



**Governing Board Meeting
11 and 12 June 2013
XCI- 5-2
DIR/RB(2013)01231**

OPINION OF THE GOVERNING BOARD ON THE FINAL ANNUAL ACCOUNTS 2012

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 5 June 2009, and in particular Article 83(3) on the submission of accounts;
 - having regard to the annual accounts of the Centre for 2012, together with the annual activity report 2012, which takes into account the remarks of the Court of Auditors;
 - having regard to the Acting Director's statutory declaration in the annual activity report 2012 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 reply and observations of the Court of Auditors (June 2013);
- (1) declares it has reasonable assurance, on the basis of the facts in its possession, that the annual accounts for the financial year 2012 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 2012 includes complete financial information;
 - (3) notes with satisfaction the high implementation rate of the Commission subsidy, 100 % for titles I and III and 98 % for title II, and that 98 of the establishment plan's 101 posts were filled at 31 December 2012;
 - (4) notes the Court's draft observations in regard to the 2012 accounts and asks the Centre to continue its respective efforts.

The Governing Board hereby expresses its opinion that it has the necessary assurance that the annual accounts 2012 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 2013



Ms Laurence Martin
Chair of the Governing Board



Thessaloniki, 12 June 2013
DIR/RB(2013)01242

Annual Accounts

Financial year 2012

These accounts have been prepared by the Accounting Officer on 22/05/2013 and drawn up by the Acting Director on 10/06/2013. The opinion of the Governing Board was given on 12/06/2013.

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 17/06/2013.

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

Thessaloniki, 12 June 2013



Christian F. Lettmayr
The Acting Director



Stephen Temkow
The Accounting Officer

Introduction

In accordance with Article 76 of the financial rules of Cedefop (the European Centre for the Development of Vocational Training) adopted by the Governing Board on 5 June 2009 and replacing the former financial rules adopted by the Management Board on 31 March 2003 as amended on 16 March 2006, 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 31 March 2003, last amended on 5 June 2009, and supplemented by a decision laying down detailed rules for the implementation of that Decision, last amended on 17 December 2010.

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 (EUR), 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 2012 have been prepared in accordance with the Financial Regulation applicable to the general budget of the European Union and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions, agencies and joint undertakings.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of Cedefop in accordance with article 68 of the Financial Regulation.

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 22 May 2013



CEDEFOP

European Centre for the Development
of Vocational Training

REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT FINANCIAL YEAR 2012

1. INTRODUCTION

1.1. Legal basis – financial rules

This report on budgetary and financial management has been prepared in accordance with Article 76 of the Centre's financial rules, adopted by the Governing Board on 5 June 2009 and replacing the former financial rules adopted by the Management Board on 31 March 2003 as amended on 16 March 2006.

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 30 of the financial 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 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 2012 to 2013.

1.6. Supplementary and amending budget

In mid-December 2012 the Centre was granted a supplementary and amending budget to the value of EUR 1 320 000; EUR 1 188 000 (90% pre-financing) of this total was received in late 2012. 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 2012

Note Includes Norway and Iceland funds

Article Item	Heading	Initial 2012 Budget	Transfers	Estimated Assigned Revenue	Amending budgets	Final Budget
	Title 1 - STAFF EXPENDITURE	11,165,000	-328,095			10,836,905
	Title 2 – INFRASTR. & OPERATING EXPENDITURE	1,470,000	264,655	10,000		1,744,655
	Title 3 - OPERATIONAL EXPENDITURE					
3 0	TRANSVERSAL ACTIVITIES	300,000	50,490			350,490
3050	Management Board meetings	115,000	-21,800			93,200
3070	Transversal technical support	185,000	72,290			257,290
3 1	NON MEMBER STATES AND ASIGNED REVENUE	143,051	750		1,320,000	1,463,801
3100	Participation of Non-Member states in operational expenditure	143,051	750			143,801
3121	DG Employment Grant				1,320,000	1,320,000
32	RESEARCH AND POLICY ANALYSIS	2,076,900	190,373			2,267,273
3200	Missions, meeting, interpretation	364,000	-149,162			214,838
3240	Pilot studies and projects	740,000	364,805			1,104,805
3250	ReferNet annual grants (Specific Grant Agreements)	972,900	-25,270			947,630
3 3	ENHANCED COOPERATION IN VET and LLL	2,031,000	-65,655			1,965,345
3300	Missions, meetings, interpretation	309,000	-65,005			243,995
3340	Exchanges and support for partners	1,550,000	-3,250			1,546,750
3350	Study Visits for education and vocational training specialists	172,000	2,600			174,600
3 5	INFORMATION, COMMUNICATION & DISSEMINATION	696,000	-112,518	5,000		588,482
3500	Missions, meeting, interpretation	46,000	-1,335			44,665
3510	Publications and dissemination	209,000	6,212	5,000		220,212
3520	Translation expenses	157,000	-43,735			113,265
3540	Pilot studies and projects	284,000	-73,660			210,340
	Title 3 – TOTAL	5,246,951	63,440	5,000	1,320,000	6,635,391
	GRAND TOTAL	17,881,951	0	15,000	1,320,000	19,216,951

Evolution of payment appropriations of the European Centre for the Development of Vocational Training (Cedefop) for the financial year 2012

