17 May 2013
EMA/275297/2012
Administration

Report on budgetary and financial management

Financial year 2012

Introduction

This report summarises the budgetary and financial management by European Medicines Agency during the financial year 2012. It outlines the financial situation and the events which had a significant influence on activities during the year.

The report has been drawn up in accordance with Article 76 of the agency's Financial Regulation and Article 80 of the Implementing Rules to the Financial Regulation.

For information about the agency's business objectives and the degree of achievement, please refer to the Annual Activity Report and the Annual Report.

1. Financial Management in general

1.1. Initial budget and amending budgets

Authorised appropriations in the European Medicines Agency's initial budget for 2012 totalled EUR 222,489,000, representing a 6.52% increase over the 2011 budget (EUR 208,863,000).

One amending budget was introduced in 2012 to change the grade of one post in the establishment plan from AST3 to AD6. This amendment had no impact on overall numbers of posts, nor on the overall volume of staff related appropriations.

1.2. Revenue

Revenue entered in the accounts as at 31 December 2012 amounted to a total of EUR 223,527,419.34.

Of total revenue, 82.23% derived from the agency's own resources for the evaluation of medicines and other business related activities and 17.77% derived from the European Union budget to fund various public health and harmonisation activities, as described in the work programme (in 2011: 80.23%/19.77%).

As stipulated in the Financial Regulation, budget revenue is based on cash received for contributions received from the European Union, fees for marketing license applications for pharmaceutical products and for post-authorisation activities as well as for various administrative activities.

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Table 1 below presents the implementation of the revenue budget of the European Medicines Agency.

Table 1 Use of 2012 revenue appropriation

Appropriation type	EUR or %
I. Appropriations in general	
Initial appropriations	222,489,000.00
Amending budget	0.00
Final appropriations	222,489,000.00
II. Use of appropriations	
Recovery orders 2012 and earlier	254,035,840.26
Representing in % of final appropriations	114.18%
Cash-receipts against recovery orders 2012 and earlier	223,527,419.34
Representing in % of final recovery orders	87.99%
III. Amounts established in 2012	
Recovery orders 2012 only	233,417,005.14
Representing in % of final appropriations	104.91%
Cash-receipts against recovery orders 2012 only	206,291,111.73
Representing in % of final recovery orders	88.38%
IV. Amounts unpaid from 2012 to be paid in 2013 or later	
Recovery orders for the evaluation of medicinal products (fees)	30,146,965.00
Recovery orders for EU contribution to orphan medicines fee reductions	0.00
Other recovery orders	361,455.92
V. Amounts unpaid in 2011 or earlier, paid in 2012	
Recovery orders for the evaluation of medicinal products (fees)	15,800,941.27
Recovery orders for EU contribution	0.00
Other recovery orders	1,435,366.34
VI. Waivers of amounts receivable	
Recovery orders waived by the authorising officer	14,573.00
VII. Waivers of fees and charges (excluding waivers for orphan medicines)	
Reductions deriving from paediatric or micro, small- and medium sized enterprises or advanced therapies legislation	8,156,220.00
Other reductions in accordance with Article 9 of the Fee Regulation	1,673,345.00

1.3. Expenditure (commitments and payments)

Commitments totalled EUR 218,858,143.17 or 98.37% of final appropriations (2011: 95.21%). Payments totalled EUR 178,013,118.65 or 81.34% of commitments entered into (2011: 81.97%). Table 2 below shows the implementation of the expenditure budget of the agency.

Table 2 Use of 2012 expenditure appropriations

Appropriation type	EUR or %
I. Appropriations in general	
Initial appropriations	222,489,000.00
Amending budget	0.00
Final appropriation	222,489,000.00
II. Use of 2012 appropriations	
Commitments	218,858,143.17
Representing of final appropriations	98.37%
Payments	178,013,118.65
Representing of final commitments	81.34%
III. Carry-over from 2012 to 2013	
Carry-over of administrative appropriations	*9,152,242.15*
Carry-over of operational appropriations	*31,692,782.37*
Total automatic carry-over	40,845,024.52
Representing of final appropriations	18.36%
Representing of final commitments	18.66%
Non-automatic carry-over (uncommitted appropriations carried over to 2012)	0.00
Representing of final appropriations	0.00%
IV. Cancellation of 2012 appropriations	
Appropriations cancelled	3,630,856.83
Representing of final appropriations	1.63%
V. Carry-over from 2011 to 2012	
Carry-over of administrative appropriations	*7,230,932.79*
Carry-over of operational appropriations	*28,628,084.63*
Total automatic carry-over	35,859,017.42
Payment against carry-over	33,427,015.58
Representing of carry-over	93.22%
Amount cancelled	2,432,001.84
Non-automatic carry-over to 2012, Title II	3,200,000.00
Payment against carry-over	3,078,866.96
Representing of carry-over	96.21%
Amount cancelled	121,133.04

1.4. Carry-over from 2012 to 2013

Automatic carry-over to financial year 2013 totalled EUR 40,845,024.52 or 18.66% of appropriations committed (2011: 18.03%). There was no non-automatic carry-over to financial year 2013.

Table 3 Automatic carry over 2012 to 2013 per title

Title	Total expenditure	of which carried over	
	EUR	EUR	%
1 : Staff	75,251,454.15	715,900.14	0.95%
2 : Building and equipment	30,816,770.28	8,436,342.01	27.38%
3 : Operational expenditure	112,789,918.74	31,692,782.37	28.10%
Total	**218,858,143.17**	**40,845,024.52**	**18.66%**

1.5. Carry-overs from 2011 to 2012

Automatic carry-overs to financial year 2012 totalled EUR 35,859,017.42. Payments against the carry-overs equalled EUR 33,427,015.58 or 93.22% (2011: 94.45%). Hence the amount cancelled was EUR 2,432,001.84.

A non-automatic carry-over from 2011 to 2012 was processed for a total of EUR 3,200,000.00. Payments against this non-automatic carry-over totalled EUR 3,078,866.96 or 96.21% (2011: 83.04%) and the amount cancelled was EUR 121,133.04.

1.6. Appropriation from assigned revenue

No appropriation from assigned revenue was available in 2012.

