

**Governing Board Meeting****12 and 13 June 2014****Item XCII- 5****DIR/RB(2014)01460**

**OPINION OF THE GOVERNING BOARD ON THE FINAL ANNUAL
ACCOUNTS 2013**

The Governing Board:

- having regard to Article 12a(6) of Regulation No 337/75 of the Council of 10 February 1975 establishing the Centre as last amended in 2004 and the financial rules applicable to the European Centre for the Development of Vocational Training adopted on 9 January 2014, and in particular Article 99(3) on the submission of accounts;
 - having regard to the annual accounts of the Centre for 2013, together with the annual activity report 2013, which takes into account the remarks of the Court of Auditors;
 - having regard to the Director's statutory declaration in the annual activity report 2013 and his expression of confidence in the checks and operation of the Centre's internal control system;
 - having regard to the statutory declaration of the accountant and the head of resources / internal control coordinator in the annual activity report;
 - having regard to the report of the Court of Auditors (April 2014);
- (1) declares it has reasonable assurance, on the basis of the facts in its possession, that the annual accounts for the financial year 2013 are reliable and that the underlying transactions, taken as a whole, are legal and regular;
 - (2) notes that the Centre's annual activity report for 2013 includes complete financial information;
 - (3) notes with satisfaction the high implementation rate (over 99,7 %) of the Cedefop (total) budget, and that 98 of the establishment plan's 100 posts were filled at 31 December 2013;

- (4) congratulates the Centre on the fact that the Court of Auditor's draft report contains no observations on the 2013 accounts;
- (5) expresses its satisfaction with the performance of the Centre and its staff and asks management and staff to continue its efforts.

The Governing Board, in consequence, confirms hereby its positive assessment of the annual accounts 2013 and expresses its opinion that it has the necessary assurance that the annual accounts 2013 provide a true and fair view of Cedefop's financial position and that the underlying actions have been legal and regular in all material aspects.

12 June 2014



Ms Barbara Dorn
Chair of the Governing Board



RES/RB(2014)01462
Thessaloniki, 12 June 2014

Annual Accounts

Financial year 2013

These accounts have been prepared by the Accounting Officer on 06/05/2014 and drawn up by the Director on 10/06/2014. The opinion of the Governing Board was given on 12/06/2014.

The present annual accounts, together with the opinion of the Governing Board, will be sent to the Commission's Accounting Officer, the Court of Auditors, the European Parliament and the Council on 13/06/2014.

The accounts will be published on the *Community body* website:
<http://www.cedefop.europa.eu>

Thessaloniki, 12 June 2014

Joachim James Calleja
The Director

Stephen Temkow
The Accounting Officer

Introduction

In accordance with Articles 92 and 93 of the financial rules of Cedefop (the European Centre for the Development of Vocational Training), hereafter “the Financial Rules”, adopted by the Governing Board on 9 January 2014 and replacing the former financial rules adopted by the Management Board on 5 June 2009, Cedefop’s annual accounts comprise:

- ❑ the report on budgetary and financial management;
- ❑ the reports on implementation of the budget of the Centre;
- ❑ the financial statements of the Centre.

The accounts are kept in accordance with the provisions of Cedefop Decision of 9 January 2014, as supplemented by a Decision laying down detailed rules for the implementation of that Decision, last amended on 3 June 2014.

The Centre has non-differentiated appropriations for administrative expenditure (Titles 1 and 2) and differentiated appropriations for operational expenditure (Title 3).

The accounts are kept in Euro (Euro), and the revenue and expenditure account and the balance sheet are presented in Euro. Operations are carried out at the monthly accounting rates in force when they are transacted. The Euro exchange rate used for the preparation of the balance sheet is the rate applicable on 31 December.

The subsidies received from Norway and Iceland are treated as assigned revenue, as are the other appropriations received from the Commission.

Certification

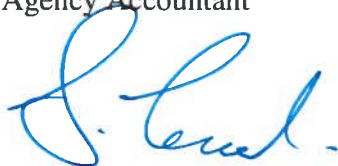
The annual accounts of Cedefop (the European Centre for the Development of Vocational Training) for the year 2013 have been prepared in accordance with Article 94 of the Financial Rules and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions, agencies and joint undertakings (Article 101 of the Financial Rules).

I acknowledge my responsibility for the preparation and presentation of the annual accounts of Cedefop in accordance with Article 50 of the Financial Rules.

I have obtained from the authorising officer, who certified its reliability, all the information necessary for the production of the accounts that show Cedefop's assets and liabilities and the budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of Cedefop.

Stephen Temkow- Agency Accountant



Thessaloniki 06th May 2014



European Centre for the Development
of Vocational Training

REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT FINANCIAL YEAR 2013

1. INTRODUCTION

1.1. Legal basis – financial rules

This report on budgetary and financial management has been prepared in accordance with Articles 93 and 94 of the Financial Rules

1.2. IT management systems

Budgetary accounting is provided by Fibus, a software application developed within Cedefop which covers general accounting and budgetary accounting.

The various budgetary and financial reports are produced using the Fibus program.

The integration of the two sets of accounts guarantees that all budgetary operations are included in the general accounts.

A reconciliation of the two sets of accounts is included in the Annex.

1.3. Nomenclature of appropriations

The nomenclature of appropriations is defined by the Governing Board (Article 36 of the Financial Rules and Article 12 of the Implementing Rules) and is subdivided into three titles.

- Title 1: Staff
- Title 2: Administrative expenditure
- Title 3: Operational expenditure

In order to provide a more detailed analysis of costs in relation to the work programme, Title 3 is subdivided into chapters, with each Operational Area having its own chapter.

Chapter 32: Research and Policy Analysis (RPA)

Chapter 33: Enhanced cooperation in VET and LLL, including study visits for education and vocational training specialists (ECVL)

Chapter 35: Communication, information and dissemination (CID)

Chapters 30 & 31 concern transversal activities and expenditure related to assigned revenue respectively.

1.4. Management of appropriations

The management of appropriations was partially decentralised to the Areas in 2004 with full decentralisation taking place in 2006. However, the Administration retains centralised responsibility for budgetary records in the computerised system and for the keeping of documents. Since 1 January 2005 each Area has its own budget lines. In the new nomenclature introduced in the 2012 budget, Translation expenses were moved from Chapter 30 to Chapter 35 where a relevant budget line 352 with four budget items (one for each Area) was created, as was also “Establishment of operational documentation” (previously budget line 300) that became a new budget item of budget line 354 “Pilot studies and public relations” under the responsibility and management of Area CID. Publications expenses, previously making the subject of a budget line within each Area’s Chapter, were also moved to Chapter 35 where a relevant budget line 351 with four budget items (one for each Area) was created.

