



FINAL ANNUAL ACCOUNTS 2013 OF THE TRANSLATION CENTRE

CT/CA-028/2014^{EN}

In accordance with Article 99 of the Financial Regulation of the Translation Centre

COMPONENTS OF THE ANNUAL ACCOUNTS

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FINANCIAL STATEMENTS OF THE TRANSLATION CENTRE

A.1 Balance sheet

in EUR

	ASSETS	Note	31.12.2013	31.12.2012	% change
A.	NON-CURRENT ASSETS		2 019 113.75	1 013 856.00	99.15%
	INTANGIBLE FIXED ASSETS	1	875 908.75	324 826.00	169.65%
	Computer software		227 697.00	324 826.00	-29.90%
	Computer software in progress		648 211.75	0.00	n/a
	TANGIBLE FIXED ASSETS	2	1 143 205.00	689 030.00	65.92%
	Computer hardware		802 288.00	637 926.00	25.77%
	Furniture and vehicles		72 970.00	48 880.00	49.28%
	Plant, machinery and equipment		1 517.00	1 786.00	-15.06%
	Other fixtures and fittings		266 430.00	438.00	60728.77%
B.	CURRENT ASSETS		47 080 791.20	42 295 900.61	11.31%
	STOCKS		270 000.00	329 000.00	-17.93%
	Work in progress	3	270 000.00	329 000.00	-17.93%
	SHORT-TERM RECEIVABLES		27 557 669.27	27 406 503.33	0.55%
	VAT paid and recoverable from the Member States	4	13 686.54	17 411.27	-21.39%
	Accounts receivable from EU institutions & bodies	5	3 571 065.65	4 241 242.72	-15.80%
	Accrued income from EU institutions & bodies	5	2 204 403.83	2 538 689.83	-13.17%
	Prepaid expenses	6	487 502.81	61 750.28	689.47%
	Accrued interests	7	39 669.64	92 657.06	-57.19%
	Term deposits due within three months and one year	8	20 611 490.42	20 418 983.33	0.94%
	Sundry receivables	9	629 850.38	35 768.84	1660.89%
	CASH AND CASH EQUIVALENTS	8	19 253 121.93	14 560 397.28	32.23%
	TOTAL		49 099 904.95	43 309 756.61	13.37%

	LIABILITIES	Note	31.12.2013	31.12.2012	% change
A.	CURRENT LIABILITIES		2 755 702.64	3 431 029.44	-19.68%
	ACCOUNTS PAYABLE		2 495 702.64	2 675 029.44	-6.70%
	Accrued expenses	11	2 102 578.71	1 508 857.76	39.35%
	Suppliers	11	380 923.66	1 144 114.89	-66.71%
	Advances received		390.00	390.00	0.00%
	Other liabilities		11 810.27	21 666.79	-45.49%
	PROVISION FOR RISKS AND CHARGES	10	260 000.00	756 000.00	-65.61%
B.	NET ASSETS/LIABILITIES		46 344 202.31	39 878 727.17	16.21%
	Reserves	12	16 529 466.33	16 529 466.33	0.00%
	Accumulated result for previous financial years		23 349 260.84	20 849 880.43	11.99%
	Economic outturn for the financial year		6 465 475.14	2 499 380.41	158.68%
	TOTAL		49 099 904.95	43 309 756.61	13.37%

A.2 Economic outturn account

in EUR

	Note	2013	2012	% change
OPERATING REVENUE		48 918 439.57	45 282 219.44	8.03%
Translations	13	46 209 481.04	44 245 254.76	4.44%
Interinstitutional cooperation – IATE database	14	585 392.29	725 594.74	-19.32%
Terminology	15	90 642.40	361 405.00	-74.92%
Term lists	16	1 791 080.00	351 235.00	409.94%
Other revenue from operations	17	51 750.00	0.00	n/a
TOTAL REVENUE FROM OPERATIONS		48 728 345.73	45 683 489.50	6.67%
Sale of fixed assets		473.00	2 982.00	-84.14%
Grant for rent from Luxembourg Government*	18	243 250.00	0.00	n/a
Miscellaneous revenue		5 370.84	40 747.94	-86.82%
Movements in work in progress	3	-59 000.00	-445 000.00	-86.74%
OTHER OPERATING REVENUE		190 093.84	-401 270.06	-147.37%
OPERATING EXPENSES		42 625 154.90	43 187 762.51	-1.30%
Staff expenses	19	21 705 978.10	22 407 835.07	-3.13%
Administrative expenses	20	6 942 245.98	5 843 293.49	18.81%
Operational expenses	21	14 472 930.82	14 370 633.95	0.71%
Provision for risks and charges	10	-496 000.00	566 000.00	-187.63%
SURPLUS FROM OPERATING ACTIVITIES		6 293 284.67	2 094 456.93	200.47%
FINANCIAL OPERATIONS REVENUE		176 066.78	408 451.24	-56.89%
Bank interest		175 941.24	408 419.08	-56.92%
Exchange-rate gain		125.54	32.16	290.36%
FINANCIAL EXPENSES		3 876.31	3 527.76	9.88%
Bank charges		3 750.37	3 506.13	6.97%
Exchange-rate loss		125.94	21.63	482.25%
SURPLUS FROM NON-OPERATING ACTIVITIES		172 190.47	404 923.48	-57.48%
SURPLUS FROM ORDINARY ACTIVITIES		6 465 475.14	2 499 380.41	158.68%
SURPLUS/DEFICIT FROM EXTRAORDINARY ACTIVITIES		0.00	0.00	n/a
ECONOMIC OUTTURN FOR THE YEAR		6 465 475.14	2 499 380.41	158.68%

* Non-exchange transaction

A.3 Statement of changes in net assets/liabilities

in EUR

	Reserves		Accumulated surplus/deficit	Economic outturn for the year	Total net assets/liabilities
	Capital	Reserves			
Situation as at 31 December 2011	0.00	16 529 466.33	21 877 946.46	-1 028 066.03	37 379 346.76
Movements in reserves	0.00	0.00	0.00	0.00	0.00
Allocation of the economic outturn 2011	0.00	0.00	-1 028 066.03	1 028 066.03	0.00
Economic outturn for the year	0.00	0.00	0.00	2 499 380.41	2 499 380.41
Situation as at 31 December 2012	0.00	16 529 466.33	20 849 880.43	2 499 380.41	39 878 727.17
Movements in reserves	0.00	0.00	0.00	0.00	0.00
Allocation of the economic outturn 2012	0.00	0.00	2 499 380.41	-2 499 380.41	0.00
Economic outturn for the year	0.00	0.00	0.00	6 465 475.14	6 465 475.14
Situation as at 31 December 2013	0.00	16 529 466.33	23 349 260.84	6 465 475.14	46 344 202.31

A.4 Cash flow table

in EUR

	2013	2012
CASH FLOWS ASSOCIATED WITH THE BUSINESS		
Outturn from normal business	6 465 948.14	2 502 362.41
+ Depreciation	670 829.92	728 132.47
+/- Provision for risks and charges	-496 000.00	566 000.00
+/- Welfare benefits	0.00	0.00
+/- Variation in stocks	59 000.00	445 000.00
+/- Variation in operating amounts receivable	41 341.15	-826 236.85
+/- Variation in operating debts	-179 326.80	360 087.65
+/- Variation in other amounts receivable associated with the business	0.00	0.00
+/- Variation in other debts associated with the business	0.00	0.00
+/- (Profit)/Loss on sales of installations, equipment and immovable property	-473.00	-2 982.00
NET CASH FLOWS RESULTING FROM THE BUSINESS	6 561 319.41	3 770 526.68
CASH FLOWS ASSOCIATED WITH LOANS AND BORROWING		
+/- 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
NET CASH FLOWS RESULTING FROM LOANS AND BORROWING	0.00	0.00
CASH FLOWS ASSOCIATED WITH INVESTMENT OPERATIONS		
- Acquisitions of fixed assets	-1 676 087.67	-142 029.05
- Term deposits	-192 507.09	-418 983.33
+ Transfers of fixed assets	0.00	0.00
+ Reduction of financial assets	0.00	0.00
+/- Variation in amounts receivable and debts on fixed assets	0.00	0.00
+ Dividends paid	0.00	0.00
NET CASH FLOWS ASSOCIATED WITH INVESTMENT TRANSACTIONS	-1 868 594.76	-561 012.38
CASH FLOWS ASSOCIATED WITH FINANCING TRANSACTIONS		
+/- Financial liabilities	0.00	0.00
+/- Long-term liabilities	0.00	0.00
- Reimbursement to clients by bank transfer	0.00	0.00
NET CASH FLOWS ASSOCIATED WITH FINANCING TRANSACTIONS	0.00	0.00
CASH VARIATION	4 692 724.65	3 211 351.30
Cash at the start	14 560 397.28	11 349 045.98
Cash at the end	19 253 121.93	14 560 397.28

A.5 Notes to the financial statements

1. DESCRIPTION OF THE BUSINESS

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

2. BASIS OF PRESENTATION

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

The financial year begins on 1 January 2013 and ends on 31 December 2013.

The accounts are kept in EUR.

3. ACCOUNTING PRINCIPLES

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Intangible fixed assets

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

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

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

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

4.2 Intangible fixed assets developed internally

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

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

An internal or external IT development project in the development phase is assessed 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; and
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

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

Amortisation of intangible fixed assets 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'.

4.3 Tangible fixed assets

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

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

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

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

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

Table of depreciation rates

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

4.4 Low-value fixed assets

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

4.5 Stocks

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

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

The difference in the value of the work in progress between 2012 and 2013 is recorded in 'Operating revenue' in the Economic outturn account under the heading *Movements in work in progress*.

4.6 Short-term receivables

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

The receivables for December translations invoiced in January of the following year are considered to be accrued income. This income is included in the revenue and economic result of the year. For further details, see note No 5 in the *Explanatory notes*.

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

4.7 Cash and cash equivalents

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

4.8 Accounts payable

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

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

4.9 Provisions for risks and charges

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

4.10 Reserves

Article 59(a)(3) of the Centre's Financial Regulation provides for a permanent prefinancing fund that guarantees financing for the proper functioning of the Centre until invoiced amounts have been received from clients. In accordance with Article 58(2) 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.

4.11 Revenue

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

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

Non-exchange transactions are 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 a grant for rent received by the Centre from Luxembourg Government as described in Note 18 of the *Additional information to the Balance sheet*.

4.12 Expenses

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

4.13 Transactions and balances denominated in foreign currencies

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

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

4.14 Ordinary income

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

4.15 Extraordinary revenue and expenses

Extraordinary revenue and expenses arise 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.

4.16 Economic result for the year

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

4.17 Use of estimates

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

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

The financial statements for the year ended 31 December 2013 were not restated to reflect any change in accounting methods, valuation, depreciation or accounting policies.

4.19 Cash flow table

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

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

Note 1: Intangible fixed assets

	in EUR		
	Computer software	Computer software in progress	Total
A. Purchase value			
Previous year-end	3 868 010.10	0.00	3 868 010.10
<u>Changes during the financial year</u>			
Acquisitions in the financial year	80 194.20	648 211.75	728 405.95
Disposals and withdrawals	-385 695.32	0.00	-385 695.32
Transfers between headings	0.00	0.00	0.00
<u>Year-end</u>	3 562 508.98	648 211.75	4 210 720.73
B. Amortisation and reductions in value			
Previous year-end	3 543 184.10	0.00	3 543 184.10
<u>Changes during the financial year</u>			
Depreciation for the financial year	175 436.20	0.00	175 436.20
Disposals and withdrawals	-383 808.32	0.00	-383 808.32
<u>Year-end</u>	3 334 811.98	0.00	3 334 811.98
NET BOOK VALUE (A-B)	227 697.00	648 211.75	875 908.75

In 2013 the Centre started to capitalise internal and external development costs as an intangible fixed asset in progress for the e-CdT project. The e-CdT will be a core business translation workflow system that will provide a customisable and modular workflow for both in-house and freelance translations. Overall development costs of the project are estimated at EUR 3 978 419, of which EUR 828 750 are internal and 3 149 667 external development costs. From the financing point of view, the internal development costs will be paid from Title 1 of the Centre's budget while the external costs will be financed through the budgetary reserve that the Centre has placed aside for this purpose. For details of the reserves created from the budget please see Chapter B.5 of the reports on the budget implementation.

