



# Operations and financial aspects of RIs

## Cost and Revenue structures of RIs: breakout groups

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**IR0000032 – ITINERIS, Italian Integrated Environmental Research Infrastructures System**

(D.D. n. 130/2022 - CUP B53C22002150006) Funded by EU - Next Generation EU PNRR-  
Mission 4 "Education and Research" - Component 2: "From research to business" - Investment  
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# Financial management

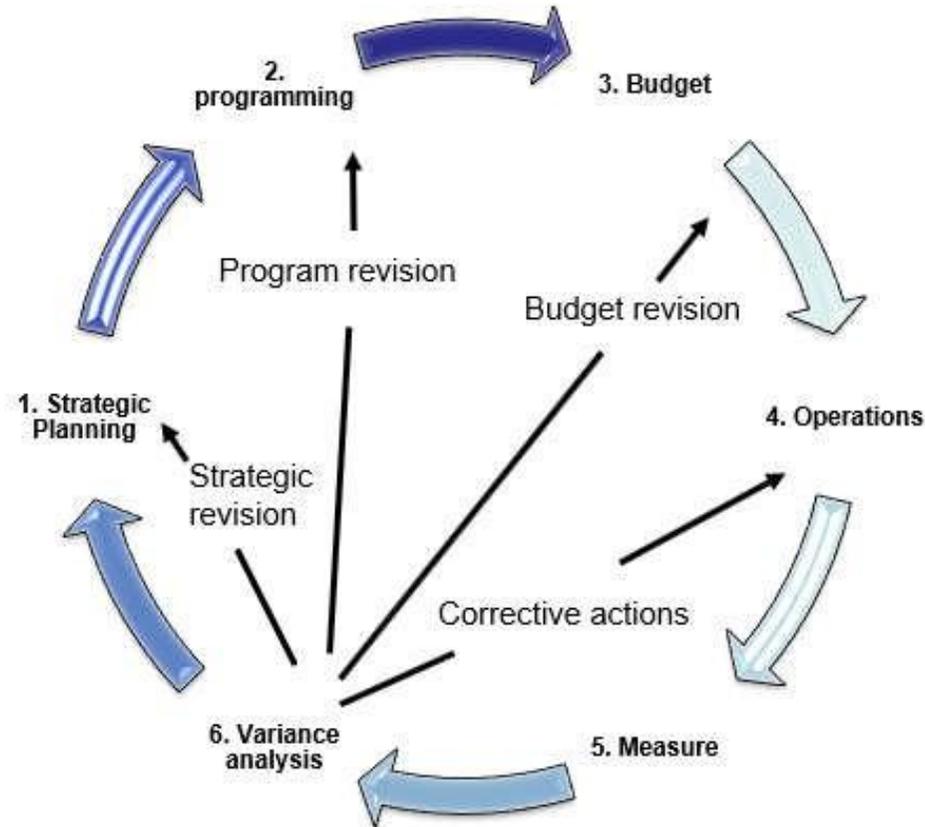


- supply of funds and optimum funds utilization
- returns to the shareholders
- safety on investment
- planning a sound capital structure