Note: includes Norway and Iceland funds

Article Item	Heading	Initial 2012 Budget	Sum of Transfers	Estimated assigned revenues	Amending Budgets	Final Budget
	Title 1 - STAFF EXPENDITURE	11,165,000	-328,095	0	0	10,836,905
	Title 2 – – INFRASTRUCTURE. & OPERATING EXPENDITURE	1,470,000	264,655	10,000	0	1,744,655
	Title 3 - OPERATIONAL EXPENDITURE	5,246,951	63,440	5,000	1,320,000	6,635,391
	GRAND TOTAL	17,881,951	0	15,000	1,320,000	19,216,951

2 BUDGET IMPLEMENTATION 2012

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)	10,607,115	10,594,152	10,370,813	223,339	12,963	265,279	265,279	229,983		35,296
Community subsidies	17,433,900	16,933,900											
Other subsidies			Title II Operating (NDA)	1,670,195	1,643,740	970,348	673,392	26,455	594,187	594,187	529,325		64,862
Other revenue	15,000	16,078	Title III Operational Activities (DA)										
			- CA	5,171,590	5,154,695			16,895	0	0			
			- PA	5,171,590		4,804,456	0	367,134	0		0		0
Assigned revenue	1,768,051	2,707,051	Assigned revenue	1,768,051	846,810	305,267	1,462,784	0	2,385,567	2,468,963	1,547,478	838,089	0
Total	19,216,951	19,657,029	Total CA	19,216,951	18,239,397		2,359,515	56,313	3,245,032	3,328,428		838,089	100,158
			Total PA	19,216,951		16,450,884	2,359,515	406,552	3,245,032		2,306,786	838,089	100,158

The amount of EUR 1 768 051 shown in the assigned revenue budget includes a grant of EUR 1 320 000. The Received column includes the amount of EUR 1 188 000 received plus EUR 990 000 of pre-financing for the 2011 grant and the balance payment of EUR 81 000 for the 2010 grant. Hence revenue exceeds budget by 990 000+81 000+1 188 000-1 320 000 = EUR 939 000. Note that in previous year's figures commitments exceed available funds as the 2011 grant was fully committed although the balance payment will be received only on completion.

. 2.1. Appropriations for the current financial year: Analysis of the use of appropriations and of the main changes compared with 2011.

2.1.1. Title 1: Staff

Budget item and heading		2012			2011		Change comm. % 2012/ 2011
		Final budget	Comm.	Payments	Comm.	Payments	
110	Staff holding a post in the establishment plan (Incl. in 2012: Basic salaries, Family, Expatriation and foreign residence and Secretarial allowances, Employers' contributions and Salary weightings)	8,549,290	8,548,683	8,548,683	8,228,115	8,229,712	4%
1111	Seconded national experts, BL 152 in 2011	117,572	116,814	116,814	198,526	196,517	-41%
1112	Contract Agents, BL 1110 in 2011	1,007,840	1,007,839	1,007,839	1,123,691	1,123,117	-10%
1113	Trainees	108,195	108,194	108,194	105,800	104,778	2%
113	Employers' contributions, included in BL 110 in 2012				338,111	338,111	-100%
114	Misc. allowances and grants	254,227	254,227	254,227	236,860	236,860	7%
119	Salary weightings, now in BL 110	0	0	0	-342,927	-342,927	-100%
120	Allowances & expenses on leaving and entering the service and on transfer, was BL 1180 in 2011	283,158	281,505	140,748	308,967	133,907	-9%
130	Mission, duty travel and other ancillary expenses	69,000	69,000	60,997	80,000	70,298	-14%
142	Restaurant and canteen, now in BL149	0	0	0	4,000	4,000	-100%
143	Medical service	64,325	62,224	49,738	64,582	52,831	-4%
149	Other expenditure	112,710	106,641	104,373	93,169	91,488	14%
150	Lang. courses, retraining and further vocational training, BL 144 in 2011	131,763	129,982	84,979	143,163	90,594	-9%
160	Supp. services & temporary workers, BL 117 in 2011	117,825	117,825	111,032	147,636	137,693	-20%
170	Receptions and events	21,000	21,000	12,971	3,000	436	600%
TITLE 1 – TOTAL		10,836,905	10,823,934	10,600,596	10,732,693	10,467,414	1%

Note: The above table includes Assigned Revenue, the total amount of these funds committed as Title 1 costs was EUR 229 782, which accounts for the difference between the above table and the table on page 8.

Significant variations from 2011 to 2012 in commitments can be explained by:

1111 (Seconded national experts) – In 2012 there were fewer seconded national experts than in 2011

1112 (Contract staff) – The decrease is related to the fact that a number of contract agents retired in 2012 and were not replaced

1130 (Social security contributions) – The budget line no longer existed in 2012 having been included in the 1100 budget line

1190 (Salary weighting) – The budget line no longer existed in 2012 having been included in the 1100 budget line

1300 (Mission expenses) – Fewer missions undertaken in the year

1420 (Canteen) – The budget line no longer existed in 2012 having been included in the 1490 budget line

1490 (Other expenditure) – Increase related to the temporarily higher financial support for pre-school fees (due to the closure of Cedefop's Day Care Centre) as well as to the fact that more children attended paid pre-school. Finally, the costs related to the canteen were included in this budget line in 2012.

