EUROPEAN MEDICINES AGENCY
SCIENCE MEDICINES HEALTH

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Executive Director

Report on budgetary and financial management

Financial year 2015

Contents

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1. Introduction

This report summarises the budgetary and financial management by the European Medicines Agency during the financial year 2015, in accordance with Article 93 of the EMA Financial Regulation. It outlines the financial situation and the events which had a significant influence on activities during the year.

Highlights for 2015

- ✓ The Agency started collecting fees related to pharmacovigilance services in late 2014. For financial year 2015, EUR 21.64 million were recovered.
- ✓ In view of the strengthening Pound Sterling over the course of 2015, it was necessary to reinforce the Euro appropriations required for the weighting, which is part of salaries, and for rent. This was done through an amending budget and transfers.
- ✓ The agency managed to comply fully with the ceilings/KPIs for carry-forwards (automatic and non-automatic), titles I (10%), title II (20%), title III (30%), with the following percentages achieved: title I: 0.9%, title II: 7.6%, title III: 26.9%.

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

2. Financial management in general

2.1. Initial budget and amending budgets

Authorised appropriations in the European Medicines Agency's initial budget for 2015 totalled EUR 302,117,000, representing a 1.7% increase compared to the 2014 initial budget (EUR 297,169,000).

One amending budget was introduced in 2015 to account mainly for an increase in revenue from cash received for services rendered of +EUR 5,000,000 and an adjustment in assigned revenue of +EUR 980,000, bringing the budget total to EUR 308,097,000 and representing a 9.1% increase over the 2014 final budget (EUR 282,474,000). To balance the budget, expenditure appropriations related to weighting on salaries and rent were increased by the same total amount.

2.2. Revenue (income from evaluation activities and EU contribution)

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

Revenue entered in the accounts as at 31 December 2015 amounted to a total of EUR 304,118,788.60.

Of total revenue, 83.1% derived from the evaluation of medicines and other business related activities, 11.1% from the European Union budget to fund various public health and harmonisation activities, including positive outturn of previous year, and 5.8% from external assigned revenue as described in the work programme (2014: 80.5%/12.5%/7.0%).

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

Table 1 Implementation of 2015 revenue appropriations

Appropriation type	EUR or %
I. Appropriations in general	
Initial appropriations	302,117,000.00
Amending budget	5,980,000.00
Final appropriations	308,097,000.00
II. Use of appropriations	
Recovery orders 2015 and earlier	349,616,508.00
Representing in % of final appropriations	113.48%
Cash-receipts against recovery orders 2015 and earlier	304,118,788.60
Representing in % of final recovery orders	86.99%
III. Amounts established in 2015	
Recovery orders 2015 only	310,514,055.79
Representing in % of final appropriations	100.78%
Cash-receipts against recovery orders 2015 only	266,300,884.46
Representing in % of final recovery orders	85.76%
IV. Amounts unpaid from 2015 to be paid in 2016 or later	
Recovery orders for the evaluation of medicinal products (fees)	45,007,061.87
Recovery orders for EU contribution to orphan medicines fee reductions	0.00
Other recovery orders	490,657.53
V. Amounts unpaid in 2014 or earlier, paid in 2015	
Recovery orders for the evaluation of medicinal products (fees)	37,806,444.71
Recovery orders for EU contribution	0.00
Other recovery orders	11,459.43
VI. Waivers and cancellations of amounts receivable	
Recovery orders waived or cancelled by the authorising officer in accordance with Article 62 Financial Regulation	20,900.00
VII. Waivers of fees and charges (excluding waivers for orphan medicines)	
Reductions deriving from paediatric or micro, small- and medium sized enterprises, advanced therapies and variations legislation	14,650,785.70
Other reductions in accordance with Article 9 of the Fee Regulation	3,505,120.00

2.3. Expenditure (commitments and payments)

Commitments totalled EUR 289,771,808.02 or 94.05% of final appropriations (2014: 94.32%). Payments totalled EUR 252,350,837.88 or 87.09% of commitments entered into (2014: 82.30%). For details on the implementation of expenditure see Table 2.

Table 2 Implementation of 2015 expenditure appropriations

Appropriation type	EUR or %
I. Appropriations in general	
Initial appropriations	302,117,000.00
Amending budget	5,980,000.00
Final appropriations	308,097,000.00
II. Use of 2015 appropriations	
Commitments	289,756,177.50
Representing of final appropriations	94.05%
Payments	252,335,207.36
Representing of final commitments	87.09%
III. Carry-over from 2015 to 2016	
Carry-over of administrative appropriations	*4,644,241.17*
Carry-over of operational appropriations	*32,776,728.97*
Total automatic carry-over	37,420,970.14
Representing of final appropriations	12.15%
Representing of final commitments	12.91%
Non-automatic carry-over (uncommitted appropriations carried over to 2016)	5,398,000.00
Representing of final appropriations	1.75%
IV. Cancellation of 2015 appropriations	
Appropriations cancelled	12,942,822.50
Representing of final appropriations	4.20%
V. Carry-over from 2014 to 2015	
Carry-over of administrative appropriations	*13,545,792.26*
Carry-over of operational appropriations	*33,584,834.16*
Total automatic carry-over	47,130,626.42
Payment against carry-over	39,033,782.54
Amount cancelled on C8	*2,331,952.24*
Amount unused on R8 (assigned revenue) and to be reinscribed	*5,764,891.64*
Total automatic carry-over unused	8,096,843.88
Representing of carry-over	82.82%
Non-automatic carry-over to 2015	n/a
Payment against carry-over	n/a
Representing of carry-over	n/a
Amount cancelled	n/a

2.4. Appropriations carried forward from 2015 to 2016

Automatic and non-automatic carry-forward to financial year 2016 totalled EUR 42,818,970.14 or 14.78% of appropriations (total carried forward from 2014 to 2015: EUR 47,157,767.76 or 17.70%[1]).

