728.63
		Title 3 Operating expenditure	12,379,225.91	-	12,031,155.88	348,070.03	-	348,070.03
			32,038,307.81	-	30,536,843.65	1,501,464.16	-	1,501,464.16

Development and Use of the appropriations for the Financial Year 2008

EURO

Art./ Item	HEADING	INITIAL APPROPRIATIONS	AMENDMENTS BY RECTIFYING BUDGETS	TRANSFERS OF APPROPRIATIONS	TRANSFER OF RESERVE	2008 ACTUAL APPROPRIATIONS	COMMITMENTS	PAYMENTS MADE	AUTOMATIC CARRY FORWARD	NON-AUTO CARRY FORWARD	BUDGET to be cancelled
	1	2	3	4	5	6	7	8	9	10	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	27,085,000.00	-	-450,000.00		26,635,000.00	26,499,842.32	26,499,842.32	-	-	135,157.68
1101	FAMILY ALLOWANCES	2,531,000.00	-	623,000.00		3,154,000.00	3,024,798.81	3,024,798.81	-	-	129,201.19
1102	EXPATRIATION AND FOREIGN RESIDENCE ALLOWANCES	3,553,000.00	-	24,000.00		3,577,000.00	3,568,911.67	3,568,911.67	-	-	8,088.33
1103	FIXED ALLOWANCES	106,000.00	-	-		106,000.00	91,328.60	91,328.60	-	-	14,671.40
	TOTAL OF ARTICLE 110	**33,275,000.00**	**-**	**197,000.00**		**33,472,000.00**	**33,184,881.40**	**33,184,881.40**	**-**	**-**	**287,118.60**
111	*OTHER STAFF*										-
1110	AUXILIARY STAFF	-	-	-		-	-	-	-	-	-
1112	LOCAL STAFF	-	-	-		-	-	-	-	-	-
1113	SPECIAL ADVISERS	-	-	-		-	-	-	-	-	-
1114	CONTRACT AGENT ART. 3A	2,777,000.00	-	-377,000.00		2,400,000.00	2,329,599.97	2,329,599.97	-	-	70,400.03
	TOTAL OF ARTICLE 111	**2,777,000.00**	**-**	**-377,000.00**		**2,400,000.00**	**2,329,599.97**	**2,329,599.97**	**-**	**-**	**70,400.03**
1120	FURTHER TRAINING, LANGUAGE COURSES AND RETRAINING FOR STAFF	1,230,000.00	-	-257,000.00		973,000.00	876,717.64	718,889.85	157,827.79	-	96,282.36
	TOTAL OF ARTICLE 112	**1,230,000.00**	**-**	**-257,000.00**		**973,000.00**	**876,717.64**	**718,889.85**	**157,827.79**	**-**	**96,282.36**
114	*MISCELLANEOUS ALLOWANCES AND GRANTS*										
1140	BIRTH AND DEATH GRANTS	6,000.00	-	3,000.00		9,000.00	7,535.78	7,535.78	-	-	1,464.22
1141	TRAVEL EXPENSES FROM THE PLACE OF EMPLOYMENT TO THE PLACE OF ORIGIN	599,000.00	-	30,000.00		629,000.00	611,738.32	611,738.32	-	-	17,261.68
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	-	-	10,000.00		10,000.00	-	-	-	-	10,000.00
	TOTAL OF ARTICLE 114	**608,000.00**	**-**	**43,000.00**		**651,000.00**	**621,356.46**	**621,356.46**	**-**	**-**	**29,643.54**
115	*OVERTIME*	-	-	-		-	-	-	-	-	-
	TOTAL OF ARTICLE 115	**-**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**

Development and Use of the appropriations for the Financial Year 2008 EURO

Art/ Item	HEADING	INITIAL APPROPRIATIONS	AMENDMENTS BY RECTIFYING BUDGETS	TRANSFERS OF APPROPRIATIONS	TRANSFER OF RESERVE	2008 ACTUAL APPROPRIATIONS	COMMITMENTS	PAYMENTS MADE	AUTOMATIC CARRY FORWARD	NON-AUTO CARRY FORWARD	BUDGET to be cancelled
	1	2	3	4	5	6	7	8	9	10	10
117	*SUPPLEMENTARY SERVICES*										
1170	FREELANCE JOINT INTERPRETING AND CONFERENCE SERVICE INTERPRETERS	10,000.00	-	-		10,000.00	-	-	-	-	10,000.00
1173	TRANSLATION CENTRE, LUXEMBOURG	10,000.00	-	-		10,000.00	8,188.64	8,188.64	-	-	1,811.36
1174	ADMINISTRATIVE ASSISTANCE FROM THE EC	260,000.00	-	-		260,000.00	259,858.00	253,660.42	6,197.58	-	142.00
1175	INTERIM SERVICES	1,600,000.00	-	200,000.00		1,800,000.00	1,690,272.41	1,550,929.41	139,343.00	-	109,727.59
	TOTAL OF ARTICLE 117	**1,880,000.00**	**-**	**200,000.00**		**2,080,000.00**	**1,958,319.05**	**1,812,778.47**	**145,540.58**	**-**	**121,680.95**
118	*ALLOWANCES AND EXPENSES ON ENTERING AND LEAVING THE SERVICE AND ON TRANSFER*										
1180	MISCELLANEOUS EXPENDITURE ON RECRUITMENT	250,000.00	-	44,000.00		294,000.00	197,963.49	164,032.17	33,931.32	-	96,036.51
1181	TRAVEL EXPENSES (including members of the family)	15,000.00	-	-		15,000.00	13,583.76	13,583.76	-	-	1,416.24
1182	INSTALLATION, RESETTLEMENT AND TRANSFER ALLOWANCES	170,000.00	-	5,000.00		175,000.00	173,808.34	173,808.34	-	-	1,191.66
1183	REMOVAL EXPENSES	85,000.00	-	-		85,000.00	80,653.33	73,545.33	7,108.00	-	4,346.67
1184	TEMPORARY DAILY SUBSISTENCE ALLOWANCES	180,000.00	-	15,000.00		195,000.00	190,478.82	190,478.82	-	-	4,521.18
	TOTAL OF ARTICLE 118	**700,000.00**	**-**	**64,000.00**		**764,000.00**	**656,487.74**	**615,448.42**	**41,039.32**	**-**	**107,512.26**
119	*SALARY WEIGHTINGS*										
1190	WEIGHTINGS	13,941,000.00	-	- 370,000.00		13,571,000.00	9,572,198.68	9,572,198.68	-	-	3,998,801.32
1191	PROVISIONAL APPROPRIATION	-	-	-		-	-	-	-	-	-
	TOTAL OF ARTICLE 119	**13,941,000.00**	**-**	**- 370,000.00**		**13,571,000.00**	**9,572,198.68**	**9,572,198.68**	**-**	**-**	**3,998,801.32**
	TOTAL OF CHAPTER 11	**54,411,000.00**	**-**	**- 500,000.00**		**53,911,000.00**	**49,199,560.94**	**48,855,153.25**	**344,407.69**	**-**	**4,711,439.06**
	CHAPTER 13 - MISSIONS AND DUTY TRAVEL										
1300	MISSION EXPENSES, TRAVEL EXPENSES AND INCIDENTAL EXPENDITURE	639,000.00	-	180,000.00		819,000.00	605,314.57	514,114.57	91,200.00	-	213,685.43
	TOTAL OF ARTICLE 130	**639,000.00**	**-**	**180,000.00**		**819,000.00**	**605,314.57**	**514,114.57**	**91,200.00**	**-**	**213,685.43**
	TOTAL OF CHAPTER 13	**639,000.00**	**-**	**180,000.00**		**819,000.00**	**605,314.57**	**514,114.57**	**91,200.00**	**-**	**213,685.43**
	CHAPTER 14 - SOCIOMEDICAL INFRASTRUCTURE										
1400	RESTAURANT AND CANTEENS	443,000.00	-	-		443,000.00	323,053.27	258,206.97	64,846.30	-	119,946.73
	TOTAL OF ARTICLE 140	**443,000.00**	**-**	**-**		**443,000.00**	**323,053.27**	**258,206.97**	**64,846.30**	**-**	**119,946.73**
1410	MEDICAL SERVICE	160,000.00	-	-		160,000.00	106,173.07	100,173.07	6,000.00	-	53,826.93
	TOTAL OF ARTICLE 141	**160,000.00**	**-**	**-**		**160,000.00**	**106,173.07**	**100,173.07**	**6,000.00**	**-**	**53,826.93**
	TOTAL OF CHAPTER 14	**603,000.00**	**-**	**-**		**603,000.00**	**429,226.34**	**358,380.04**	**70,846.30**	**-**	**173,773.66**