1600 (Supplementary services) – Expenditure on this budget line was higher in 2011 due to a one-off expenditure related to consultancy services employed in the year. This was not the case for 2012, which also saw a decrease of translations for administrative purposes.

1700 (Representation expenses) – Increase due to the fact that costs related to Cedefop's sports and leisure club (including Cedefop's end of year party) were included in this budget line in 2012 .

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

	Staff on 31/12/2011	Increase			Reduction			Staff on 31/12/2012
		Internal movements	Recruit.	Total	Internal movements	Depart.	Total	
	(a)	(b)	(c)	(d) = (b + c)	(e)	(f)	(g) = (e + f)	(h) = (a + d - g)
OFF	23			0		4	4	19
TEMP	74	1	9	10		5	5	79
SNE	3		1	1		1	1	3
CTST	25		2	2	1	3	4	23
Total	125			13			14	124

On 31 December 2012, 98 of the 101 posts on the establishment plan were occupied. This includes posts actually filled (92) and offers of posts made (6) on vacant posts (in line with the Multi Annual Staff Policy Plan approach).

For two of the three vacant posts (including the post of Director), the recruitment procedure is on-going, the third post is kept open with a view to cutting in 2014.

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

For the contract agents, this included 22 contract agents and 1 job offer made (in line with the Multi Annual Staff Policy Plan approach).

2.1.2. Title 2: Infrastructure and operating expenditure

	2012			2011			Change comm. % 2012/2011
	Final budget	Comm.	Payments	Final budget	Comm.	Payments	
20 Rental of buildings and associated costs	627,204	626,169	448,243	750,890	750,866.08	510,454.61	-17%
21 ICT	588,102	587,022	374,351	550,238	550,045.40	296,686.05	7%
22 Movable property and associated costs	204,517	186,167	6,152	34,110	31,894.09	16,804.09	484%
23 Current administrative expenditure	124,381	119,212	104,312	87,660	87,196.30	67,781.05	37%
24 Postal charges and telecommunications	195,108	194,270	67,292	153,822	153,822.00	93,465.67	26%
25 Meetings of administrative nature	5,343	5,343	3,843	12,900	12,500.00	6,945.81	-57%
TITLE 2 - TOTAL	1,744,655	1,718,182	1,004,192	1,589,620	1,586,323.87	992,137.28	8%

Note: Chapters 21 and 24 for year 2012 include in total EUR 74 460, EUR 74 442 and EUR 33 845 for Budget, Commitment and Payment respectively, booked on Chapter 28 (Participation of non-Member States in the infrastructure and operating expenditure), which accounts for the difference between the figures in the above table and the table on page 8.

The significant variation from 2011 to 2012 can be explained by:

- Chapter 20: (Building): Important decrease in the expenditure for security and surveillance of the buildings (as all necessary enhancement/revamping investment was financed in 2011) and relocation of the insurance expenditure to Chapter 23 in the context of the new budget structure and nomenclature, over-compensating the increased expenditure on public utilities resulting from higher and additional charges introduced by the Greek government, in particular as regards electricity and heating (oil), and on construction and fitting-out of premises due to re-painting and re-carpeting works initiated in the context of the large building repairs project.
- Chapter 21: (IT Costs): Increased expenditure on software licenses and on outsourced development services to cope effectively with increased and diversified operational needs for IT support (including database and network hosting), over-compensating the decreased expenditure on equipment renewal and enhancing server and storage capacity.
- Chapter 22: (Equipment and furniture): Increased expenditure due to 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).
- Chapter 23: (Administrative): Increase due to higher costs for legal matters and legal services and to the relocation in this Chapter of the insurance expenditure previously in Chapter 20, over-compensating savings on stationery and office supplies and (administrative) publications costs.
- Chapter 24: (Post and telecommunication): Increase due to higher expenditure on telecommunications subscriptions and charges (enhancement of ISP connectivity) and on telecommunications equipment and material (acquisition of high performance network switches), over-compensating savings in postage on correspondence and delivery charges.
- Chapter 25: (Meeting expenses): important decrease due to the lower number of internal meetings generating costs and related cost saving measures.

This year the Centre will carry forward EUR 896 731 of Title 1 and 2 appropriations; EUR 223 339 for Title 1 and EUR 673 392 for Title 2. These figures relate to non-assigned revenue funds.

The corresponding total figure for the previous year was EUR 859 465.

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

Chapter		2012			2011		
		Final budget	Comm.	%	Final budget	Comm.	%
30	Transversal activities	350,490	350,488	100.00%	1,604,140	1,565,472	97.59%
32	Area RPA: Research and Policy Analysis	2,267,273	2,265,229	99.91%	1,512,375	1,471,900	97.32%
33	Area ECVL: Enhanced cooperation in VET and LLL	1,965,345	1,965,344	100.00%	1,534,200	1,523,078	99.28%
35	Area CID: Communication, Information and Dissemination	588,482	573,634	97.48%	289,585	288,031	99.46%
	TITLE 3 - TOTAL	5,171,590	5,154,695	99.67%	4,940,300	4,848,481	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 2012 above 99%.