Non-automatic carry-forward to 2016 amounts to EUR 5,398,000.00 and covers various IT developments and related business consultancy for projects as well as scientific studies which were part of the 2015 work programme and budget. For reasons outside the control of the agency this expenditure could not be implemented in 2015 and is not part of the 2016 budget, so, in accordance with the Financial Regulation, the appropriations were carried forward for implementation in 2016.

Table 3 Automatic carry-over from 2015 to 2016, per title

Title	Total commitments	of which carried over	
	EUR	EUR	%
1 : Staff	103,650,671.53	889,175.05	0.86%
2 : Building and equipment	49,421,885.75	3,755,066.12	7.60%
3 : Operational expenditure	142,081,620.22	32,776,728.97	23.07%
Total	**295,154,177.50**	**37,420,970.14**	**12.68%**

Table 4 Non-automatic carry-over from 2015 to 2016, per title

Title	Total commitments	of which carried over	
	EUR	EUR	%
1 : Staff	103,650,671.53	0.00	n/a
2 : Building and equipment	49,421,885.75	0.00	n/a
3 : Operational expenditure	142,081,620.22	5,398,000.00	3.80%
Total	**295,154,177.50**	**5,398,000.00**	**1.83%**

2.5. Implementation of appropriations carried forward from 2014 to 2015

Carry-forward from financial year 2014 to 2015, *i.e.*, fund sources C8 and R8, totalled EUR 47,130,626.42[2]. Payments against the C8 appropriations equalled EUR 36,626,193.68 or 93.95% (2014: 96.00%) and EUR 2,331,952.24 were cancelled. Payments against R8 appropriations equalled EUR 2,407,588.86 or 29.46% (2014: n/a) whereas EUR 5,764,891.64 remained unused. Unused R8 appropriations can be re-inscribed as new R0 appropriations in the following budget year. More information on these appropriations can be found under 2.6.

No appropriations were carried over non-automatically from 2014.

2.6. Appropriations from assigned revenue

The Agency introduced assigned revenue, fund source R0, in 2014 in order to manage the inducements received in the context of the project to construct, fit-out and occupy its new headquarters. For consistency, also grants received from external sources to fund various scientific and regulatory projects were managed at assigned revenue.

In 2015, an amount of EUR 17,303,621.60 was recognised as assigned revenue, from landlord inducements related to the project for the new headquarters. This amount covered part of the cost of the fit-out of the newly acquired 10th floor and all rent cost. The remainder of the inducements will cover rent cost in 2016 and part of 2017.

[1] SAP carry-over to 2015 and subsequently cancelled v/v that reported in the financial accounts 2014 – difference of EUR 27,141.34. Here corrected SAP figures are reported.
[2] SAP carry-over to 2016 v/v that reported in the financial accounts 2015 – difference of EUR 15,630.52. Here corrected SAP figures are reported.

Grant-related assigned revenue recognised in 2015 amounted to EUR 255,138.93. This covered a varying part of the expenditure related to the Agency's activities on certain projects, in particular within the Innovative Medicines Initiative, or IMI, which receives funding from the European Union and the pharmaceutical industry association, EFPIA. The Agency's input to these projects is mainly human resources, with some duty travel and meeting activity also taking place.

2.7. Budget transfers

In line with Article 27(1) of the Financial Regulation, the Executive Director may make transfers within a title and up to 10% of appropriations from one title to another. Transfers *per se* are not an indicator of deficiencies in financial management but a necessary tool to adjust the budget in a changing environment, as illustrated, e.g., by 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 2015 nine transfers were made. All were adjustments within the limits of Article 27(1) of the Financial Regulation and approved by the Executive Director. They totalled EUR 22,026,000 or 7.15% of final appropriations. These transfers consist of transfers of revenue appropriations of EUR 8,796,000 and of expenditure appropriation of EUR 13,230,000 (2014: nine transfers of expenditure appropriations only, totalling EUR 19,755,000 or 6.99% of final appropriations).

The transferred expenditure appropriations were primarily needed to cover expenditure on business IT development and adjustments to budget items for administrative expenditure. Annex III provides details of all transfers carried out in 2015.

2.8. Cancellation of appropriations

Expenditure appropriations should be understood as an estimate and not as an entitlement to create the corresponding commitments. Being reliant on fee income means that the level of cancelled expenditure appropriations does not indicate delays in the implementation of the work programme but should be consider rather as the result of stringent monitoring of actual revenue and adjustments to the expenditure.

For budget 2015, expenditure appropriations totalling EUR 12,927,191.98 remained unused, corresponding to 4.20% of final appropriations (2014: EUR 16,054,189.25, 5.68%).

These unused amounts must be seen in conjunction with collected revenue being EUR 3,978,211.40 below budget revenue appropriations, creating a positive overall outturn balance (before adjustments for exchange rate, cancellations of carry-over, etc.) of EUR 8,964,611.10 or 2.9% of final appropriations (2014: 5,366,119.01, 1.9%).

