



Management Board

# **TRANSLATION CENTRE FOR THE BODIES OF THE EUROPEAN UNION**

## **FINAL ACCOUNTS 2011**

CT/CA-005/2012/01EN

In accordance with Article 83 of the Financial Regulation of the Translation Centre

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# FINANCIAL STATEMENTS OF THE TRANSLATION CENTRE

## A.1 Balance sheet

### BALANCE SHEET – ASSETS

in EUR

	Note	31.12.2011	31.12.2010	% change
<b>A. NON-CURRENT ASSETS</b>		<b>1 599 959.42</b>	<b>1 852 161.90</b>	<b>-13.62%</b>
INTANGIBLE FIXED ASSETS	1	445 295.53	627 011.66	-28.98%
Computer software		407 795.53	464 439.66	-12.20%
Computer software in progress		37 500.00	162 572.00	-76.93%
TANGIBLE FIXED ASSETS	2	1 154 663.89	1 225 150.24	-5.75%
Computer equipment		959 157.91	753 139.00	27.35%
Furniture and vehicles		55 377.39	69 043.72	-19.79%
Other tangible assets		46 441.29	33 187.04	39.94%
Fixed assets in progress		93 687.30	369 780.48	-74.66%
<b>B. CURRENT ASSETS</b>		<b>38 284 329.13</b>	<b>39 238 129.78</b>	<b>-2.43%</b>
STOCKS		774 000.00	280 200.00	176.23%
Work in progress	3	774 000.00	280 200.00	176.23%
SHORT-TERM RECEIVABLES		26 161 283.15	28 155 943.54	-7.08%
VAT paid and recoverable from the Member States	4	13 149.29	37 487.66	-64.92%
Accounts receivable from EU institutions & bodies	5	5 815 577.71	7 924 476.07	-26.61%
Prepaid expenses	6	136 201.76	59 709.12	128.11%
Accrued interests	7	165 146.11	129 591.06	27.44%
Term deposits due within three months and one year	8	20 000 000.00	20 000 000.00	0.00%
Sundry accounts receivable		31 208.28	4 679.63	566.90%
CASH AND CASH EQUIVALENTS	8	11 349 045.98	10 801 986.24	5.06%
<b>TOTAL</b>		<b>39 884 288.55</b>	<b>41 090 291.68</b>	<b>-2.94%</b>

	Note	31.12.2011	31.12.2010	% change
<b>A. CURRENT LIABILITIES</b>		<b>2 504 941.79</b>	<b>2 682 878.89</b>	<b>-6.63%</b>
ACCOUNTS PAYABLE		2 314 941.79	2 682 878.89	-13.71%
Current liabilities		2 297 912.18	2 642 220.53	-13.03%
1. Accrued expenses	10	2 268 875.82	2 607 888.93	-13.00%
2. Suppliers		29 036.86	34 331.60	-15.42%
3. Advances received		292.50	0.00	N/A
Other liabilities		16 736.61	40 658.36	-58.84%
PROVISION FOR RISKS AND CHARGES	9	190 000.00	0.00	N/A
<b>B. NET ASSETS/LIABILITIES</b>		<b>37 379 346.76</b>	<b>38 407 412.79</b>	<b>-2.68%</b>
Reserves	11	16 529 466.33	16 529 466.33	0.00%
Accumulated result for previous financial years		21 877 946.46	11 533 079.30	89.70%
Economic outturn for the financial year		-1 028 066.03	10 344 867.16	-109.94%
<b>TOTAL</b>		<b>39 884 288.55</b>	<b>41 090 291.68</b>	<b>-2.94%</b>

## A.2 Economic outturn account

in EUR

	Note	2011	2010	% change
<b>OPERATING REVENUE</b>		<b>41 328 474.29</b>	<b>52 111 700.23</b>	<b>-20.69%</b>
Translations	12	39 861 582.56	47 876 800.44	-16.74%
Interinstitutional cooperation – IATE database	13	667 532.29	697 632.92	-4.31%
Terminology	14	94 244.50	304 108.69	-69.01%
Term lists	15	172 340.00	3 222 398.20	-94.65%
<b>TOTAL REVENUE FROM OPERATIONS</b>		<b>40 795 699.35</b>	<b>52 100 940.25</b>	<b>-21.70%</b>
Miscellaneous revenue from exchange transactions		38 974.94	21 933.96	77.69%
Miscellaneous revenue from non-exchange transactions	16	0.00	80 326.02	-100.00%
Movements in work in progress	3	493 800.00	-91 500.00	-639.67%
<b>OPERATING EXPENSES</b>		<b>42 820 699.77</b>	<b>42 129 282.83</b>	<b>1.64%</b>
Staff expenses	17	23 315 682.71	22 604 981.85	3.14%
Administrative expenses	18	5 051 768.12	4 741 284.67	6.55%
Operational expenses	19	14 262 811.94	14 783 016.31	-3.52%
Provision for risks and charges	9	190 000.00	0.00	N/A
<b>SURPLUS FROM OPERATING ACTIVITIES</b>		<b>-1 491 788.48</b>	<b>9 982 417.40</b>	<b>-114.94%</b>
<b>FINANCIAL OPERATIONS REVENUE</b>		<b>467 210.72</b>	<b>442 583.50</b>	<b>5.56%</b>
Bank interest		466 760.58	441 897.20	5.63%
Exchange-rate gain		450.14	686.30	-34.41%
<b>FINANCIAL EXPENSES</b>		<b>3 488.27</b>	<b>4 846.15</b>	<b>-28.02%</b>
Bank charges		3 370.00	3 374.00	-0.12%
Exchange-rate loss		118.27	1 472.15	-91.97%
<b>SURPLUS FROM NON-OPERATING ACTIVITIES</b>		<b>463 722.45</b>	<b>437 737.35</b>	<b>5.94%</b>
<b>SURPLUS FROM ORDINARY ACTIVITIES</b>		<b>-1 028 066.03</b>	<b>10 420 154.75</b>	<b>-109.87%</b>
<b>SURPLUS/DEFICIT FROM EXTRAORDINARY ACTIVITIES</b>		<b>0.00</b>	<b>-75 287.59</b>	<b>-100.00%</b>
<b>ECONOMIC OUTTURN FOR THE YEAR</b>		<b>-1 028 066.03</b>	<b>10 344 867.16</b>	<b>-109.94%</b>

### A.3 Statement of changes in net assets/liabilities

in EUR

	Reserves		Accumulated	Economic	Total Net
	Capital	Reserves	Surplus/Deficit	Outturn for the year	Assets/Liabilities
<b>Balance as at 31 December 2009</b>	<b>0.00</b>	<b>14 363 166.33</b>	<b>13 699 379.26</b>	<b>6 121 255.04</b>	<b>34 183 800.63</b>
Movements in reserves	0.00	2 166 300.00	0.00	-2 166 300.00	0.00
Allocation of the economic outturn 2009	0.00	0.00	3 954 955.04	-3 954 955.04	0.00
Economic outturn for the year	0.00	0.00	0.00	10 344 867.16	10 344 867.16
Reimbursements to clients	0.00	0.00	-6 121 255.00	0.00	-6 121 255.00
<b>Situation as at 31 December 2010</b>	<b>0.00</b>	<b>16 529 466.33</b>	<b>11 533 079.30</b>	<b>10 344 867.16</b>	<b>38 407 412.79</b>
Movements in reserves	0.00	0.00	0.00	0.00	0.00
Allocation of the economic outturn 2010	0.00	0.00	10 344 867.16	-10 344 867.16	0.00
Economic outturn for the year	0.00	0.00	0.00	-1 028 066.03	-1 028 066.03
Reimbursements to clients	0.00	0.00	0.00	0.00	0.00
<b>Situation as at 31 December 2011</b>	<b>0.00</b>	<b>16 529 466.33</b>	<b>21 877 946.46</b>	<b>-1 028 066.03</b>	<b>37 379 346.76</b>

## A.4 Cash flow table

in EUR

	2011	2010
<b>Cash flows associated with the business</b>		
Outturn from normal business	-1 028 066.03	10 344 867.16
+ Depreciation	767 396.68	626 863.03
+/- Provision for risks and charges	190 000.00	-18 300 361.63
+/- Welfare benefits	0.00	0.00
+/- Variation in stocks	- 493 800.00	91 500.00
+/- Variation in operating amounts receivable	1 994 660.39	-1 414 245.33
+/- Variation in operating debts	- 367 937.10	22 738.07
+/- Variation in other amounts receivable associated with the business	0.00	0.00
+/- Variation in other debts associated with the business	0.00	0.00
+/- (Profit)/Loss on sales of installations, equipment and immovable property	- 432.25	0.00
<b>Net cash flows resulting from the business</b>	<b>1 061 821.69</b>	<b>-8 628 638.70</b>
<b>Cash flows associated with loans and borrowing</b>		
+/- Financial assets (own funds)	0.00	0.00
+/- Financial assets (borrowed funds)	0.00	0.00
+/- Financial liabilities (funds originating from a credit)	0.00	0.00
<b>Net cash flows resulting from loans and borrowing</b>	<b>0.00</b>	<b>0.00</b>
<b>Cash flows associated with investment operations</b>		
- Acquisitions of fixed assets	- 514 761.95	-1 099 306.70
- Term deposits	0.00	-20 000 000.00
+ Transfers of fixed assets	0.00	35 483.50
+ Reduction of financial assets	0.00	0.00
+/- Variation in amounts receivable and debts on fixed assets	0.00	0.00
+ Dividends paid	0.00	0.00
<b>Net cash flows associated with investment transactions</b>	<b>- 514 761.95</b>	<b>-21 063 823.20</b>
<b>Cash flows associated with financing transactions</b>		
+/- Financial liabilities	0.00	0.00
+/- Long-term liabilities	0.00	0.00
- Reimbursement to clients by bank transfer	0.00	-6 822 070.00
<b>Net cash flows associated with financing transactions</b>	<b>0.00</b>	<b>-6 822 070.00</b>
<b>Cash variation</b>	<b>547 059.74</b>	<b>-36 514 531.90</b>
Cash at the start	10 801 986.24	47 316 518.14
Cash at the end	11 349 045.98	10 801 986.24

## A.5 Notes to the financial statements

### 1. DESCRIPTION OF THE BUSINESS

Established in 1994, the mission of the Translation Centre for the Bodies of the European Union is to meet the translation needs of the other decentralised Community agencies. In addition, it participates in the work of the Interinstitutional Committee for Translation and Interpretation (ICTI), which works to promote collaboration based on the rules of subsidiarity and to achieve economies of scale in the translation field.

### 2. BASIS OF PRESENTATION

The annual accounts have been prepared on the basis of the Centre's accounting records, and are presented in compliance with the requirements of the Centre's Financial Regulation, as well as the accounting rules and methods adopted by the Commission's Accounting Officer.

The financial year begins on 1 January 2011 and ends on 31 December 2011.

The accounts are kept in EUR.

### 3. ACCOUNTING PRINCIPLES

The Centre's financial statements shall be drawn up in accordance with the generally accepted accounting principles specified in the detailed rules for the implementation of the general Financial Regulation (Article 124), namely:

- (a) going-concern basis;
- (b) prudence;
- (c) consistent accounting methods;
- (d) comparability of information;
- (e) materiality;
- (f) no netting;
- (g) reality over appearance;
- (h) accrual-based accounting.

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **4.1 Intangible fixed assets**

Intangible fixed assets include assets with an estimated useful life greater than one year and an acquisition cost greater than EUR 420 per item.

Purchased intangible fixed assets are stated at cost less accumulated depreciation and any recognised impairment losses.

The cost of fixed asset improvements exceeding EUR 420 increases the acquisition cost of the related fixed asset.

Amortisation of intangible fixed assets is recorded on a monthly straight-line basis over their estimated useful lives in accordance with accounting rule No 6 'Intangible fixed assets'. Intangible fixed assets consist mainly of software that is depreciated over four years.

## **4.2 Intangible fixed assets developed internally**

Internally developed intangible fixed assets comprise software specifically developed for the Centre with an estimated useful life greater than one year and an acquisition cost greater than EUR 150 000; built in-house or tendered to external contractors. Up to 2010, the Centre applied a transitional period for the recognition of intangible fixed assets developed internally, and all such development costs were included in the expenses of the year. The actual rule applies only for development projects started after 1 January 2010.

No intangible asset arising from research (or from the research phase of an internal project) is recognised as an asset, but as an expense when incurred.

An internal or external IT development project in the development phase is assessed whether it complies with the recognition criteria for an asset and whether the expenditure incurred on the project should be recognised as an intangible asset. The following specific conditions have to be met in order to demonstrate that the asset will generate probable future economic benefit or service potential at the end of the project:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the Centre's intention to complete the intangible asset and use or sell it;
- how the intangible asset will generate future economic benefits or service potential; and
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

At the end of the development phase the project would be expected to meet the definition of an asset.

Amortisation of intangible fixed assets is recorded on a monthly straight-line basis over their estimated useful lives, in accordance with accounting rule No 6 'Intangible fixed assets'.

## **4.3 Tangible fixed assets**

Tangible fixed assets include assets with an estimated useful life greater than one year and an acquisition cost greater than EUR 420 per item.

Purchased tangible fixed assets are stated at cost less accumulated depreciation and any recognised impairment losses.

The cost of fixed asset improvements exceeding EUR 420 increases the acquisition cost of the related fixed asset.

Repairs and maintenance are charged to the economic outturn account during the financial period in which they are incurred.

Depreciation is charged so as to write off the cost of tangible fixed assets, other than land and assets under construction, over their estimated useful lives, based on a monthly straight-line basis, using the depreciation rate given in the table below as defined by the European Commission.



## Table of depreciation rates

Type of goods	Straight-line depreciation rate
<b>Computer equipment</b>	25%
<b>Kitchens – Cafeterias – Nurseries</b>	
Small electrical equipment	25%
Cash registers	25%
Large kitchen equipment	12.50%
Specialist furniture for kitchens, cafeterias	12.50%
Specialist furniture for nurseries	25%
<b>PLANT, MACHINERY AND TOOLS</b>	
<b>Telecommunications and audiovisual equipment</b>	
Telephone and fax machines	
Headphones, earphones, microphones	25%
Cameras	25%
Videos	25%
Tape recorders and dictating equipment	25%
Projectors (slide and overhead)	25%
Photographic equipment	25%
Projection screens	25%
Televisions, radios, monitors (not including computers)	25%
<b>Technical equipment</b>	
Printers, mail security, building tools	12.50%
Measuring or laboratory equipment	25%
<b>Other plant, machinery and tools</b>	12.50%
<b>Movable shelving, partitions, false floors, false ceilings and wiring</b>	25%
<b>Vehicles</b>	25%
<b>Furniture</b>	10%
<b>Buildings</b>	4%
<b>Land</b>	Not applicable

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the net book value of the asset at the sale date, and is recognised through the profit and loss account.

