

Annual Accounts Financial Year 2023

These accounts have been drawn up by the Accounting Officer on 27 May 2024. The opinion of the Management Board was given on 28 June 2024.

The present annual accounts, together with the opinion of the Management Board, will be sent to the Commission's Accounting Officer, the Court of Auditors, the European Parliament and the Council by 1 July 2024.

The accounts will be published on the Eurofound website: <https://www.eurofound.europa.eu>

DocuSigned by:

David Maddocks

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David Maddocks
Accounting Officer

DocuSigned by:

Ivailo Kalfin

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Ivailo Kalfin
Executive Director

Opinion of the Management Board

The following opinion was adopted by the Management Board on 28 June 2024:

'The Management Board takes note of Eurofound's Final Accounts for the year 2023 as well as the preliminary observations of the European Court of Auditors.

The Management Board acknowledges the preliminary observations of the Court and requests Eurofound to follow up on them.

The Management Board gives a positive opinion on the Final Accounts for 2023 and invites the Accounting Officer to forward the accounts and this opinion to the European Parliament, the Council, the Commission and the Court of Auditors.

The Management Board looks forward to the final report of the Court of Auditors and the remarks of the European Parliament and the Council during the discharge procedure.'



Annual accounts of the European Foundation for the Improvement of Living and Working Conditions

Financial year 2023

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CERTIFICATION OF THE ACCOUNTS

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the European Foundation for the Improvement of Living and Working Conditions in accordance with Article 102 of the Framework Financial Regulation ('FFR')¹ and I hereby certify that the annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the year 2023 have been prepared in accordance with Title IX of the FFR and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and union bodies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the European Foundation for the Improvement of Living and Working Conditions' assets and liabilities and the budgetary implementation. 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 the European Foundation for the Improvement of Living and Working Conditions.



David MADDOCKS

Accounting Officer

of the

**European Foundation for the
Improvement of Living and Working
Conditions**

27 May 2024

¹ COMMISSION DELEGATED REGULATION (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.

BACKGROUND INFORMATION ON EUROFOUND

The European Foundation for the Improvement of Living and Working Conditions (Eurofound), based in Dublin (Ireland), is one of the decentralised agencies of the European Union. Established in 1975, the Agency functions based on a new founding regulation, which entered into force in February 2019². The regulation defines its mandate and governance arrangements.

Eurofound provides information, advice and expertise on working conditions and sustainable work, industrial relations, labour market change and quality of life and public services, to support the EU Institutions and bodies, Member States and Social Partners in shaping and implementing social and employment policies, as well as promoting social dialogue on the basis of comparative information, research and analysis.

The current Programming document 2021–2024 describes Eurofound’s planned work over the four-year programming period. Eurofound’s priorities for 2021–2024 are shaped by the key challenges for social cohesion and just transitions in a changing environment in the aftermath of the COVID-19 crisis. The Programming document 2021-2024 has six strategic areas that will be implemented through the following operational activities:

The first four are those mandated in the Founding Regulation of the Agency.

- Working conditions and sustainable work
- Industrial relations and social dialogue
- Employment and labour markets
- Living conditions and quality of life

In addition, Eurofound will address the policy challenges in two transversal thematic activities.

- Anticipating and managing the impact of change
- Promoting social cohesion and convergence

Analysis in these strategic areas will make use of Eurofound’s monitoring tools. This includes the Eurofound surveys that will provide valuable information across the previous operational activities. Moreover, as the policy context is changing, Eurofound will reserve some flexible capacity to be able to respond to ad hoc requests and new stakeholders’ needs during the programming period. It is in this context and for the implementation of the programme that two additional operational activities are included:

- Survey management and development
- Reacting to ad hoc information requests

Finally, two horizontal activities complement this programming document:

- Corporate communication
- Management and development

² Regulation (EU) 2019/127 of the European Parliament and of the Council of 16 January 2019 establishing the European Foundation for the improvement of living and working conditions (Eurofound), and repealing Council Regulation (EC) No 1365/75, cf. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32019R0127>

EUROPEAN FOUNDATION FOR THE IMPROVEMENT
OF LIVING AND WORKING CONDITIONS
FINANCIAL YEAR 2023

FINANCIAL STATEMENTS AND EXPLANATORY NOTES

It should be noted that due to the rounding of figures, some financial data in the tables below may appear not to add-up.

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BALANCE SHEET

	Note	31.12.2023	31.12.2022
<i>EUR</i>			
NON-CURRENT ASSETS			
<i>Intangible assets</i>	2.1	0	0
<i>Property, plant and equipment</i>	2.2	738,692	826,472
		738,692	826,472
CURRENT ASSETS			
<i>Exchange receivables and non-exchange recoverables</i>	2.3	5,977,748	5,656,686
<i>Accrued income</i>	2.4	15,752	68,395
<i>Cash and cash equivalents</i>	2.5	53,777	51,989
		6,047,277	5,777,070
TOTAL ASSETS		6,785,969	6,603,542
CURRENT LIABILITIES			
<i>Payables and other liabilities</i>	2.6	(862,500)	(524,314)
<i>Accrued charges and deferred income</i>	2.7	(2,082,576)	(1,643,033)
<i>Provisions</i>	2.8	0	(20,000)
		(2,945,076)	(2,187,347)
TOTAL LIABILITIES		(2,945,076)	(2,187,347)
NET ASSETS		3,840,893	4,416,195
<i>Accumulated surplus</i>		4,416,195	3,655,713
<i>Economic result of the year</i>		(575,302)	760,482
NET ASSETS		3,840,893	4,416,195

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2023	EUR 2022
REVENUE			
Revenue from non-exchange transactions			
<i>Subsidy of the Commission</i>	3.1	23,595,000	22,037,352
<i>Other</i>	3.1	581,960	263,416
		24,176,960	22,300,768
Revenue from exchange transactions			
<i>Other sales and revenue</i>	3.2	702,694	306,652
<i>Miscellaneous revenue</i>	3.2	(17,278)	18,228
		685,416	324,880
Total revenue		24,862,376	22,625,648
EXPENSES			
<i>Operating costs</i>	3.3	(6,693,406)	(3,553,229)
<i>Staff costs</i>	3.4	(15,776,816)	(15,050,219)
<i>Fixed Asset related expenses</i>	3.5	(108,573)	(140,742)
<i>Other administrative expenses</i>	3.5	(2,858,426)	(3,120,542)
<i>Finance costs</i>	3.5	(457)	(422)
<i>Exchange Rate Losses</i>	3.5	0	(11)
Total expenses		(25,437,678)	(21,865,165)
ECONOMIC RESULT OF THE YEAR		(575,302)	760,483

CASHFLOW STATEMENT³

	EUR	
	2023	2022
<i>Economic result of the year</i>	(575,302)	760,483
Operating activities		
<i>Depreciation and amortization</i>	108,573	140,742
<i>Decrease in provisions</i>	(20,000)	(5,000)
<i>Increase in exchange receivables and non-exchange recoverables</i>	(268,418)	(5,298,618)
<i>Decrease in payables</i>	(607)	(10,754)
<i>Increase in accrued charges & deferred income</i>	439,324	4,601
<i>Increase in Liabilities related to consolidated EU entities</i>	339,011	(267,299)
Investing activities		
<i>Increase in intangible assets and property, plant and equipment</i>	(20,792)	(156,640)
NET CASHFLOW	1,788	(4,832,485)
<i>Net increase in cash and cash equivalents</i>	1,788	(4,832,485)
<i>Cash and cash equivalents at the beginning of the year</i>	51,989	4,884,474
<i>Cash and cash equivalents at year-end</i>	53,777	51,989

³ Following the signing of a Service Level Agreement, the treasury of Eurofound was integrated into the Commission's treasury system. With the exception of a local imprest account, Eurofound does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts, which are presented under the heading exchange receivables.

STATEMENT OF CHANGES IN NET ASSETS

	EUR		
	Accumulated Surplus/ (Deficit)	Economic result of the year	Net Assets
BALANCE AS AT 31.12.2021	4,524,206	(868,493)	3,655,713
<i>Allocation 2021 economic result</i>	<i>(868,493)</i>	<i>868,493</i>	<i>-</i>
<i>Economic result of the year</i>	<i>-</i>	<i>760,482</i>	<i>760,482</i>
BALANCE AS AT 31.12.2022	3,655,713	760,482	4,416,195
<i>Allocation 2022 economic result</i>	<i>760,482</i>	<i>(760,482)</i>	<i>-</i>
<i>Economic result of the year</i>	<i>-</i>	<i>(575,302)</i>	<i>(575,302)</i>
BALANCE AS AT 31.12.2023	4,416,195	(575,302)	3,840,893

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. ACCOUNTING PRINCIPLES

The objective of financial statements is to provide information about the financial position, performance and cashflows of an entity that is useful to a wide range of users.

