



European Foundation for the Improvement of Living and Working Conditions

## **ACCOUNTS FOR THE YEAR 2003**

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## RECAPITULATION OF MAIN ACCOUNTING PRINCIPLES

### **1. Activity:**

The main activity of the European Foundation for the Improvement of Living and Working Conditions (EFILWC) is to contribute to the planning and establishment of better living and working conditions. It carries out its role in partnership with governments, employers, trade unions and the European Commission.

### **2. Basis of presentation:**

#### **2.1 True and fair view:**

The accounts are kept in accordance with the requirements of the Foundation's Financial Regulations (FR) and the rules for the Implementation of the Financial Regulations (IFR) which were adopted the 28<sup>th</sup> March 2003 by the Administrative Board, and in accordance with the Accounting manual of the European Commission.

The Financial year begins on 1<sup>st</sup> January 2003 and ends on 31<sup>st</sup> December 2003.

The accounts are kept in euro in accordance with Article 213 of IFR. Transactions are converted into euro at monthly accounting rates published in the European Commission's internal document "Infor-Euro".

The euro conversion rate used in preparing the balance sheet is that of the 31st December 2003 (1 EUR = IEP 0,787564) except for carry overs some of which are required to cover commitments in national currencies which are converted into euro at the monthly accounting rates for December. No subsequent reassessment of the total value of these carry overs in euro is permitted.

#### **2.2 Comparability:**

The figures for the year 2003 have been presented in accordance with last year's figures.

#### **2.3 Grouping of accounts:**

For clarity, the accounts are presented in a summarised form. Where appropriate, an analysis is provided in the relevant notes to the accounts.

### **3. Accounting policies:**

#### **3.1. The criteria of cash:**

The EFILWC applies the criteria of cash when recording revenues and expenditures, meaning that only amounts which have been collected or paid by the 31<sup>st</sup> December are booked in the profit and loss account.

From the year 2005 onwards, the EFILWC will apply the accrual criteria.

### 3.2. The principle of prudence:

The EFILWC applies the principle of prudence, meaning that foreseeable risks and contingent liabilities are entered into the accounts.

### 3.3. The going-concern principle:

The EFILWC considers that the agency will continue its activity almost indefinitely.

### 3.4. The entry principle:

The EFILWC enters transactions into the accounts as and when the ensuing rights or obligations arise.

### 3.5. The acquisition-cost principle:

In general, all goods and rights are entered into the accounts at their acquisition price or at their cost price.

### 3.6. The non offsetting principle:

The EFILWC does not offset assets against liabilities.

## ANALYSIS OF FINANCIAL MANAGEMENT

### 1. Summary table of expenditure for financial year 2003 (in euro)

	TOTAL	TITLE I Staff Expenditure	TITLE 2 Administrative Expenditure	TITLE 3 Operating Expenditure
<b><u>Appropriations available</u></b>				
- Final appropriations for the financial year 2003	16,800,000	9,046,650	1,200,750	6,552,600
<b><u>Utilisation of appropriations</u></b>				
Commitments amounted to	16,764,060	9,039,110	1,191,858	6,533,092
Leaving to be cancelled an amount	20,788	7,540	8,891	4,578
Percentage utilised	99.9%	99.9%	99.3%	99.7%
Percentage cancelled	0.1%	0.1%	0.7%	0.3%
<b><u>Utilisation of appropriations carried over from 2002</u></b>				
Appropriations carried over	4,003,888	215,704	682,807	3,105,377
Payments from carryovers amounted to	3,885,725	203,383	640,421	3,041,919
Leaving to be cancelled an amount of	118,164	12,321	42,385	63,458
Percentage utilised	97%	94%	94%	98%
Percentage cancelled	3%	6%	6%	2%

### 2. General appraisal regarding implementation of the 2003 Budget

2.1 Appropriations for the Financial Year: the appropriations entered in the budget for the financial year 2003, amounting to EUR 16,800,000, are the same by comparison with budgetary appropriations for the financial year 2002 of EUR 16,800,000 (supplementary budget of EUR 590,000 excluded). Appropriations cancelled, amounting to EUR 20,788, represented 0.11% of final appropriations.