### 4.4 Low value fixed assets

When durable goods are of a low value, they can be considered to be consumed in the financial year of their commissioning and therefore accounted for under expenses and not under fixed assets. At present, the amount for low value goods is EUR 420. Above this unit value, the goods always have to be recorded as fixed assets.

### 4.5 Stocks

Stocks consist of work in progress made up of pages for translation in an intermediate stage of the translation process at the end of the year.

The work in progress is valued at production cost, which is calculated by adding together direct and indirect costs associated with the volume of the translations in different stages of completeness.

The difference in the value of the work in progress between 2010 and 2011 is recorded in 'Operating revenue' in the Economic outturn account under the heading *Movements in work in progress*.

#### **4.6 Short-term receivables**

Receivables are booked at their nominal value and subsequently reduced by appropriate provisions for doubtful and bad amounts. A write-down for impairment of receivables is established when there is objective evidence that the Centre will not be able to collect all amounts due according to the original terms of receivables.

The receivables for December translations are considered to be amounts receivable by the Centre for the financial year, even if clients are invoiced in January of the following year. Such translations are shown under the heading 'Accounts receivable from EU institutions & bodies'. For further details see note No 5 in the *Explanatory notes*.

The Centre applies a treasury management policy that allows cash to be placed in term deposits in banks. Term deposits of more than three months are considered to be receivable, rather than cash equivalent.

#### **4.7 Cash and cash equivalents**

##### **4.7.1 Cash**

A maximum of EUR 500 is allocated for minor operating expenditure.

##### **4.7.2 Bank**

The Centre's treasury is managed by the Accounting Officer via current accounts, saving accounts and term deposits of less than three months, held in EUR at the Banque et Caisse d'Épargne de l'État and BNP Paribas. Cash deposits and withdrawals are accounted for on the value date shown on the bank statements.

#### **4.8 Accounts payable**

Accounts payable are booked at their nominal value. Accounts payable represent a short-term liability to our suppliers for goods delivered and services provided to the Centre before the year end, irrespective of whether or not the invoice has been received by the Centre.

Accounts payable also include liability for unused holiday. The accrued liability for unused holiday is calculated based on the number of days of unused holiday by staff at the year end and their individual salary.

#### **4.9 Provisions for risks and charges**

A provision is a present obligation arising from a past event, but there is uncertainty about timing and future outflow of resources for settling the obligation. The probability of an outflow is likely and can be reliably estimated. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision should be reversed as revenue if the reversal occurs in a different reporting period from that in which the provision was recognised. A provision is used only for expenditure for which the provision was originally recognised. Then, the existing provision is used and expenses charged against it.

#### **4.10 Reserves**

Article 59(3) of the Centre's Financial Regulation provides for a permanent prefinancing fund that guarantees financing for the proper functioning of the Centre until invoiced amounts have been received from clients. The amount of this fund may not be less than four twelfths of the appropriations for the financial year.

#### **4.11 Revenue**

Revenue from translations and other revenue for the year are recognised in the accounts when the corresponding services have been rendered and accepted by clients, net of discounts, regardless of when the corresponding collection of payment is made.

Interest income is accounted for on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Non-exchange transactions are transactions where an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange. Revenue from non-exchange transactions are measured at the amount of the increase in net assets recognised by the Centre. An example of non-exchange transactions are contractual fines received by the Centre or guaranties executed and collected by the Centre.

#### **4.12 Expenses**

Expenses for the year are entered into the account once the services or goods have been received at the Centre, regardless of when the payment is made.

#### **4.13 Transactions and balances denominated in foreign currencies**

Transactions denominated in foreign currencies during the year are converted into euro using the monthly exchange rate published by the European Commission, effective on the date of initiation of the payment order or recovery order relating to the transaction. Any exchange gains or losses made at the time of settlement of the transaction are taken into account in the economic outturn account for the corresponding year as financial expenses or income.

At the balance sheet date, financial assets, current assets and liabilities denominated in a foreign currency are converted into euro using the effective exchange rate published by the European Commission as at that date. Any resulting foreign exchange rate gains and losses are recorded in the current year's financial expenses or income, as appropriate.

#### **4.14 Ordinary income**

Ordinary revenue and expenses arise from the Centre's core business and any event deriving from this business.

#### **4.15 Extraordinary revenue and expenses**

Extraordinary revenue or expenses arise from events or transactions that are clearly distinct from the Centre's ordinary activities, as well as revenue or expenses from events or transactions that are not expected to recur frequently or regularly.

#### **4.16 Economic result for the year**

The economic result for the year consists of revenue and expenses which, during the accounting year, have been included in the economic outturn account. All revenue and expenses recognised during the financial year have to be included in the economic result for the year. The economic result for the year will be equal to the net sum of the ordinary and extraordinary activities for the financial year.

#### **4.17 Use of estimates**

The presentation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets at the balance sheet date and the reported amounts of revenue and expenses during the reporting period. The Centre's management believes that the estimates and assumptions used will not significantly differ from the actual outcomes in the following reporting periods.

#### **4.18 Change in accounting methods, valuation, depreciation or accounting policies**

The financial statements for the year ended 31 December 2011 were not restated to reflect any change in accounting methods, valuation, depreciation or accounting policies.

#### **4.19 Cash flow table**

The cash flow table is prepared using the indirect method. Cash equivalents include current liquid assets easily convertible into cash for an amount agreed in advance. Cash flows from operating, investment and financial activities presented in the cash flow table are not offset.

ADDITIONAL INFORMATION ON THE BALANCE SHEET, ECONOMIC OUTTURN ACCOUNT AND CASH FLOW TABLE

**Note 1: Intangible fixed assets**

in EUR

	Computer software	Computer software in progress	Total
<b>A. Purchase value</b>			
Previous year-end	3 476 214.30	162 572.00	3 638 786.30
<u>Changes during the financial year</u>			
Acquisitions in the financial year	28 115.90	37 500.00	65 615.90
Disposals and withdrawals	-800.00	0.00	-800.00
Transfers between headings	162 572.00	-162 572.00	0.00
<u>Year-end</u>	<b>3 666 102.20</b>	<b>37 500.00</b>	<b>3 703 602.20</b>
<b>B. Amortisation and reductions in value</b>			
Previous year-end	3 011 774.64	0.00	3 011 774.64
<u>Changes during the financial year</u>			
Depreciation for the financial year	247 332.03	0.00	247 332.03
Cancellation following disposals and withdrawals	-800.00	0.00	-800.00
<u>Year-end</u>	<b>3 258 306.67</b>	<b>0.00</b>	<b>3 258 306.67</b>
<b>NET BOOK VALUE (A-B)</b>	<b>407 795.53</b>	<b>0.00</b>	<b>445 295.53</b>

**Totally depreciated fixed intangible assets**

The purchase value of fixed assets in use, which were totally depreciated on 31 December 2011, amounted to EUR 2 643 036.74 (EUR 2 615 447.00 in 2010).

At the year end 2011, the Centre recognised an externally developed Internet site as an intangible fixed asset to be capitalised into the balance sheet. The internal development costs incurred in 2011 did not fulfil the capitalisation criteria or relate to projects that had already started before 1 January 2010. Therefore, all internal development costs for the year are recorded in staff costs, and the external development costs are recorded in administrative expenses.

## Note 2: Tangible fixed assets

in EUR

	Computer information technology	Furniture & vehicles	Other tangible fixed assets	Tangible fixed assets in progress	Total
<b>A. Purchase value</b>					
Previous year-end	2 393 401.86	562 728.81	140 194.01	369 780.48	3 466 105.16
<u>Changes during the financial year</u>					
Acquisitions	313 367.78	8 158.87	33 932.10	93 687.30	449 146.05
Disposals and withdrawals	-356 178.86	-11 359.41	0.00	0.00	-367 538.27
Transfers between headings	369 780.48	0.00	0.00	-369 780.48	0.00
<u>Year-end</u>	<b>2 720 371.26</b>	<b>559 528.27</b>	<b>174 126.11</b>	<b>93 687.30</b>	<b>3 547 712.94</b>
<b>B. Depreciations and value adjustments</b>					
Previous year-end	1 640 262.86	493 685.09	107 006.97	0.00	2 240 954.92
<u>Changes during the financial year</u>					
Depreciation for the financial year	477 561.60	21 825.20	20 677.85	0.00	520 064.65
Cancellations after disposals and withdrawals	-356 611.11	-11 359.41	0.00	0.00	-367 970.52
Residual value of disposals and withdrawals	0.00	0.00	0.00	0.00	0.00
<u>Year-end</u>	<b>1 761 213.35</b>	<b>504 150.88</b>	<b>127 684.82</b>	<b>0.00</b>	<b>2 393 049.05</b>
<b>NET BOOK VALUE (A-B)</b>	<b>959 157.91</b>	<b>55 377.39</b>	<b>46 441.29</b>	<b>93 687.30</b>	<b>1 154 663.89</b>

### Totally depreciated fixed tangible assets

The purchase value of fixed assets in use, which were totally depreciated on 31 December 2011, amounted to EUR 1 391 926.57 (EUR 1 410 543.42 in 2010).

### Low-value fixed assets

The Centre acquired tangible assets that were charged directly to expenses in the amounts of EUR 79 511.43 and EUR 28 676.86 for the years ended 31 December 2011 and 2010, respectively. These assets are low-value tangible assets with an estimated useful life greater than one year and an acquisition cost lower than EUR 420.00 on an individual basis. Low-value tangible assets are not recorded under fixed assets, but charged through expense accounts.

### Note 3: Work in progress

	2011	2010	% change
Work in progress (in EUR)	774 000.00	280 200.00	176.23%
Documents in progress (in pages)	46 417.00	42 901.00	8.20%
Term lists in progress (in terms)	103 286.00	0.00	N/A

The discrepancy between the number of pages in progress and the financial valuation of the work in progress is due to the change in the structure of translations at different stages of completeness at the end of the year. In 2011 the volume of documents in the advanced stage of completeness with high added value was significantly higher than in 2010.

The increase in work in progress, of EUR 493 800.00, was recorded in the economic outturn under the heading *Movements in work in progress*.

#### Note 4: VAT paid and recoverable from the Member States

As an EU body, the Centre benefits from VAT exemption on the purchase of goods and services. In the case of the indirect exemption applied by the Portuguese tax authorities, the Centre has to claim back VAT paid to its suppliers. The balance of the VAT receivable is the sum of all claims submitted to the Portuguese tax authorities. In 2010 the nominal value of the receivable was decreased by the provision for bad debt to reflect the recoverable amount of the receivable given that some claims sent to Portugal were outside the deadline specified in the bilateral treaty between the European Union and Portugal. As the non-recoverability of the claims sent outside the deadline was confirmed by the Portuguese authorities, the non-recoverable amount was written off in 2011 and matched with the provision. Therefore, the net impact of the write-off in the economic outturn is zero.

The balance of VAT receivable as at 31.12.2011 is significantly lower than the previous year, as the Centre has improved and accelerated the management of VAT recovery.

in EUR

<b>VAT receivable from the Member States</b>	<b>2011</b>	<b>2010</b>	<b>% change</b>
Nominal value of VAT claims	13 149.29	40 541.65	-67.57%
Provision for claims outside the deadline	0.00	- 3 053.99	-100.00%
<b>Net value of the VAT receivable</b>	<b>13 149.29</b>	<b>37 487.66</b>	<b>-64.92%</b>

## Note 5: Accounts receivable from EU institutions & bodies

in EUR

Clients	Client account	Client account invoices to be drawn up	Total receivable
European Environment Agency (EEA)	0.00	388.00	388.00
European Training Foundation (ETF)	0.00	26 788.25	26 788.25
European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)	56 057.00	2 325.00	58 382.00
European Medicines Agency (EMA)	0.00	224 346.75	224 346.75
European Agency for Safety and Health at Work (EU-OSHA)	0.00	32 801.50	32 801.50
Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)	1 197 538.70	3 050 116.29	4 247 654.99
Community Plant Variety Office (CPVO)	0.00	2 008.00	2 008.00
European Police Office (Europol)	271 822.50	29 491.50	301 314.00
European Foundation for the Improvement of Living and Working Conditions (Eurofound)	54 133.50	31 044.00	85 177.50
European Union Agency for Fundamental Rights (FRA)	0.00	22 366.50	22 366.50
European Food Safety Authority (EFSA)	0.00	18 352.75	18 352.75
European Maritime Safety Agency (EMSA)	0.00	31 388.75	31 388.75
European Aviation Safety Agency (EASA)	94 371.75	0.00	94 371.75
European Railway Agency (ERA)	0.00	65 946.50	65 946.50
European Network and Information Security Agency (ENISA)	0.00	103.00	103.00
Education, Audiovisual and Culture Executive Agency (EACEA)	0.00	37 971.00	37 971.00
European Police College (Europol)	0.00	279.00	279.00
European Chemicals Agency (ECHA)	16 432.50	40 360.50	56 793.00
Trans-European Transport Network Executive Agency (TEN-T EA)	0.00	392.00	392.00
European Institute for Gender Equality (EIGE)	0.00	14 182.50	14 182.50
European Data Protection Supervisor (EDPS)	0.00	113 901.75	113 901.75
Innovative Medicines Initiative Joint Undertaking (IMI JU)	196.00	0.00	196.00
European Securities and Markets Authority (ESMA)	0.00	16 637.25	16 637.25
European Banking Authority (EBA)	0.00	1 395.00	1 395.00
Body of European Regulators for Electronic Communications (BEREC)	0.00	5 859.00	5 859.00
European Commission – DG Employment, Social Affairs and Equal Opportunities (DG EMPL)	232 602.00	82 688.50	315 290.50
Committee of the Regions of the European Union (CoR)	4 047.38	0.00	4 047.38
Court of Justice of the European Union (CJEU)	2 156.00	2 308.09	4 464.09
European Ombudsman (Ombudsman)	0.00	32 779.00	32 779.00
<b>TOTAL</b>	<b>1 929 357.33</b>	<b>3 886 220.38</b>	<b>5 815 577.71</b>

All open balances are with consolidated entities

in EUR

Accounts receivable from EU institutions & bodies	2011	2010	% change
Unpaid invoices at year-end	1 929 357.33	3 913 385.92	-50.70%
Translation for December – invoices to be drawn up in January	3 886 220.38	4 011 090.15	-3.11%
<b>Total</b>	<b>5 815 577.71</b>	<b>7 924 476.07</b>	<b>-26.61%</b>

## Note 6: Prepaid expenses

Prepaid expenses consist of expenses paid by the Centre in the current year, but that relate to future accounting periods. An example of such an expense is annual maintenance, covering not only the current year, but also the following year. The part of expenses relating to future accounting periods is recognised as a prepaid expense in the balance sheet.