The development costs for other projects do not fulfil the criteria for capitalisation into fixed assets and are recorded in staff costs, and the external development costs in administrative expenses.

Totally depreciated fixed intangible assets

The purchase value of fixed assets in use, which were totally depreciated on 31 December 2013, amounted to EUR 3 015 883.46 (EUR 3 175 047.22 in 2012).

Note 2: Tangible fixed assets

in EUR

	Computer hardware	Furniture and vehicles	Plant, machinery and equipment	Other tangible fixed assets	Total
A. Purchase value					
Previous year-end	3 147 708.57	372 623.85	2 156.00	52 449.06	3 574 937.48
<u>Changes during the financial year</u>					
Acquisitions	626 330.59	42 941.52	0.00	278 409.61	947 681.72
Disposals and withdrawals	-989 755.79	-97 729.05	0.00	-2 540.47	-1 090 025.31
Transfers between headings	0.00	0.00	0.00	0.00	0.00
<u>Year-end</u>	2 784 283.37	317 836.32	2 156.00	328 318.20	3 432 593.89
B. Depreciations and value adjustments					
Previous year-end	2 509 782.57	323 743.85	370.00	52 011.06	2 885 907.48
<u>Changes during the financial year</u>					
Depreciation for the financial year	432 501.59	17 565.52	269.00	12 417.61	462 753.72
Disposals and withdrawals	-960 288.79	-96 443.05	0.00	-2 540.47	-1 059 272.31
<u>Year-end</u>	1 981 995.37	244 866.32	639.00	61 888.20	2 289 388.89
NET BOOK VALUE (A-B)	802 288.00	72 970.00	1 517.00	266 430.00	1 143 205.00

Totally depreciated fixed tangible assets

The purchase value of fixed assets in use, which were totally depreciated on 31 December 2013, amounted to EUR 1 657 557.50 (EUR 1 821 253.85 in 2012).

Low-value fixed assets

The Centre acquired tangible assets that were charged directly to expenses in the amounts of EUR 227 409.51 and EUR 52 871.25 for the years ended 31 December 2013 and 2012, respectively. These assets are low-value tangible assets with an estimated useful life greater than one year and an acquisition cost lower than EUR 420.00 on an individual basis. Low-value tangible assets are not recorded under fixed assets, but charged through expense accounts.

Note 3: Work in progress

in EUR

	2013	2012	% change
Work in progress (in EUR)	270 000.00	329 000.00	-17.93%
Documents in progress (in pages)	22 518.17	29 082.00	-22.57%
Term lists in progress (in terms)	188.00	4 709.00	-96.01%

The decrease in the financial valuation of the work in progress is in line with the overall decrease in the number of document pages and term lists in progress at the year-end 2013. The decrease in work in progress, of EUR 59 000, was recorded in the economic outturn under the heading *Movements in work in progress*.

Note 4: VAT paid and recoverable from the Member States

As an EU body, the Centre benefits from VAT exemption 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 VAT paid to its suppliers. The balance of VAT receivable is the sum of all claims submitted to the Portuguese tax authorities in the last quarter of 2013; no claims are outside the deadline for the recovery.

			in EUR
VAT receivable from the Member States	2013	2012	% change
Nominal value of VAT claims	13 686.54	17 411.27	-21.39%
Provision for claims outside the deadline	0.00	0.00	n/a
Net value of VAT receivable	13 686.54	17 411.27	-21.39%

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

(in EUR)

Clients	Receivable	Accrued income	Total	Average collection date **
European Environment Agency (EEA)	0.00	10 527.00	10 527.00	-13.38
European Training Foundation (ETF)	0.00	3 033.50	3 033.50	-6.67
European Medicines Agency (EMA)	0.00	217 361.85	217 361.85	-9.46
European Agency for Safety and Health at Work (EU-OSHA)	0.00	23 187.00	23 187.00	-13.56
Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)	2 476 907.74	885 539.01	3 362 446.75	-4.00
Community Plant Variety Office (CPVO)	0.00	6 329.00	6 329.00	-12.46
European Police Office (Europol)	0.00	138 032.48	138 032.48	-0.5
European Foundation for the Improvement of Living and Working Conditions (Eurofound)	0.00	105 194.00	105 194.00	-11.47
European Centre for the Development of Vocational Training (Cedefop)	26 149.25	3 246.00	29 395.25	-1.92
European Union Agency for Fundamental Rights (FRA)	0.00	57 087.05	57 087.05	1.10
European Food Safety Authority (EFSA)	0.00	20 454.80	20 454.80	-23.21
European Maritime Safety Agency (EMSA)	0.00	3 492.00	3 492.00	-6.67
European Aviation Safety Agency (EASA)	211 520.00	0.00	211 520.00	8.69
European Railway Agency (ERA)	0.00	74 176.60	74 176.60	-8.71
European Network and Information Security Agency (ENISA)	0.00	136.25	136.25	-6.64
European Centre for Disease Prevention and Control (ECDC)	14 565.00	41 900.10	56 465.10	-7.00
European Police College (CEPOL)	0.00	17 460.00	17 460.00	-11.57
Executive Agency for Health and Consumers (EAHC)	0.00	1 252.50	1 252.50	-17.33
European GNSS Agency (GSA)	0.00	970.00	970.00	-10.00
European Defence Agency (EDA) *	2 934.46	909.45	3 843.91	-7.50
European Chemicals Agency (ECHA)	0.00	195 911.50	195 911.50	-10.36
European Fisheries Control Agency (EFCA)	0.00	8 778.50	8 778.50	-5.55
Trans-European Transport Network Executive Agency (TEN-T EA)	0.00	16 296.00	16 296.00	-15.71
European Institute of Innovation and Technology (EIT)	0.00	2 475.00	2 475.00	-11.20
Research Executive Agency (REA)	0.00	1 363.75	1 363.75	-6.38
European Institute for Gender Equality (EIGE)	0.00	69 937.00	69 937.00	-14.63
Education, Audiovisual and Culture Executive Agency (EACEA)	0.00	32 995.30	32 995.30	-18.00
Executive Agency for Competitiveness and Innovation (EACI)	0.00	3 873.00	3 873.00	-11.00
European Data Protection Supervisor (EDPS)	98 628.20	38 507.30	137 135.50	0.85
European Asylum Support Office (EASO)	0.00	1 576.25	1 576.25	-1.83
European Securities and Markets Authority (ESMA)	12 525.30	8 536.00	21 061.30	3.82
European Banking Authority (EBA)	0.00	125 295.00	125 295.00	-3.69
European Insurance and Occupational Pensions Authority (EIOPA)	140.65	0.00	140.65	9.71
Body of European Regulators for Electronic Communications (BEREC)	0.00	4 728.50	4 728.50	-15.50
European Commission – DG Employment, Social Affairs and Equal Opportunities (DG EMPL)	711 635.00	17 350.00	728 985.00	52.00
European Court of Auditors (ECA)	2 061.25	970.00	3 031.25	-8.00
Council of the European Union (Council)	0.00	15 362.17	15 362.17	-11.73
European Central Bank (ECB) *	1 951.40	8 121.57	10 072.97	-0.67
European Ombudsman (Ombudsman)	12 047.40	42 038.40	54 085.80	-7.54
TOTAL	3 571 065.65	2 204 403.83	5 775 469.48	-0.52

* Non-consolidated entities.

** Payments before due date give negative figure (in blue), payments after the due date positive figure (in red)

Accrued income represents income from invoices drawn up in January 2014 for translations delivered to clients in December 2013.

Note 6: Prepaid expenses

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

The balance of prepaid expenses is significantly higher than previous years due to payment of the rent expenses for the first trimester 2014 amounting to EUR 408 253.15 already in December 2013 from the 2014 budget.

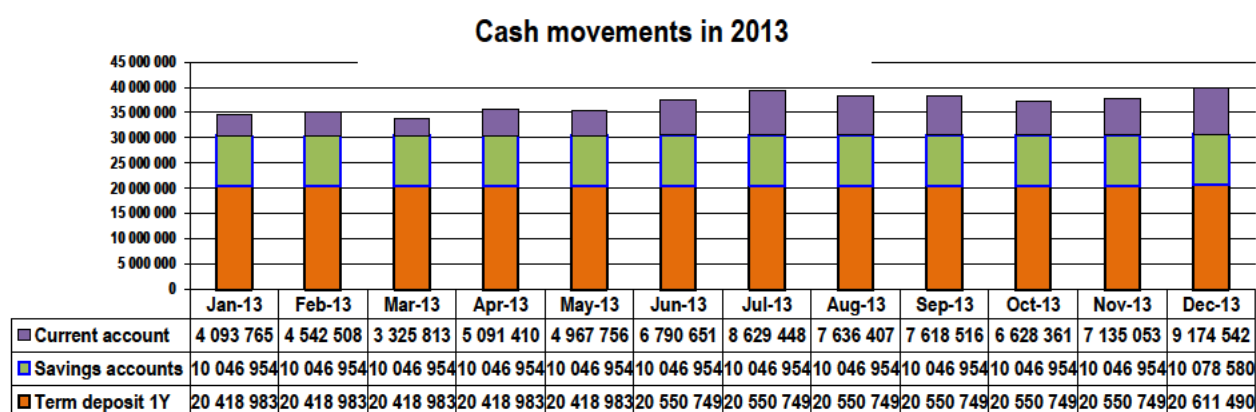
Note 7: Accrued interest

Accrued interest is interest earned from the ongoing placement of term deposits with maturity in 2014. As the interest from term deposits is received only at the end of the term contract, accrued interest represents pro rata interest corresponding to the 2013 accounting period.

Note 8: Cash and cash equivalents

The treasury is managed by the Centre's Accounting Officer. The investments are made based on the Centre's treasury management policy, evaluation of the inter-banking market rates and cash forecasts. A one-year term deposit is disclosed under short-term receivables.

in EUR



Breakdown of the cash balance

in EUR

Year	2013	2012	% change
Cash in bank – current account	9 174 542.59	4 513 443.32	103.27%
Cash in bank – savings account	10 078 580.34	10 046 953.96	0.31%
Cash in hand	0.00	0.00	n/a
Total cash and cash equivalents	19 253 121.93	14 560 397.28	32.23%
Term deposits expiring within one year	20 611 490.42	20 418 983.33	0.94%
Total cash, including term deposits	39 864 612.35	34 979 380.61	13.97%

Note 9: Sundry receivables

The main part of the balance of 'Sundry receivables' of EUR 629 850.38 represents a receivable of EUR 596 901.82 from the Commission's pension scheme. This receivable was generated by the rectification of the contribution rate to the pension system. By the decision of the Court of Justice, the pension contribution for the years 2012 and 2013 was paid to staff in December 2013. As the pension contribution will be recovered from the Commission only in 2014 by compensating with the Centre's current monthly pension obligation, the amount of pension rectification remains outstanding as at the year-end 2013. The part belonging to the Centre amounting to EUR 429 525.60 was given back to the Centre's budget, and the remaining EUR 200 323.78 was paid to the staff in December 2013.