1.7. Transfers

The Executive Director may, in line with Article 23(1) of the Financial Regulation, make transfers within a title and up to 10% of appropriations from one title to another. Transfers *per se* are not an indicator for deficiencies in financial management but a necessary tool to adjust the budget in a changing environment, e.g. the use of interim staff instead of contract staff, increased expenditure due to exchange rate fluctuation, etc. Only if and when the changes also relate to changes in the work programme might they indicate shortcomings in the planning process.

During 2012 ten transfers were approved. All were adjustments only, within the limits of Article 23(1) of the Financial Regulation and approved by the Executive Director. They totalled EUR 19,731,000 or 8.87% of final appropriations (2011: eight transfers totalling EUR 10,471,000.00 or 5.01% of final appropriations). The transfers were primarily used for expenditure on buildings and information technology and other adjustment on administrative budget items. Annex I provides details of the transfers carried out in 2012.

In 2012 the agency had neither transfers above the 10% ceiling set Article 23(2) of the Financial Regulation as adopted by the Management Board, nor changes to its work programme.

1.8. Cancellations

Expenditure appropriations should be understood as estimates only and not as an entitlement to create corresponding commitments. Being reliant on fee income means that the agency can only use expenditure appropriations as and when the corresponding fee income has been received in the bank account. The level of cancelled expenditure appropriations does therefore not indicate delays in the implementation of the work programme but should rather be seen as the result of stringent monitoring of actual revenue and adjustments to the expenditure.

For budget 2012, expenditure appropriations totalling EUR 3,630,856.83 remained unused (cancelled) corresponding to 1.63% of final appropriations (2011: EUR 6,800,087.24, 3.26%).

1.9. Payment of interest on late payments

In accordance with the agency's standard contract, Article 69 of the agency's Financial Regulation and Article 66 of its implementing rules the agency's terms of payment as 45 days upon receipt of a valid invoice. If these terms are not respected, the payment accrues default interest, at a rate defined, in accordance with Articles 86(2) and 106(5) of the Implementing Rules applicable to the applicable to the budget of the European Union[1], as the rate applied by the European Central Bank to its principal refinancing operations, as published in the C series of the Official Journal of the European Union, increased by 7%, from day 46 until the actual day of payment. The default interest accrued is paid automatically if it amounts to more than EUR 200.

In 2012, 1,064 payments out of a total of 45,420 (2.3% of all payments) were made later than 45 days after receipt of a valid invoice. This has resulted in default interest of EUR 3,478 payable to suppliers and contractors and of EUR 72,197[2] to national competent authorities (NCAs).

Table 4 Breakdown of late payments and default interest

	Payments		Of which late payments		Interest accrued	Interest => EUR 200
	Number	**EUR**	**Number**	**EUR**	**EUR**	**EUR**
Supply and other services	41,265	138,610,487	113	3,286,032	6,175	3,478
Evaluation services (NCAs)	4,155	80,175,869	951	19,646,949	98,289	72,197
All payments (*)	**45,420**	**218,786,356**	**1,064**	**22,932,981**	**104,464**	**75,675**

[1] **Applicable until 31.12.2012:** Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 357, 31.12.2002)
Applicable from 01.01.2013: Commission delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012)

[2] Initial interest of EUR 181,126 was corrected to EUR 72,197 due to recovery of undue interest of EUR 108,928.51 in 2013.

2. Financial management by chapter

2.1. Revenue

Hereafter follows an analysis of revenue (based on cash collected) and expenditure (based on commitments) in 2012. It contains details of the various chapters of total revenue and expenditure and comparison against 2011 figures. The use of the most important expenditure items is also explained.

Table 5 below sets out the amounts recovered in 2012 in comparison with those for financial year 2011.

Table 5 Evolution of cash collected in 2011 and 2012

Chapter	Heading	2011 EUR	2012 EUR	Change EUR	Change %	Comment
10	Revenue from services rendered (Fees for the evaluation of medicines)	151,204,307.73	174,247,820.27	23,043,512.54	15.24%	2.1.1
200	European Union contribution	33,519,137.64	31,341,107.18	-2,178,030.46	-6.50%	2.1.2
201	Special contribution for orphan medicines fee reductions	4,719,605.00	7,490,720.00	2,771,115.00	58.71%	2.1.2
30	Participation by third countries in EMA activities	784,043.40	753,116.00	-30,927.40	-3.94%	2.1.3
52	Revenue from administrative operations	8,569,014.25	8,711,060.34	142,046.09	1.66%	2.1.4
60	EU programmes	388,814.95	128,193.10	-260,621.85	-67.03%	2.1.5
70	Correction of budgetary imbalances	0.00	0.00	0.00	0.00%	
90	Miscellaneous income	161,203.99	855,402.45	694,198.46	430.63%	2.1.6
Total		**199,346,126.96**	**223,527,419.34**	**24,181,292.38**	**12.13%**	

In budgetary terms, EUR 89.2 million (39.92% of total 2012 revenues) represent the proportion which can be considered stable, since it relates to annual product maintenance fees received for both human and veterinary medicines activities, EU and EEA contributions, as well as to contributions to joint programmes undertaken by the agency. In 2012 55.80% of the total revenue depended on cyclical business activities (details in table 6).

Table 6 Stable and cyclical sources of revenue

	2011 Actual	% of total	2012 Actual	% of total
Stable revenue for the Agency	86,766,867	43.53%	89,232,195	39.92%
EU subsidies and contributions	*39,411,601*	*19.77%*	*39,713,136*	*17.77%*
Annual fees	*47,355,266*	*23.76%*	*49,519,059*	*22.15%*
Cyclical business revenue	103,849,042	52.09%	124,728,761	55.80%
Revenue from miscellaneous activities	8,730,218	4.38%	9,566,463	4.28%
Total revenue	**199,346,127**	**100.00%**	**223,527,419**	**100.00%**

2.1.1. Income chapter 10 'Revenue from services rendered (fees for the evaluation of medicines)'

Fee income from evaluation services is the main source of revenue for the agency, representing 77.95% of 2012 revenues (2011: 75.85%). Fee income, in with terms of cashed receipts, increased by 15.24% between 2011 and 2012. The value of recovery orders / invoices for fees, reflecting the level of activities, rose by 19.13% when compared to 2011. The difference between the level of fee related cash-receipts and recovery orders is due to the considerable value of amount of recovery orders raised in 2012 (EUR 19.1 million) for which revenue will only be cashed in 2013 or later.

