



**2012**

# **FINAL ACCOUNTS**

**Financial Statements & Budgetary Reports**

**Executive Agency  
for Health and  
Consumers**



## TABLE OF CONTENTS

CERTIFICATION OF THE ACCOUNTS & STATEMENT OF THE DIRECTOR .....	3
PART I .....	4
1. INTRODUCTION .....	4
2. ANNUAL ACCOUNTS .....	5
2.1 LEGAL BASIS .....	5
2.2 AGENCY ACCOUNTS .....	5
3. ACCOUNTING PRINCIPLES .....	6
4. CONSOLIDATION .....	6
5. ACCOUNTING RULES .....	6
PART II - FINANCIAL STATEMENTS .....	7
1. BALANCE SHEET .....	7
2. ECONOMIC OUTTURN ACCOUNT .....	8
3. CASHFLOW TABLE (INDIRECT METHOD) .....	9
4. STATEMENT OF CHANGES IN CAPITAL .....	9
5. NOTES TO THE FINANCIAL STATEMENTS .....	10
6. RECONCILIATION OF THE ECONOMIC RESULT WITH THE BUDGET RESULT .....	17
PART III - REPORTS ON BUDGET IMPLEMENTATION .....	19
1. BUDGET OUTTURN ACCOUNT .....	19
2. BUDGET IMPLEMENTATION REPORTS .....	20
3. NOTES ON BUDGET IMPLEMENTATION .....	22
4. HUMAN RESOURCES ON 31-12-2012 .....	25
5. OVERVIEW OF CONTRACTS ON 31-12-2012 .....	26
6. REPORT ON FINANCIAL MANAGEMENT IN 2012 .....	33

## **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 2012 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 EAHC in accordance with art 68 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 EAHC's 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 fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of EAHC.

### **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, 28/06/2013

**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 20<sup>th</sup> June 2008<sup>1</sup>, amending Decision (2004/858/EC) of 15<sup>th</sup> December 2004<sup>2</sup>.

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:

- |  |   |
|--|---|
| • <b>Public Health Programme 2003-2008</b> | – Decision N° 1786/2002/EC,                             |
| • <b>Public Health Programme 2008-2013</b> | – Decision No 1350/2007/EC,                             |
| • <b>Consumers Programme 2007-2013</b>     | – Decision No 1926/2006/EC,                             |
| • <b>Food Safety Training Measures</b>     | – 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 9<sup>th</sup> September 2008<sup>3</sup> :

- (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.

Furthermore, the Commission decided in 2012 to extend the mandate of the Agency and to increase the volume of appropriations entrusted to it through a new amendment:

---

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

<sup>2</sup> 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

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

As a consequence, the Agency will also be responsible for the management of the part of the actions provided for in the Commission decision C(2012) 1548, adopting a work programme for the funding of projects in the area of external trade relations, including access to the markets for non-European Union countries and initiatives in the field of trade-related assistance<sup>4</sup>. This extension also covers the delegation of actions pertaining to the *Food Security* Thematic Programme as provided for in the Regulation EC/1905/2006 of the European Parliament and the Council establishing a Financing Instrument for Development Cooperation.

## **2. Annual Accounts**

### **2.1 Legal Basis**

The 2012 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 Delegated Regulation (EU) N°1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union, Council Regulation (EU, Euratom) N°966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation No 1605/2002*].
- **Accounting Rules** (based on IPSAS<sup>5</sup>) 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’.
- **Commission Implementing Decision (2012/740/EU) of 29 November 2012** - [amending Decision 2004/858/EC, as amended by Decision 2008/544/EC, establishing the Executive Agency for Health and Consumers in application of Council Regulation (EC No 58/2003], notably, extending the scope of the Agency activities to training measures outside the EU Member States.

### **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.

---

<sup>4</sup> and its actions announed under the heading "Trade-related assistance, training and capacity building actions towards developing countries

<sup>5</sup> International Public Sector Accounting Standards

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.

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 - 31-12-2012**

	NOTES	2012	EUR 2011
<b>ASSETS</b>			
<b>I. NON-CURRENT ASSETS</b>		<b>41 857</b>	<b>75 770</b>
<b>Intangible fixed assets</b>	<b>5.2</b>	<b>3 051</b>	<b>22 465</b>
Computer software		136 068	136 148
Acc Depreciation		-133 017	-113 683
<b>Tangible fixed assets</b>	<b>5.2</b>	<b>38 806</b>	<b>53 305</b>
Plant, Mach&Equip		5 785	5 785
Furniture		14 095	14 095
Computer hardware		142 425	185 854
Other Fixtures and fittings		22 973	22 973
Acc. Depreciation		-146 472	-175 402
<b>II. CURRENT ASSETS</b>	<b>5.3</b>	<b>1 695 564</b>	<b>1 655 856</b>
<b>Short term prefinancing</b>		<b>0</b>	<b>0</b>
Prefinancing		0	0
<b>Short term receivables</b>	<b>5.3.1</b>	<b>93 185</b>	<b>48 201</b>
Amounts receivable-Public Bodies		0	0
Receivables from Consolidated Entities		76 834	16 320
Personnel and Others		16 351	31 882
<b>Cash&amp;Equivalents</b>	<b>5.3.2</b>	<b>1 602 379</b>	<b>1 607 654</b>
BCEE		1 602 379	1 607 654
<b>TOTAL ASSETS</b>		<b>1 737 421</b>	<b>1 731 626</b>
<b>LIABILITIES</b>			
<b>III. CURRENT LIABILITIES</b>	<b>5.4</b>	<b>1 333 402</b>	<b>1 144 687</b>
<b>Short -Term provisions</b>	<b>5.4.3</b>	<b>115 759</b>	<b>28 940</b>
Short -Term provision		115 759	28 940
<b>Payables to consolidated entities</b>	<b>5.4.1</b>	<b>553 169</b>	<b>542 669</b>
Pref.Subsidy – Commission		550 626	521 387
Other amounts payable to Consolidated Entities		2.543	21 281
<b>Other amounts payable</b>	<b>5.4.2</b>	<b>1 745</b>	<b>28 526</b>
Suppliers		0	17 798
Others amounts payable		1 745	10 728
<b>Invoices to be received &amp; Accruals</b>	<b>5.4.4</b>	<b>662 729</b>	<b>544 553</b>
Accrued Charges		530 245	445 019
Accrued Charges -Consolidated Entities		132 484	99 534
<b>TOTAL LIABILITIES</b>		<b>1 333 402</b>	<b>1 144 687</b>
<b>CAPITAL (NET ASSETS/LIABILITIES)</b>	<b>5.5</b>	<b>404 019</b>	<b>586 939</b>
Accumulated Results from previous years		586 939	725 269
Economic result of the year		-182 920	-138 330
<b>TOTAL CAPITAL</b>		<b>404 019</b>	<b>586 939</b>
<b>TOTAL LIABILITIES+CAPITAL</b>		<b>1 737 421</b>	<b>1 731 626</b>