Note 10: Short-term provisions for risks and charges

in EUR	
Short-term provisions	Provision for the salary increase
Balance as at 31 December 2012	756 000.00
Creation of the provision – expense	33 000.00
Release of the provision	529 000.00
Balance as at 31 December 2013	260 000.00

The Commission adopted a Proposal for a Council Regulation adjusting the 2011 and 2012 remuneration and pension of EU civil servants by 1.7% for Brussels and Luxembourg. This adjustment is calculated according to the method enshrined in the Staff Regulations. The Council formally took a decision not to adopt the Commission's proposal to adjust the remuneration and pension of EU staff. The Commission decided to bring proceedings before the Court of Justice against the Council for failure to act by not adopting the Commission's proposal. The salary increase by 1.7% was a basis for the calculation of the provision in 2012 annual accounts.

The Court of Justice issued the ruling on the case in 2013. The European Commission was required to submit to the European Parliament and the Council new proposals which take into account the serious and sudden deterioration in the economic and social situation identified by the Council in 2011.

The Commission submitted the new proposal for the adjustment, which amounts to 0.9% instead of 1.7% for both the years 2011 and 2012. Therefore, in compliance with EU accounting rules, the Centre booked in its 2013 accounts a provision of EUR 33 000 with the updated percentage of the salary increase for the outstanding salary payments relating to July 2011-December 2013. Even if the percentage of the salary increase decreased from 1.7% to 0.9%, the overall provision increased by EUR 33 000 comparing to previous year due to one additional year that is subject of the retroactive adjustment. As the Commission expects that the payment will be paid in 2014, the provision is presented in the annual accounts as short term.

In March 2014 the budget authorities decided to decrease the salary increase for the year 2012 from 0.9% to 0.8% and not to pay any salary increase for 2011. As a result of this decision the Centre released part of the provision amounting to EUR 529 000 already in its 2013 accounts. The disputed salary increase of 0.8% for 2012 was finally paid in May 2014 to staff and the final usage of the remaining provision will be therefore reflected in 2014 accounts.

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

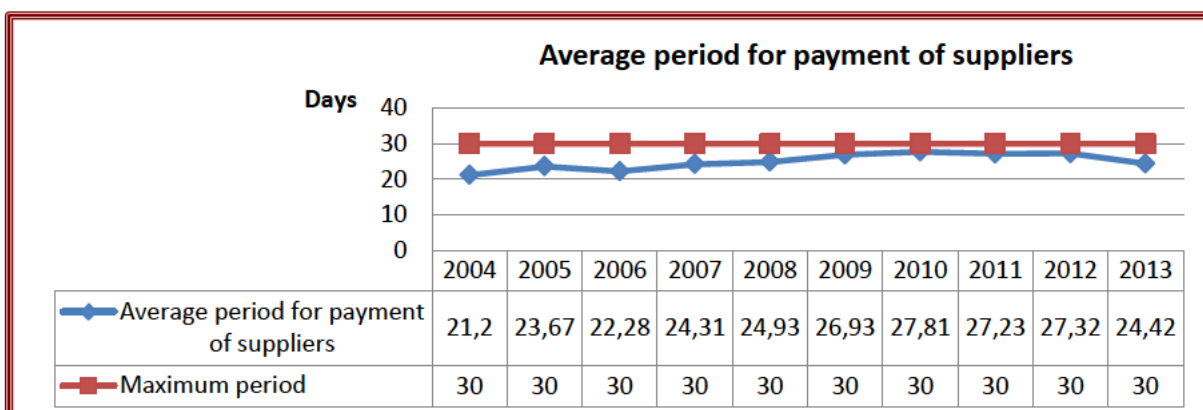
Note 11: Accrued expenses

in EUR			
Accrued expenses	2013	2012	% change
Accrued expenses based on carryover analysis	1 808 061.80	1 229 474.42	47.06%
Leave not taken by staff	294 516.91	279 383.34	5.42%
Total	2 102 578.71	1 508 857.76	39.35%

Leave not taken by staff

in EUR			
Leave not taken by staff	2013	2012	% change
Number of days not taken	1 305.44	1 203.80	8.44%
Financial evaluation of leave not taken	294 516.91	279 383.34	5.42%

Due to extremely low interest rates on the financial markets, the Centre abandoned the application of a target payment deadline to suppliers of 30 days. The payment is executed immediately after the payment workflow in the budget accounting has been completed. As a result, the average period for the payment of suppliers has decreased from 27.32 days in 2012 to 24.42 days in 2013 for a total of 10 000 payments.



Note 12: Reserves – Permanent prefinancing fund

Article 59(a)(3) of the Centre's Financial Regulation provides for a permanent prefinancing fund that guarantees financing for the proper functioning of the Centre until invoiced amounts have been received from clients. In accordance with Article 58(2) 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.

As the budget for 2013 does not achieve the maximum values from the year 2011, the balance of the permanent prefinancing fund remains the same for the third consecutive year.

in EUR	
Permanent prefinancing fund	
Initial allocation	5 006 840.00
2003 allocation	3 322 850.33
2004 allocation	1 431 500.00
2007 allocation	999 143.00
2008 allocation	2 406 368.00
2009 allocation	1 196 465.00
2010 allocation	2 166 300.00
2011 allocation	0.00
2012 allocation	0.00

Final accounts for 2013 as adopted by the Director of the Translation Centre on 10/06/2014

2013 allocation	0.00
Total	16 529 466.33

Note 13: Translations

in EUR

Clients	2013	2012
European Environment Agency (EEA)	252 031.00	380 841.25
European Training Foundation (ETF)	249 533.10	300 920.00
European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)	186 503.50	693 904.75
European Medicines Agency (EMA)	3 860 177.85	2 908 031.78
European Agency for Safety and Health at Work (EU-OSHA)	442 996.70	959 043.25
Office for Harmonization in the Internal Market (OHIM)	25 735 185.39	20 981 461.52
Community Plant Variety Office (CPVO)	97 881.25	61 551.50
European Police Office (Europol)	273 452.63	464 872.50
European Foundation for the Improvement of Living and Working Conditions (Eurofound)	668 662.75	773 225.50
European Centre for the Development of Vocational Training (Cedefop)	143 838.10	79 157.25
European Union Agency for Fundamental Rights (FRA)	926 216.65	735 334.45
European Investment Bank (EIB)*	17 968.75	582.00
European Food Safety Authority (EFSA)	310 328.85	454 442.70
The European Union's Judicial Cooperation Unit (Eurojust)	166 005.80	0.00
European Maritime Safety Agency (EMSA)	74 862.00	132 860.75
European Aviation Safety Agency (EASA)	1 030 222.40	2 324 608.00
European Railway Agency (ERA)	697 488.85	839 229.75
European Network and Information Security Agency (ENISA)	98 692.00	51 852.35
European Centre for Disease Prevention and Control (ECDC)	106 130.40	169 998.00
European Agency for the Management of Operational Cooperation at the External Borders (Frontex)	390 080.60	404 540.70
Education, Audiovisual and Culture Executive Agency (EACEA)	399 679.25	560 375.50
Executive Agency for Competitiveness and Innovation (EACI)	25 623.25	16 136.50
European Police College (CEPOL)	133 153.50	210 152.00
Executive Agency for Health and Consumers (EAHC)	141 247.75	56 685.50
European GNSS Agency (GSA)	3 831.50	7 556.25
European Defence Agency (EDA)*	6 269.11	15 678.67
European Chemicals Agency (ECHA)	2 530 419.00	4 583 592.75
European Fisheries Control Agency (EFCA)	120 350.75	168 216.00
Fusion for Energy Joint Undertaking (F4E)	58 775.00	38 148.75
Trans-European Transport Network Executive Agency (TEN-T EA)	55 867.45	27 742.00
European Institute of Innovation and Technology (EIT)	17 953.75	7 469.00
European Research Council Executive Agency (ERC)	8 128.50	7 650.25
Research Executive Agency (REA)	9 631.75	4 049.75
Clean Sky Joint Undertaking (CS JU)	12 181.00	17 823.75
European Institute for Gender Equality (EIGE)	220 285.75	324 957.00
SESAR Joint Undertaking (SJU)	17 809.20	9 069.50
European Data Protection Supervisor (EDPS)	666 187.30	897 104.25
Artemis Joint Undertaking (ARTEMIS JU)	4 462.00	4 074.00
Innovative Medicines Initiative Joint Undertaking (IMI JU)	21 714.00	17 560.50
Fuel Cells and Hydrogen Joint Undertaking (FCH JU)	4 179.00	10 670.00
ENIAC Joint Undertaking (ENIAC JU)	4 753.00	9 700.00
European Asylum Support Office (EASO)	1 001 599.10	592 336.00
Agency for the Cooperation of Energy Regulators (ACER)	6 326.93	19 055.50
European Securities and Markets Authority (ESMA)	660 470.95	278 536.00
European Banking Authority (EBA)	490 845.25	362 715.35
European Insurance and Occupational Pensions Authority (EIOPA)	1 226 505.30	69 294.00
Body of European Regulators for Electronic Communications (BEREC)	81 996.00	50 766.75
European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA)	50 822.50	0.00
European Commission – DG Employment, Social Affairs and Equal Opportunities (DG EMPL)	1 616 578.45	2 057 503.58
Council of the European Union (Council)	249 029.01	19 146.13
European Court of Auditors (ECA)	15 939.00	25 179.35
Court of Justice of the European Union (CJEU)	55 415.00	540 907.25
European Central Bank (ECB)*	31 827.57	16 739.73
European Ombudsman (Ombudsman)	531 365.60	502 205.20
TOTAL	46 209 481.04	44 245 254.76

*Non-consolidated entities.

Note 14: Interinstitutional cooperation – IATE database

in EUR

Clients	2013	2012
European Investment Bank (EIB)*	3 048.91	3 779.14
European Commission – DGs	243 913.45	302 331.14
European Parliament (EP)	121 956.71	151 165.57
Council of the European Union (Council)	91 467.55	113 374.18
European Court of Auditors (ECA)	15 244.59	18 895.70
Committee of the Regions of the European Union (CoR)	19 513.09	24 186.49
European Economic and Social Committee (EESC)	29 269.62	36 279.73
Court of Justice of the European Union (CJEU)	54 880.53	68 024.51
European Central Bank (ECB)*	6 097.84	7 558.28
TOTAL	585 392.29	725 594.74

*Non-consolidated entities.

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 plays a key role in IATE administration and technical support. The administration and development costs are invoiced to the institutions involved in the project.

Note 15: Terminology

in EUR

Clients	2013	2012
European Chemicals Agency (ECHA)	87 042.40	361 405.00
European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)	3 600.00	0.00
TOTAL	90 642.40	361 405.00

*Non-consolidated entities.

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

Note 16: Term lists

in EUR

Clients	2013	2012
European Environment Agency (EEA)	120.00	0.00
European Union Agency for Fundamental Rights (FRA)	6 090.00	12 350.00
European Medicines Agency (EMA)	1 745.00	2 460.00
European Foundation for the Improvement of Living and Working Conditions (Eurofound)	6 155.00	0.00
The European Union's Judicial Cooperation Unit (Eurojust)	440.00	0.00
Education, Audiovisual and Culture Executive Agency (EACEA)	1 480.00	0.00
European Chemicals Agency (ECHA)	81 410.00	0.00
Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)	1 685 170.00	320 105.00
European Ombudsman (Ombudsman)	335.00	0.00
European Commission – DG Employment, Social Affairs and Equal Opportunities (DG EMPL)	8 135.00	16 320.00
TOTAL	1 791 080.00	351 235.00

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

Note 17: Other revenue from operations

This new category of revenues represents revenues charged to OHIM for *ex-post* quality checks on Community trademarks. Based on the agreement with OHIM, one half of staff expenses spent for *ex-post* quality checks is invoiced to OHIM and the second part remains the Centre's expense.