2.9. Payment of interest on late payments

In compliance with the agency's standard contract, established in accordance with Article 77 of the Financial Regulation, the terms of payment are 30 days upon receipt of a valid invoice. If these terms are not respected, from day 31 until the actual day of payment, the payment accrues default interest at 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 8%[3]. The default interest accrued is paid automatically to the supplier/contractor if it amounts to more than EUR 200 at the time of payment of the valid invoice.

[3] in accordance with Article 92 of the Financial Regulation applicable to the Budget of the Union and Articles 83(2) and 111 of its Rules of Application

In 2015, 151 payments out of a total of 56,335, i.e. 0.27% of all payments, were made later than 30 days after receipt of a valid invoice (2014: 1.51% of all payments). This resulted in default interest of EUR 1,610.00 being paid to suppliers and contractors.

Table 5 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	43,004	202,352,885	151	2,717,569	4,480	1,610
Evaluation services (NCAs)	13,331	112,611,289	0	0	0	0

3. Financial management by chapter

Hereafter follows an analysis of revenue (based on cash collected) and expenditure (based on commitments and non-automatic carry-over) in 2015. In contains information at title level for revenue and expenditure. Detailed information per chapter can be found at Annex I for revenue and Annex II for expenditure.

3.1. Revenue

3.1.1. Stable vs. cyclical revenue

In budgetary terms, EUR 125.0 million (41.12% of total 2015 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 externally assigned revenue. In 2015, 58.02% of total revenue depended on cyclical business activities.

Table 6 Stable and cyclical sources of revenue

	2014 Actual	% of total	2015 Actual	% of total
Stable revenue for the Agency	113,394,957	41.72%	125,042,249	41.12%
EU subsidies and contributions	*34,064,510*	*12.53%*	*32,435,315*	*10.67%*
External assigned revenue	*18,904,199*	*6.96%*	*17,558,761*	*5.77%*
Annual fees	*60,426,248*	*22.23%*	*75,048,174*	*24.68%*
Cyclical business revenue	157,243,624	57.86%	176,441,999	58.02%
Revenue from miscellaneous activities	1,147,349	0.42%	2,634,540	0.87%
Total revenue	**271,785,930**	**100.00%**	**304,118,789**	**100.00%**

3.1.2. Cancellation of recovery orders / acceptance requests

Article 62(5) of the Financial Regulation stipulates that recovery orders which have been issued can, under certain well-defined circumstances, be cancelled by the authorising officer.

In 2015, one recovery order was issued and subsequently cancelled. The amount thus waived was EUR 20,900.00.

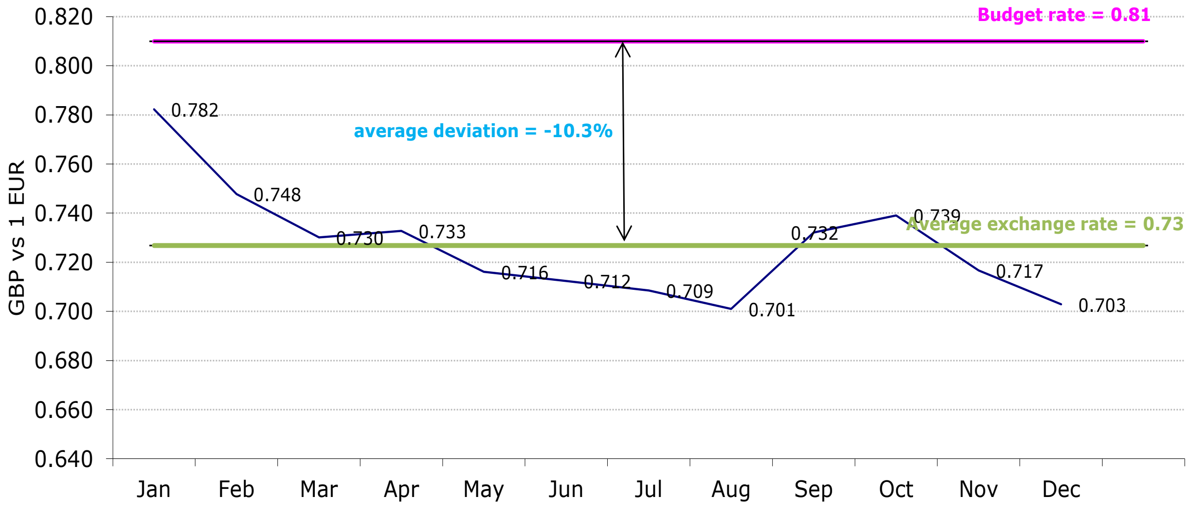
3.2. *Expenditure*

3.2.1. Exchange rate impact on the budget

Whereas the revenue of the agency is in Euro (EUR), administrative expenditure is mainly paid in Pounds Sterling (GBP). In 2015 the Agency experienced an overall increase in the value of Sterling expressed in Euro, compared to the exchange rate used for the establishment of the budget. This resulted in increased EUR expenditure in titles 1 and 2 of the budget.

The strengthening of Sterling was the main justification for one Amending Budget in 2015, which increased expenditure appropriations on budget items 1190 (weighting on salaries) and 2000 (rent) in order to be able to honour outstanding obligations in Sterling.

