Medicines Authority

Annual report and financial statements for the year ended 31 December 2016

Contents

The Chairperson/Chief Executive Officer presents his report and the
statements of the Medicines Authority for the year ended 31 December 201

Functions of the Medicines Authority

The functions of the Medicines Authority ("Authority") are specified in
Medicines Act, 2003 (Cap 458). They include assistance and provisior
Licensing Authority on matters relating to the regulation of medici
pharmaceutical activities; the establishment of procedures and undertakir
assessment of medicinal products; the inspection of pharmaceutical r
distributing activities and monitoring the use of medicinal products in lin
standards of quality, efficacy and safety in order to make recommendatio
Authority in relation to licensing and standards.

Statement of Chief Executive Officer's responsibilities

The Chairperson/Chief Executive Officer ("CEO") is responsible for the ov
and performance of the Authority.

This responsibility includes ensuring that the Authority keeps proper bo
such manner as required by the Medicines Act, 2003 (Cap 458) and in a
International Financial Reporting Standards, as adopted by EU.

Management of the Authority

In accordance with the Medicines Act 2003 (Cap 458) the Chairperso
Officer shall be appointed by the Minister responsible for Public Hea
persons who are suitably qualified and experienced in the medical,
medical science sector. The Medicines Act, 2003 (Cap 458) also provide
shall establish such Directorates as may be deemed necessary for its pr
management team consists of the Chairperson/Chief Executive Officer , D
within the Authority. Regular meetings of the management team are h
issues are discussed at these meetings.

Results

The results for the year are as shown in the statement of comprehensive
During 2016, the Authority earned a surplus of EUR 1,601,499 when con
of EUR 996,857 in 2015. The increase in surplus of EUR 1,601,499 is
increase in income of EUR 1,126,654, partly due to a one-off circumstance

Auditors

The auditors, Mazars Malta, have expressed their willingness to continue ir

Approved by the Chairman / Chief Executive Officer on 9th Febru

Anthony Serracino Inglott
Chairman / Chief Executive Officer

Sir Temi Zammit Buildings,
Malta Life Sciences Park
San Gwann SGN 3000
Malta

Consumer Affairs and Civil Liberties (continued)

Responsibilities of the Chairperson/Chief Executive Officer

The Chairperson/Chief Executive Officer is responsible for the prepar statements that give a true and fair view in accordance with the In Reporting Standards as adopted by the EU, and for such inte Chairperson/Chief Executive Officer determines is necessary to enab financial statements that are free from material misstatement, whether d

In preparing the financial statements, the Chairperson/Chief Executive for assessing the Authority's ability to continue as a going concern, disc matters related to going concern and using the going concern basis of a Chairperson/Chief Executive Officer either intends to liquidate the A operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the fin a whole are free from material misstatement, whether due to fraud or e auditors' report that includes our opinion. Reasonable assurance is a hig but is not a guarantee that an audit conducted in accordance with ISAs material misstatement when it exists. Misstatements can arise from fr considered material if, individually or in the aggregate, they could reaso influence the economic decisions of users taken on the basis of these fin

As part of an audit in accordance with ISAs, we exercise professional ju professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the f whether due to fraud or error, design and perform audit procedures risks, and obtain audit evidence that is sufficient and appropriate t our opinion. The risk of not detecting a material misstatement re higher than for one resulting from error, as fraud may involv intentional omissions, misrepresentations, or the override of internal

- Obtain an understanding of internal control relevant to the audit in procedures that are appropriate in the circumstances, but not expressing an opinion on the effectiveness of the Authority's internal

- Evaluate the appropriateness of accounting policies used and the accounting estimates and related disclosures made by the Chairpe Officer.

Report on the Audit of the financial statements

We have audited the accompanying financial statements of the N
("Authority") set out on pages 6 to 23 which comprise the statement of fin
31 December 2016 and the statement of comprehensive income, state
equity and statement of cash flows for the year then ended and a sur
accounting policies and other explanatory notes.

