



Annual Accounts Financial Year 2025

These accounts have been drawn up by the Accounting Officer on 22 May 2026. The opinion of the Management Board was given on 25 June 2026.

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 2026.

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

26/06/2026

Signed by:
David Maddocks
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David Maddocks
Accounting Officer

26/06/2026

Signed 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 25 June 2026:

'The Management Board takes note of Eurofound's Final Accounts for the year 2025.

The Management Board acknowledges the clean audit opinion of the external audit firm and the preliminary observation of the Court and requests Eurofound to follow up on it.

The Management Board gives a positive opinion on the Final Accounts for 2025 and invites the Executive Director and 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 2025

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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 2025 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**

22 May 2026

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.

Eurofound's multiannual work programme for 2025–2028 will be defined by profound transformation across Europe, driven by four major drivers:

- climate change
- technological innovation
- demographic shifts
- re-globalisation

Together, these megatrends are reshaping the economic, social, and geopolitical landscape with a speed and complexity that require both adaptability and long-term vision. Eurofound's new multiannual research programme responds to this context by providing timely, evidence-based insights to support policymakers, social partners, and institutions in navigating these transitions.

Climate change remains a central challenge, with Europe experiencing escalating extreme weather events and the far-reaching societal and economic implications of the transition to climate neutrality. The European Green Deal frames this shift, which will significantly influence employment structures, job quality, living conditions, and competitiveness. Equally transformative is technological change: automation, digitalisation, and the rapid deployment of artificial intelligence are reshaping work organisation, skills requirements, public service delivery, and everyday life. While these technologies offer opportunities to boost productivity and inclusion, they also introduce new risks around inequality, privacy, and the digital divide.

Demographic pressures—ageing populations, evolving migration patterns, and shrinking labour supply—intensify demands on labour markets, social protection systems, and essential public services. At the same time, geopolitical tensions and shifts in global supply chains have prompted a reassessment of economic security, strategic autonomy, and Europe's position in global markets. These challenges do not act in isolation; they reinforce one another, generating complex impacts across regions, sectors, and social groups. Addressing them requires a systemic, holistic approach.

Eurofound's work programme adopts such an approach, applying a matrix framework that examines how each megatrend affects the Agency's four mandate areas: working conditions, industrial relations, employment and labour markets, and living conditions. The research agenda for the coming years focuses on five cross-cutting challenges shaping Europe's future: increasing population diversity and the need for inclusion; sectoral and occupational restructuring; accelerating automation and AI; pressures on public services and social benefits; and widening geographical inequalities.

To support evidence-based policymaking, Eurofound will continue to deliver high-quality comparative data through its flagship surveys—the European Working Conditions Survey, European Quality of Life Survey, and European Company Survey—supported by methodological updates and complementary data sources. The Agency will also maintain extensive cooperation with EU institutions, social partners, and international organisations to ensure that its evidence reflects emerging risks and evolving policy priorities.

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 2025

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	31.12.2025	31.12.2024
<i>EUR</i>			
NON-CURRENT ASSETS			
<i>Intangible assets</i>	2.1	0	0
<i>Property, plant and equipment</i>	2.2	795,946	773,917
		795,946	773,917
CURRENT ASSETS			
<i>Exchange receivables and non-exchange recoverables</i>	2.3	8,032,086	5,172,814
<i>Accrued income</i>	2.4	21,958	10,784
<i>Cash and cash equivalents</i>	2.5	95,765	79,491
		8,149,809	5,263,089
TOTAL ASSETS		8,945,755	6,037,006
NON-CURRENT LIABILITIES			
<i>Long-term Payables</i>	2.6	(1,492,495)	(94,607)
		(1,492,495)	(94,607)
CURRENT LIABILITIES			
<i>Payables</i>	2.6	(1,493,915)	(321,386)
<i>Accrued charges and deferred income</i>	2.7	(1,344,000)	(1,361,014)
		(2,837,915)	(1,682,400)
TOTAL LIABILITIES		(4,330,409)	(1,777,007)
NET ASSETS		4,615,345	4,259,999
<i>Accumulated surplus</i>		4,259,999	3,840,893
<i>Economic result of the year</i>		355,346	419,106
NET ASSETS		4,615,345	4,259,999

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2025	EUR 2024
REVENUE			
Revenue from non-exchange transactions			
<i>Subsidy of the Commission</i>	3.1	25,431,323	24,722,586
<i>Miscellaneous income</i>	3.1	14,000	250
		25,445,323	24,722,836
Revenue from exchange transactions			
<i>Other sales and revenue</i>	3.2	82,107	465,136
<i>Income from sale of fixed assets</i>	3.2	0	21,500
<i>Administrative Revenue with other consolidated entities</i>	3.2	19,041	0
<i>Miscellaneous revenue</i>	3.2	2,887	0
		104,035	486,636
Total revenue		25,549,358	25,209,472
EXPENSES			
<i>Operating costs</i>	3.3	(5,333,539)	(5,522,878)
<i>Staff costs</i>	3.4	(16,825,644)	(16,419,875)
<i>Other expenses</i>	3.5	(3,034,829)	(2,847,613)
Total expenses		(25,194,012)	(24,790,366)
ECONOMIC RESULT OF THE YEAR		355,346	419,106