# Strategy and financial management



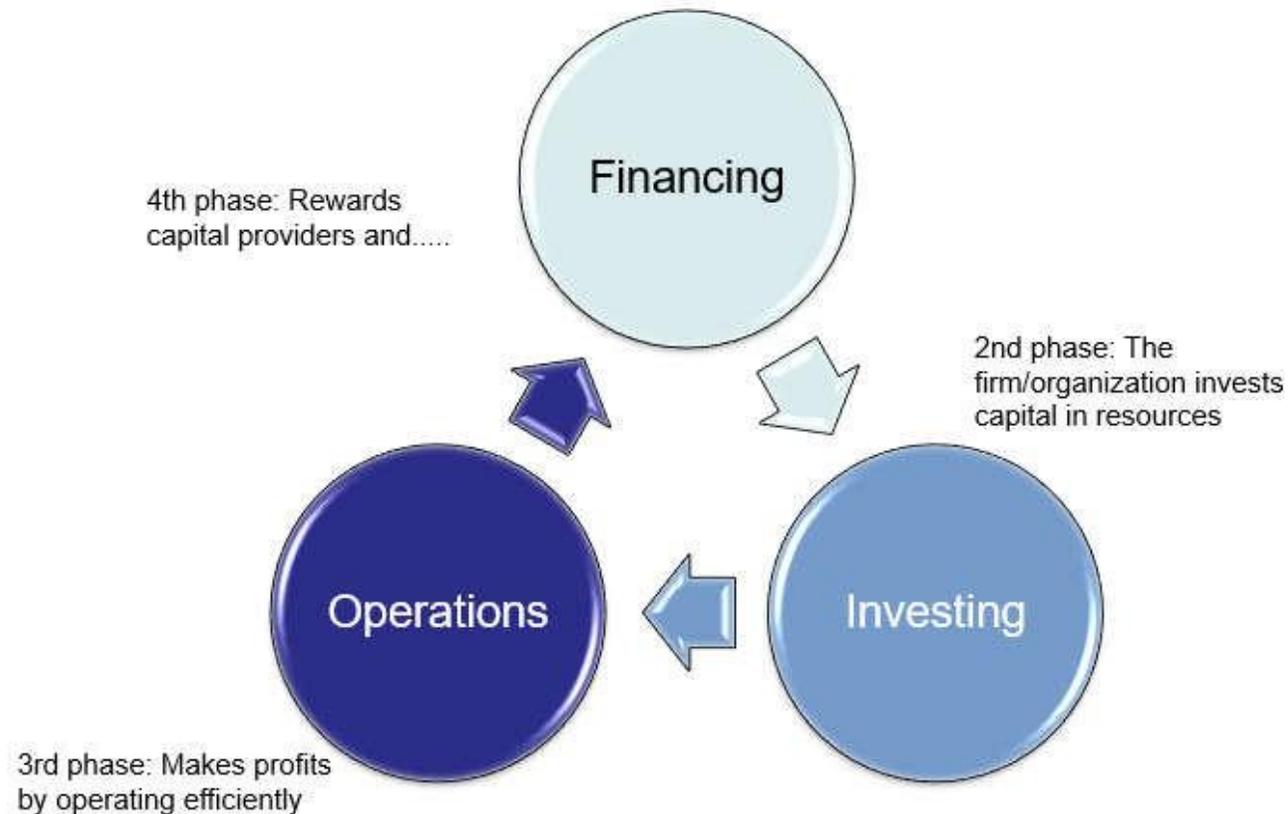
# Planning and Control, Budget and financial reporting



# Business Cicle

1st phase: The organization begins with collecting capital

4th phase: ....reinvests part of its profits to generate growth

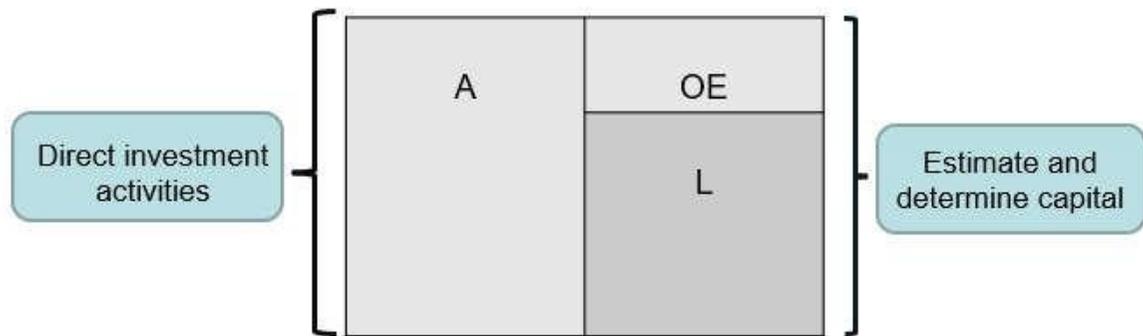


## Financial management

Financial management involves planning, organizing, managing, controlling and monitoring financial resources in order to achieve organisational objectives, through:

- ④ estimating and determining of capital needed (composition and selection of different types)
- ④ directing investment activities
- ④ managing the cash
- ④ producing financial reports
- ④ planning and controlling the funds utilization and the company operations
- ④ developing strategy and plans for the long term financial goals

# Financial management and Balance sheet



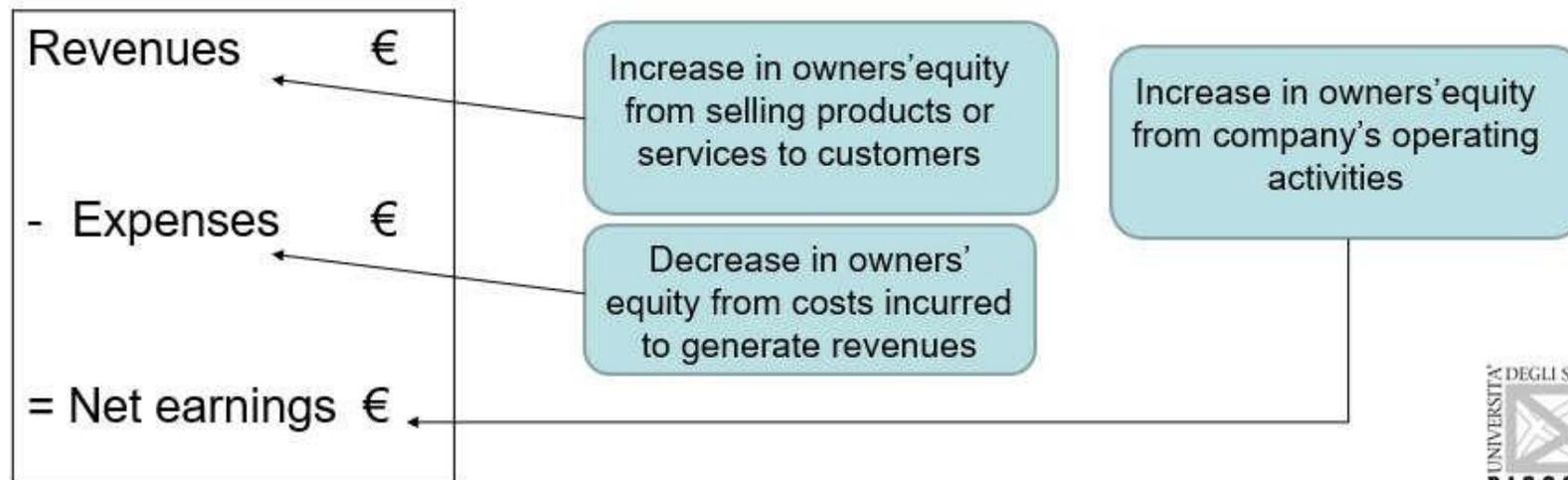
<b>Assets</b> <ul style="list-style-type: none"><li>• Buildings</li><li>• Inventory</li><li>• Cash</li></ul>	<b>Owners' equity</b> <ul style="list-style-type: none"><li>• Capital stock</li><li>• Retained earnings</li></ul>
	<b>Liabilities</b> <ul style="list-style-type: none"><li>• Amount owed to suppliers</li><li>• Loans from bank</li></ul>

