



ANNUAL FINANCIAL ACCOUNTS

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Relating to operations under the 2009 budget
of the European Training Foundation

The ETF is one of the EU agencies. Its mission is to help transition and developing countries to harness the potential of their human capital through the reform of education, training and labour market systems in the context of the EU's external relations policy

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GLOSSARY

Accounts payable	An organisation's current payables due within one (1) year. Accounts payable are current liabilities.
Accrual accounting	Accounting methodology that recognizes income when it is earned and expenses when they are occurred, rather than when they are received or paid.
Assets	Assets are items owned by an individual or an organisation, which have commercial or exchange value. Assets may consist of specific property or claims against others.
C1/Current credit appropriations	Current year approved credits or funds set aside for current year operations and activities
C4/Internaly assigned appropriation	Current year approved credits or funds set aside for a specific assigned operations and activities
C8/Carry forward	Automatically carried forward credits. Carry forward of credits committed but not paid during the previous exercise, also called "Reste à liquider" (RAL) standing for "remaining credits to be paid".
R0/Earmarked funds	Funds received from sources other than the European Commission for a specific purpose.
Cash accounting	Accounting methodology based on cash flows, i.e. transactions are recognised when cash is received or paid.
Convention	Conventions are considered to be financial agreements between the European Commission and the ETF for specific tasks to be carried out by ETF
Current asset	The group of assets considered to be liquid in that they can be turned into cash within one (1) year. Balance sheet line items include: cash, accounts receivable and inventory.
Current liability	Current liabilities are liabilities to be paid within one year of the balance sheet date.
Financial statements	Written reports which quantitatively describe the financial health of an organisation. They comprise an economic outturn account (equivalent to a profit and loss statement), a balance sheet, a cash flow statement, a statement of changes in capital and explanatory notes.
Imprest account	Bank accounts and/or cash used for the payment of low value expenses.
Liability	A financial obligation, debt, claim or potential loss.
RAL	"Reste à liquider", standing for "remaining credits to be paid".

I. INTRODUCTION

Basis for preparation

The objectives of financial statements are to provide information about the financial position, performance and cash flows of the European Training Foundation (hereinafter the ETF) that is useful to a wide range of users.

The ETF has moved from cash based to accrual based accounting, implemented as of the opening of the financial year 2005.

The financial statements, which follow, have been prepared as of 2005 according to the accounting rules adopted by the EC's accountant, following the principles of accrual based accountancy where the economic outturn, balance and cash flow are concerned. For further information on accounting rules and principles refer to Section IV, *Notes to the financial statements*. The budget execution is prepared on the basis of modified cash accounting. The accounting policies have been applied consistently throughout the period.

Reporting entity

These financial statements are for the ETF, a public sector entity established by European Council Regulation 1360/90 of 7 May 1990.

In 2008, the revised ETF financial regulation was proposed to the Board for adoption (No 1339/2008) and came into force on 10 January 2009.

The ETF receives an annual subsidy (subvention) from the general budget of the EC and can also receive contributions from other public and private organisations as well as from governments. The ETF is entrusted with the management of other funds by the EC, for the implementation of vocational education and training projects under the CARDs (Western Balkans), Tacis (Eastern Europe and Central Asia) and MEDA (Mediterranean regions) programmes.

The ETF - helps transition and developing countries to harness the potential of their human capital through the reform of education, training and labour market systems in the context of the EU's external relations policy.

II. GOVERNING BOARD AND MANAGEMENT TEAM

The Governing Board

The ETF is governed by a Board comprising one representative from each of the EU Member States, three representatives of the Commission as well as three non-voting experts appointed by the European Parliament. In addition, three representatives of the partner countries may attend meetings of the Governing Board as observers. The meetings are chaired by a representative from DG Education and Culture.

The Governing Board convened three times in 2009. The Board is responsible for adopting the draft annual Work Programme of the ETF and its budget, subject to the approval of the European Parliament in the context of the overall European Union budget.

- **Meeting held on 3 April 2009 (Brussels)**

An extraordinary session of the ETF Governing Board took place on 3 April 2009 in Brussels to interview the short listed candidates for the post of Director of the Foundation and selected Ms Madlen Serban to be appointed.

- **Meeting held on 15 June 2009 (Turin)**

Annual activity report 2008

The ETF's draft annual activity report for 2008 was presented. This was a transitional year before the approval of the recast regulation. The report is structured around the three pillars of ETF work: (1) contribution to the external assistance instruments; (2) corporate communication; and (3) management and internal control.

The document was adopted by the Governing Board and will be forwarded to the Council and the European Parliament.

ETF financial statements and budgetary reserve

The financial statements for 2008 were presented. The format of the financial statements is determined by the financial regulation and is the same for the European Commission and other EU bodies. A positive formal overall opinion from the Court of Auditors has been given, and this forms the basis of the budget discharge, along with an opinion of the Governing Board. The European Parliament discharged the ETF's 2007 financial statements on 23 April 2009.

The main features of the 2008 financial statements include a €9 million difference in the balance sheet due to the repatriation of Tempus technical assistance to Brussels during the year, which is also reflected in the cash flow, as well as a commitment level on the ETF subvention of 98.56%, a significant improvement on the 2007 level.

A formal Governing Board opinion on the 2008 financial statements must be forwarded to the budgetary authority by 1 July 2009.

The Board adopted the Financial Statements for 2008.

Transfer between 2009 budget titles

In line with the financial regulation, which states that any transfer of more than 10% of a budgetary title requires the approval of the Governing Board, the ETF sought approval for the transfer of €200,606 to cover operational and communications projects under Title 3 (expenses relating to the performance of specific missions). This amount was identified through a critical assessment of budgetary needs carried out at the beginning of 2009. Until the approval of the recast, the ETF had based its budgetary calculations on the assumption that the European Parliament would place a reserve of €2 million on the ETF's 2009 budget pending its approval. As the recast was approved in December 2008, this reserve was never actually applied in practice.

The Governing Board adopted the budget transfer.

An overview of the budget planning for 2010 was presented, which is consistent with the 2009 budget, and merely increases to match inflation. Staffing is also expected to be consistent with 2009. One important change is the new financial regulation which was approved by the Board in 2008 and came into force 10 January 2009. This will affect the management of the 2010 budget.

The Governing Board approved the draft 2009 budget, the 2010 provisional draft budget and the ETF Work Programme for 2009 with revisions requested.

- **Meeting held on 16 November 2009 (Turin)**

Work Programme and budget

The Mid-term Perspective was presented in terms of the vision, the strategic objectives, the six specific objectives, the three new core themes, the functions and the strategic priorities. In the document, outputs are related to the budget titles, the functions and the core themes.

The ETF Work Programme for 2010 had been prepared on the basis of the strategic context outlined in the Mid-term Perspective.

The corporate priorities for 2010 include knowledge management, corporate communication, resource management, quality assurance and control, interagency and Member State cooperation as well as a reinforced activity based budget approach.

Three budget documents were presented to the Board: the 2010 budget, the 2011 pre-draft budget and the revised 2009 budget.

Staffing costs have always represented a high proportion of the ETF's budget due to the fact that the agency is an expertise organisation. Nevertheless in 2009, it was possible to move over €1 million from the budget titles for staffing and infrastructure (title 1 and 2) to the title for operations (title 3). The plan for 2011 is to increase the operational budget to the same level as 2009, which in part will be achieved by moving mission costs to that budget title. Translation costs for expert publications have been decentralised to the different projects and hence the reduction in amount on the specific budget line for translations. Both of these measures have the advantage of increasing transparency. Further details on the breakdown of the budget in terms of projects are provided in the different project fiches that will be available in early 2010.

All documents were approved by the Board.

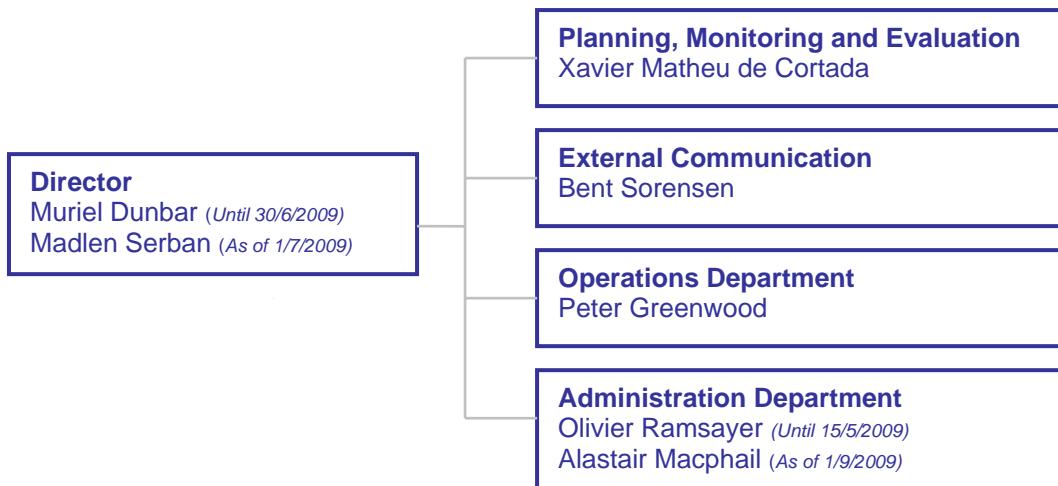
ETF structure

In 2009, there were no specific changes in the structure of the ETF

Contributing to all ETF operations are the Planning, Monitoring and Evaluation Unit, the Administrative Department and the External Communication Unit that provide expertise and support to the whole organisation.