CASHFLOW STATEMENT³

	EUR	
	2025	2024
<i>Economic result of the year</i>	355,346	419,106
Operating activities		
<i>Depreciation and amortization</i>	113,543	123,093
<i>(Increase)/Decrease in exchange receivables and non-exchange recoverables</i>	(2,870,446)	809,902
<i>Increase/(Decrease) in payables</i>	(6,263)	7,014
<i>Increase/(Decrease) in accrued charges & deferred income</i>	(7,057)	(722,145)
<i>Increase/(Decrease) in Liabilities related to consolidated EU entities</i>	2,566,722	(452,938)
Investing activities		
<i>Increase in intangible assets and property, plant and equipment</i>	(135,572)	(158,318)
NET CASHFLOW	16,274	25,714
<i>Net increase in cash and cash equivalents</i>	16,274	25,714
<i>Cash and cash equivalents at the beginning of the year</i>	79,491	53,777
<i>Cash and cash equivalents at year-end</i>	95,765	79,491

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 31.12.2023	4,416,195	(575,302)	3,840,893
<i>Allocation 2023 economic result</i>	<i>(575,302)</i>	<i>575,302</i>	<i>-</i>
<i>Economic result of the year</i>	<i>-</i>	<i>419,106</i>	<i>419,106</i>
BALANCE AS AT 31.12.2024	3,840,893	419,106	4,259,999
<i>Allocation 2024 economic result</i>	<i>419,106</i>	<i>(419,106)</i>	<i>-</i>
<i>Economic result of the year</i>	<i>-</i>	<i>355,346</i>	<i>355,346</i>
BALANCE AS AT 31.12.2025	4,259,999	355,346	4,615,345

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	31.12.2025	31.12.2024	Currency	31.12.2025	31.12.2024
BGN	1.9558	1.9558	PLN	4.221	4.275
CZK	24.237	25.185	RON	5.0968	4.9743
DKK	7.4689	7.4578	SEK	10.8215	11.459
GBP	0.8726	0.82918	CHF	0.9314	0.9412
HUF	385.15	411.35	JPY	184.09	163.06
NOK	11.843	11.795	USD	1.175	1.0389

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 incurrance 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.

1.7. NEW EU ACCOUNTING RULES (EAR)

New EAR which are effective for annual periods beginning on or after 1 January 2025

On 12 December 2025 the Accounting Officer of the European Commission adopted a targeted amendment of EAR 1 'Financial Statements'. The amendment, which is effective for reporting periods beginning on or after 1 January 2025, introduced changes to the guidance on the Segment Report. As the European Foundation for the Improvement of Living and Working Conditions is not obliged to, and does not prepare, a Segment Report, the amendment has no impact on these annual accounts.

New EAR adopted but not yet effective at 31 December 2025

EAR 8 (revised 2025)

On 15 April 2025 the Accounting Officer of the European Commission adopted the revised EAR 8 'Leases', which is effective for accounting periods beginning on or after 1 January 2027. The revised EAR 8 has been updated in line with IPSAS 43 'Leases' (including the amendment 'Concessionary Leases and Other Arrangements Conveying Rights over Assets'). The main change as compared to the current EAR 8 is the introduction of a right-of-use recognition and measurement model, which requires lessees to recognise all leases, including concessionary leases, on the balance sheet, unless the short-term or low-value exemption applies. The current distinction of leases as either operating leases or finance leases, with only the latter recognised on the balance sheet, will no longer be applicable. For lessors, the revised EAR 8 largely carries forward the existing accounting requirements, with additional guidance and clarifications. Consequently, the initial application of the revised EAR 8 is expected to result in more leases being recognised on the balance sheet, with a corresponding increase in right-of-use assets and lease liabilities. The impact of the revised EAR 8, including on concessionary leases and other relevant arrangements, will continue to be assessed over the 2026 calendar year prior to the 1 January 2027 effective date.

EAR 1 (revised 2025)

On 15 April 2025 the Accounting Officer of the European Commission adopted the amended EAR 1 'Financial Statements', which is effective for accounting periods beginning on or after 1 January 2027. The amendment aims at ensuring a consistent classification of all borrowings within financing activities, including those related to leases, the acquisition of property, plant and equipment, and back-to-back operations, all of which are currently classified within operating activities. The European Foundation for the

Improvement of Living and Working Conditions does not expect to be affected by the initial application of the revised EAR 1, as it is not engaged in the relevant financing activities.

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. INTANGIBLE ASSETS

	EUR
	TOTAL
Gross carrying amount at 31.12.2024	795
Disposals	0
Gross carrying amount at 31.12.2025	795
Accumulated amortisation at 31.12.2024	(795)
Amortisation charge for the year	0
Disposals	0
Accumulated amortisation at 31.12.2025	(795)
NET CARRYING AMOUNT AT 31.12.2025	0
NET CARRYING AMOUNT AT 31.12.2024	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 31.12.2024	8,504,144	70,456	684,436	563,514	815,320	10,637,870
Additions	98,737	-	-	21,855	14,980	135,572
Disposals	(8,302)	-	(4,579)	(214,416)	(44,462)	(271,759)
Gross carrying amount at 31.12.2025	8,594,579	70,456	679,857	370,953	785,838	10,501,683
Accumulated depreciation at 31.12.2024	(7,835,136)	(69,570)	(619,352)	(533,005)	(806,890)	(9,863,953)
Depreciation charge for the year	(65,628)	(818)	(19,188)	(21,415)	(4,999)	(112,048)
Write-back of depreciation	-	-	-	-	-	-
Disposals	6,807	-	4,579	214,416	44,462	270,264
Accumulated depreciation at 31.12.2025	(7,893,957)	(70,388)	(633,961)	(340,004)	(767,427)	(9,705,737)
NET CARRYING AMOUNT AT 31.12.2025	700,622	68	45,896	30,949	18,411	795,946
NET CARRYING AMOUNT AT 31.12.2024	669,008	886	65,084	30,509	8,430	773,917

The additions consist of a boiler upgrade for the conference centre, a new fire suppression unit and some ICT equipment. Disposals in the year consist of the previous fire suppression unit, some furniture, laptops and other obsolete ICT equipment.

