



Annual accounts of the European
Union Agency for Law Enforcement
Training

Financial year 2022

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CERTIFICATION OF THE ACCOUNTS

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the European Union Agency for Law Enforcement Training (CEPOL) in accordance with Article 102 of the Framework Financial Regulation ('FFR')¹ and I hereby certify that the annual accounts of the CEPOL for the year 2022 have been prepared in accordance with Title IX of the FFR and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and union bodies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the CEPOL assets and liabilities and the budgetary implementation. Based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the CEPOL.

Rosa ALDEA BUSQUETS
**Accounting Officer of the
European Union Agency for Law
Enforcement Training**

¹ COMMISSION DELEGATED REGULATION (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.

BACKGROUND INFORMATION NOTE

1. General background on the entity

Establishment

The European Union Agency for Law Enforcement Training, known also as CEPOL, is an agency of the European Union dedicated to developing, implementing and coordinating training for law enforcement officials.

CEPOL was founded by Council Decision 200/820/JHA of 22 December 2000. Its current legal mandate stems from the Regulation (EU) 2015/2219 of the European Parliament and of the Council of 25 November 2015 and is in force since 1 July 2016.

Mission

CEPOL contributes to a safer Europe by facilitating cooperation and knowledge sharing among law enforcement officials of the EU Member States² and to some extent, of third countries, on issues stemming from EU priorities in the field of security; in particular, from the EU Policy Cycle on serious and organised crime.

Main operational activities

CEPOL brings together a network of training institutes for law enforcement officials in EU Member States and supports them in providing frontline training on security priorities, law enforcement cooperation and information exchange. CEPOL also works with EU bodies, international organisations, and third countries to ensure that the most serious security threats are tackled with a collective response.

CEPOL's current portfolio encompasses residential activities, online learning (webinars, online modules, online courses), exchange programmes, common curricula, research and science.

Governance

CEPOL is headed by an Executive Director, who is accountable to a Management Board. The Management Board is made up of representatives from EU Member States and the European Commission. The chair of the Management Board is a representative of one of the three Member States that have jointly prepared the Council of the European Union's 18-month programme. The Management Board meets at least twice per year. In addition, CEPOL has dedicated National Units (CNUs) in every Member State to provide information and assistance to law enforcement officials who wish to participate in CEPOL's activities. CNUs also support CEPOL's operations.

The agency's annual work programme is built with input from this network and other stakeholders, resulting in topical and focused activities designed to meet the needs of Member States in the priority areas of the EU internal security strategy. Moreover, CEPOL assesses training needs to address EU security priorities.

Sources of financing

CEPOL does not receive any external financing. All the financial resources stem from the general budget of the European Union and can be split as follows:

- Annual balancing subsidy from DG HOME, the parent DG;
- Dedicated Union External Assistance funds (through Contribution agreements) to assist third countries in building their capacities in relevant law enforcement policy areas, in line with the established priorities of the Union;
- Funds received in respect to agreements (co-operation and financing) with other EU entities.

² Denmark is not considered Member State in relation to CEPOL in accordance with Protocol 22 on the position of Denmark in respect of the area of freedom, security and justice, annexed to the TEU and to the TFEU.

2. Annual accounts

Basis for preparation

The legal framework and the deadlines for the preparation of the annual accounts are set by the Framework Financial Regulation (FFR)³. As per this regulation, the annual accounts are prepared in accordance with the rules adopted by the Accounting Officer of the Commission (EU Accounting Rules, EAR), which are based on internationally accepted accounting standards for the public sector (IPSAS).

Accounting Officer

In accordance with the FFR, the Management Board of the entity appoints the Accounting Officer who is, amongst other tasks, responsible for preparation of the annual accounts, which are consolidated in those of the EU.

Following the decision of the CEPOL Management Board number 2/2017/MB of 28 February 2017 and repealing decision 04/2014/GB, the Accounting Officer of the Commission shall act as the Accounting Officer of CEPOL.

Composition of the annual accounts

The annual accounts cover the period from 1 January to 31 December and comprise the financial statements and the reports on the implementation of the budget. While the financial statements and the complementary notes are prepared on an accrual accounting basis, the budget implementation reports are primarily based on movements of cash.

Process from provisional accounts to discharge

The provisional annual accounts prepared by the Accounting Officer are transmitted, by the 1 March of the following year, to the European Court of Auditors (ECA) and to the audit company selected by the entity. Following the audit, the Accounting Officer prepares the final annual accounts and submits them to the Management Board for opinion.

The final annual accounts, together with the opinion of the management board, are sent to the accounting officer of the Commission, the ECA, the European Parliament and the Council by 1 July of the following financial year. The ECA scrutinises the final annual accounts and includes any findings in the annual report for the European Parliament and the Council.