1.5. Non-automatic carryovers of appropriations

No non-automatic carryovers were made from 2013 to 2014.

1.6. Supplementary and amending budget

In December 2013 the Centre was granted a supplementary and amending budget to the value of Euro 1 100 000; Euro 600 000 of this total has been entered in the 2013 budget. No funds relating to the grant were received in 2013. The grant is treated as assigned revenue and is to fund studies requested by DG Employment in the field of labour skills demand and supply.

1.7. Monies received

Amounts received in consideration of expenditure are entered in the accounts as a reduction in the expenditure if they are received in the same financial year as the expenditure is made and as sundry revenue if they are received in a subsequent financial year. Amounts received as interest accruing on bank accounts does not constitute revenue for Cedefop, but is returned to the Commission.

Evolution of commitment appropriations of the European Centre for the Development of Vocational Training (Cedefop) for the financial year 2013

Note Includes Norway and Iceland funds

Article Item	Heading	Initial Budget	Transfers	Estimated Assigned Revenue	Amending budgets	Final Budget
	Title 1 - STAFF EXPENDITURE	11,285,000	-323,600			10,961,400
	Title 2 – INFRASTR. & OPERATING EXPENDITURE	1,482,000	0	4,000		1,486,000
	Title 3 - OPERATIONAL EXPENDITURE					0
3 0	TRANSVERSAL ACTIVITIES	395,725	-5,000			390,725
3050	Governing Board meetings	120,000	-6,870			113,130
3070	Transversal technical support	275,725	1,870			277,595
3 1	NON MEMBER STATES AND ASSIGNED REVENUE	0	0		600,000	600,000
3100	Participation of Non-Member states	0	0			0
3122	DG Employment grant				600,000	600,000
32	RESEARCH AND POLICY ANALYSIS	2,359,500	211,460			2,570,960
3200	Missions, meetings, interpretation	226,500	-55,750			170,750
3240	Pilot studies and projects	1,100,000	336,410			1,436,410
3250	ReferNet annual grants (Specific Grant Agreements) (new)	1,033,000	-69,200			963,800
3 3	ENHANCED COOPERATION IN VET and LLL	1,855,000	204,090			2,059,090
3300	Missions, meetings, interpretation	290,000	-9,900			280,100
3340	Exchanges and support for partners	1,435,000	188,990			1,623,990
3350	Study Visits for education and vocational training specialists	130,000	25,000			155,000
3 5	INFORMATION, COMMUNICATION AND DISSEMINATION	537,850	-86,950	6,000		456,900
3500	Missions, meetings, interpretation	40,000	-3,020			36,980
3510	Publications and dissemination	150,750	5,460	6,000		162,210
3520	Translation expenses	119,100	-19,600			99,500
3540	Pilot studies and projects, incl. Library/Documentation	228,000	-69,790			158,210
	Title 3 – TOTAL	5,148,075	323,600	6,000	600,000	6,077,675
	GRAND TOTAL	17,915,075	0	10,000	600,000	18,525,075

Evolution of payment appropriations of the European Centre for the Development of Vocational Training (Cedefop) for the financial year 2013

Note: includes Norway and Iceland funds

Article Item	Heading	Initial Budget	Sum of Transfers	Estimated assigned revenues	Amending Budgets	Final Budget
	Title 1 - STAFF EXPENDITURE	11,285,000	-323,600			10,961,400
	Title 2 – – INFRASTRUCTURE. & OPERATING EXPENDITURE	1,482,000	0	4,000		1,486,000
	Title 3 - OPERATIONAL EXPENDITURE	5,148,075	323,600	6,000	0	5,477,675
	GRAND TOTAL	17,915,075	0	10,000	0	17,925,075

2 BUDGET IMPLEMENTATION 2013

Revenue			Expenditure										
Source of Revenue	Revenue entered in the final budget for the financial year	Revenue received for the financial year	Allocation of expenditure	Final budget appropriations for the financial year					Appropriations carried over from previous years				
				Entered	Committed	Paid	Carried Over	Cancelled	Available	Committed	Paid	Carried Over	Cancelled
Own revenue			Title I Staff (NDA)	10,961,400	10,931,005	10,699,853	231,152	30,395	223,339	223,339	208,835		14,504
Union contribution	17,433,900	17,133,900											
Other subsidies			Title II Administration (NDA)	1,486,000	1,478,732	1,227,314	251,419	7,268	673,392	673,392	649,785		23,607
Other revenue	10,000	32,055	Title III Operational Activities (DA)										
			- CA	4,996,500	4,982,834			13,666	0	0			
			- PA	4,996,500		4,585,793	0	410,707	0		0		0
Assigned revenue	481,175	591,175	Assigned revenue	481,175	481,175	0	481,175	0	2,278,873	2,396,105	1,396,718	882,155	0
Total	17,925,075	17,757,130	Total CA	17,925,075	17,873,746		963,745	51,329	3,175,604	3,292,836		882,155	38,111
			Total PA	17,925,075		16,512,960	963,745	448,370	3,175,604		2,255,337	882,155	38,111
The assigned revenue received exceeds the budget total by 110 000 euro, representing funds received in 2013 against a 2012 budgeted grant.													

. 2.1. Appropriations for the current financial year: Analysis of the use of appropriations and of the main changes compared with 2012.

2.1.1. Title 1: Staff

Budget item and heading		2013			2012		Change comm. %
		Final budget	Comm.	Payments	Comm.	Payments	2013/ 2012
110	Officials and temporary staff occupying a post Includes Social Security contributions, supplementary services and weightings	8,538,700	8,525,889	8,525,889	8,548,683	8,548,683	0%
1111	Seconded national experts	198,135	194,835	194,835	116,814	116,814	67%
1112	Contract staff	1,041,130	1,041,127	1,041,127	1,007,839	1,007,839	3%
1113	Trainees	99,800	94,628	94,628	108,194	108,194	-13%
114	Miscellaneous allowances and grants	261,055	261,051	261,051	254,227	254,227	3%
120	Allowances and expenses on leaving and entering the service	251,470	246,908	143,694	281,505	140,748	-12%
130	Mission expenses	76,480	76,480	65,041	69,000	60,997	11%
143	Medical service	72,700	71,694	60,193	62,224	49,738	15%
149	Other expenditure	83,460	81,290	65,191	106,641	104,373	-24%
150	Training	129,970	129,970	71,237	129,982	84,979	0%
160	Supplementary services	189,500	189,500	160,883	117,825	111,032	61%
170	Representation expenses	19,000	17,633	16,084	21,000	12,971	-16%
	TITLE 1 – TOTAL	10,961,400	10,931,005	10,699,853	10,823,934	10,600,596	1%

Significant variations from 2012 to 2013 in commitments can be explained by:

1111 (Seconded national experts) – In 2013 there were more seconded national experts than in 2012.