2.1.2. Income chapter 20 'EU contributions'

This chapter accounted for EUR 38,831,827.18 or 17.37%, of 2012 revenues (2011: 19.18%). Of the contributions received, EUR 7,490,720.00 (19.29% of total contributions) relate to compensation for fee reductions granted for orphan medical products.

Of this total EU contribution allocated to the agency, EUR 9,280.00 (0.24%) for the compensation of orphan fee reductions remained uncollected.

The contributions from the European Union budget increased by EUR 593,084.54 (1.55%) between 2011 and 2012.

2.1.3. Income chapter 30 'Participation by third countries in EMA activities'

This chapter represents the compensation received for the participation of EEA countries in the agency's activities. It accounted for 0.34% of 2012 revenue. The actual amount receivable is calculated as a percentage of the general contribution, i.e. the EU contributions excluding EU contribution derived from agency surplus. The percentage used for 2012 was 2.60%.

2.1.4. Income chapter 52 'Revenue from administrative operations'

Chapter 52 includes the income from administrative charges for export certificates, parallel distribution as well as bank interest derived from fee income (excluding bank interest received on EU contributions). The chapter accounted for 3.90% of 2012 revenues (2011: 4.30%).

2.1.5. Income chapter 60 'Contributions to EU programmes and revenue from services'

This chapter accounted for 0.06% of 2012 revenues (2011: 0.20%).

The revenue relates mainly to the grant received from DG Enlargement for the implementation of the IPA programme[3] where the advance payment of the grant is included in the financial accounts and accounted for in the budgetary accounts in line with actual expenditure (commitments) for the year.

Other revenue items relate to the grant received from the IMI-PROTECT and the IMI-EU2P programmes[4] via IMI Joint Undertaking, an Executive Office of the European Union; contributions from external participants at a conference organised in the context of the IPA programme; and the grant received to part-fund activities under the GRIP[5] programme, which falls under 7th Framework programme (FP7).

2.1.6. Income chapter 90 'Miscellaneous revenue'

This chapter accounted for 0.38% of 2012 revenues (2011: 0.08%).

The recovery of undue building service charges from the agency's landlord accounted for EUR 271,000 and damages awarded by Court in two different cases amounted to EUR 63,000.

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[3] Programme to support countries with candidate status (currently Croatia, the former Yugoslav Republic of Macedonia, Turkey) and potential candidate status (Albania, Bosnia, Herzegovina, Montenegro, Serbia including Kosovo)
[4] IMI (Innovative Medicines Initiative) PROTECT (Pharmacoepidemiological Research on Outcomes of Therapeutics by a European Consortium)
[5] Global Research in Paediatrics

2.2. Expenditure

Table 7 below sets out how committed funds in 2012 were expended in comparison with financial year 2011. It should be noted that in 2012 the four chapters and articles with the highest amounts committed, accounted for 86.90% of total commitments (2011: 85.55% of total commitments). They are:

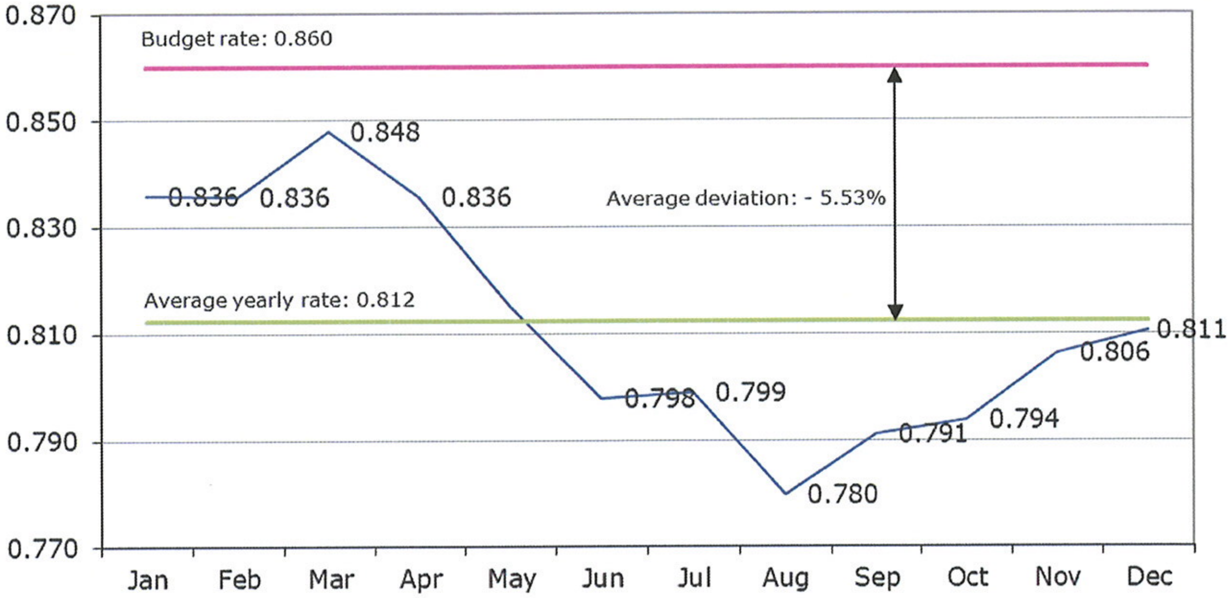
- Chapter 11 'Staff in active employment' (31.71%)
- Chapter 20 'Investments in immovable property, renting of buildings and associated costs' (9.62%)
- Chapter 31 'Expenditure for corporate data processing' (8.06%) and
- Article 301 'Evaluation of medicinal products' (37.51%).