It falls to the Council to recommend, and then to the European Parliament to decide, whether to grant discharge to the Director in respect of the implementation of the budget for a given financial year. Amongst other elements this decision is also based on a review of the accounts and the annual report of the ECA.

³ COMMISSION DELEGATED REGULATION (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.

3. Operational highlights

Achievements of the year

CEPOL implemented 258 training activities (230 in 2021) from the Single Programming Document 2022 providing up-to-date knowledge and good practices in law enforcement to 37 556 participants. This high business implementation rate was the result of a collective effort from EU Member States authorities, the Framework Partners and the Agency.

Training delivered included different type of activities:

- Onsite training activities;
- Online courses and e-workshops;
- Webinars;
- Online modules and other self-paced products;
- Exchange programme.

CEPOL training activities focused on key thematic areas of serious organised crimes, such as migrant smuggling, drug trafficking, money laundering and financial crime, excise fraud, environmental crime, human trafficking, organised property crime, document fraud, firearms trafficking and Missing Trader Intra-Community (MTIC) fraud. Counterterrorism, law enforcement cooperation, information exchange and interoperability trainings were organised via the CEPOL Knowledge Centres, whereas various forms of cybercrime challenges were addressed by the programme of the CEPOL Cybercrime Academy.

Law enforcement techniques, such as forensics, criminal analysis, witness protection, special operation techniques were also covered, as well as law enforcement training and leadership development solutions. Public order and crime prevention were targeted by specialised actions, while the CEPOL Research and Science Conference addressed the topic of Preparing Law Enforcement for the Digital Age.

Aspects of fundamental rights have been addressed as horizontal topics throughout the training portfolio. The Agency's training events paid particular attention to the protection of victims, vulnerable persons and issues regarding policing diverse societies.

CEPOL reacted quickly to the war in Ukraine, and delivered a series of 6 webinars on the related aspects, as well as carrying out an ad hoc Training Needs Analysis on the impact of the war on law enforcement training needs and delivering a tailor made open source intelligence (OSINT) course for the Ukrainian General Prosecutors Office, in cooperation with the Council of Europe. Moreover, CEPOL has also accommodated extra participants from Ukraine to its activities.

Due to the limited financial resources, CEPOL transformed 9 courses into an online delivery format; this practice has been repeated from the past year in order to meet the high demand from the stakeholders.

Building on the COVID-19 experience and looking to the future, CEPOL improved its competitive edge to become the e-learning hub for EU Member States, which has been one of the three top strategic priorities of the agency.

Towards this purpose, and to further support the online collaboration at a national and organisational level, the Agency launched two multi-tenancy environment sites running CEPOL's online learning platform (LEEd), for the Slovakian Police and for the CEPOL International Cooperation Unit (ICU), serving third country non-EU law enforcement agencies. Two more multi-tenancy environments are in advanced stages of delivery for the Portuguese Police and for the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), while other EU and neighbouring states have expressed strong interest to have their own versions in the future.

This allows for Member States, fellow EU institutions and selected third countries non-EU law enforcement agencies to benefit from a dedicated virtual space linked to CEPOL's Law Enforcement Education (LEEd) platform for their exclusive, autonomous usage.

Additionally, CEPOL delivered Moodle training to boost the online capacities of the activity managers, as well as initiated preparations for the first Moodle Educators Certification programme.

In 2022, CEPOL progressed with the Training Needs Analyses exercise, completing Operational Training Needs Analyses in the areas of counterterrorism, digital skills of law enforcement, environmental crime, fundamental rights and data protection. CEPOL also engaged in an ad hoc Training Needs Analysis on the role of law enforcement in the protection of investigative journalists and the changing crime and operational patterns and training needs of law enforcement as a consequence of the war in Ukraine. By mapping the training needs of the Member States' law enforcement authorities, this will set the law enforcement officials' training priorities for the upcoming years.

Finally, CEPOL participated in all European Multidisciplinary Platform Against Criminal Threats Operational Action Plans (EMPACT OAPs), and in particular led the Coordination of the Strategic Goal N6, as well as delivered Drivers Workshop EMPACT 2022+ aimed at supporting the drivers in their role within EMPACT 2022-2025, under four different modules: leadership and EMPACT governance, EU funding opportunities for EMPACT, EMPACT partners, and EMPACT communication and innovation.

In addition, CEPOL manages, in accordance with its legal basis, dedicated Union External Assistance funds to assist third countries in building their capacities in relevant law enforcement policy areas, in line with the established priorities of the Union. The impact of the COVID-19 was less significant in 2022 compared to the previous year. Therefore, most of the activities postponed due to the pandemic were implemented in 2022. However, the recent war in Ukraine directly impacted the project implementation in the Eastern Partnership (EaP) region due to the shifting need in capacity building. Furthermore, the rising energy prices and the resulting increased logistic and organisational costs impacted the project implementation in each region, making it impossible to find appropriate services within the current ceilings. In 2022, the following four projects continued their implementation:

1. **CT INFLOW Interregional project on Counter-Terrorism Information Exchange and Criminal Justice Response**, targeting five countries of the EU South Neighbourhood and Turkey, funded by the Instrument contributing to Stability and Peace (IcSP 2018) via the European Commission's Directorate General for International Partnerships (DG INTPA), with a duration of 48 months (from 1 April 2020 until 31 March 2024).