The respective heads of department, together with the Director form the Management Team (MT), which is the decision taking body within the ETF.

The main structure in 2009 was as follows:



There were significant changes in the composition of the Management Team in 2009. As of 1st July 2009, Madlen Serban took up the post of Director and as of 1st September 2009, Alastair Macphail took up the post of Head of Administration.

III. Financial Statements 2009

1. Economic Outturn Account

	2009	2008
Operational revenue	19,438,999.36	20,535,829.15
Operational revenue - EC subsidy	18,800,000.00	16,801,036.74
Operational revenue - CDT reimbursement	85,791.00	0.00
Operational revenue - miscellaneous	-15,184.35	-1,431.93
Operational revenue - Italian Ministry of Foreign Affairs	20,282.47	437,007.14
Operational revenue - MEDA-ETE	0.00	0.00
Operational revenue - Tempus TA 2004/05	0.00	1,244,006.07
Operational revenue - Tempus TA 2007	0.00	529,030.58
Operational revenue - Awaiting clearance EC	548,110.24	1,526,180.55
TOTAL OPERATIONAL REVENUE	19,438,999.36	20,535,829.15
Administrative expenses	-15,071,245.57	-14,105,816.70
Staff expenses	-12,278,504.74	-11,519,281.07
Fixed asset related expenses	-309,525.43	-333,636.57
Other administrative expenses	-2,483,215.40	-2,252,899.06
Operational expenses	-4,978,300.42	-6,358,061.63
Operational expenses - EC subsidy	-4,409,907.71	-2,819,111.74
Operational expenses - Italian Ministry of Foreign Affairs	-20,282.47	-437,007.14
Operational expenses - MEDA-ETE	-548,110.24	-1,526,180.55
Operational expenses - Tempus TA 2004/05	0.00	-1,046,731.62
Operational expenses - Tempus TA 2007	0.00	-529,030.58
TOTAL ADMINISTRATIVE AND OPERATIONAL EXPENSES	-20,049,545.99	-20,463,878.33
SURPLUS FROM OPERATIONAL ACTIVITIES	-610,546.63	71,950.82
Financial expenses	-734.13	-314.00
DEFICIT FROM NON OPERATIONAL ACTIVITIES	-734.13	-314.00
SURPLUS FROM ORDINARY ACTIVITIES	-611,280.76	71,636.82
SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS	0.00	0.00
ECONOMIC RESULT OF THE YEAR	-611,280.76	71,636.82

2. Statement of Changes in Capital

Capital	Accumulated Surplus / Deficit	Economic result of the year	Capital (total)
Balance as of 31 December 2008	872,968.84	71,636.82	944,605.66
Changes in accounting policies	0.00		0.00
Other revaluations	0.00		0.00
Reclassifications	0.00		0.00
Allocation of the economic result 2008	71,636.82	-71,636.82	0.00
Economic result of the year 2009	0.00	-611,280.76	-611,280.76
Balance as of 31 December 2009	944,605.66	-611,280.76	333,324.90

Note: ETF holds no reserves

3. Balance sheet on 31 December 2009 and 31 December 2008

ASSETS	31/12/2009	31/12/2008	LIABILITIES	31/12/2009	31/12/2008
A. NON CURRENT ASSETS			A. CAPITAL		
Intangible fixed assets			Accumulated surplus/deficit	944,605.66	872,968.84
Occupational right	5,000,000.00	5,000,000.00	Economic result of the year	-611,280.76	71,636.82
Software licenses	344,637.63	340,634.85	TOTAL CAPITAL	333,324.90	944,605.66
Depreciation	-2,786,785.65	-2,585,398.25			
	Subtotal	2,557,851.98	2,755,236.60		
Tangible fixed assets			C. NON CURRENT LIABILITIES		
Equipment and furniture	304,675.54	270,739.20	Provision for risks and liabilities		
Computer equipment	1,394,724.41	1,378,574.41	Legal cases	998,712.86	861,000.00
Depreciation	-1,558,370.94	-1,441,373.77	TOTAL NON CURRENT LIABILITIES	998,712.86	861,000.00
	Subtotal	141,029.01	207,939.84		
TOTAL NON CURRENT ASSETS	2,698,880.99	2,963,176.44	D. CURRENT LIABILITIES		
B. CURRENT ASSETS			Provisions for risks and charges	0.00	0.00
Stocks			Accounts payable	4,977,576.17	6,453,339.41
Publications	37,964.75	29,105.61	Current payables	3,426,670.44	2,997,536.29
	Subtotal	37,964.75	29,105.61	Sundry payables	313,995.73
Short-term pre-financing			Deferral and accruals	710,703.06	780,237.94
Short-term pre-financing	1,130,769.99	987,793.91	Other accounts payable against consolidated EC entities	47,598.26	34,911.38
	Subtotal	1,130,769.99	987,793.91	Prefinancing received from consolidated EC entities	478,608.68
Short-term receivables					2,357,102.85
Current receivables	11,046.09	35,008.34	TOTAL CURRENT LIABILITIES	4,977,576.17	6,453,339.41
Sundry receivables	101,576.24	188,251.77			
Other	76,329.71	35,754.93			
Short-term receivables with consolidated entities	1,386.00	1,235.00			
	Subtotal	190,338.04	260,250.04		
Cash and cash equivalents					
Bank accounts	2,251,160.16	4,017,469.07			
Imprest account	500.00	1,150.00			
	Subtotal	2,251,660.16	4,018,619.07		
TOTAL CURRENT ASSETS	3,610,732.94	5,295,768.63			
	TOTAL	6,309,613.93	8,258,945.07		
			TOTAL	6,309,613.93	8,258,945.07

4. Statement of cash-flow

Cash flows from operating activities	2009	2008
Surplus from operating activities	-611,280.76	71,636.82
<u>Adjustments</u>		
Depreciation (intangible fixed assets)	201,387.40	204,348.94
Depreciation (tangible fixed assets)	116,997.17	120,974.33
Provisions for risks and liabilities related to staff	137,712.86	-140,000.00
Decrease in value reduction for doubtful debts	8,933.34	23,901.91
Decrease in stock	-8,859.14	-2,576.77
Decrease in short term pre-financing	-142,976.08	-130,956.17
Increase in short term receivables	61,129.66	4,086,841.71
Decrease in receivables related to consolidated EC entities	-151.00	130.97
Decrease in accounts payable	390,044.05	-627,738.53
Increase in liabilities related to consolidated EC entities	-1,865,807.29	-12,252,366.67
Loss on sale of property, plant and equipment	0.00	0.00
Net cash flow from operating activities	-1,712,869.79	-8,645,803.46
Cash flows from investing activities		
Purchase of tangible and intangible fixed assets	-54,089.12	-152,579.15
Proceeds from tangible and intangible fixed assets (+)	0.00	11,525.28
Net cash flow from investing activities	-54,089.12	-141,053.87
Net decrease in cash and cash equivalents	-1,766,958.91	-8,786,222.12
Cash and cash equivalents at the beginning of the period	4,018,619.07	12,806,111.61
Cash and cash equivalents at the end of the period	2,251,660.16	4,018,619.07

As far as operating activities are concerned, the ETF holds no provision for receivables, pre-financing and extraordinary items. However, the ETF holds a provision for long term liabilities.

As far as investing activities are concerned the ETF had no revenue related to proceeds from fixed assets, financial activities or reclassification.

The ETF has no employee benefits, however, holidays not taken are registered under other payables.

5. Budget outturn account

	31/12/2009	31/12/2008
Revenue		
EC subsidy	18,800,000.00	17,984,000.00
CDT - Translation Centre	85,791.00	0.00
Other donors - Italian Ministry of Foreign Affairs	225,856.49	437,007.14
Other donors - EC - MEDA-ETE convention	0.00	500,000.00
Other donors - EC - Tempus TA 2007 convention	0.00	261,000.00
Miscellaneous revenue	7,655.85	4,621.34
Total revenue (a)	19,119,303.34	19,186,628.48
Expenditure		
<i>Staff - Title I of the budget</i>		
Payments	-12,368,578.56	-12,179,277.99
Appropriations carried forward	-751,347.43	-532,507.33
<i>Administration - Title II of the budget</i>		
Payments	-1,087,490.84	-1,127,134.82
Appropriations carried forward	-356,517.81	-358,850.22
<i>Operating activities - Title III of the budget</i>		
Payments	-4,614,292.77	-3,025,222.23
Appropriations carried forward	-70.00	0.00
<i>Earmarked funds - Title IV</i>		
Payments	-351,795.27	-366,712.05
Appropriations received - not paid in 2009	-503,728.84	-629,667.59
<i>EC - MEDA-ETE convention - Title V</i>		
Payments	-548,110.24	-1,526,180.55
Appropriations received - not paid in 2009	-450,173.11	-998,283.35
<i>EC - Tempus TA 2004/05 convention - Title VI</i>		
Payments	0.00	-352,372.42
Appropriations received - not paid in 2009	0.00	0.00
<i>EC - Tempus TA 2007 convention - Title VI</i>		
Payments	0.00	-538,243.87
Appropriations received - not paid in 2009	0.00	0.00
Total expenditure (b)	-21,032,104.87	-21,634,452.42
Outturn for the financial year (a-b)	-1,912,801.53	-2,447,823.94
Appropriations carried over and cancelled	213,061.56	399,018.75
Adjustment for carry forward from the previous year of appropriations available on 31 December arising from assigned revenue	1,627,950.94	3,230,609.92
Exchange rate differences	1,462.62	1,158.53
Balance of the outturn account for the financial year	-70,326.41	1,182,963.26
Balance carried over from the previous financial year	1,182,963.26	5,313,210.89
Reimbursements to EC	-1,182,963.26	-5,313,210.89
Total amount to be reimbursed to EC	-70,326.41	1,182,963.26
Commission subsidy (accrued revenue)	18,800,000.00	16,801,036.74
Amount related to 2009 to be reimbursed to EC	0.00	1,182,963.26