Development and Use of the appropriations for the Financial Year 2008 EURO

Art/ Item	HEADING	INITIAL APPROPRIATIONS	AMENDMENTS BY RECTIFYING BUDGETS	TRANSFERS OF APPROPRIATIONS	TRANSFER OF RESERVE	2008 ACTUAL APPROPRIATIONS	COMMITMENTS	PAYMENTS MADE	AUTOMATIC CARRY FORWARD	NON-AUTO CARRY FORWARD	BUDGET to be cancelled
	1	2	3	4	5	6	7	8	9	10	10
	CHAPTER 15 - EXCHANGES OF OFFICIALS AND EXPERTS										
1520	STAFF EXCHANGES	1,950,000.00	-	-379,000.00		1,571,000.00	1,330,250.00	1,140,735.13	189,514.87	-	240,750.00
1530	COST OF ORGANISING GRADUATE TRAINEESHIPS	487,000.00	-	54,000.00		541,000.00	535,691.77	529,691.77	6,000.00	-	5,308.23
	TOTAL OF ARTICLE 152	**2,437,000.00**	**-**	**-325,000.00**		**2,112,000.00**	**1,865,941.77**	**1,670,426.90**	**195,514.87**	**-**	**246,058.23**
	TOTAL OF CHAPTER 15	**2,437,000.00**	**-**	**-325,000.00**		**2,112,000.00**	**1,865,941.77**	**1,670,426.90**	**195,514.87**	**-**	**246,058.23**
	CHAPTER 16 - SOCIAL WELFARE										
1600	SPECIAL ASSISTANCE GRANTS	2,000.00	-	-2,000.00		-	-	-	-	-	-
	TOTAL OF ARTICLE 160	**2,000.00**	**-**	**-2,000.00**		**-**	**-**	**-**	**-**	**-**	**-**
1630	EARLY CHILDHOOD CENTRES AND OTHER CRECHES	50,000.00	-	55,000.00		105,000.00	91,995.40	91,995.40	-	-	13,004.60
	TOTAL OF ARTICLE 163	**50,000.00**	**-**	**55,000.00**		**105,000.00**	**91,995.40**	**91,995.40**	**-**	**-**	**13,004.60**
1640	COMPLEMENTARY AID FOR THE HANDICAPPED	3,000.00	-	-3,000.00		-	-	-	-	-	-
	TOTAL OF ARTICLE 164	**3,000.00**	**-**	**-3,000.00**		**-**	**-**	**-**	**-**	**-**	**-**
	TOTAL OF CHAPTER 16	**55,000.00**	**-**	**50,000.00**		**105,000.00**	**91,995.40**	**91,995.40**	**-**	**-**	**13,004.60**
	CHAPTER 17 - ENTERTAINMENT AND REPRESENTATION					-					
1700	ENTERTAINMENT AND REPRESENTATION EXPENSES	38,000.00	-	-		38,000.00	32,888.09	10,273.98	22,614.11	-	5,111.91
	TOTAL OF ARTICLE 170	**38,000.00**	**-**	**-**		**38,000.00**	**32,888.09**	**10,273.98**	**22,614.11**	**-**	**5,111.91**
	TOTAL OF CHAPTER 17	**38,000.00**	**-**	**-**		**38,000.00**	**32,888.09**	**10,273.98**	**22,614.11**	**-**	**5,111.91**
	CHAPTER 18 - INSURANCE AGAINST SICKNESS, ACCIDENTS, UNEMPLOYMENT AND PENSION BENEFITS										
1820	SOCIAL CONTACTS BETWEEN STAFF	25,000.00	-	-		25,000.00	3,246.00	2,015.86	1,230.14	-	21,754.00
	TOTAL OF ARTICLE 182	**25,000.00**	**-**	**-**		**25,000.00**	**3,246.00**	**2,015.86**	**1,230.14**	**-**	**21,754.00**
183	*INSURANCE AGAINST SICKNESS, ACCIDENTS AND OCCUPATIONAL DISEASE, UNEMPLOYMENT INSURANCE AND MAINTENANCE OF PENSION RIGHTS*										
1830	INSURANCE AGAINST SICKNESS	1,022,000.00	-	-		1,022,000.00	995,525.21	995,525.21	-	-	26,474.79
1831	INSURANCE AGAINST ACCIDENTS AND OCCUPATIONAL DISEASE	213,000.00	-	-		213,000.00	206,617.45	206,617.45	-	-	6,382.55
1832	UNEMPLOYMENT INSURANCE FOR TEMPORARY STAFF	377,000.00	-	-		377,000.00	367,504.55	367,504.55	-	-	9,495.45
1833	ESTABLISHMENT OR MAINTENANCE OF PENSION RIGHTS	20,000.00	-	-		20,000.00	-	-	-	-	20,000.00
	TOTAL OF ARTICLE 183	**1,632,000.00**	**-**	**-**	**-**	**1,632,000.00**	**1,569,647.21**	**1,569,647.21**	**-**	**-**	**62,352.79**
	TOTAL OF CHAPTER 18	**1,657,000.00**	**-**	**-**	**-**	**1,657,000.00**	**1,572,893.21**	**1,571,663.07**	**1,230.14**	**-**	**84,106.79**
	TOTAL OF TITLE 1	**59,840,000.00**	**-**	**-595,000.00**		**59,245,000.00**	**53,197,820.32**	**53,072,007.21**	**725,813.11**	**-**	**5,447,179.68**

