



# FINAL ANNUAL ACCOUNTS OF THE TRANSLATION CENTRE 2019

CT/CA-007/2020/EN

In accordance with Article 102 of the Financial Regulation of the Translation Centre

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# FINANCIAL STATEMENTS OF THE TRANSLATION CENTRE

## A.1 Balance sheet

in EUR

	ASSETS	Note	31.12.2019	31.12.2018	% change
<b>A.</b>	<b>NON-CURRENT ASSETS</b>		<b>369 665.00</b>	<b>744 482.00</b>	<b>-50.35%</b>
	INTANGIBLE FIXED ASSETS	1	46 310.00	182 963.00	-74.69%
	Computer software		46 310.00	182 963.00	-74.69%
	Computer software in progress		0.00	0	n/a
	TANGIBLE FIXED ASSETS	2	323 355.00	561 519.00	-42.41%
	Computer hardware		76 918.00	268 375.00	-71.34%
	Furniture and vehicles		27 104.00	32 287.00	-16.05%
	Plant, machinery and equipment		12 727.00	169	7430.77%
	Other fixtures and fittings		206 606.00	260 688.00	-20.75%
<b>B.</b>	<b>CURRENT ASSETS</b>		<b>28 952 023.96</b>	<b>32 885 618.07</b>	<b>-11.96%</b>
	STOCKS		1 093 000.00	927 000.00	17.91%
	Work in progress	3	1 093 000.00	927 000.00	17.91%
	SHORT-TERM RECEIVABLES		17 814 927.84	2 665 631.69	568.32%
	Recoverable VAT and other receivables from the Member States	4	10 336.50	24 365.15	-57.58%
	Accounts receivable from EU institutions & bodies	5	445 538.50	384 324.10	15.93%
	Accrued income from EU institutions & bodies	5	2 578 332.99	2 016 065.63	27.89%
	Other accrued revenues		0.00	0.00	n/a
	Deferred expenses	6	187 997.84	199 037.90	-5.55%
	Term deposits due within three months and one year	8	14 517 628.30	0.00	n/a
	Sundry receivables	7	75 093.71	41 838.91	79.48%
	CASH AND CASH EQUIVALENTS	8	10 044 096.12	29 292 986.38	-65.71%
	<b>TOTAL</b>		<b>29 321 688.96</b>	<b>33 630 100.07</b>	<b>-12.81%</b>

	LIABILITIES	Note	31.12.2019	31.12.2018	% change
<b>A.</b>	<b>CURRENT LIABILITIES</b>		<b>2 820 982.20</b>	<b>4 047 717.07</b>	<b>-30.31%</b>
	ACCOUNTS PAYABLE		2 820 982.20	4 047 717.07	-30.31%
	Accrued expenses	9	1 998 990.51	2 371 227.22	-15.70%
	Suppliers	10	446 005.39	123 568.42	260.94%
	Prefinancing received	11	347 179.20	1 548 227.21	-77.58%
	Other liabilities	12	28 807.10	4 694.22	513.67%
<b>B.</b>	<b>NET ASSETS/LIABILITIES</b>		<b>26 500 706.76</b>	<b>29 582 383.00</b>	<b>-10.42%</b>
	Reserves	13	16 529 466.33	16 529 466.33	0.00%
	Accumulated result for previous financial years		13 052 916.67	15 956 057.95	-18.19%
	Economic outturn for the financial year		-3 081 676.24	-2 903 141.28	6.15%
	<b>TOTAL</b>		<b>29 321 688.96</b>	<b>33 630 100.07</b>	<b>-12.81%</b>

## A.2 Statement of financial performance

in EUR

	Note	2019	2018	% change
<b>OPERATING REVENUE</b>		<b>39 258 436.74</b>	<b>43 124 568.23</b>	<b>-8.97%</b>
<b>TOTAL REVENUE FROM OPERATIONS</b>		<b>38 443 418.83</b>	<b>41 989 987.61</b>	<b>-8.45%</b>
Translations	14	36 560 347.19	40 539 061.68	-9.81%
Interinstitutional cooperation – IATE database	15	733 668.64	734 002.93	-0.05%
Terminology	16	867 825.00	401 400.00	116.20%
Term lists	17	151 172.00	185 066.00	-18.31%
Subtitling	18	130 406.00	128 207.00	1.72%
Other revenue from operations	19	0.00	2 250.00	n/a
<b>OTHER OPERATING REVENUE</b>		<b>815 017.91</b>	<b>1 134 580.62</b>	<b>-28.17%</b>
Sale of fixed assets		0.00	0.00	n/a
Financial contribution for rent from Luxembourg government*	20	243 250.00	243 250.00	0.00%
Miscellaneous revenue	21	405 767.91	420 330.62	-3.46%
Movements in work in progress	3	166 000.00	471 000.00	-64.76%
<b>OPERATING EXPENSES</b>		<b>42 350 180.28</b>	<b>46 034 498.42</b>	<b>-8.00%</b>
Staff expenses	22	23 400 356.08	23 601 144.08	-0.85%
Administrative expenses	23	8 298 785.68	9 010 036.80	-7.89%
Operational expenses	24	10 651 038.52	13 423 317.54	-20.65%
<b>SURPLUS FROM OPERATING ACTIVITIES</b>		<b>-3 091 743.54</b>	<b>-2 909 930.19</b>	<b>6.25%</b>
<b>REVENUE FROM FINANCIAL OPERATIONS</b>		<b>11 436.23</b>	<b>7 899.42</b>	<b>44.77%</b>
Bank interest		11 298.55	7 795.67	44.93%
Exchange rate gain		137.68	103.75	32.70%
<b>FINANCIAL EXPENSES</b>		<b>1 368.93</b>	<b>1 110.51</b>	<b>23.27%</b>
Bank charges		1 034.49	995.91	3.87%
Exchange rate loss		334.44	114.6	191.83%
<b>SURPLUS FROM NON-OPERATING ACTIVITIES</b>		<b>10 067.30</b>	<b>6 788.91</b>	<b>48.29%</b>
<b>SURPLUS FROM ORDINARY ACTIVITIES</b>		<b>-3 081 676.24</b>	<b>-2 903 141.28</b>	<b>6.15%</b>
<b>SURPLUS/DEFICIT FROM EXTRAORDINARY ACTIVITIES</b>		<b>0.00</b>	<b>0.00</b>	<b>n/a</b>
<b>ECONOMIC OUTTURN FOR THE YEAR</b>		<b>-3 081 676.24</b>	<b>-2 903 141.28</b>	<b>6.15%</b>

\*Non-exchange transaction.

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

in EUR

	Note	Reserves*		Accumulated surplus/deficit	Economic outturn for the year	Total net assets/liabilities
		Capital	Reserves			
<b>Situation as at 31 December 2017</b>		<b>0.00</b>	<b>16 529 466.33</b>	<b>20 112 553.32</b>	<b>-4 156 495.37</b>	<b>32 485 524.28</b>
Movements in reserves		0.00	0.00	0.00	0.00	0.00
Allocation of the economic outturn 2017		0.00	0.00	-4 156 495.37	4 156 495.37	0.00
Economic outturn for the year		0.00	0.00	0.00	-2 903 141.28	-2 903 141.28
<b>Situation as at 31 December 2018</b>		<b>0.00</b>	<b>16 529 466.33</b>	<b>15 956 057.95</b>	<b>-2 903 141.28</b>	<b>29 582 383.00</b>
Movements in reserves		0.00	0.00	0.00	0.00	0.00
Allocation of the economic outturn 2018		0.00	0.00	-2 903 141.28	2 903 141.28	0.00
Economic outturn for the year		0.00	0.00	0.00	-3 081 676.24	-3 081 676.24
<b>Situation as at 31 December 2019</b>		<b>0.00</b>	<b>16 529 466.33</b>	<b>13 052 916.67</b>	<b>-3 081 676.24</b>	<b>26 500 706.76</b>

\* Article 67(a) 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. In accordance with Article 57(a) of the Regulation laying down detailed rules for the implementation of the Centre's Financial Regulation, the amount of this fund may not be less than four twelfths of the appropriations for the financial year.

The statutory reserves (i.e. the permanent prefinancing fund) recognised under accounting rules in the financial statements should be distinguished from the budgetary reserves (i.e. the reserves for stability pricing and for exceptional investments) as listed in Chapter B.5 'Budget outturn' that do not fulfil the criteria for reserves in general accounting.

## A.4 Cash flow statement

in EUR

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Outturn from normal business	-3 081 676.24	-2 903 141.28
+ Depreciation	430 046.90	888 723.23
+/- Provision for risks and charges	0.00	0.00
+/- Welfare benefits	0.00	0.00
+/- Variation in stocks	-166 000.00	-471 000.00
+/- Variation in operating accounts receivable	-631 667.85	365 164.80
+/- Variation in operating debts	-1 226 734.87	-1 617 024.50
+/- Variation in other operating accounts receivable	0.00	0.00
+/- Variation in other operating debts	0.00	0.00
+/- (Profit)/Loss on sales of installations, equipment and immovable property	0.00	0.00
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>-4 676 032.06</b>	<b>-3 737 277.75</b>
<b>CASH FLOWS FROM 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 FROM LOANS AND BORROWING</b>	<b>0.00</b>	<b>0.00</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		
- Acquisitions of fixed assets	-60 699.98	-79 199.23
- Term deposits	-14 517 628.30	0.00
+ Transfers of fixed assets	5 470.08	0.00
+ Reduction of financial assets	0.00	0.00
+/- Variation in accounts receivable and debts on fixed assets	0.00	0.00
+ Dividends paid	0.00	0.00
<b>NET CASH FLOWS FROM INVESTMENT ACTIVITIES</b>	<b>-14 572 858.20</b>	<b>-79 199.23</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
+/- Financial liabilities	0.00	0.00
+/- Long-term liabilities	0.00	0.00
- Reimbursement to clients by bank transfer	0.00	0.00
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>0.00</b>	<b>0.00</b>
<b>CASH VARIATION</b>	<b>-19 248 890.26</b>	<b>-3 816 476.98</b>
Cash at the start	29 292 986.38	33 109 463.36
Cash at the end	10 044 096.12	29 292 986.38

## A.5 Notes to the financial statements

### 1. DESCRIPTION OF THE BUSINESS

The mission of the Translation Centre for the Bodies of the European Union is to provide translation services to the other decentralised EU agencies and assist those EU institutions and bodies that have their own translation services in times of peaks in workload. 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. LEGAL FORM

The Centre was formally established in 1994 by Council Regulation (EC) No 2965/94 of 28 November 1994, as amended by Council Regulation (EC) No 1645/2003 of 18 June 2003.

The Centre is an agency governed by European public law with legal personality. It has its own financial resources constituted by the payments from the agencies, bodies, offices and institutions in exchange for services provided.

### 3. 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 2019 and ends on 31 December 2019.

The accounts are in euro.

### 4. ACCOUNTING PRINCIPLES

The Centre's financial statements are drawn up in accordance with the generally accepted accounting principles as specified in the Centre's Financial Regulation (Article 95), namely:

- (a) fair presentation
- (b) accrual basis
- (c) going concern
- (d) consistency of presentation
- (e) aggregation
- (f) offsetting
- (g) comparative information.

### 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 5.1 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.

## **5.2 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.

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 as to whether it complies with the recognition criteria for an asset and whether the expenditure incurred relating to 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;
- 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 is expected to meet the definition of an asset.

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

## **5.3 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 expenses 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 inventory	Straight-line depreciation rate
<i>Computer equipment</i>	25.00%
<i>Kitchens – Cafeterias – Nurseries</i>	
Small electrical equipment	25.00%
Cash registers	25.00%
Large kitchen equipment	12.50%
Specialist furniture for kitchens, cafeterias	12.50%
Specialist furniture for nurseries	25.00%
<b>PLANT, MACHINERY AND TOOLS</b>	
<i>Telecommunications and audio-visual equipment</i>	
Telephone and fax machines	
Headphones, earphones, microphones	25.00%
Cameras	25.00%
Videos	25.00%
Tape recorders and dictating equipment	25.00%
Projectors (slide and overhead)	25.00%
Photographic equipment	25.00%
Projection screens	25.00%
Televisions, radios, monitors (not including computers)	25.00%
<i>Technical equipment</i>	
Printers, mail security, building tools	12.50%
Measuring or laboratory equipment	25.00%
<i>Other plant, machinery and tools</i>	12.50%
<i>Movable shelving, partitions, false floors, false ceilings and wiring</i>	25.00%
<i>Vehicles</i>	25.00%
<i>Furniture</i>	10.00%
<i>Buildings</i>	4.00%
<i>Land</i>	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.

#### 5.4 Low-value fixed assets

When durable goods are of a low value, they can be considered as being consumed in the financial year of their commissioning and are 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.

#### 5.5 Stocks

Stocks consist of work in progress made up of units for translation services (translation, modification, revision, editing, term lists, terminology) which are at an intermediate stage of the translation process at the end of the year.

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

The difference in the value of the work in progress between 2018 and 2019 is recorded under operating revenue in the statement of financial performance, under the heading 'Movements in work in progress'.

#### 5.6 Short-term receivables

Receivables are booked at their nominal value and are subsequently reduced by the 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 the amounts due according to the original terms of the receivables.

The receivables for December translations invoiced in January of the following year are recognised as accrued income. This income is included in the revenues of the statement of financial performance. For further details, see Note 5 of Chapter A.5.6. 'Additional information'.

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 recognised as receivables rather than cash equivalents.

### **5.7 Cash and cash equivalents**

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

### **5.8 Accounts payable**

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

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

### **5.9 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. The reversal into revenues is accounted for only if it occurs in a different reporting period from that in which the provision was recognised. If this is the case, the initial creation of the provision is reversed.

A provision is used only for expenditure for which the provision was originally recognised. The existing provision is then used and expenses are charged against it.