**2. ECONOMIC OUTTURN ACCOUNT**  
**31-12-2012**

				<i>EUR</i>	
	NOTES	2012	2011		
<b>OPERATING REVENUE</b>		<b>6 672 774</b>	<b>6 517 950</b>		
<b>Total revenue registered by the Agency</b>	<b>5.6</b>	<b>6 672 774</b>	<b>6 517 950</b>		
Subsidy received from the European Commission	<b>5.6.1</b>	7 223 400	7 038 040		
Subsidy to be reimbursed in n+1		-550 626	-521 387		
Miscellaneous Income		0	1 297		
<b>OPERATING / ADMINISTRATIVE EXPENSES</b>	<b>5.7</b>	<b>6 855 685</b>	<b>6 656 025</b>		
<b>Staff expenditure</b>	<b>5.7.1</b>	<b>3 581 672</b>	<b>3 475 877</b>		
Staff costs		3 039 650	3 002 846		
Pension & Unemployment Temp		11 593	12 392		
Social security		37 072	38 766		
Staff Perquisites and Social Activities		166 161	63 515		
Allowances		327 196	358 358		
<b>Fixed assets related Expenses</b>	<b>5.7.2</b>	<b>40 804</b>	<b>40 511</b>		
Depreciation of intangible fixed assets		19 334	21 191		
Depreciation of tangible fixed assets		21 470	19 320		
<b>Other Administrative expenses</b>	<b>5.7.3</b>	<b>3 146 390</b>	<b>3 110 697</b>		
Rent Land & Buildings		631 401	608 393		
Office Supplies & Maint.		131 443	86 699		
Communication & Publication		305 248	284 385		
Transport & Insurance		466	1944		
Recruitment costs		24 103	18 005		
Training costs		37 831	40 683		
Missions		109 471	116 575		
Experts and related expenditure		360 464	260 284		
Goods&Services int.proc		1 151 621	1 530 660		
Expenses with consolidated entities		394 342	163 069		
<b>Short term provision for risk and liabilities</b>	<b>5.4.3</b>	<b>86 819</b>	<b>28 940</b>		
<b>SURPLUS FROM OPERATING ACTIVITIES</b>		<b>-182 911</b>	<b>-138 075</b>		
<b>Financial operations expenses</b>	<b>5.7.4</b>	<b>-9</b>	<b>-255</b>		
Real Exch Gains		-9	-255		
<b>ECONOMIC RESULT FOR THE YEAR</b>		<b>-182 920</b>	<b>-138 330</b>		



**3. CASHFLOW TABLE (Indirect Method)**  
**31-12-2012**

**EUR**

	<b>2012</b>	<b>2011</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Surplus from operating activities	-182.920	-138.330
<b>ADJUSTMENTS</b>	<b>184 536</b>	<b>81 609</b>
Amortization/Depreciation	40 804	40 511
Increase/(decrease) in short term provisions for risk and liabilities	86 819	28 940
Increase/(decrease) in short term pre-financing		29 940
Increase/(decrease) in short term receivables	15 531	-5 564
Increase/(decrease) in short term receivables related with consolidated entities	-60 515	29 984
Increase/(decrease) in accounts payable	91 396	-203 987
Increase/(decrease) in liabilities related to consolidated entities	10 501	161 785
<b>NET CASHFLOW FROM OPERATING ACTIVITIES</b>	<b>1 616</b>	<b>-91 663</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of intangible and tangible assets	-6 891	-32 866
<b>NET CASHFLOW FROM INVESTING ACTIVITIES</b>	<b>-6 891</b>	<b>-32 866</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>-5 275</b>	<b>-124 529</b>
Cash and cash equivalents at the beginning of the year	1 607 654	1 732 183
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>1 602 379</b>	<b>1 607 654</b>

**4. STATEMENT OF CHANGES IN CAPITAL**  
**31-12-2012**

**EUR**

	<b>Reserves</b>		<b>Accumulated surplus/deficit</b>	<b>Economic Outturn</b>	<b>Total Net assets/liabilities</b>
	<b>Fair value reserve</b>	<b>Other reserve</b>			
Balance as of 31/12/2011	-	-	725 269	-138 330	586 939
Balance as of 01/01/2012	-	-	586 939	-	586 939
Economic outturn of the year	-	-	-	-182 920	-
Balance as of 31/12/2012	-	-	586 939	-182 920	404 019

## 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 – 3 051 €

During 2011, the asset class relating to five items received in 2010 has been corrected through transfer from the *Computer Hardware* heading to the *Computer Software* one, for a total amount of 6 088 €. This reclassification is carried over and applied in the year 2012, after adjusting the amount to the actual value of the transferred items, 6.008 €.

#### • Tangible net assets – 38 806 €

During 2012, the purchase of fixed assets related only to computer hardware.

During the same year, 55 fixed assets in the category of computer hardware, totalling an acquisition value of 50.400 € and completely depreciated, were removed from the premises of the Agency and disposed of. The fixed asset retirement procedure was initiated in mid-2012 and finalised at the end of the year. Its impact on the net book value was 0 €, since the assets were fully depreciated, with residual value equal to 0.

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.

<b>FIXED ASSETS</b>	
	<i>EUR</i>

**EUR**

11/33

- **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.

In 2012, no new project development, to be considered as an internally generated intangible asset according to the above-mentioned standard, has been initiated.

### **5.3 Current Assets**

#### **5.3.1 Short Term Receivables – 93.185 €**

- **From Consolidated Entities – 76.834 €**

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 – 16.351 €**

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 – 1.602.379 €**

The amount included in this item, corresponds to the bank balance at 31/12/2012, 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 – 553.169 €**

This item includes liabilities towards consolidated entities as detailed below:

- **Balance to be reimbursed – 550.626 €**

The amount of 550.626 € corresponds to the balance to be reimbursed to the Commission in 2013. It is composed by the part of the 2012 subsidy that remains after the payments made in 2012 and the payments appropriations carried-over to 2013 ( alias the non-used appropriations of 2012).

It also includes the amount to be reimbursed concerning the non-used part of payment appropriations carried over from 2011 to 2012.

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).

- **Other amounts payable to consolidated entities - 2543 €, including interests to be reimbursed – 2.384 €**

The figure is mainly made up of the amount of 2.384 € which corresponds to the interests generated during 2012 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.

#### **5.4.2 Other amounts payable – 1.745 €**

- **Suppliers**

At the year end 2012, there was no outstanding supplier invoice to be paid by the Agency.

- **Other amounts payable - 1.745 €**

This item is made up of other payables, including amounts to be paid to the staff.

#### **5.4.3 Short-term provision for salary increase – 115.759 €**

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 was evaluated at 28.940 € for the second half of the year 2011. For the year 2012, the provision was evaluated at 86.819 € (e.g 2 times the amount of the initial provision, plus a compound effect applied to the second semester of 2012).

The overall provision for the period from the second semester 2011 to the end of 2012 is thus evaluated at 115.759 €.

#### **5.4.4 Invoices to be received & Accruals – 662.729 €**

This item concerns the expenses for invoices not received until 31/12/2012, 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 2012, 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 31/12/2012. 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:

<b>Invoices to be received /Accruals</b>	<b>662.729</b>
<b>49055 Accrued Charges</b>	<b>530.245</b>
Missions	5.000
Recruitment	1.000
IT Expenditure,Office Supplies &other services	2.972
Interim Services	
IT Services provided by Siemens, IRIS, Serco	125.075
Experts & Related Expenditure	54.241
Staff (holidays not taken/late interests)	115.062
Insurance and Social Activities	580
Communication (Emakina/ Media Consult)	127.481
Audits and Consultants	98.834
<b>49055-Accrued Charges- Consolidated Entities</b>	<b>132.484</b>
PE	50.167
DG HR	17.175
OPOCE	12.976
PMO	10.181
OIL	40.933
DIGIT	761
CDT	291

## 5.5 Capital

The capital amount of 404.019 € is composed by the accumulated economic results from previous years (586.939 €) and by the economic result of 2012 (-182.920 €).