2.3. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

		EUR	
	Note	31.12.2025	31.12.2024
Current			
Receivables from exchange transactions	2.3.1	8,031,457	5,172,302
Recoverables from non-exchange transactions	2.3.2	629	512
Total		8,032,086	5,172,814

2.3.1. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	EUR	
	31.12.2025	31.12.2024
Current		
<i>Central Treasury liaison accounts</i>	7,525,143	4,745,260
<i>Deferred charges relating to exchange transactions</i>	485,315	354,159
<i>Staff</i>	20,856	72,873
<i>Other receivables</i>	143	10
Total	8,031,457	5,172,302

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 2025 pro-rata costs for insurance policies, software licences and subscriptions to journals and publications. Part of the cost was expensed in 2025 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 salaries and allowances.

Other receivables includes bank charges and a direct debit payment to be regularised.

2.3.2. RECOVERABLES FROM NON-EXCHANGE TRANSACTIONS

	EUR	
	31.12.2025	31.12.2024
Current		
<i>Member States</i>	629	512
Total	629	512

Recoverables from Member States represent a small sum owed by the local authority, together with an amount of VAT to be recovered.

2.4. ACCRUED INCOME

	EUR	
	31.12.2025	31.12.2024
<i>Accrued income</i>	21,958	10,784

Eurofound is due the amount of EUR 4,585 for the reimbursement of legal costs. The amount of EUR 9,569 is due from a technology supplier in the form of credit notes. In November 2024, Eurofound signed a service level agreement with the European Institute for Gender Equality (EIGE) for the provision of data protection services. As at 31 December 2025, the amount of EUR 6,116 was owed to Eurofound for services provided in the second half of the year. The remainder of the balance includes reimbursement of electricity costs for the electric car chargers on site and reimbursement of mission costs from the organisers.

2.5. CASH AND CASH EQUIVALENTS

	EUR	
	31.12.2025	31.12.2024
<i>Imprest accounts</i>	95,765	79,491
Total	95,765	79,491

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 low value 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	
	31.12.2025	31.12.2024
<i>Pre-financing received from EC - operating subsidy – Short Term</i>	1,484,041	315,206
<i>Pre-financing received from EC - operating subsidy – Long Term</i>	1,492,495	94,607
<i>Other Payables</i>	9,874	6,180
Total	2,986,410	415,993

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 ordinary budget was fully executed and therefore no monies are to be returned to the Commission.

The pre-financing liability related to the operating subsidy comprises a balance of EUR 176,728 from DG NEAR for the Instrument for Pre-Accession Assistance (IPA). In 2025 Eurofound signed four Service Level Agreements (SLAs) and one Contribution Agreement (CA) with DG EMPL. Open prefinancing at the year end is EUR 2,799,808. The agreements cover several years, therefore the amount of open prefinancing is split pro-rata across the remainder of the periods, with 12 months classified as a current liability (short term) and the remaining months classified as a non-current liability (long term).

Other payables consists of an anticipated invoice of EUR 9,874 due in 2026 for a ten percent retention of the conference centre boiler upgrade costs.

2.7. ACCRUED CHARGES

	EUR	
	31.12.2025	31.12.2024
<i>Accrued charges</i>	1,343,282	1,360,213
<i>Other passive accruals and deferrals</i>	718	801
Total	1,344,000	1,361,014

Accrued charges are the amounts estimated by the authorising officer of costs incurred for services and goods delivered in year 2025 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 1,001,707 and staff expenses of EUR 341,575 for untaken leave.

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

3.1. NON-EXCHANGE REVENUE

	EUR	
	31.12.2025	31.12.2024
<i>Balancing subsidy of the Commission</i>	24,902,111	24,329,758
<i>Operating subsidy of the Commission</i>	529,212	392,828
<i>Miscellaneous income</i>	14,000	250
Total	25,445,323	24,722,836

The balancing subsidy of the Commission relates to the ordinary budget of the agency received from DG EMPL and amounts to EUR 24,902,111 in 2025.

The operating subsidy relates to projects funded outside of the ordinary budget of the agency and comprises of EUR 201,702 from DG NEAR for the Instrument for Pre-Accession Assistance (IPA). The remainder of the balance of operating subsidy is made up of revenue from three Service Level Agreements (SLAs) signed with DG EMPL. The amounts are EUR 71,022 for the SLA on Network for Analysis of Social Dialogue, EUR 130,098 for the SLA on Database for Lower Pay Rates and EUR 126,390 for the SLA on Reduction of Working Time. Unused amounts are recorded as pre-financing liabilities under accounts payable (see note 2.6 above) and are to be reimbursed to the Commission. The corresponding accrued expenses will be recorded in the financial statements of the Commission.

Miscellaneous Income of EUR 14,000 was a grant received from Ireland's national sustainable energy authority (SEAI) following the installation of solar panels in 2024.

