



Financial Statements & Budgetary Reports

Final **Accounts**

2011

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CERTIFICATION OF THE ACCOUNTS & STATEMENT OF THE DIRECTOR

Certification of the accounts

The annual accounts of the Executive Agency for Health and Consumers (EAHC) for the year 2011 have been prepared in accordance with the Financial Regulation applicable to the general budget of the European Union and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions, agencies and joint undertakings.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the Executive Agency for Health and Consumers, in accordance with art 61 of the Financial Regulation.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the Executive Agency for Health and Consumers' assets and liabilities and the budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present, a true and fair view of the financial position of the EAHC in all material aspects.

Statement of the Director

I, the undersigned, Director of the Executive Agency for Health and Consumers, in my capacity as Authorising Officer:

- Declare that the information contained in this report gives a true and fair view.
- State that I have reasonable assurance that the resources assigned to the activities described in the Annual Activity Report have been used for their intended purpose and in accordance with the principles of sound management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgment and on the information at my disposal, such as the results of the self-assessment, ex-ante controls, the work of the internal audit capability, the observations of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

- Confirm that I am not aware of anything not reported here which could harm the interests of the institution.

Luxembourg, 12/06/2012

Mr Anatole TOKOFAI
Accounting Officer

Mr Luc BRIOL
Director

PART I

1. Introduction

The Executive Agency for Health and Consumers (EAHC) is the result of the transformation of the Public Health Executive Agency, following Commission Decision (2008/544/EC) of 20th June 2008¹, amending Decision (2004/858/EC) of 15th December 2004².

By its decision the Commission extended the scope of the programmes managed by the Agency to the field of Consumers and Food Safety Measures under the following Community Programmes:

- **Public Health Programme 2003-2008** – Decision N° 1786/2002/EC,
- **Public Health Programme 2008-2013** – Decision No 1350/2007/EC,
- **Consumers Programme 2007-2013** – Decision No 1926/2006/EC,
- **Food Safety Training Measures** – Regulation (EC) No 882/2004 and Directive 2000/29/EC.

Under the Community programmes mentioned above, EAHC is responsible for implementing the following tasks as defined in the delegation act adopted on 9th September 2008³ :

(a) Managing all the phases of the cycle of projects (for monitoring and dissemination purposes, the Agency shall take the necessary steps to create a database of projects or to continue an existing one, incorporating a project description and the final results);

(b) Monitoring projects implemented under these programmes and measures, including the necessary checks;

(c) Collecting, processing and distributing data and in particular, compiling, analysing and transmitting to the Commission all information required to guide the implementation of Community programmes and measures, promote coordination and synergy with other programmes of the Communities, the Member States or international organisations;

(d) Organising meetings, seminars, talks and training measures;

(e) Helping to evaluate the programme's impact in particular the annual and/or mid term evaluation of the implementation of the programmes, and implementing follow-up actions on evaluations decided by the Commission;

(f) Disseminating the results of the information operations planned and implemented by the Commission;

(g) Producing overall control and supervision data;

(h) Participating in preparatory work on financing decisions.

The lifetime of the Agency was extended to 31/12/2015.

¹ Commission Decision(2008/544/EC) - transform the Executive Agency for the Public Health Programme into the Executive Agency for Health and Consumers

² Commission Decision (2004/858/EC) - setting up an executive agency, the Executive Agency for the Public Health Programme, for the management of Community action in the field of public health

³ Commission Decision of 9/09/2008- delegating powers to the EAHC

2. Annual Accounts

2.1 Legal Basis

The 2011 financial statements and reports on budget implementation of EAHC were prepared in conformity with:

- **Commission Regulation (EC) N° 651/2008 of 9 July 2008** - amending Regulation (EC) No 1653/2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for Executive Agencies to be entrusted with certain tasks in the management of Community programmes - in absence of expressly laid down rules, the general financial regulation shall be applied (Commission Regulation N°2342/2002 of 23 December 2002, Council Regulation N°1605/2002 of 25 June 2002),
- **Accounting Rules** (based on IPSAS⁴) adopted by the Accounting Officer of the Commission in December 2004 last update in March 2012,
- **Council Regulation N° 58/2003 of 19 December 2002** - laying down the statute for Executive Agencies to be entrusted with certain tasks in the management of Community Programmes,
- **Commission Decision of 20 June 2008** – amending Decision 2004/858/EC in order to transform the ‘Executive Agency for the Public Health programme’ into the Executive Agency for Health and Consumers’.

2.2 Agency Accounts

The Agency accounts comprise the general accounts and the budget accounts, kept in euros on the basis of the calendar year. Each one of them follows different principles.

- **General accounts**

The general accounts allow the preparation of financial statements: balance sheet, economic outturn, statement of changes in net capital, cash flow table and annex to the financial statements.

They are accruals accounts, which means that the effects of the transactions or events are recognised when they occur, independently of the moment of the corresponding payment or receipt.

The purpose of the financial statements is to provide information on the financial situation, performance, as well as changes in the financial situation of the Agency.

- **Budget accounts**

The budget accounts give a detailed picture of the implementation of the budget.

They are modified cash accounts. This means that, as in any cash system any payment made or revenue received is recorded. In addition and, as opposed to the pure cash accounts, the budget accounts allow for the recording of payments appropriations carried over.

They enable the preparation of the budget implementation reports as well as the budgetary outturn account.

Both accounts have different purposes. Therefore, they are complementary.

Discrepancies between the general accounts and the budget accounts are explained via a reconciliation of items as presented in point 6 of Part II.

⁴ International Public Sector Accounting Standards

The accounts must be compliant with the rules, accurate, comprehensive and present a true and fair view of the financial position and also of the budget execution.

3. Accounting Principles

In conformity with Article 53 of the Commission Regulation EC N°1653/2004, financial statements are prepared according to the following generally accepted accounting principles:

- Going concern basis,
- Prudence,
- Consistent accounting methods,
- Comparability of information,
- Materiality,
- No netting,
- Reality over appearance,
- Accrual-based accounting.

4. Consolidation

According to Article 57 of the Commission Regulation EC N°1653/2004, EAHC accounts are consolidated with the Commission's annual accounts.

5. Accounting Rules

The accounting rules applied by the Agency must allow the consolidation with the Commission accounts in accordance with § 11 of the Commission Regulation EC N°1653/2004 and Articles 133, 185 of the Financial Regulation.

Additional information is provided in the notes to financial statements (Point 5 of Part II).

PART II - Financial Statements

1. BALANCE SHEET
31-12-2011

	NOTES	2011	EUR 2010
ASSETS			
I. NON-CURRENT ASSETS		75 770	83 415
Intangible fixed assets	5.2	22 465	38 410
Computer software		136 148	130 060
Acc Depreciation		-113 683	-91 650
Tangible fixed assets	5.2	53 305	45 005
Plant, Mach&Equip		5 785	2 521
Furniture		14 095	14 095
Computer hardware		185 854	162 341
Other Fixtures and fittings		22 973	22 973
Acc Depreciation		-175 402	-156 925
II. CURRENT ASSETS	5.3	1 655 856	1 799 803
Short term prefinancing		0	29 940
Prefinancing		0	29 940
Short term receivables	5.3.1	48 201	37 680
Amounts receivable-Public Bodies		0	0
Receivables from Consolidated Entities		16 320	11 362
Personnel and Others		31 882	26 318
Cash&Equivalents	5.3.2	1 607 654	1 732 183
BCEE		1 607 654	1 732 183
TOTAL ASSETS		1 731 626	1 883 218
LIABILITIES			
III. CURRENT LIABILITIES	5.4	1 144 687	1 157 949
Short -Term provisions	5.4.3	28 940	0
Short -Term provision		28 940	0
Payables to consolidated entities	5.4.1	542 669	380 883
Pref.Subsidy - Commission		521 387	357 131
Other amounts payable to Consolidated Entities		21 281	23 752
Other amounts payable	5.4.2	28 526	33 725
Suppliers		17 798	28 100
Others amounts payable		10 728	5 625
Invoices to be received & Accruals	5.4.4	544 553	743 341
Accrued Charges		445 019	661 768
Accrued Charges -Consolidated Entities		99 534	81 573
TOTAL LIABILITIES		1 144 687	1 157 949
CAPITAL (NET ASSETS/LIABILITIES)	5.5	586 939	725 269
Accumulated Results from previous years		725 269	1 042 647
Economic result of the year		-138 330	-317 378
TOTAL CAPITAL		586 939	725 269
TOTAL LIABILITIES+CAPITAL		1 731 626	1 883 218