Development and Use of the appropriations for the Financial Year 2008

EURO

Art/ Item	HEADING	INITIAL APPROPIATIONS	AMENDMENTS BY RECTIFYING BUDGETS	TRANSFERS OF APPROPRIATIONS	TRANSFER OF RESERVE	2008 ACTUAL APPROPRIATIONS	COMMITMENTS	PAYMENTS MADE	AUTOMATIC CARRY FORWARD	NON-AUTO CARRY FORWARD	BUDGET to be cancelled
	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	8,475,000.00	-	-1,330,000.00		7,145,000.00	7,124,803.02	7,124,803.02	-	-	20,196.98
	TOTAL OF ARTICLE 200	8,475,000.00	-	-1,330,000.00		7,145,000.00	7,124,803.02	7,124,803.02	-	-	20,196.98
2010	INSURANCE	400,000.00	-	-		400,000.00	287,865.50	284,215.50	3,650.00	-	112,134.50
	TOTAL OF ARTICLE 201	400,000.00	-	-		400,000.00	287,865.50	284,215.50	3,650.00	-	112,134.50
2020	WATER, GAS, ELECTRICITY AND HEATING	750,000.00	-	-260,000.00		490,000.00	438,012.09	365,619.13	72,392.96		51,987.91
	TOTAL OF ARTICLE 202	750,000.00	-	-260,000.00		490,000.00	438,012.09	365,619.13	72,392.96	-	51,987.91
2030	MAINTENANCE AND CLEANING	784,000.00	-	-196,000.00		588,000.00	538,137.14	419,731.81	118,405.33		49,862.86
	TOTAL OF ARTICLE 203	784,000.00	-	-196,000.00		588,000.00	538,137.14	419,731.81	118,405.33	-	49,862.86
2040	FITTING OUT OF PREMISES	151,000.00	4,200,000.00	1,190,000.00	-	5,541,000.00	5,514,891.28	2,063,662.65	3,451,228.63		26,108.72
	TOTAL OF ARTICLE 204	151,000.00	4,200,000.00	1,190,000.00		5,541,000.00	5,514,891.28	2,063,662.65	3,451,228.63	-	26,108.72
2050	SECURITY AND SURVEILLANCE OF BUILDINGS	621,000.00	-	-380,000.00		241,000.00	195,738.32	128,001.15	67,737.17		45,261.68
	TOTAL OF ARTICLE 205	621,000.00	-	-380,000.00		241,000.00	195,738.32	128,001.15	67,737.17	-	45,261.68
2080	OTHER EXPENDITURE PRELIMINARY TO CONSTRUCTION OF A BUILDINGS OR THE ACQUISITION OF IMMOVABLE PROPERTY	267,000.00	200,000.00	426,000.00		893,000.00	637,898.54	391,939.81	245,958.73	-	255,101.46
	TOTAL OF ARTICLE 208	267,000.00	200,000.00	426,000.00		893,000.00	637,898.54	391,939.81	245,958.73	-	255,101.46
2090	OTHER EXPENDITURE ON BUILDINGS	4,170,000.00	-	-		4,170,000.00	3,904,005.93	3,427,594.09	476,411.84		265,994.07
	TOTAL OF ARTICLE 209	4,170,000.00	-	-		4,170,000.00	3,904,005.93	3,427,594.09	476,411.84	-	265,994.07
	TOTAL OF CHAPTER 20	15,618,000.00	4,400,000.00	-550,000.00		19,468,000.00	18,641,351.82	14,205,567.16	4,435,784.66	-	826,648.18
	CHAPTER 21 - EXPENDITURE ON DATA PROCESSING										
211	*MAINTENANCE OF COMPUTER NETWORKS & EQUIPMENT*										
2110	NEW PURCHASES OF HARDWARE FOR THE EMA	885,000.00	120,000.00	908,000.00		1,913,000.00	1,912,129.05	580,889.25	1,331,239.80		870.95
2111	NEW PROCUREMENT OF SOFTWARE FOR THE EMA	395,000.00	450,000.00	618,800.00		1,463,800.00	1,444,335.26	812,936.14	631,399.12		19,464.74
2112	REPLACEMENT OF HARDWARE AND SOFTWARE FOR THE EMA	160,000.00	-	347,000.00		507,000.00	505,630.66	170,788.15	334,842.51		1,369.34
2113	HIRE OF HARDWARE AND SOFTWARE FOR THE EMA	-	-	-		-	-	-	-	-	-
2114	MAINTENANCE AND REPAIR OF HARDWARE AND SOFTWARE FOR THE EMA	3,824,000.00	510,000.00	-748,000.00		3,586,000.00	3,585,393.89	2,642,241.82	943,152.07		606.11
2115	ANALYSIS, PROGRAMMING AND TEC. ASSISTANCE FOR THE EMA	2,333,000.00	1,300,000.00	130,300.00		3,763,300.00	3,763,232.25	1,057,456.54	2,705,775.71		67.75
	TOTAL OF ARTICLE 211	7,597,000.00	2,380,000.00	1,256,100.00		11,233,100.00	11,210,721.11	5,264,311.90	5,946,409.21	-	22,378.89

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212	*COMPUTER NETWORKS & EQUIPMENT FOR SPECIFIED PROJ.*										
2120	NEW PURCHASES OF HARDWARE FOR SPECIFIED PROJ.	350,000.00	300,000.00	361,700.00		1,011,700.00	1,011,680.80	288,331.90	723,348.90		19.20
2121	NEW PROCUREMENT OF SOFTWARE FOR SPECIFIED PROJ.	216,000.00	50,000.00	221,200.00		487,200.00	486,296.36	253,023.53	233,272.83	-	903.64
2122	REPLACEMENT OF HARDWARE AND SOFTWARE FOR SPECIFIED PROJECTS	140,000.00	-	- 140,000.00		-	-	-	-		-
2123	HIRE OF HARDWARE AND SOFTWARE FOR SPECIFIED PROJ.	-	-	-		-	-	-	-	-	-
2124	MAINTENANCE AND REPAIR OF HARDWARE AND SOFTWARE FOR SPECIFIED PROJECTS	5,080,000.00	-	- 1,394,000.00		3,686,000.00	3,685,241.38	2,449,134.94	1,236,106.44	-	758.62
2125	ANALYSIS, PROGRAMMING AND TEC. ASSISTANCE FOR SPECIFIED PROJECTS	7,119,000.00	1,450,000.00	1,698,000.00		10,267,000.00	8,980,985.79	486,337.01	8,494,648.78	-	1,286,014.21
	TOTAL OF ARTICLE 212	**12,905,000.00**	**1,800,000.00**	**746,900.00**		**15,451,900.00**	**14,164,204.33**	**3,476,827.38**	**10,687,376.95**	**-**	**1,287,695.67**
214	*ANALYSIS, PROGRAMMING, AND SPECIAL PROJECTS*	-	-	-		-	-	-	-	-	-
2140	ANALYSIS, PROGRAMMING, AND SPECIAL PROJECTS	-	-	-		-	-	-			-
	TOTAL OF ARTICLE 214	**-**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**
	TOTAL OF CHAPTER 21	**20,502,000.00**	**4,180,000.00**	**2,083,000.00**		**26,685,000.00**	**25,374,925.44**	**8,741,139.28**	**16,633,786.16**	**-**	**1,310,074.56**
	CHAPTER 22 - MOVABLE PROPERTY AND ASSOCIATED COST										
220	*TECHNICAL EQUIPMENT AND INSTALLATIONS*										
2200	NEW PURCHASES OF TECHNICAL EQUIPMENT AND INSTALLATIO	167,000.00	-	- 20,000.00		147,000.00	53,385.33	48,881.81	4,503.52	-	93,614.67
2201	REPLACEMENT OF TECHNICAL EQUIPMENT AND INSTALLATIONS	15,000.00	-	435,000.00		450,000.00	418,464.82	408,016.88	10,447.94	-	31,535.18
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	807,000.00	-	- 90,000.00		717,000.00	683,760.60	662,605.01	21,155.59	-	33,239.40
	TOTAL OF ARTICLE 220	**990,000.00**	**-**	**325,000.00**		**1,315,000.00**	**1,155,610.75**	**1,119,503.70**	**36,107.05**	**-**	**159,389.25**
221	*FURNITURE*										
2210	NEW PURCHASE OF FURNITURE	15,000.00	-	200,000.00		215,000.00	183,679.52	70,846.65	112,832.87	-	31,320.48
2211	REPLACEMENT OF FURNITURE	15,000.00	-	- 10,000.00		5,000.00	-	-	-	-	5,000.00
2212	HIRE OF FURNITURE	-	-	-		-	-	-	-		-
2213	MAINTENANCE, USE AND REPAIR OF FURNITURE	-	-	-		-	-	-	-		-
	TOTAL OF ARTICLE 221	**30,000.00**	**-**	**190,000.00**		**220,000.00**	**183,679.52**	**70,846.65**	**112,832.87**	**-**	**36,320.48**