The overall considerations (or accounting principles) to be followed when preparing the financial statements are laid down in EU Accounting Rule 1 'Financial Statements' and are the same as those described in IPSAS 1: fair presentation, accrual basis, going concern, consistency of presentation, materiality, aggregation, offsetting and comparative information. The qualitative characteristics of financial reporting are relevance, faithful representation (reliability), understandability, timeliness, comparability and verifiability.

1.2. BASIS OF PREPARATION

1.2.1. Reporting period

Financial statements are presented annually. The accounting year begins on 1 January and ends on 31 December.

1.2.2. Currency and basis for conversion

The annual accounts are presented in euros, the euro being the EU's functional currency. Foreign currency transactions are translated into euros using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the re-translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance. Different conversion methods apply to property, plant and equipment and intangible assets, which retain their value in euros at the date when they were purchased.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are translated into euros on the basis of the European Central Bank (ECB) exchange rates applying on 31 December.

Euro exchange rates

Currency	31.12.2023	31.12.2022	Currency	31.12.2023	31.12.2022
BGN	1.9558	1.9558	PLN	4.3395	4.6808
CZK	24.724	24.116	RON	4.9756	4.9495
DKK	7.4529	7.4365	SEK	11.096	11.1218
GBP	0.86905	0.88693	CHF	0.926	0.9847
HUF	382.8	400.87	JPY	156.33	140.66
NOK	11.2405	10.5138	USD	1.105	1.0666

1.2.3. Use of estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to: accrued and deferred revenue and charges, provisions, financial risk on accounts receivable, contingent assets and liabilities, and degree of impairment of assets. Actual results could differ from those estimates.

Reasonable estimates are an essential part of the preparation of financial statements and do not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the correction of an error. The effect of a change in accounting estimate shall be recognised in the surplus or deficit in the periods in which it becomes known.

1.3. BALANCE SHEET

1.3.1. Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is identifiable if it is either separable (i.e. it is capable of being separated or divided from the entity, e.g. by being sold, transferred, licensed, rented, or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so), or arises from binding arrangements (including rights from contracts or other legal rights), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations).

Acquired intangible assets are stated at historical cost less accumulated amortisation and impairment losses. Internally developed intangible assets are capitalised when the relevant criteria of the EU accounting rules are met and the expenses relate solely to the development phase of the asset. The capitalisable costs include all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Costs associated with research activities, non-capitalisable development costs and maintenance costs are recognised as expenses when incurred.

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The estimated useful lives of intangible assets depend on their specific economic lifetime or legal lifetime determined by an agreement.

Intangible assets residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year.

1.3.2. Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the entity and its cost can be measured reliably. Repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred. Land is not depreciated as it is deemed to have an indefinite useful life. Assets under construction are not depreciated as these assets are not yet available for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

Type of asset	Straight line depreciation rate
<i>Buildings</i>	4 % to 10 %
<i>Plant and equipment</i>	12.5 % to 25 %
<i>Furniture and vehicles</i>	10 % to 25 %
<i>Computer hardware</i>	25 %
<i>Other</i>	12.5 % to 25 %

Property, plant and equipment residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year.

Gains or losses on disposals are determined by comparing proceeds less selling expenses with the carrying amount of the disposed asset and are included in the statement of financial performance.

Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. Leases are classified as either finance leases or operating leases.

Finance leases are leases where substantially all the risks and rewards incidental to ownership are transferred to the lessee. When entering a finance lease as a lessee, the assets acquired under the finance lease are recognised as assets and the associated lease obligations as liabilities as from the commencement of the lease term. The assets and liabilities are recognised at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Over the period of the lease term, the assets held under finance leases are depreciated over the shorter of the asset's useful life and the lease term. The minimum lease payments are apportioned between the finance charge (the interest element) and the reduction of the outstanding liability (the capital element). The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability, which is presented as current/non-current, as applicable. Contingent rents shall be charged as expenses in the period in which they are incurred.

An operating lease is a lease other than a finance lease, i.e. a lease where the lessor retains substantially all the risks and rewards incidental to ownership of an asset. When entering an operating lease as a lessee, the operating lease payments are recognised as an expense in the statement of financial performance on a straight-line basis over the lease term with neither a leased asset nor a leasing liability presented in the statement of financial position.

1.3.3. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation/depreciation and are tested annually for impairment. Assets that are subject to amortisation/depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable (service) amount. The recoverable (service) amount is the higher of an asset's fair value less costs to sell and its value in use. If the reasons for impairments recognised in previous years no longer apply, the impairment losses are reversed accordingly.

1.3.4. Financial instruments

The only financial instruments of the European Foundation for the Improvement of Living and Working Conditions are the receivables from exchange transactions. In accordance with the EAR 11 requirements, the European Foundation for the Improvement of Living and Working Conditions has classified these receivables as 'financial assets at amortised cost'.

1.3.5. Pre-financing amounts

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into a number of payments over a period defined in the particular contract, decision, agreement or basic legal act. The float or advance is either used for the purpose for which it was provided during the period defined in the agreement or it is repaid. If the beneficiary does not incur eligible expenditure, he has the obligation to return the pre-financing advance to the entity. Thus, as the entity retains control over the pre-financing and is entitled to a refund for the ineligible part, the amount is presented as an asset.

Pre-financing is initially recognised on the balance sheet when cash is transferred to the recipient. It is measured at the amount of the consideration given. In subsequent periods pre-financing is measured at the amount initially recognised on the balance sheet less eligible expenses (including estimated amounts where necessary) incurred during the period.

1.3.6. Receivables and recoverables

The EU accounting rules require a separate presentation of exchange and non-exchange transactions. To distinguish between the two categories, the term 'receivable' is reserved for exchange transactions, whereas for non-exchange transactions, i.e. when the EU receives value from another entity without directly

giving approximately equal value in exchange, the term 'recoverables' is used (e.g. recoverables from Member States related to own resources).

Receivables from exchange transactions meet the definition of financial instruments and are thus classified as 'financial assets at amortised cost' ('loans and receivables' in prior periods) (see 1.3.4 above).

Recoverables from non-exchange transactions are carried at original amount (adjusted for interests and penalties) less write-down for impairment. A write-down for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the recoverables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the statement of financial performance.

1.3.7. Cash and cash equivalents

Cash and cash equivalents are financial instruments and include cash at hand, deposits held at call or at short notice with banks, and other short-term highly liquid investments with original maturities of three months or less.

1.3.8. Provisions

Provisions are recognised when the entity has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the provision involves a large number of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities ('expected value' method).

Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

1.3.9. Payables

Included under accounts payable are both amounts related to exchange transactions such as the purchase of goods and services and to non-exchange transactions e.g. to cost claims from beneficiaries, grants or other EU funding.

Where grants or other funding are provided to the beneficiaries, the cost claims are recorded as payables for the requested amount when the cost claim is received. Upon verification and acceptance of the eligible costs, the payables are valued at the accepted and eligible amount.

Payables arising from the purchase of goods and services are recognised at invoice reception for the original amount and corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the entity.

1.3.10. Accrued and deferred revenue and charges

Transactions and events are recognised in the financial statements in the period to which they relate. At year-end, if an invoice is not yet issued but the service has been rendered, the supplies have been delivered by the entity or a contractual agreement exists (e.g. by reference to a contract), an accrued revenue will be recognised in the financial statements. In addition, at year-end, if an invoice is issued but the services have not yet been rendered or the goods supplied have not yet been delivered, the revenue will be deferred and recognised in the subsequent accounting period.

Expenses are also accounted for in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. The calculation of accrued expenses is done in accordance with detailed operational and practical guidelines issued by the Accounting Officer which aim at ensuring that the financial statements provide a faithful representation of the economic and other phenomena they purport to represent. By analogy, if a payment

has been made in advance for services or goods that have not yet been received, the expense will be deferred and recognised in the subsequent accounting period.