Figure 1 Exchange rate variance against budgeted exchange rate



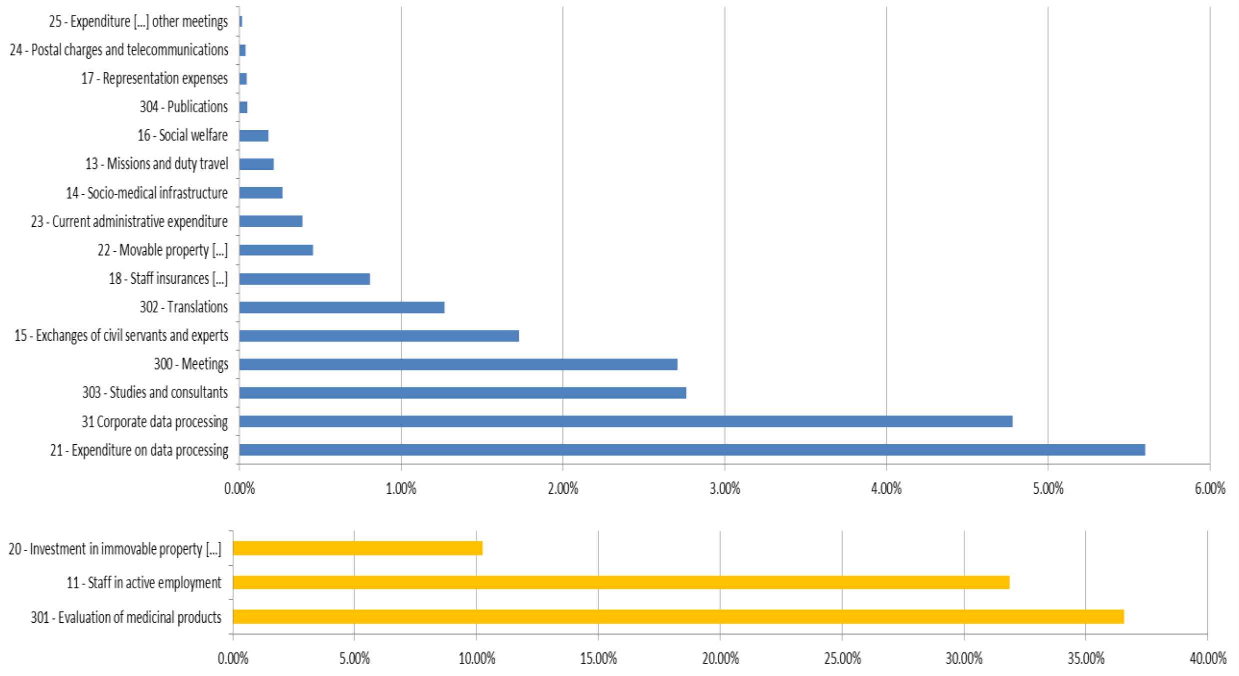
3.2.2. Details on expenditure

In 2015 the four chapters and articles with the highest amounts committed accounted for 84.30% of total commitments (2014: 87.14% of total commitments). They were:

- Chapter 11 'Staff in active employment' (2015: 31.88%)
- Chapter 20 'Investments in immovable property, renting of buildings and associated costs' (2015: 10.25%)
- Chapter 21 'Expenditure for corporate data processing' (2015: 5.60%) and
- Article 301 'Evaluation of medicinal products' (2015: 36.57%).

Detailed information at chapter and article level can be found at Annex II.

Figure 2 Distribution of 2015 expenditure by chapter (chapter 30 by article)



3.3. Staffing

The total number of staff (headcount) increased from 752 to 775 (3.06%). As of 31.12.2015, the agency had a total of 587 temporary agents, 153 contract agents and 35 national experts on secondment (2014: 580, 144 and 28).

In 2015, the agency advertised 25 vacancies for temporary agent positions externally, and conducted nine internal recruitment procedures. The decrease in recruitment activity compared to previous years can be explained by the fact that the establishment plan saw very little increase in numbers of posts, compared to 2014.

As for gender distribution of staff, women accounted for 45% of Heads of Service, 46% of Heads of Department and 33% of the senior management team (i.e. the Executive Director, Deputy Executive Director and Heads of Division) as at 31 December 2015.

Due to the on-going reorganisation a number of posts were unoccupied or filled on an ad-interim basis at the end of the year.

The distribution of staff (temporary agents and contract agents, but excluding national experts) by nationality is shown in Figure 4.

Table 7 Staff by gender (temporary staff and contract agents) 31.12.2015

Contract / gender	Female	Male	Total	%Female	%Male
Administrators	163	160	**323**	50%	50%
Assistants	229	35	**264**	87%	13%
Contract Agents	126	27	**153**	82%	18%
Total	**518**	**222**	**740**	**70%**	**30%**