Under the EU-MENA⁴ Information Sharing and Analysis (EMISA) Network, the team implemented 22 activities, including conferences and webinars. Two workshops for Single Points of Contact (SPoC) were also implemented to exchange information and Counter-Terrorism (CT) analysis. Steering Committee and Project Board meetings were organised and held to ensure smooth project implementation and monitoring. Strategic Cooperation Forum was organised as well. Two workshops with the Turkish National Police Academy were organised in Turkey and Europe. Furthermore, two regional and two sub-regional trainings were also implemented in the MENA and Europe, while one online course and two webinars were also delivered. Under the Exchange programme, 14 exchanges between EU and MENA countries, two study visits to Portugal and Spain and two mentoring activities were implemented. Furthermore, the CT INFLOW team started the preparations and delivery of two regional workshops and one online workshop for the judicial sector with its own resources. The MENA Terrorism Situation and Trend Report (TE-SAT) implementation started with one support activity, one regional workshop and one joint simulation.

The tender for the Technical supply to the African Union Mechanism for Police Cooperation (AFRIPOL) was finalised, and it is expected to have the contract in place at the beginning of 2023.

2. **Euromed Police project**, targeting nine Southern Partner Countries, is funded by the European Neighbourhood Partnership Instrument (ENPI) of the Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR) with a duration of 48 months (from 1 April 2020 until 31 March 2024).

The project closed the inception phase in 2020. The national and regional Operational Training Needs Analysis (OTNA) reports were finalised and accepted, and training plans and a catalogue were created. Steering committee, Advisory Committee and Project Board meetings were organised and held. 19 onsite national training courses and sub-regional courses were held together with a train-the-trainers course, and portfolio design workshops to develop the course curriculum. 9 online activities, such as webinars and online course were organised, and 20 exchanges, one mentor programme and 4 study visits were conducted throughout the year. The implementing partner, the European Union Agency for Law Enforcement Cooperation (EUROPOL),

⁴ MENA: Middle East and North Africa

conducted workshops, study visit and joint simulation exercises online for the Network of Analysts (ANASPOC).

3. **Western Balkans project against Crime and Terrorism (WB PaCT)**, funded by the Instrument of Pre-accession (IPA II) via DG NEAR. The project covers the six WB jurisdictions and has a duration of 36 months (from 19 October 2020 until 18 October 2023).

The inception phase was closed in June 2021, and the implementation phase was kicked off. The elaboration of the regional OTNA started with the data collection process, continued with the analysis, and it is finalised with the delivery of the OTNA report with a training portfolio. Altogether 19 activities have been implemented. Steering Committee, Advisory Committee and Project Board meetings were organised and held online. Furthermore, the project delivered 10 national and regional onsite courses and 6 webinars.

4. **Training and Operational Partnership against Organised Crime (TOPCOP) project** covering six Eastern Partnership Countries. The project is funded by the ENPI via DG NEAR, with a duration of 48 months (from 1 July 2020 until 30 June 2024).

The project closed the inception phase in 2021, national assessment missions were conducted online with the beneficiaries in order to introduce the project objectives and activities. The regional OTNA report was finalised and accepted, and the training catalogue was created. Steering committee, advisory committee and project board meetings were organised and held online. 27 exchanges and one study visit were conducted. Onsite national training courses and subregional course were held together with online webinars. Furthermore, a joint simulation exercise and ANASPOC Emerging Needs Workshops were held online.

Budget and budget implementation

The regular budget of CEPOL (Title 1–3) is financed from the General Budget of the European Union in the form of a subsidy. In 2022, the voted budget increased compared to 2021. This budget amounted to kEUR 10 845 in 2022 (compared to kEUR 9 832 in 2021).

The impact on implementation

As the COVID-19 situation improved in 2022, CEPOL continued delivering both onsite and online training. However, some uncertainty continued in respect of the availability of travel due to the pandemic environment and the different special requirements, such as getting tested for COVID-19. In addition to the above, the difficult situation in the air-traffic sector had also an effect on operations e.g. an increase in flight prices and a reduction of flight options.

The geo-political situation in the region, the war in Ukraine, had a direct impact on law enforcement training needs as well as on the implementation of planned activities organised within the scope of CEPOL's externally funded projects in that region.

The high inflation in Europe with the prices rising faster than foreseen resulted in a higher implementation cost of our activities.

