

2024 FINANCIAL REPORT

Sweden Emilia Romagna Network
www.sern.eu



EXPLANATORY NOTE TO THE SERN FINANCIAL STATEMENTS 2024

General remarks

The 2024 Income Statement reflects a substantially positive situation also for 2024. When comparing the figures at the end of 2024 with the initial forecast approved by the Board, several variances emerge that underline areas of overperformance and adjustments in financial management.

The total income for 2024 reached € 383.342,95, a substantial increase of € 95.869,65 compared to the initially forecasted budget. This growth can largely be attributed to higher-than-expected incomes from EU-funded projects and related activities, as well as contingent assets (i.e. additional incomes generated from activities of the previous year € 8.800,50). The increase highlights the successful management and the capacity to optimize the use of the financial resources available.

On the expense side, total expenditures have been € 379.090,44, exceeding the budgeted € 287.473,00 by € 91.617,14. This rise correlates with the additional income generated, as many expenses are directly tied to project activities. Despite this increase in the expenses, the network ended the operations of the year with a surplus of € 4.252,51.

PROFIT AND LOSS ACCOUNT

Incomes

The total income for 2024 reached € 383.342,95, a substantial increase of € 95.869,65 compared to the initially forecasted budget. This growth can largely be attributed to higher-than-expected incomes from EU-funded projects and related activities, as well as contingent assets (i.e. additional incomes generated from activities of the previous year € 8.800,50). The increase highlights the successful management and the capacity to optimize the use of the financial resources available.

Statutory Revenues: The SERN Institutional Activity income totals € 113.318,65, marking a decrease of € 27.291,35. This variance is primarily due to non-use of resources coming from the fund created for staff costs.

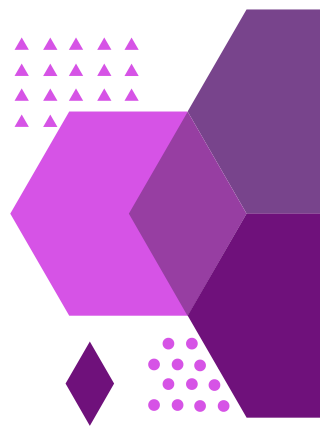
1. Fees of the Members 2024: The fees collected from members in 2023 amounted to €70.417,4, slightly below the budgeted € 71.500,00.

2. Fees from New Members 2024: Revenue from new member fees positively exceeded expectations, with actual figures at €2.868,60 against a budget of € 1.500,00.

Other Incomes: The category of other incomes also outperformed projections, totalling €31.228,70 compared to the forecasted €37.000,00. 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 €22.827,90, slightly higher than the budgeted € 22.000,00.

1. Training Activities: Income from training activities reached € 8.400,80, against a budget amount of € 15.000,00. The amount generated by training activities has been lower than forecasted but this did not have an impact on the overall net income after operations.



Interest and Contingent Assets: Interest on bank accounts and contingent assets, while smaller figures, contributed € 3,45 and €8.800,50 respectively. These figures indicate additional financial benefits that strengthened the overall income.

The institutional income for SERN totalling 383.342,95 shows a picture of an organization that continues to count on a good base of member contributions while maintaining the targets related to new members.

The total income from the 12 projects ongoing during 2024 amounts to 247.241,63.

Expenses

On the expenditure front, institutional activity expenses have been € 109.066,14, a significant reduction compared to the budgeted € 140.610,00.

| SERN INSTITUTIONAL ACTIVITY | € | 109.066,14 |
|---|---|------------|
| Personnel | € | 53.905,78 |
| <i>(Total staff costs 242..758)</i> | | |
| Functioning of Statutory Bodies | € | 12.192,47 |
| General Assembly | € | 11.202,73 |
| Executive Board | € | 589,74 |
| Board of auditors | € | 400,00 |
| General Expenses | € | 14.761,74 |
| Missions and travel expenses | € | 8.425,96 |
| Contingent Liabilities | € | 3.478,00 |
| Expenses for Network's Guests | € | 328,12 |
| Equipment | € | 2.904,43 |
| Training activities for staff | € | 1.746,45 |
| Study Visits and Projects of members | € | 7.973,04 |
| Communication/Information activities | € | 3.350,15 |

Personnel: personnel costs (due to the fact that resources from the fund for staff costs were not used) decreased from the forecasted € 83.710,00 to € 53.905,78.

The total amount of staff costs in 2024 has been € 242.758,71 of which 66% derived from resources related to EU projects.

Communication: The actual expenditure on communication was €3.350,15. 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.