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 2012 a)= RAL 2012-RAL 2011+Accruals 2012-Accruals 2011-Open Invoices 2012+Open invoices 2011+Capital Expenditure-Depreciations and provisions 2012

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: 7.223.400 €

- **Subsidy received from the European Commission for 2012**

This amount concerns the subsidy received for 2012 from the European Commission to cover operating expenditure.

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

- Public Health Programme: **4.218.434 €**
- Consumers Programme: **1.734.966 €**
- Better Training for Safer Food: **1.170.100 €**
- **Subsidy to be reimbursed: 550.626 €**

This amount will be reimbursed to the European Commission in 2013. This amount results from the non-executed budget for 2012 and also to the appropriations payments cancelled from 2011.

The net amount booking in revenue results from the difference between the total received and the amount to be returned in 2013: 6.672.774 €

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

## **5.7 Operating/Administrative expenditure**

### **5.7.1 Staff Expenditure – 3.581.672 €**

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: school bus, contribution to nursery ('crèche/garderie').

### **5.7.2 Fixed assets related expenses – 40.804 €**

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 - 3.146.390 €**

This item includes the remaining operating costs as detailed below:

- **Rent Land and Buildings – 631.401 €**

This item includes the expensed amounts in the rent and charges of the Drosbach building regarding the year 2012 (operating lease).

- **Office supplies & Maintenance – 131.443 €**

This item includes expensed amounts in office supplies, furniture and IT equipment not registered as assets in compliance with the threshold established by the Commission<sup>6</sup>. It includes as well, equipment maintenance.

- **Communication & Publications – 305.248 €**

This item includes charges related to: translations, publications, communication services including services provided by (or through) the Commission (DG DIGIT).

---

<sup>6</sup> Under 420€ the material should be booked as an expense of the year

- **Transport & insurance – 466 €**

This item relates to services provided by contractors in the field of transport and insurance.

- **Recruitment costs – 24.103 €**

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 – 37.831 €**

This item includes the costs related to training provided by the Commission services (DG HR, DG BUDG, DG DIGIT and third parties).

- **Missions – 109.471 €**

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

- **Experts and related expenditure – 360.464 €**

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 Programmes (Public Health Programme, Consumer Programme and Better Training for Safer Food Initiative), as well as expenses incurred by the evaluators of calls for proposals, project reviewers and ex-post evaluators.

- **Goods, services and internal procurement – 1.151.621 €**

This item includes several services including interim, IT services, consultants, audits and others.

- **Expenses with consolidated entities – 394 342 €**

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

#### **5.7.4 Real exchange gains and losses – -9 €**

This item includes the losses and gains from exchange rates occurred during 2012.



## 6. RECONCILIATION OF THE ECONOMIC RESULT WITH THE BUDGET RESULT

EUR			
	Sign +/-	2012	2011
<b>Economic result (Economic Outturn)</b>	<b>+/-</b>	<b>-182.920</b>	<b>-138.330</b>
<b>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</b>			
<b>A</b> Adjustments for Accrual Cut-off n-1	-	-544.553	-743.341
<b>B</b> Adjustments for Accrual Cut-off n	+	662.729	544.553
<b>C</b> Unpaid invoices at year end but booked in charges (class 6)	+	-	18.088
<b>D</b> Depreciation of intangible and tangible fixed assets	+	40.804	40.511
<b>E</b> Provisions	+	86.819	28.940
<b>F</b> Recovery Orders issued in 2012 in class 7 and not yet cashed	-	-	-12
<b>G</b> Prefinancing given in previous year and cleared in the year	+	-	29.940
<b>H</b> Payments made from carry over of payment appropriations	+	916.797	1.129.790
<b>I</b> Invoices booked in previous year	+/-	-27.523	-20.017
<b>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</b>			
<b>J</b> Asset acquisitions (less unpaid amounts)	-	-6.891	-32.866
<b>K</b> Prefinancing remaining open as at 31/12/N	+	550.626	521.387
<b>L</b> Budgetary recovery orders issued before 2011 and cashed in the year	+	12	270
<b>M</b> Payment appropriations carried over to N+1	-	-1.140.110	-1.111.736
<b>N</b> Cancellation of unused carried over payment appropriations from previous year	+	194.939	254.319
<b>Total</b>		<b>550.730</b>	<b>521.495</b>
<b>Budgetary result (Budgetary Outturn)</b>		<b>550.626</b>	<b>521.387</b>
Delta not explained		-105	-108

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 -182.920 €, while the Budgetary result is +550.626 €.

While the budgetary accounts give a picture of the budget implementation based on the principle of cash modified<sup>7</sup>, the general accounts<sup>8</sup> provide information about the financial position, performance and changes in capital.

The differences between the Economic and the Budgetary results for 2012 exercise can be explained as follows:

- A) Reversal of Accruals 2011 -544.553 €: Costs charged in 2012 considering that the transactions or events occurred in 2012 but for which the payments were done in 2012.
- B) Accruals 2012 +662.729 €: Costs charged in 2012 exercise considering that the transactions or events occurred in 2012, nevertheless the payments will be done in 2013. This amount also includes the provision booked in the general accounts to cover the

<sup>7</sup> This means that the expenses or revenues are recorded when an in- or outflow occurs. The appropriations carried over are also recorded.

<sup>8</sup> This means that the effects of the transactions or events are recognised when they occur, independently of the moment of the payment or receipt.

holidays not taken in 2012. It is not considered as an expense in the budgetary accounts, since no outflow occurred.

- C) There was no outstanding invoice at year end 2012.
- D) Depreciation + 40.804 €: In general accounts, the cost to be charged to the exercise corresponds to the depreciation of assets.
- E) Provisions + 86.819 €: Provision booked in 2012 regarding possible adoption by the Council of a salary adjustment from July 2011 to end December 2012 (annual increase by 1.7%). The possible related payments have not taken place.
- F) No outstanding recovery order issued in 2012 in class 7
- G) No pre-financing given in 2011 and cleared in 2012.
- H) Payments made from carry over of payments appropriations + 916.797 €: This amount has to be adjusted to the economic outcome since the impact on charges was registered in 2012, while the impact on budget accounts occurred in 2011.
- I) Invoices booked in previous year – 27.523 €: This amount has to be adjusted since the payment and the recognition of the corresponding charges occurred in different exercises. It also takes into account, the open amount relating to the acquisition of assets.
- J) Asset acquisitions - 6.891 €: 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 31/12/2012 + 550.626 €: This amount is adjusted to the economic result since it is not considered as revenue when determining the economic outcome. 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 2012 and cashed in the year + 12 €: as the recovery orders have been posted (fully validated) during a previous year, there is no impact on the economic outcome. However, as the cashing occurred during the current year, this implies a positive impact on the budgetary result.
- M) Payments appropriations of 2012 carried over to 2013 – 1.140.110 €: This amount is intended to cover the commitments of 2012 carried over to 2013. It is recorded in budgetary accounts, but not in general accounts.
- N) Non-used carried over payments appropriations from 2011 + 194.939 €: This amount corresponds to the non-used payment appropriations carried over from 2011 to 2012. The amount has to be adjusted.