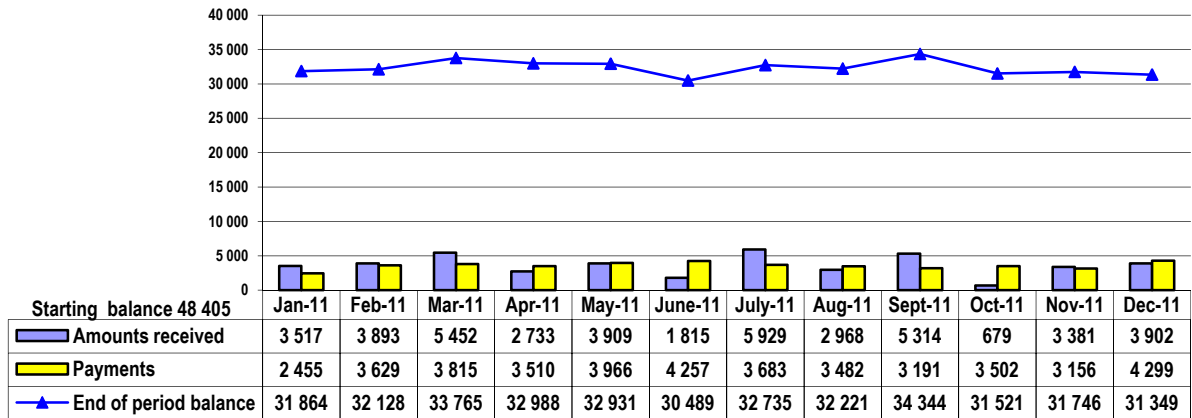


## Note 7: Accrued interest

Accrued interest is interest earned from the ongoing placement of term deposits. As the interest from term deposits is received only at the end of the term contract, accrued interest represents pro rata interest corresponding to the 2011 accounting period.

## Note 8: Cash and cash equivalents

Graph (in EUR 1 000)



The slight decrease in cash balance at the end of 2011 was due to the decrease in the volume of translations delivered to clients in the second half of 2011.

## Breakdown of the cash balance

in EUR

Year	2011	2010	% change
Cash in bank – current account	5 951 475.32	5 739 977.33	3.68%
Cash in bank – saving account	14 933.70	5 061 516.21	-99.70%
Term deposit 1M	5 382 114.64	0.00	N/A
Cash in hand	522.32	492.70	6.01%
<b>Total cash and cash equivalents</b>	<b>11 349 045.98</b>	<b>10 801 986.24</b>	<b>5.06%</b>
<b>Term deposits expiring within one year</b>	<b>20 000 000.00</b>	<b>20 000 000.00</b>	<b>0.00%</b>
<b>Total cash, including term deposits</b>	<b>31 349 045.98</b>	<b>30 801 986.24</b>	<b>1.78%</b>

## Note 9: Short-term provisions for risks and charges

in EUR

Short-term provisions	Provision for the salary increase
<b>Balance as at 31 December 2010</b>	<b>0.00</b>
Creation of the provision – expense	190 000.00
Use of the provision	0.00
<b>Balance as at 31 December 2011</b>	<b>190 000.00</b>

On 24 November 2011 the Commission adopted a Proposal for a Council Regulation adjusting the remuneration and pension of EU civil servants by 1.7% for Brussels and Luxembourg. This adjustment is calculated according to the method enshrined in the Staff Regulations. On 19 December 2011, the Council formally took a decision not to adopt the Commission proposal to adjust the remuneration and pension of EU staff. On 11 January 2012 the Commission decided to bring proceedings before the Court of Justice against the Council for failure to act by not adopting the Commission's proposal.

According to the Commission's estimates, the chances of the Council's decision being annulled are at least as high as for the 2009 refused salary increase. Therefore, in compliance with EU accounting rules, the Centre will book in its 2011 accounts a short-term provision for these outstanding salary payments relating to July-December 2011 as the Commission expects that the payment will probably still be paid during 2012.

Regarding the calculation of the provision, the amount booked as a provision includes gross salaries and relevant employer's contributions.

### Note 10: Accrued expenses

in EUR			
<b>Accrued expenses</b>	<b>2011</b>	<b>2010</b>	<b>% change</b>
Accrued expenses based on carry-over analysis	2 019 380.33	2 383 102.61	-15.26%
Leave not taken by staff	249 495.49	224 786.32	10.99%
<b>Total</b>	<b>2 268 875.82</b>	<b>2 607 888.93</b>	<b>-13.00%</b>

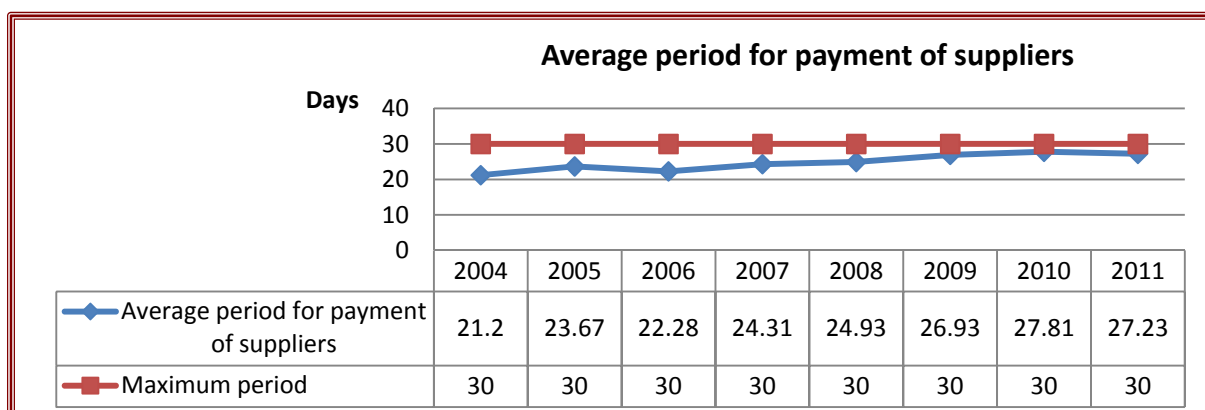
#### Accrued expenses based on carry-over analysis – split by type of appropriation:

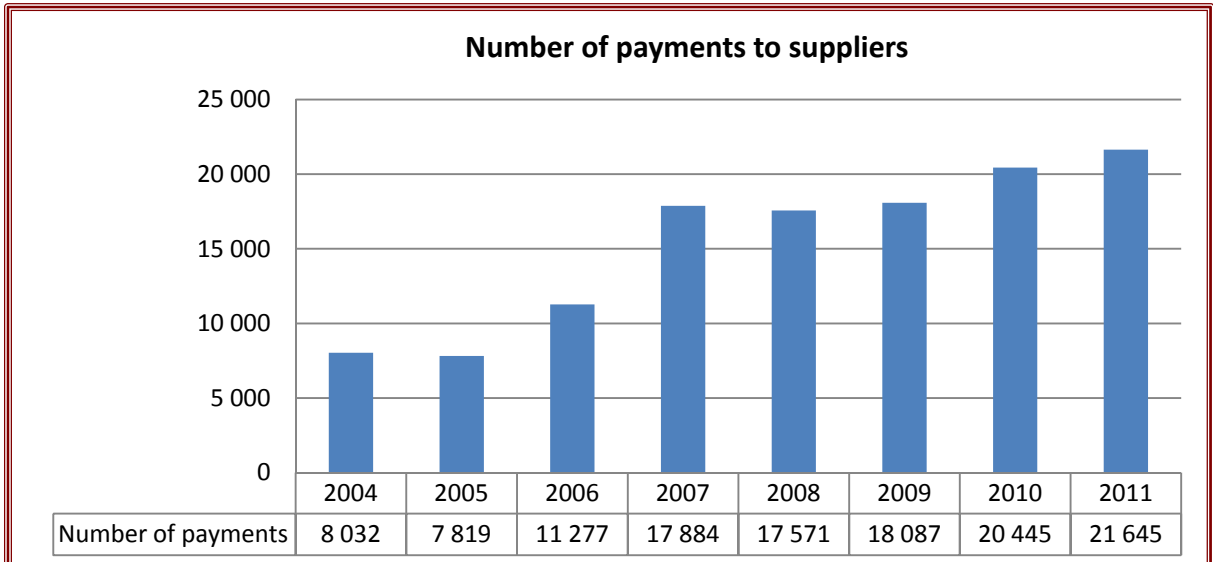
in EUR				
	<b>Heading</b>	<b>2011</b>	<b>2010</b>	<b>% change</b>
Title 1	Staff expenses	321 888.54	194 544.94	65.46%
Title 2	Administrative expenses	583 005.15	1 060 520.92	-45.03%
Title 3	Operational expenses	1 114 486.64	1 128 036.75	-1.20%
	<b>Total</b>	<b>2 019 380.33</b>	<b>2 383 102.61</b>	<b>-15.26%</b>

#### Leave not taken by staff

in EUR			
<b>Leave not taken by staff</b>	<b>2011</b>	<b>2010</b>	<b>% change</b>
Number of days not taken	983	1 149	-14.45%
Financial evaluation of leave not taken	249 495.49	224 786.32	10.99%

The average period for the payment of suppliers in 2011 was 27.23 days, for a total of 21 645 payments. The Centre applies a target payment deadline to suppliers of 30 days.





**Note 11: Reserves – Permanent prefinancing fund**

The financing needed to ensure the proper functioning of the Centre until invoiced amounts have been received in accordance with Article 58(2) of the detailed rules for the implementation of the Centre's Financial Regulation shall be guaranteed by a permanent prefinancing fund. The amount of this fund may not be less than four twelfths of the appropriations for the financial year, excluding 'Reserves' in Title 10.

Due to the decrease in the budget 2011 comparing to the previous year, the balance of the permanent prefinancing fund remains the same.

	in EUR
<b>Permanent prefinancing fund</b>	
Initial allocation	5 006 840.00
2003 allocation	3 322 850.33
2004 allocation	1 431 500.00
2007 allocation	999 143.00
2008 allocation	2 406 368.00
2009 allocation	1 196 465.00
2010 allocation	2 166 300.00
2011 allocation	0.00
<b>Total</b>	<b>16 529 466.33</b>

## Note 12: Translations

in EUR

Clients	2011	2010
European Environment Agency (EEA)	325 358.25	452 901.29
European Training Foundation (ETF)	321 864.00	305 383.97
European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)	680 802.75	672 243.75
European Medicines Agency (EMA)	2 781 756.46	2 571 788.94
European Agency for Safety and Health at Work (EU-OSHA)	562 001.50	1 112 480.39
Office for Harmonization in the Internal Market (OHIM)	19 514 385.00	29 392 873.96
Community Plant Variety Office (CPVO)	49 530.25	86 168.96
European Police Office (Europol)	708 144.25	896 944.61
European Foundation for the Improvement of Living and Working Conditions (Eurofound)	912 137.33	487 111.03
European Centre for the Development of Vocational Training (Cedefop)	84 814.00	110 287.55
European Union Agency for Fundamental Rights (FRA)	1 489 468.50	1 503 407.61
European Investment Bank (EIB)*	16 740.00	690.69
European Food Safety Authority (EFSA)	372 112.25	519 806.96
The European Union's Judicial Cooperation Unit (Eurojust)	1 953.00	0.00
European Maritime Safety Agency (EMSA)	112 392.25	150 875.00
European Aviation Safety Agency (EASA)	1 108 823.00	952 127.50
European Railway Agency (ERA)	696 595.50	236 640.00
European Network and Information Security Agency (ENISA)	95 614.00	105 761.25
European Centre for Disease Prevention and Control (ECDC)	599 591.00	544 637.50
European Agency for the Management of Operational Cooperation at the External Borders (Frontex)	392 638.25	234 812.50
Education, Audiovisual and Culture Executive Agency (EACEA)	724 282.75	829 026.25
Executive Agency for Competitiveness and Innovation (EACI)	13 996.25	47 430.00
European Police College (Europol)	80 596.50	69 466.25
Executive Agency for Health and Consumers (EAHC)	97 789.50	84 872.50
European GNSS Agency (GSA)	4 882.50	12 441.99
European Defence Agency (EDA)*	5 703.75	9 116.91
European Chemicals Agency (ECHA)	3 387 262.50	3 657 455.04
Community Fisheries Control Agency (CFCA)	157 509.25	53 932.50
Fusion for Energy Joint Undertaking (F4E)	15 637.50	31 003.75
European Union Satellite Centre (EUSC)*	1 162.50	0.00
Trans-European Transport Network Executive Agency (TEN-T EA)	19 068.50	29 813.75
European Institute of Innovation and Technology (EIT)	82 584.00	0.00
European Research Council Executive Agency (ERC)	37 881.00	23 247.50
Research Executive Agency (REA)	19 874.75	3 676.25
Clean Sky Joint Undertaking (CS JU)	3 906.00	8 925.00
European Institute for Gender Equality (EIGE)	148 611.00	190 910.00
SESAR Joint Undertaking (SJU)	19 832.25	27 540.00
European Data Protection Supervisor (EDPS)	1 027 746.50	650 186.52
Artemis Joint Undertaking (ARTEMIS JU)	7 998.00	1 785.00
Innovative Medicines Initiative Joint Undertaking (IMI JU)	27 999.75	7 225.00
Fuel Cells and Hydrogen Joint Undertaking (FCH JU)	6 869.50	0.00
ENIAC Joint Undertaking (ENIAC JU)	4 882.50	0.00
European Asylum Support Office (EASO)*	135 198.75	0.00
European Securities and Markets Authority (ESMA)	48 257.25	0.00
European Banking Authority (EBA)	23 289.75	0.00
European Insurance and Occupational Pensions Authority (EIOPA)	3 022.50	0.00
Body of European Regulators for Electronic Communications (BEREC)	11 010.00	0.00
European Commission – DG Employment, Social Affairs and Equal Opportunities (DG EMPL)	2 394 527.75	1 107 461.62
Council of the European Union (Council)	25 396.46	69 912.63
European Court of Auditors (ECA)	27 951.75	19 996.25
Court of Justice of the European Union (CJEU)	23 436.00	0.00
European Central Bank (ECB)*	1 785.56	16 636.02
European Ombudsman (Ombudsman)	444 908.50	587 796.25
<b>TOTAL</b>	<b>39 861 582.56</b>	<b>47 876 800.44</b>

\*Non-consolidated entities.