1113 (Trainees) – Fewer extensions of traineeships were granted in 2013.

1200 (Allowances and expenses on leaving and entering the service) – The higher amount in 2012 had to do with the cost of the selection procedure for a new Cedefop Director.

1300 (Mission expenses) – There was a drop in the missions in 2012 whereas it went back up slightly in 2013.

1430 (Medical service) – The 2013 figures reflect an increased uptake of annual medical visits by staff.

1490 (Other expenditure) – In 2012, there was a temporary increase in support for pre-school fees due to the closure of Cedefop's day care centre. This higher support was discontinued in 2013, resulting in a decrease in expenditure.

1600 (Supplementary services) – Expenditure on this budget line went up mainly due to a high number of translations for administrative purposes.

1700 (Representation expenses) – The decrease reflects a dedicated effort to reduce expenditure on this budget line.

During the financial year under consideration, staff movements were as follows:

	Staff on 31/12/2012	Increase			Reduction			Staff on 31/12/2013
		Internal movements	Recruit.	Total	Internal movements	Depart.	Total	
	(a)	(b)	(c)	(d) = (b + c)	(e)	(f)	(g) = (e + f)	(h) = (a + d - g)
OFF	20			0		2	2	18
TEMP	79		5	5		4	4	80
SNE	3		3	3		2	2	4
CTST	23			0			0	23
Total	125			8			8	125

On 31 December 2013, 98 of the 100 posts on the establishment plan were occupied. This includes posts actually filled (96) and offers of posts made (2) on vacant posts (in line with the Multi Annual Staff Policy Plan approach).

The distribution by grade of occupied posts in the establishment plan is attached to this document in the Annex to the Financial Statements.

2.1.2. Title 2: Infrastructure and operating expenditure

		2013			2012		Change comm. in % 2013/2012
		Final budget	Comm.	Payments	Comm.	Payments	
20	Building	599,640	594,634	533,404	626,169	448,243	-5%
21	IT	510,075	509,500	445,251	587,022	374,351	-13.21%
22	Equipment and furniture	78,475	77,874	25,787	186,167	6,152	-58.17%
23	Administrative expenses	122,800	122,240	110,246	119,212	104,311	2.54%
24	Postal charges and telecommu- nications	166,010	165,984	107,096	194,270	67,292	-14.56%
25	Meeting expenses	9,000	8,500	5,529	5,343	3,843	59.09%
	TITLE 2 - TOTAL	1,486,000	1,478,732	1,227,313	1,718,182	1,004,192	-13.94%

The variation from 2012 to 2013 can be explained by:

- Chapter 20: (Building): Slight decrease (-3.5%) in the expenditure for rent and public utilities mainly due to energy and water saving initiatives implemented; sensible decrease (-11.1%) in the expenditure for cleaning, maintenance and repair, gardening, minor construction and fitting out of premises due to the reduced need for costly maintenance and refurbishment works (in particular as regards the electro-mechanical equipment and the conference rooms), as those had been financed in 2012 in connection with the building repairs; corresponding increase (+10.9%) in the expenditure for security and surveillance of the buildings as an important project for enhancement of the closed circuit monitoring system was implemented and extended to parts of the building that were previously (until completion of the necessary repairs) not in use and thus not covered; the (5.0%) overall decrease results from improved planning and monitoring.
- Chapter 21: (IT Costs): Slightly increased expenditure on software licenses and on outsourced development services to cope effectively with few newly arising operational needs for IT support (including database and network hosting), over-compensated by the decreased expenditure on equipment renewal and enhancing server and storage capacity as existing ICT infrastructure adequately responded to actual requirements; the (13.2%) overall decrease is the result of a rational, effective medium-term ICT strategy.
- Chapter 22: (Equipment and furniture): Expenditure decreased by more than half due to the fact that the major related investment, i.e. the purchase of audio-visual and conference infrastructure systems for the main conference room in the context of the large building repairs project, and of furniture for the refurbishment of a number of working and meeting spaces (offices and new training rooms) had been financed in 2012 while the expenditure on transport equipment remained stable.
- Chapter 23: (Administrative): Slight overall increase due to sensible increase (+75.3%) in other administrative expenditure as this budget line covered in 2013 a larger array of costs (insurances, departmental moves) and lower increases in expenditure for stationery and office supplies (+7.5%) and administrative publications (+45.7%) resulting from additional reporting/communication requirements, over-compensating the high decrease in expenditure for legal matters and services (-57.2%).
- Chapter 24: (Post and telecommunications): The (14.6%) overall decrease is due to much lower expenditure (-62.2%) on telecommunications subscriptions and charges as a result of earlier enhancement/rationalisation initiatives and lower expenditure (-11.5%) on postage on correspondence and delivery charges, over-compensating the increased expenditure (+16.1%) on telecommunication equipment and material for the completion of a high performance network infrastructure.
- Chapter 25: (Meeting expenses): Important increase due to the much higher number of internal coordination/consultation and information meetings generating costs.

This year the Centre will carry forward Euro 482 570 of Title 1 and 2 appropriations; Euro 231 151 for Title 1 and Euro 251 419 for Title 2. These figures relate to non-assigned revenue funds.

The corresponding total figure for the previous year was Euro 896 731.

The fall reflects the efforts made by the Centre over several years to advance its activities earlier in the calendar year, thereby reducing the asymmetry in its annual activities which, in common with most institutions, had been skewed toward year-end.

2.1.3. Title 3: Operational expenditure (commitments), not including assigned revenue

		2013			2012		
Chapter	-	Final budget	Comm.	%	Final budget	Comm.	%
30	Transversal activities	390,725	390,690	99.99%	350,490	350,488	97.59%
32	Area RPA: Research and Policy Analysis	2,570,960	2,569,275	99.93%	2,267,273	2,265,229	97.32%
33	Area ECVL: Enhanced cooperation in VET and LLL	2,059,090	2,053,447	99.73%	1,965,345	1,965,344	99.28%
35	Area CID: Communication, Information and Dissemination	456,900	450,597	98.62%	588,482	573,634	99.46%
	TITLE 3 - TOTAL	5,477,675	5,464,009	99.75%	5,171,590	5,154,695	98.14%

Transversal activities cover the costs relating to the Governing Board meetings and transversal technical support.

Each Area has its own lines for the costs of missions, meetings and interpretation, technical support and study contracts. Budget lines by Area for translation and publications expenses are included in chapter 35 of Area CID.

Cedefop continues to fully utilise all its operational funding year on year with an implementation rate for 2013 above 99%.