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212	*COMPUTER NETWORKS & EQUIPMENT FOR SPECIFIED PROJ.*										
2120	NEW PURCHASES OF HARDWARE FOR SPECIFIED PROJ.	350,000.00	300,000.00	361,700.00		1,011,700.00	1,011,680.80	288,331.90	723,348.90		19.20
2121	NEW PROCUREMENT OF SOFTWARE FOR SPECIFIED PROJ.	216,000.00	50,000.00	221,200.00		487,200.00	486,296.36	253,023.53	233,272.83	-	903.64
2122	REPLACEMENT OF HARDWARE AND SOFTWARE FOR SPECIFIED PROJECTS	140,000.00	-	- 140,000.00		-	-	-	-		-
223	*VEHICLES*										
2230	NEW PURCHASE OF VEHICLES	-	-	-		-	-	-	-		-
2231	REPLACEMENT OF VEHICLES	-	-	-		-	-	-	-		-
2232	HIRE OF VEHICLES	1,000.00	-	-		1,000.00	31.55	31.55	-		968.45
2233	MAINTENANCE, USE AND REPAIR OF VEHICLES	-	-	-		-	-	-	-		-
	TOTAL OF ARTICLE 223	**1,000.00**	-	-		**1,000.00**	**31.55**	**31.55**	-	-	**968.45**
225	*DOCUMENTATION AND LIBRARY EXPENDITURE*										
2250	LIBRARY FUNDS, PURCHASE OF BOOKS	106,000.00	-	-		106,000.00	42,763.30	13,663.30	29,100.00		63,236.70
2251	SPECIAL LIBRARY, DOCUMENTATION AND REPRODUCTION EQUIPMENT	-	-	-		-	-	-	-		-
2252	SUBSCRIPTION TO NEWSPAPERS AND PERIODICALS	490,000.00	-	-		490,000.00	285,981.37	256,918.95	29,062.42		204,018.63
2254	PRESERVATION OF DOCUMENTS	-	-	-		-	-	-	-		-
	TOTAL OF ARTICLE 225	**596,000.00**	-	-		**596,000.00**	**328,744.67**	**270,582.25**	**58,162.42**	-	**267,255.33**
	TOTAL OF CHAPTER 22	**1,617,000.00**	-	**515,000.00**		**2,132,000.00**	**1,468,066.49**	**1,460,964.15**	**207,102.34**	-	**463,933.51**
	CHAPTER 23-CURRENT ADMINISTRATIVE EXPENDITURE										
2300	STATIONERY AND OFFICE SUPPLIES	260,000.00	-	- 35,000.00		225,000.00	192,099.44	171,031.65	21,067.79		32,900.56
	TOTAL OF ARTICLE 230	**260,000.00**	-	- **35,000.00**		**225,000.00**	**192,099.44**	**171,031.65**	**21,067.79**	-	**32,900.56**
232	*FINANCIAL CHARGES*										
2320	BANK CHARGES	72,000.00	-	-		72,000.00	54,000.00	40,401.19	13,598.81		18,000.00
2321	EXCHANGE LOSSES	-	-	-		-	-	-	-		-
2329	OTHER FINANCIAL CHARGES	-	-	-		-	-	-	-		-
	TOTAL OF ARTICLE 232	**72,000.00**	-	-		**72,000.00**	**54,000.00**	**40,401.19**	**13,598.81**	-	**18,000.00**
2330	LEGAL EXPENSES	80,000.00	-	10,000.00		90,000.00	71,630.94	66,083.69	5,547.25		18,369.06
	TOTAL OF ARTICLE 233	**80,000.00**	-	**10,000.00**		**90,000.00**	**71,630.94**	**66,083.69**	**5,547.25**	-	**18,369.06**
2340	DAMAGES	20,000.00	-	- 15,000.00		5,000.00	4,220.49	4,220.49	-	-	779.51
	TOTAL OF ARTICLE 234	**20,000.00**	-	- **15,000.00**		**5,000.00**	**4,220.49**	**4,220.49**	-	-	**779.51**