### Note 13: Interinstitutional cooperation – IATE database

in EUR

Clients	2011	2010
European Investment Bank (EIB)*	3 476.73	3 633.51
European Commission – DGs	278 138.42	290 680.38
European Parliament (EP)	139 069.30	145 340.19
Council of the European Union (Council)	104 301.90	109 005.14
European Court of Auditors (ECA)	17 383.65	18 167.53
Committee of the Regions of the European Union (CoR)	22 251.07	23 254.42
European Economic and Social Committee (EESC)	33 376.61	34 881.65
Court of Justice of the European Union (CJEU)	62 581.15	65 403.09
European Central Bank (ECB)*	6 953.46	7 267.01
<b>TOTAL</b>	<b>667 532.29</b>	<b>697 632.92</b>

\*Non-consolidated entities.

The IATE database is a tool for terminology work used by the EU's translation services. The project's objective is to provide a web-based infrastructure for all EU terminology resources. The Centre plays a key role in IATE administration and technical support. The administration and development costs are invoiced to the institutions involved in the project.

### Note 14: Terminology

in EUR

Clients	2011	2010
European Chemicals Agency (ECHA)	87 980.50	202 468.75
European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)	0.00	81 782.00
European Central Bank (ECB)*	6 264.00	15 887.94
European Centre for Disease Prevention and Control (ECDC)	0.00	3 970.00
<b>TOTAL</b>	<b>94 244.50</b>	<b>304 108.69</b>

\*Non-consolidated entities.

The revenue for terminology services is invoiced to clients based on an agreed unit price (man-days).

### Note 15: Term lists

in EUR

Clients	2011	2010
European Training Foundation (ETF)	0.00	679.00
European Agency for Safety and Health at Work (EU-OSHA)	0.00	24 240.30
Community Plant Variety Office (CPVO)	0.00	339.50
European Medicines Agency (EMA)	430.00	1 779.95
Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)	167 880.00	3 164 819.00
European Chemicals Agency (ECHA)	0.00	3 157.35
European Ombudsman (Ombudsman)	450.00	0.00
Fusion for Energy Joint Undertaking (F4E)	70.00	38.80
European Research Council Executive Agency (ERC)	0.00	2 095.20
Research Executive Agency (REA)	0.00	106.70
European Commission – DG Employment, Social Affairs and Equal Opportunities (DG EMPL)	750.00	1 513.20
European Centre for Disease Prevention and Control (ECDC)	2 760.00	23 629.20
<b>TOTAL</b>	<b>172 340.00</b>	<b>3 222 398.20</b>

The revenue for term list services are invoiced to clients based on an agreed unit price (price per term).

## Note 16: Miscellaneous revenue from non-exchange transactions

Transactions where the Centre receives value from another entity without directly giving approximately equal value in exchange are recorded under 'Miscellaneous revenue from non-exchange transactions'.

in EUR

Type of expense	2011	2010
Exercised guarantee from Archetypon	0.00	70 000.00
Reimbursement of legal costs based on the decision of the Court of Justice of the European Union	0.00	10 326.02
<b>TOTAL</b>	<b>0.00</b>	<b>80 326.02</b>

## Note 17: Staff expenses

in EUR

Type of expense	2011	2010
Basic salaries	13 788 598.42	13 532 912.95
Family allowances	1 285 431.28	1 303 596.35
Expatriation allowances	2 218 248.56	2 203 296.14
Contract staff and trainees	636 479.69	430 423.65
Contribution to the Community pension scheme	3 460 492.36	3 263 898.90
Agency staff	387 485.38	343 929.21
Installation allowances and travel expenses for annual leave	420 274.97	417 771.18
Early Childhood Centre expenses	318 238.64	308 714.96
Insurance against sickness, accidents, unemployment and occupational disease	716 479.06	710 832.77
Other expenses	83 954.35	89 605.74
<b>TOTAL</b>	<b>23 315 682.71</b>	<b>22 604 981.85</b>

## Note 18: Administrative expenses

Type of expense	2011	2010
Immovable property and associated costs	1 471 813.78	1 453 863.51
IT maintenance and consultancy	758 257.00	811 052.55
External IT development	385 739.75	413 100.00
Data processing	651 106.97	362 378.16
Depreciations	767 396.68	626 472.54
Missions, training courses and medical costs	430 811.15	388 079.32
Postage and telecommunications	186 220.31	212 033.73
Movable property and associated costs	55 854.14	81 612.20
Administrative assistance of the Commission	140 608.52	117 946.01
Meetings, conferences and interpreting costs	77 528.12	122 730.92
Other operating costs	126 431.70	152 015.73
<b>TOTAL</b>	<b>5 051 768.12</b>	<b>4 741 284.67</b>

## Note 19: Operational expenses

Costs of external translations carried out by freelance translators are recorded under operational expenses. Operational expenses comprise direct operational costs relating to the Centre's main activity – translation. The translations are carried out on the basis of framework contracts in force or negotiated procedures with suppliers. The price of translations resulting from the tendering procedures depends on the language combination, as well as on the field and type of translation (translation, modification, revision, trademarks, term lists, and terminology).

Operational expenses decreased by 3.52%, which is proportional to the 2.61% decrease in the number of pages outsourced to freelance translators (a reduction from 448 160 pages in 2010 to 436 445 pages in 2011).

The inconsistency between the decrease in operational expenses of 3.52% in 2011 and the decrease in revenue from operational activities of 20.85% is to a large extent due to the Centre's new pricing policy. As the Centre was generating the surpluses achieved over the last years, the aim of the new pricing structure was to align the prices of the Centre's products to their costs. This objective was achieved; the surplus generated by the Centre in 2010 of EUR 10.3 million was reduced to a loss of EUR 1.0 million in 2011. This loss was caused by other external factors such as the unforeseen drop in the volume of work from clients in comparison to their initial forecasts and the unforeseen decrease in the efficiency of the Centre's translation memories for the translation of Community trademarks. The decrease in the efficiency of the translation memories was due to the technological developments and investments in the area of translation memories that the Office for Harmonization in the Internal Market (OHIM) has introduced internally.

## A.6 Other information

### Number of employees

The following table summarises the number of the Centre's employees for the years ended 31 December 2011 and 31 December 2010, as set out in the establishment plan:

	2011	2010
Administrator	132	129
Assistant	73	86
<b>Total</b>	<b>205</b>	<b>215</b>

In addition to the staff defined in the establishment plan, the Centre employs contract and agency staff. A detailed breakdown of the Centre's total staff, as at 31 December 2011, is set out in the following table:

	Number of staff				Total
	Officials	Temporary agents	Contract agents	Agency staff	
Administrator	42	90	11	0	143
Assistant	18	55	3	8	84
<b>Total</b>	<b>60</b>	<b>145</b>	<b>14</b>	<b>8</b>	<b>227</b>

### Related party transactions

The Centre's key management staff, as at 31 December 2011, are as follows:

Grade	Number of persons
AD 14	2
AD 12	4
AD 11	0
AD10	1
<b>Total</b>	<b>7</b>

The remuneration of key management staff is in accordance with the Staff Regulations of Officials of the European Communities. There were no other transactions, such as loans or bonuses, to these staff members from the Centre.

The Director is entitled to use a business car for both business and private purposes.

### The Management Board

The members of the Management Board do not receive any payments for their duties, except the reimbursement of travel expenses that are paid only to the representatives of the Member States.

### Contingent liabilities

#### a) Commitments against appropriations not yet consumed

The budgetary RAL ('Reste à liquider') is an amount representing commitments carried over for which payments have not yet been made. This is the usual consequence if there is a carry-over of credit appropriations. On 31 December 2011 the budgetary RAL totalled EUR 3 549 047.47. The amount disclosed is this budgetary RAL less related amounts that have been included as expenses in the Economic Outturn Account 2011 (EUR 2 019 380.33), giving a total of EUR 1 529 667.14.

#### b) Operating leases

Description	Date of inception	Date of expiration	Total lease value	Payments made in the current year	in EUR	
					Up to one year	One to five years
Audi A6	17.11.06	16.04.11	46 683.12	2 452.75	0.00	0.00
Sharan	03.05.06	02.03.11	34 737.70	1 089.20	00.00	0.00
Sharan 2011	01.03.11	28.02.15	31 530.72	7 081.40	7 882.68	17 079.14
Audi A6 2011	25.08.11	24.08.15	54 226.08	5 903.65	13 556.52	36 150.72
Partner	07.01.10	06.01.14	15 970.08	4 325.23	3 992.52	3 992.52
<b>Total</b>			<b>183 147.70</b>	<b>20 852.23</b>	<b>25 431.72</b>	<b>57 222.38</b>

#### c) Contractual commitments for which budgetary commitments have not yet been made

These commitments originated because the Centre decided to enter into long-term legal commitments in respect of amounts that were not yet covered by commitment appropriations in the budget. The amounts correspond to amounts committed to be paid during the term of the contracts that are not covered by budgetary commitments as at end-2011.

These include the outstanding contractual obligation of EUR 251 352 to cover the rental of the 'Nouvel hémicycle' building, EUR 470 031 for the rental of the T Building and EUR 263 321 for the rental of the eBRC building used within the framework of the Disaster Recovery Plan.

#### d) Other off balance sheet commitments

As at 31 December 2011, the Centre was involved in no legal disputes.

#### Third-party guarantees – freelancers

A decision was taken by the Centre to cancel bank guarantees for all existing framework contracts as of 1 January 2010. On the basis of the above decision, the amendments to the relevant framework contracts were sent to all contractors and, over the course of January 2010, the bank guarantees were returned to all contractors.



The reason behind this decision was that the potential benefits of guarantees was not commensurate with the additional effort required to manage them. In addition, the guarantees represented an additional burden to our suppliers.

### Bank guarantees for contracts in other fields

The Centre currently has four so-called performance guarantees. Their main features, namely amount, contract number, expiry date, etc., are summarised in the table below:

Company	No of contract	No of guarantee	Guarantee amount (EUR)	Renewal type	Start date	Expiry date
ONET Luxembourg	CDT/ONET_LUXEMBOURG/11 1052/2010	39-261764-49-1	9 498.00	unlimited	01/12/2010	30 days after expiry of the contract
e-Business & Resilience Centre(eBRC)	Sub-renting contract	2009/000221	8 550.00	–	08/01/2009	Six months after receipt of the works
e-Business & Resilience Centre(eBRC)	Sub-renting contract	2009/000191	21 600.00	–	08/01/2009	Six months after acceptance of the rented premises
EPT Luxembourg	CDT/WANS/2008	2008/007291	20 000.00	–	04/08/2008	3 months after expiry of the contract

### Post balance sheet events

No significant events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

# REPORTS ON THE IMPLEMENTATION OF THE BUDGET OF THE TRANSLATION CENTRE

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## B.1. Budgetary principles (summary based on the Centre's Financial Regulation)

- (a) Principle of unity and of budget accuracy
- (b) Principle of annuality
- (c) Principle of equilibrium
- (d) Principle of unit of account
- (e) Principle of universality
- (f) Principle of specification
- (g) Principle of sound financial management

## B.2. Type of appropriations

The Centre makes use of non-differentiated appropriations for its budget.

The Centre makes use of automatic carry-over of appropriations.

The Centre does not account for assigned revenue.

### B.3. Budget expenditure implementation 2011

in EUR

	Chapter	Initial appropriation (A)	Appropriation transfer (B)	Supplementary and amending budget (C)	Final appropriation (D=A+B+C)	Commitments entered into (E)	Commitments cancelled (F=D-E)	Payments made (G)	Appropriations carried forward in 2011 (H=E-G)
11	Staff in active employment	26 388 900.00	-502 070.00	-1 510 000.00	24 376 830.00	23 180 825.43	1 196 004.57	23 052 702.59	128 122.84
13	Missions and duty travel	130 000.00	0.00	0.00	130 000.00	118 000.00	12 000.00	98 795.75	19 204.25
14	Socio-medical infrastructure	293 500.00	28 500.00	0.00	322 000.00	317 845.14	4 154.86	158 740.45	159 104.69
16	Welfare service	126 700.00	0.00	0.00	126 700.00	122 700.00	4 000.00	100 069.72	22 630.28
17	Entertainment and representation	3 000.00	0.00	0.00	3 000.00	784.90	2 215.10	662.60	122.30
<b>1 – Staff</b>		<b>26 942 100.00</b>	<b>-473 570.00</b>	<b>-1 510 000.00</b>	<b>24 958 530.00</b>	<b>23 740 155.47</b>	<b>1 218 374.53</b>	<b>23 410 971.11</b>	<b>329 184.36</b>
20	Rental of buildings and associated costs	1 544 900.00	-11 700.00	2 100.00	1 535 300.00	1 519 786.48	15 513.52	1 394 785.40	125 001.08
21	Information technology	2 425 000.00	-263 000.00	-85 000.00	2 077 000.00	1 982 468.18	94 531.82	1 459 501.80	522 966.38
22	Movable property and associated costs	104 700.00	-500.00	-12 500.00	91 700.00	73 460.48	18 239.52	55 120.82	18 339.66
23	Operating expenditure	258 100.00	-7 340.00	-12 000.00	238 760.00	225 657.28	13 102.72	192 059.40	33 597.88
24	Postage and telecommunications	334 300.00	-33 430.00	0.00	300 870.00	232 926.62	67 943.38	167 697.20	65 229.42
25	Expenditure on formal and other meetings	15 000.00	0.00	0.00	15 000.00	11 696.46	3 303.54	11 596.46	100.00
26	Expenditure on Management Board meetings	120 000.00	-8 000.00	0.00	112 000.00	81 500.97	30 499.03	59 136.29	22 364.68
27	Information: acquisition, archiving, production and dissemination	10 000.00	16 000.00	0.00	26 000.00	24 900.00	1 100.00	24 900.00	0.00
<b>2 – Buildings, equipment and sundry operating expenditure</b>		<b>4 812 000.00</b>	<b>-307 970.00</b>	<b>-107 400.00</b>	<b>4 396 630.00</b>	<b>4 152 396.47</b>	<b>244 233.53</b>	<b>3 364 797.37</b>	<b>787 599.10</b>
30	External translation services	14 497 700.00	781 540.00	-1 500 000.00	13 779 240.00	13 704 571.67	74 668.33	11 380 713.56	2 323 858.11
31	Interinstitutional cooperation	705 000.00	0.00	0.00	705 000.00	693 336.24	11 663.76	584 930.34	108 405.90
<b>3 – Operational expenditure</b>		<b>15 202 700.00</b>	<b>781 540.00</b>	<b>-1 500 000.00</b>	<b>14 484 240.00</b>	<b>14 397 907.91</b>	<b>86 332.09</b>	<b>11 965 643.90</b>	<b>2 432 264.01</b>
10	Reserves	0.00	0.00	7 459 700.00	7 459 700.00	0.00	7 459 700.00	0.00	0.00
<b>10 – Reserves</b>		<b>0.00</b>	<b>0.00</b>	<b>7 459 700.00</b>	<b>7 459 700.00</b>	<b>0.00</b>	<b>7 459 700.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total budget:</b>		<b>46 956 800.00</b>	<b>0.00</b>	<b>4 342 300.00</b>	<b>51 299 100.00</b>	<b>42 290 459.85</b>	<b>9 008 640.15</b>	<b>38 741 412.38</b>	<b>3 549 047.47</b>