6. Reconciliation budget outturn versus economic outturn

	amount
Economic profit 2009	+/- -611,280.76
Ajustment for accrual items (items not in the budgetary result but included in the economic result)	
Adjustments for Accrual Cut-off (reversal 31.12.N-1)	- 2,314,259.14
Adjustments for Accrual Cut-off (cut- off 31.12.N)	+ 2,371,374.13
Amount from liaison account with Commission booked in the Economic Outturn Account	- 0.00
Depreciation of intangible and tangible fixed assets	+ 309,525.43
Provisions	+ 137,712.86
Recovery Orders issued in 2009	- 15,184.35
Cleared Prefinancing in the year	+ 987,793.91
Payments made from carry over of payment appropriations	+ 678,295.99
Awaiting clearance EC for expenses 2009 on earmarked funds	+/- -548,110.24
Exchange rate differences	+/- 1,462.62
Ajustment for budgetary items (item included in the budgetary result but not in the economic result)	
Asset acquisitions	- 36,347.12
New pre-financing paid in the year 2009	- 1,130,769.99
Budgetary recovery orders issued and cashed	- 7,655.85
Payment appropriations carried over to 2010	- 2,061,837.19
Cancellation of unused carried over payment appropriations from previous year	+ 213,061.56
Adjustment for carry-over from the previous year from assigned revenue	+ 1,627,950.94
Provisions for risks and charges	- 56,403.90
Other - Funds ITF 2009	+/- 225,856.49
total	-70,326.41
Budgetary result 2009	-70,326.41
Delta not explained	0.00

7. Bank balances

	31.12.2009	31.12.2008
ETF		
ETF domestic Euro	193,393.48	227,886.39
ETF Euro	785,438.92	1,889,362.40
ETF Italian Ministry of Foreign Affairs	533,869.18	643,004.71
ETF Imprest account	500.00	1,150.00
	1,513,201.58	2,761,403.50
ETE MED convention		
ETE MED	738,458.58	1,257,215.57
	738,458.58	1,257,215.57
Total	2,251,660.16	4,018,619.07

Conventions are agreements between the European Commission and the ETF. These funds, as well as the funds from the Italian Ministry of Foreign Affairs, are of a multi-annual nature and have no impact on the economic result for the ETF since they are paid to final beneficiaries or reimbursed if they are unspent. The funds will appear in the balance under accounts payable. This also applies to gained interest.

**8. Contingent assets and liabilities on 31 December 2009
and 31 December 2008**

CONTINGENT ASSETS	31/12/2009	31/12/2008
Guarantees received for pre-financing	234,240.00	543,986.00
TOTAL	234,240.00	543,986.00

CONTINGENT LIABILITIES	31/12/2009	31/12/2008
RAL - Commitments against appropriations not yet consumed	1,107,865.24	891,357.55
TOTAL	1,107,865.24	891,357.55

IV. NOTES TO THE FINANCIAL STATEMENTS

Accounting rules and principles

The accounting principles adopted are in line with the associated provisions of the Financial Regulation of the ETF, adopted by the Governing Board of the ETF on 10 January 2009 and supplemented by the Implementing Rules adopted on 8 September 2003. The related implementing rules for the revised ETF financial regulation are still under revision.

The financial statements are drawn up in accordance with the generally accepted accounting principles specified in the detailed rules for implementing the general Financial Regulation, namely:

- (a) going concern basis;
- (b) prudence;
- (c) consistent accounting methods;
- (d) comparability of information;
- (e) materiality;
- (f) no netting;
- (g) reality over appearance;
- (h) accrual-based accounting.

The basis for the ETF's accounting rules are those applied by the EC. These are established in line with international accounting standards for the public sector (IPSAS) and published by the International Federation of Accountants (IFAC).

Accrual based accounting is the form of accounting under which transactions and other events are recognised when they occur (and not only when cash or its equivalent is received or paid). Therefore, the transactions and events are recorded in the accounting records and recognised in the financial statements of the periods to which they relate. The elements recognised under accrual accounting are assets, liabilities, net assets/equity, revenue and expenses.

Conversion into Euro

The ETF budget is drawn up and implemented in Euro and the accounts are presented in Euro. A limited number of operations are converted to national currencies using the Euro rates as published in the C series of the Official Journal of the EC and in accordance with the regulatory provisions on the issue. All budgetary and legal commitments are established in Euro.

Components of the financial statements

The financial statements include the following components:

1. Economic outturn account;
2. Statement of changes in capital;
3. Balance sheet;
4. Statement of cash flow.

The following statements are provided to give an additional contribution to the presentation of a true and fair view:

5. Budget outturn account;
6. Reconciliation of budget outturn versus economic outturn;
7. Bank balances
8. Contingent assets and liabilities

1. ECONOMIC OUTTURN ACCOUNT

The economic outturn account is equivalent to a 'Profit & Loss Statement'. It shows income, expenses, and net income/loss for the year i.e. the 'economic result'. The latter is determined by subtracting total expenses from total revenue. This difference is increased or reduced by the economic results of previous years and in particular the amounts paid back to the EC.

Operating revenue

The revenue is accounted for when established. For the EC subsidy this means the moment of the approval of the annual budget. Where other EC funding is concerned, the ETF is moving towards the same approach as non EC funding, i.e., the revenue is established only upon receipt of payment.

The operating revenue is composed as follows:

- The EC Annual Subsidy
The revenue associated with the EC subsidy comprises the annual subsidy received from the EC for an amount of Euro 18,800,000.00, minus the amount to be reimbursed i.e. Euro 0,00 (Result Budget Outturn Account), giving a total of Euro 18,800,000.00.
- Accrued miscellaneous revenues for an amount of Euro -/- 16,646.97 and Euro 1,462.62 for exchange differences add up to a total amount of Euro -/- 15,184.35 as miscellaneous revenue.
- The EC subsidy, it is divided into title 1 & 2 (15 03 27 01) and title 3 (15 03 27 02)
- Other operating revenue
The contribution received in 2009 from the Italian Ministry of Foreign Affairs is Euro 225,856.49. However, as of 2009, in order to give a more realistic presentation in line with the accrual accounting principles, introduced as revenue is an amount of Euro 20,282.47 that equals the amount paid from the funds received for 2009. The remaining amount is included in the liabilities under "Deferrals and accruals" This kind of funding is referred to as earmarked funds or earmarked revenue. Introduced as revenue is the adjustment for expenses already accounted for, representing the amount of expenses for the MEDA-ETE project (Euro 548,110.24), to be cleared with the EC.
- An amount of Euro 85,791 was received from the Translation Centre.

Administrative and operational expenses

To calculate the result for the financial year, expenditure refers to payments made using payment appropriations of the same financial year, to which are added the accrued expenses on commitments of the same financial year that are carried forward to the following financial year.

The payments recorded in the accounts are those authorised and made by the accounting officer before 31 December 2009.

Appropriations are generally only carried forward to the following financial year, except in the case of earmarked funds. Appropriations for earmarked funds can be carried forward until the end date of the related agreement.

Carry forward is automatic where there is an outstanding legally binding commitment. Should this not be the case, eventual carry forward related to the ETF subsidy is subject to the prior authorisation of the Governing Board.

Expenditure is sub-divided by typology into administrative, operational, and financial. Payments associated with the earmarked funding are included in operational expenses.

Administrative expenses include 1) payments associated with staff including accrued expenditure associated with staff holidays not taken within the year 2) costs associated with stocks and fixed assets including depreciation, and 3) other administrative expenditure notably related to infrastructure and equipment, including exchange rate losses.

Operational expenses are associated with the execution of the ETF's work programme. They also include amounts associated with the execution of the projects that are financed outside the ETF's annual subsidy i.e. the earmarked funding.

Financial expenses comprise bank charges and roundings.

2. Statement of changes in capital

The statement of changes in capital comprises only the economic result of the year.

3. Balance sheet

The balance sheet is the financial statement listing all assets, liabilities and equity accounts, showing the financial position of a company at a specific date. For the ETF this is 31 December 2009.

Assets

Fixed assets

Fixed assets are composed of tangible and intangible assets.

Intangible assets are occupational rights on the premises and software licenses. Depreciation for the occupational rights to the ETF premises is calculated on the basis of the 30 year duration of the rental agreement resulting from the financial contribution for reconstruction work. The annual rental cost is a symbolic amount of Euro 1.

Tangible assets are all movable property items (computer equipment, technical installations and furniture) which have an acquisition price of Euro 420 or more and are valued at cost in national currencies, converted into Euro at the accounting exchange rate applicable on the purchase date.

The delivery date is taken as the basis for the calculation of depreciation and is calculated on a monthly basis.

The fixed assets are not charged to expenditure accounts, but are registered immediately as an asset in the balance. Depreciation is registered as expenditure. It has an influence on the economic result of the financial exercise. The net book value of the fixed assets is shown in the following two tables.