Note 18: Grant for rent from the Luxembourg Government

Since October 2013 the Centre has been occupying new premises in Gasperich. The previous Nouvel hémicycle building on Kirchberg was rented from the Luxembourg state at a favourable price; therefore, to assist in the Centre's relocation to the Drosbach building, the Luxembourg state committed to compensate the increase in the rental costs of the new premises in the form of a grant amounting to EUR 243 250.00 per year.

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

Note 19: Staff expenses

in EUR		
Type of expense	2013	2012
Staff costs (excluding ENDS and other experts)	13 999 023.58	14 077 212.16
Pensioners and temporary unemployment	3 522 913.95	3 995 189.16
Staff requisites and social activities	355 007.90	450 150.93
Allowances (excluding ENDS and other experts)	3 829 032.67	3 881 520.41
Staff expenses with other consolidated entities	0.00	3 762.41
TOTAL	21 705 978.10	22 407 835.07

Note 20: Administrative expenses

in EUR		
Type of expense	2013	2012
Rent of land & buildings	2 009 431.06	1 348 619.17
Operating lease expenses	38 645.12	34 646.46
Maintenance & security – building	326 417.58	282 282.95
Insurance building	8 839.82	8 708.65
Office supplies & maintenance	1 185 666.25	704 992.12
Communications & publications	148 826.76	209 727.42
Publicity and legal expenses	14 246.00	0.00
Insurance – others	7 919.96	7 838.15
Transport expenses & transport expenses	7 216.33	6 364.00
Recruitment costs	42 168.48	29 574.23
Training costs	157 450.96	138 534.91
Missions	75 581.67	97 421.86
Experts and related expenditure	13 800.87	18 555.97
External operational IT costs	1 679 478.96	1 340 755.88
Other external non-IT services	412 762.88	757 039.25
Expenses with other consolidated entities	142 963.36	130 100.00
Depreciation of fixed assets	638 189.92	726 295.47
Other	32 640.00	1 837.00
TOTAL	6 942 245.98	5 843 293.49

Note 21: Operational expenses

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

Operational expenses increased by 0.71%, which is in line with the increase in the number of outsourced pages to freelance translators (an increase from 480 695 pages in 2012 to 512 524 pages in 2013).

A.6 Other information

Number of employees

The following table summarises the number of the Centre's employees for the years ended 31 December 2013 and 31 December 2012, as set out in the establishment plan:

	2013	2012
Administrator	130	132
Assistant	63	67
<i>Total</i>	193	199

In addition to the staff defined in the establishment plan, the Centre employs contract and agency staff. A detailed breakdown of the Centre's total staff, as at 31 December 2013, is set out in the following table:

	Number of staff				
	Officials	Temporary agents	Contract agents	Agency staff	Total
Administrator	40	90	15	0	145
Assistant	14	49	8	7	78
<i>Total</i>	54	139	23	7	223

Related party transactions

The Centre's key management staff as at 31 December 2013 are as follows:

Grade	Number of persons
AD 14	1
AD 12	3
AD 11	2
<i>Total</i>	6

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

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

The Management Board

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

Contingent assets, contingent liabilities and other significant disclosures

a) Contingent assets

Pension contribution

The Commission adopted a proposal for a Council Regulation adjusting the 2011 and 2012 rate of contribution to the pension scheme of EU civil servants by from 11.6% to 11.0% in 2011 and from 11.0% to 10.6% in 2012. This adjustment is calculated according to the method laid down in the Staff Regulations. The employer's part of the pension contribution paid by the Centre from its budget is

twice the amount of the contribution paid by EU civil servants. The Council formally took a decision not to adopt the Commission's proposal to adjust the pension contribution of EU staff. The Commission decided to bring proceedings before the Court of Justice against the Council for failure to act by not adopting the Commission's proposal. In 2013 the modification of the pension contribution for the years 2012 and 2013 was confirmed by the Court of Justice and reimbursed retrospectively to staff and the Centre. The contribution paid back to the Centre amounts to EUR 429 525.60, and the execution of the budget item 'Contribution to the Community pension scheme' was decreased by this amount. The adjustment for the year 2011 is still open.

According to the Commission's estimates, the chances of the Council's decision being annulled are at least as high as for the refused salary increase for the years 2009, 2012 and 2013. Therefore, in compliance with EU accounting rules, the Centre recognises in its 2013 accounts a contingent asset of EUR 175 000 that corresponds to the employer's part of the pension contribution that will be reimbursed to the Centre if the Council's decision is annulled.

Regarding the calculation of the contingent asset, the amount booked as a contingent asset relates to the period July 2011-December 2012 and includes the difference between the employer's contribution sent to the Community pension scheme between July 2011 and December 2012 and the employer's contribution at the new rate proposed by the Commission.

Performance guarantees

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

Company	No of contract	No of guarantee	Guarantee amount (EUR)	Renewal type	Start date	Expiry date
Postes et Télécommunications	CDT/WANSII/2012 (lot 2)	2013/508881	10 000.00	-	01/12/2010	3 months after expiry of contract
Postes et Télécommunications	CDT/WANSII/2012 (lot 1)	2013/508871	30 000.00	-	-	3 months after expiry of contract
INNOCLEAN	CDT-NET11/INNOCLEAN/2012	2012/005001	4 646.74	-	-	30 days after expiry of contract
EPT Luxembourg	CDT/WANS/2008	2008/007291	20 000.00	-	04/08/2008	3 months 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 2013 the budgetary RAL totalled EUR 3 021 201.17. The amount disclosed is this budgetary RAL less related amounts that have been included as expenses in the Economic Outturn Account 2013 (EUR 2 189 539.46), giving a total of EUR 831 661.71.

c) Operating leases

Description	Date of inception	Date of expiration	Total lease value	Payments made in the current year	in EUR Outstanding payments due	
					Up to one year	One to five years
Sharan	01.03.11	28.02.15	31 530.72	8 539.57	7 882.68	1 313.78
Audi A6	25.08.11	24.08.15	54 226.08	14 686.23	13 556.52	8 782.58
Partner	07.01.10	06.01.14	15 970.08	3 992.52	64.40	0
Total			101 726.88	27 218.32	21 503.60	10 096.36

d) Contractual commitments for which budgetary 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 budgetary commitments as at the year-end 2013.

These include the outstanding contractual obligation of EUR 12 519 763 for rent of the Drosbach building and EUR 1 229 919 to cover the rental of the eBRC building used within the framework of the Disaster Recovery Plan.

e) Other off balance sheet commitments

As at 31 December 2013, the Centre was involved in no legal disputes.

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.

REPORTS ON THE IMPLEMENTATION OF THE BUDGET OF THE TRANSLATION CENTRE

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

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

B.2. Type of appropriations

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

The Centre makes use of automatic carryover of appropriations.

The Centre does not account for assigned revenue.

B.3. Budget expenditure implementation 2013 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 (3/2)	RAL – appropriations carried forward (2-3)
11	Staff in active employment	23 801 750.00	21 955 021.87	92.24%	1 846 728.13	21 855 723.92	99.55%	99 297.95
13	Missions and duty travel	117 000.00	98 277.07	84.00%	18 722.93	74 277.07	75.58%	24 000.00
14	Socio-medical infrastructure	429 600.00	404 132.70	94.07%	25 467.30	326 465.49	80.78%	77 667.21
16	Welfare service	147 000.00	132 000.00	89.80%	15 000.00	99 440.78	75.33%	32 559.22
17	Entertainment and representation	1 000.00	1 000.00	100.00%	0.00	866.80	86.68%	133.20
TITLE 1	STAFF	24 496 350.00	22 590 431.64	92.22%	1 905 918.36	22 356 774.06	98.97%	233 657.58
20	Rental of buildings and associated costs	2 646 776.99	2 581 647.88	97.54%	65 129.11	2 368 857.91	3.85%	212 789.97
21	Information technology	3 470 550.00	2 869 432.01	82.68%	601 117.99	2 233 692.47	77.84%	635 739.54
22	Movable property and associated costs	205 023.01	189 424.21	92.39%	15 598.80	174 207.75	91.97%	15 216.46
23	Operating expenditure	301 600.00	272 099.44	90.22%	29 500.56	239 597.45	88.06%	32 501.99
24	Postage and telecommunications	290 300.00	181 742.85	62.61%	108 557.15	84 819.38	46.67%	96 923.47
25	Expenditure on formal and other meetings	10 000.00	2 426.08	24.26%	7 573.92	2 426.08	100.00%	0.00
26	Expenditure on Management Board meetings	108 000.00	60 560.62	56.07%	47 439.38	57 560.62	95.05%	3 000.00
27	Information: acquisition, archiving, production and dissemination	25 000.00	0.00	0.00%	25 000.00	0.00	n/a	0.00
TITLE 2	BUILDINGS, EQUIPMENT AND SUNDRY OPERATING EXPENDITURE	7 057 250.00	6 157 333.09	87.25%	899 916.91	5 161 161.66	83.82%	996 171.43
30	External translation services	14 801 000.00	14 194 068.22	95.90%	606 931.78	12 446 573.37	87.69%	1 747 494.85
31	Interinstitutional cooperation	635 000.00	621 729.42	97.91%	13 270.58	577 852.11	92.94%	43 877.31
TITLE 3	OPERATIONAL EXPENDITURE	15 436 000.00	14 815 797.64	95.98%	620 202.36	13 024 425.48	87.91%	1 791 372.16
TITLE 10	RESERVES	5 204 067.00	0.00	0.00%	5 204 067.00	0.00	0.00%	0.00
	TOTAL BUDGET	52 193 667.00	43 563 562.37	83.47%	8 630 104.63	40 542 361.20	93.06%	3 021 201.17

B.4. Budget expenditure implementation 2013 and use of appropriations C8

in EUR

Chapter	Heading	Budget appropriation (1)	Executed commitments (2)	% committed (2/1)	Executed payments (3)	% paid (3/2)	Payment appropriations cancelled (1-3)
11	Staff in active employment	120 561.83	120 561.83	100.00%	89 865.45	74.54%	30 696.38
13	Missions and duty travel	37 651.09	37 651.09	100.00%	14 955.69	39.72%	22 695.40
14	Socio-medical infrastructure	263 865.03	263 865.03	100.00%	225 890.53	85.61%	37 974.50
16	Welfare service	34 204.39	34 204.39	100.00%	15 412.63	45.06%	18 791.76
17	Entertainment and representation	449.57	449.57	100.00%	0.00	0.00%	449.57
TITLE 1	STAFF	456 731.91	456 731.91	100.00%	346 124.30	75.78%	110 607.61
20	Rental of buildings and associated costs	423 703.04	423 703.04	100.00%	386 901.50	91.31%	36 801.54
21	Information technology	801 113.52	801 113.52	100.00%	777 675.12	97.07%	23 438.40
22	Movable property and associated costs	14 270.18	13 701.52	96.02%	11 028.43	80.49%	3 241.75
23	Operating expenditure	32 141.02	32 141.02	100.00%	18 085.26	56.27%	14 055.76
24	Postage and telecommunications	60 450.37	60 450.37	100.00%	42 473.56	70.26%	17 976.81
25	Expenditure on formal and other meetings	200.50	200.50	100.00%	200.50	100.00%	0.00
26	Expenditure on Management Board meetings	5 815.94	5 815.94	100.00%	3 069.61	52.78%	2 746.33
TITLE 2	BUILDINGS, EQUIPMENT AND SUNDRY OPERATING EXPENDITURE	1 337 694.57	1 337 125.91	99.96%	1 239 433.98	92.69%	98 260.59
30	External translation services	2 229 225.75	2 229 225.75	100.00%	2 214 448.36	99.34%	14 777.39
31	Interinstitutional cooperation	104 272.00	104 272.00	100.00%	99 345.03	95.27%	4 926.97
TITLE 3	OPERATIONAL EXPENDITURE	2 333 497.75	2 333 497.75	100.00%	2 313 793.39	99.16%	19 704.36
TOTAL BUDGET		4 127 924.23	4 127 355.57	99.99%	3 899 351.67	94.48%	228 572.56

