

# Annual Accounts

## Financial Year 2021

These accounts have been drawn up by the Accounting Officer on 10/06/2022. The opinion of the Management Board was given on 15/06/2022.

The present annual accounts, together with the opinion of the Management Board, have been sent to the Commission's Accounting Officer, the Court of Auditors, the European Parliament and the Council on 27/06/2022.

The accounts will be published on the European Labour Authority website:

<http://www.ela.europa.eu>

27/06/2022



David Maddocks

Accounting Officer



**Decision No 10/2022  
of 15 June 2022  
of the Management Board  
On the Final Accounts for the year 2021 of the European Labour Authority**

THE MANAGEMENT BOARD OF THE EUROPEAN LABOUR AUTHORITY,

Having regard to Regulation (EU) 2019/1149 of the European Parliament and of the Council of 20 June 2019 establishing a European Labour Authority, amending Regulations (EC) No 883/2004, (EU) No 492/2011, and (EU) 2016/589 and repealing Decision (EU) 2016/3441 ("the founding Regulation") and in particular Article 28 thereof,

Whereas:

(1) Article 28(4) of the founding Regulation states that on receipt of the Court of Auditor's observations on the Authority's provisional accounts for year N, the Authority's accounting officer shall draw up the Authority's final accounts under his or her own responsibility. The Executive Director shall submit them to the Management Board for an opinion.

(2) Article 28(5) of the founding Regulation states that the Management Board shall deliver an opinion on the Authority's final accounts for year N.

(3) Article 28(6) of the founding regulation states that the Authority's accounting officer shall, by 1 July of year N + 1, send the final accounts for year N to the European Parliament, the Council, the Commission and the Court of Auditors, together with the Management Board's opinion

HAS DECIDED AS FOLLOWS

*Article 1*

The Management Board adopts following opinion on the Final Accounts for the year 2021:

The Management Board takes note of ELA's Final Accounts for the year 2021.

The Management Board :

- appreciates that the Court of Auditors gave full assurance on the reliability of the accounts and the legality and regularity of their underlying transactions.

The Management Board gives a positive opinion on the Final Accounts for 2021 and invites the Accounting Officer to forward the accounts and this opinion to the European Parliament, the Council, the Commission, and the Court of Auditors.

ELA/MB/2022/028

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.

*Article 2*

Entry into force

This Decision shall take effect on the day following its adoption.

Done at Bratislava, 15 June 2022.

For the Management Board

Tom Bevers  
(Signature)



2022.06.24

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Tom BEVERS

Chair



# Annual accounts of the European Labour Authority

## Financial year 2021

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## CERTIFICATION OF THE ACCOUNTS

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the European Labour Authority in accordance with Article 102 of the Framework Financial Regulation ('FFR')<sup>1</sup> and I hereby certify that the annual accounts of the European Labour Authority for the year 2021 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 Labour Authority's 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 Labour Authority.



David MADDOCKS

**Accounting Officer of the  
European Labour Authority**

**10 June 2022**

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<sup>1</sup> 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 EUROPEAN LABOUR AUTHORITY**

The European Labour Authority is an EU body established by Regulation (EU) 2019/1149 of the European Parliament and of the Council, which entered into force on 31 July 2019<sup>2</sup>.

The objective of the Authority shall be to contribute to ensuring fair labour mobility across the Union and assist Member States and the European Commission in the coordination of social security systems within the Union.

The Authority will improve cooperation and the effective application and enforcement of EU rules in the labour market, by carrying out its tasks in full cooperation with the Union institutions and bodies and the Member States' public institutions and bodies as well as citizens, individuals and employers, social partners and civil society, while avoiding any duplication of work and promoting synergy and complementarity.

The Authority will deliver the following essential tasks for a well-functioning European labour market:

1. Facilitate access to information to individuals and employers, and coordinate EURES;
2. Facilitate cooperation and the exchange of information between Member States with a view to the consistent, efficient and effective application and enforcement of relevant Union law;
3. Coordinate and support concerted and joint inspections;
4. Carry out analyses and risk assessment of issues of cross-border labour mobility;
5. Support Member States with capacity building regarding the effective application and enforcement of relevant Union law;
6. Support Member States in tackling undeclared work;
7. Mediate disputes between Member States on the application of relevant Union law.

This is consistent with the aim to further implement and develop the social dimension of the Union, and to promote social progress and a renewed upward social convergence through efforts at all levels aligning with the European Pillar of Social Rights jointly proclaimed by the European Parliament, the Council and the Commission in November 2017.

Ensuring fair labour mobility in Europe is central to delivering on the principles and rights of the European Pillar of Social Rights. Within its mandate, the Authority will do so by ensuring that workers' and individuals' rights to equal treatment and opportunities in the areas of labour mobility and social security coordination are enforced in cross-border situations. At the same time ELA is committed to implementing the UN Sustainable Development Goals<sup>2</sup> in all its policies, especially referring to the 8th Goal aiming at ensuring inclusive and sustainable economic growth.