Figure 3 Staff by gender (temporary staff and contract agents) 31.12.2015

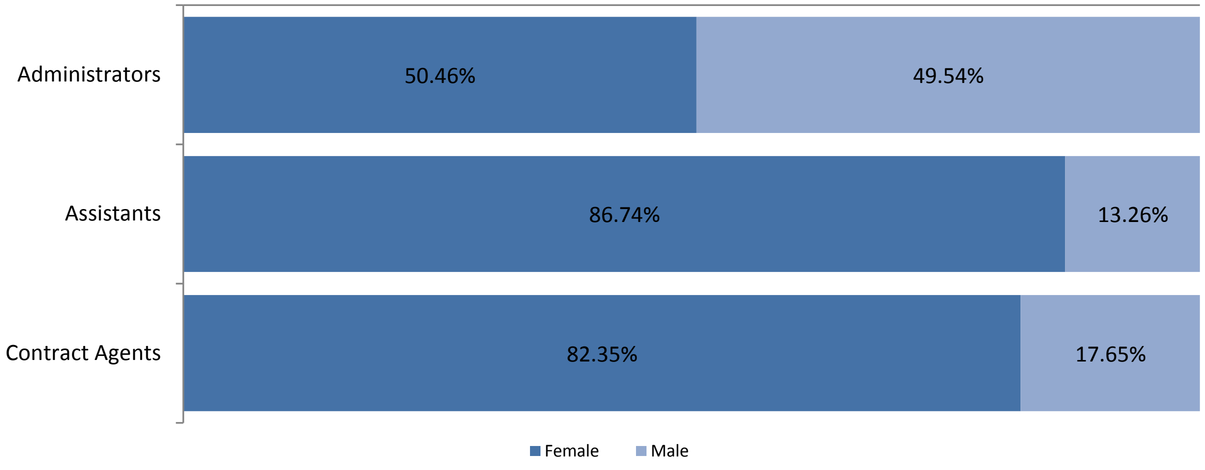
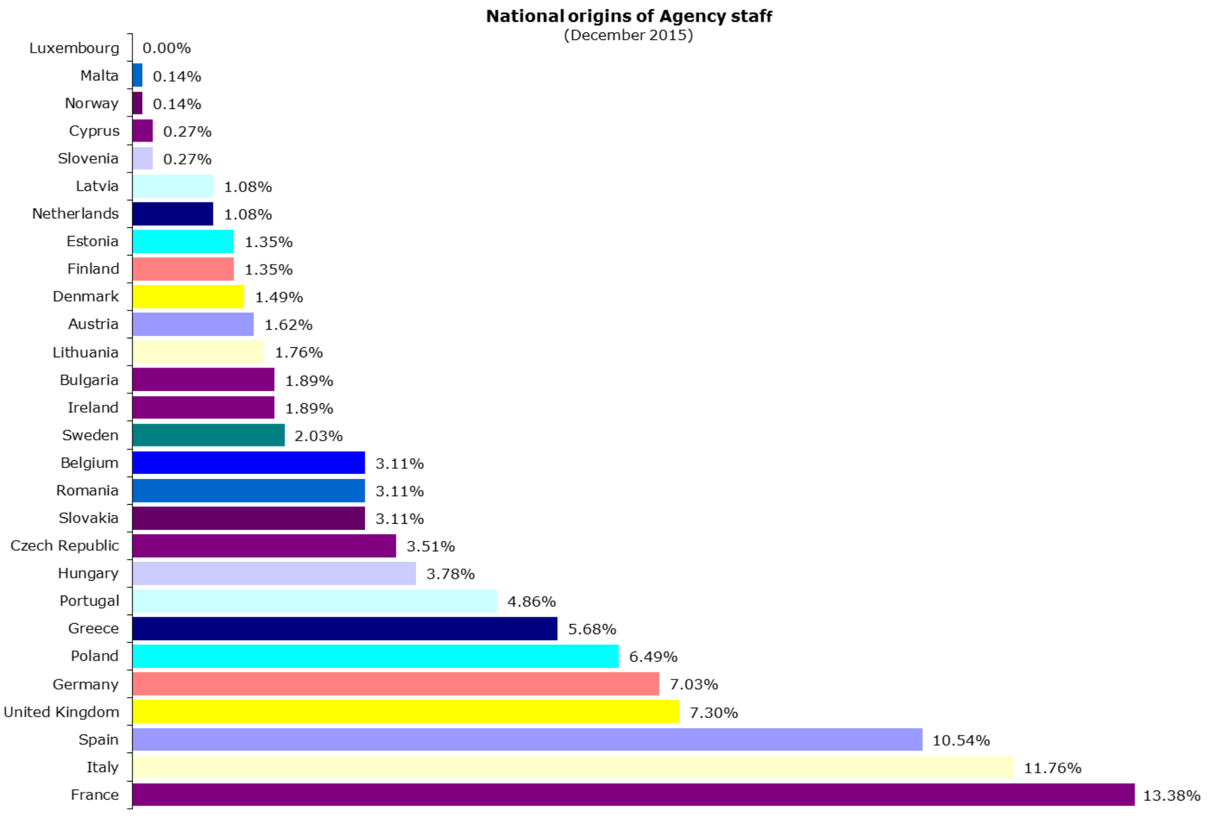