Payment appropriations for Title 3 not including assigned revenue came to a total of Euro 4 996 500 of which Euro 4 585 793 were disbursed. Appropriations not committed under Title 3 are cancelled.

2.2. Other classes of appropriations

2.2.1 Assigned revenue received – previous financial year – Class L

	Appropriations carried over	Comm.	Payments	Comm./Bud.	Carried-over	Cancelled
Title 1 – Staff	2,682.33	-	-	0.00%	2,682.33	0
Title 2 - Administrative expenditure	-	-	-	0.00%	0	0
Title 3 - Operational expenditure	480.06	-	-	0.00%	480.06	0
Total	3,162.39	-	-	0.00%	3,162.39	0

Class L Title 3 costs relate to translation and editing costs for the operational areas and onsite technical support. These funds will be utilised in 2014.

2.2.2 Appropriations carried over automatically from 2012 to 2013 – Class A for Titles 1 and 2 (operational expenditure being treated as differentiated appropriations).

	Appropriations carried over	Commitments carried over	Payments	Pay/comm.	Cancelled
Title 1 – Staff	223,338.57	223,338.57	208,834.81	93.51%	14,503.76
Title 2 - Administrative	673,392.46	673,392.46	649,785.09	96.49%	23,607.37
Total	896,731.03	896,731.03	858,619.90	95.75%	38,111.13

Class A represents funds carried over from the previous year.

2.2.3. Assigned revenue

MONITORING TABLE FOR ASSIGNED REVENUE 2013								
Phare projects, third countries	BALANCE carryovers on 31/12/12	New funds	Payment in 2013	Funds returned	Carryover balance	New approp. 2013	Payment in 2013	Balance at 31/12/2013
	a	b	c	d	e=a+b-c-d	e	f	h=d+e-f
New approp. 2013								
Participation Norway 2013						467,228.00	0.00	467,228.00
Participation Iceland 2013						13,947.00	0.00	13,947.00
Total projects 2013						481,175.00	0.00	481,175.00
Contribution Agreement No 30/CE-0538371/00-03	1,188,000.00		455,177.00		732,823.00			732,823.00
Pre-finan. Agreement No 30-CE-0447989/00-61	330,000.40	110,000.00	440,000.40		0.00			0.00
Participation Norway 2012	128,837.26		125,502.80		3,334.46			3,334.46
Participation Iceland 2012	13,947.00		13,947.00		0.00			0.00
Total projects 2012	1,660,784.66	110,000	1,034,627.20	0	736,157.46	0.00	0.00	736,157.46
Sundry assigned revenue	1,221.59				1,221.59			1,221.59
Participation Norway 2011	393,756.00		250,959.88		142,796.12			142,796.12
Participation Iceland 2011	12,089.00		12,089.00		0.00			0.00
Total projects 2011	407,066.59		263,048.88		144,017.71	0.00	0.00	144,017.71
Participation Norway - Iceland 2010	99,041.46		99,041.46		0.00			0.00
Total projects 2010	99,041.46	0	99,041.46	0	0.00			0.00
Commission's Grant regarding building repairs	39.50		0.00		39.50			39.50
Total projects 2009	39.50		0.00		39.50			39.50
Other assigned revenue	480.06		0.00		480.06			480.06
Total projects 2007	480.06		0.00		480.06			480.06
Other assigned revenue 2009 & 2010	1,460.74		0.00		1,460.74			1,460.74
Total assigned revenue	1,460.74		0.00		1,460.74			1,460.74
TOTAL	2,168,873.01	110,000.00	1,396,717.54	0.00	882,155.47	0.00	0.00	1,363,330.47

3. CONCLUSIONS

The following summarises main results and activities of the implementation of the 2013 work programme. The following text is derived from the description of Cedefop's products and services in 2013 in table 1 of the Annex of the 2013 report of the European Court of Auditors.

[More information and a detailed presentation of the indicators of Cedefop's performance measurement system (PMS) is available in the Annual Report 2013 and the Annual Activity Report (www.cedefop.europa.eu).]

Policy analysis and reporting

Cedefop monitors countries' progress towards the short-term deliverables agreed in the Bruges Communiqué. Country fiches were finalised for all EU Member States, Norway and Iceland and were made available to the European Commission to inform the country specific recommendations for the European semester. To prepare for Cedefop's 2014 **VET policy monitoring report**, focus groups with members of the Advisory Committee on Vocational Training (ACVT) discussed effectiveness of policies. **Descriptions of national VET systems** prepared by ReferNet partners were published online for 29 countries. *Spotlight on VET in Ireland* was prepared for the March meeting of the DGVTs. *Vocational education and training in Lithuania - Short description* and *Spotlight on VET in Lithuania* were released for the DGVTs meeting in November and the Presidency Conference on VET. Cedefop's *On the way to 2020: data for vocational education and training* was published.

Common European tools, qualifications and learning outcomes

Cedefop provided **policy advice and expertise to EU-level working groups** to support implementation of EU tools. Cedefop's study on **qualifications at EQF level 5** and its *Analysis and overview of NQF level descriptors in 36 European countries* informed directly EQF/NQF implementation. Cedefop's study *The role of qualifications in governing professions and occupations* was published. A briefing note on **ECVET** opportunities and challenges was released. **Europass** registered 20.85 million visits (*14.8 million*) and 10.16 million CVs generated online (*8.3 million*). A working dinner with the European Parliament discussed achievements and challenges in relation to the European tools. Cedefop's study *Renewing VET provision: Understanding feedback mechanisms between initial VET and the labour market* was published. The briefing note *Keeping young people in (vocational) education: what works?* was drafted for the Lithuanian Presidency Conference on VET.

Adult learning and transitions

Cedefop's study *Return to Work - work-based learning and the reintegration of unemployed adults into the labour market* was debated at the VET conference of the Lithuanian Presidency. Cedefop's studies *Benefits of vocational education and training in Europe for people, organisations and countries* and *Labour market outcomes of vocational education in Europe* were published. Cedefop's study on **Validation of non-formal and informal learning in European enterprises** was finalised and a synthesis disseminated at Cedefop/DG EAC joint seminar marking the start of the follow-up to the 2012 Council Recommendation on validation. To

support the **European alliance for apprenticeship**, Cedefop organised a high-level conference on ‘Renewing vocational education and training to tackle skill mismatch – work-based learning and apprenticeship for all’.

Skills analysis

Cedefop supported the development of the **EU Skills Panorama (EUSP)** for which it will take full responsibility as of 2014. Cedefop’s 2013 projections for skill supply and demand in the European Union were released. ***Roads to recovery: three skill and labour market scenarios for 2025*** summarised the key findings. Cedefop’s research paper ***Quantifying skill needs in Europe - Occupational skills profiles: methodology and application*** was published. A briefing note and publication ***Skills for a low carbon Europe*** were released. Cedefop’s data and analyses on skill mismatch contributed to the work of the **Global Agenda Council (GAC) on Employment of the World Economic Forum (WEF)** and were presented at the Summit on the Global Agenda 2013 in Abu Dhabi.