Opinion

In our opinion, the accompanying financial statements present fairly, in a
the financial position of the Authority as at 31 December 2016, and its fi
and its cash flows for the year then ended in accordance with Int
Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standard
responsibilities under those standards are further described in the Audit
for the Audit of the Financial Statements section of our report. We are
Authority in accordance with the International Ethics Standards Board fo
of Ethics for Professional Accountants together with the ethical rec
relevant to our audit of the financial statements in accordance wit
Profession Directive issued in terms of the Accountancy Profession Act
and we have fulfilled our other ethical responsibilities in accordance with
and the IESBA Code. We believe that the audit evidence we have obtai
appropriate to provide a basis for our opinion.

Other Information

The Chairperson/Chief Executive Officer ("CEO") is responsible for the o
other information comprises the Chairperson /Chief Executive Officer's re
the financial statements does not cover this information, including th
Executive Officer's report. In connection with our audit of the finan
responsibility is to read the other information and, in doing so, conside
information is materially inconsistent with the financial statements or our
in the audit, or otherwise appears to be materially misstated.

With respect to the Chairperson/Chief Executive Officer's Report,
whether the 's Report includes the disclosures required by Article
Companies Act (Cap. 386). Based on the work we have performed, in ou

- the information given in the Chairperson/Chief Executive Officer's re
year for which the financial statements are prepared is consiste
statements; and
- the Chairperson/Chief Executive Officer's report has been prepared
the Maltese Companies Act (Cap.386).

Consumer Affairs and Civil Liberties (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (contin

- Conclude on the appropriateness of the Chairperson/Chief Executive going concern basis of accounting and based on the audit evidence c material uncertainty exists related to events or conditions that may ca on the Authority's ability to continue as a going concern. If we concl uncertainty exists, we are required to draw attention in our auditors' r disclosures in the financial statements or, if such disclosures are ina our opinion. Our conclusions are based on the audit evidence obtaine our auditors' report. However, future events or conditions may cau cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the fi including the disclosures, and whether the financial statements repre transactions and events in a manner that achieves fair presentation.

We communicate with the Chairperson/Chief Executive Officer regar matters, the planned scope and timing of the audit and significant audi any significant deficiencies in internal control that we identify during our a

We also provide those charged with governance with a statement that we relevant ethical requirements regarding independence, and to commu relationships and other matters that may reasonably be though independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Under the Maltese Companies Act (Cap. 386) we are required to rep opinion:

- We have not received all the information and explanations we require

- Adequate accounting records have not been kept, or that returns ad have not been received from branches not visited by us.

- The financial statements are not in agreement with the accounting rec

We have nothing to report to you in respect of these responsibilities.

This copy of the audit report has been signed by Anthony Attard (Partner) for and on behalf of

Mazars Malta
Certified Public Accountants

	Notes	2016 EUR
Income	5	**3,955,173**
Expenditure		
Staff costs	6	**(1,542,765)**
Amortisation and depreciation		**(61,087)**
Audit fee		**(2,360)**
Other operating expenses		**(747,462)**
Operating surplus for the year before taxation		**1,601,499**
Income tax expense	7	**-**
Surplus for the year		**1,601,499**
Other comprehensive income for the year		**-**
Total comprehensive income for the year		**1,601,499**

The notes on pages 10 to 23 are an integral part of these financial statemen

	Notes	
ASSETS		
Non-current assets		
Intangible assets	8	**7,730**
Tangible assets	9	**157,02**
		164,75
Current assets		
Trade and other receivables	10	**1,628,54**
Cash and cash equivalents		**2,677,70**
		4,306,25
Current liabilities		
Trade and other payables	11	**1,501,33**
Net current assets		**2,804,92**
Net assets		**2,969,67**
RESERVES		
Accumulated fund		**2,969,67**

The notes on pages 10 to 23 are an integral part of these financial statemen

The financial statements on pages 6 to 23 were approved by the Chairman
Officer on 9th February 2017;