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Art./ Item	HEADING	INITIAL APPROPRIATIONS	AMENDMENTS BY RECTIFYING BUDGETS	TRANSFERS OF APPROPRIATIONS	TRANSFER OF RESERVE	2008 ACTUAL APPROPRIATIONS	COMMITMENTS	PAYMENTS MADE	AUTOMATIC CARRY FORWARD	NON-AUTO CARRY FORWARD	BUDGET to be cancelled
212	*COMPUTER NETWORKS & EQUIPMENT FOR SPECIFIED PROJ.*										
2120	NEW PURCHASES OF HARDWARE FOR SPECIFIED PROJ.	350,000.00	300,000.00	361,700.00		1,011,700.00	1,011,680.80	288,331.90	723,348.90		19.20
2121	NEW PROCUREMENT OF SOFTWARE FOR SPECIFIED PROJ.	216,000.00	50,000.00	221,200.00		487,200.00	486,296.36	253,023.53	233,272.83	-	903.64
2122	REPLACEMENT OF HARDWARE AND SOFTWARE FOR SPECIFIED PROJECTS	140,000.00	-	140,000.00		-	-	-	-		-
235	*OTHER OPERATING EXPENDITURE*										
2350	MISCELLANEOUS INSURANCE	4,000.00	-	-		4,000.00	3,625.00	2,303.31	1,321.69	-	375.00
2353	DEPARTMENTAL REMOVALS AND ASSOCIATED HANDLING	53,000.00	-	110,000.00		163,000.00	148,225.33	144,059.60	4,165.73	-	14,774.67
2354	ARCHIVING OF DOCUMENTS	212,000.00	-	60,000.00		152,000.00	138,360.54	104,100.86	34,259.68		13,639.46
2358	COVER EXPENSES RELATING TO BUSINESS CONTINUITY PLAN	125,000.00	-	38,000.00		163,000.00	156,022.20	133,705.53	22,316.67		6,977.80
2359	OTHER OPERATING EXPENDITURE	10,000.00	-	3,000.00		7,000.00	5,333.48	5,333.48	-	-	1,666.52
	TOTAL OF ARTICLE 235	**404,000.00**	**-**	**85,000.00**		**489,000.00**	**451,566.55**	**389,502.78**	**62,063.77**	**-**	**37,433.45**
2390	PUBLICATIONS	25,000.00	-	10,000.00		15,000.00	4,411.67	2,517.37	1,894.30		10,588.33
	TOTAL OF ARTICLE 239	**25,000.00**	**-**	**10,000.00**		**15,000.00**	**4,411.67**	**2,517.37**	**1,894.30**	**-**	**10,588.33**
	TOTAL OF CHAPTER 23	**861,000.00**	**-**	**35,000.00**		**896,000.00**	**777,929.09**	**673,757.17**	**104,171.92**	**-**	**118,070.91**
	CHAPTER 24 - POSTAL CHARGES, TELECOMMUNICATIONS, RADIO AND TELEVISION STUDIOS										
2400	POSTAGE AND DELIVERY CHARGES	250,000.00	-	-		250,000.00	196,865.95	170,784.06	26,081.89	-	53,134.05
	TOTAL OF ARTICLE 240	**250,000.00**	**-**	**-**		**250,000.00**	**196,865.95**	**170,784.06**	**26,081.89**	**-**	**53,134.05**
241	*TELECOMMUNICATIONS*										
2410	PHONE, FAX, TELEX	707,000.00	-	-		707,000.00	546,838.52	512,021.00	34,817.52	-	160,161.48
2411	TELECOMMUNICATION EQUIPMENT	91,000.00	-	-		91,000.00	26,853.00	23,053.51	3,799.49	-	64,147.00
	TOTAL OF ARTICLE 241	**798,000.00**	**-**	**-**		**798,000.00**	**573,691.52**	**535,074.51**	**38,617.01**	**-**	**224,308.48**
	TOTAL OF CHAPTER 24	**1,048,000.00**	**-**	**-**		**1,048,000.00**	**770,557.47**	**705,858.57**	**64,698.90**	**-**	**277,442.53**
	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	69,000.00	-	-		69,000.00	63,062.26	63,062.26	-		5,937.74
	TOTAL OF ARTICLE 250	**79,000.00**	**-**	**-**	**-**	**79,000.00**	**63,062.26**	**63,062.26**	**-**	**-**	**15,937.74**
	TOTAL OF CHAPTER 25	**79,000.00**	**-**	**-**		**79,000.00**	**63,062.26**	**63,062.26**	**-**	**-**	**15,937.74**
	TOTAL OF TITLE 2	**39,725,000.00**	**8,580,000.00**	**2,003,000.00**		**50,308,000.00**	**47,295,892.57**	**25,850,348.59**	**21,445,543.98**	**-**	**3,012,107.43**

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212	*COMPUTER NETWORKS & EQUIPMENT FOR SPECIFIED PROJ.*										
2120	NEW PURCHASES OF HARDWARE FOR SPECIFIED PROJ.	350,000.00	300,000.00	361,700.00		1,011,700.00	1,011,680.80	288,331.90	723,348.90		19.20
2121	NEW PROCUREMENT OF SOFTWARE FOR SPECIFIED PROJ.	216,000.00	50,000.00	221,200.00		487,200.00	486,296.36	253,023.53	233,272.83	-	903.64
2122	REPLACEMENT OF HARDWARE AND SOFTWARE FOR SPECIFIED PROJECTS	140,000.00	-	140,000.00		-	-	-	-		-
	TITLE 3 - OPERATING EXPENDITURE										
300	*MEETINGS*										
3000	REIMBURSEMENT OF PERSONS ATTENDING MEETINGS	7,921,000.00	-	420,000.00		7,501,000.00	7,124,379.89	6,380,403.01	743,976.88	-	376,620.11
3001	INTERPRETATION	25,000.00	-	-		25,000.00	21,424.00	11,536.00	9,888.00	-	3,576.00
3002	CATERING	205,000.00	-	-		205,000.00	113,620.08	99,772.30	13,847.78		91,379.92
3003	OTHER EXPENDITURE	5,000.00	-	10,000.00		15,000.00	-	-	-		15,000.00
	TOTAL OF ARTICLE 300	**8,156,000.00**	-	**410,000.00**		**7,746,000.00**	**7,259,423.97**	**6,491,711.31**	**767,712.66**	-	**486,576.03**
301	*EVALUATION OF MEDICINAL PRODUCTS*										
3010	EVALUATION OF MEDICINAL PRODUCTS	60,406,000.00	-	-		60,406,000.00	60,180,715.50	48,288,037.50	11,892,678.00		225,284.50
3011	EVALUATION OF DESIGNATED ORPHAN MEDICINAL PROD.	-	-	-	-	-	-	-	-		-
3012	SPECIAL ACTIVITIES	-	-	-		-	-	-	-		-
	TOTAL OF ARTICLE 301	**60,406,000.00**	-	-		**60,406,000.00**	**60,180,715.50**	**48,288,037.50**	**11,892,678.00**	-	**225,284.50**
302	*TRANSLATION CENTRE, LUXEMBOURG*										
3020	TRANSLATION CENTRE, LUXEMBOURG	2,801,000.00	-	136,000.00		2,937,000.00	2,937,000.00	2,349,249.15	587,750.85		-
3021	OTHER TRANSLATIONS	1,200,000.00	-	136,000.00		1,064,000.00	1,000,000.00	540,615.00	459,385.00		64,000.00
	TOTAL OF ARTICLE 302	**4,001,000.00**	-	-		**4,001,000.00**	**3,937,000.00**	**2,889,864.15**	**1,047,135.85**	-	**64,000.00**
3030	STUDIES AND CONSULTANTS	80,000.00	-	10,000.00		90,000.00	81,717.90	47,932.16	33,785.74		8,282.10
	TOTAL OF ARTICLE 303	**80,000.00**	-	**10,000.00**		**90,000.00**	**81,717.90**	**47,932.16**	**33,785.74**	-	**8,282.10**
3040	PUBLICATIONS	499,000.00	-	-		499,000.00	281,505.07	169,671.07	111,834.00		217,494.93
	TOTAL OF ARTICLE 304	**499,000.00**	-	-		**499,000.00**	**281,505.07**	**169,671.07**	**111,834.00**	-	**217,494.93**
3050	COMMUNITY PROGRAMMES	600,000.00	-	-		600,000.00	379,341.34	326,618.59	52,722.75	-	220,658.66
	TOTAL OF ARTICLE 305	**600,000.00**	-	-		**600,000.00**	**379,341.34**	**326,618.59**	**52,722.75**	-	**220,658.66**
	TOTAL OF CHAPTER 30	**73,742,000.00**	-	**400,000.00**		**73,342,000.00**	**72,119,703.78**	**58,213,834.78**	**13,905,869.00**	-	**1,222,296.22**
	TOTAL OF TITLE 3	**73,742,000.00**	-	**400,000.00**		**73,342,000.00**	**72,119,703.78**	**58,213,834.78**	**13,905,869.00**	-	**1,222,296.22**
	TOTAL EXPENSES	173,307,000.00	8,580,000.00	1,008,000.00	-	182,895,000.00	173,213,416.67	137,136,190.58	36,077,226.09	-	9,681,583.33

Statement of the Development and Use of appropriations carried forward from the financial year 2007 to 2008 in accordance with Art. 10.6 of Financial Regulation