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<sup>2</sup> Regulation (EU) 2019/1149 of the European Parliament and of the Council of 20 June 2019 establishing the European Labour Authority, amending Regulations (EC) No 883/2004, (EU) No 492/2011, and (EU) 2016/589 and repealing Decision (EU) 2016/344, cf. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32019R1149>

# 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

EUR

	Note	31.12.2021
<b>NON-CURRENT ASSETS</b>		
<i>Property, plant and equipment</i>	2.1	1,737,785
		<b>1,737,785</b>
<b>CURRENT ASSETS</b>		
<i>Pre-financing Opening Balance</i>	2.2	74,700
<i>Exchange receivables and non-exchange recoverables</i>	2.2	296,273
<i>Cash and cash equivalents</i>	2.3	4,008,333
		<b>4,379,306</b>
<b>TOTAL ASSETS</b>		<b>6,117,091</b>
<b>CURRENT LIABILITIES</b>		
<i>Payables and other liabilities</i>	2.4	(1,226,577)
<i>Accrued charges</i>	2.5	(4,994,473)
<i>Deferred income</i>	2.6	(120,055)
		<b>(6,341,105)</b>
<b>TOTAL LIABILITIES</b>		<b>(6,341,105)</b>
<b>NET ASSETS</b>		<b>(224,014)</b>
<i>Accumulated surplus</i>		0
<i>Economic result of the year</i>		(224,014)
<b>NET ASSETS</b>		<b>(224,014)</b>

## STATEMENT OF FINANCIAL PERFORMANCE

	Note	EUR 2021
<b>REVENUE</b>		
<b>Revenue from non-exchange transactions</b>		
<i>Subsidy of the Commission</i>	3.1	13,279,520
<i>Other</i>	3.1	74,700
		<b>13,354,220</b>
<b>Revenue from exchange transactions</b>		
<i>Exchange Rate Gains</i>	3.2	702
		<b>702</b>
<b>Total revenue</b>		<b>13,354,922</b>
<b>EXPENSES</b>		
<i>Operating costs</i>	3.3	(6,322,583)
<i>Staff costs</i>	3.4	(3,049,544)
<i>Fixed Asset related expenses</i>	3.5	(51,303)
<i>Other administrative expenses</i>	3.5	(4,154,256)
<i>Finance costs</i>	3.5	(699)
<i>Exchange Rate Losses</i>	3.5	(551)
<b>Total expenses</b>		<b>(13,578,936)</b>
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>(224,014)</b>

## CASHFLOW STATEMENT

	EUR
	2021
<i>Economic result of the year</i>	<i>(224,014)</i>
<b>Operating activities</b>	
<i>Depreciation and amortization</i>	<i>51,303</i>
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	<i>(296,273)</i>
<i>Increase/(decrease) in payables</i>	<i>688,360</i>
<i>Increase/(decrease) in accrued charges &amp; deferred income</i>	<i>5,114,528</i>
<i>Increase/(decrease) in Liabilities related to consolidated EU entities</i>	<i>538,216</i>
<i>Other non-cash movements</i>	<i>(74,700)</i>
<b>Investing activities</b>	
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	<i>(1,789,088)</i>
<b>NET CASHFLOW</b>	<b>4,008,332</b>
<i>Net increase/(decrease) in cash and cash equivalents</i>	<i>4,008,332</i>
<i>Cash and cash equivalents at the beginning of the year</i>	<i>0</i>
<i>Cash and cash equivalents at year-end</i>	<i>4,008,332</i>

## STATEMENT OF CHANGES IN NET ASSETS

	EUR		
	Accumulated Surplus/ (Deficit)	Economic result of the year	Net Assets
<b>BALANCE AS AT 31.12.2020</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<i>Allocation 2020 economic result</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
<i>Economic result of the year</i>	-	(224,014)	(224,014)
<b>BALANCE AS AT 31.12.2021</b>	<b>0</b>	<b>(224,014)</b>	<b>(224,014)</b>

## **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	31.12.2021	31.12.2020	Currency	31.12.2021	31.12.2020
<b>BGN</b>	<b>1.9558</b>	1.9558	<b>PLN</b>	<b>4.5969</b>	4.5597
<b>CZK</b>	<b>24.858</b>	26.242	<b>RON</b>	<b>4.949</b>	4.8683
<b>DKK</b>	<b>7.4364</b>	7.4409	<b>SEK</b>	<b>10.2503</b>	10.0343
<b>GBP</b>	<b>0.84028</b>	0.8903	<b>CHF</b>	<b>1.0331</b>	1.0802
<b>HRK</b>	<b>7.5156</b>	7.5519	<b>JPY</b>	<b>130.38</b>	126.4900
<b>HUF</b>	<b>369.19</b>	363.89	<b>USD</b>	<b>1.1326</b>	1.2271

### 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: amounts for employee benefit liabilities, 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.

### 1.3.4. Financial instruments

#### **Revised EAR which is effective for annual periods beginning on or after 1 January 2021**

In 2020, the Accounting Officer adopted the revised EAR 11 'Financial Instruments', which is mandatorily effective as of 1 January 2021. The revised EAR 11 is based on the new IPSAS 41 'Financial Instruments' (issued in August 2018), the amended IPSAS 28 'Financial Instruments: Presentation' and the amended IPSAS 30 'Financial Instruments: Disclosures'. It establishes the financial reporting principles for financial assets and financial liabilities. In accordance with the transition provisions of the revised EAR 11, the European Labour Authority accounts for any changes from the initial application, on 1 January 2021. The revised EAR 11 does not require the restatement of prior periods.

#### **Changes from the application of the Revised EAR 11**

The only financial instruments of the European Labour Authority are the receivables from exchange transactions. In accordance with the revised EAR 11 requirements, the European Labour Authority has classified these receivables as 'financial assets at amortised cost' ('loans and receivables' in prior periods). The European Labour Authority has applied the impairment requirements of the revised EAR 11 to the receivables, but no recognition of loss allowance in the accumulated surplus or deficit on 1 January 2021 was needed.