Anthony Serracino Inglott
Chairman / Chief Executive Officer

Balance at 1 January 2015

Changes in equity for 2015
Surplus for the year

Balance at 31 December 2015

Changes in equity for 2016
Surplus for the year

Balance at 31 December 2016

The notes on pages 10 to 23 are an integral part of these financial statemen

	Notes	EUR
Cash flows from operating activities		
Surplus before tax		**1,601,499**
Amortisation		**9,751**
Depreciation		**51,336**
Provision for bad debts		**27,474**
Movement in working capital:		
Trade and other receivables		**(901,585)**
Trade and other payables		**749,406**
Net cash generated from operating activities		**1,537,881**
Cash flows from investing activities		
Purchase of intangible assets		**(4,121)**
Purchase of tangible fixed assets		**(9,283)**
Net cash used in investing activities		**(13,404)**
Net movement in cash and cash equivalents		**1,524,477**
Cash and cash equivalents at the beginning of the year		**1,153,226**
Cash and cash equivalents at the end of the year	12	**2,677,703**

The notes on pages 10 to 23 are an integral part of these financial statemen

1 Basis of preparation

The financial statements have been prepared on the historical cost basis ar
with the requirements of the Medicines Act, 2003 (Cap 458) and Intern
Reporting Standards, as adopted by the EU. The significant accounting poli
set out below.

2 Significant accounting policies

Intangible assets

Website

An acquired intangible asset is recognised only if it is probable that the
economic benefits that are attributable to the asset will flow to the entity ar
asset can be measured reliably. An intangible asset is initially measured at
its purchase price and any directly attributable cost of preparing the asse
use.

Intangible assets are subsequently carried at cost less any accumulated
any accumulated impairment losses. Amortisation is calculated to write d
amount of the intangible asset using the straight-line method over its exp
Amortisation of an asset begins when it is available for use and ceases at
date that the asset is classified as held for sale (or included in a dispo
classified as held for sale) the date that the asset is derecognised.

Amortisation is based on a useful life of 4 periods and is charged to profit or

Plant and equipment

The Medicines Authority's ("Authority") plant and equipment are classified
classes – furniture and fittings and office and computer equipment.

Plant and equipment are initially measured at cost. Subsequent costs ar
asset's carrying amount when it is probable that future economic benefits a
item will flow to the Authority and the cost of the item can be measured rel
on repairs and maintenance of property, plant and equipment is recognise
when incurred.

Property, plant and equipment are derecognised on disposal or when nc
benefits are expected from their use or disposal. Gains or losses arising f
represent the difference between the net disposal proceeds, if any, and the
and are included in profit or loss in the period of derecognition.

Depreciation commences in the year when the depreciable assets are availab
is charged to profit or loss so as to write off the cost less any estimated resid
their estimated useful lives, using the straight-line method, on the following bas

Furniture and fittings	-	10% per annum
Motor vehicles	-	20% per annum
Office and computer equipment	-	25% per annum
Lease hold improvements	-	33% per annum

The depreciation method applied, the residual value and the useful life are
adjusted if appropriate, at the end of the financial reporting period.

Financial instruments

Financial assets and financial liabilities are recognised when the Authority be
to the contractual provisions of the instrument. Financial assets and financi
initially recognised at their fair value plus directly attributable transaction costs
assets or financial liabilities not classified at fair value through profit or loss.

Financial assets and financial liabilities are offset and the net amount pr
statement of financial position, when the Authority has a legally enforceable
the recognised amounts and intends either to settle on a net basis or to realis
settle the liability simultaneously.

Financial assets are de-recognised when the contractual rights to the cash
financial assets expire or when the entity transfers the financial asset a
qualifies for de-recognition. Financial liabilities are de-recognised w
extinguished. This occurs when the obligation specified in the contract
cancelled or expires.