Intangible assets

	Occupational rights on premises	Software licences	Total
A. Purchase price:			
Value on 1.1.2009	5,000,000.00	340,634.85	5,340,634.85
Changes during year:			
• Additions	4,002.78	4,002.78	
• Withdrawals		0.00	
• Correction on balance value		0.00	
End of the year:	5,000,000.00	344,637.63	5,344,637.63
B. Depreciation			
Value on 1.1.2009	2,333,333.34	252,064.91	2,585,398.25
Changes during year:			
• Additions	166,666.66	34,720.74	201,387.40
• Withdrawals		0.00	
• Correction on balance value		0.00	
End of the year:	2,500,000.00	286,785.65	2,786,785.65
Net value (A + B)	2,500,000.00	57,851.98	2,557,851.98

Tangible assets

	Installations, machine and furniture	Computer equipment	Total
A. Purchase price:			
Value on 1.1.2009	270,739.20	1,378,574.41	1,649,313.61
Changes during year:			
• Additions	33,936.34	16,150.00	50,086.34
• Withdrawals			0.00
• Correction on balance value			0.00
End of the year:	304,675.54	1,394,724.41	1,699,399.95
B. Depreciation			
Value on 1.1.2009	-232,134.48	-1,209,239.29	-1,441,373.77
Changes during year:			
• Additions	-12,087.81	-104,909.36	-116,997.17
• Withdrawals			0.00
• Correction on balance value			0.00
End of the year:	-244,222.29	-1,314,148.65	-1,558,370.94
Net value (A + B)	60,453.25	80,575.76	141,029.01

The yearly depreciation rates applied to fixed assets are as follows:

Computer software and hardware	25%
Telecommunication and audiovisual equipment	25%
Printing, mail, security, buildings, tools	12.5%
Movables	10%

Stocks

Publications are considered as ETF stocks as opposed to 'costs'. Although the commercial value of the publications is nil, the replacement value is estimated at Euro 37,964.75. The number of publications kept in stock is slightly higher than last year since ETF had a relative high number of new publications in 2009.

Short-term pre-financing

Pre-financing is one or more payments intended to provide the beneficiary with a cash advance. It may be split into a number of payments over a period defined in the particular pre-financing agreement. At year-end outstanding pre-financing amounts are valued at the original amount(s) paid, deducting the amounts returned, eligible amounts cleared, estimated eligible amounts not yet cleared at year-end and value reductions.

Short-term receivables

Under short-term receivables, amounts due from customers or other debtors, outstanding paid mission advances, deferred expenses and receivables with consolidated entities are registered.

Cash account

Cash and cash equivalents are carried in the balance sheet at cost. They include cash in hand, deposits held with banks, payments sent to bank and interest received in January 2010, related to 2009. A decrease with respect to the previous year is noted due to very tight requests for funds to the EC.

Liabilities

Capital

The capital is composed of the accumulated surplus/deficit from previous years plus the economic result for the year. (See also table 2, statement of changes in capital.)

Provision for risks and liabilities

Under provisions, liabilities such as payables and accruals where there is uncertainty about the timing or amount of the future expenditure required for the settlement of the legal obligation are reported. In 2009, the amount of the overall provision for legal cases shows a slight increase. In 2009, a provision is introduced as well for the refused salary adaptation 2009. Since the Council decided in December 2009 to increase the salaries of officials and other servants of the European Union by 1.85% from 1 July 2009 onwards, instead of 3.7%, it is pointed out by President Barroso that this decision does not correspond to the rules of the "method" laid down in the Staff Regulations. In the meantime, the College lodged an action for annulment against the Council decision in the European Court of Justice. It is considered probable that the refused 1.85 % salary adjustment will, in the end, have to be paid to the staff.

Accounts payable

Included under accrued charges are the amounts owed to creditors for delivered goods or completed services and outstanding pre-financing received from the EC or other EC institutions. The main contributing factors to the overall decrease in accounts payable are detailed below:

Current payables for an amount of Euro 3,426,670.44 are mainly associated with estimated accrued expenses on credits carried forward to 2010 and the estimated accrued expenses on paid pre-financing by the ETF to contractors. The increase is due to the fact that ETF had more outstanding paid pre-financing and the related estimated accrued expenses compared with 2008. The amount is composed of the following:

Description	Amount
Italian Trust Fund - interest gained 2009	5,571.64
Carry forwards - estimated expenses related to 2009	2,315,869.70
Estimated accrued expenses on paid pre-financing 2009	1,105,229.10
TOTAL	3,426,670.44

Deferrals and accruals for an amount of Euro 710,703.06 consist of Euro 206,974.25 for holidays not taken up in 2009 and Euro 503,728.81 for funds received from the Italian Ministry of Foreign Affairs, not yet committed (Euro 256,288.13) and commitments carried forward (Euro 247,440.68).

There is a decrease compared with 2008 in the pre-financing received from consolidated EC entities, notably in the context of the regular EC subvention. The necessary funds were monitored closely and resulted in very tight requests for funds. For the year 2009, ETF has a "negative" budget outturn and as a result no funds to return to the EC.

Convention Description	EC DG or Service	Amount	Status/Comments
COMM (ETE MED convention)	DG AIDCO	5,000,000.00	Received funds
SUB-TOTAL		5,000,000.00	
ETF Subvention - interest to be recovered	DG EAC	28,435.57	Gained interest 2009
EC subsidy	DG EAC	0.00	Result 2009
EC awaiting clearance - MEDA-ETE	DG AIDCO	-4,549,826.89	Accumulated expenses -> 2009
SUB-TOTAL		-4,521,391.32	
TOTAL		478,608.68	

Amounts that were due to the EC and were known and confirmed by certain entities are registered under "other accounts payable against consolidated EC entities". The total amount is Euro 47,598.26 and is associated with services provided by other EC services and agencies.

4. Statement of cash flow

The statement of cash flow represents the treasury movements or in other words the cash receipts minus cash payments over a given period of time. There is a decrease in cash flow due to very tight requests for funds to the EC.

5. Budget outturn account

The budget outturn for 2009 is the difference between:

- all the cash revenue registered in this financial year;
- the volume of payments made from the appropriations of this financial year, plus the appropriations of the same financial year carried forward to the following financial year; and,
- the cancellations of appropriations carried forward from the previous financial year.

This difference is increased or reduced by:

- the balance resulting from exchange rate gains or losses recorded during the financial year.
- results from previous years paid back to the EC.

6. Reconciliation of budget outturn versus economic outturn

The budget outturn and reconciliation against the economic outturn is presented to give a more complete picture to the reader and to demonstrate the difference between economic and budget outturn. The inclusion of this data assists the reader in linking the cash based result of the budget outturn 2009 against the accrued economic outturn of 2009.

7. Contingent assets and liabilities

Contingent assets and liabilities are mentioned separately in the financial statements and represent potential assets and liabilities. Under contingent assets, ETF recognized received bank guarantees for paid pre-financing. Under contingent liabilities ETF recognized RAL – commitments against payment appropriations not yet consumed.

V. NOTES ON BUDGET EXECUTION & FINANCIAL MANAGEMENT

1. Introduction

Budgetary Principles

The budgetary principles adopted by the ETF are in line with the associated provisions of the Financial Regulation of the ETF, adopted by the Governing Board of the ETF on 10 January 2009 and supplemented by the Implementing Rules adopted on 8 September 2003. The related implementing rules for the revised ETF financial regulation are still under revision. The establishment and implementation of the budget of the ETF comply with:

- a) the principles of unity and budget accuracy
- b) the principle of annuity
- c) the principle of equilibrium
- d) the principle of unit of account
- e) the principle of universality
- f) the principle of specification
- g) the principle sound financial management
- h) the principle of transparency.

Budget Structure

The statement of expenditure of the ETF budget is set out on the basis of a nomenclature with a classification by purpose. It is thereby divided into five titles and each of the titles is broken down into chapters, articles and items.

The ETF applies the nomenclature and structure used by the EC for Titles 1, 2 and 3. Titles 1 and 2 relate to 'Administrative Expenditure' while Title 3 is reserved for 'Operational Expenditure'.

- Title 1 covers expenditure on staff authorised in the ETF establishment plan and expenditure on external staff (including auxiliary staff) and other management expenditure (including representation expenses);
- Title 2 covers administrative expenditure like buildings, cleaning and maintenance, rental, telecommunications, water, gas and electricity and support expenditure (including meeting costs).
- Title 3 covers expenditure for the execution of the work programme and related ETF operations.

Titles 4 and 5 are related to the earmarked funds or revenue associated with specific contracts or conventions with the EC and other donors. They are defined as follows:

- Title 4 represents co-operation with other organisations. At present, it consists only of the contributions from the Italian Ministry of Foreign Affairs.
- Title 5 represents the MEDA-ETE convention from the EC.

Budget execution is prepared on the basis of a "modified cash accounting". The term 'modified' refers to the fact that the annual carry forward amounts are included in the budget.

Amounts "carried forward" are associated with legal commitments entered into during the year. The carry forward amounts are related to payments due on such commitments at year end.

A "legal commitment" refers to legally binding actions undertaken by the ETF, for example contracts or other signed agreements and orders placed.

When referring to budgetary execution, the term "expenditure" refers to consumed commitment appropriations. Consumed commitment appropriations are made up of commitments paid in 2009 and commitments (partly) carried forward to 2010.

Detailed information on the relevant aspects of budgetary execution by Title, Chapter and Item and budgetary execution details for 2009 are provided later in the section "Utilisation of the appropriations".