## B.4. Use of appropriations 2011

in EUR

<b>Use of appropriations C1 – 2011 by title and chapter</b>									
		<b>Chapter</b>	<b>Final appropriation (A)</b>	<b>Commitments entered into (B)</b>	<b>%</b>	<b>Payments made (C)</b>	<b>%</b>	<b>Appropriations cancelled (D=A-B)</b>	<b>%</b>
	11	Staff in active employment	24 376 830.00	23 180 825.43	95.09%	23 052 702.59	99.45%	1 196 004.57	4.91%
	13	Missions and duty travel	130 000.00	118 000.00	90.77%	98 795.75	83.73%	12 000.00	9.23%
	14	Socio-medical infrastructure	322 000.00	317 845.14	98.71%	158 740.45	49.94%	4 154.86	1.29%
	16	Welfare service	126 700.00	122 700.00	96.84%	100 069.72	81.56%	4 000.00	3.16%
	17	Entertainment and representation	3 000.00	784.90	26.16%	662.60	84.42%	2 215.10	73.84%
<b>1 – Staff</b>			<b>24 958 530.00</b>	<b>23 740 155.47</b>	<b>95.12%</b>	<b>23 410 971.11</b>	<b>98.61%</b>	<b>1 218 374.53</b>	<b>4.88%</b>
	20	Rental of buildings and associated costs	1 535 300.00	1 519 786.48	98.99%	1 394 785.40	91.78%	15 513.52	1.01%
	21	Information technology	2 077 000.00	1 982 468.18	95.45%	1 459 501.80	73.62%	94 531.82	4.55%
	22	Movable property and associated costs	91 700.00	73 460.48	80.11%	55 120.82	75.03%	18 239.52	19.89%
	23	Operating expenditure	238 760.00	225 657.28	94.51%	192 059.40	85.11%	13 102.72	5.49%
	24	Postage and telecommunications	300 870.00	232 926.62	77.42%	167 697.20	72.00%	67 943.38	22.58%
	25	Expenditure on formal and other meetings	15 000.00	11 696.46	77.98%	11 596.46	99.15%	3 303.54	22.02%
	26	Expenditure on Management Board meetings	112 000.00	81 500.97	72.77%	59 136.29	72.56%	30 499.03	27.23%
	27	Information: acquisition, archiving, production and dissemination	26 000.00	24 900.00	95.77%	24 900.00	100.00%	1 100.00	4.23%
<b>2 – Buildings, equipment and sundry operating expenditure</b>			<b>4 396 630.00</b>	<b>4 152 396.47</b>	<b>94.44%</b>	<b>3 364 797.37</b>	<b>81.03%</b>	<b>244 233.53</b>	<b>5.56%</b>
	30	External translation services	13 779 240.00	13 704 571.67	99.46%	11 380 713.56	83.04%	74 668.33	0.54%
	31	Interinstitutional cooperation	705 000.00	693 336.24	98.35%	584 930.34	84.36%	11 663.76	1.65%
<b>3 – Operational expenditure</b>			<b>14 484 240.00</b>	<b>14 397 907.91</b>	<b>99.40%</b>	<b>11 965 643.90</b>	<b>83.11%</b>	<b>86 332.09</b>	<b>0.60%</b>
	10	Reserves	7 459 700.00	0.00	0.00 %	0.00	0.00 %	7 459 700.00	100.00%
<b>10 – Reserves</b>			<b>7 459 700.00</b>	<b>0.00</b>	<b>0.00 %</b>	<b>0.00</b>	<b>0.00 %</b>	<b>7 459 700.00</b>	<b>100.00%</b>
<b>Total budget:</b>			<b>51 299 100.00</b>	<b>42 290 459.85</b>	<b>82.44%</b>	<b>38 741 412.38</b>	<b>91.61%</b>	<b>9 008 640.15</b>	<b>17.56%</b>

## Use of appropriations C8 – 2011 by title and chapter

	Chapter	Final appropriation (A)	Commitments entered into (B)	%	Payments made (C)	%	Payment appropriations cancelled (D=B-C)
11	Staff in active employment	102 591.81	102 591.81	100.00%	92 206.29	89.88%	10 385.52
13	Missions and duty travel	15 806.41	15 806.41	100.00%	12 197.86	77.17%	3 608.55
14	Socio-medical infrastructure	66 892.40	66 892.40	100.00%	66 128.07	98.86%	764.33
16	Welfare service	17 648.20	17 648.20	100.00%	12 686.84	71.89%	4 961.36
	Entertainment and representation	284.40	284.40	100.00%	284.40	100.00%	0.00
<b>1 – Staff</b>		<b>203 223.22</b>	<b>203 223.22</b>	<b>100.00%</b>	<b>183 503.46</b>	<b>90.30%</b>	<b>19 719.76</b>
20	Rental of buildings and associated costs	122 214.54	122 214.54	100.00%	91 676.46	75.01%	30 538.08
21	Information technology	1 260 096.73	1 260 096.73	100.00%	1 258 221.73	99.85%	1 875.00
22	Movable property and associated costs	37 444.89	37 444.89	100.00%	35 271.78	94.20%	2 173.11
23	Operating expenditure	36 315.07	36 315.07	100.00%	18 707.22	51.51%	17 607.85
24	Postage and telecommunications	80 489.82	80 489.82	100.00%	68 458.40	85.05%	12 031.42
25	Expenditure on formal and other meetings	2 068.25	2 068.25	100.00%	1 451.05	70.16%	617.20
26	Expenditure on Management Board meetings	37 726.54	37 726.54	100.00%	25 976.17	68.85%	11 750.37
27	Information: acquisition, archiving, production and dissemination	60 050.00	60 050.00	100.00%	60 050.00	100.00%	0.00
<b>2 – Buildings, equipment and sundry operating expenditure</b>		<b>1 636 405.84</b>	<b>1 636 405.84</b>	<b>100.00%</b>	<b>1 559 812.81</b>	<b>95.32%</b>	<b>76 593.03</b>
30	External translation services	2 270 189.94	2 270 189.94	100.00%	2 249 997.63	99.11%	20 192.31
31	Interinstitutional cooperation	89 523.76	89 523.76	100.00%	60 720.52	67.83%	28 803.24
<b>3 – Operational expenditure</b>		<b>2 359 713.70</b>	<b>2 359 713.70</b>	<b>100.00%</b>	<b>2 310 718.15</b>	<b>97.92%</b>	<b>48 995.55</b>
<b>Total budget:</b>		<b>4 199 342.76</b>	<b>4 199 342.76</b>	<b>100.00%</b>	<b>4 054 034.42</b>	<b>96.54%</b>	<b>145 308.34</b>

## B.5. Appropriations carried forward in 2012

in EUR

Item	Heading	Appropriations carried forward in 2012
1120	Professional training of staff	51 407.48
1175	Agency staff	46 775.37
1180	Miscellaneous expenditure on staff recruitment	29 939.99
1300	Mission expenses, duty travel expenses and other ancillary expenditure	9 130.96
1310	Mission expenses for training	10 073.29
1400	Restaurants and canteens	2 955.78
1410	Medical service	41 846.57
1420	Other expenditure	110 967.34
1421	Social relations	3 335.00
1630	Early Childhood Centre	22 630.28
1700	Entertainment and representation	122.30
2000	Rent	7 852.43
2010	Insurance	791.35
2020	Water, gas, electricity and heating	20 936.24
2030	Cleaning and maintenance	63 850.74
2040	Fitting-out of premises	970.34
2050	Security and surveillance of buildings	30 599.98
2100	Computer centre operations	203 136.03
2120	External operating staff	319 830.35
2200	New purchases	1 899.68
2204	Office equipment	1 999.00
2232	Hire of vehicles	6 235.31
2233	Maintenance, use and repair of vehicles	1 116.08
2250	Library stocks, purchase of books	291.72
2252	Subscriptions to newspapers and periodicals	6 757.87
2253	Dictionaries for translators	40.00
2300	Stationery and office supplies	5 164.65
2320	Bank charges	350.00
2350	Miscellaneous insurance	562.26
2353	Departmental removals	1 971.83
2392	Administrative assistance from the Commission	5 364.82
2393	Publications	19 787.00
2394	Dissemination	397.32
2400	Postage and delivery charges	15 160.32
2410	Telephone, telegraph, telex, radio and television, etc.	50 069.10
2550	Miscellaneous expenditure on the organisation of and participation in conferences, congresses and meetings	100.00
2600	Management Board meetings	3 028.68
2650	Interpreting	19 336.00
3000	External translation services	2 323 858.11
3100	Interinstitutional cooperation in the language field	108 405.90
	<b>Total carry-forwards:</b>	<b>3 549 047.47</b>

## B.6. Budget outturn

in EUR

	2011	2010	% change
<b>Budget revenue</b>	<b>43 346 158.77</b>	<b>51 205 569.73</b>	<b>-15.35%</b>
Translation	40 368 793.81	47 873 348.04	-15.68%
Terminology	194 802.00	187 118.69	4.11%
Term lists	1 358 751.95	2 037 722.65	-33.32%
Interinstitutional cooperation – IATE database	982 249.95	697 493.08	40.83%
<b>Revenue from operations</b>	<b>42 904 597.71</b>	<b>50 795 682.46</b>	<b>-15.53%</b>
Financial income	421 366.91	308 803.41	36.45%
Miscellaneous	20 194.15	101 083.86	-80.02%
<b>Budget expenditure</b>	<b>42 290 459.85</b>	<b>43 035 735.01</b>	<b>-1.73%</b>
<i>Title 1 – Staff</i>			
Payments	23 410 971.11	22 909 591.75	2.19%
Appropriations carried over	329 184.36	203 223.22	61.98%
<i>Title 2 – Buildings, equipment and miscellaneous operating expenditure</i>			
Payments	3 364 797.37	3 266 961.51	2.99%
Appropriations carried over	787 599.10	1 636 405.84	-51.87%
<i>Title 3 – Operational expenditure</i>			
Payments	11 965 643.90	12 659 838.99	-5.48%
Appropriations carried over	2 432 264.01	2 359 713.70	3.07%
<b>Other</b>	<b>145 640.21</b>	<b>149 562.30</b>	<b>-2.62%</b>
Appropriations carried forward and subsequently cancelled	145 308.34	150 348.15	-3.35%
Exchange-rate differences	331.87	-785.85	-142.23%
<b>Budget outturn for the financial year</b>	<b>1 201 339.13</b>	<b>8 319 397.02</b>	<b>-85.56%</b>
Outturn for the previous year	9 231 709.81	24 041 195.20	-61.60%
Reimbursement to clients	0.00	-6 822 069.19	-100.00%
Contribution to the Community pension scheme 1998-2009	0.00	-18 271 649.22	-100.00%
<i>Allocation to reserves (1)</i>	<i>-7 459 700.00</i>	<i>-2 941 164.00</i>	<i>153.63%</i>
Allocation to permanent prefinancing fund	0.00	2 166 300.00	-100.00%
Reserve for pricing stability originally proposed to the Management Board	4 906 000.00	0.00	N/A
Usage of reserve for pricing stability to balance the amending budget 2011	-1 772 000.00	0.00	N/A
Reserve for exceptional investment (e-CDT)	4 325 700.00	0.00	N/A
Reserve for future investment (secured server room)	0.00	774 864.00	-100.00%
<b>Budget outturn to carry forward</b>	<b>2 973 348.94</b>	<b>4 325 709.81</b>	<b>-31.26%</b>
Reversal of the provision for the pension created in 2000-2002 directly from the budget (2)	0.00	4 906 000.00	-100.00%
<b>Adjusted budget outturn to carry forward</b>	<b>2 973 348.94</b>	<b>9 231 709.81</b>	<b>-67.79%</b>

(1) The allocation to the reserves in 2011 includes the budget reserve for stability pricing and the budgetary reserve for exceptional investments. For further explanations on the allocation 2011 realised via the amending budget 2011 please see section C.1.1. Since the Centre was created, amounts have been allocated to reserves systematically by reducing the 'Budget outturn to carry forward'. Taking into consideration the current year allocation above and the balance of the reserve fund created in the previous accounting periods, amounting to EUR 16 529 466.33 (see Note 11), as well as the budgetary reserve for future investments created in 2010, amounting to EUR 774 864, the adjusted budget surplus to carry forward would amount to EUR 27 737 379.27.

(2) Please note that in 2010 the Centre reversed the provision earmarked for the employer's contribution to the Community pension scheme by EUR 4 906 000, which had been created during the period 2000-2002, by reducing the budget outturn to carry forward. Since the implementation of accrual accounting in 2003, the provision for the payment of the employer's contribution to the Community pension scheme has been created only in the general accounting. Therefore, the reversal of EUR 4 906 000 represents a correction of budget outturn to carry forward that should already have been made with the implementation of accrual accounting.