### **5.10 Reserves – Permanent prefinancing fund**

Article 67(a) 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. In accordance with Article 57(a) of the Regulation laying down detailed rules for the implementation of the Centre's Financial Regulation, the amount of this fund may not be less than four twelfths of the appropriations for the financial year.

### **5.11 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 payments 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 those 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 is measured at the amount of the increase in net assets recognised by the Centre. An example of non-exchange transactions is the financial contribution for rent received by the Centre from the Luxembourg government, as described in Note 20 of Chapter A.5.6. 'Additional information'.

## **5.12 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.

## **5.13 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 as financial expenses or income in the statement of financial performance for the corresponding year.

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.

## **5.14 Ordinary income**

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

## **5.15 Extraordinary revenue and expenses**

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

## **5.16 Economic outturn for the year**

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

## **5.17 Use of estimates**

The presentation of financial statements requires the Centre's 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.

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

The financial statements for the year ended 31 December 2019 were not restated to reflect any change in accounting methods, valuation, depreciation or accounting policies.

### **5.19 Cash flow statement**

The cash flow statement is prepared using the indirect method. Cash equivalents include current liquid assets which are 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.

### **5.20 Segment reporting**

Segment reporting concerns entities that have a distinguishable activity or group of activities for which it is appropriate to separately report financial information for the purpose of evaluating the entity's past performance in achieving its objectives and for making decisions about the future allocation of resources. In the context of the Centre, all the activities are considered to belong to one single activity and therefore the financial statements are presented as a single segment.

6. ADDITIONAL INFORMATION ON THE BALANCE SHEET, STATEMENT OF FINANCIAL PERFORMANCE AND CASH FLOW STATEMENT

**Note 1: Intangible fixed assets**

	in EUR		
	Computer software	Computer software in progress	Total
<b>A. Purchase value</b>			
Previous year-end	5 708 546.23	0.00	5 708 546.23
<u>Changes during the financial year</u>			
Acquisitions in the financial year	32 009.92	0.00	32 009.92
Correction of the opening balance	-5 470.08	0.00	-5 470.08
<u>Year-end</u>	<b>5 735 086.07</b>	<b>0.00</b>	<b>5 735 086.07</b>
<b>B. Amortisation and reductions in value</b>			
Previous year-end	5 525 583.23	0.00	5 525 583.23
<u>Changes during the financial year</u>			
Amortisation for the financial year	168 662.92	0.00	168 662.92
Correction of the opening balance	-5 470.08		-5 470.08
<u>Year-end</u>	<b>5 688 776.07</b>	<b>0.00</b>	<b>5 688 776.07</b>
<b>NET BOOK VALUE (A-B)</b>	<b>46 310.00</b>	<b>0.00</b>	<b>46 310.00</b>

The main part of the net book value of intangible fixed assets represents the internally developed asset eCdT, which is the Centre's program for the management of the translation workflow. The capitalised expenses comprise both internal and external development costs. The first version of eCdT was released in May 2015 and this was also the date of the capitalisation of the asset. The overall development costs capitalised over the years 2013, 2014 and 2015 were EUR 1 725 737, of which EUR 611 210 were internal development costs and EUR 1 114 527 were external development costs. All subsequent development costs spent on the program in 2019 were recorded under expenses.

Apart from the eCdT program, there are no development costs for other projects that fulfil the criteria for capitalisation to fixed assets. Therefore, internal development costs are recorded in staff costs and external development costs are recorded in administrative expenses.

**Totally amortised intangible fixed assets**

The purchase value of fixed assets in use, which were totally amortised on 31 December 2019, amounted to EUR 5 650 125 (EUR 3 806 807 in 2018).

## Note 2: Tangible fixed assets

in EUR

	Computer hardware	Furniture and vehicles	Plant, machinery and equipment	Other tangible fixed assets	Total
<b>A. Purchase value</b>					
Previous year-end	3 233 392.54	305 944.55	2 156.00	497 718.31	4 039 211.40
<u>Changes during the financial year</u>					
Acquisitions	0.00	954.96	14 900.00	7 365.02	23 219.98
Disposals and withdrawals	-134 094.99	0.00	0.00	-1 329.47	-135 424.46
<u>Year-end</u>	<b>3 099 297.55</b>	<b>306 899.51</b>	<b>17 056.00</b>	<b>503 753.86</b>	<b>3 927 006.92</b>
<b>B. Depreciations and value adjustments</b>					
Previous year-end	2 965 017.54	273 657.55	1 987.00	237 030.31	3 477 692.40
<u>Changes during the financial year</u>					
Depreciation for the financial year	191 457.00	6 137.96	2 342.00	61 447.02	261 383.98
Disposals and withdrawals	-134 094.99	0.00	0.00	-1 329.47	-135 424.46
Write off of residual value					0.00
<u>Year-end</u>	<b>3 022 379.55</b>	<b>279 795.51</b>	<b>4 329.00</b>	<b>297 147.86</b>	<b>3 603 651.92</b>
<b>NET BOOK VALUE (A-B)</b>	<b>76 918.00</b>	<b>27 104.00</b>	<b>12 727.00</b>	<b>206 606.00</b>	<b>323 355.00</b>

### Totally depreciated tangible fixed assets

The purchase value of fixed assets in use, which were totally depreciated on 31 December 2019, amounted to EUR 2 950 298 (EUR 2 445 559 in 2018).

### Low-value tangible fixed assets

The Centre acquired tangible assets that were charged directly to expenses and amounted to EUR 8 153 and EUR 14 447 for the years ended 31 December 2019 and 2018, respectively. These assets are low-value tangible assets with an estimated useful life greater than one year and an individual acquisition cost lower than EUR 420. Low-value tangible assets are not recorded under fixed assets but are charged through expense accounts.

## Note 3: Work in progress

Work in progress	2019	2018	% change
Work in progress (in EUR)	1 093 000.00	927 000.00	17.91%
Documents in progress (in pages)	54 662.12	50 403.14	8.45%
Terminology in progress (in man-days)	1 253.75	0.00	n/a

The increase in the financial valuation of work in progress in 2019 is due to a volume of terminology (1,253.75 man-days) that did not exist in 2018. The increase in work in progress of EUR 116 000 is recorded in the statement of financial performance under the heading 'Movements in work in progress'.

## Note 4: Recoverable VAT and other receivables from the Member States

As an EU body, the Centre benefits from VAT exemptions for 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 the VAT paid to its suppliers. The balance of the VAT receivable is the sum of all claims submitted to the Portuguese tax authorities in the last quarter of 2019; no claims are outside the deadline for recovery.

			in EUR
VAT receivable from the Member States	2019	2018	% change
Nominal value of VAT claims	10 336.50	24 365.15	-57.58%
Provision for claims outside the deadline	0.00	0.00	n/a
<b>Net value of VAT receivable</b>	<b>10 336.50</b>	<b>24 365.15</b>	<b>-57.58%</b>

The receivables from Member States are considered receivables from non-exchange transactions.

#### Credit risk disclosure

The long-term credit rating of Portugal is BBB (Fitch).

## Note 5: Accounts receivable and accrued income from the EU institutions and bodies

in EUR

Clients	Accounts receivable	Accrued income	Total
European Environment Agency (EEA)	0.00	1 058.00	1 058.00
European Training Foundation (ETF)	0.00	1 472.00	1 472.00
European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)	33 868.00	0.00	33 868.00
European Medicines Agency (EMA)	0.00	166 931.40	166 931.40
European Agency for Safety and Health at Work (EU-OSHA)	0.00	95 656.50	95 656.50
European Union Intellectual Property Office (EUIPO)	0.00	438 159.04	438 159.04
Community Plant Variety Office (CPVO)	0.00	694.00	694.00
European Foundation for the Improvement of Living and Working Conditions (Eurofound)	0.00	58 512.00	58 512.00
European Centre for the Development of Vocational Training (Cedefop)	13 461.50	1 610.00	15 071.50
European Union Agency for Fundamental Rights (FRA)	0.00	19 998.50	19 998.50
European Food Safety Authority (EFSA)	0.00	64 353.10	64 353.10
European Union Agency for Criminal Justice Cooperation (Eurojust)	0.00	2 451.00	2 451.00
European Maritime Safety Agency (EMSA)	0.00	2 208.00	2 208.00
European Union Agency for Railways (ERA)	0.00	19 370.00	19 370.00
European Network and Information Security Agency (ENISA)	0.00	21 528.00	21 528.00
European Centre for Disease Prevention and Control (ECDC)	19 344.00	0.00	19 344.00
European Border and Coast Guard Agency (Frontex)	0.00	10 638.00	10 638.00
Education, Audiovisual and Culture Executive Agency (EACEA)	0.00	12 282.00	12 282.00
Consumers, Health, Agriculture and Food Executive Agency (Chafea)	0.00	50 980.60	50 980.60
European Defence Agency (EDA)*	1 575.00	0.00	1 575.00
European Chemicals Agency (ECHA)	355 211.00	51 878.00	407 089.00
European Fisheries Control Agency (EFCA)	0.00	59 248.00	59 248.00
Fusion for Energy Joint Undertaking (F4E JU)	0.00	3 780.00	3 780.00
Innovation and Networks Executive Agency (INEA)	0.00	2 143.00	2 143.00
European Institute of Innovation and Technology (EIT)	0.00	1 058.00	1 058.00
Research Executive Agency (REA)	0.00	2 175.00	2 175.00
European Institute for Gender Equality (EIGE)	0.00	39 632.00	39 632.00
European Asylum Support Office (EASO)	0.00	42 621.00	42 621.00
European Securities and Markets Authority (ESMA)	0.00	945.00	945.00
Office of the Body of European Regulators for Electronic Communications (BEREC)	0.00	190.50	190.50
European Agency for the Operational Management of Large-Scale IT systems in the Area of Freedom, Security and Justice (eu-LISA)	0.00	322 451.95	322 451.95
The Single Resolution Board (SRB)	0.00	50 351.00	50 351.00
European Commission – (DG EMPL and DG JUST)	0.00	920 965.60	920 965.60
Council of the European Union (Council)	0.00	735.00	735.00
European Court of Auditors (ECA)	0.00	2 310.80	2 310.80
Committee of the Regions of the European Union (COR)	2 291.00	561.00	2 852.00
European Economic and Social Committee (EESC)	19 788.00	3 996.00	23 784.00
European Central Bank (ECB)*	0.00	4 255.00	4 255.00
European Ombudsman (Ombudsman)	0.00	8 602.00	8 602.00
European Data Protection Supervisor (EDPS)	0.00	92 532.00	92 532.00
<b>TOTAL</b>	<b>445 538.50</b>	<b>2 578 332.99</b>	<b>3 023 871.49</b>

\*Non-consolidated entity



Accrued income represents income from invoices drawn up in January 2020 for translations delivered to clients in December 2019. The information on the average payment date is included in the budget implementation set out in Chapter B.7. 'Budget revenue from operational activities 2019'.

#### Credit risk disclosure

The credit risk of receivables is low, as the Centre's clients are European agencies, bodies and institutions. All receivables fall into the category not past due and not impaired.

#### Currency risk disclosure

The Centre is not exposed to currency risk as all receivables are in euro.

#### **Note 6: Deferred expenses**

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

#### **Note 7: Sundry receivables**

The balance of sundry receivables contains only short-term staff-related receivables.

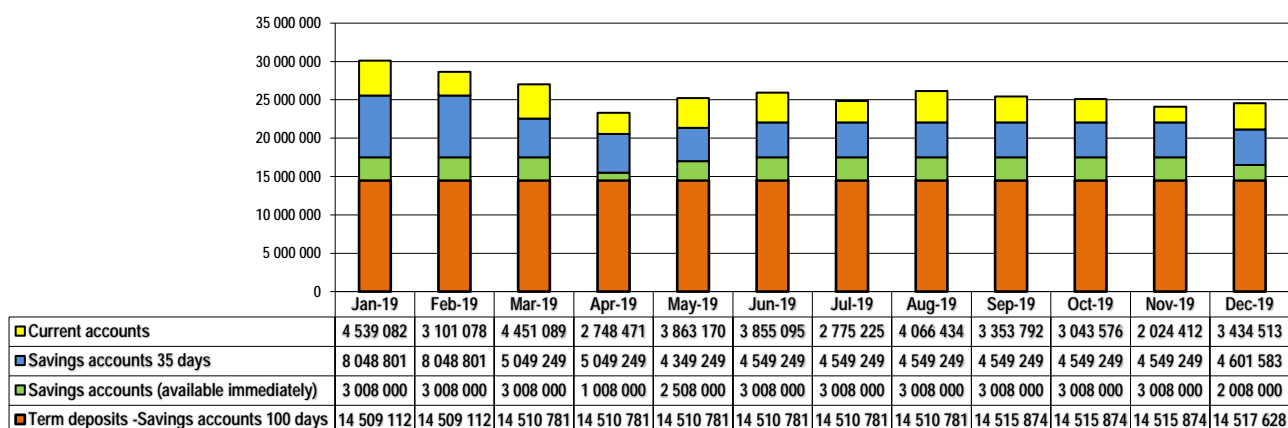
#### **Note 8: Cash and cash equivalents**

The treasury is managed by the Centre's Accounting Officer. The investments are made on the basis of the Centre's treasury management policy, evaluations of the inter-banking market rates and cash forecasts.

Due to the positive interest (+0.7%) on the interbank financial market, the Centre opened a term deposit account in January 2019 (100-day savings account). However, the rate fell to 0% at the end of 2019 and, consequently, the transfer to the savings account (immediate availability) takes effect at the beginning of 2020.