### 1.3.5. Pre-financing amounts

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

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

### 1.3.6. Receivables and recoverables

The EU accounting rules require a separate presentation of exchange and non-exchange transactions. To distinguish between the two categories, the term 'receivable' is reserved for exchange transactions, whereas for non-exchange transactions, i.e. when the EU receives value from another entity without directly giving approximately equal value in exchange, the term 'recoverables' is used (e.g. recoverables from Member States related to own resources).

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

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

### 1.3.7. Cash and cash equivalents

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

### 1.3.8. Provisions

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

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

### 1.3.9. Payables

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

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

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

### 1.3.10. Accrued and deferred revenue and charges

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

Expenses are also accounted for in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. The calculation of accrued expenses is done in accordance with detailed operational and practical guidelines issued by the Accounting Officer which aim at ensuring that the financial statements provide a faithful representation of the economic and other phenomena they purport to represent. By analogy, if a payment has been made in advance for services or goods that have not yet been received, the expense will be deferred and recognised in the subsequent accounting period.

## 1.4. STATEMENT OF FINANCIAL PERFORMANCE

### 1.4.1. Revenue

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

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

#### *(i) Revenue from non-exchange transactions*

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

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

#### *(ii) Revenue from exchange transactions*

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

### 1.4.2. Expenses

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

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

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

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

## **1.5. CONTINGENT ASSETS AND LIABILITIES**

### **1.5.1. Contingent assets**

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

### **1.5.2. Contingent liabilities**

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

## **1.6. CONSOLIDATION**

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

## 2. NOTES TO THE BALANCE SHEET

### ASSETS

#### 2.1. PROPERTY, PLANT AND EQUIPMENT

EUR

	Furniture and vehicles	Computer hardware	Other Fixtures	TOTAL
Gross carrying amount at 31.12.2020	-	-	-	-
Additions	56,900	134,737	1,597,451	1,789,088
Disposals	-	-	-	-
<b>Gross carrying amount at 31.12.2021</b>	<b>56,900</b>	<b>134,737</b>	<b>1,597,451</b>	<b>1,789,088</b>
Accumulated depreciation at 31.12.2020	-	-	-	-
Depreciation charge for the year	(1,216)	(15,953)	(34,134)	(51,303)
Disposals	-	-	-	-
<b>Accumulated depreciation at 31.12.2021</b>	<b>(1,216)</b>	<b>(15,953)</b>	<b>(34,134)</b>	<b>(51,303)</b>
<b>NET CARRYING AMOUNT AT 31.12.2021</b>	<b>55,684</b>	<b>118,784</b>	<b>1,563,317</b>	<b>1,737,785</b>
NET CARRYING AMOUNT AT 31.12.2020	-	-	-	-

#### 2.2. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

EUR

	Note	31.12.2021
<b>Current</b>		
Receivables from exchange transactions	2.2.1	295,787
Recoverables from non-exchange transactions	2.2.2	75,186
<b>Total</b>		<b>370,973</b>

##### 2.2.1. RECEIVABLES FROM EXCHANGE TRANSACTIONS

EUR

	31.12.2021
<b>Current</b>	
Deferred charges relating to exchange transactions	282,744
Staff	12,974
Amounts receivable from EU agencies	69
<b>Total</b>	<b>295,787</b>

Deferred charges consist of pro-rata costs for school fees and software licences. Part of the cost was expensed in 2021 and the remaining (deferred) charge sits in the Balance sheet as a Current Asset.

Receivables from staff refers to amounts owed by staff for overpayments.

There was a small amount owed by another EU agency at the end of the year.

##### 2.2.2. RECOVERABLES FROM NON-EXCHANGE TRANSACTIONS

EUR

	31.12.2021
<b>Current</b>	
Prefinancing implemented by other entity	74,700
Member States	486

<b>Total</b>	<b>75,186</b>
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The Prefinancing implemented by other entity corresponds to the amount of opening balance transferred from the European Commission upon the European Labour authority becoming a Legal Entity in its own right.

Recoverables from Member States represent an amount VAT to be recovered from the Slovakian government.

## 2.3. CASH AND CASH EQUIVALENTS

	EUR
	31.12.2021
Central Treasury liaison account	4,008,332
<b>Total</b>	<b>4,008,332</b>

The European Labour Authority 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 the European Labour Authority.

## LIABILITIES

## 2.4. PAYABLES

	EUR
	31.12.2021
Pre-financing received from EC - balancing subsidy	538,216
Other payables	688,361
<b>Total</b>	<b>1,226,577</b>

The pre-financing liability related to the balancing subsidy comprises the unused amounts of balancing subsidy received by the European Labour Authority from DG EMPL in 2021. The amounts will be returned to DG EMPL in 2022.

Other payables includes the balance payable for the fit out of premises together with some social contributions owed to the Commission.

## 2.5. ACCRUED CHARGES

	EUR
	31.12.2021
Accrued charges	4,994,473

Accrued charges are the amounts estimated by the authorising officer of costs incurred for services and goods delivered in year 2021 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 4,525,005 and staff expenses of EUR 88,144 for untaken leave. Additionally there is an accrued charge of EUR 381,324 for installation allowances for staff. This an entitlement for staff transferring to a new place of employment. Due to Covid restrictions, a number of staff recruited in 2021 have had to delay their transfer to Slovakia until 2022. Therefore, the installation allowances due are shown as a liability in ELA's 2021 accounts.