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Item	HEADING	Appropriations carried forward from 2007	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	*251,351.71*	*177,861.03*	73,490.68
	TOTAL OF ARTICLE 112	**251,351.71**	**177,861.03**	**73,490.68**
1174	ADMINISTRATIVE COSTS EC	*4,987.50*	*4,987.13*	0.37
1175	INTERIM SERVICES	*171,000.00*	*170,747.37*	252.63
	TOTAL OF ARTICLE 117	**175,987.50**	**175,734.50**	**253.00**
1180	MISCELLANEOUS EXPENDITURE ARISING FROM RECRUITMENT PROCEDURES	*34,056.93*	*14,358.27*	19,698.66
1183	REMOVAL EXPENSES	*9,295.25*	*8,595.24*	700.01
1184	TEMPORARY DAILY SUBSISTENCE ALLOWANCE	-	-	-
	TOTAL OF ARTICLE 118	**43,352.18**	**22,953.51**	**20,398.67**
	TOTAL OF CHAPTER 11	**470,691.39**	**376,549.04**	**94,142.35**
	CHAPTER 13 - MISSIONS AND DUTY TRAVEL			
1300	MISSION EXPENSES, TRAVELLING EXPENSES AND INCIDENTAL EXPENDITURE	*71,500.00*	*52,102.76*	19,397.24
	TOTAL OF ARTICLE 130	**71,500.00**	**52,102.76**	**19,397.24**
	TOTAL OF CHAPTER 13	**71,500.00**	**52,102.76**	**19,397.24**
	CHAPTER 14 - SOCIOMEDICAL INFRASTRUCTURE			
1400	RESTAURANT AND CANTEENS	*53,314.49*	*46,855.97*	6,458.52
	TOTAL OF ARTICLE 140	**53,314.49**	**46,855.97**	**6,458.52**
1410	MEDICAL SERVICE	*15,000.00*	*9,446.57*	5,553.43
	TOTAL OF ARTICLE 141	**15,000.00**	**9,446.57**	**5,553.43**
	TOTAL OF CHAPTER 14	**68,314.49**	**56,302.54**	**12,011.95**
	CHAPTER 15 - EXCHANGES OF OFFICIALS AND EXPERTS			
1520	STAFF EXCHANGE	*134,602.41*	*109,279.48*	25,322.93
1530	COST OF ORGANISING GRADUATE TRAINEESHIPS	-	-	-
	TOTAL OF ARTICLE 152	**134,602.41**	**109,279.48**	**25,322.93**
	TOTAL OF CHAPTER 15	**134,602.41**	**109,279.48**	**25,322.93**
	CHAPTER 17 - ENTERTAINMENT AND REPRESENTATION			
1700	ENTERTAINMENT AND REPRESENTATION EXPENSES	*19,192.94*	*15,401.91*	3,791.03
	TOTAL OF ARTICLE 170	**19,192.94**	**15,401.91**	**3,791.03**
	TOTAL OF CHAPTER 17	**19,192.94**	**15,401.91**	**3,791.03**
	CHAPTER 18 - INSURANCE AGAINST SICKNESS, ACCIDENTS, UNEMPLOYMENT AND PENSION BENEFITS			
1820	SOCIAL CONTACTS BETWEEN STAFF	-	-	-
	TOTAL OF ARTICLE 182	-	-	-
	TOTAL OF CHAPTER 18	-	-	-
	TOTAL OF TITLE 1	**764,301.23**	**609,635.73**	**154,665.50**

Statement of the Development and Use of appropriations carried forward from the financial year 2007 to 2008 in accordance with Art. 10.6 of Financial Regulation

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Item	HEADING	Appropriations carried forward from 2007	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	103,080.60	53,323.71	49,756.89
	TOTAL OF ARTICLE 200	**103,080.60**	**53,323.71**	**49,756.89**
2010	INSURANCE	63,000.00	39,516.80	23,483.20
	TOTAL OF ARTICLE 201	**63,000.00**	**39,516.80**	**23,483.20**
2020	WATER, GAS, ELECTRICITY AND HEATING	60,363.35	43,083.47	17,279.88
	TOTAL OF ARTICLE 202	**60,363.35**	**43,083.47**	**17,279.88**
2030	MAINTENANCE AND CLEANING	47,540.77	44,533.37	3,007.40
	TOTAL OF ARTICLE 203	**47,540.77**	**44,533.37**	**3,007.40**
2040	FITTING OUT OF PREMISES	145,844.86	126,305.03	19,539.83
	TOTAL OF ARTICLE 204	**145,844.86**	**126,305.03**	**19,539.83**
2050	SECURITY AND SURVEILLANCE OF BUILDINGS	186,714.76	167,825.94	18,888.82
	TOTAL OF ARTICLE 205	**186,714.76**	**167,825.94**	**18,888.82**
2080	OTHER EXPENDITURE PRELIMINARY TO CONSTRUCTION OF A BUILDING	68,503.13	50,269.84	18,233.29
2090	OTHER EXPENDITURE ON BUILDINGS	453,579.69	249,232.29	204,347.40
	TOTAL OF ARTICLE 209	**522,082.82**	**299,502.13**	**222,580.69**
	TOTAL OF CHAPTER 20	**1,128,627.16**	**774,090.45**	**354,536.71**
	CHAPTER 21 - EXPENDITURE ON DATA-PROCESSING			
2110	NEW PURCHASES OF HARDWARE FOR THE EMA	1,333,605.20	1,331,827.33	1,777.87
2111	NEW PROCUREMENT OF SOFTWARE FOR THE EMA	584,222.90	583,006.26	1,216.64
2112	REPLACEMENT OF HARDWARE AND SOFTWARE FOR THE EMA	-	-	-
2113	HIRE OF HARDWARE AND SOFTWARE	-	-	-
2114	MAINTENANCE AND REPAIR OF HARD & SOFTWARE	1,006,983.61	978,336.06	28,647.55
2115	ANALYSIS, PROGRAMMING & TECHNICAL ASSISTANCE	1,764,537.58	1,705,252.34	59,285.24
	TOTAL OF ARTICLE 211	**4,689,349.29**	**4,598,421.99**	**90,927.30**
2120	NEW PURCHASES OF HARDWARE FOR SPECIFIC PRJ	591,667.52	591,667.52	-
2121	NEW PROCUREMENT OF SOFTWARE FOR SPECIFIC PRJ	1,034,205.49	1,005,083.21	29,122.28
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	1,812,868.82	1,785,172.43	27,696.39
2125	ANALYSIS, PROGRAMMING & TECH. ASSIST. FOR SPECIFIC PRJ	8,980,628.18	8,526,850.42	453,777.76
	TOTAL OF ARTICLE 212	**12,419,370.01**	**11,908,773.58**	**510,596.43**
	TOTAL OF CHAPTER 21	**17,108,719.30**	**16,507,195.57**	**601,523.73**
	CHAPTER 22 - MOVABLE PROPERTY AND ASSOCIATED COST			
2200	NEW PURCHASES OF TECHNICAL EQUIPMENT AND INSTALLATIONS	46,534.24	40,588.03	5,946.21
2201	REPLACEMENT OF TECHNICAL EQUIPMENT	-	-	-
2203	MAINTENANCE USE AND REPAIR OF TECHNICAL INSTALLATIONS	17,557.24	15,575.23	1,982.01
	TOTAL OF ARTICLE 220	**64,091.48**	**56,163.26**	**7,928.22**
2210	NEW PURCHASE OF FURNITURE	349,799.91	342,823.36	6,976.55
2211	REPLACEMENT OF FURNITURE	49,352.50	49,352.50	-
	TOTAL OF ARTICLE 221	**399,152.41**	**392,175.86**	**6,976.55**
2232	HIRE OF VEHICLES	-	-	-
	TOTAL OF ARTICLE 223	-	-	-
2250	LIBRARY STOCKS, PURCHASE OF BOOKS	9,322.00	8,909.80	412.20
2252	SUBSCRIPTION TO NEWSPAPERS AND PERIODICALS	29,360.00	27,074.50	2,285.50
2254	PRESERVATION OF DOCUMENTS	-	-	-
	TOTAL OF ARTICLE 223	**38,682.00**	**35,984.30**	**2,697.70**
	TOTAL OF CHAPTER 22	**501,925.89**	**484,323.42**	**17,602.47**