## PART III - Reports on budget Implementation

### 1. Budget Outturn Account

EUR

		2012	2011
<b>REVENUE</b>			
Commission subsidy (for the operating budget - Titles 1,2 and 3 - of the agency)	+	7.223.400	7.038.040
Phare funds from Commission	+		
Other contributions and funding received via the Commission	+		
Other donors	+		
Fee income	+		
Other revenue	+		1.297
<b>TOTAL REVENUE (a)</b>		<b>7.223.400</b>	<b>7.039.339</b>
<b>EXPENDITURE</b>			
<i>Title I: Staff</i>			
Payments	-	3.856.653	3.773.493
Appropriations carried over	-	168.561	109.808
<i>Title II: Administrative Expenses</i>			
Payments	-	997.642	942.193
Appropriations carried over	-	194.676	200.427
<i>Title III: Operating Expenditure</i>			
Payments	-	873.300	944.590
Appropriations carried over	-	776.873	801.501
<b>TOTAL EXPENDITURE (b)</b>		<b>6.867.705</b>	<b>6.772.013</b>
<b>OUTTURN FOR THE FINANCIAL YEAR (a-b)</b>		<b>355.695</b>	<b>267.326</b>
Cancellation of unused payment appropriations carried over from previous year	+	194.939	254.319
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	+		
Exchange differences for the year (gain +/-)	+/-	-8	-257
<b>BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR</b>		<b>550.626</b>	<b>521.387</b>
Balance year N-1	+/-	521.387	357.131
Positive balance from year N-1 reimbursed in year N to the Commission	-	-521.387	-357.131
<b>Result used for determining amounts in general accounting</b>		<b>550.626</b>	<b>521.387</b>
Commission subsidy - agency registers accrued revenue and Commission accrued expense		6.672.774	6.516.653
Pre-financing remaining open to be reimbursed by agency to Commission in year N+1		550.626	521.387
<b>Not included in the budget outturn:</b>			
Interest generated by 31/12/N on the Commission subsidy funds and to be reimbursed to the Commission (liability)		2.384	15.072

## 2. Budget Implementation Reports

REVENUE			Initial Budget	Revised Budget 1st Amendment	Revised Budget 2nd Amendment							
I01000 European Community Contribution			7.070.000	7.070.000	7.070.000							
I02000 EFTA Contribution			153.400	153.400	153.400							
TOTAL			7.223.400	7.223.400	7.223.400							
EXPENDITURE		Title	Initial Budget	Revised Budget 1st Amendment	Revised Budget 2nd Amendment	Transfers Between Bud.Lines	Final Budget After Amend. and Transfers	Commitments Execution 31-12-2012	%	Payments Execution 31-12-2012	%	Commitment s carried forward RAL
Commitment Item												
B10A01100	Basic Salaries	1	1.387.500	1.357.500	1.351.500	-36.000	1.351.500	1.261.460,76	93.34 %	1.261.460,76	93.34 %	0
B10A01110	Contractual Agents	1	2.200.000	2.171.000	2.162.000	-38.000	2.162.000	2.055.068,01	95.05 %	2.055.068,01	95.05 %	0
B10A01120	Cov.risks dis.,acc.	1	47.000	43.000	43.000	-4.000	43.000	37.072,48	86.22 %	37.072,48	86.22 %	0
B10A01121	Cov.risk unemp.&pens	1	15.500	14.500	14.500	-1000	14.500	12.612,14	86.98 %	12.612,14	86.98 %	0
B10A01200	Recruitment expenses	1	20.000	25.000	37.000	17000	37.000	37.000,00	100 %	23.102,57	62.44 %	13.897
B10A01210	Services provided by PMO	1	47.000	47.000	47.000	-	47.000	47.000,00	100 %	34.104,50	72.56 %	12.896
B10A01300	Services provided –DG HR	1	20.000	20.000	16.000	-4.000	16.000	16.000,00	100 %	154,40	0.97 %	15.846
B10A01301	Train.,lang.cr.staff	1	75.000	75.000	75.000	-	75.000	70.000,00	93.33 %	24.763,50	33.02 %	45.237
B10A01302	Other Infrastructure	1	94.000	146.000	146.000	52.000	146.000	146.000,00	100 %	95.832,62	65.64 %	50.167
B10A01400	Interim Agents	1	287.000	287.000	294.000	7.000	294.000	294.000,00	100 %	267.491,84	90.98 %	26.508
B10A01401	In-service training	1	42.000	49.000	49.000	7.000	49.000	49.000,00	100 %	44.989,98	91.82 %	4.010
		1 Total	4.235.000	4.235.000	4.235.000	-	4.235.000	4.025.213,39	95.05 %	3.856.652,80	91.07%	168.561
B10A02000	Rent& Ch.:W/E/H/S/C	2	630.000	631.401	631.401	1.401	631.401	631.401,03	100,00 %	631.401,03	100,00 %	0
B10A02001	Oth.Expend.on build.	2	10.000	8.599	8.599	-1.401	8.599	2.938,83	34,18 %			2.939
B10A02100	P&M eq./soft./U.sup.	2	153.000	159.500	159.500	6.500	159.500	157.113,16	98,50 %	121.511,18	76,18 %	35.602
B10A02102	U.Sup.&Telecom-DIGIT	2	169.000	162.500	162.500	-6.500	162.500	162.500,00	100,00 %	161.738,55	99,53 %	761
B10A02210	Purch.& maintenance	2	7.000	7.000	7.000	-	7.000	6.000,00	85,71 %			6.000
B10A02220	Lib.stocks: B,N,Tmag	2	3.000	3.000	3.000	-	3.000	2.789,17	92,97 %	2.148,25	71,61 %	641
B10A02300	Office supplies	2	15.000	15.000	15.000	-	15.000	13.779,09	91,86 %	143,12	0,95 %	13.636
B10A02310	Bank Charges	2	2.000	2.000	1.000	-1.000	1.000	500,00	50,00 %	-	-	500
B10A02320	Legal Advice	2	5.000	5.000	0	-5.000	0	-	-	-	-	0
B10A02330	Other insurances	2	1.000	1.000	1.000	-	1.000	800,00	80,00 %	220,32	22,03 %	580
B10A02331	Exp.internal meeting	2	1.300	1.300	1.300	-	1.300	1.040,00	80,00 %	637,46	49,04 %	402
B10A02400	Postal Charges	2	12.000	12.000	7.000	-5.000	7.000	6.611,10	94,44 %	6.611,10	94,44 %	0
B10A02500	Other Services	2	180.000	180.000	211.000	31.000	211.000	206.846,42	98,03 %	73 231,38	34,71 %	133.615
		2 Total	1.188.300	1.188.300	1.208.300	20.000	1.208.300	1.192.318,00	98.68 %	997.642,39	82.57 %	194.676
B10B03100	Meetings & Info.days	3	248.600	228.600	228.600	-20.000	228.600	226.454,55	99,06 %	126 207,32	55,21 %	100.247
B10B03101	Mis.&All.ext.exp.	3	233.000	273.000	273.000	40.000	273.000	270.013,15	98,91 %	204 972,15	75,08 %	65.041
B10B03102	Missions of staff	3	130.000	130.000	130.000	-	130.000	130.000,00	100,00 %	91 747,51	70,58 %	38.253
B10B03103	Repres. Allowance	3	500	500	500	-	500	-	-	-	-	0
B10B03200	Data collection IT	3	300.000	300.000	300.000	-	300.000	289.973,20	96,66 %	151 257,73	50,42 %	138.715
B10B03201	Dedic.IT syst.sup.op	3	195.000	195.000	195.000	-	195.000	180.759,00	92,70 %	180 759,00	92,70 %	0
B10B03300	Co.,Ed.,Pu.,Web,Co.	3	435.000	415.000	415.000	-20.000	415.000	413.845,85	99,72 %	71 019,83	17,11 %	342.826
B10B03310	Other services link	3	258.000	258.000	238.000	-20.000	238.000	139.127,00	58,46 %	47 336,00	19,89 %	91.791
		3 Total	1.800.100	1.800.100	1.780.100	-20.000	1.780.100	1.650.172,75	92.70 %	873.299,54	49.06%	776.873
		Grand Total	7.223.400	7.223.400	7.223.400	0	7.223.400	6.867.704,94	95.08 %	5.727.594,73	79.29 %	1.140.110