2. ECONOMIC OUTTURN ACCOUNT
31-12-2011

EUR

	NOTES	2011	2010
OPERATING REVENUE		6 517 950	6 419 152
Total revenue registered by the Agency	5.6	6 517 950	6 419 152
Subsidy received from the European Commission	5.6.1	7 038 040	6 774 500
Subsidy to be reimbursed in n+1		-521 387	-357 131
Miscellaneous Income		1 297	1 784
OPERATING / ADMINISTRATIVE EXPENSES	5.7	6 656 025	6 736 194
Staff expenditure	5.7.1	3 475 877	3 214 478
Staff costs		3 002 846	2 843 319
Pension & Unemployment Temp		12 392	11 486
Social security		38 766	35 280
Staff Perquisites and Social Activities		63 515	75 619
Allowances		358 358	248 775
Fixed assets related Expenses	5.7.2	40 511	60 254
Depreciation of intangible fixed assets		21 191	32 517
Depreciation of tangible fixed assets		19 320	27 737
Other Administrative expenses	5.7.3	3 110 697	3 461 462
Rent Land & Buildings		608 393	590 991
Office Supplies & Maint.		86 699	185 455
Communication & Publication		284 385	1 010 103
Transport & Insurance		1 944	481
Recruitment costs		18 005	18 444
Training costs		40 683	33 614
Missions		116 575	105 698
Experts and related expenditure		260 284	273 618
Goods&Services int.proc		1 530 660	1 201 854
Expenses with consolidated entities	5.7.4	163 069	41 204
Short term provision for risk and liabilities	5.4.3	28 940	0
SURPLUS FROM OPERATING ACTIVITIES		-138 075	-317 042
Financial operations expenses	5.7.5	-255	-336
Real Exch Gains		-255	-336
ECONOMIC RESULT FOR THE YEAR		-138 330	-317 378

3. CASHFLOW TABLE (Indirect Method)
31-12-2011

EUR

	2011	2010
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus from operating activities	-138.330	-317 378
ADJUSTMENTS	46 668	160 881
Amortization/Depreciation	40 511	60 254
Increase/(decrease) in short term provisions for risk and liabilities	28 940	-27 692
Increase/(decrease) in short term pre-financing	29 940	-29 940
Increase/(decrease) in short term receivables	-5 564	-16 618
Increase/(decrease) in short term receivables related with consolidated entities	-4 957	29 984
Increase/(decrease) in accounts payable	-203 987	266 355
Increase/(decrease) in liabilities related to consolidated entities	161 785	-121 463
NET CASHFLOW FROM OPERATING ACTIVITIES	-91 663	-156 497
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of intangible and tangible assets	-32 866	-36 378
NET CASHFLOW FROM INVESTING ACTIVITIES	-32 866	-36 378
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		
	-124 529	-192 875
Cash and cash equivalents at the beginning of the year	1 732 183	1 925 058
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1 607 654	1 732 183

4. STATEMENT OF CHANGES IN CAPITAL
31-12-2011

EUR

	Reserves		Accumulated surplus/deficit	Economic Outturn	Total Net assets/liabilities
	Fair value reserve	Other reserve			
Balance as of 31/12/2010	-	-	1 042 647	-317 378	725 269
Balance as of 01/01/2011	-	-	725 269	-	725 269
Economic outturn of the year	-	-	-	-138 330	-
Balance as of 31/12/2011	-	-	725 269	-138 330	586 939

5. Notes to the financial statements

5.1 Currency and basis conversion

Functional and reporting currency: financial statements are presented in euros.

Transactions and balances: some payments were executed in foreign currency and gave origin to gains and losses duly booked in gains or losses for exchange rates.

5.2 Intangible and tangible assets

- Intangible and tangible assets are registered at the historical amount, which comprises their purchase price (including any import duties and non-refundable purchase taxes), and any directly attributable expenditure on preparing the asset for its intended use.
- The materiality threshold used is 420 euros, which means that below this amount the expense is booked as a charge of the exercise.
- Repairs and maintenance are charged to the economic period in which they have occurred.
- Depreciation is calculated since the month of the asset reception and booked monthly, using the straight-line method to allocate the costs to the residual values over the estimated useful lives.
- The Agency does not have any finance lease.

The depreciation rates used are listed below:

Assets	Depreciation rate
Intangible assets – Computer Software	25%
Plant, machinery and equipment	25%
Furniture	10% , 25%
Fixtures and fittings	10%
Computer hardware	25%

- **Intangible net fixed assets – 22 465 €**

During 2011, it was noted that the asset class relating to five items received in 2010 for the total amount of 6 088 € was not correct. Instead of being considered as software, such assets were booked as computer hardware.

These items are as follows:

Items	Acquisition price
Reference Manager, 5 concurrent users	2.616 €
EXT IS Team Licence GoldSup 1Y WIN 3.X UK	1.608 €
Style vision Enterprise Win v.2000 Lang US mnt. 1Y E	660 €
JUI Act Dir Rep Single Adm Win Lang. UK	626 €
Fusion Charts Website Bundle Win 3.X Lang:US VP:NA	498 €

Since the depreciation rate is the same 25%, the incorrect classification in terms of asset class did not affect the economic result of 2010. Therefore, the impact was only on the balance sheet.

In 2011, the above-mentioned items have been reclassified as computer software. Given that the amortisation amount of the re-classified assets for the year of acquisition was not material, no write-back of the amortisation for the year 2010 was performed.

- **Tangible net assets – 53 305 €**

During 2011, the purchase of fixed assets was partly linked to the remodelling of an office space for an amount of 3.264 €. New computer hardware was also purchased for a total amount of 29.602 €.

The remaining net amount corresponds to assets purchased in the previous years and/or transferred from the Commission in 2007.

In 2007, the Commission transferred a group of assets which were in use in the Agency premises, bought by DG SANCO before the Agency's autonomy.

The transfer was done from the management centres of DIGIT and OIL for the IT equipment and furniture respectively. The items transferred are detailed in the annex of the note PHEA D (2007)/101310 signed by the Director of the Agency and the Director of Directorate C of DG SANCO. The assets were transferred at gross book value on 01/01/2007 with the accumulated depreciation on 31/12/2006.

This transaction created a profit, recognised in the accounts for the net amount of 89.218 €.