Execution ETF Budget in 2009

In order to provide the reader with a complete overview of the financial activities associated with the budget execution, related to 2009, a table with commitment and payment credits is presented hereafter. The payment figures include not only those executed in 2009, associated with the 2009 budget, but also the payments executed in 2009 based on the budgets of former years.

2. Utilisation of appropriations

i. Appropriations of the current year

Item	Description	Commitment credits						Initial budget 2009	Transfers 2009	Final payment credits available 2009	Payment credits					
		Initial budget 2009	Transfers 2009	Final commitment credits available 2009	Commitments 2009	Total commitments carried forward to 2010	Initial budget 2009				Executed payments 2009 related to 2009 commitments	Executed payments 2009 related to 2008 commitments	Total amount payments executed 2009	Payment credits carried forward to 2010		
1100	Basic salaries	6,908,000.00	-198,212.25	6,709,787.75	6,701,574.63	99.88%	240,000.00	6,908,000.00	-198,212.25	6,709,787.75	6,461,574.63	0.00	6,461,574.63	96.30%	240,000.00	
1101	Family allowances	710,000.00	9,592.43	719,592.43	719,592.43	100.00%	0.00	710,000.00	9,592.43	719,592.43	719,592.43	0.00	719,592.43	100.00%	0.00	
1102	Transfer and expatriation allowance	900,000.00	74,825.59	974,825.59	974,825.59	100.00%	0.00	900,000.00	74,825.59	974,825.59	974,825.59	0.00	974,825.59	100.00%	0.00	
1110	Contractual Agent	1,300,000.00	-19,220.75	1,280,779.25	1,280,779.25	100.00%	0.00	1,300,000.00	-19,220.75	1,280,779.25	1,280,779.25	0.00	1,280,779.25	100.00%	0.00	
1112	Local staff	157,000.00	15,563.03	172,563.03	172,563.03	100.00%	11,549.00	157,000.00	15,563.03	172,563.03	161,014.03	0.00	161,014.03	93.31%	11,549.00	
1130	Insurance against sickness	235,000.00	-8,933.59	226,066.41	226,066.41	100.00%	0.00	235,000.00	-8,933.59	226,066.41	226,066.41	0.00	226,066.41	100.00%	0.00	
1131	Insurance against accidents and occupational disease	50,000.00	-3,067.03	46,932.97	46,932.97	100.00%	0.00	50,000.00	-3,067.03	46,932.97	46,932.97	0.00	46,932.97	100.00%	0.00	
1132	Unemployment insurance for temporary staff	90,000.00	-1,474.57	88,525.43	88,525.43	100.00%	0.00	90,000.00	-1,474.57	88,525.43	88,525.43	0.00	88,525.43	100.00%	0.00	
1140	Birth and death allowance	2,500.00	-2,103.38	396.62	396.62	100.00%	0.00	2,500.00	-2,103.38	396.62	396.62	0.00	396.62	100.00%	0.00	
1141	Annual travel costs from the place of employment to the place of origin	140,000.00	-4,137.81	135,862.19	135,862.19	100.00%	0.00	140,000.00	-4,137.81	135,862.19	135,862.19	0.00	135,862.19	100.00%	0.00	
1147	Allowances for shift work or standby duty at the official's place of work and/or at home	25,000.00	-15,883.16	9,116.84	9,116.84	100.00%	0.00	25,000.00	-15,883.16	9,116.84	9,116.84	0.00	9,116.84	100.00%	0.00	
1172	Cost of organizing traineeships with the Foundation	21,000.00	5,746.55	26,746.55	26,746.55	100.00%	318.15	21,000.00	5,746.55	26,746.55	26,428.40	0.00	26,428.40	98.81%	318.15	
1177	Other services rendered and institutional audit services	450,000.00	-120,916.41	329,083.59	329,065.02	99.99%	176,144.61	450,000.00	-120,916.41	329,083.59	152,920.41	0.00	152,920.41	46.47%	176,144.61	
1180	Sundry recruitment expenses	50,000.00	67,957.12	117,957.12	117,887.12	99.94%	14,953.03	50,000.00	67,957.12	117,957.12	102,934.09	0.00	102,934.09	87.26%	14,953.03	
1181	Travelling expenses (beginning and end of contract)	7,000.00	-4,978.32	2,021.68	2,021.68	100.00%	0.00	7,000.00	-4,978.32	2,021.68	2,021.68	0.00	2,021.68	100.00%	0.00	
1182	Installation allowance	100,000.00	-3,636.01	96,363.99	96,363.99	100.00%	0.00	100,000.00	-3,636.01	96,363.99	96,363.99	0.00	96,363.99	100.00%	0.00	

		Commitment credits								Payment credits					
Item	Description	Initial budget 2009	Transfers 2009	Final commitment credits available 2009	Commitments 2009		Total commitments carried forward to 2010	Initial budget 2009	Transfers 2009	Final payment credits available 2009	Executed payments 2009 related to 2009 commitments	Executed payments 2009 related to 2008 commitments	Total amount payments executed 2009		Payment credits carried forward to 2010
1183	Moving expenses	67,500.00	20,002.59	87,502.59	87,502.59	100.00%	14,990.00	67,500.00	20,002.59	87,502.59	72,512.59	0.00	72,512.59	82.87%	14,990.00
1184	Temporary daily allowance	50,000.00	-35,797.69	14,202.31	14,202.31	100.00%	0.00	50,000.00	-35,797.69	14,202.31	14,202.31	0.00	14,202.31	100.00%	0.00
1190	Weightings (Correction coefficient)	800,000.00	30,130.97	830,130.97	830,130.97	100.00%	0.00	800,000.00	30,130.97	830,130.97	830,130.97	0.00	830,130.97	100.00%	0.00
1191	Salarial adaptation	180,000.00	-127,744.37	52,255.63	52,255.63	100.00%	0.00	180,000.00	-127,744.37	52,255.63	52,255.63	0.00	52,255.63	100.00%	0.00
Sub-Total	Chapter 11 - Staff in active employment	12,243,000.00	-322,287.06	11,920,712.94	11,912,411.25	99.93%	457,954.79	12,243,000.00	-322,287.06	11,920,712.94	11,454,456.46	0.00	11,454,456.46	96.09%	457,954.79
1300	Mission and travel expenses	1,056,000.00	-115,065.65	940,934.35	940,934.35	100.00%	218,463.68	1,056,000.00	-115,065.65	940,934.35	722,470.67	0.00	722,470.67	76.78%	218,463.68
Sub-Total	Chapter 13 - Missions and travel	1,056,000.00	-115,065.65	940,934.35	940,934.35	100.00%	218,463.68	1,056,000.00	-115,065.65	940,934.35	722,470.67	0.00	722,470.67	76.78%	218,463.68
1430	Medical service	30,000.00	-2,626.34	27,373.66	25,401.16	92.79%	5,980.00	30,000.00	-2,626.34	27,373.66	19,421.16	0.00	19,421.16	70.95%	5,980.00
1440	Internal training	150,000.00	-5,420.45	144,579.55	144,579.55	100.00%	62,283.09	150,000.00	-5,420.45	144,579.55	82,296.46	0.00	82,296.46	56.92%	62,283.09
1490	Other Interventions	30,000.00	-27,405.00	2,595.00	2,582.36	99.51%	2,582.36	30,000.00	-27,405.00	2,595.00	0.00	0.00	0.00	0.00%	2,582.36
Sub-Total	Chapter 14 - Socio-medical infrastructure	210,000.00	-35,451.79	174,548.21	172,563.07	98.86%	70,845.45	210,000.00	-35,451.79	174,548.21	101,717.62	0.00	101,717.62	58.27%	70,845.45
1520	National experts seconded	300,000.00	-216,311.80	83,688.20	83,688.20	100.00%	0.00	300,000.00	-216,311.80	83,688.20	83,688.20	0.00	83,688.20	100.00%	0.00
Sub-Total	Chapter 15 - Staff exchanges between the Foundation and the public sector	300,000.00	-216,311.80	83,688.20	83,688.20	100.00%	0.00	300,000.00	-216,311.80	83,688.20	83,688.20	0.00	83,688.20	100.00%	0.00
1700	Entertainment and representation expenses	10,000.00	2,000.00	12,000.00	10,329.12	86.08%	4,083.51	10,000.00	2,000.00	12,000.00	6,245.61	0.00	6,245.61	52.05%	4,083.51
Sub-Total	Chapter 17 - Entertainment and representation expenses	10,000.00	2,000.00	12,000.00	10,329.12	86.08%	4,083.51	10,000.00	2,000.00	12,000.00	6,245.61	0.00	6,245.61	52.05%	4,083.51
Sub-Total	Title 1 - EXPENDITURE relating to persons working with the Foundation	13,819,000.00	-687,116.30	13,131,883.70	13,119,925.99	99.91%	751,347.43	13,819,000.00	-687,116.30	13,131,883.70	12,368,578.56	-	12,368,578.56	94.19%	751,347.43
2000	Rentals	6,500.00	2,221.00	8,721.00	8,719.00	99.98%	0.00	6,500.00	2,221.00	8,721.00	8,719.00	0.00	8,719.00	99.98%	0.00
2020	Water, gas, electricity and heating	130,000.00	-14,600.53	115,399.47	115,399.47	100.00%	0.00	130,000.00	-14,600.53	115,399.47	115,399.47	0.00	115,399.47	100.00%	0.00
2030	Cleaning and maintenance	313,500.00	-87,806.00	225,694.00	225,694.00	100.00%	11,925.26	313,500.00	-87,806.00	225,694.00	213,768.74	0.00	213,768.74	94.72%	11,925.26
2040	Furnishing of premises	20,000.00	-8,153.10	11,846.90	11,846.90	100.00%	1,100.00	20,000.00	-8,153.10	11,846.90	10,746.90	0.00	10,746.90	90.71%	1,100.00

