

FINANCIAL REPORT



SWEDEN
EMILIA
ROMAGNA
NETWORK

20
23

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EXPLANATORY NOTE TO THE SERN FINANCIAL STATEMENTS 2023

General remarks

The financial year 2023 has been closed with a net income from operations of € 7.313,18. This marks the 8th consecutive year of positive financial results for the network. The total assets of € 951.343,20 shows a similar percentage of credits over the total assets. On the liability side to note the reserve fund has reached € 121.240,59.

In general, operations during the year 2023 have confirmed the trend of the previous years and this is reflected in the positive financial results illustrated below.

In the financial year of 2023, SERN's institutional activities entailed a strategic allocation of resources across various domains that have been functional to the network's operational effectiveness and goals set out in the Strategy 21-27.

There has been a moderate growth in institutional incomes, primarily due to the increase in EU project funding and membership fees. The increase in project funding reflects successful grant applications and project executions. The increase in statutory revenues, particularly from new membership fees, indicates a growing interest and expansion of the network. Moving forward, SERN's financial strategies should continue to focus on diversifying income streams and enhancing value propositions to members to sustain and build upon this positive trend.

PROFIT AND LOSS ACCOUNT

Incomes

In 2023, SERN's institutional income exceeded its budgeted forecast, showcasing a positive financial performance across several key areas. The total institutional income for SERN amounts to 133.757,71 and indicates that the organization enjoys a solid base of member contributions with positive outreach and recruitment strategies, as evidenced by the surplus in new member fees. More than 85% of this amount derives from public revenues. The significant result in support for member-related projects and training activities suggests that SERN is effectively meeting the interests of the members, although a substantial space for improvement is present.

Statutory Revenues: The actual statutory revenues of € 75.114,23 surpassed the anticipated budget of € 71.500,00, indicating a stronger-than-expected financial contribution from the network's core revenue streams. This includes fees from existing and new members, which are critical for maintaining the network's operations and funding its various initiatives.

1. **Fees of the Members 2023:** The fees collected from members in 2023 amounted to €69.889,85, slightly below the budgeted € 70.000,00.
2. **Fees from New Members 2023:** Revenue from new member fees significantly exceeded expectations, with actual figures at €5.224,38 against a modest budget of € 1.500,00.

Other Incomes: The category of other incomes also outperformed projections, totalling €47.745,31 compared to the forecasted €40.000,00. This area includes various income streams that contribute to SERN's operational diversity and financial sustainability.

1. **Support to Members Related to Projects:** Support to members related to projects generated €37.768,02, significantly higher than the budgeted € 25.000,00. This overachievement by € 12.768,02 highlights the network's active engagement in supporting members' projects.
2. **Training Activities:** Income from training activities reached € 8.580,00, exceeding the budget by € 3.580,00. This suggests that SERN's training offerings were well-received, reflecting a demand for the network's capacity-building initiatives.

3.Other: The other subcategory, however, totalled € 2.561,17 against a forecast of € 10.000,00. The difference stands mainly in the fact that most of the incomes originally budgeted under this heading were generated under “support to members”.

Interest and Contingent Assets: Interest on bank accounts and contingent assets, while smaller figures, contributed € 3,53 and €9.730,76 respectively. These figures indicate additional financial benefits that bolster the overall income.

The institutional income for SERN totalling 627.542,06 shows a picture of an organization that enjoys a solid base of member contributions with successful outreach and recruitment strategies, as evidenced by the surplus in new member fees. The significant overperformance in support for member-related projects and training activities suggests that SERN is effectively meeting the needs and interests of its members, leading to increased participation and investment in the network's services.

The total income from the 20 projects ongoing during 2023 amounts to 493.784,35

Expenses

EXPENSES	€	620.228,88
SERN INSTITUTIONAL ACTIVITY	€	126.444,53
Personnel	€	61.760,90
Total Staff Costs		
Functioning of Statutory Bodies	€	9.143,68
Executive Board	€	1.056,61
General Assembly 2023	€	7.581,98
Board of auditors	€	505,10
General Expenses (Bank, Office rental, Payroll services, safety)	€	16.823,26
Missions and travel expenses	€	14.844,78
Contingent Liabilities	€	1.176,45
Expenses for Network's Guests	€	200,47
Equipment	€	2.257,63
Training activities for staff	€	2.735,79
Study Visits and Projects of members	€	15.220,13
Communication	€	2.281,44

Personnel: The most significant expenditure was on personnel, where SERN spent €61.760,90 (with a total cost including the reimbursement from EU funded projects of € 222.982,00). The amount of staff cost financed through institutional incomes has been higher than budgeted due to a larger amount of resources available.