Variation of fixed assets is presented below:

FIXED ASSETS					
					EUR
INTANGIBLE ASSETS					
	Computer Software 21001	Total			
Gross book value at 31-12-2010	130.060	130.060			
Additions of the year 2011	-	-			
Disposals	-	-			
Transfer between headings	6.088	6.088			
Other changes	-	-			
1.Gross carrying amounts 31-12-2011	136.148	136.148			
Accumulated amortization at 31-12-2010	91.650	91.650			
Amortization of the year 2011	19.320	19.320			
Write-back of amortization	-	-			
Disposals	-	-			
Impairment	-	-			
Write-back of impairment	-	-			
Transfer between headings	2.713	2.713			
2.Accumulated amortization and impairment at 31-12-2010	113.683	113.683			
A.NET BOOK VALUE (1-2)					
	22.465	22.465			
TANGIBLE ASSETS					
	Plant.Mach. & Equipment 23001	Furniture and Rolling 24001	Computer Hardware 24101	Other Fixtures & Fittings 24201	Total
Gross book value at 31-12-2010	2.521	14.095	162.341	22.973	201.930
Additions of the year 2011	3.264		29.602		32.866
Disposals	-	-	-	-	-
Transfer between headings	-	-	-6.088	-	-6.088
Other changes	-	-	-	-	-
1.Gross carrying amounts 31-12-2011	5.785	14.095	185.854	22.973	228.707
Accumulated amortization at 31-12-2010	2.521	5.554	127.378	21.472	156.925
Amortization of the year 2011	204	1.356	18.913	718	21.191
Write-back of amortization	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Write-back of impairment	-	-	-	-	-
Transfer between headings	-	-	-2.713	-	-2.713
2.Accumulated amortization and impairment at 31-12-2011	2.725	6.910	143.577	22.190	175.402
B.NET BOOK VALUE (1-2)					
	3.060	7.185	42.277	783	53.305
TOTAL NET FIXED ASSETS (A+B)					
					75.770

- **Internally generated intangible assets**

The accounting treatment of internally developed intangible assets follows both the International Accounting Standard (IAS) 38 and the exposure draft on intangible assets of IPSAS Board of 2008.

In the context of the above rules and additional guidelines from the Accounting Officer of the European Commission, the threshold for capitalisation of internally generated intangible assets has been set at 100.000 € in EAHC.

Two IT development projects launched in 2011 have been identified as a source of internationally generated intangible assets. These projects were not capitalised since their costs did not reach the capitalisation threshold of 100.000 €:

- ✓ **AMI Expert II, estimated total cost in 2011: 20.000 €**

This internally generated software is aimed at improving the support of activities directly linked to the evaluation of proposals submitted under annual calls for proposals, the monitoring or evaluation of funded projects and other tasks relating to the implementation of the EU Health Programme.

This project was not capitalised since its entire cost did not reach the capitalisation threshold of 100.000 €.

- ✓ **Entire flow support during CFP process, estimated total cost in 2011: 45.000 €**

This module improves the Grant Cycle application in order to manage the Negotiation phase (from the projects awarding until the signature of the grant) for the Health Unit's Call for Proposals.

This project was not capitalised since its entire cost did not reach the capitalisation threshold of 100.000 €.

5.3 Current Assets

5.3.1 Short Term Receivables – 48.201 €

- **From Consolidated Entities – 16.320 €**

This item includes amounts to be received from other institutions concerning the monthly difference of balance that occurs when there are transfers between institutions.

- **Personnel and Others – 31.882 €**

This item concerns amounts to be recovered from the staff such as: allowances regularisation, amounts to be retained in staff salaries concerning nursery ('crèche/garderie').

5.3.2 Cash & Equivalents – 1.607.654 €

The amount included in this item, corresponds to the bank balance at 31/12/2011, in the bank account held by EAHC at "Banque et Caisse d' Epargne de l'Etat-Luxembourg".

The bank account was opened under the framework contract signed between the Commission and BCEE.

The Agency does not manage any petty cash.

5.4 Liabilities

5.4.1 Payables to consolidated entities – 542.669 €

This item includes liabilities towards consolidated entities as detailed below:

- **Balance to be reimbursed – 521.387 €**

The amount of 521.387 € corresponds to the balance to be reimbursed to the Commission in 2012. It is composed by the part of the 2011 subsidy that remains after the payments made in 2011 and the payments appropriations carried-over to 2012 (alias the non-used appropriations of 2011).

It also includes the amount to be reimbursed concerning the non-used part of payment appropriations carried over from 2010 to 2011.

According to article 18 n°3 of the Commission Decision C (2008) 4943 of 09/09/2008 the amount shall be recovered by the Commission when the accounts are closed. The details of calculation are presented in the Budget outturn table (Point 1 in Part III).

- **Interests to be reimbursed – 15.072 €**

The amount of 15.072 € corresponds to the interests generated during 2011 by the bank account held by the Agency in BCEE.

The amount of interest decreased significantly in comparison with the past, as a result of the policy of maintaining lower amounts in the bank account than in previous years, and also as the result of the decrease of interest rates.

According to article 18 n°2 of the Commission Decision C (2008) 4943 of 09/09/2008, this amount shall be recovered by the Commission when the accounts are closed.

- **Other amounts payable to consolidated entities - 6.209 €**

This item includes amounts concerning the difference of balances between institutions resulting from the monthly processing of salaries.

5.4.2 Other amounts payable – 28.526 €

- **Suppliers – 17.798 €**

The amount of 17.798 € concerns open invoices at 31/12/2011 in the Agency's accounts as detailed below:

44001 Suppliers	17.798 €
EMAKINA	7.929 €
MEDIA CONSULTA INTERNATIONAL	6.983 €
Others	2.886 €

- **Other amounts payable - 10.728 €**

This item includes small amounts to be paid to the staff.

5.4.3 Short-term provision for salary increase – 28.940 €

This item concerns the expenses which would arise in case the Commission wins its trial concerning the salary increase of 1.7% for staff, thereby enabling an upward salary adjustment for staff members of the Agency. In the case of EAHC, the adjustment to be borne has been evaluated at 28.940 €.

5.4.4 Invoices to be received & Accruals – 544.553 €

This item concerns the expenses for invoices not received until 31/12/2011, but nevertheless booked in charges according to the principle of accrual-based accounting.

The services were provided, the goods were received and the events took place in 2011, but the invoices or expense notes were not received until the end of the year.

The amounts were estimated according to the nature of each expense:

- Missions: estimated costs (mission orders),
- Services (IT, SLA, Consultants, Audits): pro-rata temporis, % of completion if known or reasonably estimated,
- Furniture, office supplies, drinks: goods receipts/orders,
- Meetings of experts: estimated costs (cost declarations).

It includes as well, an estimation of the holidays not taken until 31/12/2011. According to the principle of accrual-based accounting, the cost related to the days not taken must be recognised during the year in which the services occurred. The amount was calculated on the basis of daily gross salary.

Below, is the detail of the accruals registered:

Invoices to be received /Accruals	544.553
49055 Accrued Charges	445.019
Missions	796
Recruitment	-
IT Expenditure,Office Supplies &other services	2.283
Interim Services	
IT Services provided by Siemens, IRIS, Serco	94.424
Experts & Related Expenditure	15.934
Staff (holidays not taken/late interests)	111.383
Insurance and Social Activities	250
Communication (Emakina/ Media Consult)	122.231
Audits and Consultants	97.717
49055-Accrued Charges- Consolidated Entities	99.534
PE	11.634
DG HR	28.695
OPOCE	19.363
PMO	12.442
OIL	27.400

5.5 Capital

The capital amount of 586.939 € is composed by the accumulated economic results from previous years + 725.269 € and by the economic result of 2011 -138.330 €.

The economic result of the year is different from the budgetary result due the differences between the general accounts and the budgetary accounts. Additional information concerning the reconciliation between both accounts is provided in Table 6 of Part II.

The economic result can be decomposed as follows:

Economic Result 2011 a)= RAL 2011-RAL 2010+Accruals 2011-Accruals 2010-Open Invoices 2011+Open invoices 2010+Capital Expenditure-Depreciations and provisions 2011

a) Difference between the carry-forwards of n+1 and n, adjusted by accruals, depreciations, provisions, capital expenditure and open invoices.