### Cash movements in 2019

in EUR



## Breakdown of the cash balance

in EUR

Year	2019	2018	% change
Cash in bank – current account	3 434 513.47	4 227 073.98	-18.75%
Cash in bank – savings account	2 008 000.06	2 508 000.06	-19.94%
Cash in bank – savings account 35 days	4 601 582.59	22 557 912.34	-79.60%
Cash in hand	0.00	0.00	n/a
<b>Total cash and cash equivalents</b>	<b>10 044 096.12</b>	<b>29 292 986.38</b>	<b>-65.71%</b>
Term deposits expiring within one year	14 517 628.30	0.00	n/a
<b>Total cash including term deposits</b>	<b>24 561 724.42</b>	<b>29 292 986.38</b>	<b>-16.15%</b>

## Credit risk disclosure

in EUR

Bank	Long-term credit rating (Moody's)	Balance of cash and cash equivalents
Banque et Caisse d'Épargne de l'État	Aa2	10 030 648.95
BNP Paribas	A2	14 531 075.47
<b>TOTAL</b>		<b>24 561 724.42</b>

## Currency risk disclosure

The Centre is not exposed to currency risk as all cash balances are in euro.

## Note 9: Accrued expenses

in EUR

Accrued expenses	2019	2018	% change
Accrued expenses based on carryover analysis	1 691 990.51	2 070 227.22	-18.27%
Leave not taken by staff	307 000.00	294 000.00	4.42%
<b>Total</b>	<b>1 998 990.51</b>	<b>2 371 227.22</b>	<b>-15.70%</b>

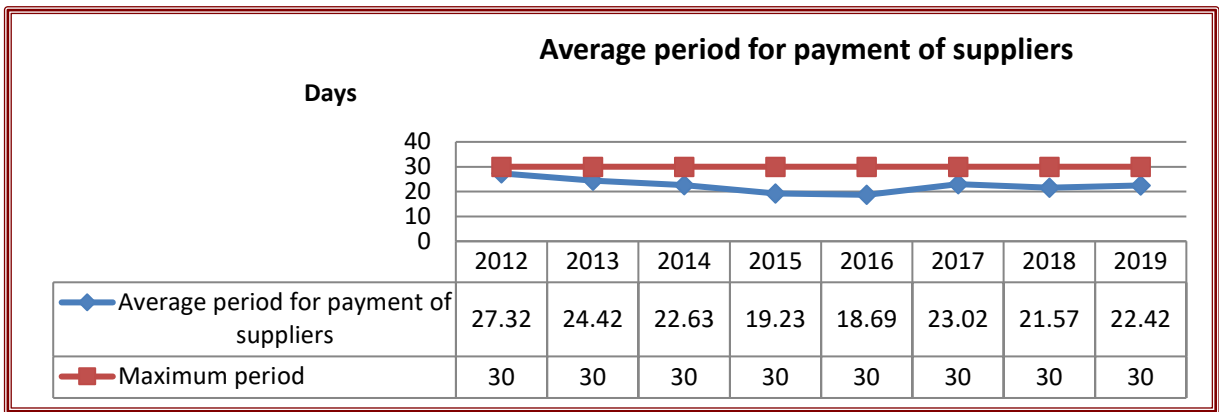
### *Leave not taken by staff*

Leave not taken by staff	2019	2018	% change
Number of days not taken	1 091.09	1 144.26	-4.65%
Financial evaluation of leave not taken	307 000.00	294 000.00	4.42%

The accrued liability for leave not taken is calculated based on the number of days of unused holidays not taken by staff at year-end and their average salary. Compared to 2018, the number of days of leave not taken decreased by 4.65%, while the financial valuation increased by 4.42%. This is due, in part, to the salary increase and the number of days of leave not taken by staff with a higher grade.

## Note 10: Suppliers

Due to extremely low or negative interest rates on the financial markets, in 2015 the Centre abandoned the application of a target payment deadline to suppliers of 30 days. Since 2015, the payment has been executed as soon as possible after the payment workflow in the budget accounting process has been completed. The average period for the payment of suppliers increased from 21.57 days in 2018 to 22.42 days in 2019, which is below the statutory deadline of 30 days.



### Currency risk disclosure

The Centre is not exposed to currency risk as all liabilities are in euro.

### Note 11: Prefinancing received

in EUR

Clients	2019	2018
European Commission – DG Grow	235 548.00	0.00
European Banking Authority (EBA)	0.00	105 259.45
European Training Foundation (ETF)	0.00	1 581.68
European Institute for Gender Equality (EIGE)	29 203.20	0.00
European Union Agency for Railways (ERA)	18 824.00	492 421.52
European Asylum Support Office (EASO)	0.00	776 599.00
European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)	0.00	18 040.00
European Chemicals Agency (ECHA)	63 604.00	154 325.26
<b>TOTAL</b>	<b>347 179.20</b>	<b>1 548 227.21</b>

The advance payment mechanism allows the Centre to request prefinancing from clients before the translation service is completed. The prefinancing amounts to 80% of the cost of the translation requests sent to the Centre that are pending as of 30 November.

By year-end, eleven clients had signed an amendment to the agreement allowing the collection of advance payments, and four clients had sent advances to the Centre with a total value of EUR 347 179.20. The advances will be cleared with the translation services invoiced in 2020.

### Note 12: Other liabilities

Other liabilities consist of short-term staff-related liabilities.

### Note 13: Reserves – Permanent prefinancing fund

Article 67(a) 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. In accordance with Article 57(a) of the Regulation laying down detailed rules for the implementation of the Centre's Financial Regulation, the amount of this fund may not be less than four twelfths of the appropriations for the financial year, excluding 'Reserves' in Title 10.

The statutory reserves (i.e. the permanent prefinancing fund) recognised under accounting rules in the financial statements should be distinguished from the budgetary reserves (i.e. the reserves for stability pricing and for exceptional investments) as listed in Chapter B.5 'Budget outturn' that do not fulfil the criteria for reserves in general accounting.

As the budget for 2019 does not achieve the value covered by the fund in 2010, the balance of the permanent prefinancing fund has remained the same since 2010.

in EUR

Permanent prefinancing fund	Amount
Initial allocation	5 006 840.00
2003 allocation	3 322 850.33
2004 allocation	1 431 500.00
2005 allocation	0.00
2006 allocation	0.00
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
2012 allocation	0.00
2013 allocation	0.00
2014 allocation	0.00
2015 allocation	0.00
2016 allocation	0.00
2017 allocation	0.00
2018 allocation	0.00
2019 allocation	0.00
<b>Total</b>	<b>16 529 466.33</b>

Note 14: Translations (including modification, editing and revision)

in EUR

Clients	2019	2018
European Environment Agency (EEA)	251 496.60	229 530.25
European Training Foundation (ETF)	90 440.40	131 500.40
European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)	346 917.02	304 604.75
European Medicines Agency (EMA)	2 566 381.50	2 910 682.20
European Agency for Safety and Health at Work (EU-OSHA)	573 079.80	798 068.50
European Union Intellectual Property Office (EUIPO)	16 404 197.90	20 408 088.95
Community Plant Variety Office (CPVO)	26 075.30	23 455.50
European Union Agency for Law Enforcement Cooperation (Europol)	52 050.70	9 027.75
European Foundation for the Improvement of Living and Working Conditions (Eurofound)	417 850.60	280 569.50
European Centre for the Development of Vocational Training (Cedefop)	85 686.10	78 819.60
European Union Agency for Fundamental Rights (FRA)	986 692.35	892 949.80
European Investment Bank (EIB)*	0.00	0.00
European Food Safety Authority (EFSA)	269 965.05	159 551.90
European Union Agency for Criminal Justice Cooperation (Eurojust)	2 451.00	10 877.75
European Maritime Safety Agency (EMSA)	98 249.20	76 041.50
European Aviation Safety Agency (EASA)	35 151.00	20 759.00
European Union Agency for Railways (ERA)	986 443.26	1 210 677.22
European Network and Information Security Agency (ENISA)	27 133.50	21 412.60
European Centre for Disease Prevention and Control (ECDC)	307 171.00	149 882.50
European Border and Coast Guard Agency (Frontex)	1 004 871.18	486 810.50
Education, Audiovisual and Culture Executive Agency (EACEA)	637 693.30	694 644.60
Executive Agency for Small and Medium-sized Enterprises (EASME)	1 922.80	4 013.00
European Union Agency for Law Enforcement Training (CEPOL)	22 496.80	20 010.80
Consumers, Health and Food Executive Agency (Chafea)	379 166.10	736 136.15
European GNSS Agency (GSA)	4 002.00	35 971.35
European Defence Agency (EDA)*	6 643.50	16 528.00
European Chemicals Agency (ECHA)	1 564 363.75	1 272 718.55
European Fisheries Control Agency (EFCA)	244 490.50	215 130.05
Fusion for Energy Joint Undertaking (F4E JU)	8 840.00	20 296.35
Innovation and Networks Executive Agency (INEA)	16 262.50	23 527.00
European Institute of Innovation and Technology (EIT)	14 796.55	47 679.60
European Research Council Executive Agency (ERCEA)	29 473.50	31 571.50
Research Executive Agency (REA)	5 448.10	11 592.35
Clean Sky 2 Joint Undertaking (CS 2 JU)	7 411.00	0.00
European Institute for Gender Equality (EIGE)	363 833.70	88 494.30
SESAR Joint Undertaking (SESAR JU)	2 116.00	14 288.50
Innovative Medicines Initiative 2 Joint Undertaking (IMI 2 JU)	314.50	1 623.60
Fuel Cells and Hydrogen 2 Joint Undertaking (FCH 2 JU)	0.00	943.00
European Asylum Support Office (EASO)	2 883 121.97	4 107 674.85
Agency for the Cooperation of Energy Regulators (ACER)	155 808.85	65 046.05
European Securities and Markets Authority (ESMA)	277 428.80	573 950.87
European Banking Authority (EBA)	693 095.51	920 930.33
European Insurance and Occupational Pensions Authority (EIOPA)	91 247.80	86 604.41
Office of the Body of European Regulators for Electronic Communications (BEREC)	21 592.50	15 396.35
European Agency for the Operational Management of Large-Scale IT systems in the Area of Freedom, Security and Justice (eu-LISA)	902 280.25	620 152.30
Electronic Components and Systems for European Leadership Joint Undertaking (ECSEL JU)	0.00	2 829.00
Single Resolution Board (SRB)	944 690.05	621 124.20
Secretariat-General of the European Schools (EURSC)	4 120.00	16 359.00
Bio-based Industries Joint Undertaking (BBI JU)	1 012.00	2 829.00
Shift2Rail Joint Undertaking (S2R JU)	3 036.00	2 829.00
European Commission – DG Employment, Social Affairs and Equal Opportunities (DG EMPL) + DG for Justice and Consumers (DG JUST) + DG for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW)	1 100 639.10	1 057 134.65
Council of the European Union (Council)	155 259.50	136 242.00
European Court of Auditors (ECA)	6 492.80	11 316.70
Committee of the Regions of the European Union (COR)	17 202.00	46 081.50
European Economic and Social Committee (EESC)	64 530.50	17 385.25
Court of Justice of the European Union (CJEU)	19 844.90	34 328.25
European Central Bank (ECB)*	24 182.50	54 741.00
European Ombudsman (Ombudsman)	267 020.30	272 348.95
European Data Protection Supervisor (EDPS)	1 086 163.80	435 279.15
<b>TOTAL</b>	<b>36 560 347.19</b>	<b>40 539 061.68</b>

\*Non-consolidated entity

The revenue for translation services is invoiced to clients on the basis of an agreed unit price per page and on the number of pages translated by the Centre.

#### Note 15: Interinstitutional cooperation – IATE database

in EUR

Clients	2019	2018
European Investment Bank (EIB)*	3 821.19	3 822.93
European Commission (EC)	305 695.27	305 834.55
European Parliament (EP)	152 847.64	152 917.27
Council of the European Union (Council)	114 635.73	114 687.96
European Court of Auditors (ECA)	19 105.95	19 114.66
Committee of the Regions of the European Union (CoR)	24 455.62	24 466.76
European Economic and Social Committee (EESC)	36 683.43	36 700.15
Court of Justice of the European Union (CJEU)	68 781.43	68 812.78
European Central Bank (ECB)*	7 642.38	7 645.87
<b>TOTAL</b>	<b>733 668.64</b>	<b>734 002.93</b>

\*Non-consolidated entity

The InterActive Terminology for Europe (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 is responsible for managing the IATE administration and technical support. The administration and development costs are invoiced to the institutions involved in the project.

#### Note 16: Terminology

in EUR

Clients	2019	2018
European Agency for Safety and Health at Work (EU-OSHA)	0.00	174 600.00
European Chemicals Agency (ECHA)	11 700.00	40 500.00
European Institute for Gender Equality (EIGE)	0.00	168 300.00
European Union Intellectual Property Office (EUIPO)	14 625.00	18 000.00
European Commission – DG Employment, Social Affairs and Equal Opportunities (DG EMPL)	841 500.00	0.00
<b>TOTAL</b>	<b>867 825.00</b>	<b>401 400.00</b>

The revenue for terminology services is invoiced to clients on the basis of an agreed unit price per man-day and on the number of days spent on the terminology work by the Centre.

## Note 17: Term lists

in EUR

Clients	2019	2018
European Medicines Agency (EMA)	3 156.00	2 244.00
European Agency for Safety and Health at Work (EU-OSHA)	2 172.00	19 200.00
European Union Intellectual Property Office (EUIPO)	124 120.00	160 726.00
European Centre for the Development of Vocational Training (Cedefop)	1 564.00	596.00
European Border and Coast Guard Agency (Frontex)	2 300.00	0.00
Consumers, Health and Food Executive Agency (Chafea)	528.00	0.00
European Chemicals Agency (ECHA)	616.00	264.00
European Institute for Gender Equality (EIGE)	184.00	0.00
SESAR Joint Undertaking (SESAR JU)	368.00	0.00
Innovative Medicines Initiative 2 Joint Undertaking (IMI 2 JU)	184.00	0.00
European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA)	1 272.00	0.00
Single Resolution Board (SRB)	3 388.00	88.00
Bio-based Industries Joint Undertaking (BBI JU)	368.00	0.00
Shift2Rail Joint Undertaking (S2R JU)	92.00	0.00
European Commission – (DG EMPL and DG JUST)	10 824.00	1 948.00
European Central Bank (ECB)*	36.00	0.00
<b>TOTAL</b>	<b>151 172.00</b>	<b>185 066.00</b>

\*Non-consolidated entity

The revenue for term list services is invoiced to clients on the basis of an agreed unit price per term and on the number of terms translated by the Centre.