## Example of Balance sheet in RIs

In EUR	2015
Intangible Assets	3.840
Tangible Assets	112.120
<b>Fixed Assets</b>	<b>115.960</b>
Receivables and other Assets	93.179
Receivables arising from deliveries services	130
Other receivables and assets	93.049
Cash on hand and Bank deposits	3.625.026
<b>Current Assets</b>	<b>3.718.204</b>
Prepaid expenses, deferred charges	250
<b>Assets</b>	<b>3.834.415</b>
Reserves pursuant to the articles of association	2.193.362
Balance sheet profit	367.775
<b>Capital and Reserves</b>	<b>2.561.137</b>
Other accruals	24.669
<b>Accruals</b>	<b>24.669</b>
Liabilities arising from deliveries and services	31.407
Other liabilities	24.823
<b>Liabilities</b>	<b>56.230</b>
Deferred income	1.192.378
<b>Liabilities and Owner's Equity</b>	<b>3.834.415</b>

## Income statement

- also known as the “profits and losses statement” or “statement of revenues and expenses”
- it is a statement that measures the performance of the firm **over a period of time.**



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## Income statement - example



In EUR	2015
Turnover	3.631.636
Other operating income	62.137
Material Expenses	-
Staff expenses	(887.215)
Amortization	(30.454)
Other operating expenses	(687.764)
<b>Operating result</b>	<b>2.088.340</b>
Other interest and similar income	16
Interest and similar expenses	-
Financial result	16
<b>Loss from operating activities, Earnings before taxes</b>	<b>2.088.356</b>
Taxes on income and revenue	(4)
<b>Profit of the year</b>	<b>2.088.352</b>

## Income statement: typical items in RIs - Revenues

<b>Income</b>	
Member State Contributions	
Ordinary Contributions	€ 6,864
Foreign exchange gain on sterling contributions	
External Grants	€ 1,099
Other income	
Unpaid contributions	
<b>Total Income</b>	<b>€ 7,963</b>

<b>EARNINGS</b>	
<b>Member contributions</b>	900.000
Czech Republic	50.429
Germany	450.000
Spain	192.522
Finland	61.901
Latvia	38.579
Norway	79.453
Poland	54.102
<b>Observer contributions</b>	
Denmark	21.144
<b>Total contributions</b>	<b>948.130</b>

# Income statement: typical items in RIs - Expenses



## EXPENDITURES

Salaries	398.000
Office running costs (not rent)	50.000
Office equipment	21.000
Legal support	30.000
Payroll services	5.000
Financial audit	5.000
Outreach (website, flyers etc)	15.000
Travel and meeting registrations	15.000
Partner Site evaluations	25.000
Database evaluations	15.000
Advisory board meetings	15.000
Internal workshops	20.000
Other costs (bank account, job ads etc)	15.000
VAT reimbursement	
<b>Total expenditures</b>	<b>629.000</b>

<b>EXPENSES</b>		
<b>MATERIALS</b>		
Goods, Consumables & Supplies		66 786
Electricity, heating gas and water		64 604
Industrial services		75 694
Associated Members of Personnel		32 068
Other overheads		50 419
	7.22	<b>289 571</b>
<b>PERSONNEL</b>		
Remuneration		264 834
Social and family benefits		58 414
Social insurance cover		98 313
Annual variation - paid leave		- 758
Post-employment benefits		183 262
Internal taxation		30 047
	7.23	<b>634 111</b>
<b>FINANCIAL EXPENSES</b>	7.24	<b>15 124</b>
<b>DEPRECIATION AND AMORTIZATION EXPENSES</b>		<b>407 725</b>
<b>CHANGE IN PROVISION FOR RADIOACTIVE WASTE</b>	7.14	<b>45 894</b>
<b>WRITE-OFF PROPERTY, PLANT AND EQUIPMENT</b>	7.3.1	<b>4 897</b>
<b>RECAPITALISATION PENSION FUND</b>	7.27	<b>60 000</b>
<b>Total</b>		<b>1 457 322</b>
<b>NET SURPLUS/DEFICIT (-) FOR THE PERIOD</b>		<b>- 268 064</b>



THANKS!

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