5.6 Revenue

5.6.1 Subsidy: 7.038.040 €

- **Subsidy received from the European Commission for 2011**

This amount concerns the subsidy received for 2011 from the European Commission to cover operating expenditure.

The contribution by program can be split as follows (Including EFTA Participation):

- Public Health Programme: **4.238.532 €**
- Consumers Programme: **1.699.508 €**
- Better Training for Safer Food: **1.100.000 €**

- **Subsidy to be reimbursed: 521.387 €**

This amount will be reimbursed to the European Commission in 2012. This amount results from the non-executed budget for 2011 and also to the appropriations payments cancelled from 2010.

The net amount booking in revenue results from the difference between the total received and the amount to be returned in 2012: 6.516.653 €

Additional information can be found in the Budget Outturn table in Point 1 of Part III.

5.6.2 Other Administrative revenue

- **Adm. Revenue-Other Consolidated Entities: 1.297 €**

This item includes miscellaneous regularisations to previous exercises.

These amounts were included in the budget outturn calculation and therefore taken into account for the balance to be returned to the Commission.

5.7 Operating/Administrative expenditure

5.7.1 Staff Costs – 3.475.877 €

This item includes the staff costs (basic salary, allowances, social security, pension, insurances) with Temporary and Contract Agents and costs incurred with staff perquisites and social activities such as: bus school, contribution to nursery ('crèche/garderie').

5.7.2 Fixed assets related expenses – 40.511 €

This item includes the depreciation of the year of the intangible and tangible fixed assets.

The amount is calculated using the straight-line method at the aforementioned depreciation rates. The depreciations are booked monthly starting at the asset reception month.

Details are shown in point 5.2 of Part II.

5.7.3 Other Administrative Expenses - 3.110.697 €

This item includes the remaining operating costs as detailed below:

- **Rent Land and Buildings – 608.393 €**

This item includes the expensed amounts in the rent and charges of the Drosbach building regarding the year 2011 (operating lease).

- **Office supplies & Maintenance – 86.699 €**

This item includes expensed amounts in office supplies, furniture and IT equipment not registered as assets in compliance with the threshold established by the Commission⁵. It includes as well, equipment maintenance.

- **Communication & Publications – 284.385 €**

This item includes charges related to: translations, publications, communication services including DIGIT.

- **Recruitment costs – 18.005 €**

This item includes the costs concerning travel (and daily allowances if applicable) reimbursed to candidates who came for job interviews in the Agency.

- **Training costs – 40.683 €**

This item includes the costs related to training provided by DG ADMIN, DG BUDGET, DIGIT and third parties.

⁵ Under 420€ the material should be booked as an expense of the year

- **Missions – 116.575 €**

This item includes the expenses concerning the missions of the staff: travel costs, hotel, daily allowances, etc.

- **Experts and related expenditure – 260.284 €**

This item includes the amounts related to experts (daily allowances, travel costs), the reimbursement of travel expenses to participants in meetings organised by EAHC in the context of the Public Health Programme, as well as expenses incurred by the evaluators of calls for proposals and ex-post evaluators.

- **Goods, services and internal procurement – 1.530.660 €**

This item includes several services including interim, IT services, consultants, audits and others. It increased in comparison with 2010, due mainly to the increase of expenses in IT and ex-post evaluations (technical and financial).

5.7.4 Expenses with consolidated entities – 163.069 €

This item includes all expenses with consolidated entities regarding annual fees linked to the Service Legal Agreement with PMO and DG HR for the medical service.

5.7.5 Real exchange gains and losses - 255 €

This item includes the losses and gains from exchange rates occurred during 2011.

6. RECONCILIATION OF THE ECONOMIC RESULT WITH THE BUDGET RESULT

<i>EUR</i>			
	Sign +/-	2011	2010
Economic result (Economic Outturn)	+/-	-138.330	-317.378
Adjustment for accrual items (items not in the budgetary result but included in the economic result)			
A Adjustments for Accrual Cut-off n-1	-	-743.341	-501.261
B Adjustments for Accrual Cut-off n	+	544.553	743.341
C Unpaid invoices at year end but booked in charges (class 6)	+	18.088	27.957
D Depreciation of intangible and tangible fixed assets	+	40.511	60.254
E Provisions	+	28.940	-27.692
F Recovery Orders issued in 2011 in class 7 and not yet cashed	-	-12	0
G Prefinancing given in previous year and cleared in the year	+	29.940	0
H Payments made from carry over of payment appropriations	+	1.129.790	1.250.820
I Invoices booked in previous year	+/-	-20.017	-16.734
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)			
J Asset acquisitions (less unpaid amounts)	-	-32.866	-36.378
K Prefinancing remaining open as at 31/12/N	+	521.387	357.131
L Budgetary recovery orders issued before 2011 and cashed in the year	+	270	0
M Payment appropriations carried over to N+1	-	-1.111.736	-1.384.108
N Cancellation of unused carried over payment appropriations from previous year	+	254.319	231.120
Total		521.495	357.131
Budgetary result (Budgetary Outturn)		521.387	357.131
Delta not explained		-108	0

As previously explained, the results of the general accounts and the budget accounts are different due to the different approach between the two accounting systems.

The Economic result is -138.330 €, while the Budgetary result is + 521.387 €.

While the budgetary accounts give a picture of the budget implementation based on the principle of cash modified⁶, the general accounts⁷ provide information about the financial position, performance and changes in capital.

The differences between the Economic and the Budgetary results for 2011 exercise can be explained as follows:

- A) Reversal of Accruals 2010 – 743.341 €: Costs charged in 2010 considering that the transactions or events occurred in 2010 but for which the payments were done in 2011.

⁶ This means that the expenses or revenues are recorded when an in- or outflow occurs. The appropriations carried over are also recorded.

⁷ This means that the effects of the transactions or events are recognised when they occur, independently of the moment of the payment or receipt.

- B) Accruals 2011 + 544.553 €: Costs charged in 2011 exercise considering that the transactions or events occurred in 2011, nevertheless the payments will be done in 2012. This amount also includes the provision booked in the general accounts to cover the holidays not taken in 2011. It is not considered as an expense in the budgetary accounts, since no outflow occurred.
- C) Invoices to be received + 18.088 €: Costs charged in 2011 exercise, nevertheless the payments will occur in 2012.
- D) Depreciation + 40.511 €: In general accounts, the cost to be charged to the exercise corresponds to the depreciation of assets. However, in budget accounts the charge corresponds to the amount paid 32.866 €.
- E) Provisions + 28.940 €: Provision booked in 2011 regarding possible adoption by the Council of a salary adjustment from July to December 2011 (increase by 1.7%). The possible related payments have not taken place.
- F) Recovery orders issued in 2011 in class 'revenue' and not yet cashed – 12 €: Includes recovery orders that have been posted during the current year but not yet cashed. As there is no cashing yet, the revenue is not included yet in the budgetary result.
- G) Pre-financing given in previous year and cleared in the year + 29.940 €: This amount was a budgetary expense in 2010, though reflected in the economic outturn in 2011.
- H) Payments made from carry over of payments appropriations + 1.129.790 €: This amount has to be adjusted to the economic outturn since the impact on charges was registered in 2011, while the impact on budget accounts occurred in 2010.
- I) Invoices booked in previous year – 20.017 €: This amount has to be adjusted since the payment and the recognition of the corresponding charges occurred in different exercises.
- J) Asset acquisitions - 32.866 €: This amount has to be adjusted since the economic result includes the depreciations, without taking into account the related payments. Please refer to alinea D).
- K) Pre-financing open at 31/12/2011 + 521.387 €: This amount is adjusted to the economic result since it is not considered as revenue when determining the economic outturn. Moreover, this amount has to be returned to the Commission so that it is treated as a liability, while in budgetary accounts it is considered as revenue.
- L) Budgetary recovery orders issued before 2011 and cashed in the year + 270 €: as the recovery orders have been posted (fully validated) during a previous year, there is no impact on the economic outturn. However, as the cashing occurred during the current year, this implies a positive impact on the budgetary result.
- M) Payments appropriations of 2011 carried over to 2012 – 1.111.736 €: This amount is intended to cover the commitments of 2011 carried over to 2012. It is recorded in budgetary accounts, but not in general accounts.
- N) Non-used carried over payments appropriations from 2010 + 254.319 €: This amount corresponds to the non-used payment appropriations carried over from 2010 to 2011. The amount has to be adjusted.