**CREDITS CARRIED OVER 2011-2012 -C8**

Commitment Item	Title	Commitments Carried over 2011-2012	Commitments Execution 31-12-2012	%	Available Amount Budget-Commitments (Commitments not used )	Payments Execution 31-12-2012
B10A01210 Services provided by PMO	1	12.442	8.478	<b>68 %</b>	3.964	8.478
B10A01300 Services provided -DG HR	1	18.153	3.079	<b>17%</b>	15.074	3.079
B10A01301 Train.,lang.cr.staff	1	29.314	10.243	<b>35 %</b>	19.071	10.243
B10A01302 Other Infrastructures	1	14.520	8.781	<b>60 %</b>	5.739	8.781
B10A01400 Interim Agents	1	35.379	33.475	<b>95%</b>	1.904	33.475
	<b>1 Total</b>	<b>109.808</b>	<b>64.056</b>	<b>58%</b>	<b>45.752</b>	<b>64.056</b>
B10A02001 Oth. expend. on buildings	2	8.000	7.205	<b>90 %</b>	795	7.205
B10A02100 P&M eq./soft./U.sup.	2	34.882	28.996	<b>83 %</b>	5.886	28.996
B10A02102 User Support and Telecomm.DIGIT	2	400	0	<b>0 %</b>	400	0
B10A02210 Purchase and maintenance	2	6.895	6.895	<b>100 %</b>	0	6.895
B10A02300 Office supplies	2	7.251	6.555	<b>90 %</b>	696	6.555
B10A02310 Bank Charges	2	500	0	<b>0 %</b>	500	0
B10A02330 Other insurances	2	250	9	<b>4 %</b>	241	9
B10A02331 Exp.internal meeting	2	276	46	<b>17 %</b>	230	46
B10A02500 Other Services	2	141.973	136.705	<b>96 %</b>	5268	136.705
	<b>2 Total</b>	<b>200.427</b>	<b>186.411</b>	<b>93%</b>	<b>14.016</b>	<b>186.411</b>
B10B03100 Meetings & Info.days	3	84.761	11.169	<b>13 %</b>	73.592	11.169
B10B03101 Mis.&All.ext.exp.	3	44.200	42.837	<b>97 %</b>	1.363	42.837
B10B03102 Missions of staff	3	31.647	14.148	<b>45 %</b>	17.499	14.148
B10B03200 Data collection IT	3	199.385	197.027	<b>99 %</b>	2.358	197.027
B10B03300 Co.,Ed.,Pu.,Web,Co.	3	307.423	276.912	<b>90 %</b>	30.511	276.912
B10B03310 Other services link	3	134.085	124.237	<b>93 %</b>	9.848	124.237
	<b>3 Total</b>	<b>801.501</b>	<b>666.330</b>	<b>83 %</b>	<b>135.171</b>	<b>666.330</b>
	<b>Grand Total</b>	<b>1.111.736</b>	<b>916.797</b>	<b>82 %</b>	<b>194.939</b>	<b>916.797</b>

**Note: Decommitments on 31/12/2012**

### **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 2012 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 2012**

##### **Credits of the Year – C1**

- Revenue is composed of an annual subsidy transferred by the Commission. The subsidy for 2012 was 7.223.400 €.

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

- The budget for 2012 was committed for an amount of 6.867.705 €, corresponding to 95% of the total.  
The payment execution reached the amount of 5.727.595€ corresponding to 79 % of the initial budget or to 83% of the committed budget.

A total amount of 1.140.110 € was carried over to 2013 representing 17% of the commitments of the year.

The major amounts carried over concern the activities of:

- meetings and info days intended for Programme participants,
- data collection and IT systems,
- communication (video clips, brochures,...) regarding the Consumers programme and the Better Training For Safer Food one,
- financial audits contracted with Moore Stephens in 2012.

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 2013.

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	2012 €	%	2011 €	Delta 2012- 2011 €	Delta 2012- 2011 %
<b>Budget Allocated</b>	<b>4.235.000</b>	<b>59% of the total Budget</b>	<b>4.035.000</b>	<b>200.000</b>	<b>4%</b>
<b>Commitments Execution</b>	<b>4.025.213</b>	<b>95%</b>	<b>3.883.301</b>	<b>141.912</b>	<b>2%</b>
<b>Payments Execution</b>	<b>3.856.653</b>	<b>91%</b>	<b>3.773.493</b>	<b>83.160</b>	<b>7%</b>
<b>RAL</b>	<b>168.561</b>	<b>4% of the Commitments execution</b>	<b>109.808</b>	<b>58.753</b>	<b>54%</b>

**Comments:**

- Title 1 represents 59% of the total budget,
- 95% of the budget was committed and 91%% was paid and only 4% were transferred in RAL.
- The carry-over amounts from 2011 to 2012 concerns:
  - Recruitment expenses
  - 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 2012 exercise but to be paid in 2013,
- The expenses in Title 1 has increased for 4% due to increases in expenses with contract 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	2012 €	%	2011 €	Delta 2012- 2011 €	Delta 2012- 2011 %
<b>Budget Allocated</b>	<b>1.208.300</b>	<b>17% of the total Budget</b>	<b>1.201.000</b>	<b>7.300</b>	<b>0.6%</b>
<b>Commitments Execution</b>	<b>1.192.318</b>	<b>95%</b>	<b>1.142.620</b>	<b>76.980</b>	<b>4%</b>
<b>Payments Execution</b>	<b>997642</b>	<b>78%</b>	<b>942.194</b>	<b>1.083</b>	<b>6%</b>
<b>RAL</b>	<b>194.676</b>	<b>16% of the Commitments execution</b>	<b>200.427</b>	<b>75.899</b>	<b>-3%</b>

**Comments:**

- Title 2 represents 17% of the total budget,
- 99% of the budget was committed and 83% was paid and 16% (of allocated budget) was transferred in RAL,

- The most significant amount carried over to 2013 relates to Other services (e.g. concerning support for a risk identification exercise and IT support services) to be paid in 2013,
- The most significant expense, 52% 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.