## 2.6. DEFERRED INCOME

	EUR
	31.12.2021
Deferred income	120,055

Deferred income is the amount arising from the building lease agreement. The lease is for forty years but the first ten years are offered rent free. For accounting purposes the total cost of the lease is divided across the entire lease period, including the rent free period. Even though there are no actual payments made in 2021, the average monthly charge is debited to expenses and is offset by a credit to the deferred rent account, which is a liability account.

## 3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

### REVENUE

#### 3.1. NON-EXCHANGE REVENUE

	EUR
	31.12.2021
Subsidy of the Commission	13,279,520
Pre-financing Opening Balance	74,700
<b>Total</b>	<b>13,354,220</b>

The heading subsidy of the Commission corresponds to the amounts of the Commission balancing subsidy of EUR 13,279,670 from DG EMPL used during 2021. Unused amounts are recorded as pre-financing liabilities under accounts payable (see note 2.4 above) and will be reimbursed to the Commission in 2022. The corresponding accrued expenses will be recorded in the financial statements of the Commission.

The Pre-financing opening balance corresponds to the amount transferred from the European Commission upon the European Labour authority becoming a Legal Entity in it's own right.

#### 3.2. EXCHANGE REVENUE

	EUR
	31.12.2021
Exchange Rate Gains	702
<b>Total</b>	<b>702</b>

There was a currency exchange rate gain of EUR 702 in the year.

### EXPENSES

#### 3.3. OPERATING COSTS

	EUR
	31.12.2021
Operating costs	6,322,583

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 2021.

### 3.4. STAFF COSTS

EUR

31.12.2021

<i>Staff costs</i>	3,049,544
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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 European Labour Authority 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 European Labour Authority 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 the European Labour Authority's accounts. Similarly, the future benefits, payable to European Labour Authority 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 account.

### 3.5. OTHER EXPENSES

EUR

31.12.2021

<i>Fixed Asset related expenses</i>	51,303
<i>Rent of Land &amp; Buildings</i>	120,059
<i>Maintenance &amp; Security</i>	316,003
<i>Insurance - Building</i>	18,563
<i>Office Supplies</i>	3,182
<i>Legal Expenses</i>	25,575
<i>Communications</i>	92,691
<i>Car &amp; Transport expenses</i>	20
<i>Recruitment Costs</i>	15,503
<i>Training costs</i>	123,219
<i>Missions</i>	60,791
<i>Experts and related expenditure</i>	967,148
<i>IT Costs</i>	1,023,751
<i>Other external service provider (non-IT)</i>	1,336,334
<i>Expenses with other Consolidated Entities</i>	51,417
<i>Other Financial Expenses</i>	699
<i>Unrealised exchange rate losses</i>	551
<b>Total</b>	<b>4,206,809</b>

Other expenses consist of all other non-operational costs related to the general running of the agency. Fixed asset related expenses are for the depreciation in 2021.



## 4. OTHER SIGNIFICANT DISCLOSURES

### 4.1. OUTSTANDING COMMITMENTS NOT YET EXPENSED

EUR

31.12.2021

Outstanding commitments not yet expensed

2,475,976

The outstanding commitments not yet expensed comprises the budgetary RAL ('Reste à Liquider') less related amounts that have been included as expenses in the 2021 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 the European Labour Authority are the other EU consolidated entities and European Labour Authority key management personnel. Transactions between these parties take place as part of the normal European Labour Authority 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 the European Labour Authority is the Executive Director, who executes the role of the Authorising Officer.

31.12.2021

Executive Director

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.

### 4.4. SERVICES IN KIND

The offer of the government of the Slovak Republic to host the European Labour Authority included the provision of office space. On 27 July 2021, the European Labour Authority concluded an agreement for the sub-lease of office space, as well as parking spaces. The general provisions of the sub-lease agreement include an offer by the Slovak government to pay the rent for the first ten years of a forty year lease, together with a financial contribution of more than EUR 500 per square metre for the fit-out works and office furniture. For the purpose of these accounts, the total cost of the lease is divided across the entire lease period, including the rent free period. Even though there are no actual payments made in 2021, the average monthly charge is debited to expenses and is offset by a credit to the deferred rent account, which is a liability account. The terms of the sub-lease agreement also included an up-front payment by the European Labour Authority for the additional subrent related to fit out expenses. The total value of the fit-out premises has been capitalised and entered into the fixed assets.

### 4.5. COVID-19

During 2021, the coronavirus pandemic continued to have a huge global impact. However, despite this, ELA continued its activities and was able to deliver its work programme, albeit with considerable delays and impact on its budget consumption. This resulted in budgetary changes by means of a Management Board Decision on Budget Transfer from Title 3 to Title 2.

In Title 3, amounts of activities from the Enforcement Unit (EUR 645K) mainly from Inspections, from the Cooperation Unit (EUR 548K) mainly from Capacity Building and Mediation and the Governance Unit (EUR 250K) mainly Communications were transferred to Title 2 to cover rent, IT hardware, Cloud broker, Connectivity, IT Other related expenditure, Service Level Agreements and Other infrastructure and operating expenditure.

ELA achieved a 95.83% implementation of the C1 budget appropriations for 2021.