Statement of the Development and Use of appropriations carried forward from the financial year 2007 to 2008 in accordance with Art. 10.6 of Financial Regulation

EURO

Item	HEADING	Appropriations carried forward from 2007	Payments made	Cancellations
1	2	3	4	5
	CHAPTER 23 - CURRENT ADMINISTRATIVE EXPENDITURE			
2300	STATIONERY AND OFFICE SUPPLIES	16,223.07	15,173.34	1,049.73
	TOTAL OF ARTICLE 230	**16,223.07**	**15,173.34**	**1,049.73**
2320	BANK CHARGES	18,510.78	18,510.78	-
	TOTAL OF ARTICLE 232	**18,510.78**	**18,510.78**	-
2330	LEGAL EXPENSES	21,645.57	18,743.66	2,901.91
	TOTAL OF ARTICLE 233	**21,645.57**	**18,743.66**	**2,901.91**
2350	MISCELLANEOUS INSURANCE	296.69	244.95	51.74
2353	DEPARTMENTAL REMOVALS AND ASSOCIATED HANDLING	-	-	-
2354	ARCHIVING OF DOCUMENTS	16,493.56	14,757.92	1,735.64
2358	BUSINESS CONTINUITY	20,723.98	12,004.58	8,719.40
2359	OTHER OPERATING EXPENDITURE	-	-	-
	TOTAL OF ARTICLE 233	**37,514.23**	**27,007.45**	**10,506.78**
2390	PUBLICATIONS	4,149.77	656.46	3,493.31
	TOTAL OF ARTICLE 239	**4,149.77**	**656.46**	**3,493.31**
	TOTAL OF CHAPTER 23	**98,043.42**	**80,091.69**	**17,951.73**
	CHAPTER 24 - POSTAL CHARGES, TELECOMMUNICATIONS,			
2400	POSTAL & DELIVERY CHARGES	15,086.04	12,627.59	2,458.45
	TOTAL OF ARTICLE 240	**15,086.04**	**12,627.59**	**2,458.45**
2410	TELECOMMUNICATION CHARGES	39,894.21	35,436.98	4,457.23
2411	TELECOMMUNICATION EQUIPMENT	2,484.65	2,286.34	198.31
	TOTAL OF ARTICLE 241	**42,378.86**	**37,723.32**	**4,655.54**
	TOTAL OF CHAPTER 24	**57,464.90**	**50,350.91**	**7,113.99**
	CHAPTER 25 - EXPENDITURE ON FORMAL & OTHER MEETINGS			
2500	MEETINGS IN GENERAL	-	-	-
	TOTAL OF ARTICLE 250	-	-	-
	TOTAL OF CHAPTER 25	-	-	-
	TOTAL OF TITLE 2	**18,894,780.67**	**17,896,052.04**	**998,728.63**
	TITLE 3 : OPERATING EXPENDITURE			
	CHAPTER 30 : OPERATING EXPENDITURE			
3000	REIMBURSEMENT OF PERSONS ATTENDING MEETINGS	909,948.23	726,426.94	183,521.29
3001	INTERPRETATION	14,680.00	13,464.00	1,216.00
3002	CATERING	30,000.00	29,473.84	526.16
3003	OTHER EXPENDITURE	-	-	-
	TOTAL OF ARTICLE 300	**954,628.23**	**769,364.78**	**185,263.45**
3010	EVALUATION OF MEDICINAL PRODUCTS	9,572,990.00	9,437,289.96	135,700.04
3011	ORPHAN DRUGS/ MRLs	759,800.00	759,800.00	-
3012	SPECIAL ACTIVITIES	-	-	-
	TOTAL OF ARTICLE 301	**10,332,790.00**	**10,197,089.96**	**135,700.04**
3020	STUDIES AND CONSULTATIONS	510,732.88	506,733.64	3,999.24
3021	OTHER TRANSLATIONS	448,032.00	447,776.00	256.00
	TOTAL OF ARTICLE 302	**958,764.88**	**954,509.64**	**4,255.24**
3030	STUDIES AND CONSULTATIONS	42,227.80	33,296.22	8,931.58
	TOTAL OF ARTICLE 303	**42,227.80**	**33,296.22**	**8,931.58**
3040	INFORMATION & PUBLICATIONS	4,815.00	4,220.98	594.02
	TOTAL OF ARTICLE 304	**4,815.00**	**4,220.98**	**594.02**
3050	*COMMUNITY PROGRAMMES*	86,000.00	72,674.30	13,325.70
	TOTAL OF ARTICLE 305	**86,000.00**	**72,674.30**	**13,325.70**
	TOTAL OF CHAPTER 30	**12,379,225.91**	**12,031,155.88**	**348,070.03**
	TOTAL OF TITLE 3	**12,379,225.91**	**12,031,155.88**	**348,070.03**
	GRAND TOTAL	32,038,307.81	30,536,843.65	1,501,464.16

EXPLANATORY NOTES TO THE REPORTS ON THE IMPLEMENTATION OF THE BUDGET

BUDGETARY ACCOUNTS

Revenue and Expenditure Account for 2008	2008	2007
Revenue	**EURO**	**EURO**
EC contribution including EEA contribution	43,341,039.51	40,547,991.52
EC contribution for orphan medicines	3,755,200.00	4,892,000.00
Evaluation Fees	132,178,865.00	111,752,775.75
Revenue from administrative operations	5,029,540.00	5,065,361.10
Contribution to community programmes	576,373.00	582,833.55
Miscellaneous income	3,511,301.36	2,448,490.37
Total A	**188,392,318.87**	**165,289,452.29**
Expenditure		
Title 1 - Staff		
Payments	53,072,007.21	49,106,750.38
Automatic carry forward	725,813.11	764,301.23
Sub-total	**53,797,820.32**	**49,871,051.61**
Title 2 - Buildings, Equipment and operating expenditure		
Payments	25,850,348.59	25,863,037.98
Automatic carry forward	21,445,543.98	18,894,780.67
Sub-total	**47,295,892.57**	**44,757,818.65**
Title 3 - Operating Expenditure		
Payments	58,213,834.78	52,117,980.36
Automatic carry forward	13,905,869.00	12,379,225.91
Sub-total	**72,119,703.78**	**64,497,206.27**
Total Payments	137,136,190.58	127,087,768.72
Total automatic carry forward	36,077,226.09	32,038,307.81
Total B	**173,213,416.67**	**159,126,076.53**
Budgetary Outturn for the Year (A-B)	15,178,902.20	6,163,375.76
Appropriation from previous year which lapse	1,501,464.16	1,135,338.44
Differences in exchange	<2,102,113.11>	<2,353,317.49>
Balance carried over from n-1	4,945,396.71	8,179,242.90
Positive balance from n-1 reimbursed in year n to the Commission	<4,945,396.71>	<8,179,242.90>
Balance for the Year	**14,578,253.25**	**4,945,396.71**