B.5. Budget outturn

	in EUR		
	2013	2012	% change
Budget revenue	50 210 831.30	45 195 297.59	11.10%
Translation	47 359 285.40	43 485 236.16	8.91%
Terminology	96 874.90	189 737.50	-48.94%
Term lists	1 676 735.00	317 790.00	427.62%
Interinstitutional cooperation – IATE database	588 422.20	726 612.21	-19.02%
Other operating revenues	11 250.00	0.00	n/a
Revenue from operations	49 732 567.50	44 719 375.87	11.21%
Financial income	228 928.66	472 841.10	-51.58%
Grant for rent from Luxembourgish Government	243 250.00	0.00	n/a
Miscellaneous	6 085.14	3 080.62	97.53%
Budget expenditure	43 563 562.37	42 234 287.37	3.15%
<i>Title 1 – Staff</i>			
Payments	22 356 774.06	22 640 822.73	-1.25%
Appropriations carried over	233 657.58	456 731.91	-48.84%
<i>Title 2 – Buildings, equipment and miscellaneous operating expenditure</i>			
Payments	5 161 161.66	3 240 104.99	59.29%
Appropriations carried over	996 171.43	1 337 694.57	-25.53%
<i>Title 3 – Operational expenditure</i>			
Payments	13 024 425.48	12 225 435.42	6.54%
Appropriations carried over	1 791 372.16	2 333 497.75	-23.23%
Budget outturn for the financial year	6 647 268.93	2 961 010.22	124.49%
Other	228 573.16	199 825.83	14.39%
Appropriations carried forward and subsequently cancelled	228 572.56	199 815.30	14.39%
Exchange-rate differences	-0.40	10.53	-103.80%
Balance of the outturn account for the financial year	6 875 841.09	3 160 836.05	117.53%
Outturn for the previous year	3 867 810.99	2 973 348.94	30.08%
Allocation to reserves (1)	-3 614 961.00	-2 266 374.00	59.50%
Reserve for pricing stability	-3 723 567.00	-1 847 574.00	101.54%
Usage of reserve for pricing stability	0.00	0.00	n/a
Reserve for relocation expenses	0.00	-1 250 000.00	-100.00%
Usage of reserve relocation expenses	1 250 000.00	0.00	n/a
Reserve for exceptional investment (e-CdT)	0.00	0.00	n/a
Usage of reserve for exceptional investment (secured server room)	0.00	774 800.00	-100.00%
Usage of reserve for exceptional investments (e-CdT)	339 106.00	56 400.00	501.25%
Reserve for disputed salary increase	-1 480 500.00	0.00	n/a
Budget outturn to carry forward	7 128 691.08	3 867 810.99	84.31%

- (1) The allocation to the reserves in 2013 includes the budgetary reserve for stability pricing (EUR 3 723 567) and the budgetary reserve for the disputed salary increase (EUR 1 250 000). In 2013 the Centre used the total of the reserve for the relocation to the new premises (EUR 1 250 000) and part of the exceptional reserve for e-CdT (EUR 339 106).

Since the Centre was created, amounts have been allocated to reserves systematically by reducing the 'Budget outturn to carry forward'. Taking into consideration all allocations to reserves since the Centre's creation, of EUR 30 645 365, the adjusted budget surplus to carry forward would amount to EUR 37 774 056.08 instead of EUR 7 128 691.08. Further explanations of the movements of reserves are set out in the table below.

RESERVES CREATED FROM THE BUDGET SINCE THE CENTRE'S CREATION

Name of the reserve	Balance 2013	Description of the reserve
Reserve for stability pricing	8 705 141	Reserve created initially in 2011 – the reasons for creating this reserve were, first, to offset the fluctuation of client forecasts, which prevent the Centre from achieving a balanced budget and, second, to maintain reasonable and relatively stable prices for its clients.
Reserve for the permanent prefinancing fund	16 529 466	Article 59(a)(3) of the Centre's Financial Regulation provides for a permanent pre-financing fund that guarantees financing for the proper functioning of the Centre; Article 58(2) of the Regulation laying down detailed rules for the implementation of the Financial Regulation stipulates that this has to constitute four-twelfths of its budget.
Reserve for exceptional investments	3 930 258	Reserve established in 2011 for development of the new core business software called e-CdT in order to increase the Centre's efficiency.
Reserve for salary increase	1 480 500	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.
Reserve for relocation expenses	0	Reserve created to cover expenses relating to the Centre's relocation in 2013, namely the physical removal, refurbishing and necessary IT expenditure.
Total reserves created from the budget	30 645 365	

in EUR

	Reserve for stability pricing	Permanent prefinancing fund	Reserve for exceptional investments	Reserve for relocation expenses	Reserve for salary increase	Total reserves
Balance as at 31 December 2009	0	14 363 166	0	0	0	14 363 166
Allocation to reserves	0	2 166 300	774 864	0	0	2 941 164
Use of the reserve	0	0	0	0	0	0
Balance as at 31 December 2010	0	16 529 466	774 864	0	0	17 304 330
Allocation to reserves	4 906 000	0	4 325 700	0	0	9 231 700
Use of the reserve	-1 772 000	0	0	0	0	-1 772 000
Balance as at 31 December 2011	3 134 000	16 529 466	5 100 564	0	0	24 764 030
Allocation to reserves	1 847 574	0	0	1 250 000	0	3 097 574
Use of the reserve	0	0	-831 200	0	0	-831 200
Balance as at 31 December 2012	4 981 574	16 529 466	4 269 364	1 250 000	0	27 030 404
Allocation to reserves	3 723 567	0	0	0	1 480 500	5 204 067
Use of the reserve	0	0	-339 106	-1 250 000	0	-1 589 106
Balance as at 31 December 2013	8 705 141	16 529 466	3 930 258	0	1 480 500	30 645 365

B.6. Reconciliation of the budget and economic outturn

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

	in EUR	
	2013	2012
Economic result of the year	6 465 475.14	2 499 380.41
A. Adjustments for items not in the budget outturn, but included in the economic outturn		
1. Adjustment for accrual cut-off (liabilities)	2 448 722.69	2 675 029.44
2. Reversal of accrual cut-off from previous year	-2 675 029.44	-2 314 941.79
3. Depreciation of intangible and tangible fixed assets	670 829.92	728 132.47
4. Provisions	-496 000.00	566 000.00
5. Recovery orders issued and not yet cashed	-5 775 469.48	-4 241 242.72
6. Payments made from carryover of payment appropriations	3 899 351.67	3 349 232.17
7. Change in work in progress	59 000.00	445 000.00
8. Accrued interests	52 987.42	72 489.05
9. Accrued income	334 286.00	-2 538 689.83
10. Prepaid expenses	-425 752.53	74 451.48
11. Non-financial assets migrated to ABAC	0.00	54 305.46
12. Miscellaneous income without recovery order	0.00	40 408.02
Subtotal	-1 907 073.75	-1 089 826.25
B. Adjustments for items included in the budget outturn, but not in the economic outturn		
1. Asset acquisitions	-1 676 087.67	-142 029.05
2. Budgetary recovery orders issued before and cashed in the year	6 779 932.55	5 815 577.71
3. Payment appropriations carried over to the following year	-3 021 201.17	-4 127 924.23
4. Appropriations carried forward and subsequently cancelled	228 572.56	199 815.30
5. Other temporary differences	6 223.43	5 842.16
Subtotal	2 317 439.70	1 751 281.89
Budget outturn for the financial year	6 875 841.09	3 160 836.05

B.7. Budget revenue 2013

in EUR

REVENUE SOURCE BY AGENCY- CORRESPONDS TO A BUDGET LINE	REVENUE IN THE INITIAL BUDGET (A)	REVENUE IN THE AMENDING BUDGETS (B)	TOTAL BUDGETED REVENUES (C=A+B)	RECOVERY ORDERS ESTABLISHED IN THE FINANCIAL YEAR (D)	ENTITLE- MENTS CARRIED OVER FROM 2012 (E)	AMOUNTS RECEIVED ON ENTITLEMENTS CARRIED OVER (F)	AMOUNTS RECEIVED ON 2013 ENTITLEMENTS (G)	AMOUNTS RECEIVED 2013 (H=F+G)	SUMS STILL TO BE COLLECTED (I=D+E-H)
European Environment Agency (EEA)	210 100.00	30 000.00	240 100.00	269 920.00	40 765.00	40 765.00	269 920.00	310 685.00	0.00
European Training Foundation (ETF)	256 000.00	0.00	256 000.00	250 573.60	25 551.25	25 551.25	250 573.60	276 124.85	0.00
European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)	362 300.00	0.00	362 300.00	190 103.50	40 699.00	40 699.00	190 103.50	230 802.50	0.00
European Medicines Agency (EMA)	3 976 900.00	-161 300.00	3 815 600.00	3 823 962.13	0.00	0.00	3 823 962.13	3 823 962.13	0.00
European Agency for Safety and Health at Work (EU-OSHA)	696 800.00	0.00	696 800.00	435 836.95	122 506.75	122 506.75	435 836.95	558 343.70	0.00
Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)	7 070 400.00	202 600.00	7 273 000.00	8 257 434.59	820 950.60	820 950.60	7 501 667.54	8 322 618.14	755 767.05
OHIM trade marks	17 614 500.00	735 300.00	18 349 800.00	18 950 184.16	1 497 765.08	1 497 765.08	17 229 043.47	18 726 808.55	1 721 140.69
Community Plant Variety Office (CPVO)	120 000.00	0.00	120 000.00	92 348.25	13 320.50	13 320.50	92 348.25	105 668.75	0.00
European Police Office (Europol)	478 100.00	-238 200.00	239 900.00	138 202.15	4 074.00	4 074.00	138 202.15	142 276.15	0.00
European Foundation for the Improvement of Living and Working Conditions (Eurofound)	591 900.00	-164 000.00	427 900.00	694 506.75	0.00	0.00	694 506.75	694 506.75	0.00
European Centre for the Development of Vocational Training (Cedefop)	61 400.00	13 900.00	75 300.00	140 592.10	5 318.00	5 318.00	114 442.85	119 760.85	26 149.25
European Union Agency for Fundamental Rights (FRA)	872 000.00	-180 400.00	691 600.00	976 743.60	49 754.25	49 754.25	976 743.60	1 026 497.85	0.00
European Investment Bank (EIB)	0.00	0.00	0.00	17 968.75	0.00	0.00	17 968.75	17 968.75	0.00
European Food Safety Authority (EFSA)	393 000.00	50 500.00	443 500.00	336 596.80	29 511.50	29 511.50	336 596.80	366 108.30	0.00
The European Union's Judicial Cooperation Unit (Eurojust)	5 000.00	155 000.00	160 000.00	166 445.80	0.00	0.00	166 445.80	166 445.80	0.00
European Maritime Safety Agency (EMSA)	141 500.00	0.00	141 500.00	76 899.00	1 649.00	1 649.00	76 899.00	78 548.00	0.00
European Aviation Safety Agency (EASA)	1 495 900.00	0.00	1 495 900.00	1 184 308.15	172 711.50	172 711.50	972 788.15	1 145 499.65	211 520.00
European Railway Agency (ERA)	750 000.00	-200 000.00	550 000.00	839 518.50	93 046.75	93 046.75	839 518.50	932 565.25	0.00
European Network and Information Security Agency (ENISA)	20 000.00	55 000.00	75 000.00	99 283.25	363.75	363.75	99 283.25	99 647.00	0.00
European Centre for Disease Prevention and Control (ECDC)	68 100.00	9 400.00	77 500.00	64 957.80	7 121.00	7 121.00	50 392.80	57 513.80	14 565.00
European Agency for the Management of Operational Cooperation at the External Borders (Frontex)	400 800.00	0.00	400 800.00	390 080.60	0.00	0.00	390 080.60	390 080.60	0.00
Education, Audiovisual and Culture Executive Agency (EACEA)	709 600.00	-99 600.00	610 000.00	408 287.95	0.00	0.00	408 287.95	408 287.95	0.00
Executive Agency for Competitiveness and Innovation (EACI)	12 100.00	2 900.00	15 000.00	22 720.25	0.00	0.00	22 720.25	22 720.25	0.00
European Police College (CEPOL)	110 000.00	0.00	110 000.00	116 121.50	0.00	0.00	116 121.50	116 121.50	0.00
Executive Agency for Health and Consumers (EAHC)	144 300.00	0.00	144 300.00	139 995.25	0.00	0.00	139 995.25	139 995.25	0.00
European GNSS Agency (GSA)	14 900.00	0.00	14 900.00	2 861.50	0.00	0.00	2 861.50	2 861.50	0.00
European Defence Agency (EDA)	5 000.00	0.00	5 000.00	8 633.68	3 395.16	3 395.16	5 699.22	9 094.38	2 934.46
European Chemicals Agency (ECHA)	2 445 700.00	554 300.00	3 000 000.00	3 032 124.90	16 432.50	16 432.50	3 032 124.90	3 048 557.40	0.00
European Fisheries Control Agency (EFCA)	145 000.00	0.00	145 000.00	152 056.75	16 050.00	16 050.00	152 056.75	168 106.75	0.00
Fusion for Energy Joint Undertaking (F4E)	50 000.00	0.00	50 000.00	62 638.50	30 555.00	30 555.00	62 638.50	93 193.50	0.00