Table 7 Evolution of 2011 and 2012 expenditure, fund sources C1(n) and C2(n+1)

Chapter	Heading	2011	2012	Change		Comment
		EUR	EUR	EUR	%	
11	Staff in active employment	66,844,581.18	69,457,308.71	2,612,727.53	3.91%	2.2.1
13	Missions and duty travel	501,820.80	575,048.31	73,227.51	14.59%	2.2.2
14	Socio-medical infrastructure	572,360.17	556,715.16	-15,645.01	-2.73%	
15	Exchanges of civil servants and experts	2,273,573.79	2,293,366.80	19,793.01	0.87%	
16	Social welfare	204,970.03	235,668.26	30,698.23	14.98%	2.2.3
17	Representation expenses	21,530.44	15,044.73	-6,485.71	-30.12%	2.2.4
18	Staff insurances [...]	2,119,837.82	2,118,302.18	-1,535.64	-0.07%	
Title I		**72,538,674.23**	**75,251,454.15**	**2,712,779.92**	**3.74%**	
20	Investment in immovable property, renting of buildings [...]	20,068,671.64	21,065,670.74	996,999.10	4.97%	2.2.5
21	Expenditure on data processing	8,658,917.18	7,108,435.47	-1,550,481.71	-17.91%	2.2.6
22	Movable property [...]	1,473,700.34	1,351,268.78	-122,431.56	-8.31%	2.2.7
23	Current administrative expenditure	825,580.06	785,212.51	-40,367.55	-4.89%	
24	Postal charges and telecommunications	499,104.99	401,053.03	-98,051.96	-19.65%	2.2.8
25	Expenditure [...] other meetings	86,581.18	105,129.75	18,548.57	21.42%	2.2.9
Title II		**31,612,555.39**	**30,816,770.28**	**-795,785.11**	**-2.52%**	
300	Meetings	7,430,845.59	6,759,017.97	-671,827.62	-9.04%	2.2.10
301	Evaluation of medicinal products	69,460,505.37	82,146,493.10	12,685,987.73	18.26%	2.2.11
302	Translations	3,911,595.76	3,957,885.32	46,289.56	1.18%	
303	Studies and consultants	75,683.83	2,044,328.97	1,968,645.14	2601.14%	2.2.12
304	Publications	98,994.35	76,499.41	-22,494.94	-22.72%	2.2.13
305	EU programmes	443,535.57	298,074.65	-145,460.92	-32.80%	2.2.14
31	Corporate data processing	16,490,522.67	17,662,219.32	1,171,696.65	7.11%	2.2.15
Title III		**97,911,683.14**	**112,944,518.74**	**15,032,835.60**	**15.35%**	
	Total	**202,062,912.76**	**219,012,743.17**	**16,949,830.41**	**8.39%**	

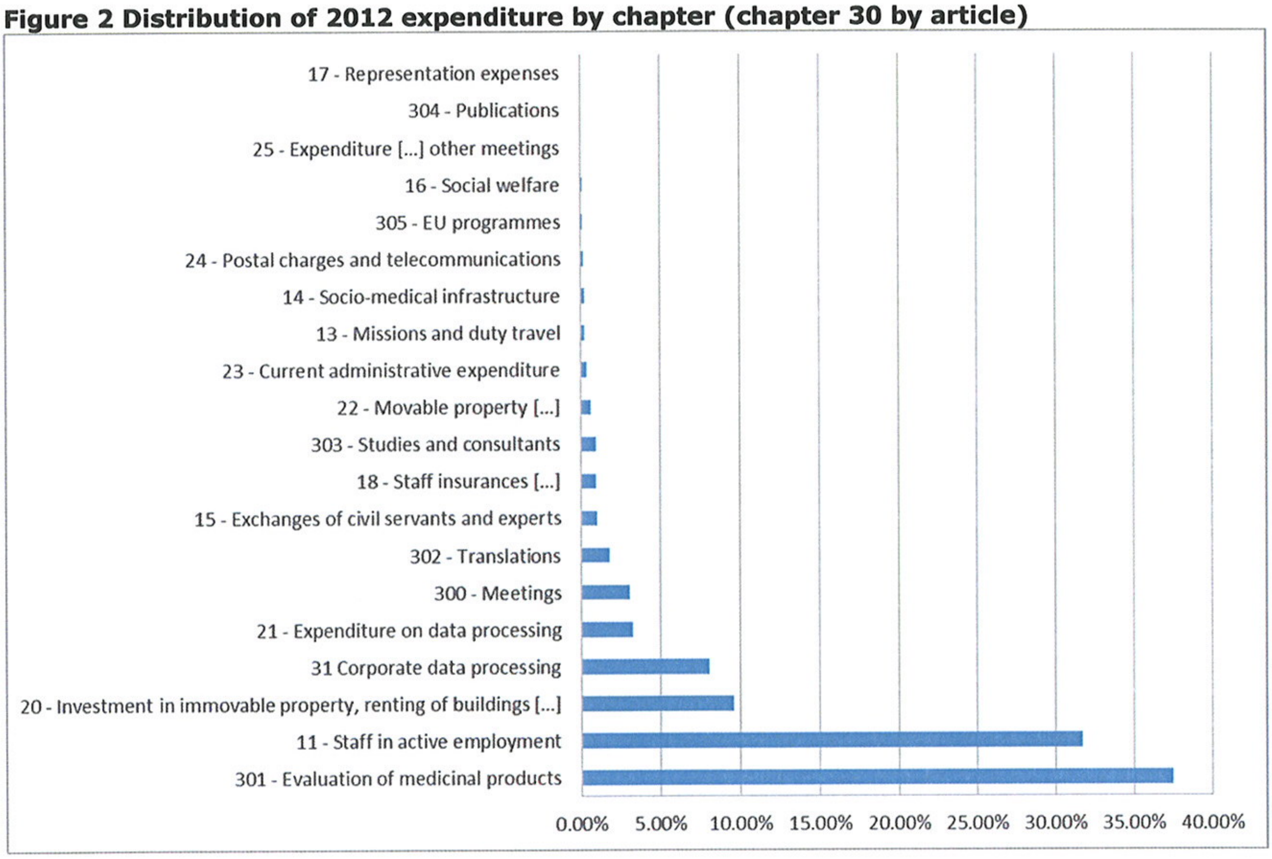
Whereas the revenue of the agency is in Euro (EUR), administrative expenditure is mainly paid in Pound Sterling (GBP). In 2012 the agency experienced mayor fluctuations between EUR and GBP, which is reflected in increased EUR expenditure in titles 1 and 2.