## Note 18: Subtitling

in EUR

Clients	2019	2018
European Agency for Safety and Health at Work (EU-OSHA)	8 610.00	18 327.00
European Union Agency for Fundamental Rights (FRA)	0.00	1 476.00
European Food Safety Authority (EFSA)	0.00	2 952.00
European Chemicals Agency (ECHA)	8 109.80	70 725.00
European Union Intellectual Property Office (EUIPO)	410.00	22 304.00
European Centre for Disease Prevention and Control (ECDC)	0.00	1 025.00
Consumers, Health and Food Executive Agency (Chafea)	31 645.20	0.00
European Border and Coast Guard Agency (Frontex)	25 461.00	0.00
European Commission – (DG EMPL and DG JUST)	2 050.00	1 968.00
European Institute for Gender Equality (EIGE)	9 840.00	9 430.00
European Asylum Support Office (EASO)	43 296.00	0.00
European Ombudsman (Ombudsman)	984.00	0.00
<b>TOTAL</b>	<b>130 406.00</b>	<b>128 207.00</b>

The revenue for subtitling is invoiced to clients on the basis of an agreed unit price per minute of source video and per target language.

## Note 19: Other revenue from operations

There is no other revenue from operations.

## Note 20: Financial contribution for rent from the Luxembourg government – non-exchange revenues

Since October 2013, the Centre has occupied new premises in Gasperich. The previous Nouvel Hémicycle building in Kirchberg was rented from the Luxembourg state at a favourable price. Therefore, in order to assist the Centre's relocation to the Drosbach building, the Luxembourg state committed to compensate for the increased rental costs of the new premises in the form of a financial contribution amounting to EUR 243 250 per annum.

The financial contribution is the only revenue that fulfils the criteria of non-exchange revenue. All other revenue is considered to be revenue in exchange for services rendered by the Centre.

## Note 21: Miscellaneous revenue

Miscellaneous revenue mainly represents revenue from the subletting of the Centre's offices, parking spaces, data centre and from recovery of expenses paid in previous accounting periods.

## Note 22: Staff expenses

Type of expense	in EUR	
	2019	2018
Staff costs (excluding ENDS and other experts)	15 581 926.22	15 771 793.11
Pensioners and temporary unemployment	3 832 587.93	3 871 698.48
Staff requisites and social activities	8 333.34	13 324.80
Allowances (excluding ENDS and other experts)	3 977 508.59	3 944 327.69
<b>TOTAL</b>	<b>23 400 356.08</b>	<b>23 601 144.08</b>

The decrease in staff expenses is mainly due to a higher vacancy rate. As can be seen in Chapter A.6 'Other information', the number of staff defined in the establishment plan decreased from 183 to 180 in 2019. This decrease compensates for the overall salary increase of 2% effective as of July 2019 and the impact of promotions and biennial step advancements for staff members.

The change in basic salaries has an impact on overall staff costs, pensions and unemployment contributions and allowances. The main allowances are family allowances, expatriation and foreign residence allowances, travel expenses for annual leave and allowances linked to recruitment or departing staff members.



## Note 23: Administrative expenses

in EUR

Type of expense	2019	2018
Rent of land & buildings	2 359 983.44	2 330 493.63
Operating lease expenses	179 388.15	179 818.21
Maintenance & security – building	564 304.56	529 029.62
Insurance – building	8 330.82	8 727.54
Office supplies & maintenance	775 067.28	913 097.52
Communications & publications	149 108.01	109 378.59
Publicity and legal expenses	3 250.00	20 526.75
Insurance – others	9 265.33	8 622.26
Transport expenses	3 256.46	3 427.34
Recruitment costs	27 526.82	23 809.93
Training costs	99 762.44	136 282.85
Missions	43 753.74	60 807.54
Experts and related expenditure	8 966.12	19 540.53
External operational IT costs	2 962 264.14	2 890 979.18
Other external non-IT services	273 076.38	463 071.57
Expenses with other consolidated entities	401 435.09	423 700.51
Depreciation of fixed assets	430 046.90	888 640.23
Other	0.00	83.00
<b>TOTAL</b>	<b>8 298 785.68</b>	<b>9 010 036.80</b>

On the account 'Office supplies & maintenance', a significant proportion of the expenses are from budget line 2100 'Purchase, work on, servicing and maintenance of hardware and software'.

The decrease is due to the fact that a large part of the fixed assets were fully depreciated in 2019 (EUR 450 000). The difference in other external, non-IT costs is mainly due to expenses for the study on the Centre as the linguistic shared service provider and evaluation of the Centre in the sum of EUR 124 500 in 2018.

## Note 24: Operational expenses

Operational expenses comprise direct operational costs relating to the Centre's core activity of translation. The costs of translations undertaken by external language service providers are recorded under operational expenses. The translations are carried out on the basis of framework contracts or negotiated procedures with external language service providers. The price of translations resulting from the tender procedures depends on the language combination, domain and type of translation (translation, modification, revision, editing, EU trade mark, Community design, term list or terminology).

Operational expenses decreased by 20.7% in 2019. This decrease can be explained by the increased use of in-house resources available for translations. This is also due to savings realised on external translations due to the progressive implementation of the new pricing structure in new framework contracts. At the 2018 year-end, 83% of framework contracts were compliant with the new pricing structure, and the savings generated by implementation of the new pricing structure in 2019 amounted to EUR 870 715.

## A.6 Other information

### Number of employees

The following table summarises the number of staff members for the years ended 31 December 2019 and 31 December 2018, as set out in the establishment plan:

Number of staff		
	2019	2018
Administrator	127	129
Assistant	53	54
<i>Total</i>	<b>180</b>	<b>183</b>

In addition to the staff defined in the establishment plan, the Centre also employs contract and agency staff. A detailed breakdown of the Centre's total staff, as at 31 December 2019, is set out in the following table:

Number of staff					
	Officials	Temporary agents	Contract agents	Agency staff	Total
Administrator	41	86	9.4	0	136.4
Assistant	7	46	12.6	6	71.6
<i>Total</i>	<b>48</b>	<b>132</b>	<b>22</b>	<b>6</b>	<b>211</b>

### Related party transactions

The Centre's key management staff as at 31 December 2019 was as follows:

Grade	Number of staff
AD 13	1
AD 12	2
AD 11	1
AD 10	1
<i>Total</i>	<b>5</b>

The remuneration of key management staff is in accordance with the Staff Regulations of Officials of the European Union.

### The Management Board

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

### Contingent assets, contingent liabilities and other significant disclosures

#### a) Contingent assets

The Centre has not recognised any contingent assets in 2019.

## Performance guarantees

The Centre currently has three 'performance guarantees' that assure recovery of damages related to the execution of the contract with service providers. Their main features are summarised in the table below:

Company	Contract No	Guarantee No	Guarantee amount (EUR)	Start date	Expiry date
Postes et Télécommunications	CDT/WANSIII/2014 (lot 1)	2015/761002665	40 000	20/07/2015	30 days after expiry of contract
Postes et Télécommunications	CDT/WANSIII/2014 (lot 2)	2015/961002579	20 000	-	30 days after expiry of contract
ONET	CDT/NET16 (lot 1)	LGSE 2016 14013363	5 800	-	30 days after expiry of contract

### b) 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 carryover of credit appropriations. On 31 December 2019, the budgetary RAL totalled EUR 3 623 399.

The accounting RAL is the part of the budgetary RAL that has not yet been consumed via the cut-off (year-end accruals). The year-end accruals that have been included as expenses in the statement of financial performance 2019 amount to EUR 2 137 996. Therefore, the accounting RAL amounts to EUR 1 485 403.

### c) Operating leases

Description	Start date	Expiry date	Total lease value	Payments made in the current year	Outstanding payments due	
					Up to one year	One to five years
Bechtle servers	02.07.2014	01.07.2019	44 420.60	8 884.08	0.00	0.00
Hewlett Packard 1 servers	28.03.2014	27.03.2019	79 584.60	7 958.46	0.00	0.00
Hewlett Packard 2 servers	17.09.2014	16.09.2019	171 734.80	34 346.96	0.00	0.00
System storage	01.01.2017	31.12.2021	567 184.42	120 050.16	120 050.16	120 050.16
BMW Gran Tourer 2015	09.12.2015	08.12.2019	26 132.64	6603.49	0.00	0.00
BMW Gran Tourer 2020	In 2020	2024	19 285.44	0.00	4 821.36	14 464.08
<b>Total</b>			<b>908 342.50</b>	<b>177 843.15</b>	<b>124 871.52</b>	<b>134 514.24</b>

### d) Contractual commitments for which budget commitments have not yet been made

The Centre entered 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 budget commitments as of year-end 2019.

These include the outstanding contractual commitment of EUR 1 654 055 for the rent of the Drosbach building and EUR 77 112 to cover the rent of the eBRC building used within the framework of the Data Centre and Disaster Recovery Plan.

**e) Other off-balance sheet commitments**

As at 31 December 2019, the Centre had no other off-balance sheet commitments.

**f) Post balance sheet events**

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

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

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## B.1. Budgetary principles

In implementing its budget, the Centre applies the following budgetary principles in accordance with its 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 the automatic carryover of appropriations.

The Centre does not account for assigned revenue.

### B.3. Budget expenditure implementation 2019 and use of appropriations C1

in EUR

Chapter	Heading	Budget appropriation (1)	Executed commitments (2)	% committed (2/1)	Appropriations cancelled (1-2)	Executed payments (3)	% paid (3/1)	RAL – appropriations carried forward (2-3)
11	Staff in active employment	25 354 100.00	23 727 525.15	93.58%	1 626 574.85	23 590 185.89	93.04%	137 339.26
13	Missions and duty travel	82 000.00	67 050.00	81.77%	14 950.00	42 951.22	52.38%	24 098.78
14	Socio-medical infrastructure	262 200.00	227 919.94	86.93%	34 280.06	189 513.30	72.28%	38 406.64
16	Social services	84 900.00	83 400.00	98.23%	1 500.00	63 749.61	75.09%	19 650.39
17	Entertainment and representation	2 500.00	68.75	2.75%	2 431.25	68.75	2.75%	0.00
<b>TITLE 1</b>	<b>STAFF</b>	<b>25 785 700.00</b>	<b>24 105 963.84</b>	<b>93.49%</b>	<b>1 679 736.16</b>	<b>23 886 468.77</b>	<b>92.63%</b>	<b>219 495.07</b>
20	Rental of buildings and associated costs	3 032 300.00	2 975 543.25	98.13%	56 756.75	2 769 487.50	91.33%	206 055.75
21	Data processing	3 428 600.00	3 114 440.53	90.84%	314 159.47	2 533 655.49	73.90%	580 785.04
22	Movable property and associated costs	54 300.00	41 884.33	77.14%	12 415.67	28 197.42	51.93%	13 686.91
23	Current administrative expenditure	245 500.00	216 212.46	88.07%	29 287.54	171 089.99	69.69%	45 122.47
24	Postage and telecommunications	153 200.00	130 151.93	84.96%	23 048.07	88 611.47	57.84%	41 540.46
25	Expenditure on meetings	8 000.00	6 257.14	78.21%	1 742.86	2 579.14	32.24%	3 678.00
26	Expenditure on Management Board meetings	57 500.00	55 215.00	96.03%	2 285.00	23 182.94	40.32%	32 032.06
27	Consultations and studies	136 500.00	136 425.00	99.95%	75.00	79 725.00	58.41%	56 700.00
<b>TITLE 2</b>	<b>BUILDINGS, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE</b>	<b>7 115 900.00</b>	<b>6 676 129.64</b>	<b>93.82%</b>	<b>439 770.36</b>	<b>5 696 528.95</b>	<b>80.05%</b>	<b>979 600.69</b>
30	External translation and related services	11 110 000.00	10 844 445.87	97.61%	265 554.13	8 629 793.74	77.68%	2 214 652.13
31	Interinstitutional cooperation	722 800.00	703 187.69	97.29%	19 612.31	538 520.73	74.50%	164 666.96
32	Expenditure relating to the eCDT program	370 900.00	233 622.56	62.99%	137 277.44	188 638.72	50.86%	44 983.84
<b>TITLE 3</b>	<b>OPERATIONAL EXPENDITURE</b>	<b>12 203 700.00</b>	<b>11 781 256.12</b>	<b>96.54%</b>	<b>422 443.88</b>	<b>9 356 953.19</b>	<b>76.67%</b>	<b>2 424 302.93</b>
<b>TITLE 10</b>	<b>RESERVES</b>	<b>645 104.46</b>	<b>0.00</b>	<b>0.00%</b>	<b>645 104.46</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>
	<b>TOTAL BUDGET</b>	<b>45 750 404.46</b>	<b>42 563 349.60</b>	<b>93.03%</b>	<b>3 187 054.86</b>	<b>38 939 950.91</b>	<b>85.11%</b>	<b>3 623 398.69</b>