## 4.6. EVENTS AFTER THE REPORTING PERIOD

In accordance with EU accounting rule 19, Events after Reporting Date, the war in Ukraine, that began in February 2022 is a non-adjusting event, thus not requiring any adjustments to the figures reported in these financial statements at 31 December 2021. For subsequent reporting periods, the war may affect the recognition and measurement of some assets and liabilities on the balance sheet and also of some revenue and expenses recognised in the statement of financial performance. Based on the facts and circumstances at the time of preparation of these financial statements, in particular the evolving situation, the financial effect of the war in Ukraine on the accounts cannot be reliably estimated. However, it is worthwhile to be noted that the war in Ukraine could possibly, although very marginal, impact on the following areas:

- Revenues

At this stage the Agency does not foresee any material impact on any of the revenues.

- Expenses

At this stage the Agency does not foresee any material impact on any of the expenses.

- Balance sheet

At this stage the Agency does not foresee any material impact on any of balance sheet items.

## 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 (European Labour Authority has no significant other price risk).

- (1) Currency risk is the risk that European Labour Authority 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. European Labour Authority 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 2021, the financial assets are composed of exchange receivables and non-exchange recoverables. At 31 December 2021 financial liabilities are composed of accounts payable. At 31 December 2021 the ending balances of financial assets and financial liabilities did not include any material amounts quoted in currencies other than euro. European Labour Authority 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 2021 financial assets comprise entirely exchange receivables and non-exchange recoverables that are neither past due nor impaired of EUR 3,948,308. This relates to receivables with the European Commission and other consolidated entities.

## **5.4. LIQUIDITY RISK**

### **Maturity analysis of financial liabilities by remaining contractual maturity**

There are no financial liabilities composed of accounts payable with remaining contractual maturity of less than 1 year.

## **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 European Labour Authority budget is governed by the following basic principles set out in Article 5 of the Financial Regulation of the Agency adopted on 15 December 2020:

### **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 European Labour Authority 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 European Labour Authority Financial Regulation adopted by Management Board decision WPR 2020/21 of 15 December 2020, 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 European Labour Authority 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 European Labour Authority. 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 European Labour Authority by its establishing Regulation (EU) No. 2019/1149 of the European Parliament and of the Council of 20 June 2019 repealing Council Regulation (EC) No 2016/344.

**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 budget of European Labour Authority was EUR 24,219,500 in 2021. This amount includes appropriations from C1 funds of the current year. EUR 1,838,391 have been implemented under DG EMPL and EUR 22,381,110 have been managed directly by The Authority after its financial autonomy.

General C1 budget appropriations available for activities authorised in the Programming Document 2021 amounted to EUR 24,219,500. The final budget implementation (commitments) from C1 budget appropriations is 95.8% whereas the final execution of payments compared to the total budget 2021 is 39.3%. Considering the dissociated credit for the operational activities the Authority claimed in 2021 EUR 15,656,127 payment appropriations in total and out of this 96.6% have been executed and only 3.4% have been cancelled. EUR 3,338,075 remaining payments in carry forward commitments (RAL) are to be made in 2022 to cover exclusively the administrative expenditure. Although the operational carry forward commitments (RAL) will be covered with the 2022 payment appropriation.

## 2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

		EUR
	Title	2021
<b>Revenue</b>		
Balancing Commission subsidy		13,817,736
Other income		7,664
<b>TOTAL REVENUE (a)</b>		<b>13,825,400</b>
<b>Expenditure</b>		
<i>Staff</i>	1	
Payments		(4,113,101)
Appropriations carried over to the following year		(1,526,021)
<i>Administrative Expenses</i>	2	
Payments		(3,075,769)
Appropriations carried over to the following year		(1,812,052)
<i>Operating Expenses</i>	3	
Payments		(2,752,726)
Appropriations carried over to the following year		(0)
<b>TOTAL EXPENDITURE (b)</b>		<b>(13,279,669)</b>
<b>OUTTURN FOR THE FINANCIAL YEAR (a-b)</b>		<b>545,731</b>
Adjustment for carry-over from previous year appropriations not available at 31.12 arising from assigned revenue		-7,664
Exchange differences for the year (gain +/-loss -)		150
<b>BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR</b>		<b>538,217</b>
Balance year N-1		n/a
Positive balance from year N-1 reimbursed in year N to the Commission		n/a
Result used for determining amounts in general accounting		538,217
Commission subsidy - agency registers accrued revenue / Commission accrued expense		
<b>Pre-financing remaining open to be reimbursed by agency to Commission in 2021</b>		<b>538,217</b>



### 3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

	EUR 2021
<b>ECONOMIC RESULT OF THE YEAR</b>	<b>(224,014)</b>
<b>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</b>	
<i>Adjustments for accrual cut-off (net)</i>	4,824,743
<i>Depreciation of intangible and tangible assets</i>	51,303
<i>Payments made from carry-over of payment appropriations</i>	1,691,377
<i>Prefinancing Opening Balance transfer from DG EMPL</i>	(74,700)
<b>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</b>	
<i>Asset acquisitions (less unpaid amounts)</i>	(1,238,635)
<i>New Pre-financing received in the year 2021 and remaining open as at 31.12.2021</i>	538,217
<i>Payment appropriations carried over to 2021</i>	(1,692,693)
<i>Automatic Carry-Over of appropriations to 2022</i>	(3,338,074)
<i>Total</i>	537,524
<b>BUDGET RESULT OF THE YEAR</b>	<b>538,217</b>
<i>Delta not explained</i>	(693)