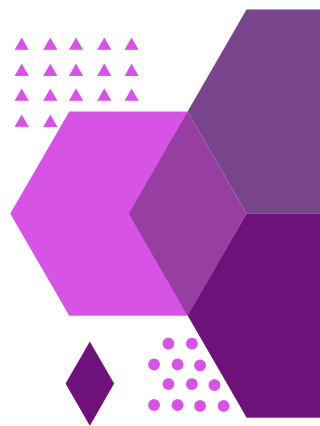
Contingent Liabilities: SERN reported contingent liabilities for € 3.478,00.

Equipment: The actual expenses on equipment, amounting to € 2.904,43. This expenditure pertains computers and other hardware crucial for ensuring that the staff has the necessary tools to execute their tasks effectively.

Expenses for Network's Guests: Hosting expenses of € 328,12, although modest, are strategic in cultivating and sustaining partnerships and collaborations that are key to the network's growth.

Functioning of Statutory Bodies: The expenses for the functioning of statutory bodies amounted to € 12.192,47 from the budgeted € 12.000,00, with savings achieved in areas such as the Executive Board and Board of Auditors' operations.

General Expenses: Totalling € 14.761,74, general expenses encompassed 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 € 14.761,74. The missions have been oriented to foster member engagement, as well as active participation in relevant projects/events. Here, the actual spending closely aligns with the expenses of previous years.

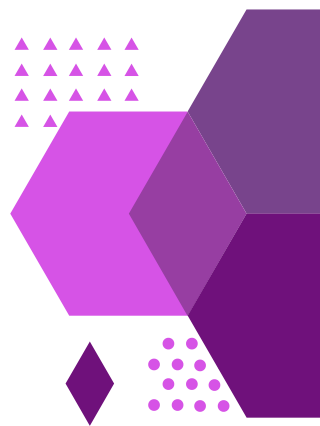
Study Visits and Projects of Members: The amount of € 7.937,04 has been spent in supporting members in their project activities which are instrumental in sharing best practices and innovative solutions across the network. These costs have been fully covered by the incomes related to these activities.

Training Activities for Staff: Finally, training activities for staff, with an actual expense of € 1.746,75, 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 € 270.024,30 indicating a balanced expenditure against the project incomes.

| EU Projects | € 247.241,63 | € 270.024,30 |
|-----------------------------------|--------------|--------------|
| Mobility Adult Eduation (2023-24) | € 62.101,00 | € 63.561,00 |
| Mobility Adult Eduation 24-25 | - | € 10.896,47 |
| BAS (2024) | € 29.674,83 | € 29.674,83 |
| UPREST (2024) | € 40.417,77 | € 40.766,77 |
| MIST | € 9.600,00 | € 11.400,00 |
| Art4Rights | € 3.263,30 | € 3.298,53 |
| Equal4Green (2024) | € 3.500,00 | € 5.672,75 |
| UST (2025) | € 37.539,77 | € 37.539,77 |
| INTEC | € 25.324,19 | € 24.324,19 |
| BRIDGE | € 12.902,31 | € 11.990,31 |
| STEAM | € 13.162,42 | € 19.171,22 |
| PLUS+T | € 9.756,04 | € 11.728,46 |

The total amount of expenses at 31st December 2024 was 379.049,44 with a net surplus after operations of 4.252,51.



COMPARATIVE ANALYSIS

| PROFIT AND LOSS ACCOUNT 2014-2023-2024 | | | | | | | | |
|--|--------------|--------------|--------------|---|--------------|--------------|--------------|--|
| | 2014 | 2023 | 2024 | | 2014 | 2023 | 2024 | |
| TOTAL INCOMES | € 105.753,38 | € 627.542,06 | € 383.342,95 | TOTAL EXPENSES | € 102.014,39 | € 620.228,88 | € 379.090,44 | |
| SERN INSTITUTIONAL ACTIVITY | € 99.972,54 | € 133.757,71 | € 113.318,65 | SERN INSTITUTIONAL ACTIVITY | € 96.233,55 | € 126.444,53 | € 109.066,14 | |
| 1 Statutory Revenues | | | | 1 Personnel | | | | |
| 1.1 Fees of the members | 70.606,23 | 69.889,85 | 70.417,40 | 2 Functioning of Statutory Bodies | 7.349,92 | 9.143,68 | 12.192,47 | |
| 1.2 Fees from new members | 3.430,50 | 5.224,38 | 2.868,60 | 2.1 General Assembly | 5.493,83 | 1.056,61 | 11.202,73 | |
| 2 Other Statutory incomes | 16.999,80 | 48.909,19 | 31.228,70 | 2.2 Executive Board | 1.633,81 | 7.581,98 | 589,74 | |
| 2.1 Support to members related to projects | | 37.768,02 | 22.827,90 | 2.3 Board of auditors | 210,28 | 505,10 | 400,00 | |
| 2.2 Training Activities and Other incomes | | 8.580,00 | 8.400,80 | 3 General Expenses | 6.378,16 | 16.823,26 | 14.761,74 | |
| Other Incomes | 4.000,00 | 2.561,17 | - | 4 Missions and travel expenses | 10.948,85 | 14.844,78 | 8.425,96 | |
| 3 Earnings on on bank account deposit | 6,96 | 3,53 | 3,45 | 5 Contingent Liabilities | 1.370,69 | 1.176,45 | 3.478,00 | |
| 4 Contingent Assets | 4.929,85 | 9.730,76 | 8.800,50 | 6 Expenses for Network's Guests | 173,32 | 200,47 | 328,12 | |
| 5 | | | | 7 Equipment | 367,83 | 2.257,63 | 2.904,43 | |
| | | | | 8 Training activities for staff | - | 2.735,79 | 1.746,45 | |
| | | | | 9 Study Visits and Projects of members | 3.995,00 | 15.220,13 | 7.973,04 | |
| | | | | 10 Communication/Information activities | 82,41 | 2.281,44 | 3.350,15 | |
| EU Projects | 5.780,84 | 493.784,35 | 270.024,30 | EU Projects | 5.780,84 | 247.241,63 | 270.024,30 | |
| | | | | Net Income from operations | 3.738,59 | 7.313,18 | 4.252,51 | |