The commitments entered for the financial year 2003, amounting to EUR 16,764,060 represented 99.9% of final appropriations.

2.2 The utilisation of appropriations carried over from the financial year 2002 to the financial year 2003 (EUR 4,003,888) amounted to 97%.

### **3. Analysis of the utilisation of appropriations and principal variances as compared with the financial year 2002**

- 3.1 **Title I:** The utilisation of Title I appropriations on the basis of commitments amounted in 2003 to 99.9%, compared with 99.7% in the preceding financial year.

By comparison with the financial year 2002 the final appropriations committed decreased by EUR 288,060 or 3%.

Major decreases were shown in Article 117 – Suppl. services (-36 %) and Chapter 13 – Missions (-23%).

- 3.2 **Title II:** The utilisation of Title II appropriations on the basis of commitments amounted in 2003 to 99.3% compared with 99.7% in the preceding financial year.

By comparison with the financial year 2002, the final appropriations committed increased by 15%.

An increase was shown in Article 201 – Insurance – in the amount of EUR 29,000 (+87 %); 204 – Fitting out of premises - in the amount of EUR 46,400 (2002 supplementary budget excluded); Chapter 24 – Postage and telecommunications charges – in the amount of EUR 38,370 (+44%).

Decreases were shown in Chapter 23 – Current Administrative expenditure – in the amount of EUR 35,190 (-36%).

- 3.3 **Title III:** The utilisation of Title III appropriations on the basis of commitments, amounted in 2003 to 99.9%, compared with 99.9% in the preceding financial year.

By comparison with the financial year 2002, the final appropriations committed increased by EUR 153,000 or 2%.

Increases were shown in Article 300 – Establishment of operational documentation – in the amount of EUR 53,500 (+12%); Article 303 – Studies and pilot schemes – in the amount of EUR 596,330 (+21%).

Decreases were shown in Article 301 – Dissemination of information – in the amount of EUR 210,550 (-7%).

4. **Comparative table of commitments 2002/2003**

		<b>Appropriations</b>	<b>Commitments</b>	
<b>Title</b>		<b>2003</b>	<b>2003</b>	<b>2002</b>
<b>I</b>	Staff	9,046,650	9,039,110	9,327,169
<b>II</b>	Administrative Expenses	1,200,750	1,191,858	1,620,776
<b>III</b>	Operating Expenditure – Improvement of Living and Working Conditions	6,552,600	6,547,972	6,394,973
	<b>TOTAL</b>	<b>16,800,000</b>	<b>16,778,940</b>	<b>17,342,918</b>

**5. Application of Appropriations for the Financial Year 2003 by Title**

EUR

<b>Title</b>	<b>Carry Overs from 2002 Art. 6.1c</b>	<b>Payments from Carry Overs</b>	<b>Cancelled</b>	<b>Appropriations for the Financial Year 2003</b>	<b>Commitments for the Financial Year 2003</b>	<b>Payments for the Financial Year 2003</b>	<b>Carry Overs from 2003 Art. 6.1c</b>	<b>Cancelled</b>
I Staff	215,703.63	203,383.00	12,320.63	9,046,650.00	9,039,109.82	8,926,829.55	108,364.84	7,540.18
II Administration Expenses	682,806.61	640,421.53	42,385.08	1,200,750.00	1,191,858.41	967,760.39	224,099.01	8,891.59
III Operating Expenditure - Improvement of Living & Working Conditions	3,105,377.26	3,041,919.95	63,457.31	6,552,600.00	6,533,091.85	3,733,015.78	2,817,160.98	4,628.24
<b>TOTAL</b>	<b>4,003,887.50</b>	<b>3,885,724.48</b>	<b>118,163.02</b>	<b>16,800,000.00</b>	<b>16,764,060.08</b>	<b>13,627,605.72</b>	<b>3,149,624.83</b>	<b>21,060.01</b>