Figure 1 Exchange rate variance against budgeted exchange rate



Comments covering expenditure changes of more than 10% or more than EUR 500 000 can be found below, under points 2.2.1 to 2.2.15.

Figure 2 Distribution of 2012 expenditure by chapter (chapter 30 by article)



2.2.1. Expenditure chapter 11 'Staff in active employment'

Chapter 11 accounted for 31.71% of 2012 expenditure, constituting the second largest share of expenditure (2011: 33.15%).

51.99% of chapter 11 expenditure related to item 1100 'Basic salaries' and 20.88% to 1190 'Weightings'. For these two items commitments amounted to EUR 50,614,297.28.

The 3.91% increase between 2011 and 2012 can be explained mainly by the increase in headcount as well as changes in staff salaries for promotions, step increases and family allowances.

For 2012 the Council did not adopt any salary adjustments for employees of the European Union. As a consequence, the agency could neither adjust the exchange rate converting EUR to GBP for salaries nor the London weighting associated to the staff salaries. The salary adjustments for 2011 and 2012 are subject to legal proceedings. Should the Council adopt amendment to the 2011 and/or 2012 salaries at a later stage, whether negative or positive, this will affect the budget of the year when the amendment takes effect.

A total of EUR 2,257,000 was transferred to the chapter to cover the effect of the delay in the adoption of the 2011 and 2012 salary adjustments and the related decrease in London weighting.

The total number of staff at year-end increased from 689 to 697 (+1.16%). As per 31.12.2012, the agency had a total of 575 temporary agents, 106 contract agents and 16 national experts on secondment (2011: 552, 118 and 19).

In 2012, the agency advertised 15 vacancies for temporary agent positions.

As for gender distribution of staff, women accounted for 41% of Section Heads and Heads of Sector but none of the Heads of Units or the Executive Director as at 31 December 2012. See Table 8 and Figure 3 for details. The distribution of staff (temporary agents and contract agents, excluding National Experts) by country is shown in Figure 4.

Table 8 Staff by gender (temporary staff and contract agents) 31.12.2012

Contract / gender	Female	Male	Total	%Female	%Male
Administrators	157	158	**315**	50%	50%
Assistants	216	44	**260**	83%	17%
Contract Agents	89	17	**106**	84%	16%
Total	**462**	**219**	**681**	**68%**	**32%**

Figure 3 Staff by gender (temporary staff and contract agents) 31.12.2012

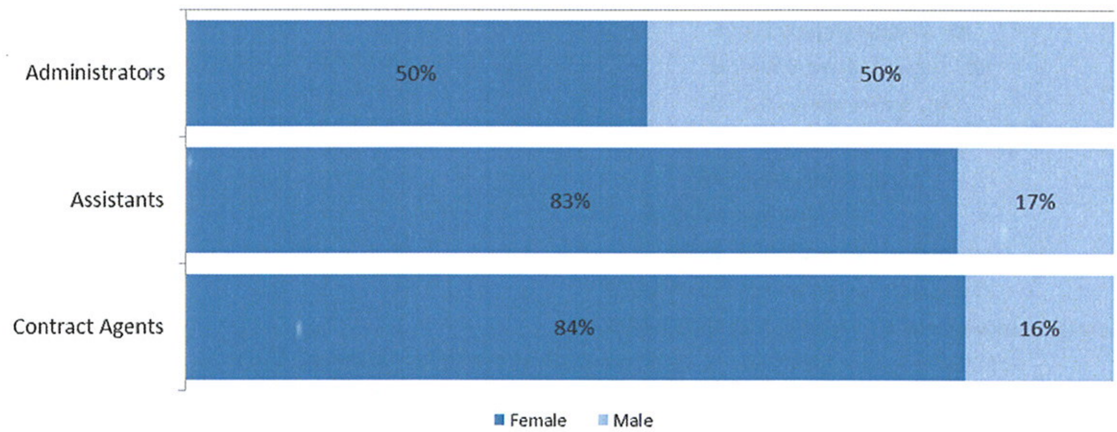
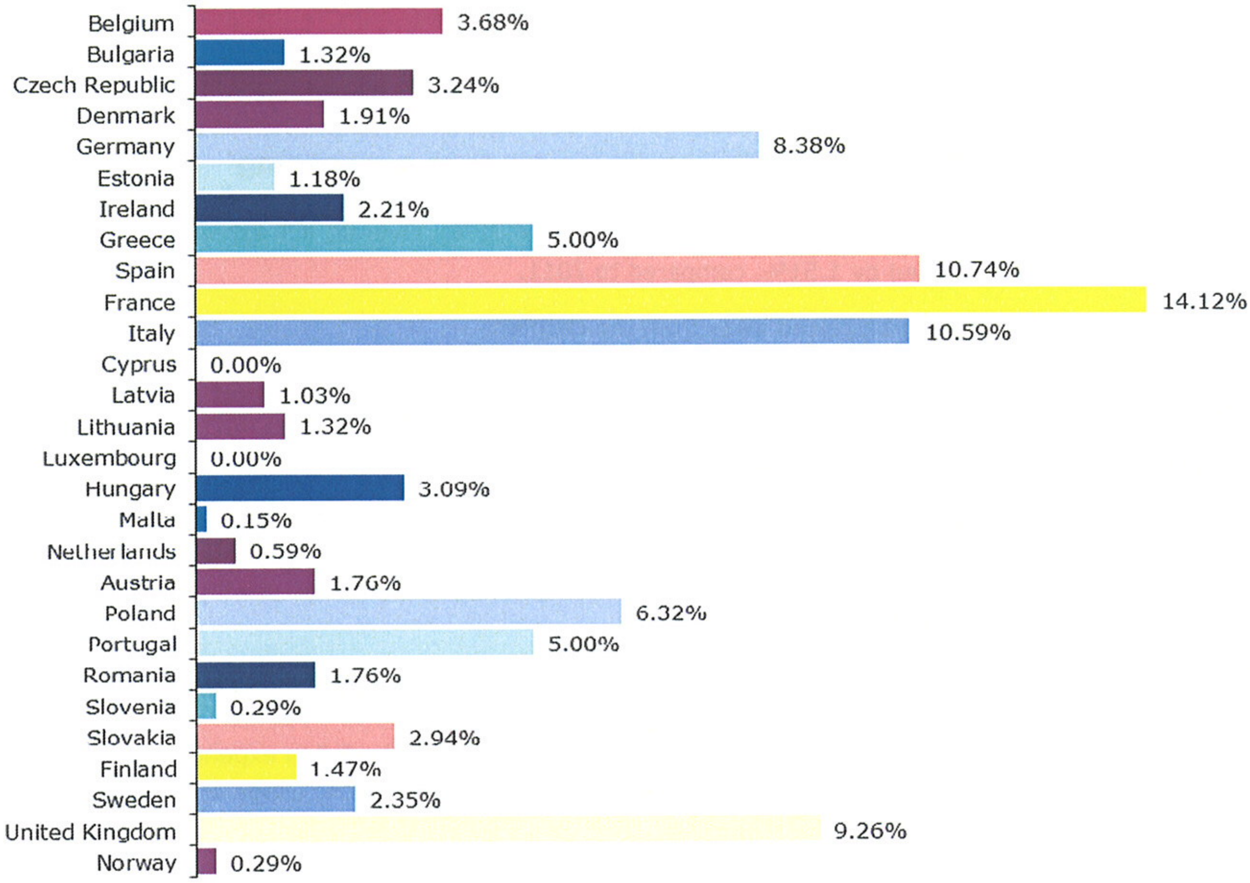