3.2. EXCHANGE REVENUE

	EUR	
	31.12.2025	31.12.2024
<i>Other Sales and Revenue</i>	82,107	465,136
<i>Other Income – Fixed Assets</i>	0	21,500
<i>Administrative Revenue with other consolidated entities</i>	19,041	0
<i>Miscellaneous income</i>	2,887	0
Total	104,035	486,636

Other Sales and Revenue is comprised of EUR 82,107 from Norway for its contribution to the Network of Eurofound Correspondents survey (NEC). Administrative Revenue of EUR 19,041 arises from Data Protection services provided to the European Institute for Gender Equality (EIGE). Miscellaneous income of EUR 2,887 is from royalties arising from Eurofound's publications.

EXPENSES

3.3. OPERATING COSTS

	EUR	
	31.12.2025	31.12.2024
<i>Operating costs</i>	5,333,539	5,522,878

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 2025.

3.4. STAFF COSTS

EUR

	31.12.2025	31.12.2024
<i>Staff costs</i>	16,825,644	16,419,875

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

	31.12.2025	31.12.2024
<i>Fixed Asset related expenses</i>	113,543	123,093
<i>Rent of Land & Buildings</i>	28,282	27,417
<i>Maintenance & Security</i>	607,205	561,565
<i>Insurance - Building</i>	28,404	32,699
<i>Office Supplies</i>	1,799	1,188
<i>Legal Expenses</i>	2,562	13,752
<i>Communications</i>	11,405	24,083
<i>Insurance - Others</i>	26,198	15,335
<i>Car & Transport expenses</i>	140	895
<i>Recruitment Costs</i>	9,583	0
<i>Training costs</i>	63,646	110,656
<i>Missions</i>	139,026	116,737
<i>IT Costs</i>	619,454	669,577
<i>Other external service provider (non-IT)</i>	242,544	242,973
<i>Expenses with other Consolidated Entities</i>	1,140,571	907,197
<i>Other Financial Expenses</i>	467	446
Total	3,034,829	2,847,613

Fixed asset related expenses are mainly for the 2025 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

EUR

	31.12.2025	31.12.2024
<i>Outstanding commitments not yet expensed</i>	7,458,826	3,970,749

The outstanding commitments not yet expensed comprises the budgetary RAL ('Reste à Liquider') less related amounts that have been included as expenses in the 2025 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.

	31.12.2025	31.12.2024
<i>Executive Director</i>	AD14	AD14

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 2025, the financial assets are composed of exchange receivables and non-exchange recoverables. At 31 December 2025 financial liabilities are composed of accounts payable. At 31 December 2025 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 2025 financial assets comprise entirely of cash and cash equivalents, exchange receivables and non-exchange recoverables that are neither past due nor impaired of EUR 7,659,136.

Financial assets by risk category

Cash in the bank of EUR 95,765 relate to entities with lower medium grade and EUR 7,563,371 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 32,143.

EUROPEAN FOUNDATION FOR THE IMPROVEMENT OF
LIVING AND WORKING CONDITIONS
FINANCIAL YEAR 2025

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 2025 amounting to EUR 25,200,000 was adopted by the Management Board of Eurofound on 20 December 2024.

The Management Board approved the 2025 budget amendment on 23 December 2025. The revised appropriations were aligned as closely as possible with the expected final budget outturn for the year. Final general appropriations were EUR 144,586 lower than in the original budget.

Overall, general Title 1 appropriations were reduced by EUR 205,006 compared to the original budget. This adjustment was primarily due to a lower-than-projected statutory increase in basic salaries. While a 1.2% salary increase had already been announced in 2024 as a residual increase from 2024 and took effect on 1 April 2025, the anticipated annual adjustment of 4.6% was revised down to 3.0%, effective 1 July 2025. Unlike previous years, the Irish country coefficient remained unchanged at 130.7.

Within Title 1, certain budget lines saw increases, leading to the reallocation of additional funds. Specifically, actual expenditures for outsourced services (budget line 1175 'Work Sent Out') rose by EUR 109,661, while spending on contract agents (budget line 1121 'Contract Agents') increased by EUR 108,758.

The increase of general Title 2 appropriations results from additional investments required on facilities management services and IT infrastructure. Final ICT expenditure of EUR 1,021,440 (in budget line 'IT hardware, software and services' included final instalments totalling to EUR 150,000 to the Commission for onboarding new SUMMA financial software in 2027. Overall, general Title 2 appropriations were increased by EUR 122,431.

In title 3, there were several funding reallocations. A transfer of approximately EUR 450,000 from the funding reserved for 'Ad-hoc' requests was made to secure the budget required for 'Preparation of EQLS 2026' required. Furthermore, EUR 99,991 was transferred for the organisation of the joint Foundation Forum / Management Board meeting in November (in budget line 'Events & meetings') for which the main funds were transferred from 'Management Board' (in budget line 3042). Overall, general Title 3 appropriations decreased by EUR 52,010

The final amended budget of Eurofound was EUR 28,219,531 in 2025. 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 25,055,414 constitute the final general C1 appropriations in ABAC.

Cashed recoveries totalling EUR 36,700 have been appropriated as C4 funds in ABAC. The primary sources of these funds include a EUR 14,000 grant from the Sustainable Energy Authority of Ireland (SEAI) for the installation of solar panels in previous years, and EUR 12,950 from Data Protection Officer (DPO) services

provided to another EU agency (EIGE). These amounts are recorded as internal assigned revenue under budget lines IC4 – 5400 ‘Miscellaneous’ and IC4 – 6000 ‘Services Rendered’.