<b>Title 3</b>	<b>2012</b>	<b>%</b>	<b>2011</b>	<b>Delta 2012-2011</b>	<b>Delta 2012-2011</b>
	<b>€</b>		<b>€</b>	<b>€</b>	<b>%</b>
<b>Budget Allocated</b>	<b>1.780.100</b>	<b>26% of the total Budget</b>	<b>1.802.040</b>	<b>-21.940</b>	<b>-1%</b>
<b>Commitments Execution</b>	<b>1.650.173</b>	<b>97%</b>	<b>1.746.092</b>	<b>-95.919</b>	<b>-5%</b>
<b>Payments Execution</b>	<b>873.300</b>	<b>52%</b>	<b>944.590</b>	<b>-71.290</b>	<b>-8%</b>
<b>RAL</b>	<b>776.873</b>	<b>47% of the Commitments execution</b>	<b>801.500</b>	<b>-24.627</b>	<b>-3%</b>

### **Comments:**

- Title 3 represents 25% of the total budget,
- 93% of the budget was committed, 49% was paid and 44% (of allocated budget) was transferred in RAL,
- In comparison with 2011, the budget allocated decreased by 1 %.
- The amount carried-over from 2012 to 2013 of 801.500 € includes :
  - Meetings organised in 2012 for which the reimbursement of expenses will be paid in 2013 and includes as well the amounts for meetings planned in the year 2013 for which experts were invited in 2012,
  - IT services: services provided in 2012 but not yet paid and services to be provided in the year 2013,
  - Mission's expenses realised in 2012 but not paid until the 31/12/2012 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 2012.

### **Credits carried over from 2011 to 2012 – C8**

- In 2011 the RAL amounted to 1.111.736 € :
  - Title 1: 109.808 € 10%
  - Title 2: 200.427 € 18%
  - Title 3: 801.501 € 72%

A review of open commitments took place in 2012 and a total of 194.939 € 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 31-12-2012**

Categories and grades	31-12-2012	Planned
<b>Temporary Agents</b>		
AD14	1	1
AD11	1	1
AD9	2	2
AD8		
AD7	1	1
AD6	1	1
AD5	3	3
AST7		
AST6	1	1
AST5		
AST 3	1	1
<b>Total Temporary Agents</b>	<b>11</b>	<b>11</b>
<b>Contractual Agents</b>		
IV	20	20
III	10	10
II	8	8
I	1	1
<b>Total Contractual Agents</b>	<b>39</b>	<b>39</b>
<b>TOTAL</b>	<b>50</b>	<b>50</b>

## 5. Overview of contracts on 31-12-2012

Expenditure Type	Commitment	Contract	Amount	Contractor's Name	Good	Service	Negotiated procedure	Framework Contract
ADM	PHE.682	2012 PROVISIONAL - SERVICES PROVIDED BY PMO	47 000,00	PMO		x	x	
ADM	PHE.683	2012 PROVISIONAL - SERVICES PROVIDED BY DG HR	16 000,00	DG HR		x	x	
ADM	PHE.679	2012 PROVISIONAL - INTERIM	294 000,00	RANDSTAD INTERIM		x		
ADM	PHE.684	2012 PROVISIONAL - RENT AND CHARGES DROSBACH / OIL	631 401,03	OIL		x		x
ADM	PHE.794	2012 PROVISIONAL - OIL - MODIFICATION OF OFFICE SPACE	2 938,83	OIL		x		
ADM	PHE.764	EAHC/2012/BDC/26/ADM - OIL - FURNITURE	6 000,00	OIL		x	x	
ADM	PHE.704	EAHC/2012/BDC/03/ADM - JOHN WILEY & SONS - COCHRANE	615,43	JOHN WILEY & SONS LIMITED	x			
ADM	PHE.789	PROVISIONAL 2012 - PURCHASE OF BOOKS & MAGAZINE SUBSCRIPTION FOR EAHC	720,35	GOLDEN SECTION GRAPHICS GMBH	x			
ADM	PHE.738	PROVISIONAL 2012 - OIL - OTHER OFFICE SUPPLIES	500,00	OIL	x			
ADM	PHE.749	EAHC/2012/BDC/16/ADM - OIL - OFFICE SUPPLIES	5 418,50	OIL	x			
ADM	PHE.774	EAHC/2012/BDC/29/ADM - OIL - OFFICE SUPPLIES	7 860,59	OIL	x			
ADM	PHE.686	2012 PROVISIONAL OTHER INSURANCES	800,00	VAN BREDA INTERNATIONAL NV		x		
ADM	PHE.701	2012 - PROVISIONAL - EXPENSES LINKED TO INTERNAL MEETINGS	1 040,00	OIL		x		
ADM	PHE.687	2012 PROVISIONAL - POSTAL CHARGES	6 611,10	OIL		x		
ADM	PHE.705	EAHC/2012/SC/17/ADM - 01_01_27 / FC 30-CE-0227323 - PWC EU SERV. EESV	46 779,00	PRICEWATERHOUSECOOPERS EU SERVICES		x		
ADM	PHE.707	PROVISIONAL 2012 - OPOCE - PUBL. OJ EAHC BUDGET 2012	582,42	OPOCE		x		
ADM	PHE.754	EAHC/2012/BDC/19/ADM - CDT - TRANSL. OF CALL FOR EXP.OF INT	3 637,50	CDT		x	x	

Expenditure Type	Commitment	Contract	Amount	Contractor's Name	Good	Service	Negotiated procedure	Framework Contract
ADM	PHE.766	EAHC/2012/BDC/32/ADM - CDT - TRANSL. OF EAHC REPLY TO COA	2 037,00	CDT		x	x	
ADM	PHE.775	EAHC/2012/BDC/30/ADM - CDT - TRANSL. OF A CASE STUDY	3 675,00	CDT		x	x	
ADM	PHE.793	EAHC/2012/SC/90/ADM - RISK IDENTIFICATION EXERCICE - MOORE STEPHENS	44 263,50	MOORE STEPHENS LLP		x		x
ADM	PHE.800	EAHC/2012/BDC/43/ADM / LIGARIS / PURCH. OF CARDBOARD DOCS FOLDERS	4 499,50	LIGARIS SAS		x		x
ADM	PHE.758	EAHC/2012/SC/76/ADM - MOORE STEPHENS / FC 30-CE-0470601/00-54 / ADD1	90 800,00	MOORE STEPHENS LLP		x		x
BTSF	PHE.731	EAHC/2012/SC/16/BTSF - LIGARIS - BTSF INFODAY 2012	11 837,66	LIGARIS SAS		x		x
BTSF	PHE.710	PROVISIONAL 2012 - OPOCE - PACK. & DIFF. OF BTSF BROCHURES - FINAL DECOMMITMENT	491,42	OPOCE		x	x	
BTSF	PHE.727	EAHC/2012/SC/24/BTSF/ MEDIA CONSULTA/ PRODUCTION WRITTEN MATERIAL	53 586,75	MEDIA CONSULTA INTERNATIONA L		x		x
BTSF	PHE.750	EAHC/2012/BDC/17/BTSF OP PROD° AND DISTRIB BTSF ANNUAL REPORT 2011 - AD1 CHG B.A	13 797,88	OPOCE		x	x	
BTSF	PHE.765	EAHC/2012/SC/75/BTSF - MOSTRA - 3 BOOKLETS ON 3 BTSF TOPICS	95 415,08	MOSTRA SA		x		x
BTSF	PHE.790	EAHC/2012/SC/82/BTSF - MEDIA CONSULTA - COMPILAT° OF BTSF DATABASE/MAILING LIST	27 770,00	MEDIA CONSULTA INTERNATIONA L		x		x
BTSF	PHE.744	EAHC/2012/BDC/13/BTSF - CDT - TRANSL OF AN. REP. BTSF 2011 - FINAL DECOMMITMENT	5 820,00	CDT		x	x	
BTSF	PHE.745	EAHC/2012/BDC/14/BTSF - CDT - TR. OF AN. REP. BTSF 2011 -FINAL DECOMMITMENT	5 820,00	CDT		x	x	
BTSF	PHE.746	EAHC/2012/BDC/15/BTSF - CDT - TRANS OF ANN. REP. BTSF 2011 - FINAL DECOMMITMENT	4 947,00	CDT		x	x	