## 4. IMPLEMENTATION OF BUDGET REVENUE

### 4.1 Implementation of budget revenue

EUR

Income Appropriations						
Item	Initial Budget	Implemented by the Commission	Implemented by ELA (Revenue in Amending Budget)	Entitlements established	Revenue received	Outstanding at end of year
	1	2	3	4	5	6=4-5
1000 – IC1 European Union subsidy	24,219,500	1,838,390	22,381,110	13,817,736	13,817,736	-
5000 – IC4 Assigned Revenue	-	-	-	7,664	7,664	-
<b>Total</b>	<b>24,219,500</b>	<b>1,838,390</b>		<b>13,825,400</b>	<b>13,825,400</b>	<b>0.00</b>

## 5. IMPLEMENTATION OF BUDGET EXPENDITURE

### 5.1 2021 Budget Execution – C1 Appropriations

EUR

Item	Initial appropriations	Aproprations implemented by the Commission	Aproprations implemented by the ELA	Amending budget	Transfers	Final Appropriation implemented by the ELA	Committed Amount (by ELA)	% Committed	Paid Amount (by ELA)	% Paid	Cancelled appropriations	Cancelled commitments	RAL
	1	2	3	4	5	6	7	8=7/6%	9	10=9/7%	11	12	13=7-9
1100 Basic salaries – Temporary Agents	4,162,000	862,149	3,299,851	-	1,507,000	1,792,851	1,792,851	100%	1,552,058	87%	240,793	-	-
1110 Basic salaries – Contract Agents	500,000	255,378	244,622	-	205,000	449,622	449,622	100%	378,492	84%	71,130	0	-
1111 Allowances SNEs	2,560,000	488,479	2,071,521	-	844,000	1,427,521	1,427,521	100%	1,108,760	78%	318,762	-	-
1201 Travel expenses – Medical and Workplace	10,000	-	10,000	-	-	10,000	10,000	100%	1,224	12%	-	-	8,776
1202 Installation & resettlement allowances	130,000	-	130,000	-	243,000	373,000	373,000	100%	60,959	16%	312,041	-	-
1203 Removal expenses	130,000	-	130,000	-	20,000	150,000	150,000	100%	26,257	18%	-	-	123,743
1204 Temp. daily subsistence allowance	130,000	-	130,000	-	20,000	110,000	110,000	100%	45,904	42%	64,096	-	-
1300 Missions	90,000	3,420	86,580	-	-	86,580	86,580	100%	31,432	36%	-	-	55,149
1400 Medical services	-	-	-	-	30,000	30,000	30,000	100%	5,829	19%	-	-	24,171
1401 Early childhood centres and schools	370,000	10,104	359,896	-	630,000	989,896	989,896	100%	378,855	38%	-	-	611,041
1402 Other social	-	-	-	-	320,000	320,000	320,000	100%	-	0%	-	-	320,000
1501 Training	50,000	-	50,000	-	200,000	200,000	199,980	100%	5,500	3%	20	20	194,480
1502 Training from External services	50,000	-	50,000	-	50,000	-	-	0%	-	0%	-	-	-
1600 Service Level Agreements	112,700	29,272	83,428	-	58,000	25,428	15,990	63%	10,762	67%	9,438	9,438	5,228
1601 Interim Staff	300,000	104,361	195,639	-	513,000	708,639	477,723	67%	313,301	66%	230,916	230,916	164,422
1602 Other external services	3,300	-	3,300	-	-	3,300	3,300	100%	3,300	100%	-	-	-
1700 Reception, events and representation	10,000	-	10,000	-	5,000	15,000	15,000	100%	988	7%	-	-	14,012
1800 Other staff related expenditure	20,000	-	20,000	-	11,000	9,000	5,754	64%	754	13%	3,246	3,246	5,000
<b>Total Title 1 – Staff</b>	<b>8,628,000</b>	<b>1,753,162</b>	<b>6,874,838</b>	<b>-</b>	<b>174,000</b>	<b>6,700,838</b>	<b>6,457,217</b>	<b>96%</b>	<b>3,924,374</b>	<b>61%</b>	<b>1,250,442</b>	<b>243,620</b>	<b>1,526,022</b>
2101 Rent	-	-	-	-	376,000	376,000	375,898	100%	338,308	90%	102	102	37,590
2200 IT hardware	10,000	-	10,000	-	69,550	79,550	71,027	89%	1,047	1%	8,523	8,523	69,981
2201 IT software	10,000	-	10,000	-	75,600	85,600	79,714	93%	78,714	93%	5,886	5,886	1,000
2202 Cloud broker	202,000	-	202,000	-	430,680	632,680	625,285	99%	104,061	17%	7,395	7,395	521,225
2203 Connectivity	26,000	5,051	20,949	-	23,120	44,069	44,062	100%	38,188	87%	7	7	5,874
2204 IT Other related expenditure	152,000	-	152,000	-	187,250	339,250	337,091	99%	77,384	23%	2,159	2,159	259,707
2300 Furniture	148,000	-	148,000	-	15,920	132,080	131,657	100%	67,078	51%	423	423	64,579
2301 Other related expenditure	102,000	-	102,000	-	203,000	305,000	201,215	66%	-	0%	103,785	103,785	201,215
2400 Service Level Agreements	-	-	-	-	405,500	405,500	372,500	92%	250,229	67%	33,000	33,000	122,271
2401 Stationery and office supplies	25,000	-	25,000	-	19,240	5,760	5,756	100%	4,767	83%	4	4	989
2500 Postage / telecommunications	25,000	-	25,000	-	16,340	8,660	8,660	100%	-	0%	0	0	8,660
2600 Management Board	260,000	-	260,000	-	176,850	83,150	69,498	84%	14,148	20%	13,652	13,652	55,350
2601 Stakeholders Group	20,000	-	20,000	-	20,000	-	-	0%	-	0%	-	-	-
2602 Other related expenditure	20,000	-	20,000	-	20,000	-	-	0%	-	0%	-	-	-
2700 Internal communication	184,800	-	184,800	-	-	184,800	184,800	100%	-	0%	-	-	184,800
2701 External communication	95,200	-	95,200	-	84,800	180,000	108,719	60%	-	0%	71,281	71,281	108,719
2702 Publications	120,000	-	120,000	-	90,000	30,000	30,000	100%	23,034	77%	-	-	6,966
2800 Other infrastructure & operating exp.	35,000	-	35,000	-	69,850	104,850	103,565	99%	14,850	14%	1,285	1,285	88,715
<b>Total Title 2 – Administration</b>	<b>1,435,000</b>	<b>5,051</b>	<b>1,429,949</b>	<b>-</b>	<b>1,567,000</b>	<b>2,996,949</b>	<b>2,749,447</b>	<b>92%</b>	<b>1,011,808</b>	<b>37%</b>	<b>247,502</b>	<b>247,502</b>	<b>1,737,640</b>