Overall, EUR 3,127,318 were received from four new Service-Level-Agreements and one Contribution agreement with the Commission. They are available in Eurofound’s R0 appropriations arising from external assigned revenue in budget line IR1 – 6000 ‘Services Rendered’.

General C1 budget appropriations available for activities authorised in the Programming Document 2025 amounted to EUR 25,055,414. Final commitments made from C1 appropriations were EUR 25,055,414.

The final budget implementation rate measured by commitments made from C1 budget appropriations is 100% (in 2024: 100%) whereas the final execution of payments is 82.8 %. Remaining payments in carry forward commitments (RAL) are to be made in 2026.

The actual payment related to general appropriations carried forward (RAL) totalled EUR 4,311,811, representing 17.2% of the final C1 appropriation. This amount exceeded the original expectation of EUR 3,082,200 by EUR 1,229,610. For comparison, in 2024, EUR 3,700,070 (15.1% of C1 appropriations) were carried forward. The main reasons for the increase of carry-forward appropriations resulted from a change in the assumptions made prior to contract signature of the first payment instalment for the project ‘Preparing for the EQLS 2026’ (ca. EUR 700,000); later-than expected payments to Network of Correspondents (ca. EUR 190,000) and late commitments made for Ad-Hoc services requested by the Commission (ca. EUR 150,000).

Additionally, a remaining budget surplus was reallocated at year-end to essential facilities management services, including building maintenance and EMAS investments under Title 2. This reallocation contributed a further increase of nearly EUR 50,000 to the carry-forward appropriations (budget line 2031 ‘Facilities Management Services’).

2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

	Title	2025	2024
<i>EUR</i>			
Revenue			
Balancing Commission subsidy		24,902,111	24,329,758
Misc. revenue - general		0	21,500
Misc. revenue – internal assigned		24,513	38,092
Other revenue from admin. operations		3,137	630
Services rendered - General		82,107	75,089
Services rendered – Internal assigned revenue		12,925	2,250
Services rendered – External assigned revenue		3,127,318	401,547
	TOTAL REVENUE (a)	28,152,111	24,868,866
Expenditure			
<i>Staff</i>	1		
Payments		(17,229,955)	(16,883,114)
Appropriations carried over to the following year		(466,330)	(113,481)
<i>Administrative Expenses</i>	2		
Payments		(1,708,894)	(1,516,534)
Appropriations carried over to the following year		(275,875)	(600,571)
<i>Operating Expenses</i>	3		
Payments		(2,795,740)	(3,378,338)
Appropriations carried over to the following year		(6,716,620)	(3,991,260)

TOTAL EXPENDITURE (b)	(29,193,414)	(26,483,298)
OUTTURN FOR THE FINANCIAL YEAR (a-b)	(1,041,303)	(1,614,432)
Cancellation of unused payment appropriations carried over from year n-1	68,059	97,127
Adjustment for carry-over from previous year appropriations available at 31.12 arising from assigned revenue	973,244	1,517,305
Exchange differences for the year (gain +/loss -)	0	0
BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR	0	0
Balance year N-1	0	14,028
Positive balance from year N-1 reimbursed in year N to the Commission	0	(14,028)
Result used for determining amounts in general accounting	0	0
Commission subsidy - agency registers accrued revenue / Commission accrued expense	24,902,111	24,329,758
Pre-financing remaining open to be reimbursed by agency to Commission in 2025	0	0

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

	EUR
	2025
ECONOMIC RESULT OF THE YEAR	355,346
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	
<i>Adjustments for accrual cut-off (net)</i>	(159,259)
<i>Depreciation of intangible and tangible assets</i>	113,543
<i>Pre-financing received in previous year and cleared in the year</i>	(201,702)
<i>Payments made from carry-over of payment appropriations</i>	3,633,488
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	
<i>Asset acquisitions (less unpaid amounts)</i>	(125,698)
<i>New pre-financing received in 2025 and remaining open at 31.12</i>	2,799,808
<i>Payment appropriations carried over to 2026</i>	(7,458,826)
<i>Cancellation of unused carried over payment appropriations from previous year</i>	68,059
<i>Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue</i>	973,244
<i>Total</i>	1,997
BUDGET RESULT OF THE YEAR	0
<i>Delta not explained</i>	1,997

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	24,902,111	24,902,111	24,902,111	-
5400 – IC1	Miscellaneous Revenue	-	-	-	-
5400 – IC4	Miscellaneous Revenue – Assigned	23,875	25,013	24,513	500
5900 – IC1	Other Revenue from admin. operations	3,137	3,137	3,137	-
6000 – IC1	Services Rendered – General	150,166	82,107	82,107	-
6000 – IC4	Services Rendered – Internal Assigned	12,925	12,925	12,925	-
6000 – IR1	Services Rendered – External Assigned	3,127,318	3,127,318	3,127,318	-
Total		28,219,532	28,152,611	28,152,111	500