1.4. STATEMENT OF FINANCIAL PERFORMANCE

1.4.1. Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Depending on the nature of the underlying transactions in the statement of financial performance it is distinguished between:

(i) Revenue from non-exchange transactions

Revenue from non-exchange transactions are taxes and transfers because the transferor provides resources to the recipient entity without the recipient entity providing approximately equal value directly in exchange.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes. The entity shall recognise an asset in respect of transfers when the entity controls the resources as a result of a past event (the transfer) and expects to receive future economic benefits or service potential from those resources, and when the fair value can be reliably measured. An inflow of resources from a non-exchange transaction recognised as an asset (i.e. cash) is also recognised as revenue, except to the extent that the entity has a present obligation in respect of that transfer (condition), which needs to be satisfied before the revenue can be recognised. Until the condition is met the revenue is deferred and recognised as a liability (pre-financing received).

(ii) Revenue from exchange transactions

Revenue from the sale of goods and services is recognised when the significant risk and rewards of ownership of the goods are transferred to the purchaser. Revenue associated with a transaction involving the provision of services is recognised by reference to the stage of completion of the transaction at the reporting date.

1.4.2. Expenses

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets/equity. They include both the expenses from exchange transactions and expenses from non-exchange transactions.

Expenses from exchange transactions arising from the purchase of goods and services are recognised when the supplies are delivered and accepted by the entity. They are valued at the original invoice amount. Furthermore, at the balance sheet date expenses related to the service delivered during the period for which an invoice has not yet been received or accepted are recognised in the statement of financial performance.

Expenses from non-exchange transactions relate to transfers to beneficiaries and can be of three types: entitlements, transfers under agreement and discretionary grants, contributions and donations. Transfers are recognised as expenses in the period during which the events giving rise to the transfer occurred, as long as the nature of the transfer is allowed by regulation or an agreement has been signed authorising the transfer; any eligibility criteria have been met by the beneficiary; and a reasonable estimate of the amount can be made.

When a request for payment or cost claim is received and meets the recognition criteria, it is recognised as an expense for the eligible amount. At year-end, incurred eligible expenses due to the beneficiaries but not yet reported are estimated and recorded as accrued expense.

1.5. CONTINGENT ASSETS AND LIABILITIES

1.5.1. Contingent assets

A contingent asset is a possible asset that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

1.5.2. Contingent liabilities

A contingent liability is a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or, in the rare circumstances where the amount of the obligation cannot be measured with sufficient reliability. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

1.6. CONSOLIDATION

The accounts of this entity are fully consolidated in the EU consolidated annual accounts.

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. INTANGIBLE ASSETS

	EUR
	TOTAL
Gross carrying amount at 31.12.2022	795
Disposals	0
Gross carrying amount at 31.12.2023	795
Accumulated amortisation at 31.12.2022	(795)
Amortisation charge for the year	0
Disposals	0
Accumulated amortisation at 31.12.2023	(795)
NET CARRYING AMOUNT AT 31.12.2023	0
NET CARRYING AMOUNT AT 31.12.2022	0

The amounts under this heading entirely comprise computer software with the annual amortisation rate 25%.

2.2. PROPERTY, PLANT AND EQUIPMENT

						EUR
	Land and buildings	Plant and equipment	Furniture and vehicles	Computer hardware	Other Fixtures	TOTAL
Gross carrying amount at 31.12.2022	8,411,129	70,456	688,130	615,528	839,537	10,624,780
Additions	-	-	11,900	8,892	-	20,792
Disposals	(5,985)	-	(29,645)	-	(24,217)	(59,847)
Gross carrying amount at 31.12.2023	8,405,144	70,456	670,385	624,420	815,320	10,585,725
Accumulated depreciation at 31.12.2022	(7,721,969)	(67,935)	(668,869)	(564,047)	(775,489)	(9,798,309)
Depreciation charge for the year	(57,415)	(818)	(7,254)	(13,913)	(29,171)	(108,571)
Write-back of depreciation	-	-	-	-	-	-
Disposals	5,985	-	29,645	-	24,217	59,847
Accumulated depreciation at 31.12.2023	(7,773,400)	(68,753)	(646,478)	(577,960)	(780,443)	(9,847,034)
NET CARRYING AMOUNT AT 31.12.2023	631,745	1,703	23,907	46,460	34,877	738,692
NET CARRYING AMOUNT AT 31.12.2022	689,161	2,521	19,261	51,481	64,048	826,472

The main additions include a new combi oven and a new network switch for the ICT unit.

2.3. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

		EUR	
	Note	31.12.2023	31.12.2022
Current			
Receivables from exchange transactions	2.3.1	5,977,248	5,656,186
Recoverables from non-exchange transactions	2.3.2	500	500
Total		5,977,748	5,656,686

2.3.1. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	EUR	
	31.12.2023	31.12.2022
Current		
<i>Central Treasury liaison accounts</i>	5,735,492	5,406,857
<i>Deferred charges relating to exchange transactions</i>	233,127	213,404
<i>Staff</i>	8,393	35,910
<i>VAT to be recovered</i>	225	0
<i>Other receivables</i>	11	15
Total	5,977,248	5,656,186

In 2021 Eurofound signed a Service Level Agreement with DG BUDG Treasury service to manage Eurofound's funds, both receipts and payments. The balance on the Treasury liaison account is classified as receivables from exchange transactions (see note 2.3 and 2.5).

The deferred charges consist of 2023 pro-rata costs for insurance policies, software licences and subscriptions to journals and publications. Part of the cost was expensed in 2023 and the remaining (deferred) charge sits in the Balance sheet as a Current Asset.

Receivables from staff refers to amounts owed by staff for overpayment of allowances.

Other receivables consists of bank charges to be processed.

2.3.2. RECOVERABLES FROM NON-EXCHANGE TRANSACTIONS

	EUR	
	31.12.2023	31.12.2022
Current		
<i>Member States</i>	500	500
Total	500	500

Recoverables from Member States represent a small sum owed by the local authority.

2.4. ACCRUED INCOME

	EUR	
	31.12.2023	31.12.2022
<i>Accrued income</i>	15,752	68,395

Accrued income is the amount earned in the year but which has not yet been received. The European Labour Authority owes Eurofound the amount of EUR 2,868 for the provision of accounting services for the 4th quarter 2023. Eurofound is also due the amount of EUR 9,819 for the reimbursement of legal costs. Additionally, Eurofound is due to receive EUR 3,065 for reimbursement of mission expenses.

2.5. CASH AND CASH EQUIVALENTS

	EUR	
	31.12.2023	31.12.2022
<i>Imprest accounts</i>	53,777	51,989
Total	53,777	51,989

In February 2021 Eurofound closed the two current accounts held with ING bank in Brussels and signed a Service Level Agreement with DG BUDG Treasury Service of the European Commission. DG BUDG maintains a bank account and processes all treasury functions on behalf of Eurofound.

The balance on the Treasury liaison account is classified as receivables from exchange transactions (see note 2.3 and 2.5).

Eurofound continues to hold a local imprest account with AIB bank in Dublin. This account is used for small purchases made in cash, cheque or credit card. In addition it is used to enable three direct debit payments for electricity, mobile phone and fuel card respectively.

LIABILITIES

2.6. PAYABLES

	EUR	
	31.12.2023	31.12.2022
<i>Pre-financing received from EC - operating subsidy</i>	862,751	509,711
<i>Pre-financing received from EC - balancing subsidy</i>	0	14,028
<i>Other Payables</i>	(251)	575
Total	862,500	524,314

The operating subsidy received from the Commission relates to projects funded outside of the ordinary budget of the agency. The balancing subsidy is the ordinary budget of the agency received from DG EMPL.

The pre-financing liability related to the operating subsidy comprises a balance of EUR 645,932 from DG NEAR for the Instrument for Pre-Accession Assistance (IPA); EUR 110,619 from DG EMPL for a pilot project on minimum wage and EUR 106,200 from DG EMPL for a pilot project working time reduction.

2.7. ACCRUED CHARGES

	EUR	
	31.12.2023	31.12.2022
<i>Accrued charges</i>	2,082,358	1,643,033
<i>Other passive accruals and deferrals</i>	218	0
Total	2,082,576	1,643,033

Accrued charges are the amounts estimated by the authorising officer of costs incurred for services and goods delivered in year 2023 but not yet invoiced or processed by the end of the year. The basis of the accruals calculation is the open amount of budgetary commitments at year end. The heading includes estimated operating expenses of EUR 1,781,995 and staff expenses of EUR 300,363 for untaken leave.