Annual accounts of the European Labour Authority 2021

EUR

Item	Initial appropriations	Aproprations implemented by the Commission	Aproprations implemented by the ELA	Amending budget	Transfers	Final Appropriation implemented by the ELA	Committed Amount (by ELA)	% Committed	Paid Amount (by ELA)	% Paid	Cancelled appropriations	Cancelled commitments	RAL
	1	2	3	4	5	6	7	8=7/6%	9	10=9/7%	11	12	13=7-9
3001 Pillar I: Enforcement			-	3,375,000	-	-	-	0%	-	0%	-	-	-
3002 Pillar II: Cooperation			-	1,165,000	-	-	-	0%	-	0%	-	-	-
3003 Pillar III: Information			-	8,980,400	-	-	-	0%	-	0%	-	-	-
3004 Pillar IV: Governance			-	636,100	-	-	-	0%	-	0%	-	-	-
3100 Concerted and joint inspections	1,425,000	-	1,425,000	1,425,000	-	1,305,000	831,757	64%	239,506	23%	473,243	473,243	592,252
3101 Analysis and Risk Assessment	450,000	-	450,000	450,000	-	50,000	20,000	40%	-	0%	30,000	30,000	20,000
3102 Tracking undeclared work	1,500,000	-	1,500,000	1,500,000	-	1,375,000	1,353,417	98%	51,537	4%	21,584	21,584	1,301,880
3200 Cooperation - National Liaison Officers	175,000	-	175,000	175,000	207,586	382,586	381,686	100%	-	0%	900	900	381,686
3201 Capacity building	765,000	-	765,000	765,000	-	626,005	138,995	100%	5,493	4%	-	-	133,502
3202 Mediation	225,000	-	225,000	225,000	-	129,581	95,419	100%	10,286	11%	-	-	65,134
3300 EURES	7,960,400	-	7,960,400	7,960,400	-	7,960,400	7,960,400	100%	102,957	1%	-	-	7,857,443
3301 Information and Services	1,020,000	5,477	1,014,523	1,020,000	50,000	1,064,523	1,064,523	100%	172,555	16%	-	-	891,968
3400 Tasks of the Committees	100,000	-	100,000	100,000	-	100,000	-	0%	-	0%	-	-	-
3401 Conferences	150,000	-	150,000	150,000	-	150,000	-	0%	-	0%	-	-	-
3402 Communication and Media	386,100	74,700	311,400	386,100	-	311,400	311,300	100%	-	0%	100	100	311,300
<b>Total Title 3 – Operational</b>	<b>14,156,500</b>	<b>80,177</b>	<b>14,076,323</b>	<b>-</b>	<b>-</b>	<b>1,393,000</b>	<b>12,683,323</b>	<b>96%</b>	<b>582,333</b>	<b>5%</b>	<b>525,826</b>	<b>525,826</b>	<b>11,575,164</b>
<b>GRAND TOTAL – All Titles – C1 only</b>	<b>24,219,500</b>	<b>1,838,390</b>	<b>22,381,110</b>	<b>-</b>	<b>-</b>	<b>22,381,110</b>	<b>21,364,162</b>	<b>95%</b>	<b>5,518,514</b>	<b>26%</b>	<b>2,023,770</b>	<b>1,016,948</b>	<b>14,838,825</b>

## 2021 Budget Execution – C3 Appropriations

EUR

Item	Initial appropriations	Apropriations implemented by the Commission	Apropriations implemented by the ELA	Amending budget	Transfers	Final Appropriation implemented by the ELA	Committed Amount (by ELA)	% Committed	Paid Amount (by ELA)	% Paid	Cancelled appropriations	Cancelled commitments	RAL
	1	2	3	4	5	6	7	8=7/6%	9	10=9/7%	11	12	13=7-9
2301 Other related expenditure	640,720	-	561,312	-	-	640,720	634,409	99%	561,312	88%	6,312	6,312	73,096
<b>Total Title 2 – Administration</b>	<b>640,720</b>	<b>-</b>	<b>561,312</b>	<b>-</b>	<b>-</b>	<b>640,720</b>	<b>634,409</b>	<b>99%</b>	<b>561,312</b>	<b>88%</b>	<b>6,312</b>	<b>6,312</b>	<b>73,096</b>
<b>GRAND TOTAL – All Titles</b>	<b>640,720</b>	<b>-</b>	<b>561,312</b>	<b>-</b>	<b>-</b>	<b>640,720</b>	<b>634,409</b>	<b>1</b>	<b>561,312</b>	<b>1</b>	<b>6,312</b>	<b>6,312</b>	<b>73,096</b>