Final accounts for 2013 as adopted by the Director of the Translation Centre on 10/06/2014

Trans-European Transport Network Executive Agency (TEN-T EA)	26 100.00	32 100.00	58 200.00	49 465.45	0.00	0.00	49 465.45	49 465.45	0.00
European Institute of Innovation and Technology (EIT)	63 100.00	0.00	63 100.00	15 478.75	0.00	0.00	15 478.75	15 478.75	0.00
European Research Council Executive Agency (ERC)	55 000.00	-33 800.00	21 200.00	9 038.75	1 164.00	1 164.00	9 038.75	10 202.75	0.00
Research Executive Agency (REA)	19 000.00	-11 000.00	8 000.00	8 631.75	0.00	0.00	8 631.75	8 631.75	0.00
Clean Sky Joint Undertaking (CSJU)	16 300.00	22 400.00	38 700.00	12 181.00	17 823.75	17 823.75	12 181.00	30 004.75	0.00
European Institute for Gender Equality (EIGE)	179 600.00	20 900.00	200 500.00	189 768.25	0.00	0.00	189 768.25	189 768.25	0.00
SESAR Joint Undertaking (SJU)	20 000.00	2 300.00	22 300.00	17 809.20	2 667.50	2 667.50	17 809.20	20 476.70	0.00
European Data Protection Supervisor (EDPS)	980 000.00	-168 100.00	811 900.00	668 856.50	19 381.50	19 381.50	570 228.30	589 609.80	98 628.20
Artemis Joint Undertaking (ARTEMIS JU)	10 400.00	200.00	10 600.00	4 462.00	0.00	0.00	4 462.00	4 462.00	0.00
Innovative Medicines Initiative Joint Undertaking (IMI JU)	19 200.00	0.00	19 200.00	21 714.00	12 731.25	12 731.25	21 714.00	34 445.25	0.00
Fuel Cells and Hydrogen Joint Undertaking (FCH JU)	3 300.00	5 500.00	8 800.00	4 179.00	10 670.00	10 670.00	4 179.00	14 849.00	0.00
ENIAC Joint Undertaking (ENIAC JU)	0.00	11 600.00	11 600.00	14 453.00	0.00	0.00	14 453.00	14 453.00	0.00
European Asylum Support Office (EASO)	0.00	573 100.00	573 100.00	1 016 391.60	381 744.00	381 744.00	1 016 391.60	1 398 135.60	0.00
Agency for the Cooperation of Energy Regulators (ACER)	44 600.00	-9 100.00	35 500.00	9 026.93	0.00	0.00	9 026.93	9 026.93	0.00
European Securities and Markets Authority(ESMA)	748 900.00	0.00	748 900.00	664 544.95	15 786.75	15 786.75	652 019.65	667 806.40	12 525.30
European Banking Authority (EBA)	200 000.00	53 300.00	253 300.00	534 621.25	900.00	900.00	534 621.25	535 521.25	0.00
European Insurance and Occupational Pensions Authority (EIOPA)	0.00	376 200.00	376 200.00	1 226 505.30	0.00	0.00	1 226 364.65	1 226 364.65	140.65
Body of European Regulators for Electronic Communications (BEREC)	0.00	69 400.00	69 400.00	83 387.50	36 120.00	36 120.00	83 387.50	119 507.50	0.00
European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA)	0.00	209 500.00	209 500.00	50 822.50	0.00	0.00	50 822.50	50 822.50	0.00
European Commission – DG Employment, Social Affairs and Equal Opportunities (DG EMPL)	1 087 600.00	0.00	1 087 600.00	1 660 249.45	732 560.50	732 560.50	948 614.45	1 681 174.95	711 635.00
European Commission – Interinstitutional projects	749 000.00	-99 000.00	650 000.00	585 392.29	3 029.91	3 029.91	585 392.29	588 422.20	0.00
Council of the European Union (Council)	215 200.00	192 100.00	407 300.00	244 069.35	0.00	0.00	244 069.35	244 069.35	0.00
European Court of Auditors (ECA)	50 000.00	-30 000.00	20 000.00	16 016.60	194.00	194.00	13 955.35	14 149.35	2 061.25
Court of Justice of the European Union (CJEU)	100 000.00	0.00	100 000.00	83 423.75	0.00	0.00	83 423.75	83 423.75	0.00
European Central Bank (ECB)	57 900.00	-33 100.00	24 800.00	23 706.00	283.17	283.17	21 754.60	22 037.77	1 951.40
European Ombudsman (Ombudsman)	467 900.00	9 200.00	477 100.00	506 529.90	14 404.50	14 404.50	494 482.50	508 887.00	12 047.40
TOTAL REVENUE FROM OPERATIONS	44 334 400.00	1 959 100.00	46 293 500.00	49 062 631.73	4 241 001.42	4 241 001.42	45 491 566.08	49 732 567.50	3 571 065.65

B.8. List of transfers 2013

in EUR

No	Date	Reinforced line	Heading	Debited line	Heading	Amount
1	21.05.2013	2000	Rental costs	2010	Insurance	5 000
1	21.05.2013	2000	Rental costs	2030	Cleaning and maintenance	19 000
1	21.05.2013	2000	Rental costs	2050	Security	5 000
1	21.05.2013	2000	Rental costs	2353	Removals	35 000
1	21.05.2013	2000	Rental costs	2400	Postage	10 000
2	30.05.2013	2250	Books	2100	Purchase, work on, servicing and maintenance of hardware and software	1 900
3	13.06.2013	2040	Fitting out of premises	2050	Security	133 784
3	13.06.2013	2040	Fitting out of premises	2210	Furniture acquisition	11 079
3	13.06.2013	2040	Fitting out of premises	2211	Replacement	62 000
4	13.06.2013	1310	Mission expenses related to trainings	1100	Basic salaries	27 000
5	28.06.2013	1300	Mission expenses	1100	Basic salaries	20 000
6	03.07.2013	1175	Agency staff	1100	Basic salaries	50 000
7	03.07.2013	1410	Medical service	1100	Basic salaries	40 000
8	17.09.2013	1120	Training	2120	SW development	19 550
9	Cancelled					
10	25.10.2013	1180	Staff recruitment	1100	Basic salaries	10 045
11	22.11.2013	2050	Security	2210	Furniture acquisition	18 877
12	27.11.2013	1421	Social relations	1700	Representation expenses	1 000

REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT 2013

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C.1 Financial resources and budgetary management

1. Initial and amending budget

The Centre's initial budget for 2013 (EUR 44.6 million) was subject to two amending budgets.

The first amending budget was adopted by the Management Board on 21 March 2013, for the following reasons: at the end of 2012, the Centre had identified the location of its permanent seat. Since negotiations were still under way, it was not possible to estimate the move expenditure with sufficient accuracy to include it in the initial budget for 2013. The first amending budget was needed in order to have the necessary funds for relocation. The Centre used this opportunity to update the budget with the latest forecasts from its clients and to transfer one permanent post in the establishment plan to a temporary post. The grant provided by the Luxembourg Government to grant the Centre a subsidy of EUR 243 250 per year was also included in the budget, as well as some other adjustments.

The second amending budget was adopted by the Management Board on 3 August 2013. The main aim of this budget was to introduce the accumulative surplus from the previous years of EUR 3 867 811 into the current year's budget, to include the revised forecasts received from clients, and to include the result of the re-examination of all expenditure items. In addition, there have been three changes in the Centre's reserves, namely the 'Reserve for exceptional investments', 'Reserve for disputed salary increase' and 'Reserve for stability pricing'. The transfers made after the adoption of the second amending budget were recorded in the final budget to reflect an up-to-date allocation of resources.

2013 was marked by a considerable increase in the volume of forecasts during the year. A detailed analysis of the fluctuations in forecasts in terms of pages is included in section C.2.

Budget appropriations in 2013

		in EUR			
Title	Heading	Final budget 2013	Amending budget 2/2013	Amending budget 1/2013	Initial budget 2013
Revenue					
1	Payments from agencies, bodies, offices and institutions	43 526 700	1 270 700	649 200	41 606 800
2	Subsidy from the Commission	0	0	0	0
3	Interinstitutional cooperation*	2 766 800	39 200	0	2 727 600
4	Other revenue	443 250	50 000	243 250	150 000
5	Surplus carried over from the previous financial year	5 456 917	4 070 917	1 250 000	136 000
Grand total		52 193 667	5 430 817	2 142 450	44 620 400
Expenditure					
1	Staff	24 476 800	-463 700	30 000	24 910 500
2	Buildings, equipment and miscellaneous operating expenditure	7 076 800	96 200	1 696 000	5 284 600
3	Operational expenditure	15 436 000	1 564 000	207 000	13 665 000
10	Reserves	5 204 067	4 234 317	209 450	760 300
Grand total		52 193 667	5 430 817	2 142 450	44 620 400

2. Revenue cashed

Comparative analysis of budget revenue for 2013 and 2012

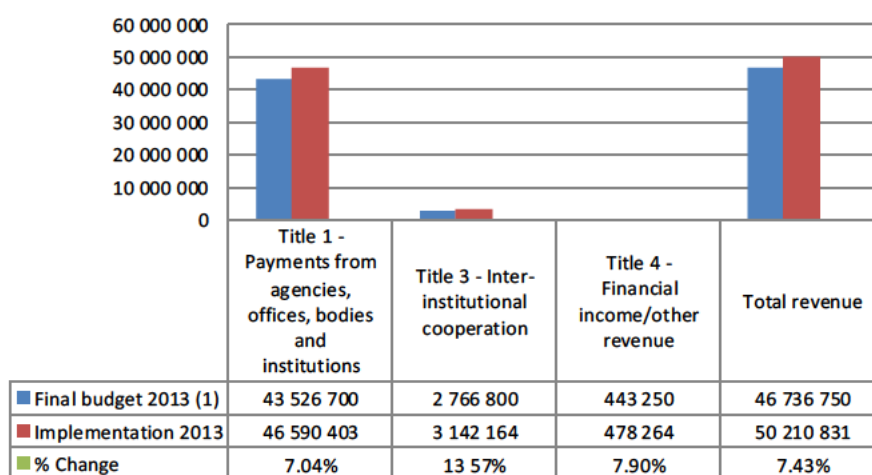
in EUR			
Budget revenue	2013	2012	% change
Total revenue relating to the core operational activity	49 732 567	44 719 376	11.3%
Financial income	228 929	472 841	-51.6%
Grants received	243 250	0	n/a
Other operating income	6 085	3 081	97.5%
Total budget revenue	50 210 831	45 195 298	11.1%

The Centre's budget revenue is primarily composed of the revenue received from invoicing its clients for services provided. It is subject to strict financial control and monitoring in keeping 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' budgetary forecasts and expenditure.