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 activities 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	2008 Actual	2008 Initial	Initial/ actual 2008	2007 Actual	Actual 07/08
	€ '000	€ '000	%	€ '000	%
Evaluation Fees	**132,179**	**126,318**	**4.6%**	**111,753**	**18.3%**
Total EU contribution	**46,140**	**38,000**	**21.4%**	**44,642**	**3.4%**
EU general contribution	33,613	23,228	44.7%	25,942	29.6%
Telematics contribution	8,772	8,772	0.0%	13,808	-36.5%
EC contribution for 'Orphan Medicines'	3,755	6,000	-37.4%	4,892	-23.2%
EEA contribution	**956**	**765**	**25.0%**	**798**	**19.8%**
Contribution to joint programmes	**576**	**600**	**-4.0%**	**583**	**-1.2%**
Revenue from administrative operations	**5,030**	**5,244**	**-4.1%**	**5,046**	**-0.3%**
Miscellaneous revenue	**3,511**	**2,380**	**47.5%**	**2,467**	**42.3%**
Total Revenue	**188,392**	**173,307**	**8.7%**	**165,289**	**14.0%**

Fee income for evaluation services is the main source of revenue of the Agency representing 70.2% of the total 2008 revenue. In 2008 the income from fees increased by 18.3% compared to 2007 and the actual income exceeded the initial forecast by 4.6%. At the same time the revenue for administrative activities such as the production of export certificates and parallel distribution fees is expected to level around the 2007/2008 actual receipts. Revenue for charges levied for administrative operations represents 2.7% of the total 2008 revenue.

EC general contribution including the Telematics contribution increased by 3.4% from 2007 to 2008 and represents 24.5% of the total 2008 revenue. The reason for the increase between the initial and the actual contribution is mainly the use of the surplus from 2007 (Euro 7.997 million/Amending Budget 02-2008) for development and implementation of Telematics programmes as well as for the refurbishment and fit-out of EMEA office space and meeting rooms.

The total fee reductions granted for Orphan Medicines in 2008 amount to Euro 4.8 million, of which Euro 3.7 million was paid to the EMEA within financial year 2008 and the remainder will be paid in early 2009. Consequently the decrease in EC contribution for Orphan Medicines in 2008 (-37.4%) will be balanced with the actual cash receipt in 2009.

Miscellaneous revenue includes Euro 1.4 million corresponding to bank interests (not from Community funding), Euro 1.4 million for the letting of the 1st floor 7 Westferry Circus and Euro 618 000 in capital contribution from the landlord for the fitting-out of the 6th floor 1 Westferry Circus.

10.2 Source of Funding

The funding can be split as follows:

Table II - Revenue funding	2008 Actual	of total	2007 Actual	of total
	€ '000	%	€ '000	%
Stable EMEA revenue	**80,331**	**42.6%**	**71,149**	**43.0%**
EU subsidies & contributions	47,672	25.3%	46,023	27.8%
Annual fees	32,659	17.3%	25,126	15.2%
Cyclical business revenue	**99,520**	**52.8%**	**86,627**	**52.4%**
Miscellaneous activities revenue	**8,541**	**4.5%**	**7,513**	**4.5%**
Total Revenue	**188,392**	**100.0%**	**165,289**	**100.0%**

In budgetary terms the stable revenue of Euro 80.3 million (42.6% of the total 2008 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 2008 52.8% 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 2008 (as detailed in Annexes in chapter 12).

The EMEA expenditure budget is divided into 3 Titles:

Title I : Staff expenditure

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

Title III : Operational expenditure

The following table compares 2008 initial and actual expenditure with the 2007 actual expenditure:

Table III - Actual Expenditure	2008 Actual	2008 Initial	Initial -Actual	2007 Actual	Actual 07 – 08
	€ '000	**€ '000**	**%**	**€ '000**	**%**
Staff					
Staff in active employment	49,200	54,411	-9.6%	46,252	6.4%
Mission expenses	605	639	-5.3%	583	3.8%
Socio-medical infrastructure	429	603	-28.9%	345	24.3%
Exchange of civil servants and experts	1,866	2,437	-23.4%	1,182	57.9%
Social welfare	92	55	67.3%	47	95.7%
Entertainment and representation expenses	33	38	-13.2%	36	-8.3%
Staff insurances	1,573	1,657	-5.1%	1,427	10.2%
Total Title 1	**53,798**	**59,840**	**-10.1%**	**49,871**	**7.9%**
Building/equipment					
Investment in immovable property, renting of building and associated costs	18,641	15,618	19.4%	15,562	19.8%
Expenditure on data processing	25,375	20,502	23.8%	25,146	0.9%
Movable property and associated costs	1,668	1,617	3.2%	2,539	-34.3%
Other administrative expenditure	778	861	-9.6%	682	14.1%
Postage and communications	771	1,048	-26.4%	767	0.5%
Expenditure on formal and other meetings	63	79	-20.3%	62	1.6%
Total Title 2	**47,296**	**39,725**	**19.1%**	**44,758**	**5.7%**
Operational expenditure					
Meetings	7,259	8,156	-11.0%	7,144	1.6%
Evaluations	60,181	60,406	-0.4%	53,490	12.5%
Translation	3,937	4,001	-1.6%	3,182	23.7%
Studies and consultants	82	80	2.5%	81	1.2%
Publications	282	499	-43.5%	69	308.7%
Community programmes	379	600	-36.8%	531	-28.6%
Total Title 3	**72,120**	**73,742**	**-2.2%**	**64,497**	**11.8%**
TOTAL EXPENDITURE	**173,213**	**173,307**	**-0.1%**	**159,126**	**8.8%**

10.4 Staff

From 2007 to 2008 staff expenditure has increased by 7.9% Basic salary and allowances increased by 3.4%[1] and the average number of staff has increased from 459 to 508 (11%). However, at the same time the London weighting decreased from 143.1 for 1 July 2007 - 14 May 2008 to 125.6 from 15 May 2008 (-40.6%).

[1] 0.4% related to annual salary review 2007: late additional adjustment in June 2008
3.0% related to annual salary review 2008

Comparing actual vs. initial budget expenditure for 2008, staff expenditure was 10.1% less than initial budget mainly due to the decline in London weighting that was only effected on the budget with the Rappel on 19 December 2008 as well as a lower number of National Experts having taken up service at the EMEA.

10.5 Buildings and Related Expenditure

From 2007 to 2008 expenditure for investment in immovable property, renting of building and associated costs has increased by 19.8%. This increase is due to the refurbishment and initial fit-out of the 1st floor as well as the refurbishment of meeting rooms and office space on the 3rd, 4th and 7th floor in 2008.

Expenditure for postage and communication in 2008 was below par (-26.4%) mainly due to less services being used and savings being made throughout the year because of a more favorable GBP/EUR exchange rate.

10.6 Information Technology Expenditure

From 2007 to 2008 expenditure for Information Technology remained stable (+0.9%).

The increase in expenditure on Information Technology in 2008 compared to the initial budget is due to the advancement of various EU Telematics and EMEA corporate IT projects following the availability of funds for these projects through the use of the 2006 surplus with Amending Budget 02-2008.

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 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 in 2008 has remained stable compared to 2007 (+1.6%).