Payment appropriations for Title 3 not including assigned revenue came to a total of EUR 5 108 000 of which EUR 4 804 456 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 – Operating expenditure	-	-	-	0.00%	0	0
Title 3 – Operational expenditure	6,965.31	6,485.25	6,485.25	93.11%	480.06	0
Total	9,647.64	6,485.25	6,485.25	67.22%	3,162.39	0

Class L Title 3 costs relate to translation and editing costs for the operational areas and onsite technical support.

2.2.2 Appropriations carried over automatically from 2011 to 2012 – 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	265,278.71	265,278.71	229,982.86	86.69%	35,295.85
Title 2 - Operating	594,186.59	594,186.59	529,324.77	89.08%	64,861.82
Total	859,465.30	859,465.30	759,307.63	88.35%	100,157.67

Class A represents funds carried over from the previous year.

2.2.3. Assigned revenue

MONITORING TABLE FOR ASSIGNED REVENUE 2012								
Phare projects, third countries	BALANCE: total carryovers on 31/12/11	New funds	Payment in 2012	Funds returned	Carryover balance - present	New approp. 2012	Payment in 2012	Balance
	a	b	c	d	e=a+b-c-d	e	f	h=d+e-f
New approp. 2012								
Contribution Agreement no30/CE-0538371/00-03						1,188,000.00		1,188,000.00
Pre-finan. Agreement NR. 30-CE-0447989/00-61-SI2.611494						990,000.00	659,999.60	330,000.40
Participation Norway 2012						434,104.11	305,266.85	128,837.26
Participation Iceland 2012						13,947.00		13,947.00
Total projects 2012						2,626,051.11	965,266.45	1,660,784.66
Sundry assigned revenue	1,221.59					1,222		1,221.59
Participation Norway 2011	393,756.00					393,756		393,756.00
Participation Iceland 2011	12,089.00					12,089		12,089.00
Total projects 2011	407,066.59					407,067	0.00	407,066.59
Participation Norway - Iceland 2010	421,308.00		322,266.54		99,041			99,041.46
Contribution Agreement n° 30-CE-0383519/00-39	243,000.00	81,000.00	324,000.00		0			0.00
Iceland 2009	19,908.00		19,908.00		0			0.00
Total projects 2010	684,216.00	81,000	666,174.54	0	99,041			99,041.46
Commission's Grant regarding building repairs	43,552.50		43,513.00		39.50			39.50
Participation Norway 2009 - Iceland 2008 (374,934+18,766)	171,305.83		171,305.83		0.00			0.00
Total projects 2009	214,858.33		214,818.83		39.50			39.50
Participation Norway 2008	0.00		0.00		0.00			0.00
Total projects 2008	0.00	0.00	0.00	0.00	0.00			0.00
Other assigned revenue	1,045.31		565.25		480.06			480.06
Total projects 2007	1,045.31		565.25		480.06			480.06
Total assigned revenue entered in the budget	1,307,186.23	81,000.00	881,558.62	0.00	99,561.02	2,626,051.11	965,266.45	2,167,412.27
Other assigned Norway ReferNet reimbursement 2007	5,920.00		5,920.00		0.00			0.00
Other assigned revenue 2009 & 2010	1,460.74		0.00		1,460.74			1,460.74
Total assigned revenue	7,380.74		5,920.00		1,460.74			1,460.74
TOTAL	1,314,566.97	81,000.00	887,478.62	0.00	508,088.35	2,626,051.11	965,266.45	2,168,873.01

3. CONCLUSIONS

The following summarises main results and activities of the implementation of the work programme 2012. [More information and performance measurement system (PMS) indicators are available in the Annual Report 2012 (EN, DE, FR) and Annual Activity Report (www.cedefop.europa.eu). The following text is derived from the description of the products and services 2012 in table 1 of the Annex to the report of the European Court of Auditors for 2012.]

- **Policy analysis and reporting**

Cedefop's report [*Trends in VET policy in Europe 2010-12: Progress towards the Bruges Communiqué*](#) was published and presented to the Directors General for Vocational Training (DGVTS) in Cyprus. The Centre provided up-to-date information on VET systems, along with news on initiatives and policy developments in the Member States. Several '[*Statistics of the month*](#)' with data across Europe focused on assessing the impact of the crisis. To meet the European Commission's demand for systematic country-based analysis of VET developments for the 'European semester', Cedefop refocused its work and introduced Spotlights on VET for all countries. For the DGVTS meetings under the Danish and Cypriot Presidencies it prepared an overview of developments in VET-business cooperation and a briefing note on [*Permeable education and training systems: reducing barriers and increasing opportunity*](#).

- **Common European tools, qualifications and learning outcomes**

Cedefop coordinated the EQF (European Qualifications Framework) Advisory Group jointly with the European Commission and (co)drafted 23 background papers that informed policy debates. The briefing note [*Qualifications frameworks in Europe: an instrument for transparency and change*](#) released for the DGVTS meeting in Cyprus summarised the results of Cedefop's fourth annual report on NQF developments. Cedefop also analysed the reports by 10 countries explaining how they link their national qualification to the EQF. Results of the third ECVET monitoring report were presented at the DGVTS meeting in Cyprus. Support to EQAVET continued. The [*Europass website*](#) – managed by Cedefop – has been increasingly used by Europe's young people. Since its launch, almost 60 million visits have been recorded (2012: 14.8 mn; 2011: 12.9 mn) and users have generated 25 mn CVs online (2012: 8.3 mn; 2011: 5.8 mn). The study [*Curriculum reform in Europe: the impact of learning outcomes*](#) was published and discussed at an international workshop. In 2011/12, Cedefop coordinated 215 Study Visits for 2 448 specialists from 33 countries. Impact studies underline a high satisfaction rate (96%).