## B.4. Budget expenditure implementation 2019 and use of appropriations C8

in EUR

Chapter	Heading	Budget appropriation (1)	Executed commitments (2)	% committed (2/1)	Executed payments (3)	% paid (3/1)	Payment appropriations cancelled (1-3)
11	Staff in active employment	80 686.45	80 686.45	100.00%	33 592.55	41.63%	47 093.90
13	Missions and duty travel	12 489.21	12 489.21	100.00%	6 291.73	50.38%	6 197.48
14	Socio-medical infrastructure	64 922.01	64 922.01	100.00%	58 609.26	90.28%	6 312.75
16	Social services	5 477.36	5 477.36	100.00%	5 477.36	100.00%	0.00
<b>TITLE 1</b>	<b>STAFF</b>	<b>163 575.03</b>	<b>163 575.03</b>	<b>100.00%</b>	<b>103 970.90</b>	<b>63.56%</b>	<b>59 604.13</b>
20	Rental of buildings and associated costs	250 381.58	250 381.58	100.00%	216 050.05	86.29%	34 331.53
21	Data processing	642 580.68	642 580.68	100.00%	615 251.10	95.75%	27 329.58
22	Movable property and associated costs	13 436.65	13 436.65	100.00%	5 582.30	41.55%	7 854.35
23	Current administrative expenditure	56 602.24	56 602.24	100.00%	22 856.28	40.38%	33 745.96
24	Postage and telecommunications	19 842.80	19 842.80	100.00%	11 859.46	59.77%	7 983.34
25	Expenditure on meetings	4 392.50	4 392.50	100.00%	4 391.79	99.98%	0.71
26	Expenditure on Management Board meetings	17 127.21	17 127.21	100.00%	11 992.40	70.02%	5 134.81
27	Consultations and studies	27 550.00	27 550.00	100.00%	27 550.00	100.00%	0.00
<b>TITLE 2</b>	<b>BUILDINGS, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE</b>	<b>1 031 913.66</b>	<b>1 031 913.66</b>	<b>100.00%</b>	<b>915 533.38</b>	<b>88.72%</b>	<b>116 380.28</b>
30	External translation and related services	1 867 586.28	1 867 586.28	100.00%	1 828 744.84	97.92%	38 841.44
31	Interinstitutional cooperation	169 277.66	169 277.66	100.00%	157 484.46	93.03%	11 793.20
32	Expenditure relating to the eCDT program	69 851.24	69 851.24	100.00%	69 472.96	99.46%	378.28
<b>TITLE 3</b>	<b>OPERATIONAL EXPENDITURE</b>	<b>2 106 715.18</b>	<b>2 106 715.18</b>	<b>100.00%</b>	<b>2 055 702.26</b>	<b>97.58%</b>	<b>51 012.92</b>
<b>TOTAL BUDGET</b>		<b>3 302 203.87</b>	<b>3 302 203.87</b>	<b>100.00%</b>	<b>3 075 206.54</b>	<b>93.13%</b>	<b>226 997.33</b>



## B.5. Budget outturn

	in EUR		
	2019	2018	% change
<b>Budget revenue</b>	<b>37 288 115.63</b>	<b>41 195 142.01</b>	<b>-9.48%</b>
Translation	35 573 865.42	38 806 742.35	-8.33%
Terminology	26 325.00	401 400.00	-93.44%
Term lists	147 080.00	191 270.00	-23.10%
Interinstitutional cooperation – IATE database	733 668.64	734 002.93	-0.05%
Subtitling	137 950.00	127 428.00	8.26%
Other operating revenues	0.00	4 725.00	-100.00%
<b>Revenue from operations</b>	<b>36 618 889.06</b>	<b>40 265 568.28</b>	<b>-9.06%</b>
Financial income	11 298.55	7 795.67	44.93%
Financial contribution for rent from Luxembourg government	243 250.00	243 250.00	0.00%
Miscellaneous	414 678.02	678 528.06	-38.89%
<b>Budget expenditure</b>	<b>42 563 349.60</b>	<b>44 757 716.37</b>	<b>-4.90%</b>
<i>Title 1 – Staff</i>			
Payments	23 886 468.77	24 204 000.90	-1.31%
Appropriations carried over	219 495.07	163 575.03	34.19%
<i>Title 2 – Buildings, equipment and miscellaneous operating expenditure</i>			
Payments	5 696 528.95	5 277 197.37	7.95%
Appropriations carried over	979 600.69	1 031 913.66	-5.07%
<i>Title 3 – Operational expenditure</i>			
Payments	9 356 953.19	11 974 314.23	-21.86%
Appropriations carried over	2 424 302.93	2 106 715.18	15.08%
<b>Budget outturn for the financial year</b>	<b>-5 275 233.97</b>	<b>-3 562 574.36</b>	<b>48.07%</b>
<b>Other</b>	<b>226 800.57</b>	<b>246 919.43</b>	<b>-8.15%</b>
Appropriations carried forward and subsequently cancelled	226 997.33	246 930.28	-8.07%
Exchange rate differences	-196.76	-10.85	1713.46%
<b>Balance of the outturn account for the financial year</b>	<b>-5 048 433.40</b>	<b>-3 315 654.93</b>	<b>52.26%</b>
Outturn for the previous year	-645 104.46	2 115 924.47	-130.49%
<b>Allocation to reserves (1)</b>	<b>3 612 254.00</b>	<b>554 626.00</b>	<b>551.30%</b>
Usage and cancellation of reserve for pricing stability	3 241 354.00	254 626.00	1172.99%
Usage of reserve for exceptional investments (eCdT)	370 900.00	300 000.00	23.63%
<b>Budget outturn to carry forward</b>	<b>-2 081 283.86</b>	<b>-645 104.46</b>	<b>222.63%</b>

- (1) The movements on the reserves in 2019 include the usage of part of the budget reserve for stability pricing (EUR 3 241 354) in order to balance the amending budget 1/2019 and to allocate part of the budget outturn carried over from 2018 (EUR -645 104) to the 2019 budget outturn. The other movement concerns the usage of part of the budget reserve for exceptional investments (EUR 370 900) corresponding to expenditure on the eCdT program in 2019.

Since the Centre was established, amounts have systematically been allocated to reserves by reducing the budget outturn to carry forward. Taking into consideration all the allocations to the reserves and to the permanent prefinancing fund since the Centre's establishment, which total EUR 22 968 339, the adjusted budget surplus to carry forward would amount to EUR 20 887 055 instead of EUR -2 081 284. Further explanations of the movements of reserves and the permanent prefinancing fund are set out in the table below.

The budget outturn to carry forward of EUR -2 081 284 will be incorporated in the amending budget 2020 by using the reserve for pricing stability in addition to the usage of the reserve already foreseen for 2020.

## RESERVES AND PREFINANCING FUND CREATED FROM THE BUDGET SINCE THE CENTRE'S ESTABLISHMENT

Name of the reserve	Balance 2019	Description of the reserve
Reserve for stability pricing	6 146 637	Reserve created in 2011 to offset the fluctuations in client forecasts which may prevent the Centre from achieving a balanced budget, and to maintain reasonable and relatively stable prices for the Centre's clients.
Reserve for exceptional investments	292 236	Reserve created in 2011 for the development of the new core business software eCdT to increase the Centre's efficiency.
Reserve for disputed salary increase	0	Reserve relating to the effect on staff expenditure in 2013 of the disputed salary increase for 2011, as well as the salary increases for 2012 and 2013. This reserve was used prior to being cancelled since the dispute was settled by a decision of the budgetary authority.
Reserve for relocation expenses	0	Reserve created to cover expenses relating to the Centre's relocation in 2013, namely the physical removal, refurbishment and necessary IT expenditure. The reserve was fully used to cover removal expenses in 2013.
<b>Total temporary reserves created from the budget</b>	<b>6 438 873</b>	
Permanent prefinancing fund	16 529 466	Article 67(a) of the Centre's Financial Regulation provides for a permanent prefinancing fund that guarantees financing for the proper functioning of the Centre; Article 57a of the Regulation laying down detailed rules for the implementation of the Financial Regulation stipulates that the amount of this fund may not be less than four twelfths of the appropriations for the financial year.
<b>Total reserves including prefinancing fund</b>	<b>22 968 339.00</b>	

in EUR

	Reserve for stability pricing	Reserve for exceptional investments	Reserve for disputed salary increase	Reserve for relocation expenses	Permanent prefinancing fund	Total reserves and permanent prefinancing fund
<b>Balance as at 31 December 2012</b>	<b>4 981 574</b>	<b>4 269 364</b>	<b>0</b>	<b>1 250 000</b>	<b>16 529 466</b>	<b>27 030 404</b>
Allocation to reserves	3 723 567	0	1 480 500	0	0	5 204 067
Use of the reserve	0	-339 106	0	-1 250 000	0	-1 589 106
<b>Balance as at 31 December 2013</b>	<b>8 705 141</b>	<b>3 930 258</b>	<b>1 480 500</b>	<b>0</b>	<b>16 529 466</b>	<b>30 645 365</b>
Allocation to reserves	11 031 061	0	777 000	0	0	11 808 061
Use of the reserve	-4 106 650	-686 002	-2 257 500	0	0	-7 050 152
<b>Balance as at 31 December 2014</b>	<b>15 629 552</b>	<b>3 244 256</b>	<b>0</b>	<b>0</b>	<b>16 529 466</b>	<b>35 403 274</b>
Allocation to reserves	0	0	0	0	0	0
Use of the reserve	-5 046 468	-961 757	0	0	0	-6 008 225
<b>Balance as at 31 December 2015</b>	<b>10 583 084</b>	<b>2 282 499</b>	<b>0</b>	<b>0</b>	<b>16 529 466</b>	<b>29 395 049</b>
Allocation to reserves	2 535 083	0	0	0	0	2 535 083
Use of the reserve	0	-726 363	0	0	0	-726 363
<b>Balance as at 31 December 2016</b>	<b>13 118 167</b>	<b>1 556 136</b>	<b>0</b>	<b>0</b>	<b>16 529 466</b>	<b>31 203 769</b>
Allocation to reserves	0	0	0	0	0	0
Use of the reserve	-3 475 550	-549 758	0	0	0	-4 025 308
<b>Balance as at 31 December 2017</b>	<b>9 642 617</b>	<b>1 006 378</b>	<b>0</b>	<b>0</b>	<b>16 529 466</b>	<b>27 178 461</b>
Allocation to reserves	0	0	0	0	0	0
Use of the reserve	-254 626	-300 000	0	0	0	-554 626
<b>Balance as at 31 December 2018</b>	<b>9 387 991</b>	<b>706 378</b>	<b>0</b>	<b>0</b>	<b>16 529 466</b>	<b>26 623 835</b>
Allocation to reserves	0	0	0	0	0	0
Use of the reserve	-3 241 354	-370 900	0	0	0	-3 612 254
<b>Balance as at 31 December 2019</b>	<b>6 146 637</b>	<b>335 478</b>	<b>0</b>	<b>0</b>	<b>16 529 466</b>	<b>23 011 581</b>

## B.6. Reconciliation of the budget outturn and the economic outturn

The Centre's financial statements are prepared on an accruals basis, with transactions recorded during the period to which they relate. On this basis, the result for the year is indicated in the statement of financial performance. However, the Centre uses a modified cash accounting system for preparing the budget outturn account and for budget reporting. In this system, only the payments made and the revenue received in the period are recorded, together with the payment appropriations that are carried forward. The difference between the budget outturn and the economic outturn is shown in the table below.

in EUR		
	2019	2018
<b>Economic result for the year</b>	<b>-3 081 676.24</b>	<b>-2 903 141.28</b>
A. Adjustments for items not included in the budget outturn but included in the economic outturn		
1. Adjustment for accrual cut-off (liabilities)	2 444 995.90	2 494 795.64
2. Reversal of accrual cut-off from previous year	-2 494 795.64	-2 327 702.75
3. Amortisation and depreciation of intangible and tangible fixed assets	430 046.90	888 723.23
4. Prefinancing given in previous year and cleared in the year	0.00	0.00
5. Prefinancing received in previous year and cleared in the year	-1 548 227.21	-3 327 214.11
6. Recovery orders issued and not yet cashed	-3 023 871.49	-2 400 389.73
7. Payments made from carryover of payment appropriations	3 075 206.54	3 568 116.97
8. Change in work in progress	-166 000.00	-471 000.00
9. Accrued interest	0.00	0.00
10. Accrued income	0.00	0.00
11. Prepaid expenses	11 040.06	34 257.97
Subtotal	-1 271 604.94	-1 540 412.78
B. Adjustments for items included in the budget outturn but not included in the economic outturn		
1. Asset acquisitions	-60 699.98	-79 199.23
2. Budgetary recovery orders issued previously and cashed in the year	2 392 960.23	2 710 185.16
3. Payment appropriations carried over to the following year	-3 623 398.69	-3 302 203.87
4. Appropriations carried forward and subsequently cancelled	226 997.33	246 930.28
5. New prefinancing received in the year and remaining open as at year-end	347 179.20	1 548 227.21
6. Other temporary differences	21 809.69	3 959.58
Subtotal	-695 152.22	1 127 899.13
<b>Balance of the budget outturn account for the financial year</b>	<b>-5 048 433.40</b>	<b>-3 315 654.93</b>