Expenditure Type	Commitment	Contract	Amount	Contractor's Name	Good	Service	Negotiated procedure	Framework Contract
CP	PHE.715	EAHC/2012/SC/15/CP - LIGARIS - ECC YEARLY WORKSHOP APRIL 2012	12 680,06	LIGARIS SAS		x		x
CP	PHE.743	EAHC/2012/BDC/08/CP / OP / PRINT PACKAGING & DIFF OF EXCHANGE OF OFFICIALS CDROM	430,00	COMMISSION EUROPEENNE*EUROPEAN COMM		x	x	
CP	PHE.756	EAHC/2012/SC/26/CP - MOSTRA / FOLLOW UP ECCNET WEBSITES' ASSESSM. & IMPEM GUIDE	34 828,50	MOSTRA SA		x		x
CP	PHE.759	EAHC/2012/SC/74/PHP - MOSTRA - BROCHURE ON J.A.	32 308,50	MOSTRA SA		x		x
CP	PHE.760	EAHC/2012/SC/73/ADM - MOSTRA - EAHC WEBSITE REORGANISATION	35 616,00	MOSTRA SA		x		x
CP	PHE.708	EAHC/2012/BDC/05/CP - CDT - TRANSL OF CALL FOR PROP. 2012 - DECOMMITMENT	8 245,00	CDT		x	x	
IT	PHE.690	2012 PROVISIONAL - P&M EQ./SOFT./ USER SUP.(ABAC, SAP...)	50 000,00	P&M EQ/SQFT		X		x
IT	PHE.694	EAHC/2012/BDC/01/IT - COMPAREX NEDERLAND B.V. - PURCHASE & RENEWAL OF LICENSES	9 536,24	COMPAREX NEDERLAND BV		x		x
IT	PHE.711	EAHC/2012/BDC/07/IT - ECONOCOM - PURCH. OF PCS	29 683,59	ECONOCOM PRODUCTS & SOLUTIONS BELUX	x			x
IT	PHE.720	2012 PROVISIONAL - MAINTENANCE OF THE COPIER RICOH MP5000	1 200,00	RICOH BELGIUM NV		x		x
IT	PHE.723	EAHC/2012/BDC/06/IT - COMPAREX NEDERLAND B.V. - PURCHASE & RENEWAL OF LICENSES	9 344,10	COMPAREX NEDERLAND BV		x		x
IT	PHE.725	EAHC/2012/BDC/10/IT - SYSTEMAT - PURCHASE OF PDAS	1 844,06	SYSTEMAT LUXEMBOURG PSF SA	x			x
IT	PHE.730	EAHC/2012/BDC/11/IT - HEWLETT PACK - DI/07020- MICROSOFT LICENSE - 06/12 TO 05/13	6 633,90	HEWLETT PACKARD BELGIUM BVBA		x		x

Expenditure Type	Commitment	Contract	Amount	Contractor's Name	Good	Service	Negotiated procedure	Framework Contract
IT	PHE.733	2012 PROVISIONAL - OIB - ASSETS RETIREMENT	423,20	OIB		x		x
IT	PHE.751	2012 PROVISIONAL - MAINTENANCE OF THE COPIER RICOH & FAX	1 100,00	RICOH BELGIUM NV		x		x
IT	PHE.752	EAHC/2012/BDC/18/IT - COMPAREX NEDERLAND B.V. - PURCHASE & RENEWAL OF LICENSES	879,74	COMPAREX NEDERLAND BV		x		x
IT	PHE.757	EAHC/2012/BDC/21/IT - SYSTEMAT - MAINTENANCE SERVER & TAPE LOADER	1 830,10	SYSTEMAT LUXEMBOURG PSF SA		x		x
IT	PHE.761	EAHC/2012/BDC/24/IT - ECONOCOM PRODUCTS & SOL. BELUX - PURCH. OF STANDARD SCREEN	4 755,73	ECONOCOM PRODUCTS & SOLUTIONS BELUX	x			x
IT	PHE.762	EAHC/2012/BDC/23/IT - SYSTEMAT - PURCHASE DISKS & RAM	2 387,86	SYSTEMAT LUXEMBOURG PSF SA	x			x
IT	PHE.772	EAHC/2012/BDC/28/IT - ORACLE - RENEWAL OF MAINTENANCE FOR ORACLE USER LICENSES	667,43	ORACLE BELGIUM BVBA		x		x
IT	PHE.781	EAHC/2012/BDC/32/IT - DIMENSION DATA - VIDEO CONFERENCE EQUIPMENT	11 058,76	DIMENSION DATA BELGIUM SA		x		x
IT	PHE.782	EAHC/2012/BDC/33/IT - BELGACOM - VIDEO CONFERENCE EQUIPMENT	14 840,40	BELGACOM SA	x			x
IT	PHE.787	EAHC/2012/BDC/34/IT - SAP BELGIUM - PURCHASE & MAINT. OF BO & WEBI LICENSES	6 473,60	SAP BELGIUM - SYSTEMS APPLICATIONS		x		x
IT	PHE.788	EAHC/2012/BDC/35/IT - SYSTEMAT - PURCHASE OF PDA TRACKER	1 025,81	SYSTEMAT LUXEMBOURG PSF SA	x			x
IT	PHE.792	EAHC/2012/BDC/36/IT - COMPAREX NEDERLAND B.V. - RENEWAL OF MAINTENANCE LICENSES	3 428,64	COMPAREX NEDERLAND BV		x		x
IT	PHE.689	2012 PROVISIONAL - DIGIT - USER SUP. & TELECOM	162 500,00	DIGIT		x	MoU/SLA	