		Commitment credits						Payment credits							
Item	Description	Initial budget 2009	Transfers 2009	Final commitment credits available 2009	Commitments 2009		Total commitments carried forward to 2010	Initial budget 2009	Transfers 2009	Final payment credits available 2009	Executed payments 2009 related to 2009 commitments	Executed payments 2009 related to 2008 commitments	Total amount payments executed 2009		Payment credits carried forward to 2010
2050	Security and surveillance	150,000.00	-45,423.30	104,576.70	104,576.70	100.00%	17,200.52	150,000.00	-45,423.30	104,576.70	87,376.18	0.00	87,376.18	83.55%	17,200.52
2090	Other expenditure on buildings, incl. insurances and administration costs	132,000.00	-38,777.84	93,222.16	93,222.16	100.00%	0.00	132,000.00	-38,777.84	93,222.16	93,222.16	0.00	93,222.16	100.00%	0.00
Sub-Total	Chapter 20 - Investments in immovable property, rental of buildings and associated costs	752,000.00	-192,539.77	559,460.23	559,458.23	100.00%	30,225.78	752,000.00	-192,539.77	559,460.23	529,232.45	0.00	529,232.45	94.60%	30,225.78
2100	ICT hardware	100,000.00	-6,676.00	93,324.00	93,323.84	100.00%	69,925.52	100,000.00	-6,676.00	93,324.00	23,398.32	0.00	23,398.32	25.07%	69,925.52
2101	Software development and purchase	170,000.00	-53,331.00	116,669.00	116,668.01	100.00%	77,658.81	170,000.00	-53,331.00	116,669.00	39,009.20	0.00	39,009.20	33.44%	77,658.81
2102	Other expenses	181,000.00	-22,817.53	158,182.47	158,182.47	100.00%	14,832.37	181,000.00	-22,817.53	158,182.47	143,350.10	0.00	143,350.10	90.62%	14,832.37
2103	Telecoms Costs	100,000.00	36,500.00	136,500.00	136,500.00	100.00%	31,388.19	100,000.00	36,500.00	136,500.00	105,111.81	0.00	105,111.81	77.00%	31,388.19
2104	Telecoms equipment costs	40,000.00	-33,798.00	6,202.00	6,201.81	100.00%	5,000.00	40,000.00	-33,798.00	6,202.00	1,201.81	0.00	1,201.81	19.38%	5,000.00
Sub-Total	Chapter 21 - Information & Communication Technology	591,000.00	-80,122.53	510,877.47	510,876.13	100.00%	198,804.89	591,000.00	-80,122.53	510,877.47	312,071.24	0.00	312,071.24	61.09%	198,804.89
2200	Purchase technical installations and office equipment	14,000.00	-13,738.00	262.00	261.81	99.93%	0.00	14,000.00	-13,738.00	262.00	261.81	0.00	261.81	99.93%	0.00
2202	Rentals technical installations and office equipment	30,000.00	-7,368.19	22,631.81	22,631.81	100.00%	0.00	30,000.00	-7,368.19	22,631.81	22,631.81	0.00	22,631.81	100.00%	0.00
2203	Maintenance, utilization and repairs technical installations and office equipment	4,000.00	-3,950.00	50.00	50.00	100.00%	50.00	4,000.00	-3,950.00	50.00	0.00	0.00	0.00	0.00%	50.00
2210	Purchase furniture	11,000.00	-10,359.38	640.62	640.62	100.00%	0.00	11,000.00	-10,359.38	640.62	640.62	0.00	640.62	100.00%	0.00
2250	Purchase of non-operational publications and subscriptions	6,000.00	-2,800.00	3,200.00	3,200.00	100.00%	2,752.25	6,000.00	-2,800.00	3,200.00	447.75	0.00	447.75	13.99%	2,752.25
Sub-Total	Chapter 22 - Movable property and associated costs	65,000.00	-38,215.57	26,784.43	26,784.24	100.00%	2,802.25	65,000.00	-38,215.57	26,784.43	23,981.99	0.00	23,981.99	89.54%	2,802.25
2300	Stationery and office supplies	50,000.00	10,778.54	60,778.54	60,637.98	99.77%	37,942.41	50,000.00	10,778.54	60,778.54	22,695.57	0.00	22,695.57	37.34%	37,942.41
2320	Miscellaneous Financial expenditure	2,000.00	-1,000.00	1,000.00	734.13	73.41%	0.00	2,000.00	-1,000.00	1,000.00	734.13	0.00	734.13	73.41%	0.00

		Commitment credits								Payment credits					
Item	Description	Initial budget 2009	Transfers 2009	Final commitment credits available 2009	Commitments 2009		Total commitments carried forward to 2010	Initial budget 2009	Transfers 2009	Final payment credits available 2009	Executed payments 2009 related to 2009 commitments	Executed payments 2009 related to 2008 commitments	Total amount payments executed 2009		Payment credits carried forward to 2010
2330	Legal expenses	30,000.00	6,000.00	36,000.00	36,000.00	100.00%	10,876.63	30,000.00	6,000.00	36,000.00	25,123.37	0.00	25,123.37	69.79%	10,876.63
2350	Miscellaneous insurance	14,000.00	2,644.37	16,644.37	16,422.96	98.67%	6,636.70	14,000.00	2,644.37	16,644.37	9,786.26	0.00	9,786.26	58.80%	6,636.70
2352	Miscellaneous expenditure on internal meetings	5,000.00	13,000.00	18,000.00	16,543.45	91.91%	0.00	5,000.00	13,000.00	18,000.00	16,543.45	0.00	16,543.45	91.91%	0.00
2355	Petty expenses	4,000.00	-321.00	3,679.00	2,179.00	59.23%	0.00	4,000.00	-321.00	3,679.00	2,179.00	0.00	2,179.00	59.23%	0.00
2360	Publications in the Official Journal	52,000.00	-49,641.20	2,358.80	2,358.80	100.00%	1,000.00	52,000.00	-49,641.20	2,358.80	1,358.80	0.00	1,358.80	57.61%	1,000.00
Sub-Total	Chapter 23 - Current administrative expenditure	157,000.00	-18,539.29	138,460.71	134,876.32	97.41%	56,455.74	157,000.00	-18,539.29	138,460.71	78,420.58	0.00	78,420.58	56.64%	56,455.74
2400	Correspondence and courier expenses	50,000.00	-4,800.00	45,200.00	45,200.00	100.00%	19,984.95	50,000.00	-4,800.00	45,200.00	25,215.05	0.00	25,215.05	55.79%	19,984.95
Sub-Total	Chapter 24 - Post and telecommunications	50,000.00	-4,800.00	45,200.00	45,200.00	100.00%	19,984.95	50,000.00	-4,800.00	45,200.00	25,215.05	0.00	25,215.05	55.79%	19,984.95
2500	Meetings expenses Governing Board	135,000.00	31,813.73	166,813.73	166,813.73	100.00%	48,244.20	135,000.00	31,813.73	166,813.73	118,569.53	0.00	118,569.53	71.08%	48,244.20
Sub-Total	Chapter 25 - Meetings and associated costs	135,000.00	31,813.73	166,813.73	166,813.73	100.00%	48,244.20	135,000.00	31,813.73	166,813.73	118,569.53	0.00	118,569.53	71.08%	48,244.20
Sub-Total	Title 2 - Building, equipment and miscellaneous operating expenditure	1,750,000.00	-302,403.43	1,447,596.57	1,444,008.65	99.75%	356,517.81	1,750,000.00	-302,403.43	1,447,596.57	1,087,490.84	0.00	1,087,490.84	75.12%	356,517.81
3000	Purchase of operational publications and subscriptions	22,000.00	0.00	22,000.00	18,857.48	85.72%	530.83	22,000.00	0.00	22,000.00	18,326.65	918.96	19,245.61	87.48%	0.00
3010	General publications - External Communication Unit	455,000.00	703,125.05	1,158,125.05	1,157,217.98	99.92%	372,118.03	455,000.00	703,502.22	1,158,502.22	785,099.95	324,086.55	1,109,186.50	95.74%	0.00
3030	Professional memberships and fees	8,000.00	-3,724.72	4,275.28	4,275.28	100.00%	0.00	8,000.00	0.00	8,000.00	4,275.28	0.00	4,275.28	53.44%	0.00
3040	Translation costs - ETF subvention	250,000.00	35,000.00	285,000.00	285,000.00	100.00%	55,051.85	250,000.00	35,898.11	285,898.11	229,948.15	55,738.76	285,686.91	99.93%	0.00
3040	Translation costs - CDT funds	0.00	85,791.00	85,791.00	85,791.00	100.00%	70.00	0.00	85,791.00	85,791.00	85,721.00	0.00	85,721.00	99.92%	70.00
Sub-Total	Chapter 30 - Operational expenses	735,000.00	820,191.33	1,555,191.33	1,551,141.74	0.00%	427,770.71	735,000.00	825,191.33	1,560,191.33	1,123,371.03	380,744.27	1,504,115.30	96.41%	70.00
3130	Insurance costs related to Work programme activities	8,000.00	-8,000.00	0.00	0.00		0.00	8,000.00	-3,224.53	4,775.47	0.00	2,136.55	2,136.55	44.74%	0.00
3140	Impact evaluation and	350,000.00	-2,300.60	347,699.40	343,774.63	98.87%	192,695.75	350,000.00	-2,300.60	347,699.40	151,078.88	99,865.29	250,944.17	72.17%	0.00