In 2013, the cashed revenue increased from EUR 45.2 million to 50.2 million, an increase of 11.1% compared with 2012. Among the clients that contributed the most to the increase in budget revenues are OHIM (+EUR 4.4 million), EASO (+EUR 1.2 million) and EIOPA (+EUR 1.2 million). On the other hand, the biggest decrease relates to ECHA (-EUR 1.4 million), EASA (-EUR 0.9 million) and Europol (-EUR 0.6 million).

As from 2013 the Centre is receiving an annual subsidy from Luxembourg Government of EUR 243 250 in order to compensate the increased rental costs for the Drosbach building compared with the costs paid previously to the Luxembourg Government for the Nouvel Hémicycle building .

Implementation of budget revenue for 2013 (not including Title 5)



in EUR

- (1) Not including EUR 5 456 917 included in Title 5 covering 'Outturn for the previous year' of 3 867 811, the transfer from the 'Reserve for exceptional investments' of EUR 339 106 and the transfer from the 'Reserve for relocation expenses' of EUR 1 250 000.

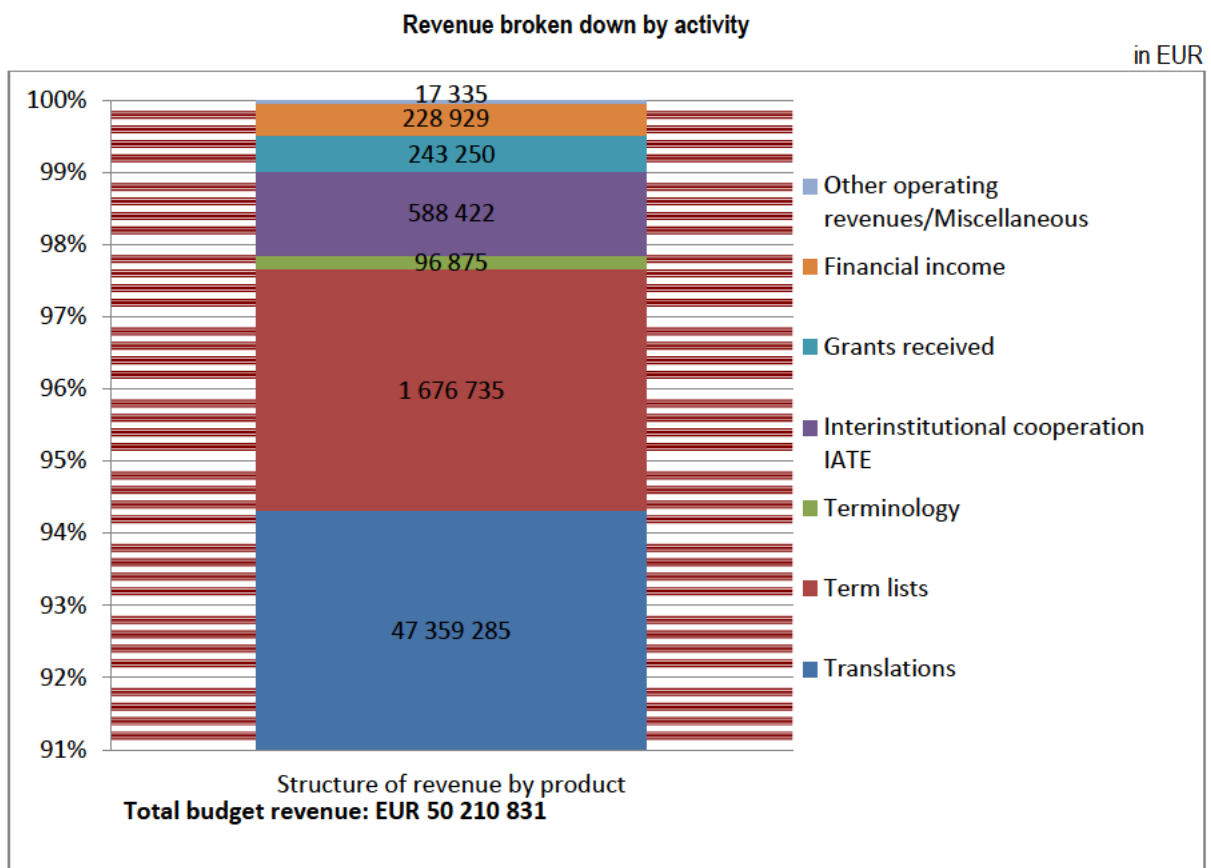
Implementation of the revenue exceeded the forecast included in the amending budget by EUR 3.5 million (+7.43%), and by 5.6 million (+12.53%) if compared with the initial budget. The increase in revenue was mainly due to additional volumes of both documents and trade marks in terms of pages, compared with the initial forecast.

The reliability of the budget revenue forecasts depends on the reliability of the forecast volumes received from our clients. To avoid considerable fluctuations in revenue due to uncertain client forecasts

of Community trade marks, the Centre developed a price grid applicable for Community trade marks in which the unit price varies according to the volume of translations. Such a model better reflects the Centre's cost structure and, therefore, contributes to better budget planning and a more balanced budget result. Based on the agreed price grid for 2013, the Centre will reimburse OHIM EUR 761 321 in 2014 in the form of a credit note relating to translations delivered in 2013. No such mechanism exists for other CdT products and, therefore, changes in volumes remain the main factor of uncertainty as to the CdT's revenues and overall budget outcome result.

As the unit prices of the CdT's products are defined for the initial budget and cannot be revised over the year, the increased revenues contributed to the Centre's high budget surplus for 2013. The budget surplus for 2013 was taken into consideration when setting the prices for 2014.

For 2013, the Centre's main source of revenue was translation work, representing some 96% of total revenue, while the remaining 4% was the result of interinstitutional cooperation, terminology work, term lists, bank interest and miscellaneous revenue.



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

3. Expenditure incurred

A. Execution of commitment appropriations

in EUR

Chapter	Heading	Expenditure 2013 (commitment execution)	Expenditure 2012 (commitment execution)	Change in EUR	% Change
11	Staff in active employment	21 955 022	22 411 687	-456 665	-2%
13	Missions and duty travel	98 277	105 000	-6 723	-6%
14	Socio-medical infrastructure	404 133	435 468	-31 335	-7%
16	Welfare service	132 000	142 900	-10 900	-8%
17	Entertainment and representation	1 000	2 500	-1 500	-60%
TITLE 1	STAFF	22 590 432	23 097 555	-507 123	-2%
20	Rental of buildings and associated costs	2 581 647	1 815 245	766 402	42%
21	Information technology	2 869 432	2 217 235	652 197	29%
22	Movable property and associated costs	189 424	61 217	128 207	209%
23	Operating expenditure	272 100	184 345	87 755	48%
24	Postage and telecommunications	181 743	199 637	-17 894	-9%
25	Expenditure on formal and other meetings	2 427	5 625	-3 198	-57%
26	Expenditure on Management Board meetings	60 560	94 495	-33 935	-36%
27	Information: acquisition, archiving, production and dissemination	0	0	0	n/a
TITLE 2	BUILDINGS, EQUIPMENT AND SUNDRY OPERATING EXPENDITURE	6 157 333	4 577 799	1 579 534	35%
30	External translation services	14 194 068	13 932 944	261 124	2%
31	Interinstitutional cooperation	621 729	625 989	-4 260	-1%
TITLE 3	OPERATIONAL EXPENDITURE	14 815 797	14 558 933	256 864	2%
TITLE 10	RESERVES	0	0	0	n/a
	TOTAL BUDGET	43 563 562	42 234 287	1 329 275	3%

The execution of commitments in the Title 1 decreased by 2% in 2013 compared with 2012. The main reason for the decrease was the reduction in the pension contributions to the Community pension scheme at the end of 2013. The Centre collected back EUR 429 526 from the pension scheme, which represents the majority of the cost savings compared with 2013. The remaining part of the savings is due to the cost cutting and optimisation measures introduced in 2012. With staff departures some posts were not filled or were cancelled as a result of post screening.

The overall budget execution measured by commitment execution increased by 3% in 2013. The main reason for the increase lay in Title 2 where budget appropriations increased by EUR 1.6 million compared with 2012. This increase was related to the expenditure necessary for relocation to the Drosbach building.

The table below gives detailed information on the revenue and expenditure relating to the move to Drosbach. The total committed expenditure relating to the relocation is EUR 89 247 higher than the budget revenue included in the first amending budget, so it was financed by the Centre's general revenue¹.

¹ Although the expenditure is compared here with the revenue from the grant from the Luxembourg Government and the transfer from the 'Reserve for relocation expenses', the Centre does not have assigned revenue, and all revenue is in fact 'general'.

Revenue and expenditure relating to the move

Description	Amount
Grant from the government of Luxembourg	243 250
Transfer from the reserve	1 250 000
Total revenue	1 493 250
Committed expenditure	1 582 524
Difference between total revenue and committed expenditure	-89 274

Breakdown of committed expenditure related to relocation by budget item

Budget item	Description	Amount
2000	Rental of building and associated costs (temporary double rent payment)	621 000
2030	Cleaning and maintenance	13 000
2040	Fitting out of premises	199 819
2050	Security and surveillance of the building	137 152
2100	IT equipment	290 724
2120	External IR services	74 812
2210	New purchases of movable property	34 472
2211	Replacement of movable property	102 984
2353	Removal costs	69 121
2410	Communication costs	39 440
Total		1 582 524

The expenditure for Title 3 remains stable, a small increase of 2% relating to the increased volume of pages translated by freelance translators.

Change in outsourcing of documents

Description	in pages		
	2013	2012	% change
Freelance (in pages)	512 524	480 695	6.62%
In-house translators and translation memories	292 462	254 312	15.00%
Total pages	804 986	735 007	9.52%
% of externalisation	63.67%	65.40%	-1.73%

The level of outsourcing decreased to 63.67%, but the volume of outsourced pages increased by 6.62%, compared with the previous year. This result is influenced by the overall increase in the number of pages of documents translated (+9.5%).

B. Change in budgetary implementation (excluding Title 10)

in EUR

Description	2013	Implementation 2013	2012	Implementation 2012	% Change
Budget (excluding Title 10)	46 989 600	n/a	45 195 175	n/a	4.0%
Commitments entered into	43 563 562	92.7%	42 234 287	93.4%	3.1%
Appropriations cancelled	3 426 038	7.3%	2 960 888	6.6%	15.7%
Payments made	40 542 361	86.3%	38 106 363	84.3%	6.4%
Appropriations carried over	3 021 201	4.3%	4 127 424	9.1%	-26.8%

The implementation of the budget expenditure is comparable to the previous year, with 92.7% of budget appropriations committed and the remaining 7.3% cancelled. The Centre achieved better payment execution than the previous year (86.3% compared with 84.3% in 2012), and only 4.3% of the budget appropriations were carried over to the following year. For further information on the budget implementation, broken down by title, please see the table below.