Organisational impact

Cedefop (external) evaluation for the period 2007–2012 looked at Cedefop’s coherence with European policies, efficiency, impact and synergy with four other EU agencies. It highlighted that: **Cedefop was highly successful** in implementing the objectives in its Founding Regulation and is recognised as a leading centre of expertise worldwide on qualifications frameworks and skills; **Cedefop’s work did not duplicate the activities of any other actors** at European, national or international level; the popularity of its outputs and downloads increased significantly; its events were of high quality and participants satisfaction very high; operations were cost-effective. Cedefop uses a **performance measurement system (PMS)** to help manage and evaluate its impact, efficiency and effectiveness. 173 EU-level policy documents (169) cited Cedefop’s findings. Cedefop’s administration continued supporting operations in an effective and efficient way. A staff survey in 2013 indicated the satisfaction of staff with administrative and support services.

For more information see www.cedefop.europa.eu (Annual Report and Annual Activity Report 2013).

Audits in 2013 confirmed good progress in the implementation of recommendations of previous year audits, which had all been closed by the end of 2013.

The 2013 report of the European Court of Auditors (on the accounts 2012) confirmed the regularity and legality of Cedefop’s transactions and procedures.

Developments in 2013 in the administrative services concentrated on further streamlining procedures, the documentation of workflows and increasing efficiency.

The building repair works are suffering delays for reasons outside Cedefop’s control and were not completed in 2013 as planned. This work is funded by the Greek government and is foreseen to be completed by summer 2014.



REPORTS ON IMPLEMENTATION OF THE 2013 BUDGET

In accordance with Article 97 of the Financial Rules and Article 82 and 83 of the Implementing Rules, the budget implementation reports of the Centre for the financial year 2013 comprise:

- ☒ the report which aggregates all budgetary operations for the year in terms of revenue and expenditure (*previously*: budget outturn account),
- ☒ the explanatory notes, which supplement and comment on the information given in the reports.

1. Report aggregating all budgetary operations

Revenue and expenditure account for the financial year 2013 and 2012

	2013	2012
Revenue		
Own revenue		
Commission contributions	17,133,900.00	16,933,900.00
Sundry revenue		
Assigned revenue	481,175.00	448,051.11
Other Revenue	142,054.94	2,275,078.17
Total revenue (a)	17,757,129.94	19,657,029.28
Expenditure		
<i>Staff – Title 1 of the budget</i>		
Payments	10,699,853.49	10,370,813.48
Appropriations carried over	231,151.51	223,338.57
<i>Administration – Title 2 of the budget</i>		
Payments	1,227,313.75	970,347.77
Appropriations carried over	251,418.66	673,392.46
<i>Operating activities– Title 3 of the budget</i>		
Payments	2,252,849.69	2,035,381.35
Payments against outstanding commitments at 31/12/n-1	2,332,943.12	2,769,074.65
Payment appropriations carried over	-	
<i>Assigned revenue (Grants + third countries and others)</i>		
Payments	1,396,717.54	1,852,745.07
Carryovers including assigned revenue not entered in the budget	1,363,330.47	2,168,872.90
Total expenditure (b)	19,755,578.23	21,063,966.25
Outturn of the financial year (c = a - b)	- 1,998,448.29	- 1,406,936.97
Balance carried over from the previous year		
Cancelled n-1 appropriations carried over (non-differentiated appropriations Titles 1 and 2)	38,111.13	100,157.67
Appropriations carried over from assigned revenue	2,168,873.01	1,314,566.97
Payment appropriations carried over from the previous year (title 3)	-	
Exchange-rate differences	1,862.27	- 2,054.28
Balance for the financial year	210,398.12	5,733.39

2. Explanatory note

The Centre has had differentiated appropriations for Title 3 since 2004, which explains why no carryovers of appropriations for operational activities appear in the calculation of the budget outturn.



CEDEFOP

European Centre for the Development
of Vocational Training

FINANCIAL STATEMENTS

FINANCIAL YEAR 2013

In accordance with Article 96 of the Financial Rules and Article 79, 80 and 81 of the Implementing Rules, the financial statements of the Centre for the financial year 2013 comprise:

- ☒ the balance sheet and the statement of financial performance (*previously*: economic outturn account),
- ☒ the statement of changes in net assets,
- ☒ the cash-flow statement,
- ☒ the notes to the financial statements.

1.1. BALANCE SHEET

		2013	2012
ASSETS			
A. NON CURRENT ASSETS			
Intangible fixed assets		137,302.44	39,077.92
Tangible fixed assets		3,810,673.64	3,809,176.24
	Land and buildings	3,138,629.42	3,380,298.88
	Plant and equipment	207,526.72	41,035.54
	Computer hardware	380,756.12	296,360.55
	Furniture and vehicles	46,733.86	49,454.64
	Other fixtures and fittings	37,027.52	42,026.63
	Leasing	0.00	0.00
	Tangible fixed assets under construction	0.00	0.00
Long-term pre-financing		0.00	0.00
	Long-term pre-financing	0.00	0.00
	<i>LT pre-financing with consolidated EC entities</i>	0.00	0.00
Long-term receivables		5,076.41	5,076.41
	Long-term receivables	5,076.41	5,076.41
	<i>LT receivables with consolidated EC entities</i>	0.00	0.00
TOTAL NON CURRENT ASSETS		3,953,052.49	3,853,330.57
B. CURRENT ASSETS			
Stocks		0.00	0.00
Short-term pre-financing		669,279.48	601,178.53
	Short-term pre-financing	669,279.48	601,178.53
	<i>ST pre-financing with consolidated EC entities</i>	0.00	0.00
Short-term receivables		1,685,400.48	1,116,682.29
	Current receivables	1,436,301.65	956,227.88
	Long-term receivables falling due within a year		
	Sundry receivables	146,510.36	106,561.90
	Other	102,588.47	53,892.51
	-Accrued income	0.00	0.00
	-Deferred charges	102,588.47	53,892.51
	<i>Deferrals and Accruals with consolidated EC entities</i>	0.00	0.00
	<i>Short-term receivables with consolidated EC entities</i>	0.00	0.00
Cash and cash equivalents		340,195.25	1,909,222.57
TOTAL CURRENT ASSETS		2,694,875.21	3,627,083.39
TOTAL		6,647,927.70	7,480,413.96