# RECONCILIATION OF THE BUDGET AND ECONOMIC OUTTURN

in EUR

	<b>2011</b>	<b>2010</b>
<b>Economic result of the year</b>	<b>-1 028 066.03</b>	<b>10 344 867.16</b>
A. Adjustments for items not in the budget outturn, but included in the economic outturn		
1. Adjustment for accrual cut-off (liabilities)	2 314 941.79	2 682 878.89
2. Reversal of accrual cut-off from previous year	-2 682 878.89	-2 660 140.06
3. Depreciation of intangible and tangible fixed assets	767 396.68	626 863.03
4. Provisions	190 000.00	-18 300 361.63
5. Recovery orders issued and not yet cashed	-5 815 577.71	-7 924 476.07
6. Payments made from carry-over of payment appropriations	4 054 034.42	3 867 676.23
7. Change in work in progress	-493 800.00	91 500.00
8. Accrued interests	-35 555.05	-129 591.06
9. Prepaid expenses	-76 492.64	-59 709.12
10. Payments for pensions	0.00	18 271 649.22
11. Value reduction – write-off	3 053.99	0.00
Subtotal	-1 774 877.41	-3 533 710.57
B. Adjustments for items included in the budget outturn, but not in the economic outturn		
1. Asset acquisitions	-514 761.95	-1 099 306.70
2. Budgetary recovery orders issued before and cashed in the year	7 922 011.07	6 624 270.92
3. Payment appropriations carried over to the following year	-3 549 047.47	-4 199 343.00
4. VAT not recovered	0.00	32 488.31
5. Appropriations carried forward and subsequently cancelled	145 308.34	150 348.15
6. Other temporary differences	772.58	-217.25
Subtotal	4 004 282.57	1 508 240.43
<b>Budget outturn for the financial year</b>	<b>1 201 339.13</b>	<b>8 319 397.02</b>

## B.7. Budget revenue 2011

in EUR

TYPE OF REVENUE	ESTIMATED REVENUE FOR THE FINANCIAL YEAR (A)	SUPPLEMENTARY AND AMENDING BUDGET (B)	TOTAL (C=A+B)	ENTITLEMENTS ESTABLISHED IN THE FINANCIAL YEAR (D)	ENTITLEMENTS CARRIED OVER FROM 2010 (E)	AMOUNTS RECEIVED ON ENTITLEMENTS CARRIED OVER (F)	AMOUNTS RECEIVED ON 2010 ENTITLEMENTS (G)	AMOUNTS RECEIVED 2011 (H=F+G)	SUMS STILL TO BE COLLECTED (I=D+E-H)
European Environment Agency (EEA)	400 000.00	0.00	400 000.00	325 358.25	30 940.00	30 940.00	324 970.25	355 910.25	388.00
European Training Foundation (ETF)	259 500.00	0.00	259 500.00	321 864.00	22 163.97	22 163.97	295 075.75	317 239.72	26 788.25
European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)	756 400.00	0.00	756 400.00	680 802.75	69 296.25	69 296.25	622 420.75	691 717.00	58 382.00
European Medicines Agency (EMA)	3 485 900.00	-529 800.00	2 956 100.00	2 782 186.46	424 534.28	424 534.28	2 557 839.71	2 982 373.99	224 346.75
European Agency for Safety and Health at Work (EU-OSHA)	726 600.00	3 500.00	730 100.00	562 001.50	206 635.00	206 635.00	529 200.00	735 835.00	32 801.50
Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)	5 628 600.00	-880 200.00	4 748 400.00	3 366 346.75	1 380 463.10	1 380 463.10	2 912 552.00	4 293 015.10	453 794.75
OHIM – Madrid protocol	p.m.	0.00	0.00	47 918.25	5 355.00	5 355.00	39 920.25	45 275.25	7 998.00
OHIM Trademarks	16 653 300.00	-385 300.00	16 268 000.00	16 268 000.00	3 798 345.60	3 798 345.60	12 482 137.76	16 280 483.36	3 785 862.24
Community Plant Variety Office (CPVO)	120 000.00	0.00	120 000.00	49 530.25	6 672.50	6 672.50	47 522.25	54 194.75	2 008.00
European Police Office (Europol)	1 403 300.00	-298 900.00	1 104 400.00	708 144.25	105 740.00	105 740.00	406 830.25	512 570.25	301 314.00
European Foundation for the Improvement of Living and Working Conditions (Eurofound)	650 000.00	-238 000.00	412 000.00	912 137.33	0.00	0.00	826 959.83	826 959.83	85 177.50
European Centre for the Development of Vocational Training (Cedefop)	115 300.00	22 800.00	138 100.00	84 814.00	18 615.00	18 615.00	84 814.00	103 429.00	0.00
European Union Agency for Fundamental Rights (FRA)	1 348 500.00	-32 600.00	1 315 900.00	1 489 468.50	195 831.06	195 831.06	1 467 102.00	1 662 933.06	22 366.50
European Investment Bank (EIB)	p.m.	16 700.00	16 700.00	20 216.73	1 660.24	1 660.24	20 216.73	21 876.97	0.00
European Food Safety Authority (EFSA)	660 000.00	-210 000.00	450 000.00	372 112.25	39 248.75	39 248.75	353 759.50	393 008.25	18 352.75
The European Union's Judicial Cooperation Unit (Eurojust)	5 000.00	0.00	5 000.00	1 953.00	0.00	0.00	1 953.00	1 953.00	0.00
European Maritime Safety Agency (EMSA)	204 400.00	0.00	204 400.00	112 392.25	3 570.00	3 570.00	81 003.50	84 573.50	31 388.75
European Aviation Safety Agency (EASA)	2 200 000.00	-690 200.00	1 509 800.00	1 108 823.00	383 987.50	383 987.50	1 014 451.25	1 398 438.75	94 371.75
European Railway Agency (ERA)	450 000.00	80 400.00	530 400.00	696 595.50	63 155.00	63 155.00	633 114.00	696 269.00	65 946.50
European Network and Information Security Agency (ENISA)	100 000.00	0.00	100 000.00	95 614.00	1 806.25	1 806.25	95 511.00	97 317.25	103.00
European Centre for Disease Prevention and Control (ECDC)	663 700.00	-174 600.00	489 100.00	602 351.00	23 629.20	23 629.20	602 351.00	625 980.20	0.00
European Agency for the Management of Operational Cooperation at the External Borders (Frontex)	251 100.00	3 100.00	254 200.00	392 638.25	0.00	0.00	392 638.25	392 638.25	0.00
Education, Audiovisual and Culture Executive Agency (EACEA)	989 500.00	-350 500.00	639 000.00	724 282.75	73 525.00	73 525.00	686 311.75	759 836.75	37 971.00
Executive Agency for Competitiveness and Innovation (EACI)	37 200.00	-6 900.00	30 300.00	13 996.25	9 690.00	9 690.00	13 996.25	23 686.25	0.00

European Police College (Europol)	110 000.00	-100 000.00	10 000.00	80 596.50	5 652.50	5 652.50	80 317.50	85 970.00	279.00
Executive Agency for Health and Consumers (EAHC)	130 000.00	27 700.00	157 700.00	97 789.50	212.50	212.50	97 789.50	98 002.00	0.00
European GNSS Agency (GSA)	20 500.00	0.00	20 500.00	4 882.50	0.00	0.00	4 882.50	4 882.50	0.00
European Defence Agency (EDA)	5 000.00	5 000.00	10 000.00	5 703.75	7 013.16	7 013.16	5 703.75	12 716.91	0.00
European Chemicals Agency (ECHA)	4 277 700.00	-659 100.00	3 618 600.00	3 475 243.00	289 391.46	289 391.46	3 418 450.00	3 707 841.46	56 793.00
Community Fisheries Control Agency (CFCA)	150 000.00	2 000.00	152 000.00	157 509.25	6 800.00	6 800.00	157 509.25	164 309.25	0.00
Fusion for Energy Joint Undertaking (F4E)	50 000.00	0.00	50 000.00	15 707.50	11 730.00	11 730.00	15 707.50	27 437.50	0.00
European Union Satellite Centre (EUSC)	p.m.	0.00	0.00	1 162.50	0.00	0.00	1 162.50	1 162.50	0.00
Trans-European Transport Network Executive Agency (TEN-T EA)	34 200.00	-7 800.00	26 400.00	19 068.50	0.00	0.00	18 676.50	18 676.50	392.00
European Institute of Innovation and Technology (EIT)	87 900.00	-29 300.00	58 600.00	82 584.00	0.00	0.00	82 584.00	82 584.00	0.00
European Research Council Executive Agency (ERC)	44 700.00	20 600.00	65 300.00	37 881.00	170.00	170.00	37 881.00	38 051.00	0.00
Research Executive Agency (REA)	21 000.00	31 100.00	52 100.00	19 874.75	0.00	0.00	19 874.75	19 874.75	0.00
Clean Sky Joint Undertaking (CSJU)	p.m.	9 800.00	9 800.00	3 906.00	5 355.00	5 355.00	3 906.00	9 261.00	0.00
European Institute for Gender Equality (EIGE)	444 000.00	-24 800.00	419 200.00	148 611.00	84 320.00	84 320.00	134 428.50	218 748.50	14 182.50
SESAR Joint Undertaking (SJU)	35 000.00	-5 200.00	29 800.00	19 832.25	0.00	0.00	19 832.25	19 832.25	0.00
European Data Protection Supervisor (EDPS)	1 027 700.00	-114 100.00	913 600.00	1 027 746.50	16 745.00	16 745.00	913 844.75	930 589.75	113 901.75
Artemis Joint Undertaking (ARTEMIS JU)	p.m.	5 600.00	5 600.00	7 998.00	0.00	0.00	7 998.00	7 998.00	0.00
Innovative Medicines Initiative Joint Undertaking (IMI JU)	p.m.	29 100.00	29 100.00	27 999.75	1 785.00	1 785.00	27 803.75	29 588.75	196.00
Fuel Cells and Hydrogen Joint Undertaking (FCH JU)	p.m.	4 400.00	4 400.00	6 869.50	0.00	0.00	6 869.50	6 869.50	0.00
ENIAC Joint Undertaking (ENIAC JU)	0.00	0.00	p.m.	4 882.50	0.00	0.00	4 882.50	4 882.50	0.00
European Asylum Support Office (EASO)	p.m.	135 200.00	135 200.00	135 198.75	0.00	0.00	135 198.75	135 198.75	0.00
Agency for the Cooperation of Energy Regulators (ACER)	p.m.	6 600.00	6 600.00	0.00	0.00	0.00	0.00	0.00	0.00
European Securities and Markets Authority(ESMA)	0.00	0.00	p.m.	48 257.25	0.00	0.00	31 620.00	31 620.00	16 637.25
European Banking Authority (EBA)	p.m.	3 400.00	3 400.00	23 289.75	0.00	0.00	21 894.75	21 894.75	1 395.00
European Insurance and Occupational Pensions Authority (EIOPA)	0.00	0.00	p.m.	3 022.50	0.00	0.00	3 022.50	3 022.50	0.00
Body of European Regulators for Electronic Communications (BEREC)	0.00	0.00	p.m.	11 010.00	0.00	0.00	5 151.00	5 151.00	5 859.00
European Commission – Interinstitutional projects	724 400.00	0.00	724 400.00	278 138.42	132 818.80	132 818.80	278 138.42	410 957.22	0.00
European Commission – DG Employment, Social Affairs and Equal Opportunities (DG EMPL)	1 300 000.00	-100 000.00	1 200 000.00	2 395 277.75	261 610.36	261 610.36	2 079 987.25	2 341 597.61	315 290.50
European Parliament (EP)	p.m.	0.00	0.00	139 069.21	66 409.40	66 409.40	139 069.21	205 478.61	0.00
Council of the European Union (Council)	202 100.00	-161 500.00	40 600.00	129 698.36	54 439.55	54 439.55	129 698.36	184 137.91	0.00
European Court of Auditors (ECA)	74 400.00	-44 400.00	30 000.00	45 335.40	8 301.18	8 301.18	45 335.40	53 636.58	0.00
Committee of the Regions of the European Union (CoR)	p.m.	0.00	0.00	22 251.07	10 625.50	10 625.50	18 203.69	28 829.19	4 047.38
European Economic and Social Committee (EESC)	p.m.	0.00	0.00	33 376.61	15 938.26	15 938.26	33 376.61	49 314.87	0.00
Court of Justice of the European Union (CJEU)	p.m.	0.00	0.00	86 017.24	29 884.23	29 884.23	81 553.15	111 437.38	4 464.09
European Central Bank (ECB)	59 900.00	-53 200.00	6 700.00	15 003.02	9 270.47	9 270.47	15 003.02	24 273.49	0.00
European Ombudsman (Ombudsman)	450 000.00	0.00	450 000.00	445 358.50	38 675.00	38 675.00	412 579.50	451 254.50	32 779.00
<b>TOTAL REVENUE FROM TRANSLATIONS</b>	<b>46 356 800.00</b>	<b>-4 689 400.00</b>	<b>41 667 400.00</b>	<b>40 795 699.35</b>	<b>7 924 476.07</b>	<b>7 924 476.07</b>	<b>34 982 586.64</b>	<b>42 904 597.71</b>	<b>5 815 577.71</b>
Financial revenue – bank interest	600 000.00	-200 000.00	400 000.00	421 366.91	0.00	0.00	421 366.91	421 366.91	0.00
Miscellaneous revenue	p.m.	0.00	0.00	20 194.15	360.00	0.00	20 194.15	20 194.15	360.00
<b>TOTAL REVENUE FROM OPERATIONS</b>	<b>46 956 800.00</b>	<b>-4 889 400.00</b>	<b>42 067 400.00</b>	<b>41 217 066.26</b>	<b>7 924 836.07</b>	<b>7 924 476.07</b>	<b>35 424 147.70</b>	<b>43 346 158.77</b>	<b>5 815 937.71</b>

## B.8. List of transfers 2011

in EUR

No	Date	Reinforced line	Heading	Debited line	Heading	Amount
1	14/06/2011	2050	Security and surveillance of buildings	2000	Rental of buildings and associated costs	6 000
2	21/06/2011	2700	Limited consultations, studies and surveys	2610	Organisation of Management Board meetings	8 000
3	22/06/2011	2700	Limited consultations, studies and surveys	2393	Publications	8 000
4	12/07/2011	2233	Maintenance, use and repair of vehicles	2359	Other expenditure	3 000
5	14/07/2011	2120	External services for the operation, implementation, development and maintenance of software and systems	2100	Purchase, work on, servicing and maintenance of hardware and software	100 000
6	14/07/2011	1175	Agency staff	1100	Basic salaries	120 000
7	07/11/2011	1134	Contribution to the Community pension scheme	1100	Basic salaries	110 000
8	07/11/2011	1310	Mission expenses linked to training	1300	Mission expenses, duty travel expenses and other ancillary expenditure	10 000
9	16/11/2011	3000	External translation services	2030	Cleaning and maintenance	5 000
9	16/11/2011	3000	External translation services	2080	Expenditure preliminary to the acquisition or construction of immovable property	1 200
9	16/11/2011	3000	External translation services	2100	Purchase, work on, servicing and maintenance of hardware and software	113 000
9	16/11/2011	3000	External translation services	2120	External services for the operation, implementation, development and maintenance of software and systems	50 000
9	16/11/2011	3000	External translation services	2200	New purchases	1 000
9	16/11/2011	3000	External translation services	2202	Rental	100
9	16/11/2011	3000	External translation services	2203	Maintenance, use and repair	300
9	16/11/2011	3000	External translation services	2204	Office equipment	500
9	16/11/2011	3000	External translation services	2211	Replacement	500
9	16/11/2011	3000	External translation services	2232	Hire of vehicles	200
9	16/11/2011	3000	External translation services	1100	Basic salaries	250 000
9	16/11/2011	3000	External translation services	2233	Maintenance, use and repair of vehicles	900
9	16/11/2011	3000	External translation services	2350	Miscellaneous insurance	750

No	Date	Reinforced line	Heading	Debited line	Heading	Amount
9	16/11/2011	3000	External translation services	2353	Departmental removals	1 000
9	16/11/2011	3000	External translation services	2359	Other expenditure	90
9	16/11/2011	3000	External translation services	2400	Postage and delivery charges	4 930
9	16/11/2011	3000	External translation services	2410	Telephone, telegraph, telex, radio and television and subscriptions and charges	28 500
9	16/11/2011	3000	External translation services	1101	Family allowances	150 000
9	16/11/2011	3000	External translation services	1102	Expatriation and foreign-residence allowances	30 000
9	16/11/2011	3000	External translation services	1113	Trainees	2 230
9	16/11/2011	3000	External translation services	1132	Insurance against unemployment	15 000
9	16/11/2011	3000	External translation services	1181	Travel expenses	1 810
9	16/11/2011	3000	External translation services	1182	Installation, resettlement and transfer allowances	7 530
9	16/11/2011	3000	External translation services	1184	Temporary daily subsistence allowances	14 000
9	16/11/2011	3000	External translation services	1400	Restaurants and canteens	3 000
10	05/12/2011	2392	Administrative assistance from the Commission	2080	Expenditure preliminary to the acquisition or construction of immovable property	5 500
11	19/12/2011	1410	Medical service	1180	Miscellaneous expenditure on staff recruitment	16 500
11	19/12/2011	1410	Medical service	1175	Agency staff	15 000
12	22/12/2011	3000	External translation services	2100	Purchase, work on, servicing and maintenance of hardware and software	100 000

# REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT 2011

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## C.1 Financial resources and budgetary management

### 1. Initial and amending budget

The Centre's budget includes revenue comprising payments made by the bodies for which the Centre works and by the EU institutions and bodies with which collaboration has been agreed in return for work performed, including interinstitutional activities, and any other revenue.