Budget implementation by titles (excluding Title 10 and including credit transfers)

in EUR

Description	Title 1		Title 2		Title 3		Total
	Amount	Implementation	Amount	Implementation	Amount	Implementation	Amount
Budget (excluding Title 10)	24 496 350	n/a	7 057 250	n/a	15 436 000	n/a	46 989 600
Commitments entered into	22 590 431	92.2%	6 157 333	87.2%	14 815 798	96.0%	43 563 562
Appropriations cancelled	1 905 919	7.8%	899 917	12.8%	620 202	4.0%	3 426 038
Payments made	22 356 774	91.3%	5 161 162	73.1%	13 024 425	84.4%	40 542 361
Appropriations carried forward	233 657	0.9%	996 171	14.1%	1 791 373	11.6%	3 021 201

Title 1 – Staff

The budget in Title 1 at the year-end was EUR 24 496 350. Compared with the initial budget for the year, the final budget was EUR 414 150 lower (1.7%). During the year, 92.2% of the final budget was executed in terms of commitments, namely EUR 22.6 million, and 91.3% of the budget was consumed by payments. Both these percentages are very similar to those for 2012. Since commitments covering salaries and many other staff-related expenditure cannot be carried over, a low amount of carryovers is not exceptional. The surplus of EUR 1.9 million in Title 1 represents 7.8% of the budget.

The relatively high budget implementation and low amount of carryovers for Title 1 is due to the reasonable predictability of staff expenses. The cancelled commitments are mainly due to the reimbursement of the employer's part of the contribution to the Community pension scheme, and the lower than expected occupation rate. The impact of the disputed salary increase on the budget implementation is eliminated by the 'Reserve for the disputed salary increase' created in Title 10. Any potential disputed salary increase will be paid from the reserve. Any prolongation of the status quo by waiting for the final decision on the disputed salary increase does not have any impact on the implementation of Title 1.

Title 2 – Buildings, equipment and miscellaneous operating expenditure

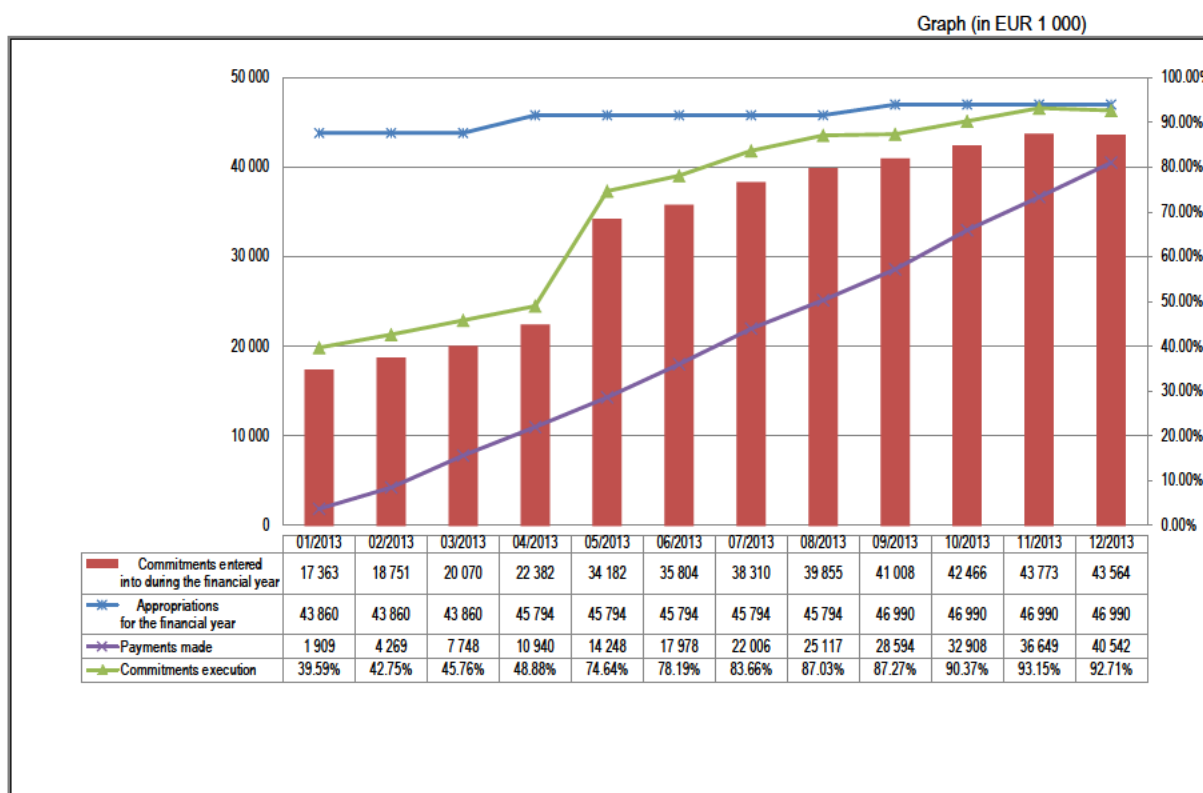
During 2013, EUR 6.2 million, i.e. 87.2% of the budget in Title 2 was executed in terms of commitments. The level increased by 3.8 percentage points compared with 2012. The commitments covered EUR 1.6 million more of expenditure compared with 2012. This is because Title 2 of the budget for 2013 was 28.5% (EUR 1.6 million) higher than that in the budget for 2012, mainly to cover expenditure relating to the Centre's relocation.

The relatively high level of budget execution of Title 2 is mainly due to the higher execution of Item 2000, 'Rental of buildings and associated costs' (99.6%) and Item 2120, 'External services for the operation, implementation, development and maintenance of software and systems' (91.1%). The budget for rent in 2013 was estimated more strictly than in 2012, especially to limit the budget needed for the relocation. The level of payments in Title 2 (73.1%) is considerably higher in 2013 than in 2012 due to the low comparable base in 2012 (there were large carryovers from 2012 to 2013 relating to the Data Centre and to IT services and goods delivered in 2013).

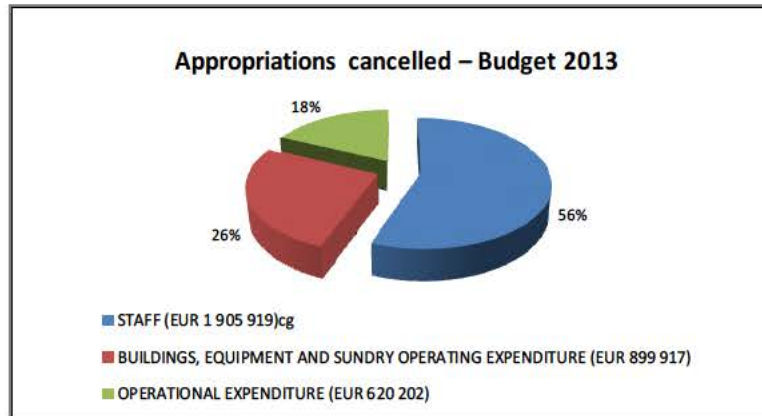
Title 3 – Operational expenditure

In Title 3, 96.0% of the budget of EUR 15 436 000 was used during 2013, whereas in 2012 some 99.0% of the budget of EUR 14 707 475 was used. This should be seen in the light of the higher volumes of translation, editing, etc. requested by clients, compared with what was forecast in the second amending budget for 2013. The model used to estimate the budget needed for external translation services led to a slight overestimation of the need, and a subsequent cancellation of budget appropriations.

C. The budget execution in 2013



D. Appropriations cancelled



C.2 Achievement of targets for the year

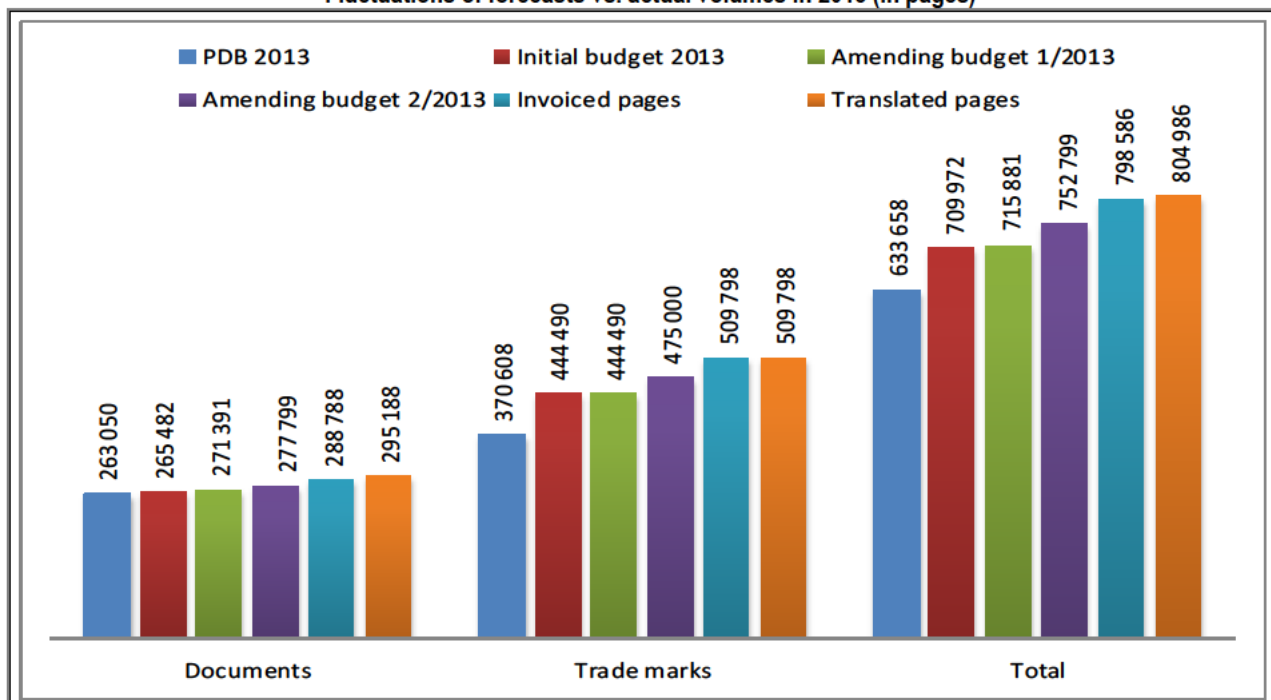
For the Centre, 2013 was a successful year since the volume of translation work was 9.5% higher than the previous year. It reached a total of 804 986 pages, including pages translated for the Centre's ongoing operation against 709 972 pages planned in the initial budget for 2013, representing a 13.4% increase. This increased workload was handled by the same human resources as planned and therefore the workload per person was higher than in the past.

Of the total number, 295 188 pages accounted for documents. Compared with the target of 274 248 pages, this is an 8% increase. This figure also includes 6 400 pages translated for the Centre's internal needs, most being for the Management Board meetings (4 724 pages).

Compared to 2012, the number of documents translated decreased by 1% (-3 838 pages), while the volume of Community trade marks and designs increased by 17% (73 817 pages). The fluctuations of forecasts vs. actual volumes are shown in the graph below.

In 2013, in addition to translation, the Centre offered other language services: some 406 man/days were devoted to terminology work, and clients requested the translation of 349 823 'term list' entries.

Fluctuations of forecasts vs. actual volumes in 2013 (in pages)



Number of pages translated in 1996-2013 (in pages)