5. IMPLEMENTATION OF BUDGET EXPENDITURE

5.1 2025 Budget Execution – C1, C4, R0 Appropriations

EUR

Item	2025 Final Appropriation	Committed Amount	% Committed	Paid Amount	% Paid	Carry forward to 2025	% Carry Forward	Cancellation of Appropriations
	1	2	3=2/1	4	5=4/2	6	7=6/2	8
1100 Basic salaries	8,980,024	8,980,024	100%	8,980,024	100%	-	0%	-
1100 Basic salaries – C4	12,925	-	0%	-	n/a	12,925	1%	-
1101 Family allowances	1,183,028	1,183,028	100%	1,183,028	100%	-	0%	-
1101 Family allowances – R0	7,936	7,936	100%	7,936	100%	-	0%	-
1102 Expatriation allowances	1,264,260	1,264,260	100%	1,264,260	100%	-	0%	-
1103 Secretarial allowances	1,261	1,261	100%	1,261	100%	-	0%	-
1120 Further training for staff	88,831	88,831	100%	72,693	82%	16,138	18%	-
1121 Contract agents	608,758	608,758	100%	608,758	100%	-	0%	-
1121 Contract agents – R0	44,711	44,711	100%	44,711	100%	-	0%	-
1130 Insurance against sickness	334,684	334,684	100%	334,684	100%	-	0%	-
1130 Insurance against sickness – R0	1,606	1,606	100%	1,606	100%	-	0%	-
1131 Insurance against accident	37,442	37,442	100%	37,442	100%	-	0%	-
1131 Insurance against accident – R0	180	180	100%	180	100%	-	0%	-
1132 Unemployment insurance	74,491	74,491	100%	74,491	100%	-	0%	-
1132 Unemployment insurance – R0	358	358	100%	358	100%	-	0%	-
1141 Travel expenses for annual leave	251,879	251,879	100%	251,879	100%	-	0%	-
1150 Overtime						-	0%	-
1175 Other services & work sent out	509,661	509,661	100%	386,682	76%	122,980	24%	-
1175 Other services & work sent out – C4	2,617	-	0%	-	0%	2,617	100%	-
1175 Other services & work sent out – R0	334,690	334,690	0%	105,476	32%	229,214	100%	-
1176 Seconded officials from Member States	8,399	8,399	100%	8,399		-	0%	-
1177 Trainee officials (stagiaires)	200,058	200,058	100%	200,058	100%	0	0%	-
1177 Trainee officials (stagiaires) – R0	11,684	11,684	100%	11,684			0%	-
1180 Misc. expend. on staff recruitment	18,813	18,813	100%	8,856	47%	9,957	53%	-
1181 Travel expenses	4,792	4,792	100%	4,792	100%	-	0%	-
1182 Installation & resettlement allowances	46,890	46,890	100%	46,890	100%	-	0%	-
1183 Removal expenses	13,104	13,104	100%	13,104	100%	-	0%	-

Item	2025 Final Appropriation	Committed Amount	% Committed	Paid Amount	% Paid	Carry forward to 2025	% Carry Forward	Cancellation of Appropriations
1184 Temporary daily subsistence allowances	54,404	54,404	100%	54,404	100%	-	0%	-
1190 Salary weightings	3,142,850	3,142,850	100%	3,142,850	100%	-	0%	-
1300 Mission, travel & incidental expenses	143,644	143,644	100%	138,176	96%	5,469	4%	-
1300 Mission, travel & incidental expenses – C4	2,898	1,971	68%	1,690	58%	1,208	61%	-
1400 Restaurants and canteens	137,571	137,571	100%	126,113	92%	11,459	8%	-
1410 Medical services	27,730	27,730	100%	17,550	63%	10,180	37%	-
1420 Other welfare expenditure	12,418	12,418	100%	11,012	89%	1,406	11%	-
Total Title 1 – Staff C1 only	17,144,994	17,144,994	100%	16,967,405	99%	177,589	1%	-
Total Title 1 – Staff (C1, C4, R0)	17,564,598	17,548,130	100%	17,141,045	98%	423,553	2%	-
2010 Insurance	54,463	54,463	100%	54,166	100%	297	1%	-
2010 Insurance – C4	2,133	-	0%	-	n/a	2,133	100%	-
2020 Water, gas, electricity, heating	165,106	165,106	100%	139,324	84%	25,781	16%	-
2020 Water, gas, electricity, heating – C4	2,866	-	0%	-	n/a	2,866	100%	-
2030 Cleaning and maintenance	1,210	1,210	100%	1,210	100%	-	0%	-
2031 Facilities management	446,081	446,081	100%	302,535	68%	143,546	32%	-
2040 Fitting out of premises	136,942	136,942	100%	120,777	88%	16,165	12%	-
2040 Fitting out of premises – C4	14,000	-	0%	-	n/a	14,000	100%	-
2100 Rent	28,282	28,282	100%	28,282	100%	-	0%	-
2200 Technical equipment	12,072	12,072	100%	9,590	79%	2,482	21%	-
2204 Electronic office equipment	1,021,440	1,021,440	100%	962,633	94%	58,807	6%	-
2204 Electronic office equipment – C4	3,339	3,339	100%	3,339	100%	-	0%	-
2210 Furniture	10,032	10,032	100%	4,050	40%	5,978	60%	-
2230 Vehicles and transportation	750	750	100%	140	19%	610	81%	-
2250 Library expenses, purchase of books	53,329	53,329	100%	52,454	98%	875	2%	-
2300 Stationery and office supplies	1,818	1,818	100%	1,799	99%	19	1%	-
2310 Other current administrative expenditure	17,500	17,500	100%	17,351	99%	149	1%	-
2400 Postage and delivery charges	873	873	100%	852	98%	21	2%	-
2410 Telecommunication	12,534	12,534	100%	10,385	83%	2,148	17%	-
Total Title 2 – Administration C1 only	1,962,431	1,962,431	100%	1,705,555	87%	256,876	14%	-
Total Title 2 – Administration (C1, C4, R0)	1,984,769	1,965,770	100%	1,708,894	87%	275,875	14%	-
3000 Operational documentation system	576,765	576,765	100%	384,920	67%	191,845	33%	-
3010 Publication of results of studies	162,531	162,531	100%	142,309	88%	20,222	12%	-
3012 Marketing and promotion	219,134	219,134	100%	216,461	99%	2,673	1%	-
3030 Research and study contracts	4,289,123	4,289,123	100%	833,174	19%	3,455,949	81%	-