		2013	2012
LIABILITIES			
A. CAPITAL		4,176,382.09	4,326,419.81
Reserves			
Accumulated surplus/deficit		4,326,419.81	4,527,236.24
Economic result of the year - profit+/loss-		-150,037.72	-200,816.43
B. Minority interest			
C. NON CURRENT LIABILITIES		0.00	0.00
Employee benefits		0.00	0.00
Provisions for risks and charges		0.00	0.00
Other long-term liabilities		0.00	0.00
	Other long-term liabilities	0.00	0.00
	<i>Other LT liabilities with consolidated EC entities</i>	0.00	0.00
	<i>Pre-financing received from consolidated EC entities</i>	0.00	0.00
	<i>Other LT liabilities from consolidated EC entities</i>	0.00	0.00
TOTAL NON CURRENT LIABILITIES		4,176,382.09	4,326,419.81
D. CURRENT LIABILITIES		2,471,545.61	3,153,994.15
Provisions for risks and charges		74,665.36	74,665.36
Accounts payable		2,396,880.25	3,079,328.79
	Current payables	23,223.31	191,217.84
	Long-term liabilities falling due within the year	0.00	0.00
	Sundry payables	4,387.95	13,603.17
	Other	1,680,652.81	1,671,325.20
	- Accrued charges	1,680,652.81	1,671,325.20
	- Deferred income	0.00	0.00
	<i>Deferrals and accruals with consolidated EC entities</i>	0.00	0.00
	<i>Accounts payable with consolidated EC entities</i>	688,616.18	1,203,182.58
	<i>Pre-financing received from consolidated EC entities</i>	657,740.82	1,153,772.89
	<i>Other accounts payable against consolidated EC entities</i>	30,875.36	49,409.69
TOTAL CURRENT LIABILITIES		2,471,545.61	3,153,994.15
TOTAL		6,647,927.70	7,480,413.96

1.2. STATEMENT OF FINANCIAL PERFORMANCE

	2013	2012
Revenues from administrative operations	143,497.19	144,647.89
Other operating revenue	18,243,183.25	18,547,068.40
TOTAL OPERATING REVENUE	18,386,680.44	18,691,716.29
Staff and administrative expenses	-12,714,564.98	-12,671,611.10
Staff expenses	-10,434,075.06	-10,439,419.14
Fixed asset related expenses	-497,372.89	-460,324.89
Administrative expenses	-1,783,117.03	-1,771,867.07
Operational expenses	-5,819,262.64	-6,216,491.54
Other operational expenses	-5,819,262.64	-6,216,491.54
TOTAL OPERATING EXPENSES	-18,533,827.62	-18,888,102.64
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES	-147,147.18	-196,386.35
Financial revenues	0.00	366.16
Financial expenses	-2,890.54	-4,796.24
Movement in pensions (- expense, + revenue)		
SURPLUS/(DEFICIT) FROM NON OPERATING ACTIVITIES	-2,890.54	-4,430.08
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES	-150,037.72	-200,816.43
Extraordinary gains (+)		
Extraordinary losses (-)		
SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS	0.00	0.00
ECONOMIC RESULT OF THE YEAR	-150,037.72	-200,816.43

2. STATEMENT OF CHANGES IN NET ASSETS

Capital	Reserves		Accumulated Surplus / Deficit	Economic result of the year	Capital (total)
	Fair value reserve	Other reserves			
Balance as of 31 December 2012			4,527,236.24	-200,816.43	4,326,419.81
Changes in accounting policies 1)					0.00
Balance as of 1 January 2013 (if restated)	0.00	0.00	4,527,236.24	-200,816.43	4,326,419.81
Other 2)					0.00
Fair value movements					0.00
Movement in Guarantee Fund reserve					0.00
Allocation of the Economic Result of Previous Year			-200,816.43	200,816.43	0.00
Amounts credited to Member States					0.00
Economic result of the year				-150,037.72	-150,037.72
Balance as of 31 December 2013	0.00	0.00	4,326,419.81	-150,037.72	4,176,382.09

3. CASH-FLOW STATEMENT (INDIRECT METHOD)

	2013	2012
Cash Flows from ordinary activities		
Surplus/(deficit) from ordinary activities	-150,037.72	-200,816.43
Operating activities		
<u>Adjustments</u>		
Amortization (intangible fixed assets) +	19,324.15	15,538.94
Depreciation (tangible fixed assets) +	478,048.74	444,785.95
Increase/(decrease) in Provisions for risks and liabilities	0.00	0.00
Increase/(decrease) in Value reduction for doubtful debts	0.00	0.00
(Increase)/decrease in Stock	0.00	0.00
(Increase)/decrease in Long term Pre-financing	0.00	0.00
(Increase)/decrease in Short term Pre-financing	-68,100.95	-257,895.84
(Increase)/decrease in Long term Receivables	0.00	0.00
(Increase)/decrease in Short term Receivables	-568,718.19	-72,422.16
(Increase)/decrease in Receivables related to consolidated EC entities	0.00	0.00
Increase/(decrease) in Other Long term liabilities	0.00	0.00
Increase/(decrease) in Accounts payable	-167,882.14	27,073.85
Increase/(decrease) in Liabilities related to consolidated EC entities	-514,566.40	1,040,067.83
(Gains)/losses on sale of Property, plant and equipment		
Net cash Flow from operating activities	-971,932.51	996,332.14
Cash Flows from investing activities		
Increase of tangible and intangible fixed assets (-)	-597,094.81	-304,298.69
Proceeds from tangible and intangible fixed assets (+)		
Net cash flow from investing activities	-597,094.81	-304,298.69
Net increase/(decrease) in cash and cash equivalents	-1,569,027.32	692,033.45
Cash and cash equivalents at the beginning of the period	1,909,222.57	1,217,189.12
Cash and cash equivalents at the end of the period	340,195.25	1,909,222.57

4. ANNEX

1. Introduction

Cedefop adopted its new Financial Rules (Decision DIR/RB(2014)00032) on 9 January 2014 in conformity with Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework Financial Regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council (“the general Financial Regulation”). In that context, Cedefop applies the accounting rules referred to in Article 152 of the general Financial Regulation to allow its accounts to be consolidated with those of the Commission.

In accordance with Article 248 of Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union, all assets entered in the Centre’s balance sheet are those with a purchase value equal to or higher than the accounting threshold and with a utilisation value higher than one year.

The depreciation of assets is calculated *pro rata temporis* from the time the asset enters into service, whereas its inclusion in the inventory takes place on the basis of its date of delivery.

Cedefop is currently in the process of adopting its draft new Implementing Rules to the Financial Rules adopted on 9 January 2014 (and entered into force on 01.01.2014), which will make the subject of a Governing Board Decision, also due to enter into force on 01.01.2014 (as per DG BUDG instruction of 28.04.2014). Articles 96 to 103 of that draft Decision (referring to Article 106 of the Financial Rules) include detailed provisions in regard to the inventory system.