PART III - Reports on budget Implementation

1. Budget Outturn Account

EUR

		2011	2010
REVENUE			
Commission subsidy (for the operating budget - Titles 1,2 and 3 - of the agency)	+	7.038.040	6.774.500
Phare funds from Commission	+		
Other contributions and funding received via the Commission	+		
Other donors	+		
Fee income	+		
Other revenue	+	1.297	1.784
TOTAL REVENUE (a)		7.039.339	6.776.284
EXPENDITURE			
<i>Title I: Staff</i>			
Payments	-	3.773.493	3.525.525
Appropriations carried over	-	109.808	105.250
<i>Title II: Administrative Expenses</i>			
Payments	-	942.193	941.111
Appropriations carried over	-	200.427	124.528
<i>Title III: Operating Expenditure</i>			
Payments	-	944.590	799.192
Appropriations carried over	-	801.501	1.154.331
TOTAL EXPENDITURE (b)		6.772.013	6.649.936
OUTTURN FOR THE FINANCIAL YEAR (a-b)		267.326	126.348
Cancellation of unused payment appropriations carried over from previous year	+	254.319	231.120
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	+		
Exchange differences for the year (gain +/-loss -)	+/-	-257	-337
BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR		521.387	357.131
Balance year N-1	+/-	357.131	473.343
Positive balance from year N-1 reimbursed in year N to the Commission	-	-357.131	-473.343
Result used for determining amounts in general accounting		521.387	357.131
Commission subsidy - agency registers accrued revenue and Commission accrued expense		6.516.653	
Pre-financing remaining open to be reimbursed by agency to Commission in year N+1		521.387	
Not included in the budget outturn:			
Interest generated by 31/12/N on the Commission subsidy funds and to be reimbursed to the Commission (liability)		15.072	18.971

2. Budget Implementation Reports

REVENUE		Initial Budget	Revised Budget 1st Amendment	Revised Budget 2nd Amendment								
I01000 European Community Contribution		6.900.000	6.900.000	6.900.000								
I02000 EFTA Contribution		138.040	138.040	138.040								
TOTAL		7.038.040	7.038.040	7.038.040								
EXPENDITURE	Title	Initial Budget	Revised Budget 1st Amendment	Revised Budget 2nd Amendment	Transfers Between Bud.Lines	Final Budget After Amend. and Transfers	Commitments Execution 31-12-2011	%	Payments Execution 31-12-2011	%	Commitments carried forward RAL	
B10A01100 Basic Salaries	1	1.279.000	1.279.000	1.359.000	80.000	1.359.000	1.299.347	96%	1.299.347	96%	0	
B10A01110 Contractual Agents	1	2.165.000	2.157.000	2.077.000	-88.000	2.077.000	2.004.982	97%	2.004.982	97%	0	
B10A01120 Cov.risks dis.,acc.	1	45.000	45.000	45.000	-	45.000	38.766	86%	38766	86%	0	
B10A01121 Cov.risk unemp.&pens	1	15.000	15.000	15.000	-	15.000	12.392	83%	12.392	83%	0	
B10A01200 Recruitment expenses	1	12.000	20.000	20.000	8.000	20.000	13.069	65%	13.069	65%	0	
B10A01210 Services provided by	1	45.000	45.000	45.000	-	45.000	44.500	99%	32.058	71%	12.442	
B10A01300 Services provided -D	1	53.000	53.000	20.000	-33.000	20.000	19.500	98%	1347	7%	18.153	
B10A01301 Train.,lang.cr.staff	1	75.000	75.000	55.000	-20.000	55.000	53.500	97%	24.186	44%	29.314	
B10A01302 Other Infrastructure	1	84.000	84.000	92.000	8.000	92.000	92.000	100%	77.480	84%	14.520	
B10A01400 Interim Agents	1	280.000	280.000	280.000	-	280.000	279.536	100%	244.157	87%	35.379	
B10A01401 In-service training	1	27.000	27.000	27.000	-	27.000	25.709	95%	25709	95%	25.709	
1 Total		4.080.000	4.080.000	4.035.000	-45.000	4.035.000	3.883.301	95%	3.773.493	94%	135.517	
B10A02000 Rent& Ch.:W/E/H/S/C	2	615.000	608.400	608.400	-6.600	608.400	608.393	100%	608.193	100%	0	
B10A02001 Oth.Expend.on build.	2	10.000	16.600	10.000	-	10.000	8.000	80%	-	-	8.000	
B10A02100 P&M eq./soft./U.sup.	2	150.000	150.000	150.000	-	150.000	149.985	100%	115.103	99%	34.882	
B10A02102 U.Sup.&Telecom-DIGIT	2	165.000	165.000	165.000	-	165.000	163.332	99%	162.932	99%	400	
B10A02210 Purch.& maintenance	2	7.000	7.000	7.000	-	7.000	6.895	99%	-	-	6.895	
B10A02220 Lib.stocks: B,N,Tmag	2	3.000	3.000	3.000	-	3.000	2.597	87%	2.597	87%	0	
B10A02300 Office supplies	2	15.000	15.000	15.000	-	15.000	14.913	99%	7.662	51%	7.251	
B10A02310 Bank Charges	2	2.000	2.000	2.000	-	2.000	500	25%	-	-	500	
B10A02320 Legal Advice	2	5.000	5.000	5.000	-	5.000	-	-	-	-	0	
B10A02330 Other insurances	2	1.000	1.000	1.000	-	1.000	970	97%	720	72%	250	
B10A02331 Exp.internal meeting	2	1.000	1.000	1.000	-	1.000	800	80%	524	52%	276	
B10A02400 Postal Charges	2	7.000	12.000	12.000	5.000	12.000	6.370	53%	6370	53%	0	
B10A02500 Other Services	2	175.000	170.000	221.600	46.600	221.600	179.866	81%	37.893	17%	141.973	
2 Total		1.156.000	1.156.000	1.201.000	45.000	1.201.000	1.142.620	95%	942.194	78%	200.427	
B10B03100 Meetings & Info.days	3	137.000	200.000	224.000	87.000	224.000	221.695	99%	136.934	61%	84.761	
B10B03101 Mis.&All.ext.exp.	3	310.000	240.000	188.000	-122.000	188.000	187.649	100%	143.449	76%	44.200	
B10B03102 Missions of staff	3	130.000	130.000	130.000	-	130.000	130.000	100%	98.354	76%	31.646	
B10B03103 Repres. Allowance	3	500	500	0	-500	0	0	-	-	-	0	
B10B03200 Data collection IT	3	365.000	365.000	365.000	-	365.000	364.996	100%	165.611	45%	199.385	
B10B03201 Dedic.IT syst.sup.op	3	190.000	190.000	181.000	-9.000	181.000	180.759	100%	180.759	100%	0	
B10B03300 Co.,Ed.,Pu.,Web.Co.	3	399.000	444.000	461.000	62.000	461.000	448.071	97%	140.647	31%	307.423	
B10B03310 Other services link	3	270.540	232.540	253.040	-17.500	253.040	212.922	84%	78.837	31%	134.085	
3 Total		1.802.040	1.802.040	1.802.040	-	1.802.040	1.746.092	97%	944.590	52%	801.500	
Grand Total		7.038.040	7.038.040	7.038.040	-	7.038.040	6.772.013	96%	5.660.277	80%	1.111.736	