(i) Trade and other receivables

Trade and other receivables are classified with current assets and are
nominal value. Appropriate allowances for estimated irrecoverable
recognised in profit or loss when there is objective evidence that the ass

(ii) Trade and other payables

Trade and other payables are classified with current liabilities and are
nominal value.

Provisions

Provisions are recognised when the Authority has a present legal or constr
as a result of a past event, it is probable that an outflow of resources embo
benefits will be required to settle the obligation and a reliable estimate can
amount of the obligation. Provisions are measured at the Chief Executiv
estimate of the expenditure required to settle the present obligation at the f
date. If the effect of the time value of money is material, provisions are

All assets are tested for impairment at each statement of financial position da
amount of assets, including cash-generating units, is reviewed to determine w
any indication or objective evidence of impairment, as appropriate, and if any
or objective evidence exists, the recoverable amount of the asset is estimated.

Where an impairment loss subsequently reverses, the carrying amount o
increased to the revised estimate of its recoverable amount, but so that
carrying amount does not exceed the carrying amount that would have been
no impairment loss been recognised for the asset in prior years. Impairmen
recognised immediately in profit or loss, unless the asset is carried at a reva
which case, the impairment reversal is recognised directly in equity, unless
loss on the same asset was previously recognised in profit or loss.

Revenue recognition

Revenue is measured at the fair value of the consideration received o
services provided in the normal course of business net of discounts, w
Revenue is recognised to the extent that it is probable that future economic
to the Authority and these can be measured reliably. The following spe
criteria must also be met before revenue is recognised:

The major revenue items that are recognised on accruals basis are:

- Licensing Activities – under national obligation
- Inspectorate and Enforcement Activities – under national obligation
- Post-Licensing Activities
- EMA Linguistic Checks
- Inspectorate 3rd Country Inspections

<u>RMS and EMA Procedures for rapporteurships for initial authorisation</u>

Revenue from licensing of products falling under these categories is re
period of 8 months.

<u>Government subvention</u>

Revenue from the Government of Malta budget is recognised on a cash
receipt.

Leases

Leases are classified as finance leases whenever the terms of the
substantially all the risks and rewards incidental to ownership to the lessee
are classified as operating leases. Lease classification is made at the incep
which is the earlier of the date of the lease agreement and the date of co
parties to the principal provisions of the lease.

The financial statements of the Authority are presented in its functional curren being the currency of the primary economic environment in which the Auth Transactions denominated in currencies other than the functional currency a the exchange rates ruling on the date of transaction. Monetary assets denominated in currencies other than the functional currency are re-tra functional currency at the exchange rate ruling at year-end. Exchange differe the settlement and on the re-translation of monetary items are dealt with in pro

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits.

3 Judgements in applying accounting policies and key estimation uncertainty

Judgements in applying accounting policies

In the process of applying the Authority's accounting policies, managemen judgements which can significantly affect the amounts recognised in the finan

Key sources of estimation uncertainty

At the financial position date, there were no key assumptions concerning th other key sources of estimation uncertainty, that have a significant risk of cau adjustment to the carrying amounts of assets and liabilities within the next fina

4 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the pre period except as follows:

The Authority has adopted the following new and amended IFRS and IFRIC as of 1 January 2016:

- IAS 1 Amendments – Disclosure Initiative (effective from 1 January 20

  The amendments to IAS 1 give some guidance on how to apply materiality in practice. The adoption of the amendments did not have on the Authority's financial statements.

- Annual Improvements to IFRSs 2012 – 2014 Cycle (effective from 1 J

  The *Annual Improvements to IFRSs 2012-2014 Cycle* include amendments to various IFRSs, which are summarised below.

  The amendments to IFRS 5 introduce specific guidance in IFRS 5 fo reclassifies an asset (or disposal group) from held for sale to held f

period except as follows: (continued)

The amendments to IFRS 7 provide additional guidance to clarify whe
contract is continuing involvement in a transferred asset for the
disclosures required in relation to transferred assets.