The accounting threshold depends on the date of purchase of the asset (see table below).

Ref.	from	To	Amount
Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012	1.1.2013		€ 420
Regulation (EC, Euratom) No 2342/2002 of 23 December 2002	1.1.2003	31.12.2012	€ 420
Commission Regulation (EC) No 1687/2001 of 21 August 2001	31.8.2001	31.12.2002	€ 420
Decision 2000/716/EC	1.1.2000	30.8.2001	€ 420
Decision 97/594/EC	1.1.1997	31.12.1999	ECU 400

These assets were depreciated.

The straight line depreciation method was used. The depreciation rates applied are those applied at the Commission, namely:

- ☒ Software and intangible assets: 4 years;
- ☒ land and buildings: 25 years
- ☒ plant and equipment: 4 or 8 years;
- ☒ furniture: 10 years;
- ☒ transport equipment: 4 years;
- ☒ IT equipment: 4 years.

2. Remarks relating to fixed assets

A. Intangible fixed assets

Development costs of new software systems have not been capitalised as they fall below the Agency's threshold of Euro 150 000. They are estimated to be in the region of Euro 35 000.

	Software
A. Purchase value:	
Previous financial year	167,534.91
Additions	117,548.67
Withdrawals or transfers from other headings	
<i>At the end of the financial year:</i>	285,083.58
B. Depreciation:	
Previous financial year	128,456.99
Additions	19,324.15
Transfer from other headings	-
<i>At the end of the financial year:</i>	147,781.14
Net book value (A – B)	137,302.44

B. Tangible fixed assets

	Land and buildings	Plant and equipment	Furniture	Transport equipment	IT equipment	Other tangible assets	Total
A. Purchase value:							
Previous financial year	6,680,900.66	595,355.75	276,843.37	69,397.80	1,206,441.38	172,115.28	9,001,054.24
Additions	11,960.00	204,548.77	9,400.00	1,500.00	250,402.31	1,735.06	479,546.14
Transfer from other headings							-
Withdrawals or transfers from one heading to another							-
<i>At the end of the financial year:</i>	<i>6,692,860.66</i>	<i>799,904.52</i>	<i>286,243.37</i>	<i>70,897.80</i>	<i>1,456,843.69</i>	<i>173,850.34</i>	<i>9,480,600.38</i>
B. Depreciation:							
Previous financial year	3,300,601.78	554,320.21	259,503.26	37,283.27	910,080.83	130,088.65	5,191,878.00
Additions	253,629.46	38,057.59	4,462.33	9,158.45	166,006.74	6,734.17	478,048.74
Transfer from other headings							-
From one heading to another							-
<i>At the end of the financial year:</i>	<i>3,554,231.24</i>	<i>592,377.80</i>	<i>263,965.59</i>	<i>46,441.72</i>	<i>1,076,087.57</i>	<i>136,822.82</i>	<i>5,669,926.74</i>
Net book value (A – B)	3,138,629.42	207,526.72	22,277.78	24,456.08	380,756.12	37,027.52	3,810,673.64

In November 2011 repair works were started to address the building disorders within Cedefop's premises. These repair works are planned to be completed by summer 2014. The cost (estimated amount: Euro 1 500 000) is borne by the Greek Government. No entry has been made in the accounts.

C. Stocks

Cedefop no longer includes a valuation for its stock of publications as their market valuation is negligible.

D. Short-term pre-financing

Pre-financing is a payment intended to provide the beneficiary with a cash advance. The advance is repaid or used for the purpose for which it was provided during the period defined in the agreement. If the beneficiary does not incur eligible expenditures he has the obligation to return the pre-financing advance to Cedefop. The amount of the pre-financing is reduced (wholly or partially) by the acceptance of eligible costs and amounts returned.

At year-end outstanding pre-financing amounts are valued at the original amount(s) paid, less: amounts returned, eligible amounts cleared and value reductions.

Most pre-financing derives from ReferNet activities where grant pre-financings (representing 60 % of the maximum amount of the grant specified in the agreements) are normally paid by Cedefop within 45 days following the signing of the grant agreement, as defined in art.5 of the grant agreements.

E. Short term receivables

Consisting of:

- a) current receivables, chiefly of VAT charges to be recovered from Member States,
- b) sundry receivables, being advances on missions and school fees,
- c) deferred charges, being expenses paid in 2013 but relating to 2014.

Analysis of Accounts Receivable		
	2013	2012
VAT charges to be recovered from all EU countries	1 436 301.65	952 849.49
Staff related advances including school, canteen VAT and mission advances	146 510.36	106 561.90
Deferred charges i.e. expenses paid in advance e.g. insurance	102 588.47	53 892.51
Other small sundry advances	0.00	3 378.39
	<u>1 685 400.48</u>	<u>1 116 682.29</u>

Note: Euro 516 784 of the above VAT debt, being funds due from 2011 activities, was received on the 11th February 2014. Cedefop has for several years experienced delays in recovering the VAT owed by the Greek state.

F. Long term provision

There are no long term provisions in the 2013 accounts.

G. Provisions for risks and charges

Provisions for risks and charges are recognised when CEDEFOP has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. In 2013 it was not necessary to make any provision.

In 2011 a provision of Euro 74 665.36 was made for suspended salary increases relating to the inflationary adjustment. Associated with this increase was a potential saving to the Agency following the reduced weighting factor. This saving was not included in the accounts but was estimated to be Euro 103 611 and was considered as a contingent asset. A similar inflation adjustment for 2012 also remains unpaid at the end of 2013. The agency has chosen not to make a provision for this cost as it will be offset by the 2012 reduction in the weighting factor.

It is anticipated that these outstanding issues will be resolved during the course of 2014. The provision will remain in place until such time as a settlement is reached.

H. Accounts payable

Consisting of:

a) current payables, relating chiefly to invoices received from suppliers at the end of 2013 to be processed in 2014,

b) sundry payables, payables relating to amounts to be paid from assigned revenue or to staff costs e.g. withheld taxes,

c) accrued charges, expenses relating to 2013. Figure derived from an analysis of invoices received in 2014 combined with an estimate of the value of works performed by suppliers provided by Cedefop project managers.

	2013	2012
Accrued costs	1,453,214	1,446,626
Accrued leave	227,439	224,700
Total	1,680,653	1,671,326

d) amounts payable to consolidated entities, being chiefly pre-financing received from the Commission. The total to be paid decreased from Euro 1 203 183 in 2012 to Euro 688 616 in 2013. This figure consists of:

	2013	2012
Surplus on Budget Account	210,398	5,734
Remainder of Building Grant 250K	40	40
Grants Received 2012 & 2011	1,188,000	2,178,000
Less amount dispersed or recognised as accrued expenditure	- 740,697	- 1,030,000
Interest on Bank Accounts	4,726	22,092
Accrued expenses with consolidated EC entities	26,149	27,317
Total	688,616	1,203,183

I. Contingent Liabilities

Contingent liabilities at the end of 2013 amounted to Euro 4 632 809 (Euro 4 842 800 in 2012) representing standing financial commitments to suppliers not appearing on the balance sheet.