CREDITS CARRIED OVER 2010-2011 -C8

Commitment Item	Title	Commitments Carried over 2010-2011	Commitments Execution 31-12-20011	%	Available Amount Budget-Commitments (Commitments not used)	Payments Execution 31-12-2011
B10A01200 Recruitment expenses	1	2.461	1021	42%	1440	1021
B10A01210 Services provided by PMO	1	10.534	8.097	77%	2437	8097
B10A01300 Services provided -D	1	9.000	4.412	49%	4.588	4.412
B10A01301 Train.,lang.cr.staff	1	21.686	20.415	94%	1.271	20.415
B10A01302 Other Infrastructures	1	21.989	10.928	50%	111.061	10.928
B10A01400 Interim Agents	1	39.580	37.511	95%	2.069	37.511
	1 Total	105.250	82.386	78%	22.864	82.386
B10A02100 P&M eq./soft./U.sup.	2	22.824	22.157	97%	667	22.157
B10A02210 Purchase and maintenance	2	837	-	0%	837	-
B10A02220 Lib.stocks: B,N,Tmag	2	1.170	1.049	90%	121	1.049
B10A02300 Office supplies	2	15.060	11.724	78%	3.336	11.724
B10A02310 Bank Charges	2	500	-	0%	500	-
B10A02330 Other insurances	2	472	355	75%	117	355
B10A02331 Exp.internal meeting	2	339	226	67%	113	226
B10A02400 Postal Charges	2	6.188	6188	100%	-	100%
B10A02500 Other Services	2	77.138	69.494	90%	7.644	69.494
	2 Total	124.528	111.193	89%	13.335	111.193
B10B03100 Meetings & Info.days	3	128.733	36.525	28%	92.208	28%
B10B03101 Mis.&All.ext.exp.	3	80.760	80.420	100%	340	80.420
B10B03102 Missions of staff	3	24.690	22.377	91%	2.313	22.377
B10B03200 Data collection IT	3	246.977	235.266	95%	11.711	235.266
B10B03300 Co.,Ed.,Pu.,Web,Co.	3	459.701	356.266	78%	103.435	356.266
B10B03310 Other services link	3	213.471	205.358	96%	8.113	205.358
	3 Total	1.154.332	936.211	81%	218.121	936.211
	Grand Total	1.384.108	1.129.790	82%	254.318	1.129.790

Note: Decommittments on 31/12/2011

3. Notes on Budget Implementation

EAHC as an Executive Agency has an operating budget governed by the Commission Regulation N°1653/2004. According to Article 15 of the Regulation EC N°58/2003, the operating budget covers exclusively the administrative expenditure for the financial year.

The subsidy is transferred to the Agency in several instalments, according to Article n°18 of the Commission Decision C (2008)-4943 of 09/09/2008.

The budget consists only of non-differentiated appropriations. In 2011 the budget was amended in July and October.

The two amendments did not change the total amount of the budget, but enabled reallocation between budget lines, according to Financial Regulation rules.

Exercise 2011

Credits of the Year – C1

- Revenue is composed of an annual subsidy transferred by the Commission. The subsidy for 2011 was 7.038.040 €.

The subsidy was received in 3 instalments, **March, July and November**.

- The budget for 2011 was committed for an amount of 6.772.013 €, corresponding to 96% of the total.
The payment execution reached the amount of 5.660.277€ corresponding to 80% of the initial budget or to 84% of the committed budget.

A total amount of 1.111.736 € was carried over to 2012 representing 16% of the commitments of the year. It can be noted that the carried over amount decreased by 19%, in comparison with the amount carried over from 2010 to 2011.

The major amounts carried over concern the activities of communication (video clips, brochures,...) regarding the Consumers programme and the Better Training For Safer Food one, as well as financial audits contracted with Moore Stephens in 2011.

In compliance with the Financial Regulation, the unused staff expenses were de-committed at the end of the year. Additionally a review of the provisional commitments took place, in order to ensure that only justified commitments would be carried over to 2012.

Expenditure is divided into 3 titles:

- Title 1: Expenses for personnel linked to the Agency

This title includes expenses for: salaries, allowances and social costs, recruitment expenses, training, services provided by DG Admin and PMO, social perquisites and interim services.

Title 1	2011 €	%	2010 €	Delta 2011- 2010 €	Delta 2011- 2010 %
Budget Allocated	4.035.000	57% of the total Budget	3.711.000	324.000	9%
Commitments Execution	3.883.301	96%	3.630.774	252.527	7%
Payments Execution	3.773.493	93%	3.525.525	247.968	7%
RAL	109.808	3% of the Commitments execution	105.249	4.559	4%

Comments:

- Title 1 represents 57% of the total budget,
- 96% of the budget was committed and 93% was paid and only 3% were transferred in RAL.
- The carry-over amounts from 2011 to 2012 concerns:
 - Services provided by PMO and DG HR – medical service and training (SLA),
 - Travel expenses to be paid to candidates who attended interviews,
 - Interim services committed in 2010 exercise but to be paid in 2011,
- The expenses in Title 1 has increased for more than 9% due to increases in expenses with contract staff and interim staff.

- Title 2: Central Support costs

This title includes expenses related to: rent and charges, purchase of equipment, furniture, office supplies, service legal agreements with DG Budget, DIGIT and other services related to the operating activities.

Title 2	2011 €	%	2010 €	Delta 2011- 2010 €	Delta 2011- 2010 %
Budget Allocated	1.201.000	17% of the total Budget	1.076.700	16.785	2%
Commitments Execution	1.142.620	95%	1.065.639	76.980	7%
Payments Execution	942.194	78%	941.111	1.083	0%
RAL	200.427	18% of the Commitments execution	124.528	75.899	60%

Comments:

- Title 2 represents 17% of the total budget,
- 95% of the budget was committed and 78% was paid and 17% (of allocated budget) was transferred in RAL,
- The most significant amount carried over to 2012 relates to IT services concerning horizontal support to be paid in 2012,
- The most significant expense, 51% in title 2 relates to office space: rent and charges.

- Title 3: Expenditure linked to the Agency's operations

This title includes expenses for: meetings organised for DG SANCO, payments of experts participating in the evaluation of the calls for proposals, missions, IT expenditure, communication, ex-post audits directly related to operational activities.

Title 3	2011	%	2010	Delta 2011-2010	Delta 2011-2010
	€		€	€	%
Budget Allocated	1.802.040	26% of the total Budget	1.986.800	142.835	8%
Commitments Execution	1.746.092	97%	1.953.523	136.531	8%
Payments Execution	944.590	52%	799.192	94.964	13%
RAL	801.500	46% of the Commitments execution	1.154.331	-352.831	-31%

Comments:

- Title 3 represents 26% of the total budget,
- 97% of the budget was committed, 52% was paid and 45% (of allocated budget) was transferred in RAL,
- In comparison with 2010, the budget allocated decreased by 8 %.
- The amount carried-over from 2011 to 2012 of 801.500 € includes :
 - Meetings organised in 2011 for which the reimbursement of expenses will be paid in 2012 and includes as well the amounts for meetings planned in the year 2012 for which experts were invited in 2011,
 - IT services: services provided in 2011 but not yet paid and services to be provided in the year 2012,
 - Mission's expenses realised in 2011 but not paid until the 31/12/2011 to the staff concerned,
 - Communication and promotion activities in Consumers and BTSF: videos, booklets,
 - Several services related with ex-post evaluation and financial audit ex-post outsourced in 2011.