The amendments to IAS 19 clarify that the rate used to discount p
benefit obligations should be determined by reference to market yiel
the reporting period on high quality corporate bonds. The assessmen
a market for high qualify corporate bonds should be at the currenc
same currency as the benefits are to be paid). For currencies for w
deep market in such high quality corporate bonds, the market yields a
reporting period on government bonds denominated in that currency
instead.

The application of these amendments did not have a material effect o
financial statements.

- IAS 27 Amendments – Equity Method in Separate Financial State
from 1 January 2016)

The amendment to IAS 27 is a narrow-scope adjustment to restore t
the equity method of accounting in separate financial statements. Th
this amendment did not have a material impact on the Auth
statements.

- IAS 16 and IAS 41 Amendments – Bearer Plants (effective from 1 Jan

The amendments to IAS 16 and IAS 41 define a bearer plant and r
assets that meet the definition of a bearer plant to be accounted for a
and equipment in accordance with IAS 16, instead of IAS 41. The pro
bearer plants continues to be accounted for in accordance with IAS 4

The application of these amendments to IAS 16 and IAS 41 did not
impact on the Authority's financial statements as the Authority is
agricultural activities.

- IAS 16 and IAS 38 Amendments – Clarification of Acceptab
Depreciation and Amortisation (effective from 1 January 2016)

The amendments to IAS 16 prohibit entities from using a revenue-ba

period except as follows: (continued)

a) when the intangible asset is expressed as a measure of revenue

b) when it can be demonstrated that revenue and consumption o benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning January 2016. Currently, the Authority uses the straight-line method f and amortisation for its property, plant and equipment, and int respectively. The Chairperson/Chief Executive Officer of the Authority straight-line method is the most appropriate method to reflect the c economic benefits inherent in the respective assets and acc amendments to IAS 16 and IAS 38 had no material impact on the Auth statements.

- IFRS 11 Amendments – Accounting for Acquisition of interest in J (effective from 1 January 2016)

  The amendments to IFRS 11 provide guidance on how to account for t a joint operation that constitutes a business as defined in IF *Combinations*. Specifically, the amendments state that the releva accounting for business combinations in IFRS 3 and other standar *Income Taxes* regarding the recognition of deferred taxes at the tim and IAS 36 *Impairment of Assets* regarding impairment testing of a c unit to which goodwill on acquisition of a joint operation has been allo applied. The same requirements should be applied to the formation of if and only if an existing business is contributed to the joint operatio parties that participate in the joint operation.

  A joint operator is also required to disclose the relevant information re and other standards for business combinations.
  The amendments should be applied prospectively to acquisitions of operations (in which the activities of the joint operations constitute defined in IFRS 3) occurring from the beginning of annual periods after 1 January 2016. The application of these amendments to IFRS on the Authority's financial statements.

- IFRS 10, IFRS 12 and IAS 28 Amendments – Investment Entiti Consolidation Exemption (effective from 1 January 2016)

  The amendment clarifies that the exemption from preparing cons statements for an intermediate parent entity is available to a paren subsidiary of an investment entity, even if that parent entity m

The accounting policies adopted are consistent with those of the pr
period except as follows: (continued)

IASB also clarified that the requirements for an investment entity to c
subsidiary providing services related to its investment activities ap
subsidiaries that are not themselves investment entities.

In applying the equity method to an associate or joint venture that is
entity, an investor may retain the fair value measurements that the as
venture used for its subsidiaries.

The IASB has clarified that an investment entity that measures all its
fair value should provide the disclosures required by IFRS 12, Disclos
in other entities.

The amendments require retrospective application and are effecti
beginning on or after 1 January 2016. The application of these amen
impact on the Authority's financial statements.