## B.7. Budget revenue from operational activities 2019

in EUR

REVENUE SOURCE BY AGENCY – CORRESPONDS TO A BUDGET LINE	BUDGETED REVENUES 2019 (A)	RECOVERY ORDERS EST- ABLISHED IN THE FINANCIAL YEAR (B)	ENTITL- MENTS CARRIED OVER FROM 2018 (C)	AMOUNTS RECEIVED ON ENTITL- MENTS CARRIED OVER (D)	AMOUNTS RECEIVED ON 2019 ENTITL- MENTS (E)	AMOUNTS RECEIVED 2019 (F=D+E)	SUMS STILL TO BE COLLECTED (G=B+C-F)	AVERAGE COLLECTION DATE*  (in days)
European Environment Agency (EEA)	211 600.00	273 644.60	0.00	0.00	273 644.60	273 644.60	0.00	-20.50
European Training Foundation (ETF)	69 900.00	96 945.72	0.00	0.00	96 945.72	96 945.72	0.00	-15.00
European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)	373 800.00	329 492.02	0.00	0.00	295 624.02	295 624.02	33 868.00	-39.00
European Medicines Agency (EMA)	3 066 000.00	2 599 655.90	0.00	0.00	2 599 655.90	2 599 655.90	0.00	-29.31
European Agency for Safety and Health at Work (EU-OSHA)	635 700.00	607 774.30	0.00	0.00	607 774.30	607 774.30	0.00	-29.76
European Union Intellectual Property Office (EUIPO)	4 296 100.00	3 454 020.35	0.00	0.00	3 454 020.35	3 454 020.35	0.00	-33.60
EUIPO trade marks	12 831 700.00	13 272 441.04	0.00	0.00	13 272 441.04	13 272 441.04	0.00	-33.31
Community Plant Variety Office (CPVO)	86 900.00	25 381.30	0.00	0.00	25 381.30	25 381.30	0.00	-3.80
European Union Agency for Law Enforcement Cooperation (Europol)	48 600.00	52 050.70	0.00	0.00	52 050.70	52 050.70	0.00	+0.20
European Foundation for the Improvement of Living and Working Conditions (Eurofound)	488 000.00	398 042.60	0.00	0.00	398 042.60	398 042.60	0.00	-22.92
European Centre for the Development of Vocational Training (Cedefop)	46 600.00	85 640.10	5 453.00	5 453.00	72 178.60	77 631.60	13 461.50	-12.27
European Union Agency for Fundamental Rights (FRA)	1 187 100.00	976 430.85	0.00	0.00	976 430.85	976 430.85	0.00	-28.65
European Investment Bank (EIB)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	+0.00
European Food Safety Authority (EFSA)	158 000.00	227 329.45	0.00	0.00	227 329.45	227 329.45	0.00	-32.92
European Union Agency for Criminal Justice Cooperation (Eurojust)	135 700.00	4 522.75	6 355.00	6 355.00	4 522.75	10 877.75	0.00	+0.00
European Maritime Safety Agency (EMSA)	123 600.00	102 898.20	0.00	0.00	102 898.20	102 898.20	0.00	-15.33
European Aviation Safety Agency (EASA)	56 000.00	35 151.00	4 031.00	4 031.00	35 151.00	39 182.00	0.00	+47.00
European Union Agency for Railways (ERA)	907 000.00	602 724.64	0.00	0.00	602 724.64	602 724.64	0.00	-27.00
European Network and Information Security Agency (ENISA)	54 100.00	5 605.50	1 081.00	1 081.00	5 605.50	6 686.50	0.00	-23.60
European Centre for Disease Prevention and Control (ECDC)	177 700.00	310 943.00	7 597.50	7 597.50	291 599.00	299 196.50	19 344.00	+6.17
European Border and Coast Guard Agency (Frontex)	827 300.00	1 023 572.68	0.00	0.00	1 023 572.68	1 023 572.68	0.00	-19.17
Education, Audiovisual and Culture Executive Agency (EACEA)	939 900.00	681 976.60	0.00	0.00	681 976.60	681 976.60	0.00	-24.43
Executive Agency for Small and Medium-sized Enterprises (EASME)	15 300.00	1 922.80	0.00	0.00	1 922.80	1 922.80	0.00	-5.00
European Union Agency for Law Enforcement Training (CEPOL)	53 300.00	26 955.55	0.00	0.00	26 955.55	26 955.55	0.00	-17.83
Consumers, Health, Agriculture and Food Executive Agency (Chafea)	790 200.00	471 594.00	0.00	0.00	471 594.00	471 594.00	0.00	-26.17
European GNSS Agency (GSA)	23 800.00	4 002.00	0.00	0.00	4 002.00	4 002.00	0.00	-34.00
European Defence Agency (EDA)	10 900.00	6 643.50	11 333.00	11 333.00	5 068.50	16 401.50	1 575.00	+33.00
European Chemicals Agency (ECHA)	1 971 200.00	1 554 720.74	0.00	0.00	1 199 509.74	1 199 509.74	355 211.00	-22.57
European Fisheries Control Agency (EFCA)	414 200.00	192 950.50	0.00	0.00	192 950.50	192 950.50	0.00	-26.89
Fusion for Energy Joint Undertaking (F4E JU)	52 300.00	5 060.00	0.00	0.00	5 060.00	5 060.00	0.00	-9.00
Innovation and Networks Executive Agency (INEA)	159 100.00	16 723.00	0.00	0.00	16 723.00	16 723.00	0.00	-24.71
European Institute of Innovation and Technology (EIT)	60 500.00	13 738.55	0.00	0.00	13 738.55	13 738.55	0.00	-20.00

\*Payments before the due date give a negative figure (in blue); payments after the due date give a positive figure (in red).

REVENUE SOURCE BY AGENCY – CORRESPONDS TO A BUDGET LINE	BUDGETED REVENUES 2019  (A)	RECOVERY ORDERS EST- ABLISHED IN THE FINANCIAL YEAR (B)	ENTITLE- MENTS CARRIED OVER FROM 2018 (C)	AMOUNTS RECEIVED ON ENTITLE- MENTS CARRIED OVER (D)	AMOUNTS RECEIVED ON 2019 ENTITLE- MENTS (E)	AMOUNTS RECEIVED 2019 (F=D+E)	SUMS STILL TO BE COLLECTED (G=B+C-F)	AVERAGE COLLECTION DATE*  (in days)
European Research Council Executive Agency (ERCEA)	58 700.00	31 012.50	0.00	0.00	31 012.50	31 012.50	0.00	-27.50
Research Executive Agency (REA)	22 100.00	3 273.10	0.00	0.00	3 273.10	3 273.10	0.00	-36.80
Clean Sky 2 Joint Undertaking (CS 2 JU)	0.00	7 411.00	0.00	0.00	7 411.00	7 411.00	0.00	+0.00
European Institute for Gender Equality (EIGE)	116 800.00	364 371.90	0.00	0.00	364 371.90	364 371.90	0.00	-16.89
SESAR Joint Undertaking (SESAR JU)	14 300.00	2 484.00	0.00	0.00	2 484.00	2 484.00	0.00	-6.67
Innovative Medicines Initiative 2 Joint Undertaking (IMI 2 JU)	29 200.00	498.50	0.00	0.00	498.50	498.50	0.00	-24.00
Fuel Cells and Hydrogen 2 Joint Undertaking (FCH 2 JU)	10 300.00	0.00	0.00	0.00	0.00	0.00	0.00	+0.00
European Asylum Support Office (EASO)	2 400 400.00	2 483 849.97	320 198.00	320 198.00	2 483 849.97	2 804 047.97	0.00	-5.28
Agency for the Cooperation of Energy Regulators (ACER)	170 500.00	158 760.85	0.00	0.00	158 760.85	158 760.85	0.00	-24.00
European Securities and Markets Authority (ESMA)	152 700.00	280 010.80	0.00	0.00	280 010.80	280 010.80	0.00	-24.00
European Banking Authority (EBA)	1 144 300.00	611 464.06	0.00	0.00	611 464.06	611 464.06	0.00	-34.36
European Insurance and Occupational Pensions Authority (EIOPA)	150 300.00	91 247.80	0.00	0.00	91 247.80	91 247.80	0.00	-33.80
Office of the Body of European Regulators for Electronic Communications (BEREC)	99 900.00	23 992.10	0.00	0.00	23 992.10	23 992.10	0.00	-19.56
European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA)	1 135 300.00	581 100.30	0.00	0.00	581 100.30	581 100.30	0.00	-7.67
Electronic Components and Systems for European Leadership Joint Undertaking (ECSEL JU)	4 200.00	0.00	0.00	0.00	0.00	0.00	0.00	+0.00
Single Resolution Board (SRB)	1 013 700.00	964 400.80	0.00	0.00	964 400.80	964 400.80	0.00	-27.67
European Schools (EURSC)	2 200.00	4 120.00	0.00	0.00	4 120.00	4 120.00	0.00	-16.50
Bio-Based Industries Joint Undertaking (BBI JU)	0.00	1 380.00	0.00	0.00	1 380.00	1 380.00	0.00	-27.00
Shift2Rail Joint Undertaking (S2R JU)	0.00	3 128.00	0.00	0.00	3 128.00	3 128.00	0.00	-27.00
Revenue from new clients	500.00	235 548.00	0.00	0.00	235 548.00	235 548.00	0.00	+0.00
European Commission – (DG EMPL and DG JUST)	1 437 200.00	1 064 923.50	0.00	0.00	1 064 923.50	1 064 923.50	0.00	-13.72
European Parliament (EP)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	+0.00
Council of the European Union (Council)	232 000.00	161 589.50	0.00	0.00	161 589.50	161 589.50	0.00	-14.09
European Court of Auditors (ECA)	13 800.00	5 020.60	0.00	0.00	5 020.60	5 020.60	0.00	-26.50
Committee of the Regions of the European Union	5 200.00	18 941.00	690.00	690.00	16 650.00	17 340.00	2 291.00	-23.67
European Economic and Social Committee	35 100.00	61 807.50	0.00	0.00	42 019.50	42 019.50	19 788.00	-29.50
Court of Justice of the European Union (CJEU)	0.00	19 844.90	0.00	0.00	19 844.90	19 844.90	0.00	-15.67
European Central Bank (ECB)	155 600.00	19 963.50	15 630.00	15 630.00	19 963.50	35 593.50	0.00	+3.60
European Ombudsman (Ombudsman)	202 800.00	268 356.70	0.00	0.00	268 356.70	268 356.70	0.00	-26.00
European Data Protection Supervisor (EDPS)	1 885 600.00	1 017 380.00	11 955.60	11 955.60	1 017 380.00	1 029 335.60	0.00	-6.88
Interinstitutional projects with the institutions (IATE)	764 300.00	733 668.64	0.00	0.00	733 668.64	733 668.64	0.00	-15.72
<b>TOTAL REVENUE FROM OPERATIONS</b>	<b>41 529 100.00</b>	<b>36 680 103.46</b>	<b>384 324.10</b>	<b>384 324.10</b>	<b>35 500 896.32</b>	<b>36 618 889.06</b>	<b>445 538.50</b>	<b>-12.70</b>

\*Payments before the due date give a negative figure (in blue); payments after the due date give a positive figure (in red).

## B.8. List of transfers 2019

in EUR

No	Date	Reinforced line	Heading	Debited line	Heading	Amount
1	06/05/2019	2050	Security and surveillance of buildings	2030	Cleaning and maintenance	5 000.00
2	16/10/2019	2040	Fitting-out of premises	2030	Cleaning and maintenance	3 000.00
3	25/11/2019	1100	Basic salaries	2700	Studies	36 500.00
4	17/12/2019	2600	Management Board meetings	2650	Interpreting	7 000.00
5	19/12/2019	1100	Basic salaries	3000	External translation	500 000.00

# REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT 2019

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## C.1 Financial resources and budgetary management

### 1. Initial and amending budget

The Centre's initial budget for 2019 (EUR 46.7 million) was subject to two amending budgets.

The first amending budget was adopted by the Management Board on 20 March 2019 in order to include the updated forecasts received from clients to take into account new product prices and to incorporate the budget deficit carried over from the previous year (EUR -0.6 million). A second amending budget was adopted by the Management Board by written procedure on 22 September 2019 in order to reflect the result of the re-examination of all expenditure items. Finally, the Centre modified the usage of the reserve for stability pricing in order to balance the budget.

From the outset, the 2019 initial budget was planned as a deficit budget (EUR 4.9 million) in order to enable the consumption of part of the cumulative budget surplus from previous years. After the two amending budgets, the budget deficit was reduced to EUR 3.6 million. Due to lower than expected requests from clients, the final budget outturn of the year produced a deficit of EUR 5 million.

#### *Movements in the budget in 2019*

in EUR

Title	Heading	Final budget 2019	2nd Amending budget 2019	1st Amending budget 2019	Initial budget 2019
<b>Revenue</b>					
1	Payments from agencies, bodies, offices and institutions	40 764 800	-855 400	1 134 800	40 485 400
2	Subsidy from the Commission	0	0	0	p.m.
3	Interinstitutional cooperation*	764 300	56 900	0	707 400
4	Financial income and other revenue	609 050	0	0	609 050
5	Surplus carried over from the previous financial year	3 612 254	-1 153 700	-118 796	4 884 750
6	Refunds	0	0	0	p.m.
	<b>Total</b>	<b>45 750 404</b>	<b>-1 952 200</b>	<b>1 016 004</b>	<b>46 686 600</b>
<b>Expenditure</b>					
1	Staff	25 785 700	-860 500	0	27 182 700
2	Buildings, equipment and miscellaneous operating expenditure	7 115 900	152 200	0	6 927 200
3	Operational expenditure	12 203 700	-1 243 900	370 900	12 576 700
10	Reserves	645 104	0	645 104	0
	<b>Total</b>	<b>45 750 404</b>	<b>-1 952 200</b>	<b>1 016 004</b>	<b>46 686 600</b>



## 2. Revenue cashed

### *Comparative analysis of budget revenue for 2019 and 2018*

in EUR			
Budget revenue	2019	2018	% change
Total revenue relating to the core operational activity	36 618 889	40 265 568	-9.06%
Financial income	11 299	7 796	44.93%
Financial contribution received	243 250	243 250	0.00%
Miscellaneous	414 678	678 528	-38.89%
<b>Total budget revenue</b>	<b>37 288 116</b>	<b>41 195 142</b>	<b>-9.48%</b>

The Centre's budget revenue is primarily composed of the revenue received from invoicing clients for services provided. It is subject to strict financial control and monitoring in accordance with the applicable regulatory framework. The Centre regularly contacts each client to request forecasts for their planned translation volumes and expenditure, and closely monitors clients' budget forecasts and expenditure.

The cashed revenue decreased by 9.5% from EUR 40.3 million in 2018 to EUR 36.6 million in 2019. The revenue decrease was mainly due to the smaller advance payments received from clients in 2019 for translation services to be invoiced in 2020. The advance payments received in 2019 amounted to EUR 0.3 million compared with EUR 1.5 million in 2018. The net impact of movements on the advances collected was EUR -1.2 million. The main reason for this decrease in invoiced pages is the lower number of pages delivered to clients compared to their forecasts. The overall number of pages invoiced to clients was significantly lower than in the previous year. In 2019, there was a 17.5% decrease in the total pages invoiced to clients. Drilling down into the main revenue components reveals that the number of translated pages of documents other than EU trade marks decreased by 20% (-61 370 pages), and the translation of pages of EU trade marks decreased by 15.6% (-64 557 pages).