- **Adult learning and transitions**

The study [*Learning and innovation in enterprises*](#) was released for a workshop on this issue. To contribute to the European year of active ageing, Cedefop organised a workshop on sustaining employability through learning within DG EAC's conference 'One Step Up in later life'. It also released its publication [*Working and ageing - the benefits of investing in an ageing workforce*](#). Three publications focused on financing and other incentives for CVET. To support integration of young people in the labour market, Cedefop contributed to the event held at Germany's initiative to conclude cooperation agreements with several countries as part of the 'European



alliance for apprenticeship'. The contribution also drew on the evidence in the report [From education to working life – The labour market outcomes of VET](#).

- **Skills analysis**

Cedefop presented its latest EU skill demand and supply forecast for 2010-2020 in the briefing note [Europe's skill challenge - Lagging skill demand increases risks of skill mismatch](#) and the publication [Future skills supply and demand in Europe – Forecast 2012](#). The Centre contributed to the EU Skills Panorama and released two publications on green skills. For the Commission's report on Employment and Social Developments in Europe 2012, Cedefop drafted a chapter on skill mismatch. The report [Skill mismatch: the role of the enterprise](#) was debated at a workshop. A briefing note on [Preventing skill obsolescence](#) was also released. For its initiative to create a regional skills anticipation monitoring tool, Cedefop provided expertise to the municipality of Thessaloniki.

- **Organisational impact**

Key performance indicators show high organisational impact: citations in 169 EU and 68 international policy documents, some drawing substantially on Cedefop work; contributions to 26 EU policy documents, 158 Presidency and other EU-level events; 150 events organised by Cedefop; 120 publications; 525 media articles on Cedefop's work recorded (+38%). 636 000 publications downloaded (+33%). 415 citations in scientific literature. Significant growth is observed in social media response (+127% Facebook; +170% Twitter). For cost savings, emphasis was placed on videoconferences and Skype has experimentally been used in recruitment procedures for interviews.

Audits in 2012 confirmed good progress in the implementation of recommendations of previous year audits, which had all been closed by the end of 2012.

The IAS audit on 'Budgeting and budget execution monitoring' (June 2012) confirmed that the Centre's internal control system provides reasonable assurance regarding the achievement of the objectives set up for budgeting and budget execution monitoring. Out of the two resulting very important recommendations, one had been completed by end 2012 and closed by the IAS on 11 February 2013 and the other will be completed in 2013.

The 2012 report of the European Court of Auditors (on the accounts 2011) confirmed the regularity and legality of Cedefop's transactions and procedures.

Developments in 2012 in the administrative services concentrated on further streamlining procedures, the documentation of workflows and increasing efficiency.

The building repair works are suffering delays and were not completed in 2012 as planned, for reasons outside Cedefop's control.

REPORTS ON IMPLEMENTATION OF THE 2012 BUDGET

In accordance with Article 81 of Cedefop's financial rules, adopted by the Governing Board on 5 June 2009 and replacing the earlier financial rules adopted by the Management Board on 31 March 2003 as amended on 16 March 2006, the budget implementation reports of the Centre for the financial year 2012 comprise:

- the budget outturn account,
- the annex.

1. Budget outturn account

Revenue and expenditure account for the financial year 2012 and 2011

	2012	2011
Revenue		
Own revenue		
Commission subsidies	16,933,900.00	16,987,000.00
Sundry revenue		
Assigned revenue	448,051.11	426,945.58
Other Revenue	2,275,078.17	98,927.66
Total revenue (a)	19,657,029.28	17,512,873.24
Expenditure		
<i>Staff – Title 1 of the budget</i>		
Payments	10,370,813.48	10,467,414.05
Appropriations carried over	223,338.57	265,278.71
<i>Administration – Title 2 of the budget</i>		
Payments	970,347.77	992,137.28
Appropriations carried over	673,392.46	594,186.59
<i>Operating activities– Title 3 of the budget</i>		
Payments	2,035,381.35	1,964,665.79
Payments against outstanding commitments at 31/12/n-1	2,769,074.65	2,772,353.01
Payment appropriations carried over	-	-
<i>Assigned revenue (Grants + third countries and others)</i>		
Payments	1,852,745.07	1,551,247.70
Carryovers including assigned revenue not entered in the budget	2,168,872.90	1,314,566.97
Total expenditure (b)	21,063,966.25	19,921,850.10
Outturn of the financial year (c = a - b)	- 1,406,936.97	-2,408,976.86
Balance carried over from the previous year		
Cancelled n-1 appropriations carried over (non-differentiated appropriations Titles 1 and 2)	100,157.67	73,624.45
Appropriations carried over from assigned revenue	1,314,566.97	2,344,337.09
Payment appropriations carried over from the previous year (title 3)		55,910.00
Exchange-rate differences	-2,054.28	3,862.49
Balance for the financial year	5,733.39	68,757.17

2. Annex

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 other than the non-automatic carry over approved by the Governing Board shown above.