EUR

Item	2025 Final Appropriation	Committed Amount	% Committed	Paid Amount	% Paid	Carry forward to 2025	% Carry Forward	Cancellation of Appropriations
3030 Research – assigned revenue (Other R0)	2,722,814	811,298	30%	145,098	18%	2,577,716	95%	-
3040 Events and meetings	422,991	422,991	100%	262,628	62%	160,364	38%	-
3041 Interpretation costs	6,200	6,200	100%	6,200	100%	-	0%	-
3042 Management Board	92,470	92,470	100%	71,124	77%	21,346	23%	-
3050 Translation	178,776	178,776	100%	153,827	86%	24,948	14%	-
Total Title 3 – Operational C1 only	5,947,990	5,947,990	100%	2,070,643	35%	3,877,346	65%	-
Total Title 3 – Operational (C1, C3, C4, R0)	8,670,803	6,759,288	78%	2,215,741	26%	6,455,062	74%	-
GRAND TOTAL – All Titles - C1 only	25,055,414	25,055,414	100%	20,743,603	83%	4,311,811	17%	-
GRAND TOTAL – All Titles – (C1, C4, R0)	28,220,170	26,273,187	93%	21,065,680	75%	7,154,490	25%	-

5.2 2024 Budget Execution C8, C4, C5 appropriations

C8

EUR

Item	Appropriations Carried Forward from 2024	Payments in 2025	% Paid	Cancelled	% Cancelled
	1	2	3=2/1	4	5=4/1
1120 Further training for staff	15,269	9,561	63%	5,708	37%
1175 Other services & work sent out	51,207	47,348	92%	3,858	8%
1300 Mission, travel & incidental expenses	10,605	9,873	93%	733	7%
1400 Restaurants and canteens	22,917	22,917	100%	-	0%
1410 Medical services	10,696	4,590	43%	6,106	57%
1420 Other welfare expenditure	1,092	650	60%	442	41%
Total Title 1 – Staff	111,787	94,940	85%	16,847	15%
2010 Insurance	299	299	100%	-	0%
2020 Water, gas, electricity, heating	37,982	31,007	82%	6,975	18%
2030 Cleaning and maintenance	500	500	100%	-	0%
2031 Facilities management	144,945	141,360	98%	3,585	3%
2040 Fitting out of premises	603	603	100%	-	0%
2200 Technical Equipment	1,489	780	52%	709	48%
2204 Electronic office equipment	398,509	383,773	96%	14,736	4%

C8

EUR

	Item	Appropriations Carried Forward from 2024	Payments in 2025	% Paid	Cancelled	% Cancelled
2210	Furniture	977	890	91%	87	9%
2250	Library Expenditure	2,092	478	23%	1,614	77%
2310	Other current administrative expenditure	100	100	100%	-	0%
2410	Telecommunication	13,075	9,077	69%	3,999	31%
	Total Title 2 - Administration	600,571	568,866	95%	31,705	5%
3000	Operational documentation system	252,612	252,612	100%	-	0%
3010	Publication of results of studies	9,906	9,906	100%	-	0%
3012	Marketing and promotion	130,009	129,607	100%	402	0%
3030	Studies and pilot schemes	2,552,170	2,539,575	100%	12,595	1%
3040	General costs of meetings	321	67	21%	255	79%
3042	Management Board meetings	25,472	19,393	76%	6,080	24%
3050	Translation of study reports	17,835	17,661	99%	174	1%
	Total Title 3 - Operational	2,988,326	429,245	99%	19,506	1%
	GRAND TOTAL	3,700,685	3,632,626	98%	68,059	2%

C4

	Item	New Appropriations in 2025	Committed in 2025	Payments in 2025	% Paid	Cancelled	Carried Forward to 2025
		1	2	3	4=3/1	5	6=5/1
1100	Basic Salaries	12,925	-	-	0%	-	12,925
1175	Other services & work sent out	2,617	-	-	0%	-	2,617
1300	Mission, travel & incidental expenses	2,898	1,971	1,690	68%	-	1,208
	Total Title 1 - Staff	18,440	1,971	1,690	9%	-	16,750
2010	Insurance	2,133	-	-	0%	-	2,133
2020	Water, gas, electricity, heating	2,866	-	-	0%	-	2,866
2040	Fitting out of premises	14,000	-	-	0%	-	14,000
	Total Title 2 - Administration	18,999	-	-	100%	-	18,999
	GRAND TOTAL	37,438	1,971	1,690	5%	-	35,749