Figure 4 Staff by country (temporary staff and contract agents) 31.12.2012



2.2.2. Expenditure chapter 13 'Missions and duty travel'

This chapter accounted for 0.26% of 2012 expenditure with a total of 890 missions carried out (2011: 0.25% and 992 missions).

Compared to 2011 there was a decrease in the level of participation in international activities.

A total of EUR 90,000 was transferred away from the chapter.

2.2.3. Expenditure chapter 16 'Social welfare'

Chapter 16 accounted for 0.11% of 2012 expenditure (2011: 0.10%).

This chapter is mainly dedicated to the payment of nursery allowances (93% of expenditure in chapter).

2.2.4. Expenditure chapter 17 'Representation expenses'

Chapter 17 accounted for 0.01% of 2012 expenditure (2011: 0.01%).

Compared to 2011, expenditure decreased by EUR 6,485.71 to EUR 15,044.73 in 2012.

2.2.5. Expenditure chapter 20 'Investment in immovable property, renting of buildings and associated cost'

Chapter 20 accounted 9.62% of 2012 expenditure, compared to 9.93% in 2011.

The increase in expenditure was related to the deterioration in the EUR/GBP exchange, with almost all expenditure being paid in Sterling, and to project '2014 – an agency on the move', i.e. the construction of new headquarters for the agency.

The chapter was reinforced by a total of EUR 1,013,000.

2.2.6. Expenditure chapter 21 'Expenditure on data processing'

Chapter 21 accounted for 3.25% of 2012 expenditure (2011: 4.29%). Overall, ICT expenditure (chapters 21 and 31) decreased by 1.51%, compared to 2011.

A total of EUR 1,599,000 was transferred away from the chapter.

2.2.7. Expenditure chapter 22 'Movable property and associated costs'

Chapter 22 accounted for 0.62% of 2012 expenditure (2011: 0.73%).

The decrease in expenditure was due to a reduction in activities in the current building ahead of the move to new premises in 2014.

The chapter was reinforced by a total of EUR 10,000.

2.2.8. Expenditure chapter 24 'Postal charges and telecommunications'

This chapter accounted for 0.18% of 2012 expenditure (2011: 0.25%). The fall in expenditure of almost 20%, when compared to 2011 is due to lower postal rates and declining usage of surface mail overall.

A total of EUR 15,000 was transferred away from the chapter.

2.2.9. Expenditure chapter 25 'Expenditure on formal and other meetings'

This chapter accounted for 0.05% of 2012 expenditure (2011: 0.04%).

The increase in expenditure was caused by an increase in the number of memberships to scientific fora.

The chapter was reinforced by a total of EUR 26,000.

2.2.10. Expenditure article 300 'Meetings'

Article 300 accounted for 3.09% of 2012 expenditure (2011: 3.68%).

The considerable decrease in expenditure by EUR 671,827.62 was mainly caused by the cancellation and re-location of meetings during the 2012 London Olympics.

A total of EUR 1,252,000 was transferred away from the chapter.

2.2.11. Expenditure article 301 'Evaluation of medicinal products'

Article 301 accounted for 37.51% of 2012 expenditure (2011: 34.38%).

The increase in expenditure reflects a higher activity level in 2012, compared to 2011, and hence an increase in payments to national competent authorities.

The Article was reinforced by a total of EUR 2,349,000.

2.2.12. Expenditure article 303 'Studies and consultants'

This article accounted for 0.93% of 2012 expenditure (2011: 0.04%). Compared to 2011, expenditure increased by 2601%, or almost EUR 2 million.

Previously scientific studies in the context of risk management and data cleaning tasks in the context of pharmacovigilance had been allocated to article 301 'Evaluation of medical products'. From 2012 this activity is accounted for separately under article 303 'Studies and consultants', hence the considerable increase in this article is due to the change in budget allocation without any change in the level of activity.

A total of EUR 156,000 was transferred away from the article.

2.2.13. Expenditure article 304 'Information and publication'

This article accounted for 0.03% of 2012 expenditure (2011: 0.05%). Expenditure decreased by 22.72%, or EUR 22,494.94, between 2011 and 2012.

The lower expenditure can be explained by the cancellation of participation in a convention, resulting in savings.

The article was reinforced by EUR 2,000.

2.2.14. Expenditure article 305 'EU programmes'

This article accounted for 0.14% of 2012 expenditure (2011: 0.22%).

The decrease in expenditure was due to the cancellation of postponement of IPA activities during the London 2012 Olympics.

A total of EUR 192,000 was transferred away from the article.