Reductions offered to clients in 2019 by applying the new pricing policy were EUR 1.2 million less than in 2018. The total reduction offered to clients in 2019 amounted to EUR 3.2 million (-35 492 pages) compared to EUR 4.4 million in 2018. This means that the average price paid by clients during 2019 for the standard translation service was EUR 77.30 per page, whereas the list price for the standard translation service was EUR 92 per page.

Taking into consideration the above aspects, the revenues for 2019 were inferior to 2018 (-9%); this can also be seen from the statistics on the volume of pages in Chapter C.2 and from the economic result for the year in Chapter A.2.

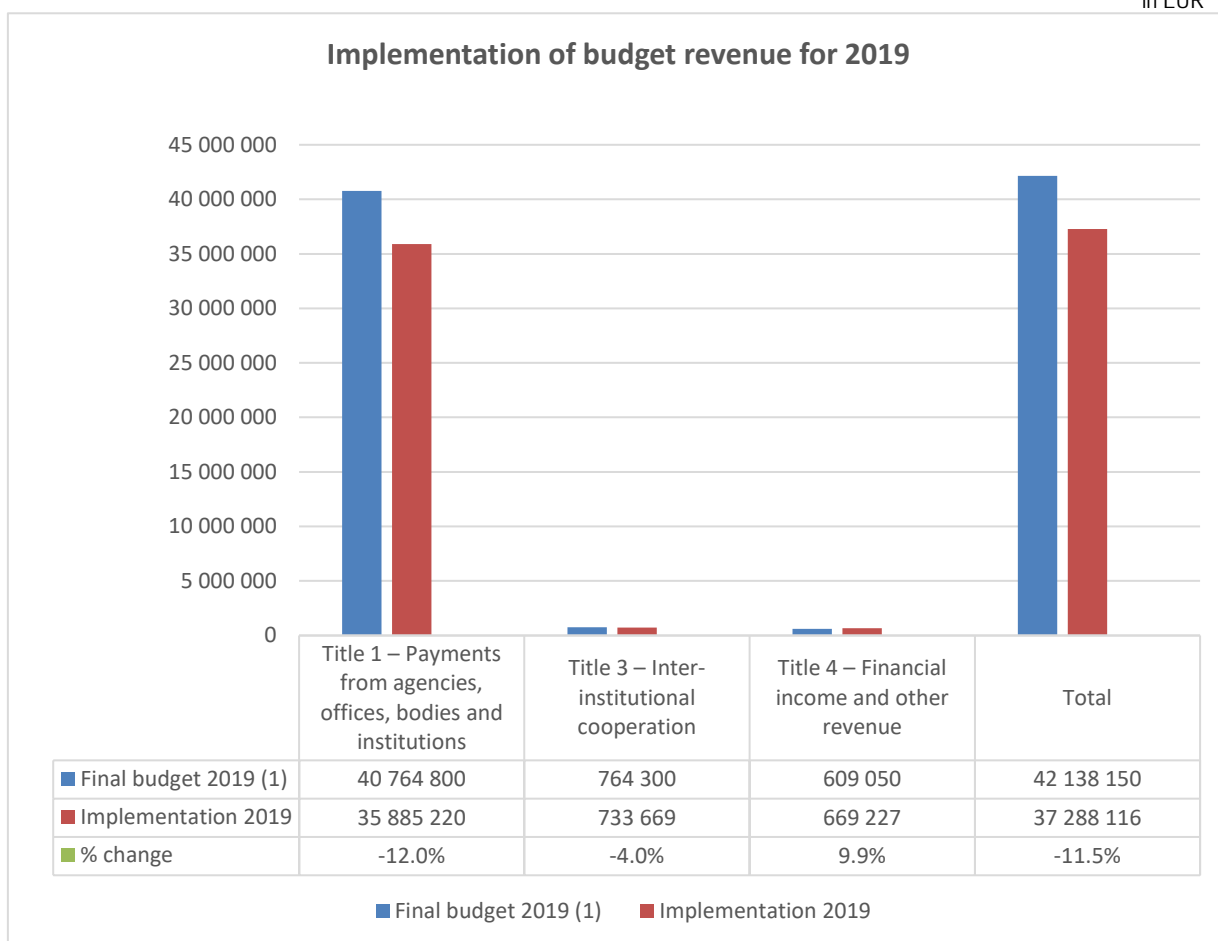
In 2019, financial income continued to decrease due to negative earnings on the financial markets in 2018. The main objective of the Centre's approach to treasury management in 2019 was to retain the nominal value of cash deposits and to avoid paying negative interest.

Since 2013, the Centre has received an annual financial contribution from the Luxembourg government of EUR 243 250 in order to compensate for the increased rental costs of the Drosbach building compared with the rental costs paid previously to the Luxembourg government for the Nouvel Hémicycle building.

The decrease in miscellaneous revenues in 2019 is mainly due to the fact that in 2018 the Centre collected rent for both 2017 and 2018 for rental of the office space on behalf of Chafea, re-invoiced to DG OIL. Other material items included in the miscellaneous revenues in 2019 are the re-invoicing of data centre costs and parking spaces.

### 3. Implementation of budget revenues

in EUR



(1) Not including EUR 3 612 254 in Title 5 covering the outturn for the previous year

In 2019, the collection of revenue was 11.5% below the forecast in the amending budget 2/2019 (EUR - 4.9 million), and the overall number of invoiced pages decreased by 3.2%. The decrease in collected revenues was visible for all documents, including EU trade marks. For documents other than EU trade marks the revenues were 18.2% below the forecast in the amending budget 2/2019, while for EU trade marks they were 3.4% above the forecast.

Lower collection of revenues from documents other than EU trade marks can be fully explained by the low number of pages invoiced in comparison to the forecast in the amending budget 2/2019 (-39 250 pages).

The number of EU trade mark pages delivered and invoiced to the EUIPO (348 276 pages) was 6% above the forecast (328 717 pages) and 3.4% in financial terms. The increase in revenues from EU trade marks was less than the increase in the number of EU trade mark pages invoiced, because the fixed price component is not dependent on the number of pages delivered.

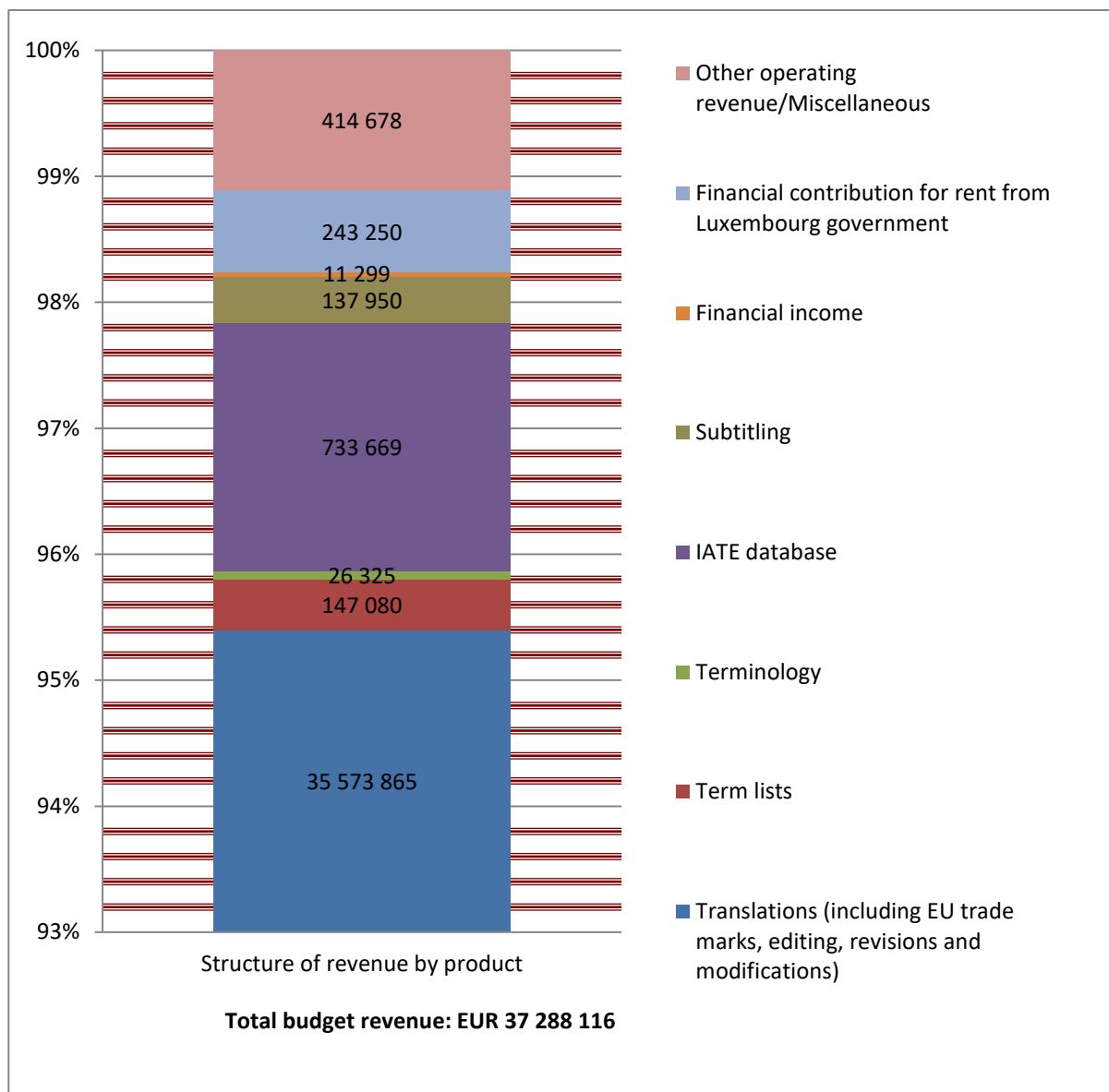
For more details on the progression of the number of pages handled by the Centre, see fluctuations in forecasts versus actual volumes in 2019 in Chapter C.2. 'Achievement of targets for the year'.

The over-execution of revenues from financial income and other operating revenue was due to the collection of revenue received in 2019 for the subletting of office space to the executive agency Chafea.

#### 4. Revenue broken down by activity

For 2019, the Centre's main source of revenue was translation work (translation of documents and EU trade marks, revision, editing and modification), representing some 95.4% of total revenue. The remaining 4.6% was the result of interinstitutional cooperation, terminology work, term lists, subtitling, a financial contribution from the Luxembourg government, bank interest and miscellaneous revenue, as shown in the graph above.

35.6% of the revenues from translation work were generated by the EU trade marks translated for the EUIPO (36.3% in 2018). Overall revenues from the Centre's biggest client, the EUIPO, amounted to EUR 16 588 318 in 2019, which represents 44.5% of the EUR 37 288 116 collected by the Centre in 2019 (49.7% in 2018).



## 5. Budget expenditure

### A. Execution of commitment appropriations

in EUR

Chapter	Heading	Expenditure 2019 (commitment execution)	Expenditure 2018 (commitment execution)	Change in EUR	% change
11	Staff in active employment	23 727 525	23 968 737	-241 212	-1.01%
13	Missions and duty travel	67 050	64 179	2 871	4.47%
14	Socio-medical infrastructure	227 920	257 664	-29 744	-11.54%
16	Social services	83 400	75 900	7 500	9.88%
17	Entertainment and representation	69	1 096	-1 028	-93.73%
<b>TITLE 1</b>	<b>STAFF</b>	<b>24 105 964</b>	<b>24 367 576</b>	<b>-261 612</b>	<b>-1.07%</b>
20	Rental of buildings and associated costs	2 975 543	2 930 857	44 686	1.52%
21	Data processing, information technology	3 114 441	2 885 407	229 033	7.94%
22	Movable property and associated costs	41 884	48 397	-6 513	-13.46%
23	Current administrative expenditure	216 212	240 115	-23 903	-9.95%
24	Postage and telecommunications	130 152	105 416	24 736	23.46%
25	Expenditure on meetings	6 257	28 160	-21 903	-77.78%
26	Expenditure on Management Board meetings	55 215	43 208	12 007	27.79%
27	Consultations and studies	136 425	27 550	108 875	395.19%
<b>TITLE 2</b>	<b>BUILDINGS, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE</b>	<b>6 676 130</b>	<b>6 309 111</b>	<b>367 019</b>	<b>5.82%</b>
30	External translation and related services	10 844 446	12 990 565	-2 146 119	-16.52%
31	Interinstitutional cooperation	703 188	797 780	-94 592	-11.86%
32	Expenditure relating to the eCDT program	233 623	292 684	-59 062	-20.18%
<b>TITLE 3</b>	<b>OPERATIONAL EXPENDITURE</b>	<b>11 781 256</b>	<b>14 081 029</b>	<b>-2 299 773</b>	<b>-16.33%</b>
<b>TITLE 10</b>	<b>RESERVES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>n/a</b>
	<b>TOTAL BUDGET</b>	<b>42 563 350</b>	<b>44 757 716</b>	<b>-2 194 367</b>	<b>-4.90%</b>

Due to rounding, some figures may not add up exactly to the totals stated.

The execution of commitments in Title 1 decreased by 1.1% in 2019 compared with 2018 (EUR -261 612). The reason for this decrease in staff costs was lower occupancy rates (staff who have left the Centre and not yet been replaced). Salary costs decreased even after applying the salary indexation of 2% for the latter half of 2019, promotions and step advancements.

The budget execution in Title 2 increased by 5.8% in 2019 compared with 2018 (EUR +367 019). The majority of the increase in Title 2 can be explained by an increase in Chapter 21 'Data processing, information technology'. This increase was due to the postponement of some IT projects and the postponement of maintenance contracts from 2018 to 2019.