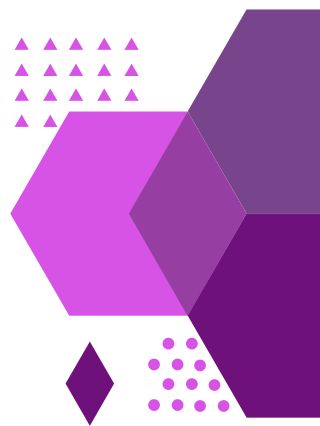
SERN's financial performance in 2024 presents a shift from the high-income levels of 2023 to a more balanced financial structure, aligning income more closely with the organization's actual needs. While at first glance the decline in total income from € 627.542,06 in 2023 to € 383.342,95 in 2024 (mainly in relation to a lower income from projects) has been relevant, it is important to underline that in the year 2023, the organization generated project-based incomes beyond its operational requirements. This resulted in an income surplus that was put aside for future development.

The institutional income experienced a decline, decreasing from € 133.757,71 to € 113.318,65 mainly due to a reduction in the incomes related to the support to members related to projects.

Membership fees remained steady, showing that core financial contributions from members continue to provide stability.

SERN's institutional expenses also declined reaching €109.066,14 compared to € 126.444,53 in 2023. However, within this overall reduction, there were shifts in communication expenses which increased by 46.9%, indicating a stronger focus on improving visibility, engagement, and outreach. Missions and travel costs dropped significantly (-43.2%), likely due to a shift toward remote collaboration and more selective participation in international activities.

Overall, the expense structure in 2024 indicates a carefully managed cost strategy, where resources have been partially reallocated to key areas (e.g., communication and governance) while reducing non-essential expenditures.



BALANCE SHEET

SERN's balance SERN's financial standing as of December 31, 2024, reflects a well-managed and strategically aligned allocation of resources, ensuring both liquidity and an overall medium-term sustainability.

Assets

| A. Cash | | € 527.542,21 |
|---------|---------------|--------------|
| A1 | Cash | € 117,65 |
| A2 | Cash Cards | € 249,96 |
| A3 | Bank Accounts | € 527.174,60 |

Cash and Cash Equivalents: €527.542,21

A significant portion of SERN's assets is held in cash and bank deposits, demonstrating strong liquidity.

The breakdown of this amount is as follows:

- Cash on hand: €117,65
- Cash cards: €249,96
- Bank accounts: €527,174.60

Maintaining a high cash remains key for ensuring operational continuity and meeting short-term obligations without financial strain.

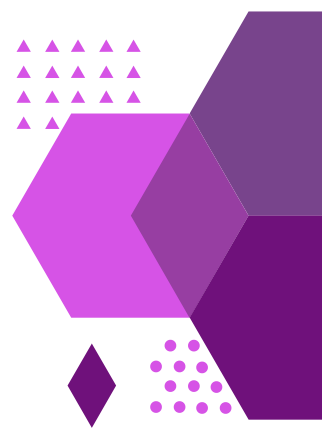
Accounts Receivable: €232.945,85

Accounts receivable represent outstanding balances owed to SERN by members, project partners, and funding institutions, including the EU. This category includes:

- Unsettled membership fees: € 5.818,55 (covering dues from 2020 to 2024).
- Receivables from EU institutions: € 177.043,37, indicating pending reimbursements or grants yet to be disbursed.
- Receivables related to anticipated EU grants: € 45.129,30, reflecting advance payments expected from EU-funded projects lead partners or the EU.
- Receivables for anticipated expenses: €1.548,36, covering costs incurred but awaiting reimbursement.
- Receivables for services/projects of members: €3.406,27, which reflects outstanding payments from member-supported initiatives.