Credits carried over from 2010 to 2011 – C8

- In 2011 the RAL amounted to 1.384.108 € :
 - Title 1: 105.250 € 8%
 - Title 2: 124.527 € 9 %
 - Title 3: 1.154.331 € 83%

A review of open commitments took place in 2011 and a total of 254.318 € was de-committed. This amount will be returned to the Commission after closure of the accounts.

For more details please refer to the Budget Outturn account.

The non used amounts concern some expenses that were foreseen to take place during the following exercise, but which did not finally occur.

4. Human Resources on 31-12-2011

Categories and grades	31-12-2011	Planned
Temporary Agents		
AD14	1	1
AD11	1	1
AD9	2	2
AD8		1
AD7	1	1
AD6		
AD5	3	4
AST7	1	1
AST6	1	1
AST5		
AST 3	1	1
Total Temporary Agents	11	12
Contractual Agents		
IV	21	*
III	9	*
II	7	*
I	1	*
Total Contractual Agents	38	38
TOTAL	49	50

5. Overview of contracts on 31-12-2011

Expenditure type	Commitment	Contract	Amount	Contractor	Negotiated procedure	Specific contract following a framework Contract
ADM	PHE.548	ABAC SYSTEM - ANNUAL FEES 2011	40 000	DG BUDG	MofU/SLA*	
ADM	PHE.668	EAHC/2011/BDC/48/ADM	6 895	OIL		
ADM	PHE.523	EAHC/2010/BDC/48/ADM	1 016	BMJ		
ADM	PHE.540	EAHC/2011/BDC/05/ADM	1 400	ELSEVIER		
ADM	PHE.592	EAHC/2011/BDC/17/ADM	9 847	OIL		
ADM	PHE.651	EAHC/2011/BDC/39/ADM	7 251	OIL		
ADM	PHE.539	EAHC/2011/BDC/06/ADM	3 000	OPOCE		
ADM	PHE.625	EAHC/2011/BDC/30/ADM	699	OPOCE	x	
ADM	PHE.631	EAHC/2011/BDC/32/ADM	2 148	CDT	x	
ADM	PHE.648	EAHC/2011/SC/67/ADM	75 575	PWC EU SERV. EESV		x
ADM	PHE.611	EAHC/2011/SC/52/ADM	37 808	MOORE STEPHENS		x
ADM	PHE.638	OTHER/005/EAHC/2011/SC/65/ADM	96 277	MOORE STEPHENS		x
BTSF	PHE.596	EAHC/2011/SC/43/BTSF	12 794	LIGARIS		x
BTSF	PHE.614	EAHC/2011/SC/44/BTSF	7 332	MEDIA CONSULTA		x
BTSF	PHE.623	EAHC/2011/BDC/29/BTSF	7 726	OPOCE	x	
BTSF	PHE.624	EAHC/2011/SC/45/BTSF	125 700	EMAKINA		x
BTSF	PHE.634	EAHC/2009/5/BTSF	46 489	MC PRODUCTION BOOKLETS BTSF TRAININGS		x
BTSF	PHE.653	EAHC/2011/SC/62/BTSF	22 600	MEDIA CONSULTA		x
BTSF	PHE.665	EAHC/2011/BDC/41/BTSF	2 560	PUBLICATION OFFICE	x	
BTSF	PHE.602	EAHC/2011/BDC/24/BTSF	20 562	CDT	x	

(*) Memorandum of Understanding or Service Level Agreement

Expenditure type	Commitment	Contract	Amount	Contractor	Negotiated procedure	Specific contract following a framework Contract
CP	PHE.593	EAHC/2011/SC/17/CP	13 106	LIGARIS		X
CP	PHE.639	EAHC/2011/SC/46/CP	52 719	EMAKINA		X
CP	PHE.544	EAHC/2010/BDC/47/CP	1 600	CDT	X	
CP	PHE.577	EAHC/2011/BDC/10/CP	18 030	CDT	X	
CP	PHE.601	EAHC/2011/BDC/21/CP	813	CDT	X	
IT	PHE.527	EAHC/2011/BDC/01/IT	3 618	PC-WARE		X
IT	PHE.537	EAHC/2011/BDC/03/IT	336	PC-WARE		X
IT	PHE.538	EAHC/2011/BDC/04/IT	2 947	PC-WARE		X
IT	PHE.541	EAHC/2011/SC/04/IT	4 800	STRAKER EUROPE	X	
IT	PHE.543	EAHC/2011/BDC/07/IT	2 478	DIMENSION DATA BELGIUM		X
IT	PHE.557	DIGIT - MAINTENANCE 2011	1 652	DIGIT	MofU/SLA*	
IT	PHE.574	EAHC/2011/BDC/08/IT	1 145	RICOH		X
IT	PHE.580	EAHC/2011/BDC/11/IT	10 846	GETSYS		X
IT	PHE.587	EAHC/2011/BDC/16/IT	6 695	FUJITSU		X
IT	PHE.595	2011 PROVISIONAL - MAINTENANCE OF THE COPIER RICOH & FAX	2 200	RICOH		X
IT	PHE.598	EAHC/2011/BDC/20/IT	795	SYSTEM SOLUTIONS		X
IT	PHE.599	EAHC/2011/BDC/19/IT	8 415	RICOH		X
IT	PHE.600	EAHC/2011/BDC/18/IT	1 830	SYSTEMAT		X
IT	PHE.603	EAHC/2011/BDC/22/IT - GETSYS - PURCHASE OF DISK PUBLISHER - FC DI/05891-22	3 396	GETSYS		X

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Expenditure type	Commitment	Contract	Amount	Contractor	Negotiated procedure	Specific contract following a framework Contract
IT	PHE.617	EAHC/2011/BDC/26/IT	402	PC-WARE		X
IT	PHE.620	EAHC/2011/BDC/27/IT	14 402	SYSTEMAT		X
IT	PHE.647	EAHC/2011/BDC/35/IT	1 578	ORACLE		X
IT	PHE.652	EAHC/2011/BDC/37/IT	5 345	GETSYS		X
IT	PHE.658	EAHC/2011/BDC/38/IT	2 812	GETSYS		X
IT	PHE.659	EAHC/2011/BDC/40/IT	5 433	SYSTEMAT		X
IT	PHE.660	EAHC/2011/BDC/43/IT	5 617	SAP BELGIUM		X
IT	PHE.661	EAHC/2011/BDC/44/IT	6 584	COMPAREX NEDERLAND B.V.		X
IT	PHE.662	EAHC/2011/BDC/45/IT	3 494	GETSYS Luxembourg		X
IT	PHE.663	EAHC/2011/BDC/46/IT	2 229	STRAKER		X
IT	PHE.517	2011 PROVISIONAL - DIGIT - USER SUP. & TELECOM - COMPL1	162 932	DIGIT	MofU/SLA*	
IT	PHE.569	EAHC/2011/SC/07/IT	34 135	SERCO BELGIUM		X
IT	PHE.575	EAHC/2011/SC/11/IT	17 706	SERCO BELGIUM		X
IT	PHE.576	EAHC/2011/SC/09/IT	43 798	SERCO BE		X
IT	PHE.545	EAHC/2011/SC/03/IT	92 840	J.P. MAQUESTIAUX		X
IT	PHE.546	EAHC/2011/SC/05/IT	113 585	LUIZA SOARES MARQUES		X
IT	PHE.578	EAHC/2011/SC/08/IT	59 850	STEPHANE N'GUYEN		X
IT	PHE.635	EAHC/2011/SC/57/IT	35 000	UNISYS - E.MATAGNE		X
IT	PHE.642	EAHC/2011/SC/63/IT	39 200	PANOPLISA		X
IT	PHE.666	EAHC/2011/SC/70/IT	24 521	SIEMENS IT SOLUTIONS		X