		Commitment credits								Payment credits					
Item	Description	Initial budget 2009	Transfers 2009	Final commitment credits available 2009	Commitments 2009		Total commitments carried forward to 2010	Initial budget 2009	Transfers 2009	Final payment credits available 2009	Executed payments 2009 related to 2009 commitments	Executed payments 2009 related to 2008 commitments	Total amount payments executed 2009		Payment credits carried forward to 2010
	WP act. auditing														
3150	ENP - Projects in support of EU's External Assistance in the Neighbourhood area	1,190,000.00	23,000.00	1,213,000.00	1,209,223.41	99.69%	643,464.40	1,190,000.00	48,000.00	1,238,000.00	565,759.01	473,271.04	1,039,030.05	83.93%	0.00
3160	IPA - Projects in support of EU's External Assistance in the Enlargement area	1,090,000.00	65,244.55	1,155,244.55	1,152,974.53	99.80%	501,023.91	1,090,000.00	75,000.00	1,165,000.00	651,950.62	384,264.05	1,036,214.67	88.95%	0.00
3170	DCI - Projects in support of EU's External Assistance in the Development Co-operation instrument	490,000.00	15,000.00	505,000.00	504,997.22	100.00%	231,242.81	490,000.00	15,000.00	505,000.00	273,754.41	131,958.17	405,712.58	80.34%	0.00
3180	ILP - Projects: Innovation & Learning	440,000.00	162,175.45	602,175.45	595,179.99	98.84%	389,489.30	440,000.00	117,644.53	557,644.53	205,690.69	170,448.76	376,139.45	67.45%	0.00
Sub-Total	Chapter 31 - Priority actions : Work programme activities	3,568,000.00	255,119.40	3,823,119.40	3,806,149.78	99.56%	1,957,916.17	3,568,000.00	250,119.40	3,818,119.40	1,848,233.61	1,261,943.86	3,110,177.47	81.46%	0.00
Sub-Total	Title 3 - Expenses related to operational activities	4,303,000.00	1,075,310.73	5,378,310.73	5,357,291.52	99.61%	2,385,686.88	4,303,000.00	1,075,310.73	5,378,310.73	2,971,604.64	1,642,688.13	4,614,292.77	85.79%	70.00
Total	Total budget available:	19,872,000.00	85,791.00	19,957,791.00	19,921,226.16	99.82%	3,493,552.12	19,872,000.00	85,791.00	19,957,791.00	16,427,674.04	1,642,688.13	18,070,362.17	90.54%	1,107,935.24

ii. Appropriations carried forward from 2008 to 2009

Item	Description	Commitments carried forward from 2008 to 2009	Payment credits available from 2008 in 2009	Executed payments from 2008 credits in 2009	Payments credits from 2008 cancelled in 2009
1112	Local staff	1,301.00	1,301.00	360.00	941.00
1172	Cost of organizing traineeships with the Foundation	80,236.74	80,236.74	63,835.94	16,400.80
1177	Other services rendered and institutional audit services	73,386.99	73,386.99	67,972.49	5,414.50
1183	Moving expenses	8,900.00	8,900.00	8,900.00	0.00
Sub-Total	Chapter 11 - Staff in active employment	163,824.73	163,824.73	141,068.43	22,756.30
1300	Mission and travel expenses	284,380.74	284,380.74	208,879.06	75,501.68
Sub-Total	Chapter 13 - Missions and travel	284,380.74	284,380.74	208,879.06	75,501.68
1430	Medical service	10,152.22	10,152.22	5,620.66	4,531.56
1440	Internal training	66,816.69	66,816.69	51,576.00	15,240.69
1490	Other Interventions	3,184.65	3,184.65	2,114.65	1,070.00
Sub-Total	Chapter 14 - Socio-medical infrastructure	80,153.56	80,153.56	59,311.31	20,842.25
1700	Entertainment and representation expenses	4,148.30	4,148.30	2,327.50	1,820.80
Sub-Total	Chapter 17 - Entertainment and representation expenses	4,148.30	4,148.30	2,327.50	1,820.80
Title 1	EXPENDITURE relating to persons working with the Foundation	532,507.33	532,507.33	411,586.30	120,921.03
2010	Rentals	5,498.40	5,498.40	5,498.40	0.00
2020	Water, gas, electricity and heating	8,886.96	8,886.96	8,886.96	0.00
2030	Cleaning and maintenance	40,707.10	40,707.10	35,282.67	5,424.43
2040	Furnishing of premises	1,254.71	1,254.71	1,254.71	0.00
2050	Security and surveillance	22,226.55	22,226.55	21,116.76	1,109.79
2090	Other expenditure on buildings, incl. insurances and administration costs	5,734.68	5,734.68	5,238.16	496.52
Sub-Total	Chapter 20 - Investments in immovable property, rental of buildings and associated costs	84,308.40	84,308.40	77,277.66	7,030.74
2100	ICT hardware	7,334.62	7,334.62	7,334.62	0.00
2101	Software development and purchase	65,360.00	65,360.00	36,550.00	28,810.00
2102	Other expenses	23,106.75	23,106.75	19,817.10	3,289.65
2103	Telecoms Costs	59,661.72	59,661.72	27,096.71	32,565.01
2104	Telecoms equipment costs	5,800.00	5,800.00	5,075.02	724.98
Sub-Total	Chapter 21 - Information Technology	161,263.09	161,263.09	95,873.45	65,389.64
2200	Purchase technical installations and office equipment	1,003.06	1,003.06	1,003.06	0.00
2203	Maintenance, utilization and repairs technical installations and office equipment	120.00	120.00	120.00	0.00
2210	Purchase furniture	8,232.33	8,232.33	8,230.52	1.81
2250	Purchase of non-operational publications and subscriptions	757.44	757.44	326.17	431.27
Sub-Total	Chapter 22 - Movable property and associated costs	10,112.83	10,112.83	9,679.75	433.08
2300	Stationery and office supplies	23,930.73	23,930.73	22,437.89	1,492.84
2330	Legal expenses	10,000.00	10,000.00	10,000.00	0.00

Item	Description	Commitments carried forward from 2008 to 2009	Payment credits available from 2008 in 2009	Executed payments from 2008 credits in 2009	Payments credits from 2008 cancelled in 2009
2350	Miscellaneous insurance	11,447.77	11,447.77	9,736.39	1,711.38
2352	Miscellaneous expenditure on internal meetings	1,674.50	1,674.50	1,486.00	188.50
2355	Petty expenses	500.00	500.00	267.34	232.66
2360	Publications in the Official Journal	4,061.31	4,061.31	3,683.74	377.57
Sub-Total	Chapter 23 - Current administrative expenditure	51,614.31	51,614.31	47,611.36	4,002.95
2400	Correspondence and courier expenses	11,418.56	11,418.56	3,916.47	7,502.09
Sub-Total	Chapter 24 - Post and telecommunications	11,418.56	11,418.56	3,916.47	7,502.09
2500	Meetings expenses Governing Board	40,133.03	40,133.03	32,351.00	7,782.03
Sub-Total	Chapter 25 - Meetings and associated costs	40,133.03	40,133.03	32,351.00	7,782.03
Title 2	Building, equipment and miscellaneous operating expenditure	358,850.22	358,850.22	266,709.69	92,140.53
Total	Total credits:	891,357.55	891,357.55	678,295.99	213,061.56

For Title 3, commitments for an accumulated amount of Euro 1,885,108.34 were carried forward from 2008 to 2009. These commitments are paid with payment credits from 2009, and the amounts paid are included in table "i. Appropriations of the current year".

iii. Appropriations earmarked funds

Chapter	Description	Commitment appropriations				Payment appropriations			
		Commitment credits available, incl. commitments carried forward to 2009	Accumulated commitments 2009		Commitment credits carried forward to 2010	Final payment credits available 2009	Payments 2009		Payment credits carried forward to 2010
43	Co-operation with national institutions - Funds 2003	-	-	0.00%	-	3,733.87	3,610.00	96.68%	123.87
43	Co-operation with national institutions - Funds 2004	1,665.86	1,274.61	76.51%	391.25	29,255.15	20,405.86	69.75%	8,849.29
43	Co-operation with national institutions - Funds 2005	2,380.46	2,379.96	99.98%	0.50	14,046.07	13,342.60	94.99%	703.47
43	Co-operation with national institutions - Funds 2006	85,640.09	84,599.22	98.78%	1,040.87	178,623.95	97,878.75	54.80%	80,745.20
43	Co-operation with national institutions - Funds 2007	7,617.23	7,617.23	100.00%	-	52,257.76	45,155.72	86.41%	7,102.04
43	Co-operation with national institutions - Funds 2008	105,948.79	51,656.79	48.76%	54,292.00	351,750.79	151,119.87	42.96%	200,630.92
43	Co-operation with national institutions - Funds 2009	225,856.49	25,292.98	11.20%	200,563.51	225,856.49	20,282.47	8.98%	205,574.02
Total other donors:		429,108.92	172,820.79	40.27%	256,288.13	855,524.08	351,795.27	41.12%	503,728.81
51	Human resources - funds available previous years	263,275.06	226,202.06	85.92%	-	263,275.06	119,928.67	45.55%	143,346.39
52	Travel and per diems - funds available previous years	345,615.59	260,236.85	75.30%	-	345,615.59	187,769.79	54.33%	157,845.80
53	Other costs (visibility and conferences/seminars)	289,553.70	244,699.69	84.51%	-	289,553.70	156,505.11	54.05%	133,048.59
54	Procurement activity for component 3	-	-	0.00%	-	-	-	0.00%	-
55	Procurement activity for component 4	84,839.00	83,906.67	0.00%	-	84,839.00	83,906.67	98.90%	932.33
56	Financial auditing	15,000.00	15,000.00	0.00%	-	15,000.00	-	0.00%	15,000.00
57	Contingencies	-	-	0.00%	-	-	-	0.00%	-
Total EC - MEDA-ETE convention:		998,283.35	830,045.27	83.15%	0.00	998,283.35	548,110.24	54.91%	450,173.11
Total	Total budget available:	1,427,392.27	1,002,866.06	70.26%	256,288.13	1,853,807.43	899,905.51	48.54%	953,901.92