## 2021 Budget Execution – C4 Appropriations

EUR

Item	Initial appropriations	Apropriations implemented by the Commission	Apropriations implemented by the ELA	Amending budget	Transfers	Final Appropriation implemented by the ELA	Committed Amount (by ELA)	% Committed	Paid Amount (by ELA)	% Paid	Cancelled appropriations	Cancelled commitments	RAL
	1	2	3	4	5	6	7	8=7/6%	9	10=9/7%	11	12	13=7-9
1401 Early childhood centres and schools	-	-	7,664	-	-	7,664	-	0%	-	0%	-	-	-
<b>Total Title 1 – Staff</b>	<b>-</b>	<b>-</b>	<b>7,664</b>	<b>-</b>	<b>-</b>	<b>7,664</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL – All Titles</b>	<b>-</b>	<b>-</b>	<b>7,664</b>	<b>-</b>	<b>-</b>	<b>7,664</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 5.2 2021 Budget Execution C8 Appropriations

		EUR					
Item		Appropriations Carried Forward from 2020	Cancelled	Paid by EMPL	Paid by ELA	TOTAL Payments (by EMPL + by ELA)	RAL (Carried over to 2022)
		1	2			3	4=1-2
1100	Basic salaries and allowances – Temporary Agents	129,803	129,803	-	-	-	0%
1200	Travel expenses – Interviews	75,434	75,080	353	-	353	0%
1201	Travel expenses – Medical and workplace	74,191	73,162	480	549	1,029	1%
1202	Installation & resettlement allowances	200,000	200,000	-	-	-	0%
1203	Removal expenses	200,000	200,000	-	-	-	0%
1300	Missions expenses	48,332	48,040	292	-	292	1%
1401	Early childhood centres and schools	64,999	62,115	-	2,884	2,884	4%
1501	Training	80,679	80,679	-	-	-	0%
1502	Training from External services	167,742	22,463	27,560	117,719	145,279	87%
1600	Service Level Agreements (MoU)	111,113	83,129	190	27,794	27,984	25%
1601	Interim Staff	157,749	82,742	75,007	-	75,007	48%
1800	Other staff related expenditure	55,329	15,150	397	39,782	40,178	73%
<b>Total Title 1 – Staff</b>		<b>1,365,371</b>	<b>1,072,364</b>	<b>104,279</b>	<b>188,727</b>	<b>293,007</b>	<b>21%</b>
2101	Rent	37,125	-	22,275	14,850	37,125	100%
2106	Other related expenditure	1,483,554	70,764	303,554	586,326	890,480	60%
2200	IT hardware	280,661	-	-	280,661	280,661	100%
2201	IT software	406	-	406	-	406	100%
2202	Cloud broker	211,245	58,779	-	152,466	152,466	72%
2203	Connectivity	6,426	469	-	5,957	5,957	93%
2204	IT Other related expenditure	129,894	10,000	94,901	24,993	119,894	92%
2300	Furniture	355,431	11,628	-	343,803	343,803	97%
2301	Other related expenditure	19,919	-	19,919	-	19,919	100%
2400	Service Level Agreements	13,423	11,380	2,042	-	2,042	15%
2401	Stationery and office supplies	5,000	-	5,000	-	5,000	100%
2402	Other related expenditure	2,730	2,730	-	-	-	0%
2600	Management Board	70,006	-	70,006	-	70,006	100%
2700	Internal Communication	72,798	31,683	3,798	37,317	41,115	56%
2701	External Communication	73,214	17,562	-	55,652	55,652	76%
<b>Total Title 2 – Administration</b>		<b>2,761,831</b>	<b>214,995</b>	<b>521,901</b>	<b>1,502,625</b>	<b>2,024,526</b>	<b>73%</b>
3100	Concerted and Joint Inspections	556,310	45,009	280,638	5,000	285,638	51%
3102	Tackling Undeclared Work	376,050	236,791	139,260	-	139,260	37%
3300	EURES	7,409,180	535,164	2,683,819	2,165,393	4,849,212	65%
3301	Information and Services	881,019	132,440	461,492	-	461,492	52%
3401	Conferences	299,585	415	149,585	-	149,585	50%
<b>Total Title 3 – Operational</b>		<b>9,522,144</b>	<b>949,819</b>	<b>3,714,794</b>	<b>2,170,393</b>	<b>5,885,187</b>	<b>62%</b>
<b>GRAND TOTAL</b>		<b>13,649,345</b>	<b>2,237,178</b>	<b>4,340,974</b>	<b>3,861,746</b>	<b>8,202,720</b>	<b>60%</b>

\*This is a non-automatic Carry-Over of a C8 Commitment transferred from the Commission

## 2021 Budget Execution C5 Appropriations

*EUR*

Item		Appropriations Carried Forward from 2020	Cancelled	Paid by EMPL	Paid by ELA	TOTAL Payments (by EMPL + by ELA)	% Paid	RAL (Carried over to 2022)
		1	2			3	3=2/1	4=1-2
2500	Postage/telecommunications (C5)	1,340	1,316	-	24	24	2%	-
Total Title 2 – Administration		1,340	1,316	-	24	24	2%	-
GRAND TOTAL		1,340	1,316	-	24	24	0	-

## 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 ELA, the Management 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

### 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.

### 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.