Communication: The actual expenditure on communication was €2.281,44. Although lower than originally budgeted (4.000) the costs have been dedicated mainly to the purchase of tools aimed at ensuring that all members and stakeholders are well-informed of the network's initiatives, outcomes, and opportunities.

Contingent Liabilities: SERN reported contingent liabilities of €1.176,45. This figure suggests that SERN is cognizant of potential future financial obligations and is taking steps to mitigate any unforeseen financial risks.

Equipment: The actual expenses on equipment, amounting to €2.257,63. This expenditure pertains computers and other hardware crucial for ensuring that the staff has the necessary tools to execute their duties proficiently.

Expenses for Network's Guests: Hosting expenses of €200,47, although modest, are strategic in cultivating and sustaining partnerships and collaborations that are key to the network's growth and success.

Functioning of Statutory Bodies: The total expenditure for the functioning of statutory bodies was €9.143,68, with allocations to the Executive Board, General Assembly, and Board of Auditors. The amount has been in line with the budgeted one at the beginning of the year.

General Expenses: Totalling €16.823,26, general expenses encompass the day-to-day operational costs, including bank expenses, consumables and software, miscellaneous expenses, office rental, payroll services, safety regulations, travel insurance for staff, and utilities.

The actual expenses in this category demonstrate a prudent approach to managing operational costs, staying within the forecasted budget range.

Missions and Travel Expenses: Travel expenses for missions of the staff of the Secretariat in Italy and Sweden stood at €14.844,78. The missions have been oriented to foster member engagement, as well as active participation in relevant projects/events/events. Here, the actual spending closely aligns with the forecasted amount, indicating an adequate projection of travel needs of the organisation.

Study Visits and Projects of Members: The amount of €15.220,13 has been spent in supporting members in their project activities which are instrumental in sharing best practices and innovative solutions across the network. These costs have been fully covered by the incomes related to these activities.

Training Activities for Staff: Finally, training activities for staff, with an actual expense of €2.735,79, for continuous professional development, ensuring that its team is equipped with the latest knowledge and skills.

EU Projects: Expenses related to EU projects mirrored the income figures, with a total expense of €493.784,35, exactly equal to the income, indicating a balanced expenditure against the project incomes.

EU Projects	€	493.784,35
Mobility Adult Education (2022-2027)	€	48.709,90
BE+ (2023)	€	67.877,09
DEEDS (2023)	€	81.270,92
Cope (2023)	€	31.372,94
NARRATE (2023)	€	31.263,57
PLAYING (2023)	€	35.050,50
TRANSIT (2023)	€	25.648,31
BAS (2024)	€	9.148,07
UPREST (2024)	€	22.529,56
EMPOWER (2023)	€	32.640,00
ART4RIGHTS (2023)	€	8.696,02
DIGITAL TRAINERS	€	30.000,00
UST	€	12.130,11
INTEC	€	3.180,07
BRIDGE	€	1.256,64
STEM	€	545,58
PLUS+T	€	2.351,54
SAYYOUTH	€	2.121,75
IMPROVE	€	41.933,53
GEMIS	€	6.058,25

The total amount of expenses at 31st December 2023 was 620.228,88 with a net surplus after operations of 7.313,18.

- **EU Grant Anticipation:** Amounting to € 80.366,16, this is an advance against grants to be cashed in 2024.
- **Membership Fees:** Accumulated receivables for fees from 2020 to 2023 total €7.925,70, indicating a set of credits to be collected for unsettled membership fees.
- **Cash Holdings:** The balance sheet shows a total of €2.218,05 in cash and cash equivalents, which includes cash on hand, cash cards and balances with banks Emilbanca and UniCredit, totalling € 543.676, 14. These amounts provide liquidity and financial flexibility for the network's operations.