Figure 4 Staff by country (temporary staff and contract agents) 31.12.2015



Annexes

Annex I – Detailed revenue overview

Item	Heading	2014 EUR	2015 EUR	Change EUR	Change %	Comment
1000	Fees collected (Regulation (EU) 297/95)	216,297,933.32	229,851,310.88	13,553,377.56	6.27%	Fee income from evaluation services is the main source of revenue for the agency, representing 75.58% of 2015 revenue (2014: 79.58%). The value of recovery orders / invoices for fees, reflecting the level of activities, rose by 6.27% when compared to 2014, whereas the value of cash-receipts increased by 11.90%. The difference between the value of fee-related cash receipts and recovery orders is due to the increase in the value of recovery orders raised in 2015 for which revenue will only be cashed in the following years (from EUR 30.4 mio. in 2014 to EUR 45.5 mio. in 2015). The item was reinforced by EUR 4,450,000 through an amending budget. A total of EUR 3,352,000 was transferred out of the item during 2015.
1001	Fees collected (Regulation (EU) 658/2014)	1,371,938.82	21,638,861.94	20,266,923.12	1477.25%	Fees from pharmacovigilance procedures were introduced half-way through 2014, with 2015 being the first full year of implementation. Fees are charged for PSUR, PASS and referral procedures and involve more than approx. 4,000 companies across Europe. The chapter accounted for 7.12% in 2015 (2014: 0.50%). The item was reinforced by EUR 3,352,000 through transfer.
2000	European Union contribution	23,957,250.19	18,668,607.31	-5,288,642.88	-22.08%	This chapter accounted for 6.14% of 2015 revenues (2014: 8.81%). The contribution from the European Union budget decreased by 22.08% between 2014 and 2015. A total of EUR 5,411,000 was transferred out of the item in 2015.
2010	Special contribution for orphan medicinal products	9,432,260.00	13,212,250.00	3,779,990.00	40.08%	Of this total EU contribution allocated to the agency, EUR 16,214 (0.12%) earmarked for the compensation of orphan fee reductions were cancelled. The contributions from the European Union budget increased by 40.08% between 2014 and 2015. The budget item was reinforced by EUR 3,911,000 through transfer from the general EU contribution.
3000	EEA contribution	674,999.81	554,457.69	-120,542.12	-17.86%	This chapter covers the compensation received for the participation of EEA countries in the agency's activities. It accounted for 0.18% of 2015 revenue (2014: 0.25%). 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 and EU contribution earmarked for compensation of orphan fee reductions. The percentage used for 2015 was 2.97%. No transfers were made to or from the chapter in 2015.
5200	Revenue from administrative operations and ancillary services	172,519.02	107,548.90	-64,970.12	-37.66%	Chapter 52 includes the income from administrative charges as well as bank interest. The chapter accounted for 0.04% of 2015 revenues (2014: 0.06%).
6000	External assigned revenue for projects and programmes	18,904,198.83	17,558,760.53	-1,345,438.30	-7.12%	This chapter accounted for 5.77% of 2015 revenues (2014: 6.96%). The bulk of the revenue, EUR 17,303.621.60 relates to the project to construct, fit-out and rent the agency's new headquarters at 30, Churchill Square. As part of this project, the agency's landlord paid inducements to a value of GBP 47 mio. Grant related revenue, constituting 1.40% of total assigned revenue, was received from the IMI-PROTECT, IMI-Eu2P, IMI WEB-RADR, IMI ADVANCE AND IMI GetReal programmes via IMI-JU (Innovative Medicines Initiative Joint Undertaking), an Executive Office of the European Union, and from the grant manager for the FP7-GRIP programme. The item was reinforced by EUR 980,000 through an amending budget.
7000	Balance of outturn account of previous year	0.00	1,499,357.43	1,499,357.43	-	This chapter accounted for 0.49% of 2015 revenues (2014: 0%). Any surplus (positive outturn) from the previous budget year is posted here. The chapter was reinforced by a total amount of EUR 1,500,000 through transfer.
9000	Miscellaneous revenue	974,829.77	1,027,633.92	52,804.15	5.42%	This chapter accounted for 0.34% of 2015 revenues (2014: 0.36%). The bulk of the appropriations relates to the refund of building service charges related to the agency's previous headquarters and a refund from the Translation Centre in Luxembourg due to a revision of their prices. The chapter was reinforced by EUR 500,000 through an amending budget.
Total		**271,785,929.76**	**304,118,788.60**	**32,332,858.84**	**11.90%**	

Annex II – Detailed expenditure overview

Chapter	Heading	2014	2015	Change		Comment
		EUR	EUR	EUR	%	
11	Staff in active employment	84,351,669.73	94,091,430.58	9,739,760.85	11.55%	Chapter 11 accounted for 31.87% of 2015 expenditure, constituting the second largest share of expenditure (2014: 31.66%). 41.32% of chapter 11 expenditure related to item 1100 'basic salaries' and 31.75% to 1190 'weightings'. For these two items commitments amounted to EUR 68,710,565.35. A net total of EUR 124,000.00 was transferred out of the chapter. The chapter was reinforced by EUR 5,000,000 through an amending budget.
13	Missions and duty travel	540,251.90	623,414.45	83,162.55	15.39%	This chapter accounted for 0.21% of 2015 expenditure with a total of 829 duty trips carried out (2014: 0.20% and 778 trips). The chapter was reinforced by EUR 30,000 through transfer.
14	Socio-medical infrastructure	804,567.57	782,736.37	-21,831.20	-2.71%	This chapter accounted for 0.27% of 2015 expenditure. The move to a new headquarters with larger catering facilities has meant that expenditure has only decreased slightly compared to 2014. The chapter was reinforced by a total of EUR 80,000 through transfer.
15	Exchanges of civil servants and experts	3,016,420.45	5,105,419.71	2,088,999.26	69.25%	This chapter accounted for 1.73% of 2015 expenditure (2014: 1.13%). Compared to 2014 there was a considerable increase in the number of national experts on secondment on a full-time equivalent (FTE) basis, up from 17.3 in 2014 to 32.5. The number of trainees decreased from 47.7 to 46.4 (FTE) with the length of traineeships being 12 months. A net total of EUR 1,996,000 was transferred out of the chapter.
16	Social welfare	322,546.34	528,382.75	205,836.41	63.82%	Chapter 16 accounted for 0.18% of 2015 expenditure (2014: 0.12%). The increase in expenditure is due to the revision of the rules governing the payment of the nursery contribution and a higher number of children. The chapter was reinforced by EUR 200,000 through transfer.
17	Representation expenses	53,373.99	137,166.58	83,792.59	156.99%	Chapter 17 accounted for 0.05% of 2015 expenditure (2014: 0.02%). Compared to 2014, expenditure increase by 157% in 2015. This was due to the extra activity related to the inauguration of the new headquarters and the agency's 20th anniversary. The chapter was reinforced by EUR 69,000 through transfer.
18	Staff insurances […]	2,255,088.30	2,382,121.09	127,032.79	5.63%	Chapter 18 accounted for 0.81% of 2015 expenditure (2014: 0.85%). Compared to 2014, expenditure increased by 5.63% in 2015. This increase was mainly caused by salary increased due to reclassifications and step increases. The chapter was reinforced by EUR 65,000 through transfer.
Title I		**91,343,918.28**	**103,650,671.53**	**12,306,753.25**	**13.47%**	