J. Pension Obligations

Cedefop's staff are members of the European Communities Pension Scheme which is a defined benefit pension plan.

A defined benefit plan is a pension plan that generally defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age and years of service. Cedefop's staff contribute 10.25% of their basic salaries to the pension scheme and an additional 20.5% contribution is made by the European Commission. The cost to the European Commission is not reflected in the agency's accounts.

Future benefits payable to Cedefop staff under the European Communities Pension Scheme are accounted for in the accounts of the European Commission. No provisions for such pensions are made in these accounts.

3. Notes to the financial statements

A. Revenue

Revenue and corresponding receivables are measured at the fair value of the consideration received or receivable and are accounted for in the period to which they relate. Cedefop's main source of revenue is the annual contribution from the European Commission. Calculation of this revenue is based on the results of the statement of financial performance. A positive result is shown as a liability and returned to the Commission the following year. As the disbursement or commitment of funds is a factor in the budgetary outturn it also forms part of the final calculation of revenue.

The amount received from the Commission is thus reduced by Euro 210 398 (representing the balance on the Statement of financial Performance for 2013) when calculating the revenue.

The table below shows a detailed breakdown of the other sources of revenue.

Analysis of Revenue in the Economic Result Account 2013		
Funds received from the Commission	17,133,900	
Less net surplus on the Budgetary Outturn Account	<u>-210,398</u>	
		16,923,502
Grant Income		
Remaining funds on Agreement n° 30/CE-0447989/00-61	70,000	
Agreement n° 30/CE-0538371/00-03 disbursed	455,177	
Accrued expenses against above grant	<u>285,520</u>	
		810,697
Other Operational Income		
Norway	467,228	
Iceland	13,947	
Reimbursements	<u>27,810</u>	
		508,985
		<u>18,243,183</u>
Revenue from Administrative operations		
Canteen	142,785	
Commission	712	
		<u>143,497</u>
		<u>18,386,680</u>
	Total Income	18,386,680

B. Expenditure

Expenditure and corresponding payables are measured at their fair value and accounted for in the period to which they relate.

Cedefop's statements follow the format used by the Commission and divide expenses into three categories: Administrative expenses, Operational Expenses and Financial expenses.

a) Administrative expenses. These are subdivided into three sub-categories:

- i) staff expenses, these costs essentially (although not entirely) correspond to Title 1 budget lines. Staff expenses are sometimes considered “administrative expenses”; it should be noted that approximately 66% of these costs relate to operational personnel and should be interpreted as operational costs.
- ii) fixed asset expenses, relating to depreciation costs (see above for further details).
- iii) other administrative expenses, essentially following the Title 2 budget costs. These include such items as utilities, telecommunications, IT and building upkeep.

b) Operational expenses corresponding to Title 3 costs.

The 2013 figure of Euro 5 819 263 is slightly lower than the corresponding 2012 figure of Euro 6 216 491. The report on Budgetary and Financial Management above gives a description of the various operational areas to which Cedefop is committed. A large part of these costs relate to commissioning research, organising study visits, meetings and publication costs for the dissemination of Cedefop's research and policy work. As mentioned in the administrative expenses these costs do not include the personnel costs of staff engaged in operational work.

c) Financial expenses relating to bank charges.

C. Economic Result for the Year

The deficit of Euro 150 038 (0.8% of Revenue) is in the same region as last year's deficit of Euro 200 816. Total Revenue and Expenditure are consistent year on year.

4. Reconciliation between budgetary result and economic result

Cedefop's financial statements are prepared on an accruals basis, where transactions are recorded in the period to which they relate. The result for the year using this basis is indicated in the economic outturn account. However, the agency uses a modified cash accounting system for preparing the statement of financial performance 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 result and the economic result is made up as follows:

Reconciliation of the accrual based result with the budget result

	2013	2012
Economic result	-150,037.72	-200,816.43
<i>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</i>		
Adjustments for Accrual Cut-off (reversal 31.12.N-1)	-1,671,325.20	-1,637,876.43
Adjustments for Accrual Cut-off (cut-off 31.12.N)	1,680,652.81	1,671,325.20
Unpaid invoices at year end but booked in charges	46,168.02	211,477.96
Depreciation of intangible and tangible fixed assets	497,372.89	460,324.89
Provisions	0.00	0.00
Value reductions	-1.25	26.01
Recovery Orders issued in 2013 and not yet cashed	0.00	-2,789.68
Prefinancing given in previous year and cleared in the year	601,178.53	343,282.69
Prefinancing received in previous year and cleared in the year	-700,696.80	-43,513.00
Payments made from carry over of payment appropriations	858,619.90	759,307.63
Increase in prepayments to suppliers & reverse N-1 invoices	-260,173.92	-153,863.94
<i>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</i>		
Asset acquisitions (less unpaid amounts)	-597,094.81	-304,298.69
New pre-financing paid in 2013 and remaining open as at 31.12.2013	-669,279.48	-601,178.53
New pre-financing received in 2013 remaining open as at 31.12.2013	210,398.12	1,153,733.39
Budgetary recovery orders issued before 2013 and cashed in the year	3,533.53	1,471.61
Payment appropriations carried over to 2014	-1,845,900.64	-3,065,603.93
Cancellation of unused carried over payment appropriations from previous year	38,111.13	100,157.67
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	2,168,873.01	1,314,566.97
Total	210,398.12	5,733.39
Budgetary result	210,398.12	5,733.39

5. Distribution by grade of occupied posts in the 2013 establishment plan

Annex A

	Categories Grades	Permanent posts	Temporary posts
	AD 16	-	-
	AD 15	-	1
	AD 14	-	1
	AD 13	-	2
	AD 12	6	3
	AD 11	1	8
	AD 10		9
	AD 9	-	4
	AD 8	-	3
	AD 7	-	7
	AD 6	-	5
	AD 5	-	1
		7	44
	AST 10	1	1
	AST 9	-	1
	AST 8	2	2
	AST 7	1	6
	AST 6	4	3
	AST 5	4	6
	AST 4		11
	AST 3	-	4
	AST 2	-	1
	AST 1	-	-
		12	35
		19	79
		Total	98
		Vacant	2
Some permanent posts are occupied by staff on temporary contracts, hence the differences with the table on page 11.			