FINANCIAL STATEMENTS

FINANCIAL YEAR 2012

In accordance with Article 80 of Cedefop's financial rules, adopted by the Governing Board on 5 June 2009 and replacing the earlier financial rules adopted by the Management Board on 31 March 2003 as amended on 16 March 2006, the financial statements of the Centre for the financial year 2012 comprise:

- the balance sheet and the economic outturn account,
- the statement of changes in capital,
- the cash-flow table,
- the annex.

1.1. BALANCE SHEET

		2012	2011
ASSETS			
A. NON CURRENT ASSETS			
Intangible fixed assets		39,077.92	17,436.37
Tangible fixed assets		3,809,176.24	3,986,843.99
	Land and buildings	3,380,298.88	3,633,676.64
	Plant and equipment	41,035.54	17,356.01
	Computer hardware	296,360.55	261,433.32
	Furniture and vehicles	49,454.64	25,778.32
	Other fixtures and fittings	42,026.63	48,599.70
	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		3,853,330.57	4,009,356.77
B. CURRENT ASSETS			
Stocks		0.00	0.00
Short-term pre-financing		601,178.53	343,282.69
	Short-term pre-financing	601,178.53	343,282.69
	<i>ST pre-financing with consolidated EC entities</i>	0.00	0.00
Short-term receivables		1,116,682.29	1,044,260.13
	Current receivables	956,227.88	876,630.17
	Long term receivables falling due within a year		
	Sundry receivables	106,561.90	88,402.07
	Other	53,892.51	79,227.89
	-Accrued income	0.00	0.00
	-Deferred charges	53,892.51	79,227.89
	<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		1,909,222.57	1,217,189.12
TOTAL CURRENT ASSETS		3,627,083.39	2,604,731.94
TOTAL		7,480,413.96	6,614,088.71

		2012	2011
LIABILITIES			
A. CAPITAL		4,326,419.81	4,527,236.24
Reserves			
Accumulated surplus/deficit		4,527,236.24	5,010,532.98
Economic result of the year - profit+/-loss-		-200,816.43	-483,296.74
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		4,326,419.81	4,527,236.24
D. CURRENT LIABILITIES		3,153,994.15	2,086,852.47
Provisions for risks and charges		74,665.36	74,665.36
Accounts payable		3,079,328.79	2,012,187.11
	Current payables	191,217.84	204,651.82
	Long-term liabilities falling due within the year	0.00	0.00
	Sundry payables	13,603.17	6,544.11
	Other	1,671,325.20	1,637,876.43
	- Accrued charges	1,671,325.20	1,637,876.43
	- 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>	1,203,182.58	163,114.75
	<i>Pre-financing received from consolidated EC entities</i>	1,153,772.89	112,309.67
	<i>Other accounts payable against consolidated EC entities</i>	49,409.69	50,805.08
TOTAL CURRENT LIABILITIES		3,153,994.15	2,086,852.47
TOTAL		7,480,413.96	6,614,088.71

1.2. ECONOMIC OUTTURN ACCOUNT

	2012	2011
Revenues from administrative operations	144,647.89	168,817.70
Other operating revenue	18,547,068.40	18,216,944.13
TOTAL OPERATING REVENUE	18,691,716.29	18,385,761.83
Staff and administrative expenses	-12,671,611.10	-13,009,625.99
Staff expenses	-10,439,419.14	-10,814,850.89
Fixed asset related expenses	-460,324.89	-469,274.00
Administrative expenses	-1,771,867.07	-1,725,501.10
Operational expenses	-6,216,491.54	-5,855,470.85
Other operational expenses	-6,216,491.54	-5,855,470.85
TOTAL OPERATING EXPENSES	-18,888,102.64	-18,865,096.84
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES	-196,386.35	-479,335.01
Financial revenues	366.16	0.00
Financial expenses	-4,796.24	-3,961.73
Movement in pensions (- expense, + revenue)		
SURPLUS/ (DEFICIT) FROM NON OPERATING ACTIVITIES	-4,430.08	-3,961.73
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES	-200,816.43	-483,296.74
Extraordinary gains (+)		
Extraordinary losses (-)		
SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS	0.00	0.00
ECONOMIC RESULT OF THE YEAR	-200,816.43	-483,296.74

2. STATEMENT OF CHANGES IN CAPITAL

Capital	Reserves		Accumulated Surplus / Deficit	Economic result of the year	Capital (total)
	Fair value reserve	Other reserves			
Balance as of 31 December 2011			5,010,532.98	-483,296.74	4,527,236.24
Changes in accounting policies 1)					0.00
Balance as of 1 January 2012 (if restated)	0.00	0.00	5,010,532.98	-483,296.74	4,527,236.24
Other 2)					0.00
Fair value movements					0.00
Movement in Guarantee Fund reserve					0.00
Allocation of the Economic Result of Previous Year			-483,296.74	483,296.74	0.00
Amounts credited to Member States					0.00
Economic result of the year				-200,816.43	-200,816.43
Balance as of 31 December 2012	0.00	0.00	4,527,236.24	-200,816.43	4,326,419.81