2.8. PROVISIONS

	EUR	
	31.12.2023	31.12.2022
<i>Provisions</i>	0	20,000

A judgement on two court cases was made in 2021. Eurofound won one case and lost one case. Although damages were not awarded Eurofound had to pay the legal costs for the case it lost but is also to be reimbursed the legal costs for the case it won. The amount of EUR 10,553.10 was paid in 2023. The amount of EUR 10,473.00 is being reimbursed to Eurofound in instalments over 48 months. As there is no longer a need for a provision in the accounts for legal costs, the provision has now been removed.

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

3.1. NON-EXCHANGE REVENUE

	EUR	
	31.12.2023	31.12.2022
<i>Subsidy of the Commission</i>	23,595,000	22,037,352
<i>Other</i>	581,960	263,416
Total	24,176,960	22,300,768

The heading subsidy of the Commission corresponds to the amounts of the Commission balancing subsidy of EUR 23,595,000 from DG EMPL used during 2023. Unused amounts are recorded as pre-financing liabilities under accounts payable (see note 2.6 above) and will be reimbursed to the Commission in 2024. The corresponding accrued expenses will be recorded in the financial statements of the Commission.

The other non-exchange revenue comprises of EUR 399,091 from DG EMPL corresponding to the pilot project on minimum wage; EUR 18,800 from DG EMPL corresponding to the pilot project on working time reduction and EUR 164,069 from DG NEAR for the Instrument for Pre-Accession Assistance (IPA).

3.2. EXCHANGE REVENUE

	EUR	
	31.12.2023	31.12.2022
<i>Other Sales and Revenue</i>	661,000	243,946
<i>Administrative Revenue with other consolidated entities</i>	41,694	62,706
<i>Miscellaneous income</i>	(17,278)	18,228
Total	685,416	324,880

Other Sales and Revenue is comprised of EUR 239,300 received from Belgium for inclusion in the European Working Conditions Survey 2024 (EWCS); EUR 203,024 from Switzerland for inclusion in the EWCS; EUR 121,333 from Norway for inclusion in the EWCS and EUR 29,099 from Slovenia for inclusion in the EWCS. Additionally, EUR 68,244 was received from Norway for its contribution to the Network of Eurofound Correspondents survey (NEC). Administrative revenue with consolidated entities relates to the provision of accounting services to ELA. The negative amount for miscellaneous income relates to the reversal of accrued income from the previous year.

EXPENSES

3.3. OPERATING COSTS

	EUR	
	31.12.2023	31.12.2022
<i>Operating costs</i>	6,693,406	3,553,229

Included under this heading are operating expenses incurred in relation to core tasks of the Agency and tasks delegated by the Commission carried out in 2023.

3.4. STAFF COSTS

	EUR	
	31.12.2023	31.12.2022
<i>Staff costs</i>	15,776,817	15,050,219

Included under this heading are salary expenses and other employment-related allowances and benefits. Calculations related to staff costs are, based on the service level agreement, entrusted to the European Commission's Office for administration and payment of individual entitlements (also known as the Paymaster's Office-PMO).

The pensions of Eurofound staff members are covered by the Pensions Scheme of European Officials. This pension scheme is a defined benefit plan, i.e. the amount of benefit an employee will receive on retirement, depends on factors such as age and years of service. Both the Eurofound staff and the Commission contribute to the pension scheme and the contribution percentage is revised yearly to reflect the changes in the Staff Regulation. The cost to the Commission is not reflected in Eurofound's accounts. Similarly, the future benefits, payable to Eurofound staff, are accounted for in the liabilities of the Commission, as it is the Commission who will pay out these benefits. No provisions related to the future pensions are made in these accounts.

3.5. OTHER EXPENSES

	EUR	
	31.12.2023	31.12.2022
<i>Fixed Asset related expenses</i>	108,573	140,742
<i>Rent of Land & Buildings</i>	27,050	24,514
<i>Maintenance & Security</i>	581,991	496,517
<i>Insurance - Building</i>	35,631	29,464
<i>Taxes</i>	22,256	25,317
<i>Office Supplies</i>	1,298	864
<i>Legal Expenses</i>	(5,028)	(4,864)
<i>Communications</i>	16,570	44,067
<i>Insurance - Others</i>	9,041	7,898
<i>Car & Transport expenses</i>	1,142	1,582
<i>Recruitment Costs</i>	(390)	9,828
<i>Training costs</i>	113,642	76,253
<i>Missions</i>	97,352	49,356
<i>IT Costs</i>	816,245	681,447
<i>Other external service provider (non-IT)</i>	206,600	270,686
<i>Expenses with other Consolidated Entities</i>	955,026	1,412,613
<i>Provision for other liabilities and charges</i>	(20,000)	(5,000)
<i>Other Financial Expenses</i>	457	422
<i>Realised Exchange Rate Losses</i>	0	11
Total	2,967,456	3,261,717

Fixed asset related expenses are mainly for the 2023 depreciation.

Expenses with other consolidated entities, such as the European Commission and other EU agencies, consist mainly of service level agreements for translations, publications, ICT and HR related services.

4. OTHER SIGNIFICANT DISCLOSURES

4.1. OUTSTANDING COMMITMENTS NOT YET EXPENSED

	31.12.2023	31.12.2022
<i>Outstanding commitments not yet expensed</i>	<i>3,809,662</i>	<i>3,967,574</i>

EUR

The outstanding commitments not yet expensed comprises the budgetary RAL ('Reste à Liquider') less related amounts that have been included as expenses in the 2023 statement of financial performance. The budgetary RAL is an amount representing the open commitments for which payments and/or de commitments have not yet been made. This is the normal consequence of the existence of multi annual programmes.

4.2. RELATED PARTIES

The related parties of Eurofound are the other EU consolidated entities and Eurofound key management personnel. Transactions between these parties take place as part of the normal Eurofound operations and as this is the case, no specific disclosure requirements are necessary for these transactions in accordance with the EU accounting rules.

4.3. KEY MANAGEMENT ENTITLEMENTS

The highest ranked civil servant of Eurofound is the Executive Director, who executes the role of the Authorising Officer.

	31.12.2023	31.12.2022
<i>Executive Director</i>	<i>AD14</i>	<i>AD14</i>

The Executive Director is remunerated in accordance with the Staff Regulations of the EU that are published on the Europa website, which is the official document describing the rights and the obligations of all officials of the EU.

5. FINANCIAL RISK MANAGEMENT

5.1. TYPES OF RISK

Market risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate, because of variations in market prices. Market risk embodies not only the potential for loss, but also the potential for gain. It comprises currency risk, interest rate risk and other price risk (Eurofound has no significant other price risk).

- (1) Currency risk is the risk that Eurofound operations or its investments' value will be affected by changes in exchange rates. This risk arises from the change in price of one currency against another.
- (2) Interest rate risk is the possibility of a reduction in the value of a security, especially a bond, resulting from an increase in interest rates. In general, higher interest rates will lead to lower prices of fixed rate bonds, and vice versa. Eurofound does not have any securities thus it is not exposed to the interest rate risk.

Credit risk is the risk of loss due to a debtor's/borrower's non-payment of a loan or other line of credit (either the principal or interest or both) or other failure to meet a contractual obligation. The default events include a delay in repayments, restructuring of borrower repayments and bankruptcy.

Liquidity risk is the risk that arises from the difficulty in selling an asset; for example, the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss or meet an obligation.

5.2. CURRENCY RISKS

Exposure to currency risk at year end

At 31 December 2023, the financial assets are composed of exchange receivables and non-exchange recoverables. At 31 December 2023 financial liabilities are composed of accounts payable. At 31 December 2023 the ending balances of financial assets and financial liabilities did not include any material amounts quoted in currencies other than euro. Eurofound is thus not exposed to any significant currency risk.

5.3. CREDIT RISK

Financial assets that are neither past due nor impaired

At 31 December 2023 financial assets comprise entirely of exchange receivables and non-exchange recoverables that are neither past due nor impaired of EUR 5,743,885.

Financial assets by risk category

Receivables of EUR 53,777 relate to entities with upper medium grade and EUR 5,735,492 relate to entities without external credit rating that never defaulted in the past.

5.4. LIQUIDITY RISK

Maturity analysis of financial liabilities by remaining contractual maturity

The financial liabilities are composed of operating lease commitments and commitments on administrative contracts with remaining contractual maturity of less than 1 year amounting to EUR 63,796.

THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES

It should be noted that due to the rounding of figures, some financial data in the tables below may appear not to add-up.

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1. BUDGETARY PRINCIPLES, STRUCTURE AND HIGHLIGHTS OF THE BUDGETARY IMPLEMENTATION

1.1. BUDGETARY PRINCIPLES

The establishment and implementation of the Eurofound budget is governed by the following basic principles set out in Article 5 of the Financial Regulation of the Agency adopted on 30 August 2019:

Principles of unity and budget accuracy

This principle means that no revenue shall be collected and no expenditure effected unless booked to a line in the Eurofound budget. No expenditure may be committed or authorised in excess of the appropriations authorised by the budget. An appropriation may be entered in the budget only if it is for an item of expenditure considered necessary.

Principle of annuality

The appropriations entered in the budget shall be authorised for a financial year which shall run from 1 January to 31 December.

Principle of equilibrium

Revenue and payment appropriations shall be in balance.

Principle of unit of account

The budget shall be drawn up and implemented in euros and the accounts shall be presented in euros.

Principle of universality

Total revenue shall cover total payment appropriations and all revenue and expenditure shall be entered in full without any adjustment against each other.

Principle of specification

Appropriations shall be earmarked for specific purposes by title and chapter. The chapters shall be further subdivided into articles and items.

Principle of sound financial management

Appropriations shall be used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness.

Principle of transparency

The budget shall be established and implemented and the accounts presented in accordance with the principle of transparency. The budget and any amending budgets shall be published in the Official Journal of the European Union within three months of their adoption.

1.2. STRUCTURE AND PRESENTATION OF THE BUDGET

Following the provisions of the Eurofound Financial Regulation adopted by Management Board decision WPR 2019/05 of 30 August 2019, the budget accounts shall consist of a statement of revenue and a statement of expenditure. The statement of expenditure must be set out on the basis of a nomenclature with a classification by purpose. That nomenclature shall be determined by Eurofound and shall make a clear distinction between administrative appropriations and operating appropriations:

Title 1 budget lines relate to staff expenditure such as salaries and allowances for personnel working with Eurofound. It also includes recruitment expenses, staff missions, expenses for the socio-medical infrastructure and representation costs.

Title 2 budget lines relate to all buildings, equipment and miscellaneous administrative expenditure.

Title 3 budget lines provide for the implementation of the activities and tasks assigned to Eurofound by its establishing Regulation (EU) No. 2019/127 of the European Parliament and of the Council of 16 January 2019 repealing Council Regulation (EC) No 1365/75.

Assigned revenue budget lines relate to financing of specific items of expenditure. They can be external or internal assigned revenue.

1.3. SUMMARY OF THE BUDGETARY IMPLEMENTATION

The original final budget for 2023 amounting to EUR 23,813,000 was adopted by the Management Board of Eurofound on 21 December 2022.

The amendment of the budget 2023 was approved by the Management Board on 22 December 2023. The appropriations were brought as closely as possible to what was expected to be the final budget outcome for the year. Overall, general Title 1 appropriations were increased by EUR 80,000. Deviations between the original Title 1 and the amendment arose from the statutory increase of salaries as well as further movements of the Irish country coefficient (first a decrease to 135.4 in the first half of 2023 followed by an increase to 139.6 in the second half of 2023). Some savings in other Title 1 budget lines (e.g. in missions, salaries for contract agents) were realised and used to fund the deviations, however, another EUR 80,000 had to be moved into Title 1 from Title 3. The increase of general Title 2 appropriations results from additional investments required on facilities management services and IT infrastructure. Overall, general Title 2 appropriations were increased by EUR 230,000 and Title 3 decreased by EUR 380,000.

The final amended budget of Eurofound was EUR 25,369,931 in 2023. This amount includes appropriations from C1, C4 and new R0 funds of the current year.

The Commission subsidy, as well as miscellaneous and general revenue from services rendered (IC1) totalling EUR 23,740,810 constitute the final general C1 appropriations in ABAC.

Cashed recoveries of expenses of EUR 191,205 are appropriated as C4 funds in ABAC, of which EUR 125,000 relate to the Service Level Agreement with DG EMPL for the new pilot project on Working Time Reduction. They originate from internal assigned revenue in budget line IC4 – 5400 ‘Miscellaneous’ and IC4 – 6000 ‘Services Rendered’.

Overall, EUR 592,756 contributions were received from Belgium, Norway, Switzerland and Slovenia towards the implementation of the European Working Conditions Survey. They are available in Eurofound’s R0 appropriations arising from external assigned revenue in budget line IR1 – 6000 ‘Services Rendered’. Additionally, a prefinancing payment of EUR 810,000 was received from DG NEAR for the new IPA Contribution Agreement. Finally, Eurofound received the balance payment of EUR 35,161 for the previous IPA Agreement. IPA funds are available in Eurofound’s R0 appropriations arising from external assigned revenue in budget line IR1 – 1010 ‘Instrument for pre-accession assistance (IPA)’.

General C1 budget appropriations available for activities authorised in the Programming Document 2023 amounted to 23,740,810. Final commitments made from C1 appropriations were EUR 23,740,810.

The final budget implementation rate measured by commitments made from C1 budget appropriations is 100% (in 2022: 100%) whereas the final execution of payments is 83.2%. Remaining payments in carry forward commitments (RAL) are to be made in 2024

The actual payment appropriations carried forward (RAL) amounted to EUR 3,994,943 (or 16.8%) for final C1 appropriation. They were EUR 1,452,555 higher than the original expectation of EUR 2,542,388 (In 2022, EUR 4,455,441 or 21.1% of C1 appropriations were carried forward). The main increase of carry-forward appropriations resulted from rescheduling of payments (EUR 1,000,000) for the European Working Condition Survey due to the contractor not being able to deliver as agreed (budget line 3030 'Research and Study contracts'). Further increases are due to the late commitments which were funded by savings realised and surplus available in Eurofound's budget at the end of the year. In Title 3, the amount of EUR 100,000 was decided to be allocated to enhance on-going research and study projects (budget line '3030'). Further EUR 70,000 was reallocated to translation of executive summaries of selected research reports (budget line 3050 'Translation') and EUR 30,000 for editing selected outdated 'Working Life' country profiles (budget line 3010 - 'Publication'). Finally, EUR 95,000 was allocated to web application development services from DG DIGIT (budget line 3000 'Information management and web'). In Title 2, EUR 75,000 was reassigned to advance essential IT infrastructure investments and cloud services planned for 2024 (budget line 2204 'Electronic Office Equipment'). Other remaining variance of ca. EUR 100,000 related to the implementation of several projects and service/order deliveries which resulted in postponing payments to 2024.

2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

	Title	2023	2022
<i>EUR</i>			
Revenue			
Balancing Commission subsidy		23,595,000	22,051,380
Other subsidy from Commission		845,161	0
Misc. revenue - general		951	0
Misc. revenue – internal assigned		11,754	0
Services rendered - General		68,244	59,756
Services rendered – Internal assigned revenue		179,450	237,940
Services rendered – External assigned revenue		592,756	0
	TOTAL REVENUE (a)	25,293,316	22,349,076
Expenditure			
<i>Staff</i>	1		
Payments		(16,115,651)	(15,244,227)
Appropriations carried over to the following year		(277,652)	(186,845)
<i>Administrative Expenses</i>	2		
Payments		(1,478,812)	(1,326,703)
Appropriations carried over to the following year		(414,532)	(327,707)
<i>Operating Expenses</i>	3		
Payments		(3,013,250)	(1,710,228)
Appropriations carried over to the following year		(4,899,473)	(4,769,829)
	TOTAL EXPENDITURE (b)	(26,199,370)	(23,565,540)
	OUTTURN FOR THE FINANCIAL YEAR (a-b)	(906,055)	(1,216,464)
Cancellation of unused payment appropriations carried over from year n-1		76,615	102,528
Adjustment for carry-over from previous year appropriations available at 31.12 arising from assigned revenue		829,440	1,127,975
Exchange differences for the year (gain +/loss -)		0	(11)
	BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR	0	14,028
Balance year N-1		14,028	17,912
Positive balance from year N-1 reimbursed in year N to the Commission		(14,028)	(17,912)
Result used for determining amounts in general accounting		0	14,028
Commission subsidy - agency registers accrued revenue / Commission accrued expense		23,595,000	22,037,352
Pre-financing remaining open to be reimbursed by agency to Commission in 2022		0	14,028