C5

Item	Appropriations Carried Forward from 2024	Committed in 2025		Payments in 2025	% Paid	Cancelled/ reclassified in 2025	% Cancelled
		1	2				
1300 Mission, travel & incidental expenses	862	862	862	862	100%	-	-
Total Title 1 – Staff	862	862	862	862	100%	-	-
GRAND TOTAL	862	862	862	862	100%	-	-

5.3 2025 Budget Execution R0 appropriations – assigned revenue (Pilot Project)

Item	Carry Forward/Over Balance of 2024	New Appropriations in 2025	Commitments in 2025	Appropriations cancelled/reclassified in 2025	Payments in 2025	Carry forward/over to 2026
Pilot Project on Minimum Wage						
1100-1190 Salary related costs	199	-	-	199	-	-
Total	199	-	-	199	-	-
3010 Publications	10,757	-	-	10,757	-	-
3030 Studies and Pilot schemes	65,865	-	-	15,865	-	50,000
3040 Events and meetings	4,563	-	-	4,563	-	-
Total	81,185	-	-	31,185	-	50,000
GRAND TOTAL	81,384	-	-	31,385	-	50,000

5.4 2025 Budget Execution R0 appropriations – assigned revenue (IPA, EWCS, Other)

	Item	Carry Forward/Over Balance of 2024	New Appropriations in 2025	Commitments in 2025	Appropriations cancelled	Payments in 2025	Carry forward/over to 2026
	IPA 2018 402-940						
3030	Research and study contracts	36,202	-	-	-	-	36,202
	Total	36,202	-	-	-	-	36,202
	GRAND TOTAL	36,202	-	-	-	-	36,202

	Item	Carry Forward/Over Balance of 2024	New Appropriations in 2025	Commitments in 2025	Appropriations cancelled in 2025	Payments in 2025	Carry forward/over to 2026
	IPA 2023 700001546						
1100-1190	Salary related costs	125,825	-	125,825	-	83,908	41,917
1300	Missions	5,000	-	5,000	-	4,139	861
	Total	130,825	-	130,825	-	88,047	42,778
3010	Publications	8,259	-	8,259	-	6,262	1,997
3030	Research and study contracts	208,262	-	96,490	-	86,949	121,312
3040	Meetings and events	11,093	-	11,093	-	10,647	446
3050	Translations	33,703	-	33,703	-	16,211	17,492
	Total	261,317	-	149,545	-	120,068	141,248
	GRAND TOTAL	392,142	-	280,369	-	208,116	184,026

	Item	Carry Forward/Over Balance of 2024	New Appropriations in 2025	Commitments in 2025	Appropriations cancelled in 2025	Payments in 2025	Carry forward/over to 2026
	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	-	235,800	-	235,800	3,500
	Slovenia participation in EWCS (2024)	29,099	-	25,599	-	25,599	3,500
	Norway participation in EWCS (2024)	102,761	-	99,261	-	97,019	5,742
	Switzerland participation in EWCS (2024)	105,012	-	101,512	-	101,512	3,500
	Total	494,038	-	462,172	-	459,930	34,108

Item	Carry Forward/Over Balance of 2025	New Appropriations in 2025	Commitments in 2025	Appropriations cancelled	Payments in 2025	Carry forward/over to 2025
SLA: Network for analysis and promotion of EU social dialogue- 240003						
1100-1190	Salary related costs (Contract agent)	-	186,475	186,475	-	83,307
2204	IT Infrastructure and web	-	3,339	3,339	-	-
3030	Research and study contracts	-	1,310,053	300,000	-	1,310,053
TOTAL		-	1,499,868	489,815	-	1,393,360

Item	Carry Forward/Over Balance of 2025	New Appropriations in 2025	Commitments in 2025	Appropriations cancelled	Payments in 2025	Carry forward/over to 2025
SLA: Database on lower pay rates set in collective agreements for low paid jobs - 240002						
3030	Research and study contracts	-	178,500	130,098	-	48,402
TOTAL		-	178,500	130,098	-	48,402

Item	Carry Forward/Over Balance of 2025	New Appropriations in 2025	Commitments in 2025	Appropriations cancelled	Payments in 2025	Carry forward/over to 2025
SLA: Documenting the best practices from experiences concerning the organisation and reduction of working time in Europe - 240105						
1175	Work sent out	-	120,223	120,223	-	63,125
1177	Trainee officials (stagiaires)	-	11,684	11,684	-	-
3030	Research and study contracts	-	392,043	381,200	-	377,043
TOTAL		-	523,950	513,107	-	440,168

	Item	Carry Forward/Over Balance of 2025	New Appropriations in 2025	Commitments in 2025	Appropriations cancelled	Payments in 2025	Carry forward/over to 2025
	SLA: Productivity, employment, and wages in the age of artificial intelligence (AI) - methodologies and impacts - 250001						
1175	Work sent out	-	82,783	82,783	-	-	82,783
3030	Research and study contracts	-	442,217	-	-	-	442,217
	TOTAL	-	525,000	82,783	-	-	525,000
	Item	Carry Forward/Over Balance of 2025	New Appropriations in 2025	Commitments in 2025	Appropriations cancelled	Payments in 2025	Carry forward/over to 2025
	Contribution Agreement: Data warehouse on employment, green jobs, skills, working and living conditions and industrial relations S20250012						
3030	Research and study contracts	-	400,000	-	-	-	400,000
	TOTAL	-	400,000	-	-	-	400,000
	GRAND TOTAL	1,003,766	3,127,318	1,958,344	31,384	988,434	3,111,266

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.