Liabilities

LIABILITIES	
A. Fund Balance 2023	€ 121.240,59
A1 Endowment Fund	€ 50.000,00
A2 Reserve Fund	€ 63.927,41
A3 Net incomes from operations 2023	€ 7.313,18
B. Account Payables Members	€ -
B 1 Members Anticipated Fees	€ -
C. Accounts Payable (Debts)	€ 830.102,61
C1 Debts towards Employees	€ 20.827,17
C2 Payables to service suppliers	€ 1.121,47
C3 Payables to Project Partners	€ 39.251,71
C4 Employees TFR Fund	€ 79.763,02
C 4.1 Tax on TFR	€ 897,90
C5 EU Grants 2019-2021	€ 23.335,31
C6 EU Grants 2022-2023	€ 417.684,75
C7 Fund for staff costs of the Secretariat	€ 231.948,10
C8 Funds for future collaborations among the members	€ 9.000,00
C9 Payables to members	€ 294,00
C10 Credit Card expenses 2140	€ 8.979,18
Total Liabilities (a+b+c)	€ 951.343,20

Liabilities: The total current liabilities and equities are € 951.343,20, which indicates that SERN has more than sufficient assets to cover its short-term obligations.

Accounts Payable (A/P): The accounts payable total €830.102,61, which are detailed as follows:

- **Payables to Service Suppliers:** €1.121,47, implying payments due for services rendered to SERN.
- **Payables to Employees and Members:** Amounting to € 20.827,17 and € 294,00 respectively, these are salaries to be paid in early 2024 and member-related dues.
- **Payables to Partners:** Standing at €39.251,71, indicating financial obligations towards project partners.
- **EU Grants Payable:** Totalling € 441.020,06 this is a significant liability that represents the funds received from the EU that are allocated for specific project expenses pertaining grants awarded in 2022-2023 (€417.684,75) or in 2019-2021 (€ 23.335,31).
- **Fund for Secretariat Staff Costs:** The fund for staff costs of the Secretariat is a considerable €231.948,10, and it serves the purpose of integrating when needed the operational costs of the Secretariat staff in the future.

- **TFR Fund:** The severance pay fund (TFR) is at €79.763,02, which is a statutory obligation in Italy and represents funds set aside for employees' end of service benefits.

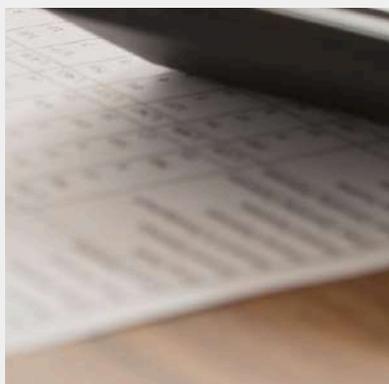
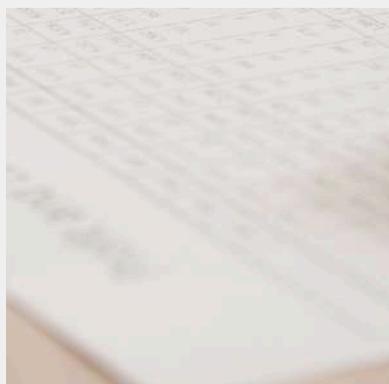
Equity

SERN's equity stands at € 121.240,59, showcasing the Fund Balance at the end of 2023. Considering that the fund balance at end of 2017 was approximately € 65.000,00, the figures show that the equity of SERN has doubled in six years.

The Fund Balance 2023 includes:

- **Net Income:** The net incomes from operations 2023 of € 7.313,18
- **Fund Balance:** The fund balance from previous years which includes the endowment fund at €50.000,00 and the reserve fund at € 63.927,41 to be used for future investments or unforeseen events.

In conclusion, it can be said that the balance between SERN's assets and liabilities reveals a network that is both financially prudent and strategically invested in its mission. The substantial accounts receivable suggest confidence in future cash flows, while the significant EU grant-related liabilities align with SERN's role in managing and executing EU-funded projects. The equity indicates retained financial strength, which can support the network's future activities.



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