Chapter	Heading	2014	2015	Change		Comment
		EUR	EUR	EUR	%	
20	Investment in immovable property, renting of buildings […]	39,175,322.18	30,262,654.48	-8,912,667.70	-22.75%	Chapter 20 accounted for 10.26% of 2015 expenditure, compared to 14.70% in 2014. 2014 saw the completion of the bulk of the work to fit-out the agency's new headquarters and as such expenditure started to decrease. Final completion of the overall project will now only happen in 2016. The chapter was reinforced by a net total of EUR 77,000 through transfer and by EUR 980,000 through an amending budget.
21	Expenditure on data processing	12,499,157.46	16,522,168.87	4,023,011.41	32.19%	Chapter 21 accounted for 5.60% of 2015 expenditure (2014: 4.69%). The increase in IT expenditure in chapter 21 was mainly due to investment related to the move to the new headquarters postponed from 2014, and increased maintenance and support costs. A total of EUR 1,327,000 was transferred out of the chapter.
22	Movable property […]	1,927,244.60	1,337,401.81	-589,842.79	-30.61%	Chapter 22 accounted for 0.45% of 2015 expenditure (2014: 0.72%). The decrease in expenditure in 2015 was due to the completion of the move to the new headquarters which incurred higher expenditure in 2014. No transfers to or from the chapter took place in 2015.
23	Current administrative expenditure	1,416,922.07	1,144,954.07	-271,968.00	-19.19%	This chapter accounted for 0.39% of 2015 expenditure (2014: 0.53%). The decrease in expenditure was due to a decrease in legal expenditure as well as removal expenditure. The chapter was reinforced by a total of EUR 239,000.
24	Postal charges and telecommunications	130,177.80	108,228.18	-21,949.62	-16.86%	This chapter accounted for 0.04% of 2015 expenditure (2014: 0.05%). Compared to 2014, expenditure decreased by 16.86%, since service of two buildings stopped after the completion of the move to the new headquarters. No transfer was made to or from the chapter.
25	Expenditure on formal and other meetings	102,017.87	46,478.34	-55,539.53	-54.44%	This chapter accounted for 0.02% of 2015 expenditure (2014: 0.04%). Compared to 2014, expenditure decreased by 54.44% due to a decrease in the cost of memberships to fora. No transfers was made to or from the chapter.
Title II		**55,250,841.98**	**49,421,885.75**	**-5,828,956.23**	**-10.55%**	

Chapter	Heading	2014	2015	Change		Comment
		EUR	EUR	EUR	%	
300	Meetings	7,125,725.83	7,993,129.98	867,404.15	12.17%	Article 3000 accounted for 2.71% of 2015 expenditure (2014: 2.67%). Compared to 2014, expenditure increased by 12.17%, mainly due to increased meeting activities related to the implementation of the agency's work programme. A net total of EUR 1,862,000 was transferred away from the article.
301	Evaluation of medicinal products	96,145,098.12	107,951,698.35	11,806,600.23	12.28%	Article 301 accounted for 36.58% of 2015 expenditure (2014: 36.09%). Between 2014 and 2015 expenditure in absolute terms increased by EUR 11,806,600.23 which can be explained by an overall increase in the number of procedures as well as the first full year of implementation of the pharmacovigilance legislation and the resulting remuneration to national competent authorities (for PSURs, PASSs and referrals), accounting for EUR 10,752,748.90. A total of EUR 5,091,000 was transferred away from the chapter.
302	Translations	4,325,440.40	3,741,676.40	-583,764.00	-13.50%	Article 302 accounted for 1.27% of 2015 expenditure (2014: 1.62%). The decrease in expenditure reflects a drop in the number of negative opinions pertaining to human medicinal products and a drop in the number of referral procedures for human medicinal products and lower prices charged in 2015. A total of EUR 1,093,000 was transferred away from the article.
303	Studies and consultants	4,729,923.14	8,150,847.87	3,420,924.73	72.33%	This article accounted for 2.76% of 2015 expenditure (2014: 1.78%). The increase in expenditure can be explained by the higher activity on business-related consultancy, expenditure on pharmacovigilance literature monitoring, partly offset by a decrease in the expenditure on EudraVigilance data management and cleaning. No appropriations were transferred to or from the article.
304	Publications	162,998.03	138,289.73	-24,708.30	-15.16%	This article accounted for 0.05% of 2015 expenditure (2014: 0,06%). The decrease in expenditure is mainly due to a drop in expenditure related to the move of the agency's headquarters to a new address and the material for the agency's 20th anniversary celebrated in January 2015. The article was reinforced by a total of EUR 52,000.
31	Corporate data processing	7,335,864.97	14,105,977.89	6,770,112.92	92.29%	This article accounted for 4.78% of 2015 expenditure (2014: 2.75%). The increase in expenditure can be explained by the higher activity in business-related IT projects related to the agency's 2015 priorities. Overall IT expenditure (chapters 21 and 31) increased by 54.41%, compared to 2014. The chapter was reinforced by a total of EUR 7,084,000.
Title III		**119,825,050.49**	**142,081,620.22**	**22,256,569.73**	**18.57%**	
	Total	**266,419,810.75**	**295,154,177.50**	**28,734,366.75**	**10.79%**	

Annex III – Summary of transfers

Transfers carried out in accordance with Article 27(1) and (2) of the Financial Regulation.