VI. ETF STAFF ESTABLISHMENT PLAN 2009

Function Group and grade	2009 establishment plan		Situation posts used on 31 December 2009	
	Permanent	Temp.	Permanent	Temp.
AD 16				
AD 15				
AD 14		1		1
AD 13		3		
AD 12		8		6
AD 11		10		11
AD 10		5		3
AD 9		13		10
AD 8		11		6
AD 7		8		12
AD 6				1
AD 5				
Sub total AD	—	59	—	50
AST 11				
AST 10		3		
AST 9		8		5
AST 8		4		3
AST 7		7		7
AST 6		10		7
AST 5		4		3
AST 4		1		3
AST 3				3
AST 2				5
AST 1				
Sub total AST	—	37	—	36
Total	—	96	—	86

ANNEX I: LIST OF GOVERNING BOARD MEMBERS DURING 2009

European Commission Chairman	Ms Odile QUINTIN Director General DG Education and Culture
European Commission Member	Mr Rutger WISSELS Director DG External Relations
European Commission Member	Mr Timo SUMMA Deputy Director General DG Enlargement
Non-voting Expert * (June/November meeting)	Mr Jean-François MEZIERES Conseil régional du Centre
Non-voting Expert * (June/November meeting)	Dr. Stamatis PALEOCRASSAS School of Pedagogical and Technological Education Faros
Non-voting Expert * (June/November meeting)	Ms Sara PARKIN Founder Director Forum for the Future
Austria Member	Mr Karl WIECZOREK Senior Expert Department for Vocational Training Federal Ministry for Economic Affairs and Labour
Austria Alternate	Mr Reinhard NÖBAUER Senior Expert Vocational Education and Training Federal Ministry for Education, Arts and Culture
Belgium Member	Ms Micheline SCHEYS Project Manager Strategic VET-Policy Department of Education Ministry of the Flemish Community
Bulgaria Member	Ms Valentina DEYKOVA Director Policies in Vocational Education and Training Directorate Ministry of Education and Science
Bulgaria Alternate	Ms Emiliiana DIMITROVA Head of Development and Perspectives Division Policies in Vocational Education and Training Directorate Ministry of Education and Science
Cyprus Member	Mr Charalambos CONSTANTINOU Director Technical and Vocational Education Ministry of Education and Culture
Cyprus Alternate	Mr Ilias MARKATZIIS TVE Inspector Department Technical and Vocational Education Ministry of Education and Culture

* Following art. 7.1, the three Experts appointed by the European Parliament have no voting rights.

Czech Republic Member	Ms Helena ÚLOVCOVÁ Deputy Director National Institute of Technical and Vocational Education
Czech Republic Alternate	Ms Katerina MOLNÁROVÁ Ministry Representative Department of Vocational Education and Training Ministry of Education, Youth and Sports
Denmark Member	Mr Roland Sværre ØSTERLUND Senior Advisor International Affairs Ministry of Education
Denmark Alternate	Mr Philip PEDERSEN Senior Advisor of Education Vocational Education Ministry of Education
Estonia Member	Ms Külli ALL Advisor (Lifelong Learning) Vocational and Adult Education Department Ministry of Education and Research
Finland Member	Ms Tarja RIIHIMAKI Counsellor of Education Vocational Education Division Ministry of Education
Finland Alternate	Mr Ossi V. LINDQVIST Former Chair of the Finnish Higher Education Evaluation Council University of Kuopio
France Member <i>(April/June meeting)</i>	Ms Agnès LECLERC Delegate DAEI - Délégation aux affaires européennes et internationales Ministère du travail, des relations sociales et de la solidarité
France Member <i>(November meeting)</i>	Mr Maurice MEZEL Chargé de Mission auprès du Délégué aux Affaires Internationales et Européennes Délégation aux Affaires Internationales et Européennes Ministère du travail, des relations sociales et de la solidarité
France Alternate	Mr Vincent HONORAT Chargé de mission à la DREIC (bureau 1) Ministère de l'Education nationale, de l'Enseignement supérieur et de la Recherche
Germany Member	Mr Stefan SCHNEIDER Regierungsdirektor Übergreifende Fragen EU Bundesministerium für Bildung und Forschung
Germany Alternate	Ms Juliane REIMERS Regierungsrätin Bundesministerium für Bildung und Forschung
Greece Member	Mr Athanassios OIKONOMOU President of OEEK Organization for Vocational Education and Training

Greece Alternate	Mr Dimitrios GALAMATIS Vice President of OEEK Organization for Vocational Education and Training
Hungary Member	Mr György SZENT-LÉLEKY Senior Counsellor Adult Training and VET Department Ministry of Social Affairs and Labour
Ireland Member	Mr Niall MONKS Assistant Principal Officer Department of Enterprise, Trade and Employment
Ireland Alternate	Ms Ann Mary REDMOND Higher Executive Officer Department of Enterprise, Trade and Employment
Italy Member	Mr Alberto CUTILLO Counsellor General Directorate for European Integration Italian Ministry for Foreign Affairs
Italy Alternate	Mr Luigi GUIDOBONO CAVALCHINI President UniCredit Private Banking
Latvia Member	Ms Lauma SIKA Deputy State Secretary Structural Funds and European Affairs Ministry of Education and Science
Latvia Alternate	Ms Dita TRAIDAS Director State Education Development Agency
Lithuania Member	Mr Romualdas PUSVASKIS Director Vocational and Continuing Education and Training Ministry of Education and Science
Lithuania Alternate	Ms Giedre BELECKIENE Director of Methodical Centre for Vocational Education and Training Methodical Centre for Vocational Education and Training
Luxembourg Member	Mr Antonio DE CAROLIS Deputy Director Vocational Training Services Ministry of Education and Vocational Training
Luxembourg Alternate	Ms Edith STEIN Chamber of Commerce of the Grand Duchy of Luxembourg
Malta Member <i>(November meeting)</i>	Mr Christopher BEZZINA Permanent Secretary Ministry of Education, Culture, Youth and Sport
Malta Alternate <i>(April/June meeting)</i>	Mr Maurice GRECH Principal and Chief Executive Officer Malta College of Arts, Science and Technology
Malta Alternate <i>(November meeting)</i>	Mr Michael GRIMA Assistant Director Directorate for Quality and Standards in Education Ministry of Education, Culture, Youth and Sport

Netherlands Member	Ms Boukje SPIT Head of Unit Innovation and Information Directorate for Vocational and Adult Education Ministry of Education, Culture and Science
Poland Member	Ms Danuta CZARNECKA Deputy Director Department for International Cooperation Ministry of Science and Higher Education
Poland Alternate	Ms Ewa RUDOMINO Deputy Head of Department Department for Vocational and Continuous Education Ministry of National Education
Portugal Member	Ms Maria Cândida SOARES MEDEIROS Director General Strategy and Planning Office Ministry for Social Security and Labour
Portugal Alternate	Mr Francisco CANEIRA MADELINO Institute of Employment and Vocational Training Ministry of Labour and Social Solidarity
Romania Member <i>(April/June meeting)</i>	Ms Zoica VLADUT Deputy Director National Centre for VET Development
Romania Member <i>(November meeting)</i>	Ms Liliana PREOTEASA General Director School Education Department Ministry of Education, Research and Innovation
Slovak Republic Member	Mr Juraj VANTUCH Education (VET) policy analyst Faculty of Education Comenius University
Slovenia Member	Mr Elido BANDELJ Head of the Sector Department for Adult Education Ministry of Education, Science and Sport
Slovenia Alternate	Ms Jelka ARH Under-secretary EU affairs and Structural Funds Ministry of Education, Science and Sports
Spain Member	Ms. Rosario ESTEBAN BLASCO Head of Unit Deputy Directorate General for Vocational Education and Training Ministry of Education, Social Policy and Sport
Spain Alternate	Ms Gema CAVADA BARRIO Educational Technical Assistant Deputy Directorate General for Guidance Vocational Education and Training Ministry of Education and Science
Sweden Member	Mr Per BYSTRÖM Deputy Director Ministry of Education and Research

Sweden
Alternate

Mr Erik HENRIKS
Senior Adviser
Department Upper Secondary Education
Ministry of Education and Research

United Kingdom
Member

Ms Nicola SAMS
European Policy Advisor
EU Education Policy and European Schools
European Union Division

United Kingdom
Alternate
(November meeting)

Mr Nick PRESTON
Policy Advisor, EU Education Council Team
Multilateral Education and Skills Division
Joint International Unit