Standards, interpretations and amendments to published standards as a
EU that are not yet effective for financial periods beginning on 1 January

Up to the financial position date, certain new standards, amendments and in
existing standards have been published but are not yet effective for the cu
period and which the Authority has not yet adopted. These are as follows:

- IFRIC 19: (Amendments arising from IFRS9) – Extinguishing Financia
  Equity Instruments (effective on adoption of IFRS 9)
- IFRS 9 – Financial instruments (effective from 1 January 2018)

IFRS 9 issued in November 2009 introduced new requirements for the clas
measurement of financial assets. IFRS 9 was subsequently amended in Oc
include requirements for the classification and measurement of financial lia
de-recognition, and in November 2013 to include the new requirements for g
accounting. Another revised version of IFRS 9 was issued in July 2014 mainl
impairment requirements for financial assets and b) limited amendn
classification and measurement requirements by introducing a 'fair value
comprehensive income' (FVTOCI) measurement category for certain
instruments.

Key requirements of IFRS 9:

- all recognised financial assets that are within the scope of I
  Instruments: Recognition and Measurement are required to b
  measured at amortised cost or fair value. Specifically, debt inve
  held within a business model whose objective is to collect the
  flows, and that have contractual cash flows that are solely paym

Standards, interpretations and amendments to published standards as ad EU that are not yet effective for financial periods beginning on 1 J (continued)

Debt instruments that are held within a business model whos achieved both by collecting contractual cash flows and selling financ that have contractual terms that give rise on specified dates to cash solely payments of principal and interest on the principal amount ou generally measured at FVTOCI. All other debt investments and equi are measured at their fair value at the end of subsequent account addition, under IFRS 9, entities may make an irrevocable elect subsequent changes in the fair value of an equity investment (that trading) in other comprehensive income, with only dividend inc recognised in profit or loss;

- with regard to the measurement of financial liabilities designated through profit or loss, IFRS 9 requires that the amount of change in the financial liability that is attributable to changes in the credit risk presented in other comprehensive income, unless the recognition changes in the liability's credit risk in other comprehensive income enlarge an accounting mismatch in profit or loss. Changes in fair va to a financial liability's credit risk are not subsequently reclassified Under IAS 39, the entire amount of the change in the fair value liability designated as fair value through profit or loss is presented in

- in relation to the impairment of financial assets, IFRS 9 requires an loss model, as opposed to an incurred credit loss model unde expected credit loss model requires an entity to account for expect and changes in those expected credit losses at each reporting changes in credit risk since initial recognition. In other words, necessary for a credit event to have occurred before credit losses and

- the new general hedge accounting requirements retain the three accounting mechanisms currently available in IAS 39. Under flexibility has been introduced to the types of transactions el accounting, specifically broadening the types of instruments that q instruments and the types of risk components of non-financi eligible for hedge accounting. In addition, the effectiveness overhauled and replaced with the principle of an 'econon Retrospective assessment of hedge effectiveness is also no

EU that are not yet effective for financial periods beginning on 1 J... (continued)

- IFRS 15 – Revenue from contracts with customers (effective from 1 Jan...

In May 2014, IFRS 15 was issued which establishes a single comprehensiv... entities to use in accounting for revenue arising from contracts with custome... will supersede the current revenue recognition guidance including IAS 18 *Reve... Construction Contracts* and the related Interpretations when it becomes effecti...

The core principle of IFRS 15 is that an entity should recognise revenue t... transfer of promised goods or services to customers in an amount that ... consideration to which the entity expects to be entitled in exchange for tho... services. Specifically, the Standard introduces a 5-step approach to revenue r...

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in ...
- Step 5: Recognise revenue when (or as) the entity satisfies a performa...

Under IFRS 15, an entity recognises revenue when (or as) a performance o... satisfied, i.e. when 'control' of the goods or services underlying the ... performance obligation is transferred to the customer. Far more prescriptiv... has been added in IFRS 15 to deal with specific scenarios. Furthermore... disclosures are required by IFRS 15.

The Chairperson/Chief Executive Officer of the Authority are assessing the ... the adoption of the above standards would have on initial application.