Finally, the tangible assets (**Depreciation fund**) pertaining to equipment amount to 569,52.

| B. Accounts Receivable (Credits) | | € 232.945,85 |
|----------------------------------|--|--------------|
| B1 | Receivables from members (unsettled fees 2020) | € 1.329,90 |
| B2 | Receivables from members (unsettled fees 2021) | € 546,25 |
| B3 | Receivables from members (unsettled fees 2022) | € 1.675,65 |
| B4 | Receivables from members (unsettled fees 2023) | € 852,30 |
| B5 | Receivables from members (unsettled fees 2024) | € 1.414,45 |
| B6 | Receivables for anticipated EU grants | € 45.129,30 |
| B7 | Receivables for anticipated expenses | € 1.548,36 |
| B8 | Receivables for services/projects of members | € 3.406,27 |
| B9 | Receivables from new members | € - |
| B10 | Receivables from the EU | € 177.043,37 |
| C | Depreciation fund | € 569,52 |



Liabilities

Liabilities: The total current liabilities and equities are € 761.057,58, which indicates that SERN has more than sufficient assets to cover its short-term obligations. SERN maintains a clear framework to ensure that financial obligations are met promptly, particularly regarding staff costs, project-related expenses, and EU grant allocations.

| C. Accounts Payable (Debts) | € | 635.564,48 |
|--|---|------------|
| C1 Debts towards Employees | € | 22.000,73 |
| C2 Payables to service suppliers | € | 838,99 |
| C3 Payables to Project Partners | € | 10.924,00 |
| C4 Employees TFR Fund | € | 94.050,51 |
| C5 EU Grants 2024-2025 | € | 56.615,45 |
| C6 EU Grants 2022-2023 | € | 208.044,61 |
| C7 Fund for staff costs of the Secretariat | € | 231.132,33 |
| C8 Funds for future collaborations among the members | € | 8.000,00 |
| C9 Credit Card expenses Dec 24 | € | 3.957,86 |

| A. Fund Balance 2024 | € | 125.493,10 |
|-------------------------------------|---|------------|
| A1 Endowment Fund | € | 50.000,00 |
| A2 Reserve Fund | € | 71.240,59 |
| A3 Net Incomes from operations 2024 | € | 4.252,51 |

Accounts Payable: € 635.564,48

The largest portion of SERN's liabilities consists of various payables, ensuring the organization meets its financial commitments efficiently:

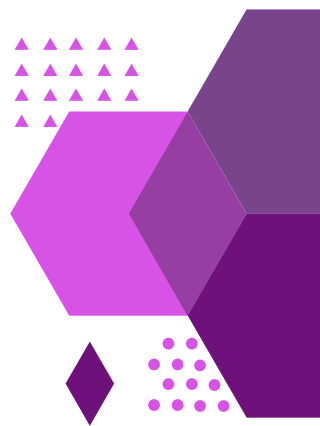
- Debts towards employees: € 22.000,73, covering salaries and other personnel-related obligations for the month of December (paid in early January 2025).
- Service supplier payables: € 838,99, indicating outstanding payments to vendors.
- Payables to project partners: € 10.924,00, reflecting financial commitments to external collaborators involved in EU projects.
- Employee severance fund (TFR): € 94.050,51, the statutory end of assignment fund.
- EU grant-related liabilities: € 264.660,06, comprising unspent funds from ongoing EU-funded projects across multiple grant cycles.
- Fund for staff costs of the Secretariat: € 231.132,33, a designated reserve to maintain stable financial support for operational staff.
- Fund for future collaborations among members: € 8.000,00, allocated to develop joint initiatives and partnerships within the network.
- This liability structure reflects a careful balance between ongoing financial commitments and strategic reserves, ensuring the organization maintains the flexibility to operate effectively while meeting all obligations.

Equity

SERN's total equity at the end of 2024 stands at € 125.493,10.

Key components of equity include:

- Endowment Fund: € 50.000,00, a dedicated reserve to ensure the long-term sustainability of SERN.
- Reserve Fund: € 71.240,59, available for strategic investments or emergency financial needs.
- Net Income from Operations 2024: € 4.252,51, reflecting the residual balance carried forward from the previous year and to be added to the reserve fund.





*Italy and Sweden
building Europe together*



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