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Expenditure type	Commitment	Contract	Amount	Contractor	Negotiated procedure	Specific contract following a framework Contract
IT	PHE.521	2011 PROVISIONAL - DEDICATED IT SYSTEM TO SUP. OPERATION - COMPL1 - DECOMMITMENT	190 000	2011 PROVISIONAL - DEDICATED IT SYSTEM TO SUP. OPERATION - COMPL1 - DECOMMITMENT	MofU/SLA*	
IT	PHE.547	EAHC/2011/SC/06/IT	78 750	SEBASTIEN AMADEI		X
PHP	PHE.643	EAHC/2011/SC/60/PHP	37 903	LIGARIS		X
PHP	PHE.534	EAHC/2011/SC/01/PHP	4 050	MS S. PEREL LEVIN	X	
PHP	PHE.535	EAHC/2011/SC/02/PHP	3 600	MS V. KOVACS	X	
PHP	PHE.559	EAHC/2011/AL/01/PHP - QUAL.ASS.WORKSHOP FOR J.A. CFP 2011 - F.DELMONICO	450	F.DELMONICO	X	
PHP	PHE.562	EAHC/2011/AL/04/PHP	2 484	KOLITSI	X	
PHP	PHE.563	EAHC/2011/AL/05/PHP	2 484	PARKER	X	
PHP	PHE.564	EAHC/2011/AL/06/PHP	2 976	V.D BROUCKE	X	
PHP	PHE.565	EAHC/2011/AL/07/PHP	3 576	BRENTAR	X	
PHP	PHE.566	EAHC/2011/AL/08/PHP	4 026	MAMO	X	
PHP	PHE.567	EAHC/2011/AL/09/PHP	4 026	CHERECHEs	X	
PHP	PHE.570	EAHC/2011/SC/08/PHP	4 050	B.TUNSTALL	X	
PHP	PHE.571	EAHC/2011/SC/09/PHP	3 600	I.NOQUER	X	
PHP	PHE.581	EAHC/2011/AL/02/PHP	2 484	K. FACEY	X	
PHP	PHE.583	EAHC/2011/SC/12/PHP	3 150	G. BRORING	X	
PHP	PHE.589	2011 PROVISIONAL - PHP	98 841	REVIEWERS	X	
PHP	PHE.604	EAHC/2011/CT/48/PHP	2 250	P.A. PARMENT	X	
PHP	PHE.605	EAHC/2011/CT/47/PHP	2 250	M. PFLEIDERER	X	
PHP	PHE.607	EAHC/2011/CT/51/PHP	3 150	P.COSTELLO	X	

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Expenditure type	Commitment	Contract	Amount	Contractor	Negotiated procedure	Specific contract following a framework Contract
PHP	PHE.608	EAHC/2011/CT/50/PHP	3 600	J.KURZ	X	
PHP	PHE.615	EAHC/2011/CT/15/PHP	1 350	M. WALLYN SOLVEIG	X	
PHP	PHE.616	EAHC/2011/CT/16/PHP	900	EAHC/2011/CT/16/PHP - EVAL. WHO PROPOSAL - MS KUSS BARBARA	X	
PHP	PHE.618	EAHC/2011/CT/54/PHP	2 250	MS AGNES CZIMBALMOS	X	
PHP	PHE.619	EAHC/2011/CT/55/PHP	2 700	M. ANDREEA STERIU	X	
PHP	PHE.621	EAHC/2011/CT/49/PHP	3 150	J.LOPEZ ALCADE	X	
PHP	PHE.629	EAHC/2011/CT/59/PHP	3 150	ROZA ADANY	X	
PHP	PHE.636	EAHC/2011/CT/56/PHP	3 150	M.MC KEE	X	
PHP	PHE.637	EAHC/2011/CT/58/PHP	3 600	BARRY M.	X	
PHP	PHE.650	EAHC/2011/CT/66/PHP	4 950	V.D BROUCKE - ADD1	X	
PHP	PHE.657	EAHC/2011/CT/69/PHP	2 250	HENRIQUE BARROS	X	
PHP	PHE.664	EAHC/2011/CT/68/PHP	1 350	LOREDANA DI CONSIGLIO	X	
PHP	PHE.669	2011 PROVISIONAL - PHP	32 500	EXT. REVIEWERS	X	
PHP	PHE.492	EAHC/2010/SC/41/PHP	13 741	MEDIA CONSULTA		X
PHP	PHE.584	EAHC/2011/BDC/14/PHP	4 272	OPOCE	X	
PHP	PHE.585	EAHC/2011/SC/10/PHP	33 750	MEDIA CONSULTA		X
PHP	PHE.590	EAHC/2011/BDC/15/PHP	200	OPOCE	X	
PHP	PHE.613	EAHC/2011/SC/53/PHP	36 045	EMAKINA		X
PHP	PHE.649	EAHC/2011/BDC/36/PHP	700	OPOCE	X	
PHP	PHE.654	EAHC/2011/SC/61/PHP	24 946	MEDIA CONSULTA		X

Expenditure type	Commitment	Contract	Amount	Contractor	Negotiated procedure	Specific contract following a framework Contract
PHP	PHE.568	EAHC/2011/BDC/08/PHP	15 600	CDT	x	
PHP	PHE.582	EAHC/2011/BDC/12/PHP	465	CDT	x	
PHP	PHE.622	EAHC/2011/BDC/28/PHP	23 529	CDT	x	

6. Report on Financial Management in 2011

The Executive Agency for Health and Consumers is the result of the transformation of Public Health Executive Agency.

On 9th September 2008, EAHC was entrusted with a new mandate enlarged to Consumers and Food Safety measures.

The implementation of the Agency's administrative budget - an annual subsidy transferred by the Commission to the Agency's bank account - is regulated by Commission Regulation (EC) N 1653/2004 on a standard financial regulation for Executive Agencies amended by Commission regulation EC n°651/2008 of 9/07/2008.

- **Financial Management and Internal Control**

The Executive Agency for Health and Consumers has implemented a centralised organisational structure based on the Commission's designed Financial Circuit Model 4, «Full centralisation of financial transactions»⁸. According to this Model, the verification of the financial aspects of a transaction must ensure that the operation is legal, regular and in due respect of the principle of sound financial management and that all related steps have been carried out correctly in compliance with the applicable regulatory requirements.

The financial circuits in place are compliant with the "four eyes principle", meaning that the roles of initiation and verification are separated to ensure clearer accountability. The centralised financial ex-ante control function is not involved in the initiation of financial operations. All main financial procedures are documented and published on the Agency's intranet.

The Agency operates in respect of the Commission-wide 16 Internal Control Standards, which aim at an effective operation of the control environment. In this perspective, and with the help of an external audit and consultancy company, the Agency performed a full risk assessment and internal control review.

⁸ provided for in the Annex to the Action 79 of the White Paper on reforming the Commission, 2002/2000/COM, "Reforming the Commission – a White Paper – Part II – Action Plan" dated 01.03.2000.

- **Accounting systems**

Having concluded a Service Level Agreement with DG BUDG, the Agency implemented and uses the Commission hosted ABAC and SAP accounting tools. Since December 2007 the Agency also disposes of ABAC Assets, a specific ABAC module to manage fixed assets.

To cash its operation grant and to effectuate payments, the Agency has opened a bank account in EUR, benefiting from the same framework contract conditions as the Commission. All transactions via this account are systematically made through the Commission managed ABAC, SAP and SWIFT systems.