The commitments in Chapter 27 'Consultancy and studies' mainly increased as a result of the new project on ABC-ABB and ABM models (EUR 124 500).

The expenditure for Title 3 decreased by 16.3% in 2019 (a decrease of EUR 2 299 773) due to the low number of pages invoiced in comparison to the forecasts of our clients.

It is also due to the progressive application of the new pricing policy for external language service providers. As a result of the application of the new framework contracts, the volume of translated pages was adjusted for the texts retrieved from translation memories. In 2019, an average reduction of 15.4% in terms of pages was received from suppliers, which represents EUR 870 715 in financial terms.

### Change in outsourcing of documents

in pages

Description	2019	2018	Absolute change	Change in %
Freelancers (in pages)	451 319	570 144	-118 825	-20.8%
In-house translators and translation memories	188 206	211 695	-23 489	-11.1%
Total pages	639 525	781 839	-142 314	-18.2%
<b>% of outsourcing</b>	<b>70.6%</b>	<b>72.9%</b>	<b>-2.4%</b>	<b>-3.2%</b>

Outsourcing decreased by 3.2% in 2019 (70.6% in 2019 compared with 72.9% in 2018). The number of pages translated by the Centre's in-house translators decreased by 23 489 pages in 2019 compared with 2018. The pages by in-house translators also include EU trade mark pages translated by the Centre's translation memories without human intervention. The efficiency of translation memories for EU trade marks is constantly decreasing due to more extensive usage of translation memories by the EUIPO. Therefore, without taking into consideration the EU trade mark pages, the number of in-house translation pages increased compared with 2018.

The figures included in the table on outsourcing include the number of pages before retrieval from translation memories. Therefore, the above figures do not reflect the internal effort for translation, but rather the proportion of outsourcing on overall pages delivered to clients.

The decrease of 20.8% in externally translated pages is more or less in line with the 16.5% decrease in the costs of external translation services under Chapter 30. This can be explained by the use of translation memories and the progressive application of the new pricing policy for external language service providers, combined with the increased volume of translations done by in-house translators.

### B. Change in budget implementation (Titles 1-3)

in EUR

Description	2019	Implementation 2019	2018	Implementation 2018
Budget (excluding Title 10)	45 105 300	n/a	47 142 100	n/a
Commitments entered into	42 563 350	94.4%	44 757 716	94.9%
Appropriations cancelled	2 541 950	5.6%	2 384 384	5.1%
Payments made	38 939 951	86.3%	41 455 513	87.9%
Appropriations carried over	3 623 399	8.0%	3 302 204	7.0%

The execution of the budget expenditure was more or less the same as the previous year, with 94.4% of budget appropriations committed (94.9% in 2018) and the remaining 5.6% cancelled. The execution of payments was slightly below that for the previous year (86.3% in 2019 compared with 87.9% in 2018), and 8% of the budget appropriations were carried over to the following year compared with 7% the previous year.

A total of EUR 2 541 950 of the budget in Titles 1-3 (5.6%) was not used, which is slightly more than in the previous year, demonstrating that the Centre planned the budget in a more precise way. The under-consumption of expenses contributed to better financial results, which should be particularly appreciated given that the execution of revenues was 11.5% below the budget forecast (EUR -4.9 million). The under-consumption of expenses thereby limited the negative financial impact of the under-execution of revenues. High execution of commitments can be observed across all budget titles, reaching 94.4% in 2019, as can be seen in the table below:

C. Budget implementation Titles 1-3 (including credit transfers)

in EUR

Description	Title 1		Title 2		Title 3		Total
	Amount	%	Amount	%	Amount	%	Amount
Budget (excluding Title 10)	25 785 700	n/a	7 115 900	n/a	12 203 700	n/a	45 105 300
Commitments entered into	24 105 964	93.5%	6 676 130	93.8%	11 781 256	96.5%	42 563 350
Appropriations cancelled	1 679 736	6.5%	439 770	6.2%	422 444	3.5%	2 541 950
Payments made	23 886 469	92.6%	5 696 529	80.1%	9 356 953	76.7%	38 939 951
Appropriations carried forward	219 495	0.9%	979 601	13.8%	2 424 303	19.9%	3 623 399

### Title 1 – Staff

The initial budget in Title 1 was EUR 27 182 700. This decreased to EUR 26 322 200 in the second amending budget 2/2019 due to lower than expected occupancy rates and the departure of some staff. During 2019, 93.5% of the final budget (94.1% in 2018) was executed in terms of commitments, namely EUR 24 105 964 (EUR 24 367 716 in 2018), and 92.6% of the budget (93.4% in 2018) was consumed by payments. EUR 1 676 736 was left unused, representing 6.5% of the budget (EUR 1 540 524 and 5.9% in 2018). The main factor for the under-execution of commitments was staff turnover in 2019, and therefore a lower fulfilment of the establishment plan. On the other hand, since commitments covering salaries and other staff-related expenditure cannot be carried over, the level of carryovers was slightly higher (EUR 219 495 compared with EUR 163 575 in 2018). The relatively high budget implementation and the low amount of carryovers for Title 1 is due to the reasonable predictability of staff expenditure and good monitoring of payment execution in Title 1.

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

The initial budget in Title 2 was EUR 6 927 200, which was increased to EUR 7 079 400 in the amending budget 2/2019. This was close to the budget for 2018, which was EUR 6 711 050. The execution of commitments reached 93.8% in 2019, leaving EUR 439 770 unused. The implementation is equal to last year, when 94% of Title 2 was committed. Payment execution was also the same as in 2018, with an execution rate of 80.1%, compared to 78.6% in 2018.

The execution in the most important budget Chapter 20 covering rent and building-related charges has remained relatively high for many years, at 98.13% (97.6% in 2018), but the execution for IT expenses, the second most important budget chapter, decreased to 90.8%, which was less than in 2018 (96.2%). On average, the execution of other chapters of Title 2 was around 87% due to the provisional nature of the commitments behind the expenses that cannot always be reliably estimated. Chapter 27 'Consultations, studies and surveys' (99.95%) was mainly due to the commitment for ABC and ABM consultancy services; the deliverables occurred in 2019 for an amount of EUR 124 500.

The commitments carried over from 2019 to 2020 amounted to EUR 979 601, which is similar to the carryovers from 2018 to 2019 (EUR 1 031 914).

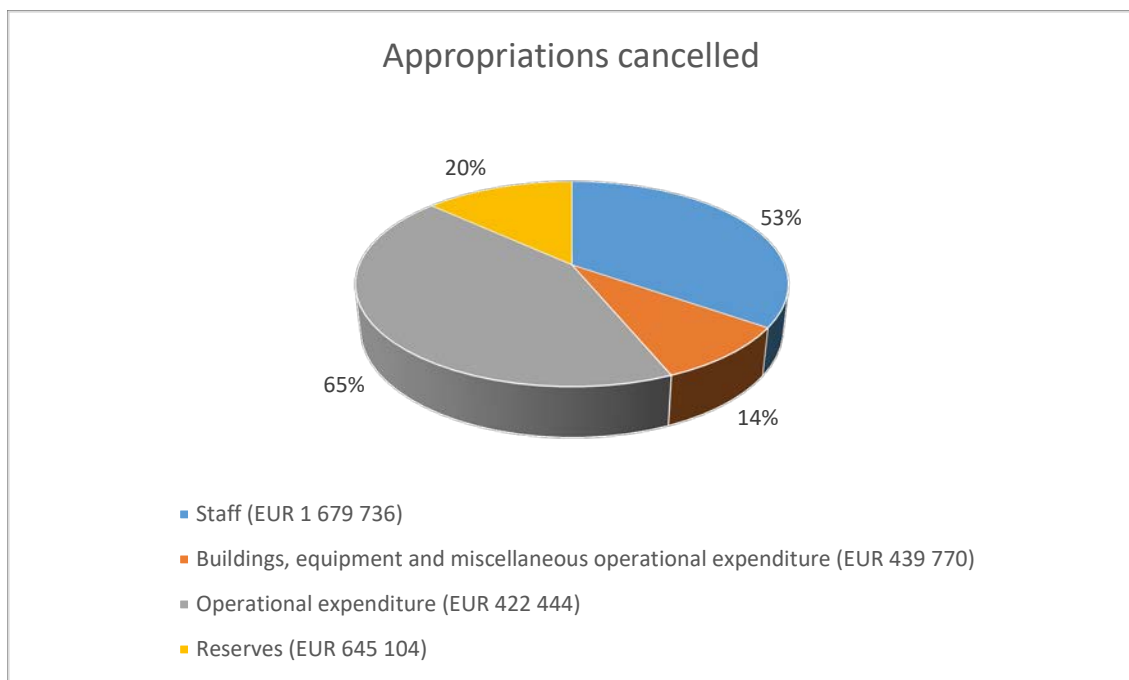
### Title 3 – Operational expenditure

The final budget in Title 3 was EUR 11 703 700, which was lower than the figure in the initial budget 2019 (EUR 12 576 700). In Title 3, 96.5% of the budget (EUR 11 781 256) was used during 2019, which was the same in 2018 with 97% used, i.e. EUR 14 081 029. The unused budget appropriations in this title are EUR 422 444 (EUR 441 921 in 2018), with EUR 265 554 of this relating to item 3000 'External translation services' (EUR 417 285 in 2018).

The consumption in Title 3 is close to the budget appropriations available in the budget. The Centre will never be able to achieve full consumption of Title 3 because the translation requests received from clients are always subject to unpredictability, and the Centre must retain a certain margin for unforeseen translation requests. The Centre carried out thorough monitoring of the consumption of Title 3 and, as a result, re-evaluated client forecasts and budget needs in the amending budget. Therefore, the execution of Title 3 and other titles is very close to the budget available.

The impact of the progressive implementation of the new pricing structure for the Centre's external language service providers for the translation of documents was reflected in the initial and amending budget from the outset.

#### D. Appropriations cancelled



## C.2 Achievement of targets for the year

The Centre closed the year with a total translation volume of 639 515<sup>1</sup> pages, which was 10.3% below the 712 807 pages planned in the initial budget for 2019 and 4.13% above the 614 165 pages planned in the amending budget 2/2019. Compared with 2018 (781 839 pages), there was an 18.2% decrease in the total translation volume. These figures include documents and EU trade marks as well as those pages translated for the Centre's own needs. The number of translated pages invoiced following an analysis to identify texts already in the Centre's translation memories is lower; this resulted in savings for clients and brings down the amount of invoiced pages to 594 474.

Documents accounted for 291 238 pages<sup>2</sup> in 2019. This corresponds to 3.5% less pages than the target in the initial budget for 2019 (301 911 pages) and 2.3% more than the target in the amending budget 2/2019 (285 448 pages). It also included 9 549 pages translated for the Centre's internal needs, of which most were for Management Board meetings (5 360 pages). The number of documents translated decreased by 21.1% compared with 2018 (369 005 pages).

Of the total 639 515 pages translated in 2019, 348 276 pages (54.5% of the total translated volume) accounted for EU trade marks, compared with 328 717 pages planned in the initial and amending budget for 2018. Compared with 2018, the number of translated EU trade marks decreased by 15.6% (-64 558 pages). EU trade marks remain the key product in the Centre's portfolio, amounting to 35.6% of the Centre's total revenue in 2019 (36.3% in 2018). In terms of invoiced pages, EU trade marks represented 58.6% of the total volume invoiced in 2019. The fluctuations in budget forecasts compared with actual invoiced volumes are shown in the chart below.

In addition to translation (which includes modification, editing and revision), the Centre offered other language services in 2019. Some 1 129 man-days were devoted to terminology work, and eighteen clients requested the translation of 41 002 term list entries, which included 7 946 terms for Community Designs, 16 794 Euroclass terms and 6 290 other terms for the EUIPO. In 2018, the Centre produced 47 861 terms, mainly for the EUIPO, and undertook 672 man-days of terminology work.

Some 2 571 minutes of subtitling were produced for ten clients, of which 1 056 minutes were for the European Asylum Support Office (EASO). In 2018, the Centre produced 3 127 minutes of subtitling, mainly for the ECHA.

Based on the report from the working group, followed by the Centre's Management Board decision in October 2016, the Centre introduced a new pricing structure for the translation of documents as of January 2017. The new pricing structure grants a discount to clients for repetitive texts that are translated using the Centre's translation memories. As a result, the impact of the new pricing structure on the number of invoiced pages in 2019 was -13.1% (-35 492 pages), which corresponds to a total reduction of EUR 3 229 804 for the Centre's clients (-12.9%). The financial impact of the new pricing structure in 2018 was EUR 4 357 833 (-15.6%), with a reduction of 53 292 pages (-15.9%). The Centre also applies a similar pricing scheme to its suppliers that reflects the use of translation memories. In 2018, an average reduction of 15.3% in terms of pages was received from suppliers, which represents EUR 870 715 less in financial terms.

As part of the Centre's quality assurance assessment of its external language service providers, translations produced by its external providers are revised and evaluated by in-house translators prior to delivery to clients. In 2019, in 99.03% of cases, the translations were assessed as being of acceptable or excellent quality.

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<sup>1</sup> 657 323 pages if the equivalent of 17 798 pages of documents is included (2019 partial delivery of the DG EMPL project).

<sup>2</sup> In the initial budget, no potential impact of the use of translation memories was calculated by the Centre, but this was included in the amending budget 2/2019.



Although the percentage of external translations of poor quality was low in 2019, the Centre took stringent measures against several external contractors whose documents were judged to be repeatedly unsatisfactory. In 2019, a total of 229 outsourced translations were submitted to the Centre's internal assessment committee following an assessment of poor quality by the internal revisers. The results were judged to be conclusive, with poor quality being confirmed for 203 of them (88.6% of cases), and contractual measures were taken against the contractors concerned. In some cases, these contractual measures included the termination of the framework contract, for instance if the external contractor had provided raw or insufficiently edited machine translation output to the Centre.

Fluctuations in forecasts vs actual volumes in 2019 (in pages)