Expenditure Type	Commitment	Contract	Amount	Contractor's Name	Good	Service	Negotiated procedure	Framework Contract
IT	PHE.703	EAHC/2012/BDC/02/ADM - ELSEVIER - SUBSCRIPTION TO THE LANCET	1 453,39	ELSEVIER BV NORTH HOLLAND		x		
IT	PHE.716	EAHC/2012/SC/19/IT - SERCO BELGIUM - A. MENIDIATIS - FC 06850-02	30 342,40	SERCO BELGIUM SA		x		x
IT	PHE.717	EAHC/2012/SC/22/IT - SERCO BE - V.CLAUSSE-(USER SUPP. AGENT)	43 797,60	SERCO BELGIUM SA		x		x
IT	PHE.721	EAHC/2012/SC/18/IT - SERCO BELGIUM - A. MENIDIATIS - (SECURITY CONSULTANT)	22 132,00	SERCO BELGIUM SA		x		x
IT	PHE.783	EAHC/2012/SC/83/IT - MICROSOFT N.V. - PROV. OF MICROSOFT CONSULT. ON SHAREPOINT	9 600,00	MICROSOFT NV		x		x
IT	PHE.706	EAHC/2012/SC/13/IT - PANOPLISA - ESP -DESIS DI/06760 / J.P. MAQUESTIAUX	96 593,20	PANOPLISA CONSORTIUM		x		x
IT	PHE.712	EAHC/2012/SC/20/IT - ONE4EU - ESP DESIS II DI/06775 / LUISA SOARES MARQUES	117 636,80	ONE4EU2 CONSORTIUM		x		x
IT	PHE.719	EAHC/2012/SC/23/IT - PANOPLISA - FWK DI/06760 / HENRI MOXHON	75 743,20	PANOPLISA CONSORTIUM		x		x
IT	PHE.691	2012 PROV. DIGIT - DEDICATED IT SYSTEM TO SUP. OPERATIONS	180 759,00	DIGIT		x	x	
IT	PHE.675	PROVISIONAL 2012 - STORAGE & PACKAGING - OPOCE	202,00	OPOCE		x	x	
IT	PHE.713	EAHC/2012/SC/21/IT - ONE4EU2 - ESP DESIS II DI/06775 / SEBASTIEN AMADEI	92 703,60	ONE4EU2 CONSORTIUM		x		x
PHP	PHE.755	EAHC/2012/SC/72/PHP / LIGARIS / ORG. CONF. ON VACCINATION 15-16/10/2012 LUX.	33 885,60	LIGARIS SAS		x		
PHP	PHE.700	2012 PROVISIONAL - PHP - QUAL. ASS. WKSHOP 16-17/02/2012	19 993,58	EXPERTS (Quality Assurance)		x	x	

Expenditure Type	Commitment	Contract	Amount	Contractor's Name	Good	Service	Negotiated procedure	Framework Contract
PHP	PHE.702	EAHC/2012/CT/14/PHP - EVAL. FINAL REPORT - PUBL. HEALTH INEQUALITIES - BARRY M.	1 350,00	BARRY		x	x	
PHP	PHE.734	EAHC/2012/CT/70/PHP - J. LOPEZ ALCALDE - REVIEW OF PROJ. OUTPUT & OUTCOMES SOHO	8 100,00	LOPEZ ALCALDE		x	x	
PHP	PHE.735	EAHC/2012/CT/68/PHP - M.MELIS - REVIEW OF PROJ. OUTPUT & OUTCOMES SOHO	7 200,00	MELIS		x	x	
PHP	PHE.741	EAHC/2012/CT/69/PHP - C.KAPOSVARI - REVIEW OF PROJ. OUTPUT & OUTCOMES SOHO	9 000,00	KAPOSVARI		x	x	
PHP	PHE.767	EAHC/2012/CT/79/PHP - J.V. LAZARUS - EVAL.OF INT. REP. (CFT EAHC/2011/HEALTH/01)	2 700,00	JEFFREY VICTOR LAZARUS*LAZCONSULT		x	x	
PHP	PHE.768	EAHC/2012/CT/78/PHP - H. BARROS - EVAL.OF INT. REP. (CFT EAHC/2011/HEALTH/01)	2 250,00	DIAS PINTO DE BARROS		x	x	
PHP	PHE.778	EAHC/2012/CT/80/PHP - R.COOK - EVALUATION OF INTERIM REPORT 20091105 EPISOUTH	3 600,00	COOK		x	x	
PHP	PHE.779	EAHC/2012/CT/81/PHP - P. AASTVILAND - EVAL OF INTERIM REPORT 20091105 EPISOUTH+	4 050,00	AAVITSLAND		x	x	
PHP	PHE.795	EAHC/2012/CT/92/PHP - A.BOLOGNINI - SPEAKER "EVALUATING JA	1 781,28	BOLOGNINI		x	x	
PHP	PHE.796	EAHC/2012/CT/93/PHP - M.PFLEIDERER - EVAL OF 2ND INTERIM REP. 220991106 FASTVAC	2 250,00	PFLEIDERER		x	x	
PHP	PHE.797	EAHC/2012/CT/94/PHP - P.A. PARMENT - EVAL OF 2ND INTERIM REP. 220991106 FASTVAC	2 700,00	PARMENT		x	x	
PHP	PHE.798	EAHC/2012/CT/96/PHP - JM CALDAS DE ALMEIDA - EVAL OF FIN. REP. PROJ. 2010 62 01	2 700,00	BARROS CALDAS DE ALMEIDA		x	x	

Expenditure Type	Commitment	Contract	Amount	Contractor's Name	Good	Service	Negotiated procedure	Framework Contract
PHP	PHE.799	EAHC/2012/CT/95/PHP - M. BAARY- EVAL OF FIN. REP. PROJ. 2010 62 01	3 150,00	BARRY		x	x	
PHP	PHE.780	EAHC/2012/SC/77/PHP - MEDIA CONSULTA - PRODUCTION OF A BROCHURE PHP 2011	22 196,62	MEDIA CONSULTA INTERNATIONAL		x		x
PHP	PHE.724	EAHC/2012/BDC/09/PHP - CDT - TRANSL. OF TENDER 2012 - FINAL DECOMMITMENT	22 504,00	CDT		x	x	
PHP	PHE.777	EAHC/2012/BDC/31/PHP - CDT - TRANSL. OF INFORMATION NOTICE/REC. ORDER - COMPL	291,00	CDT		x	x	
PHP	PHE.791	EAHC/2012/BDC/34/PHP - OP - PUBL. OF PHP CALL FOR PROP 2013	700,00	OPOCE		x	x	
PHP	PHE.726	2012 PROVISIONAL - MEETING 07-08/05/2012 LUX. - J. BEVC	814,89	BEVC BAHAR		x		



## **6. Report on Financial Management in 2012**

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

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

In 2012, the Commission decided to further extend the mandate of the Agency and to increase the volume of appropriations entrusted to it, through a new amendment:

Consequently, the Agency will also be responsible for the management of the part of the actions provided for in the Commission decision C(2012)1548, adopting a work programme for the funding of projects in the area of external trade relations, including access to the markets for non-European Union countries and initiatives in the field of trade-related assistance<sup>9</sup>. This extension also covers the delegation of actions pertaining to the *Food Security* Thematic Programme as provided for in the Regulation EC/1905/2006 of the European Parliament and the Council establishing a Financing Instrument for Development Cooperation.

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»<sup>10</sup>. 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.

### **• 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.

---

9 and its actions announced under the heading "Trade-related assistance, training and capacity building actions towards developing countries

10 provided for in the Annex to the Action 79 of the White Paper on reforming the Commission, 200/2000/COM, "Reforming the Commission – a White Paper – Part II – Action Plan" dated 01.03.2000.