The Centre's original budget for 2011 (EUR 47 million) was the subject of an amending budget, adopted by the Management Board on 13 October 2011. The purpose of the amending budget was twofold: to include the budget surplus from previous years, namely EUR 9.2 million, and to rebalance the budget, following a significant decrease in client forecasts.

2011 was marked by a considerable fluctuation in volume forecasts during the year. A detailed analysis of the fluctuations in forecasts is included in section C.2. The reduction in volume forecast was visible across all products and clients. The decrease in the planned volume of documents can be explained by the tightening of our clients' budgets due to the global economic situation; the reduction in the volumes of Community trademarks is explained by the technological developments that the Office for Harmonization in the Internal Market (OHIM) has introduced internally.

On 14 June 2011 the Centre proposed to the Management Board, by consultation method, to use the 2010 surplus (EUR 9.2 million) to create two exceptional reserves, one for the development of a more effective translation demand management tool (e-CdT programme) (EUR 4.3 million), and the other to allow the Centre to keep prices stable in 2012 and 2013 (EUR 4.9 million).

The amending budget includes the creation of these two reserves. However, the amount of the reserve for stability pricing is lower than that proposed using the above-mentioned written procedure. This is because EUR 1.8 million of the surplus has had to be used to compensate for the fall in revenue from clients already in 2011, and therefore the final amount of the reserve was only EUR 7.4 million.

Title	Heading	Amending budget 2011	Changes	Initial budget 2011
<b>Revenue</b>				
1	Payments from agencies, bodies, offices and institutions	39 215 700	-4 330 300	43 546 000
2	Subsidy from the Commission	p.m.	p.m.	p.m.
3	Interinstitutional cooperation	2 451 700	-359 100	2 810 800
4	Other revenue	400 000	-200 000	600 000
5	Surplus carried over from the previous financial year	9 231 700	9 231 700	p.m.
6	Refunds	p.m.	p.m.	p.m.
<b>Grand total</b>		<b>51 299 100</b>	<b>4 342 300</b>	<b>46 956 800</b>
<b>Expenditure</b>				
1	Staff	24 958 530	-1 510 000	26 942 100
2	Buildings, equipment and miscellaneous operating expenditure	4 704 600	-107 400	4 812 000
3	Operational expenditure	13 702 700	-1 500 000	15 202 700
10	Reserves	7 459 700	7 459 700	p.m.
<b>Grand total</b>		<b>51 299 100</b>	<b>4 342 300</b>	<b>46 956 800</b>

With regard to revenue, the amendment of the initial budget may be explained as follows:

- a) Updating of the budget forecasts for clients, on the basis of their most recent estimates of their translation requirements. To summarise, the result is a fall of EUR 4 330 300 in Title 1 ('Payments from the agencies, offices, institutions and bodies') and a slight fall of EUR 359 100 in Title 3 ('Interinstitutional cooperation'). Many of the individual forecasts from clients involved significant changes, the biggest coming from the OHIM, representing a fall of almost EUR 2.2 million for trademarks and of almost EUR 900 000 for documents.
- b) Reduction in bank interest of EUR 200 000 in comparison with the sum forecast in the initial budget (Title 4). This is the result of a fall in the amounts of cash held in current and savings accounts following repayment to the Commission, in 2010, of the contribution to the Community pension scheme for the period 1998-2009 (EUR 18.3 million).
- c) In accordance with Article 16 of the Financial Regulation, the sum corresponding to the budget surplus from previous years, namely EUR 9.2 million, has been entered as revenue for 2011.
- d) To balance the amending budget 2011 the Centre has entered EUR 1.8 million as additional revenue from the OHIM. The amount of this additional revenue is in line with the price grid developed by the Centre for different volumes of trademark translation. The volume of translation taken into account in calculating the EUR 1.8 million is based on the OHIM's revised figures from July 2011.



- e) Creation of six new budget lines, either marked as a 'token entry' (p.m.) or containing the amounts for services already invoiced at the end of June 2011, following the conclusion of agreements with new clients.

The Centre has re-examined the expenditure titles in the budget 2011, for the reasons mentioned in the introduction and because of a reduced need for resources under Title 1 ('Staff').

- a) Reduction in appropriations allocated for expenditure under Title 1 ('Staff') of EUR 1 510 000. This reduction is mainly due to the fact that the 225 posts in the establishment plan are not all occupied. For the record, the establishment plan was reduced to 215 posts in the budget 2012, which was approved by the Management Board in October 2011.
- b) The amount allocated in Title 2 ('Buildings, equipment and miscellaneous operating expenditure') has fallen slightly (EUR 112 400), and a number of adjustments have been made in the title, through transfers.
- c) Reduction in appropriations allocated for operational expenditure under Title 3 of EUR 1 500 000 because of the fall in the forecast number of pages to be translated.
- d) Creation of a reserve of EUR 4.3 million for exceptional investment, intended to provide the Centre with the e-CdT programme, which is to include, in particular, a more effective translation workflow management tool.
- e) Creation of a reserve of EUR 3.1 million for pricing stability is intended to be used to keep prices stable for the next two years.

## 2. Revenue cashed

*Comparative analysis of budget revenue for 2011 and 2010:*

	in EUR		
<b>Budget revenue</b>	<b>2011</b>	<b>2010</b>	<b>% change</b>
Total revenue relating to the core operational activity	42 904 598	50 795 683	-16%
Financial income	421 367	308 803	36%
Other operating income	20 194	101 084	-80%
<b>Total budget revenue</b>	<b>43 346 159</b>	<b>51 205 570</b>	<b>-15%</b>

In 2011 revenue decreased to EUR 43.3 million, i.e. a decrease of 15% compared to 2010, but the decrease is in line with the objectives defined in the new pricing policy. Since the Centre was generating the budget surpluses over the last years, the aim of the new pricing structure was to align the prices of the Centre's products to their costs. As a result, the Centre decreased the price for Community trademarks by 33.33% in comparison with 2010 that resulted, together with lower volumes of Community trademarks, in a decrease in revenue of EUR 11.3 million. Even with such a huge fall in revenue, the Centre had a slightly positive budget result of 1.2 million in 2011. This was due to an increase in the volume of documents translated to the other clients by 10.98% and by increasing the prices for all products other than the Community trademarks.

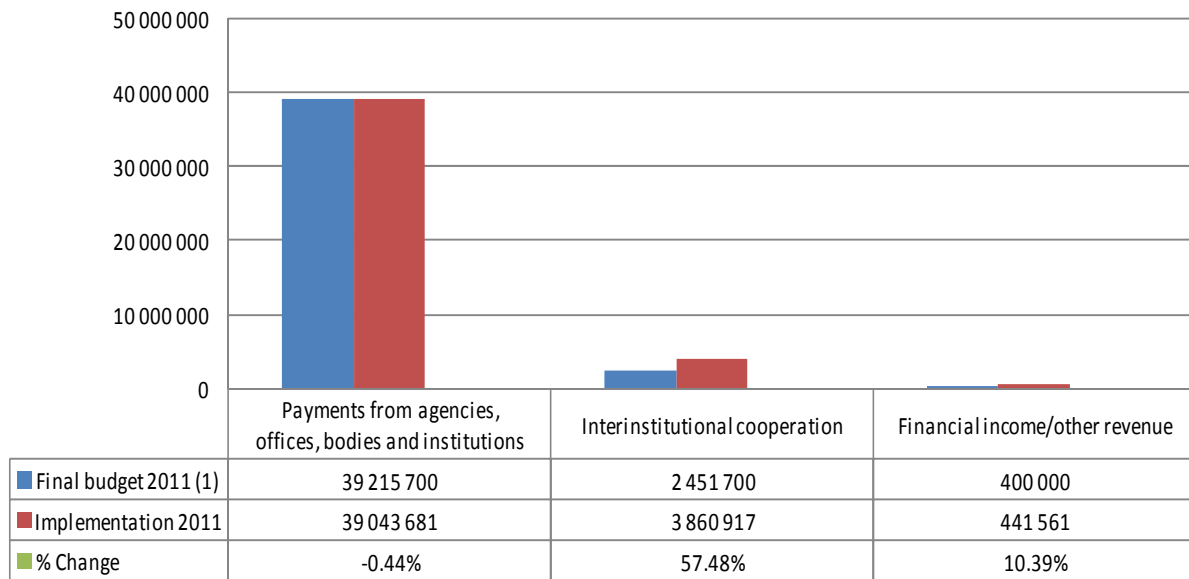
The number of pages of Community trademarks decreased by 23% compared to 2010. Due to this significant decrease in the volume of trademarks, the Centre had to enter into bilateral negotiations with the OHIM in order to adjust the unit price for Community trademarks for 2011. Previously, a single price had been applied by the Centre over the year, irrespective of the final volume of trademark translation. To avoid dramatic fluctuations in revenue and profitability due to unreliable client forecasts, as from 2011 the Centre developed a price grid for Community trademarks where the unit price varies according to the volume of translations. Such a model better reflects the Centre's cost structure and, therefore,

contributes to better budget planning and a more balanced budget result. Based on the application of the new price grid, in January 2012 the Centre drew up a regularisation invoice for the year 2011 of EUR 1 818 261.60. This revenue will be cashed in 2012 and therefore, will be included in the budget revenue in 2012.

The average client payment deadline was 38.71 days for a total of 630 debit notes issued (32.50 days for a total of 639 debit notes issued in 2010). The statutory payment deadline is 45 days.

*Implementation of budget revenue for 2011:*

in EUR

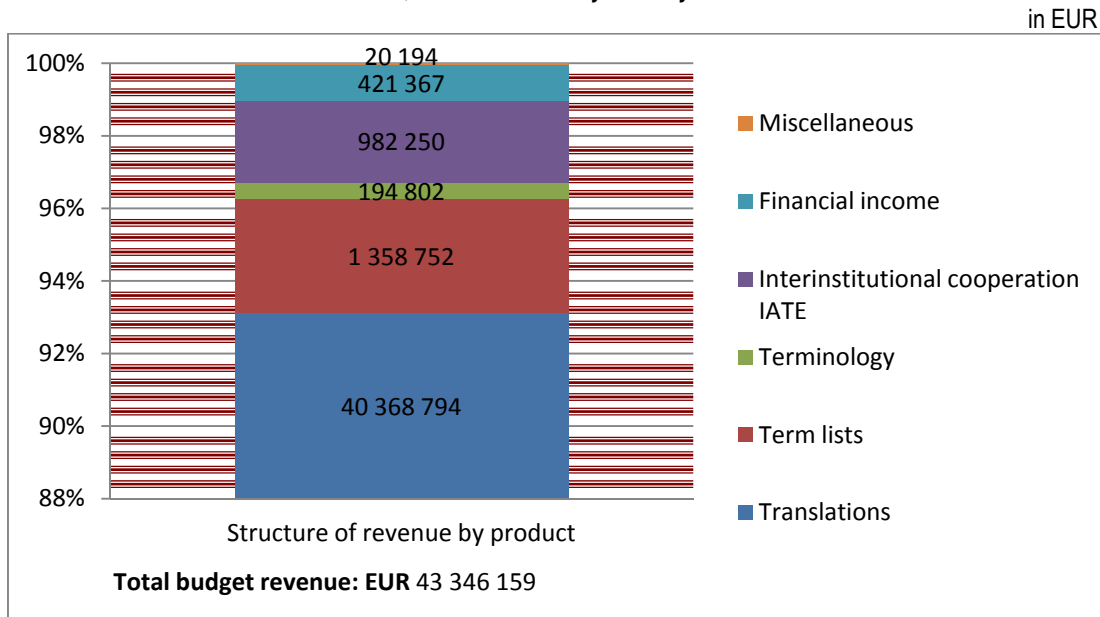


(1) Not including EUR 9 231 700 for 'Outturn for the previous year'.

Implementation of the revenue exceeded the forecast included in the amending budget by EUR 1.3 million. The increase in revenue was mainly caused by additional volumes of translation work for the European Commission requested in 2010. Global implementation of revenue from the other clients was within the forecasts included in the amending budget. However, as already mentioned above, the amending budget incorporates a significant drop in the revenue indicated by clients in mid-2011, and therefore, from the perspective of the initial budget, the execution of the budget revenue was EUR 3.6 million below the initial forecasts included in the initial budget.

For 2011, the Centre's main source of revenue is translation work, representing some 93% of total revenue, while the remaining 7% is the result of interinstitutional cooperation, terminology work, term lists, bank interest and miscellaneous revenue.