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

	EUR
	2023
ECONOMIC RESULT OF THE YEAR	-575,302
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	
<i>Adjustments for accrual cut-off (net)</i>	172,062
<i>Depreciation of intangible and tangible assets</i>	108,523
<i>Provisions</i>	(20,000)
<i>Pre-financing received in previous year and cleared in the year</i>	(463,749)
<i>Payments made from carry-over of payment appropriations</i>	4,426,526
<i>Other adjustment for minor payables and receivables</i>	(568)
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	
<i>Asset acquisitions (less unpaid amounts)</i>	(20,792)
<i>New prefinancing received in 2023 and remaining open as at 31.12.2023</i>	752,132
<i>Payment appropriations carried over to 2023</i>	(5,284,881)
<i>Cancellation of unused carried over payment appropriations from previous year</i>	76,616
<i>Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue</i>	829,439
<i>Total</i>	6
BUDGET RESULT OF THE YEAR	0
<i>Delta not explained</i>	6

4. IMPLEMENTATION OF BUDGET REVENUE

4.1 Implementation of budget revenue

EUR

Item		Revenue in Amending Budget	Entitlements established	Revenue Received	Outstanding at end of year
		1	2	3	4=2-3
1000 – IC1	European Union subsidy	23,595,000	23,595,000	23,595,000	-
1010 – IR1	Other subsidy from Commission IPA	845,161	845,161	845,161	-
5400 – IC1	Miscellaneous Revenue	951	951	951	-
5400 – IC4	Miscellaneous Revenue – Assigned	11,754	12,254	11,754	500
6000 – IC1	Services Rendered – General	144,860	68,244	68,244	-
6000 – IC4	Services Rendered – Internal Assigned	179,450	179,450	179,450	-
6000 – IR1	Services Rendered – External Assigned	592,756	592,756	592,756	-
Total		25,369,932	25,293,816	25,293,316	500

5. IMPLEMENTATION OF BUDGET EXPENDITURE

5.1 2023 Budget Execution – C1, C4, R0 Appropriations

EUR

Item	2023 Final Appropriation	Committed Amount	% Committed	Paid Amount	% Paid	Carry forward to 2024	% Carry Forward	Cancellation of Appropriations
	1	2	3=2/1	4	5=4/2	6	7=6/2	8
1100 Basic salaries	8,381,575	8,381,575	100%	8,381,575	100%	-	0%	-
1100 Basic salaries – C4	54,450	-	0%	-	0%	54,450	100%	-
1101 Family allowances	1,072,739	1,072,739	100%	1,072,739	100%	-	0%	-
1102 Expatriation allowances	1,088,201	1,088,021	100%	1,088,201	100%	-	0%	-
1103 Secretarial allowances	3,987	3,987	100%	3,987	100%	-	0.0%	-
1120 Further training for staff	104,452	104,452	100%	69,922	67%	34,531	33%	-
1120 Further training for staff – C4	3,450	3,450	100%	-	0%	3,450	100%	-
1121 Contract agents	425,415	425,415	100%	425,415	100%	-	0%	-
1121 Contract agents – R0	11,266	11,266	100%	11,266	100%	-	0%	-
1130 Insurance against sickness	310,038	310,038	100%	310,038	100%	-	0%	-
1130 Insurance against sickness – R0	383	383	100%	383	100%	-	0%	-
1131 Insurance against accident	34,711	34,711	100%	34,711	100%	-	0%	-
1131 Insurance against accident – R0	43	43	100%	43	100%	-	0%	-
1132 Unemployment insurance	106,527	106,527	100%	106,527	100%	-	0%	-
1132 Unemployment insurance – R0	136	136	100%	136	100%	-	0%	-
1141 Travel expenses for annual leave	197,210	197,210	100%	197,210	100%	-	0%	-
1150 Overtime	-	-	-	-	-	-	-	-
1175 Other services & work sent out	390,609	390,609	100%	297,217	76%	93,393	24%	-
1175 Other services & work sent out – R0	436	-	0%	-	0%	436	100%	-
1177 Trainee officials (stagiaires)	122,563	122,563	100%	122,563	100%	-	0%	-
1180 Misc. expend. on staff recruitment	2,343	2,343	100%	2,343	100%	-	0%	-
1180 Misc. expend. on staff recruitment – R0	259	259	100%	259	100%	-	0%	-
1181 Travel expenses	3,644	3,644	100%	3,644	100%	-	0%	-
1182 Installation & resettlement allowances	57,859	57,859	100%	57,859	100%	-	0%	-
1183 Removal expenses	35,768	35,768	100%	35,768	100%	-	0%	-
1184 Temporary daily subsistence allowances	20,116	20,116	100%	20,116	100%	-	0%	-
1190 Salary weightings	3,522,455	3,522,455	100%	3,522,455	100%	-	0%	-

Item	2023 Final Appropriation	Committed Amount	% Committed	Paid Amount	% Paid	Carry forward to 2024	% Carry Forward	Cancellation of Appropriations
1190 Salary weightings	3,844	3,844	100%	3,844	100%	-	0%	-
1300 Mission, travel & incidental expenses	106,012	106,012	100%	101,723	96%	4,289	4%	-
1300 Mission, travel & incidental expenses – C4	7,117	5,519	78%	5,519	100%	1,599	29%	-
1400 Restaurants and canteens	116,234	116,234	100%	81,859	70%	34,376	30%	-
1410 Medical services	21,000	21,000	100%	390	2%	20,610	98%	-
1420 Other welfare expenditure	12,248	12,248	100%	10,631	87%	1,618	13%	-
Total Title 1 – Staff C1 only	16,135,705	16,135,705	100%	15,946,889	98.8%	188,816	1.2%	-
Total Title 1 – Staff (C1, C4, R0)	16,217,089	16,160,605	99.7%	15,968,339	98.5%	248,750	1.5%	-

Item	2023 Final Appropriation	Committed Amount	% Committed	Paid Amount	% Paid	Carry forward to 2024	% Carry Forward	Cancellation of Appropriations
2010 Insurance	47,382	47,382	100%	47,122	99.5%	260	0.5%	-
2020 Water, gas, electricity, heating	175,942	175,942	100%	144,591	82.2%	31,351	17.8%	-
2020 Water, gas, electricity, heating – C4	750	-	0%	-	0%	750	100%	-
2030 Cleaning and maintenance	3,000	3,000	100%	2,738	91.3%	262	8.7%	-
2031 Facilities management	328,867	328,867	100%	246,528	75%	82,339	25%	-
2040 Fitting out of premises	114,987	114,987	100%	28,437	24.7%	86,550	75.3%	-
2090 Other Expenditure	22,256	22,256	100%	22,256	100%	-	0%	-
2100 Rent	27,050	27,050	100%	27,050	100%	-	0%	-
2200 Technical equipment	4,583	4,583	100%	4,051	88.4%	532	11.6%	-
2204 Electronic office equipment	986,782	986,782	100%	842,380	85.4%	144,402	14.6%	-
2210 Furniture	4,751	4,751	100%	419	8.8%	4,332	91.2%	-
2230 Vehicles and transportation	60,821	60,821	100%	1,142	1.9%	59,679	98.1%	-
2250 Library expenses, purchase of books	71,990	71,990	100%	71,988	100%	2	0%	-
2300 Stationery and office supplies	1,298	1,298	100%	1,298	100%	-	0%	-
2310 Other current administrative expenditure	19,386	19,386	100%	19,286	99.5%	100	0.5%	-
2400 Postage and delivery charges	5,000	5,000	100%	4,678	93.6%	322	6.4%	-
2410 Telecommunication	18,500	18,500	100%	14,849	80.3%	3,651	19.7%	-
Total Title 2 – Administration C1 only	1,892,594	1,892,594	100%	1,478,812	78.1%	413,782	21.9%	-
Total Title 2 – Administration (C1, C4, R0)	1,893,344	1,892,594	100%	1,478,812	78.1%	414,532	21.9%	-
3000 Operational documentation system	738,168	738,168	100%	616,342	83.5%	121,826	16.5%	-
3010 Publication of results of studies	133,703	133,703	100%	101,476	75.9%	32,227	24.1%	-
3012 Marketing and promotion	261,914	261,914	100%	190,806	72.9%	71,107	27.1%	-
3012 Marketing and promotion – C4	5,000	3,850	77%	-	0%	5,000	100%	-