No.	From/To item	Item No.	Item Heading	Amount of receiving item	Amount of donating item
01	from	2000R	European Union contribution	0	1,500,000
	to	7000R	Balance of outturn account of previous year	1,500,000	0
	from	1190	Weightings	0	53,000
	to	1700	Representation expenses	53,000	0
	from	2040	Fitting-out of premises	0	130,000
	to	2000	Rent	130,000	0
02	from	2330	Legal expenses	0	250,000
	to	2340	Damages	250,000	0
03	from	1184	Temporary daily subsistence allowances	0	17,000
	to	1172	Miscellaneous insurances relating to staff activities	17,000	0
	from	1520	Staff exchanges between EU institutions	0	190,000
	to	1184	Temporary daily subsistence allowances	120,000	0
	to	1620	Social contact between staff	70,000	0
	from	2040	Fitting-out of premises	0	358,000
	to	2030	Maintenance & cleaning	130,000	0
	to	2010	Insurance	75,000	0
	to	2050	Security & surveillance of buildings	35,000	0
	to	2353	Departmental removals & associated handling	78,000	0
	to	2358	Business continuity	40,000	0
	from	3000	Reimbursement of persons attending meetings	0	28,000
	to	3002	Catering	28,000	0

No.	From/To item	Item No.	Item Heading	Amount of receiving item	Amount of donating item
04	from	1520	Staff exchanges between EU institutions	0	15,000
	to	1174	Payment for administrative assistance from the EU institutions	15,000	0
	from	3000	Reimbursement of persons attending meetings	0	800,000
	to	3105	Business IT development	800,000	0
05	from	1520	Staff exchanges between EU institutions	0	220,000
	to	1400	Restaurant & canteens	80,000	0
	to	1141	Travel expenses from place of employment to place of origin	80,000	0
	to	1120	Further training, language courses and re-training	60,000	0
	from	2110	Hardware & software for corporate processes	0	505,000
	to	2010	Insurance	250,000	0
	to	2030	Maintenance & cleaning	175,000	0
	to	2020	Water, gas, electricity & heating	80,000	0
	from	3000	Reimbursement of persons attending meetings	0	200,000
	from	3003	Other expenditure in relation to meetings	0	175,000
	from	3010	Evaluation of medicinal products	0	97,000
	from	3020	Translation Centre, Luxembourg	0	348,000
	from	3021	Other translations	0	132,000
	to	3040	Information & publications	52,000	0
	to	3105	Business IT development	900,000	0

No.	From/To item	Item No.	Item Heading	Amount of receiving item	Amount of donating item
06	from	1520	Staff exchanges between EU institutions	0	1,272,000
	from	1530	Cost of organising graduate traineeships	0	57,000
	to	1101	Family allowances	700,000	0
	to	1114	Basic salaries & allowances for contract agents	1,150,000	0
	to	1120	Further training, language courses and re-training	30,000	0
	to	1175	Interim services	300,000	0
	to	1300	Duty travel	30,000	0
	to	1600	Miscellaneous welfare expenditure	130,000	0
	to	2050	Security & surveillance of buildings	43,000	0
	from	2090	Other expenditure on buildings	0	353,000
	from	2110	Hardware & software for corporate processes	0	1,422,000
	to	2114	Maintenance & repair of hard. & software for corporate processes	600,000	0
	to	2320	Bank charges	11,000	0
	to	2340	Damages	110,000	0
	from	3000	Reimbursement of persons attending meetings	0	372,000
	from	3003	Other expenditure in relation to meetings	0	315,000
	from	3020	Translation Centre, Luxembourg	0	213,000
	from	3021	Other translations	0	200,000
	to	3105	Business IT development	1,100,000	0
07	from	2000R	Contribution from the European Union	0	3,911,000
	to	2010R	Contribution from the European Union (Orphan Medicines)	3,911,000	0
	from	2330	Legal expenses	0	25,000
	to	2329	Other financial charges	15,000	0
	to	2340	Damages	10,000	0

No.	From/To item	Item No.	Item Heading	Amount of receiving item	Amount of donating item
08	from	1000R	Fees collected (Regulation (EU) 297/95)	0	3,352,000
	to	1001R	Fees collected (Regulation (EU) 658/2014)	3,352,000	0
	from	1100	Basic salaries	0	54,000
	to	1101	Family allowances	75,000	0
	to	1114	Basic salaries & allowances for contract agents	35,000	0
	to	1175	Interim services	100,000	0
	to	1184	Temporary daily subsistence allowances	5,000	0
	from	1520	Staff exchanges between EU institutions	0	268,000
	to	1530	Cost of organising graduate traineeships	26,000	0
	to	1700	Representation expenses	16,000	0
	to	1830	Insurance against sickness, accidents & occupational disease, unemployment insurance & pension rights	65,000	
	from	3020	Translation Centre, Luxembourg	0	200,000
	to	3105	Business IT development	200,000	0
09	to	1190	Weightings	910,000	0
	from	3010	Evaluation of medicinal products	0	4,084,000
	from	3013	Evaluation of pharmacovigilance procedures	0	910,000
	to	3105	Business IT development	4,084,000	0
			Total amount of transfers	**22,026,000**	**22,026,000**

Annex IV – Organisation chart as at 31 December 2015