2.2.15. Expenditure chapter 31 'Expenditure on corporate data processing'

This chapter accounted for 8.06% of 2012 expenditure (2011: 8.16%). Compared to 2011, expenditure increased by 7.11%. Overall, ICT expenditure (chapters 21 and 31) decreased by 1.51%, compared to 2011, cf. point 2.2.6 above.

A total of EUR 1,852,000 was transferred away from the chapter.

Annexes

Annex 1
Summary of transfers in accordance with Art. 23 (1) and (2) of the Financial Regulation

No.	From/To item	Item No.	Item Heading	Amount of receiving iten	Amount of donating iten
01	to	2020	Water, gas, electricity & heating	80,000	0
	to	2030	Maintenance & cleaning	60,000	0
	from	2050	Security & surveillance of buildings	0	10,000
	from	2090	Other expenditure on buildings	0	145,000
	from	2115	Analysis, programming & technical assistance for corporate processes	0	142,000
	to	2211	Replacement of furniture	15,000	0
	from	2250	Library funds, purchase of books	0	30,000
	to	2252	Subscriptions to newspapers & periodicals	30,000	0
	to	2501	Memberships to fora	22,000	0
	to	3030	Studies & consultants	240,000	0
	from	3115	Analysis, programming & technical assistance for special programmes	0	120,000
02	from	1101	Family allowances	0	4,000
	to	1143	Fixed entertainment allowance	3,000	0
	to	1181	Travel expenses (incl. members of the family)	10,000	0
	from	1831	Insurance against accidents & occupational disease	0	9,000
	to	2000	Rent	600,000	0
	to	2110	Purchase of new hardware for corporate processes	40,000	0
	to	2111	Purchase of new software for corporate processes	70,000	0
	from	2114	Maintenance & repair of hard & software for corporate processes	0	794,000
	to	2330	Legal expenses	100,000	0
	from	2340	Damages	0	20,000
	to	2501	Memberships to fora	4,000	0
	from	3030	Studies & consultants	0	92,000
	to	3031	Subscriptions to specialised research	92,000	0
	to	3040	Information & publications	2,000	0
	from	3114	Maintenance & repair of hard & software for special programmes	0	2,000

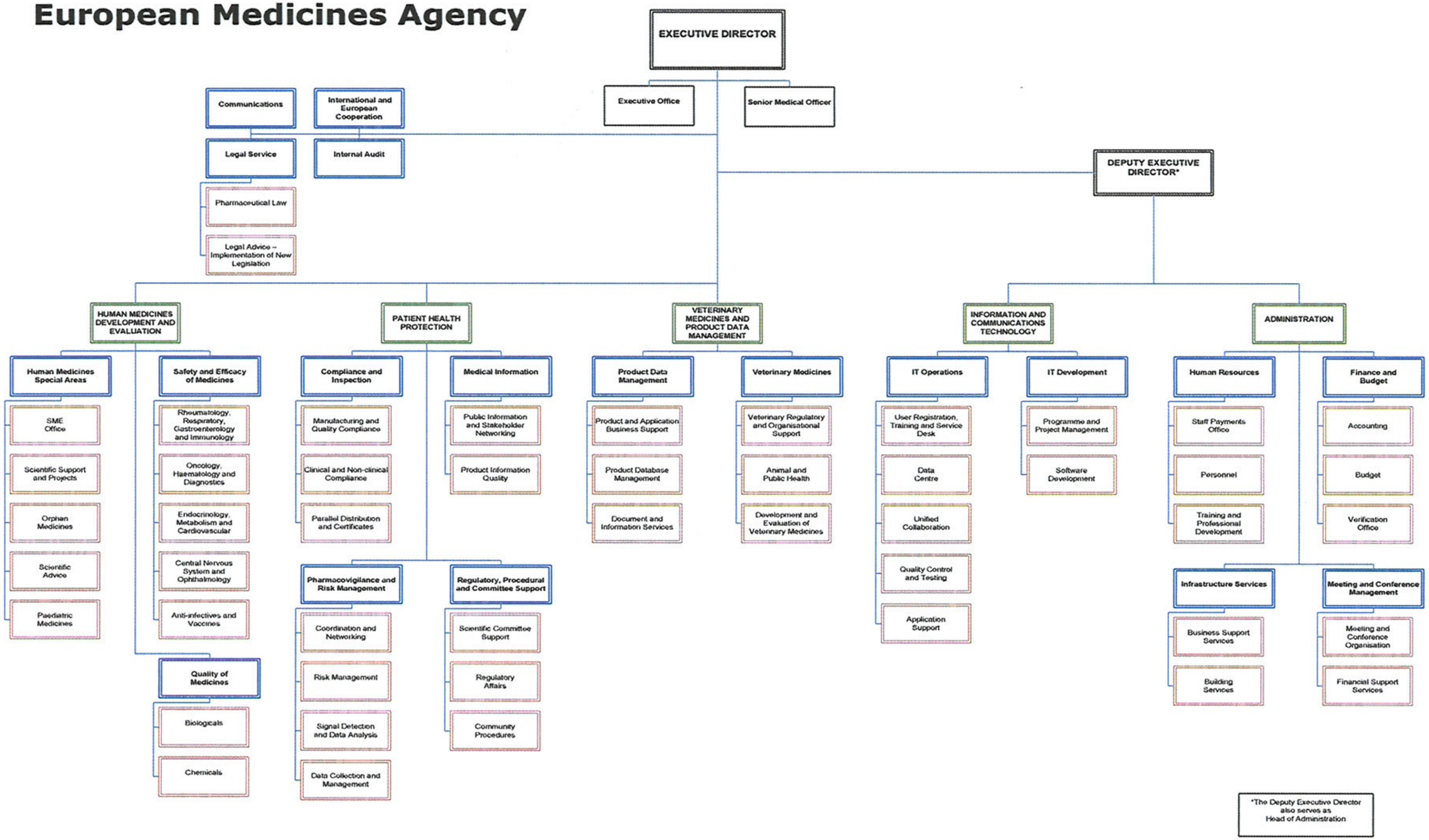
No.	From/To item	Item No.	Item Heading	Amount of receiving item	Amount of donating item
03	from	2000R	European Union (general) contribution	0	2,500,000
	to	2010R	Special contribution for orphan medicinal products	2,500,000	0
	to	1190	Weightings	2,600,000	0
	from	1300	Mission expenses, travel expenses & incidental expenditure	0	90,000
	to	1520	Staff exchanges between EU institutions	90,000	0
	to	2030	Maintenance & cleaning	10,000	0
	to	2040	Fitting-out of premises	5,000	0
	from	2400	Postal & delivery charges	0	30,000
	to	2410	Telecommunication charges	15,000	0
	from	3000	Reimbursement of persons attending meetings	0	300,000
	from	3010	Evaluation of medicinal products	0	2,138,000
	from	3021	Other translations	0	162,000
04	to	2000	Rent	163,000	0
	from	3010	Evaluation of medicinal products	0	163,000
05	to	2110	Purchase of new hardware for corporate processes	20,000	0
	to	2111	Purchase of new software for corporate processes	174,000	0
	to	2112	Replacement of hard & software for corporate processes	547,000	0
	from	2114	Maintenance & repair of hard & software for corporate processes	0	1,138,000
	to	2115	Analysis, programming & technical assistance for corporate processes	285,000	0
	to	3101	Purchase of new software related to the lifecycle of medicinal products	115,000	0
	to	3102	Purchase of new hardware related to the lifecycle of medicinal products	274,000	0
	from	3104	Maintenance & repair of hard & software related to the lifecycle of medicinal products	0	630,000
	from	3105	Analysis, programming & technical assistance related to the lifecycle of medicinal products	0	1,256,000
	from	3110	Purchase of new hardware for special programmes	0	115,000
	to	3111	Purchase of new software for special programmes	115,000	0
	to	3112	Replacement of hard & software for special programmes	559,000	0
	from	3114	Maintenance & repair of hard & software for special programmes	0	2,805,000
	to	3115	Analysis, programming & technical assistance for special programmes	3,855,000	0