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3030	Research and study contracts	3,930,506	3,930,506	100%	956,281	24.3%	2,974,225	75.7%	-
3030	Research – assigned revenue (IPA R0)	829,231	175,188	21.1%	107,562	61.4%	721,669	87%	-
3030	Research – assigned revenue (Other R0)	592,756	317,357	53.5%	57,407	18.1%	535,349	90.3%	-
3030	Research – assigned revenue (Other C4)	120,00	14,950	12.5%	14,950	100%	105,050	87.5%	-
3040	Events and meetings –	179,654	179,654	100%	171,154	95.3%	8,500	4.7%	-
3041	Interpretation costs	3,940	3,940	100%	3,940	100%	-	0%	-
3042	Management Board	79,048	79,048	100%	49,622	62.8%	29,426	37.2%	-
3050	Translation	385,578	385,578	100%	230,544	59.8%	155,034	40.2%	-
Total Title 3 – Operational C1 only		5,712,511	5,712,511	100%	2,320,166	40.6%	3,392,345	59.4%	-
Total Title 3 – Operational (C1, C3, C4, R0)		7,259,497	6,223,856	85.7%	2,500,085	34.4%	4,759,413	65.6%	-
GRAND TOTAL – All Titles - C1 only		23,740,810	23,740,810	100%	19,745,867	83.2%	3,994,943	16.8%	-
GRAND TOTAL – All Titles – (C1, C4, R0)		25,369,931	24,277,055	95.7%	19,947,236	78.6%	5,422,695	21.4%	-

5.2 2023 Budget Execution C8, C4, C5 appropriations

C8

EUR

	Item	Appropriations	Payments	% Paid	Cancelled	% Cancelled
		Carried Forward from 2022				
		1	2	3=2/1	4	5=4/1
1120	Further training for staff	34,474	31,923	92.6%	2,550	7.4%
1175	Other services & work sent out	66,705	55,473	83.2%	11,232	16.8%
1180	Misc. expenditure on staff recruitment	400	390	97.5%	10	2.5%
1300	Mission, travel & incidental expenses	6,013	4,859	80.8%	1,154	19.2%
1400	Restaurants and canteens	9,190	9,117	99.2%	73	0.8%
1410	Medical services	21,861	13,208	60.4%	8,653	39.6%
1420	Other welfare expenditure	502	273	54.5%	228	45.5%
	Total Title 1 – Staff	139,145	115,244	83%	23,900	17.2%
2020	Water, gas, electricity, heating	30,935	28,424	91.9%	2,511	8.1%
2031	Facilities management	137,084	130,290	95.0%	6,794	5.0%
2040	Fitting out of premises	2,660	2,660	100.0%	-	0.0%
2200	Technical Equipment	23,126	23,126	100.0%	-	0.0%
2204	Electronic office equipment	132,397	132,053	99.7%	344	0.3%
2250	Library Expenditure	75	57	75.4%	18	24%
2300	Stationery and office supplies	18	-	0.0%	18	100%
2310	Other current administrative expenditure	124	12	9.6%	112	90.4%
2400	Postage & delivery charges	568	161	28.4%	407	71.6%
2410	Telecommunication	300	-	0.0%	300	100%
	Total Title 2 - Administration	327,707	317,084	96.8%	10,623	3.2%
3000	Operational documentation system	244,930	244,930	100.0%	-	0.0%
3010	Publication of results of studies	9,873	9,590	97.1%	283	2.9%
3012	Marketing and promotion	14,465	14,465	100.0%	-	0.0%
3030	Studies and pilot schemes	3,600,711	3,584,673	99.6%	16,038	0.4%
3040	General costs of meetings	35,950	19,312	53.7%	16,638	46.3%
3041	Management Board meetings	3,940	3,940	100.0%	-	0.0%
3050	Translation of study reports	17,988	8,855	49.2%	9,133	50.8%
	Total Title 3 - Operational	3,988,589	3,946,497	98.9%	42,092	1.1%
	GRAND TOTAL	4,455,441	4,378,826	98.3%	76,616	2.9%

C4

Item		New Appropriations in 2023	Committed in 2023	Payments in 2023	% Paid	Cancelled	Carried Forward to 2024
		1	2	3	4=3/1	5	6=5/1
1100	Basic Salaries	54,450	-	-	0%	-	54,450
1120	Further training for staff	3,450	3,450	-	0%	-	3,450
1175	Other services & work sent out	436	-	-	0%	-	436
1300	Mission, travel & incidental expenses	7117	5,519	5,519	78%	-	1,598
Total Title 1 – Staff		65,454	8,969	5,519	8%	-	59,935
2020	Water, gas, electricity, heating	750	-	-	0%	-	750
Total Title 2 - Administration		750	-	-	0%	-	750
3012	Marketing and promotion	5,000	3,850	-	0%	-	5,000
3030	Studies and pilot schemes	120,000	14,950	14,950	0%	-	105,050.00
Total Title 3 - Operational		125,000	18,800	14,950	12%	-	110,050
GRAND TOTAL		191,204	27,769	20,469	20%	-	170,735

C5

Item		Appropriations Carried Forward from 2022	Commitment	% Committed	Paid	% Paid	Cancelled	% Cancelled
		1	2	3=2/1	4	5= 4/2	6 = 1-2	7=6/1
1100	Basic salaries	47,700	47,700	100 %	47,700	100%	-	-
Total Title 1 – Staff		47,700	47,700	100 %	47,700	100%	-	-
GRAND TOTAL		47,700	47,700	100 %	47,700	100%	-	-

5.3 2023 Budget Execution R0 appropriations – assigned revenue (Pilot Project)

Item	Carry Forward/Over Balance of 2022	New Appropriations in 2023	Commitments in 2023	Appropriations cancelled/reclassified in 2023	Payments in 2023	Carry forward/over to 2024
Pilot Project on Minimum Wage						
1100-1190	Salary related costs	128,514	128,514	-	99,612	28,901
	Total	128,514	128,514		99,612	28,901
3010	Publications	15,755	15,755		13,111	2,644
3030	Studies and Pilot schemes	403,403	323,152		322,052	81,351
3040	Events and meetings	10,374	10,024		5,811	4,563
3050	Translations	20,097	20,097		9,135	10,962
	Total	449,629	369,028	-	350,109	99,520
GRAND TOTAL		578,143	497,542	-	449,721	128,422

5.4 2023 Budget Execution R0 appropriations – assigned revenue (IPA, EWCS, Other)

Item		Carry Forward/Over Balance of 2023	New Appropriations in 2023	Commitments in 2023	Appropriations cancelled	Payments in 2023	Carry forward/over to 2024
IPA 2018 402-940							
3030	Research and study contracts	1,041	35,161	-	-	-	36,202
Total		1,041	35,161	-	-	-	36,202
GRAND TOTAL		1,041	35,161	-	-	-	36,202

Item		Carry Forward/Over Balance of 2023	New Appropriations in 2023	Commitments in 2023	Appropriations cancelled/reclassified in 2023	Payments in 2023	Carry forward/over to 2024
IPA 2023 700001546							
1100-1190	Salary related costs	-	15,931	15,931	-	15,931	-
Total		-	15,931	15,931	-	15,931	-
3030	Research and study contracts	-	794,069	175,188	-	107,562	686,507
Total		-	794,69	175,188	-	107,562	686,507
GRAND TOTAL		-	810,000	191,119	-	123,493	686,507

Item		Carry Forward/Over Balance of 2022	New Appropriations in 2023	Commitments in 2023	Appropriations cancelled /reclassified in 2023	Payments in 2023	Carry forward/over to 2024
Other assigned revenue							
3030	Research and study contracts						
	Belgium participation in 7 th EWCS (2019)	4,500	-	-	-	-	4,500
	Slovenia participation in 7 th EWCS (2019)	3,676	-	-	-	-	3,676
	Norway participation in 7 th EWCS (2019)	5,190	-	-	-	-	5,190
	Switzerland participation in 7 th EWCS (2019)	4,500	-	-	-	-	4,500
	Belgium participation in EWCS (2024)	-	239,300	-	-	-	239,300
	Slovenia participation in EWCS (2024)	-	29,099	-	-	-	29,099
	Norway participation in EWCS (2024)	130,690	121,333	248,523	-	109,557	142,466
	Switzerland participation in EWCS (2024)	53,500	203,024	253,024	-	110,907	145,617
Total		202,056	592,756	501,547	-	220,464	574,348
GRAND TOTAL		202,056	592,756	501,547	-	220,464	574,348

6 GLOSSARY

ABAC

This is the name given to the Commission's accounting system, which since 2005 has been enriched by accrual accounting rules. Apart from the cash-based budget accounts, the Commission produces accrual-based accounts which recognise revenue when earned, rather than when collected. Expenses are recognised when incurred rather than when paid. This contrasts with cash basis budgetary accounting that recognises transactions and other events only when cash is received or paid.