### Revenue of the Translation Centre, broken down by activity

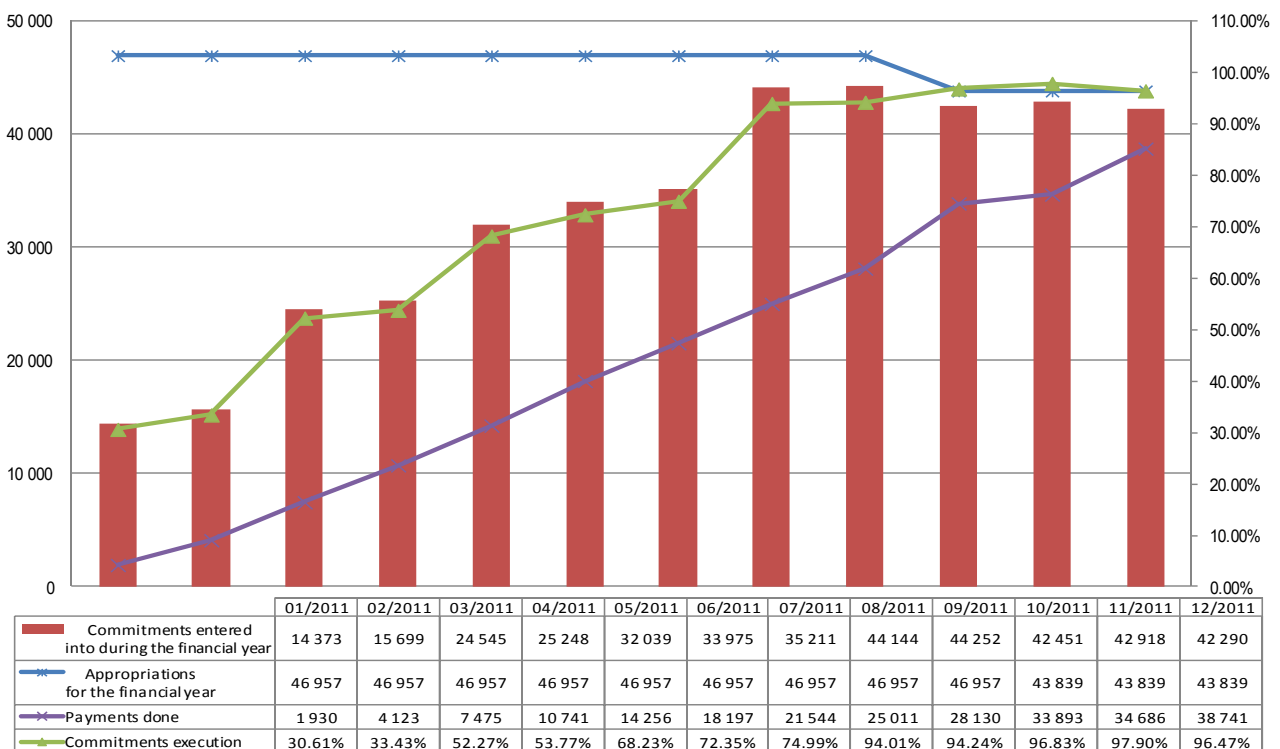


Interinstitutional cooperation as defined in Chapter 3 of the budget revenue includes all translation services provided to the EU institutions, i.e. not only the interinstitutional IATE database.

### 3. Expenditure incurred

Total expenditure for the year was EUR 42 290 460, or 96.48% of funds provided for in the budget (excluding Title 10 'Reserves'), which is a significant improvement on 2010 (86.79%).

Graph (in EUR 1 000)



Expenditure for 2011 decreased by 1.73% compared with 2010. Total expenditure for the year was EUR 42 290 450.85, or 96.48% of the budget appropriations<sup>1</sup>.

*Comparative analysis of the budget implementation of commitments for 2011 and 2010*

in EUR				
Title	Heading	2011	2010	% change
1	Staff	23 740 155.47	23 112 815.00	2.71%
2	Buildings, equipment and miscellaneous operating expenditure	4 152 395.47	4 903 367.00	-15.32%
3	Operational expenditure	14 397 909.91	15 019 553.00	-4.14%
<b>Total</b>		<b>42 290 459.85</b>	<b>43 035 735.00</b>	<b>-1.73%</b>

The number of occupied posts as defined in the establishment plan decreased from 215 in 2010 to 205 in 2011, which represents a decrease of 4.65%. Some of the cancelled posts were replaced by contract staff. This is in line with the Centre's human resources strategy – any permanent or temporary post that falls vacant will be screened in order to identify potential savings and to increase the Centre's flexibility in the field of human resources. Therefore, the increase in staff expenditure of 2.71%, followed by a 4.65% decrease in statutory staff, can be explained by the above replacements, promotions, annual salary adjustments and other staff-related costs, such as training.

The main budget lines in **Title 2** relate to IT-related expenditure and rental expenses, as set out below:

*Changes in the budget execution of selected budget lines in Title 2*

in EUR				
Item	Heading	2011	2010	% change
2000	Rent	1 202 084.05	1 170 613.00	2.69%
2100	Computer centre operations	874 302.06	1 241 103.00	-29.55%
2120	External operating staff	1 108 166.12	1 344 428.00	-17.57%
<b>Total</b>		<b>3 184 552.20</b>	<b>3 756 144.00</b>	<b>-15.22%</b>

in EUR				
Item	Heading	Appropriations for the financial year	Commitments entered into	Budget implementation in%
2000	Rent	1 202 100.00	1 202 084.05	100.00%
2100	Computer centre operations	917 000.00	874 302.06	95.34%
2120	External operating staff	1 160 000.00	1 108 166.12	95.53%
<b>Total</b>		<b>3 279 100.00</b>	<b>3 184 552.20</b>	

The appropriations consumed in 2011 on rent are consistent with the previous year, the increase representing an indexation for inflation. As rental expenditures are easily predictable, the budget implementation is 100%.

The expenditure incurred under budget line 2100 in 2011 is significantly lower than in the previous year (-29.55%) due to the cuts caused by lower client forecasts included in the amending budget. The budget implementation of 95.34% is above that for 2010 (87.40%).

<sup>1</sup> Excluding Title 10 'Reserves'.

The appropriations under the budget line 2120 include expenditure for external IT experts providing maintenance and development of IT systems. The decrease in expenditure (-17.57%) incurred under budget line 2120 reflects changes in the ongoing IT projects. The level of implementation of 95.54% is above that of the previous year (87.30%).

Operational expenditure (**Title 3**) decreased by 4.14%, which is not proportional to the overall decrease in the number of pages (-13.02%). This inconsistency can be explained by the change in the product structure provided to the Centre's clients in 2011. It is necessary to make a distinction between the two main categories of the Centre's products; translation of Community trademarks, which is a highly automated process where a significant part of the translation is carried out internally through translation memories; and all other documents that cannot be translated with such a tool. As a result, one page of Community trademarks includes less external translation costs than one page of other documents, and this fact is reflected in the lower price for Community trademarks. Therefore, the decrease in the volume of Community trademarks of 23.25% does not decrease pro rata to operating expenditure. The increase in the number of pages of other products of 9.69% has generated additional operational expenditure that could not be compensated by the savings achieved from the lower volume of Community trademarks.

The level of outsourcing increased by 11.96% compared to the previous year. This result is, however, influenced by the change in the structure of documents translated by the Centre. For the number of pages outsourced, the figures for 2011 are comparable to the previous year (-2.61%). However, owing to the technological developments that the Office for Harmonization in the Internal Market (OHIM) has introduced internally, the Centre is exploiting dramatically less its translation memories for translation of the Community trademarks. Therefore, the overall level of externalisation shows an increase of 11.96%. When extracting the impact of automatic translation memories, the volume of pages translated by the Centre's in-house translators remains at a similar level to that of the previous year.

*Change in outsourcing of documents*

Description	In pages		
	2011	2010	% change
Freelance (in pages)	436 445	448 160	-2.61%
In-house translators and translation memories	276 368	371 438	-25.60%
Total pages	712 813	819 598	-13.03%
<b>% of externalisation</b>	<b>61.22%</b>	<b>54.68%</b>	<b>11.96%</b>

The overall level of the budget implementation in 2011 was significantly higher in the previous year for all titles. Budget cuts introduced in the amending budget obliged the Centre to monitor budget execution closely, especially for operational expenditure (Title 3).

## Change in the budgetary implementation of expenditure

in EUR

Description	Amount	% of the budget	Amount	% of the budget	% change
Budget (excluding Title 10)	43 839 400	N/A	49 588 400	N/A	-11.59%
Commitments entered into	42 290 460	96.47%	43 035 735	86.79%	-1.73%
Appropriations cancelled	1 548 940	3.53%	6 552 665	13.21%	-76.36%
Payments made	38 741 413	91.61%	38 836 392	90.24%	-0.24%
Appropriations carried over	3 549 047	8.39%	4 199 343	9.76%	-15.49%

The outcome differs between the titles, as is seen in the table below:

in EUR

Description	Title 1		Title 2		Title 3	
	Amount	% of the budget	Amount	% of the budget	Amount	% of the budget
Budget (excluding Title 10)	24 958 530	100.00%	4 396 630	100.00%	14 484 240	100.00%
Commitments entered into	23 740 156	95.12%	4 152 396	94.44%	14 397 908	99.40%
Payments made	23 410 972	93.80%	3 364 797	76.53%	11 965 644	82.61%
Appropriations cancelled	1 218 374	4.88%	244 234	5.56%	86 332	0.60%
Appropriations carried forward	329 184	1.32%	787 599	17.91%	2 432 264	16.79%

### Title 1. Staff

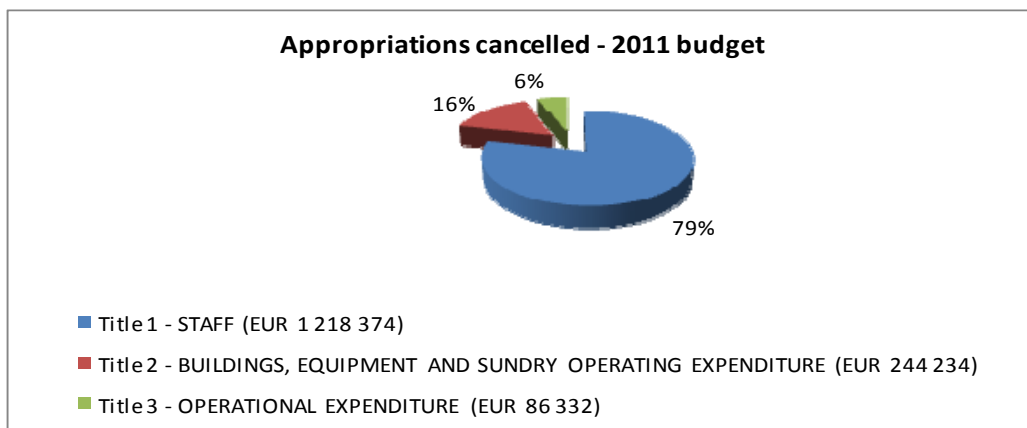
Total commitments under Title 1 reached 95.12% for 2011. This is a significant improvement compared to 2010, when only 91.5% of the budget was consumed (85% in 2009). Nonetheless, the appropriations cancelled amount to EUR 1 218 374. The implementation was improved by more accurate planning. Due to the nature of the expenses, carry-overs are limited: 1.32% of commitments.

### Title 2. Buildings, equipment and miscellaneous operating expenditure

Total commitments under Title 2 reached 94.44% in 2011. This is a considerable increase compared to 2010, when 86.30% of the budget was committed (88.8% in 2009). Details of the budget execution of the three main budget lines are included above in the section 'Comparative analysis of the budget implementation of commitments for 2011 and 2010'.

### Title 3. Operational expenditure

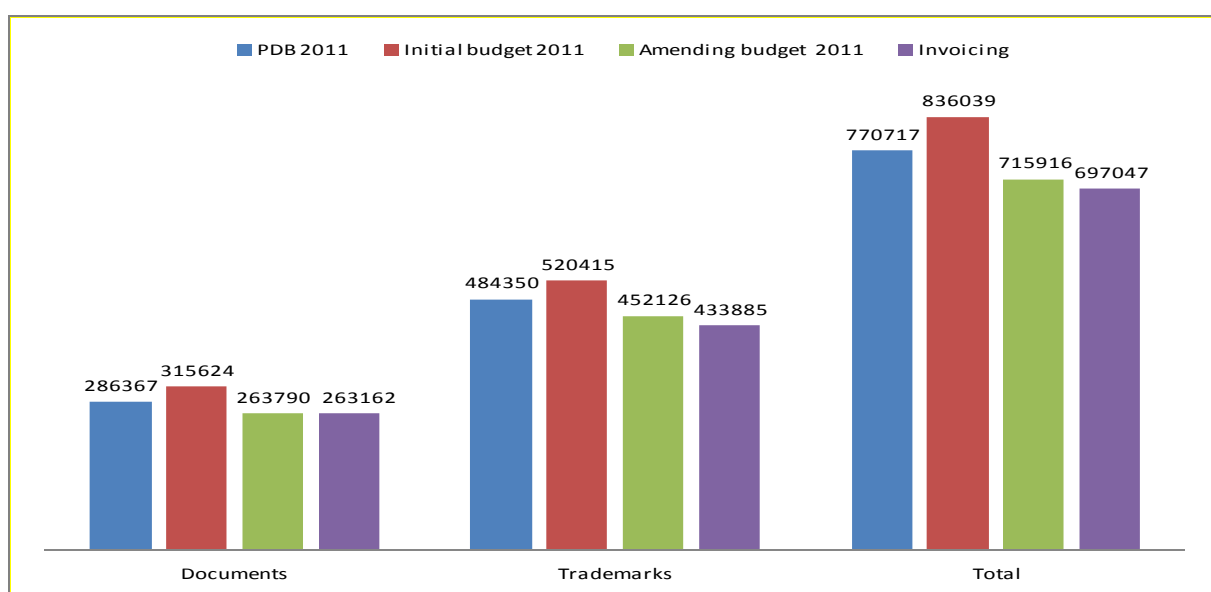
For Title 3, 99.4% of the budget had been committed by the year end 2011, compared to 80.5% in 2010. This very high level of budget execution was due to the cuts made in the amending budget. The decrease in the forecast revenue from clients in the amending budget had significant consequences on the budgeted expenditure. To ensure a balanced budget, the Centre had to make dramatic cuts across all types of expenditure, including operational. Management of the tough budget for operating expenditure required up-to-date operational planning, especially at the year end.



## C.2 Achievement of targets for the year

For the Centre, 2011 was a difficult year since the volume of translation work was significantly below the initial forecasts of the previous year. It reached a total of 712 813 pages, including pages translated for the ongoing operation of the Centre (15 766 pages). Compared with 2010, the number of translated documents increased by 10% (+24 642 pages), while the volume of Community trademarks and designs decreased by 23% (-131 427pages). This dramatic reduction in the volume of Community trademarks of 23% (-131 427pages) is explained by the technological developments that the Office for Harmonization in the Internal Market (OHIM) has introduced internally. It should be noted, however, that the Centre had anticipated this drop in volume to occur only from the year 2014 onwards, as tentatively announced by the OHIM, and thus the considerable drop which materialised earlier than planned had an impact on the Centre's budget. The fluctuations of forecasts vs. actual volumes are shown in the graph below.

**Fluctuations of forecasts vs. actual volumes in 2011 (in pages)**



**Number of pages translated in 2006-2011 (in pages)**