No.	From/To item	Item No.	Item Heading	Amount of receiving item	Amount of donating item
06	from	1100	Basic salaries	0	77,000
	to	1140	Birth & death grants	1,500	0
	to	1144	Fixed local travel allowance	500	0
	to	1182	Installation, resettlement and transfer allowances	75,000	0
	to	2030	Maintenance & cleaning	5,000	0
	from	2050	Security & surveillance of buildings	0	5,000
07	to	2000R	European Union (general) contribution	1,000,000	0
	from	2010R	Special contribution for orphan medicinal products	0	1,000,000
	to	1183	Removal expenses	27,000	0
	from	1184	Temporary daily subsistence allowance	0	27,000
08	to	1182	Installation, resettlement & transfer allowances	10,000	0
	from	1184	Temporary daily subsistence allowance	0	10,000
	to	2090	Other expenditure on buildings	250,000	0
	from	2110	Purchase of new hardware for corporate processes	0	143,000
	from	2111	Purchase of new software for corporate processes	0	30,000
	to	2112	Replacement of hard & software for corporate processes	110,000	0
	from	2114	Maintenance & repair of hard & software for corporate processes	0	285,000
	from	2115	Analysis,programming & technical assistance for corporate processes	0	13,000
	from	2203	Maintenance, use & repair of technical equipment	0	5,000
	from	2300	Stationery & office supplies	0	110,000
	from	2353	Departmental removals & associated handling	0	60,000
	from	2354	Archiving of documents	0	80,000
	from	3000	Reimbursement of persons attending meetings	0	751,000
	to	3002	Catering	5,000	0
	from	3003	Other expenditure	0	50,000
	to	3010	Evaluation of medicinal products	4,150,000	0
	from	3021	Other translations	0	250,000
	from	3030	Studies & consultants	0	310,000
	from	3050	European Union programmes	0	150,000

No.	From/To item	Item No.	Item Heading	Amount of receiving item	Amount of donating item
	from	3100	Purchase of new hardware related to the lifecycle of medicinal products	0	138,000
	from	3101	Purchase of new software related to the lifecycle of medicinal products	0	70,000
	to	3102	Replacement of hard & software related to the lifecycle of medicinal products	58,000	0
	from	3104	Maintenance & repair of hard & software related to the lifecycle of medicinal products	0	144,000
	to	3105	Analysis, programming & technical assistance related to the lifecycle of medicinal products	170,000	0
	from	3110	Purchase of new hardware for special programmes	0	28,000
	from	3111	Purchase of new software for special programmes	0	155,000
	to	3112	Replacement of hard & software for special programmes	105,000	0
	from	3114	Maintenance & repair of hard & software for special programmes	0	1,193,000
	from	3115	Analysis, programming & technical assistance for special programmes	0	883,000
09	from	1100	Basic salaries	0	352,000
	from	2110	Purchase of new hardware for corporate processes	0	30,000
	from	2111	Purchase of new software for corporate processes	0	39,000
	from	2114	Maintenance & repair of hard & software for corporate processes	0	264,000
	to	2115	Analysis, programming & technical assistance for corporate processes	33,000	0
	from	3000	Reimbursement of persons attending meetings	0	30,000
	from	3001	Interpretation	0	15,000
	from	3003	Other expenditure	0	11,000
	to	3010	Evaluation of medicinal products	300,000	0
	from	3030	Studies & consultants	0	86,000
	from	3050	European Union programmes	0	42,000
	to	3101	Purchase of new software related to the lifecycle of medicinal products	14,000	0
	to	3105	Analysis, programming & technical assistance related to the lifecycle of medicinal products	90,000	0
	to	3111	Purchase of new software for special programmes	26,000	0
	to	3114	Maintenance & repair of hard & software for special programmes	135,000	0
	to	3115	Analysis, programming & technical assistance for special programmes	271,000	0
10	from	3000	Reimbursement of persons attending meetings	0	100,000
	to	3010	Evaluation of medicinal products	200,000	0
	from	3114	Maintenance & repair of hard & software for special programmes	0	100,000
			Total amount of transfers	**19,731,000**	**19,731,000**

Annex 2
Organisation chart as at 31 December 2012

Organisation Chart of the European Medicines Agency



Last updated: 20 November 2012