3. CASH-FLOW TABLE (INDIRECT METHOD)

	2012	2011
Cash Flows from ordinary activities		
Surplus/(deficit) from ordinary activities	-200,816.43	-483,296.74
Operating activities		
<u>Adjustments</u>		
Amortization (intangible fixed assets) +	15,538.94	19,046.98
Depreciation (tangible fixed assets) +	444,785.95	450,227.02
Increase/(decrease) in Provisions for risks and liabilities	0.00	74,665.36
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	-257,895.84	-249,809.49
(Increase)/decrease in Long term Receivables	0.00	0.00
(Increase)/decrease in Short term Receivables	-72,422.16	-146,046.47
(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	27,073.85	175,000.74
Increase/(decrease) in Liabilities related to consolidated EC entities	1,040,067.83	-1,491,091.07
(Gains)/losses on sale of Property, plant and equipment		
Net cash Flow from operating activities	996,332.14	-1,651,303.67
Cash Flows from investing activities		
Increase of tangible and intangible fixed assets (-)	-304,298.69	-133,051.37
Proceeds from tangible and intangible fixed assets (+)		
Net cash flow from investing activities	-304,298.69	-133,051.37
Net increase/(decrease) in cash and cash equivalents	692,033.45	-1,784,355.04
Cash and cash equivalents at the beginning of the period	1,217,189.12	3,001,544.16
Cash and cash equivalents at the end of the period	1,909,222.57	1,217,189.12

4. ANNEX

1. Introduction

Cedefop adopted its own financial rules in the framework of the reform of budgetary and financial management introduced by the new Financial Regulation ⁽¹⁾ applicable to the general budget of the European Communities, which came into force on 1 January 2003 (Decision of 31 March 2003 of the Management Board). The Financial Rules were amended on 16 March 2006 and replaced on 5 June 2009 by new Financial Rules adopted by the Governing Board (Decision DIR/2009/261) to take into account the changes in the amended framework Financial Regulation adopted by the Commission on 9 July 2008. Moreover, like the other bodies referred to in Article 185 of the general Financial Regulation, Cedefop applies the accounting rules referred to in Article 133 of said Regulation to allow its accounts to be consolidated with those of the Commission.

In accordance with Article 222 of Regulation (EC, Euratom) No 2342/2002 of the Commission of 23 December 2002, laying down the implementing rules for Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities, as last amended by Commission regulation (EC, Euratom) No 478/2007 of 23 April 2007, 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.

Note: the above references to the general Financial Regulation and its Implementing Rules and to Articles thereof, concern the relevant texts applicable until 31.12.2012. References to the new general Financial Regulation and its Rules of Application that entered into force on 01.01.2013 and to the corresponding Articles thereof, as well as to the future new framework Financial Regulation, will be updated in the Provisional Accounts 2013.

¹ Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002

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

Ref.	from	To	Amount
Regulation (EC, Euratom) No 2342/2002	1.1.2003		€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:

- 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 EUR 150 000. They are estimated to be in the region of EUR 35 000.

	Software
<u>A. Purchase value:</u>	
Previous financial year	358,888.12
Additions	37,180.49
Withdrawals or transfers from other headings	-228,533.70
<i>At the end of the financial year:</i>	167,534.91
<u>B. Depreciation:</u>	
Previous financial year	341,451.75
Additions	15,538.94
Withdrawals or transfers from other headings	-228,533.70
<i>At the end of the financial year:</i>	128,456.99
Net book value (A – B)	39,077.92

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	749,667.79	315,279.64	56,876.15	1,427,970.02	204,810.82	9,435,505.08
Additions		33,234.80		34,646.00	197,306.40	1,931.00	267,118.20
Transfer from other headings							-
Withdrawals or transfers from one heading to another	-	-187,546.84	-38,436.27	-22,124.35	-418,835.04	-34,626.54	-701,569.04
<i>At the end of the financial year:</i>	<i>6,680,900.66</i>	<i>595,355.75</i>	<i>276,843.37</i>	<i>69,397.80</i>	<i>1,206,441.38</i>	<i>172,115.28</i>	<i>9,001,054.24</i>
B. Depreciation:							
Previous financial year	3,047,224.02	732,311.78	289,978.97	56,398.50	1,166,536.70	156,211.12	5,448,661.09
Additions	253,377.76	9,555.27	7,960.56	3,009.12	162,379.17	8,504.07	444,785.95
Transfer from other headings							-
Disposals or transfers from one heading to another		-187,546.84	-38,436.27	-22,124.35	-418,835.04	-34,626.54	-701,569.04
<i>At the end of the financial year:</i>	<i>3,300,601.78</i>	<i>554,320.21</i>	<i>259,503.26</i>	<i>37,283.27</i>	<i>910,080.83</i>	<i>130,088.65</i>	<i>5,185,656.95</i>
Net book value (A – B)	3,380,298.88	41,035.54	17,340.11	32,114.53	296,360.55	42,026.63	3,809,176.24

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 2013. 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 2012 but relating to 2013.

Analysis of Accounts Receivable	2012	2011
VAT charges to be recovered from all EU countries	952 849.49	874 569.82
Staff related advances including school and mission advances	106 561.90	88 402.07
Deferred charges i.e. expenses paid in advance e.g. insurance	53 892.51	79 227.89
Other small sundry advances	3 378.39	2 060.35
	1 116 862.29	1 044 260.13

F. Long term provision

There are no long term provisions in the 2012 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 2012 it was not necessary to make any provision.