Standards, interpretations and amendments issued by the Internatio... Standards Board (IASB) but not yet adopted by the European Union:

- IFRS 14 – Regulatory Deferral Accounts (EFRAG endorsement ... launched)
- IFRS 16 - Leases
- IFRS 10 and IAS 28 Amendments – Sale or contribution of ass... investor and its associate or joint venture (EFRAG endorsement pr... deferred indefinitely)
- IAS 12 Amendment – Recognition of deferred tax assets for unrealise...

Standards Board (IASB) but not yet adopted by the European Union: (co

- IFRS 2 Amendment – Classification and measurement of share transaction
- IFRS 4 Amendment – Applying IFRS 9, Financial Instruments, with IF Contracts
- Annual improvements to IFRS Standards 2014 – 2016 Cycle
- IFRIC Interpretation 22 – Foreign currency transactions and advance
- IAS 40 Amendments – Transfer of investment property

The Chairperson/Chief Executive Officer is assessing the impact that the a Financial Reporting Standards will have in the financial statements of the period of initial application.

5 Revenue

Revenue represents licensing, post-licensing, inspectorate and enforcen country inspections and government funds.

Included in the 2016 revenue is a one-off income of €721,972 that arose du policy as an improvement of debt control. This change in policy has been in simplification measure with the aim of increasing transparency and good gov which invoices are being issued in advance rather than in arrears. T predictability of financial budgeting thereby enhancing the accessibility of me in the local market.

6 Employee information

The average weekly number of persons employed by the Medicines Authorit was 48 (2015: 41). Staff costs for the year comprised: -

	2016 Number
Management	9
Technical staff	29
Administration	10
	48

	2016 EUR
Management	386,880

The Authority is exempt from the payment of Income Tax in terms of Art
Medicines Act, 2003 (Cap 458).

8 Intangible asset

Cost

At 1 January 2015
Additions

At 31 December 2015
Additions

At 31 December 2016

Amortisation

At 1 January 2015
Charges for the year

At 31 December 2015

Charges for the year

At 31 December 2016

Net book value

At 31 December 2016

At 31 December 2015

		equipment	
	EUR	EUR	EUR
Cost			
At 1 January 2015	29,150	11,707	-
Additions	1,816	35,556	16,300
At 31 December 2015	**30,966**	**47,263**	**16,300**
Additions	43,553	45,427	18,470
At 31 December 2016	**74,519**	**92,690**	**34,770**
Depreciation and impairment			
At 1 January 2015	21,192	9,250	-
Charges for the year	1,715	10,037	3,260
At 31 December 2015	22,907	19,287	3,260
Charges for the year	5,750	21,354	6,954
At 31 December 2016	**28,657**	**40,641**	**10,214**
Net book value			
At 31 December 2016	**45,862**	**52,049**	**24,556**
Net book value			
At 31 December 2015	8,059	27,976	13,040

10 Trade and other receivables

	20
	E
Trade receivables	**1,386,**
Prepayments	**45,**
Accrued income	**124,**
Guarantee on rental agreement	**35,**
Other Receivables	**37,**
	1,628,

Trade receivables are stated net of provisions for bad debts amounting to E
EUR 231,937).

Other receivables are stated net of provisions for bad debts amounting to
EUR 7,032).

	EUR
Trade payables	24,589
Other payables	205,390
Accruals	221,604
Deferred income	1,049,742
	1,501,331

12 Cash and cash equivalents

	2015 EUR
Cash at bank and in hand	2,677,70

13 Commitments

	201 EUI
Non-cancellable operating commitments:	
Less than one year	101,31
2-5 years	119,97
More than five years	31
	221,60

14 Financial instruments

Fair values of financial assets and financial liabilities

At 31 December 2016 and 2015 the carrying amounts of financial as liabilities classified with current assets and current liabilities respectively fair values due to the short term maturities of these assets and liabilities. non-current financial assets and non-current financial liabilities are not from their carrying amounts.

Financial risk management

The exposures to risk and the way risks arise, together with the Aut policies and processes for managing and measuring these risks are discl