Accounting

The act of recording and reporting financial transactions, including the creation of the transaction, its recognition, processing, and summarisation in the financial statements.

Accounting Officer

The role, powers and responsibilities of the accounting officer are set out in the Financial Regulation:

- proper implementation of payments,
- collection of revenue,
- recovery of amounts and offsetting,
- keeping, preparing and presenting the accounts,
- laying down the accounting rules and methods and the chart of accounts,
- laying down and validating the accounting systems and validating systems laid down by the authorising officer to supply or justify accounting information (local systems),
- treasury management,
- designation of the Imprest Administrators,
- opening and closing bank accounts in the name of the Institution.

Administrative appropriations

Administrative appropriations cover the running costs of the Institutions and entities (staff, buildings, office equipment).

Adjustment

Amending budget or transfer of funds from one budget item to another.

Adopted budget

Draft budget becomes the adopted budget as soon as approved by the Budgetary Authority.

Cf. Budget

Agencies

EU bodies having a distinct legal personality, and to whom budget implementing powers may be delegated under strict conditions. They are subject to a distinct discharge from the discharge authority.

Amending budget

Decision adopted during the budget year to amend (increase, decrease, transfer) aspects of the adopted budget of that year.

Annuality

The budgetary principle according to which expenditure and revenue is programmed and authorised for one year, starting on 1 January and ending on 31 December.

Appropriations

Budget funding.

The budget forecasts both commitments (legal pledges to provide finance, provided that certain conditions are fulfilled) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ — differentiated appropriations — because multiannual programmes and projects

are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses. Non-differentiated appropriations apply to administrative expenditure and commitment appropriations equal payment appropriations.

Assigned revenue External/Internal

Dedicated revenue received to finance specific items of expenditure.

Main sources of external assigned revenue *are financial contributions from third countries to programmes financed by the Union.*

Main sources of internal assigned revenue are revenue from third parties in respect of goods, services or work supplied at their request, revenue arising from the repayment of amounts wrongly paid and revenue from the sale of publications and films, including those on an electronic medium.

The complete list of items constituting assigned revenue is given in the Financial Regulation Art. 21.

Authorising Officer by Delegation (AOD)

The AOD is responsible in each entity for authorising revenue and expenditure operations in accordance with the principles of sound financial management and for ensuring that the requirements of legality and regularity are complied with.

The AOD is responsible for taking all financial decision concerning actions under his/her responsibility. Particularly, he/she must take decisions to implement the budget based on his/her risk analysis.

Budget

Annual financial plan, drawn up according to budgetary principles, that provides forecasts and authorises, for each financial year, an estimate of future costs and revenue and expenditures and their detailed description and justification, the latter included in budgetary remarks.

Budget result

The difference between income received and amounts paid, including adjustments for carry-overs, cancellations and exchange rate differences.

For agencies, the resulting amount will have to be reimbursed to the funding authority as provided in the Financial Regulation for agencies.

Budget implementation

Consumption of the budget through expenditure and revenue operations.

Budget item / Budget line / Budget position

As far as the budget structure is concerned, revenue and expenditure are shown in the budget in accordance with a binding nomenclature, which reflects the nature and purpose of each item, as imposed by the budgetary authority. The individual headings (title, chapter, article or item) provide a formal description of the nomenclature.

Budgetary authority

Institutions with decisional powers on budgetary matters: for the EU institutions, the European Parliament and the Council of Ministers.

For the agencies and joint undertakings, their board is the budgetary authority.

Budgetary commitment

A budgetary commitment is a reservation of appropriations to cover for subsequent expenses.

Cancellation of appropriations

Unused appropriations that may no longer be used.

Carryover of appropriations

Exception to the principle of annuality in so far as appropriations that could not be used in a given budget year may, under strict conditions, be exceptionally carried over for use during the following year.

Commitment appropriations

Commitment appropriations cover the total cost of legal obligations (contracts, grant agreements/decisions) that could be signed in the current financial year. Financial Regulation Art. 7: *Commitment appropriations cover the total cost in the current financial year of legal obligations (contracts, grant agreements/decisions) entered into for operations extending over more than one year.*

De-commitment

Cancellation of a reservation of appropriations.

Differentiated appropriations

Differentiated appropriations are used to finance multiannual operations; they cover, for the current financial year, the total cost of the legal obligations entered into for operations whose implementation extends over more than one financial year. Financial Regulation Art. 7: *Differentiated appropriations are entered for multiannual operations. They consist of commitment appropriations and payment appropriations.*

Earmarked revenue

Revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests, including the earmarked revenue specific to each institution.

Cf. Assigned revenue

Economic result

Impact on the balance sheet of expenditure and revenue based on accrual accounting rules.

Entitlements established

Entitlements are recovery orders that the European Union must establish for collecting income.

Exchange rate difference

The difference resulting from currency exchange rates applied to the transactions concerning countries outside the euro area, or from the revaluation of assets and liabilities in foreign currency at the closure.

Expenditure

Term used to describe spending the budget from all types of funds sources.

Financial regulation (FR)

Adopted through the ordinary legislative procedure after consulting the European Court of Auditors, this regulation lays down the rules for the establishment and implementation of the general budget of the European Union.

For reference, Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union

Funds Source

Type of appropriations

Grants

Direct financial contributions, by way of donation, from the budget in order to finance either an action intended to help achieve an objective part of an EU policy or the functioning of a body, which pursues an aim of general European interest or has an objective forming part of an EU policy.

Implementation

Cf. Budget implementation

Income

Cf. Revenue

Joint Undertakings (JUs)

A legal EU-body established under the Treaty on the Functioning of the European Union. The term can be used to describe any collaborative structure proposed for the *"efficient execution of Union research, technological development and demonstration programmes"*.

Lapsing appropriations

Unused appropriations to be cancelled at the end of the financial year. *Lapsing* means the cancellation of all or part of the authorisation to make expenditures and/or incur liabilities, which is represented by an appropriation.

Only for joint undertakings, as specified in their Financial Rules, any unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years (the so-called "N+3" rule). Hence, lapsing appropriations for JUs could be re-activated until financial year "N+3".

Legal base (basic act)

The legal base or basis is, as a general rule, a law based on an article in the Treaty on the Functioning of the European Union giving competence to the Community for a specific policy area and setting out the conditions for fulfilling that competence including budget implementation. Certain articles from the treaty authorise the Commission to undertake certain actions, which imply spending, without there being a further legal act.

Legal commitment

A legal commitment establishes a legal obligation towards third parties.

Non-differentiated appropriations

Non-differentiated appropriations are for operations of an annual nature. (Financial Regulation Art. 9). In the EU Budget, non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments.

Operational appropriations

Operational appropriations finance the different policies, mainly in the form of grants or procurement.

Outstanding commitment

Outstanding commitments (or RAL, from the French 'reste à liquider') are defined as the amount of appropriations committed that have not yet been paid or legal commitments having not fully given rise to liquidation by payments. They stem directly from the existence of multiannual programmes and the dissociation between commitment and payment appropriations.

Outturn

Cf. Budget result

Payment

A payment is a disbursement to honour legal obligations.

Payment appropriations

Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years (Financial Regulation Art. 7).

RAL

Sum of outstanding commitments. Cf. Outstanding commitments

Recovery

The recovery order is the procedure by which the Authorising officer by Delegation (AOD) registers an entitlement by the Commission in order to retrieve the amount, which is due. The entitlement is the right that the Commission has to claim the sum, which is due by a debtor, usually a beneficiary.

Result

Cf. Budget result

Revenue

Term used to describe income from all sources financing the budget.

Rules of application

Detailed rules for the implementation of the financial regulation. They are set out in a Commission regulation adopted after consulting all institutions and cannot alter the financial regulation upon which they depend.

Surplus

Positive difference between revenue and expenditure (Cf. Budget result) which has to be returned to the funding authority as provided in the Financial Regulation.

Transfer

Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification. However, they are expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation. The Financial Regulation identifies different types of transfers depending on whether they are between or within budget titles, chapters, articles or headings and require different levels of authorisation.