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

H. Accounts payable

Consisting of:

- a) current payables, relating chiefly to invoices received from suppliers at the end of 2012 to be processed in 2013,
- 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 2012 where no invoice has been received by 31/12/2012 or the estimated value of works performed by suppliers as part of a legal commitment,

Analysis of accrued charges	2012	2011
Accrued charges for invoices	1,446,626	1,427,362
Accrued charges for untaken leave	224,700	210,514
Total	1,671,326	1,637,876

d) amounts payable to consolidated entities, being chiefly pre-financing received from the Commission i.e. funds received from the Commission which have still to be either disbursed or committed and interest accrued on Cedefop bank accounts. The total to be paid increased from EUR 163 115 in 2011 to EUR 1 175 865 in 2012. This figure consists of:

- i) The surplus on the budget outturn account in 2012, EUR 5 733
- ii) EUR 40 remaining from the EUR 250 000 assigned revenue relating to costs arising from building problems,
- iii) The 2011 and 2012 grants received (EUR 2 178 000) less the amounts disbursed (EUR 659 999.60) or recognised as accrued expenditure (EUR 370 000.40), leaving a balance of EUR 1 148 000.
- iv) Interest accrued on Cedefop's bank accounts in 2012, EUR 22 092 (EUR 50 805 in 2011).

I. Contingent Liabilities

Contingent liabilities at the end of 2012 amounted to EUR 4 842 800 (EUR 5 666 773 in 2011) 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 relating to the Economic Outturn Account

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 subsidy from the European Commission. Calculation of this revenue is based on the results of the budgetary outturn account. A positive outturn 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 EUR 5 733 (representing the balance on the Budget Outturn Account for 2012) when calculating the revenue.

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

Analysis of Revenue in the Economic Outturn Account

Funds received from the Commission	16,933,000	
Less net surplus on the Budgetary Outturn Account	-5,733	
		16,928,167
Grant Income		
Contribution Agreement n° 30-CE-0383519/00-39	660,000	
Accrued expenses on above grant	370,000	
Balance payment C. A 30-CE-0383519/00-39	81,000	
DG EAC Grant relating to building repairs	43,513	
		1,154,513
Other Donors		
Norway	434,104	
Iceland	13,947	
Reimbursements	16,338	
		464,389
		18,547,068
Revenue from Administrative operations		
Canteen	143,955	
Sales of Publications	692	
		144,648
Financial Income		
		366
Total Income		18,692,082

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 2012 figure of EUR 6 216 491 is slightly higher than the corresponding 2011 figure of EUR 5 855 471. The report on Budgetary and Financial Management above gives a description of the various operational areas Cedefop is committed to. 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 EUR 200 816 (1% of Revenue) is in the same region as last year's deficit of EUR 483 297 (2.6% of Revenue), total Revenue and Expenditure not showing any significant difference year on year.

4. Reconciliation between budgetary outturn and economic outturn

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 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 made up as follows:

Reconciliation of the accrual based result with the budget result

	2012	2011
Economic result	-200,816.43	-483,296.74
<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)	-1,637,876.43	-1,150,954.72
Adjustments for Accrual Cut-off (cut-off 31.12.N)	1,671,325.20	1,348,133.82
Unpaid invoices at year end but booked in charges	211,477.96	179,199.32
Depreciation of intangible and tangible fixed assets	460,324.89	469,274.00
Provisions	0.00	74,665.36
Value reductions	26.01	20,743.81
Recovery Orders issued in 2012 and not yet cashed	-2,789.68	-2,060.35
Prefinancing given in previous year and cleared in the year	343,282.69	93,473.20
Prefinancing received in previous year and cleared in the year	-43,513.00	-1,096,430.30
Payments made from carry over of payment appropriations	759,307.63	776,785.40
Decrease in prepayments to suppliers & reverse N-1 invoices	-153,863.94	0.00
<i>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</i>		
Asset acquisitions (less unpaid amounts)	-304,298.69	-133,051.37
New pre-financing paid in 2012 and remaining open as at 31.12.2012	-601,178.53	-343,282.69
New pre-financing received in 2012 remaining open as at 31.12.2012	1,153,733.39	68,757.17
Budgetary recovery orders issued before 2012 and cashed in the year	1,471.61	2,671.99
Payment appropriations carried over to 2013	-3,065,603.93	-2,174,032.27
Cancellation of unused carried over payment appropriations from previous year	100,157.67	73,824.45
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	1,314,566.97	2,344,337.09
Total	5,733.39	68,757.17
Budgetary result	5,733.39	68,757.17

5. The distribution by grade of occupied posts in the 2012 establishment plan

Annex A

	Categories Grades	Permanent posts	Temporary posts
	AD 16	-	-
	AD 15	-	
	AD 14	-	1
	AD 13	-	2
	AD 12	6	4
	AD 11	1	7
	AD 10		9
	AD 9	-	2
	AD 8	-	2
	AD 7	-	7
	AD 6	-	7
	AD 5	-	1
		7	42
	AST 10	3	1
	AST 9	-	1
	AST 8	2	-
	AST 7		7
	AST 6	4	-
	AST 5	4	10
	AST 4	1	11
	AST 3	-	3
	AST 2	-	2
	AST 1	-	-
		14	35
		21	77
		Total	98
		Vacant	3
Some permanent posts are occupied by staff on temporary contracts, which explains the differences with the table on page 11.			