The implementation in terms of the final adopted budget for commitments almost reached 100%, the payments reached 85%; 15% of payment appropriations of the final adopted budget were carried forward to 2023. The relatively high amount of funds carried forward to 2023 is linked to the fact that the invoicing for the implemented onsite activities in the last months of the year could not take place before the end of the year.

The available appropriations of the regular budget (titles 1-3) including the assigned revenues amounted to kEUR 11 369 (commitment appropriations) and kEUR 13 880 (payment appropriations).

Title 1 budget lines are dedicated to staff expenditure, such as salaries and allowances for personnel working with CEPOL. Title 1 also includes recruitment expenses, staff training and missions, expenses for the socio-medical infrastructure and representation costs. The final commitment budget for Title 1 was kEUR 4 919 including assigned revenue and carry-overs, if any. 84% was for salary payments and 16% for other staff related expenditure. This is a 5% increase compared to the previous year (kEUR 4 700).

Title 2 budget lines refer to administrative expenditure, such as building related costs, IT systems, furniture, office equipment, telecommunications, legal expenses, translations, and correspondence. The final commitment budget for Title 2 including carry-overs and assigned revenue was kEUR 447 (kEUR 745 in 2021).

Title 3 covers the implementation of the operational expenditure and tasks assigned to CEPOL in accordance with the Regulation (EU) 2015/2219 of the European Parliament and of the Council of 25 November and detailed in the Single Programming Document (SPD 2022-2024) adopted by the Management Board (03/2022/MB) on 25 March 2022. The final commitment budget for Title 3 amounted to kEUR 6 004 including assigned revenue and carry-overs, if any. 20% of the payment appropriations were carried over of which 19% for services used at the end of the year, but not yet invoiced and 1% to cover commitment appropriations carried-over. However, there is a significant decrease in carry-forward compared to the previous year (31%). There was a significant increase in paid budgetary expenses (kEUR 6 309) compared to 2021 (kEUR 3 100), which is due to the less carry forward, increased number of activities and significant increase of prices.

Title 5 (assigned revenue) was created for implementing other operational activities through contribution agreements.

In 2020, a kEUR 23 461 project portfolio contracted four projects (details in the previous section) and their implementation continued in 2022:

- CT INFLOW, total estimated cost of the action (48 months): kEUR 7 500;
- EUROMED Police, total estimated cost of the action (48 months): kEUR 6 961;
- TOPCOP, total estimated cost of the action (48 months): kEUR 6 000;
- WB PaCT, total estimated cost of the action (36 months): kEUR 3 000.

The total payment appropriations for these projects in 2022 amounted to kEUR 17 450 out of which kEUR 5 550 were paid (66% more than in 2021: kEUR 3 341). The increase is due to the implementation in the first quarter of 2022, of activities postponed in 2021 due to the COVID-19 restrictions. The relatively high carry-over to 2023 (kEUR 11 901) is linked to the fact that the three projects received 100% pre-financing in 2020 and the Euromed project 50% in 2020 and another part in 2022.

Revenue implementation

In 2022, CEPOL collected as revenue (kEUR 14 120):

- kEUR 10 845 as EU subsidy;
- kEUR 315 as assigned revenue, of which kEUR 256 was the outcome of negotiations between CEPOL and one of its suppliers related to overcharging for services delivered in earlier years; and
- In addition, CEPOL received kEUR 2 960 as assigned revenue (second pre-financing) for CT INFLOW (Title 5).

Besides, kEUR 209 as assigned revenue carried over from 2021 on Title 3 and kEUR 13 647 on Title 5, where the money has been received in 2020.

Evolution of the available commitment appropriations

EUR '000

Item	Revenue as subsidy (final adopted budget)	Assigned revenue	Carry-over of commit. approp. from 2021	Total commit. approp. available	Commitments made	Carry forward of commit. approp. to 2023	Cancelled commit. approp.
	1	2	3	4=1+2+3	5	6	7
Title 1							
Staff expenditure	4 915	4	0	4 919	4 919	0	0
Title 2 Administrative expenditure	446	0	0	447	447	0	0
Title 3 Operational expenditure	5 484	520	0	6 004	5 875	129	0
Total Title 1-3 (regular budget)	10 845	524	0	11 369	11 240	129	0
Title 5 WB PaCT	0	2 000	0	2 000	1 356	645	0
Title 5 CT INFLOW	0	5 114	0	5 114	2 345	2 769	0
Title 5 EUROMED Police	0	5 128	0	5 128	1 903	3 226	0
Title 5 TOPCOP	0	4 364	0	4 364	1 682	2 682	0
Total Title 5 (other activities)	0	16 607	0	16 607	7 286	9 321	0
Grand Total	10 845	17 131	0	27 976	18 526	9 450	0

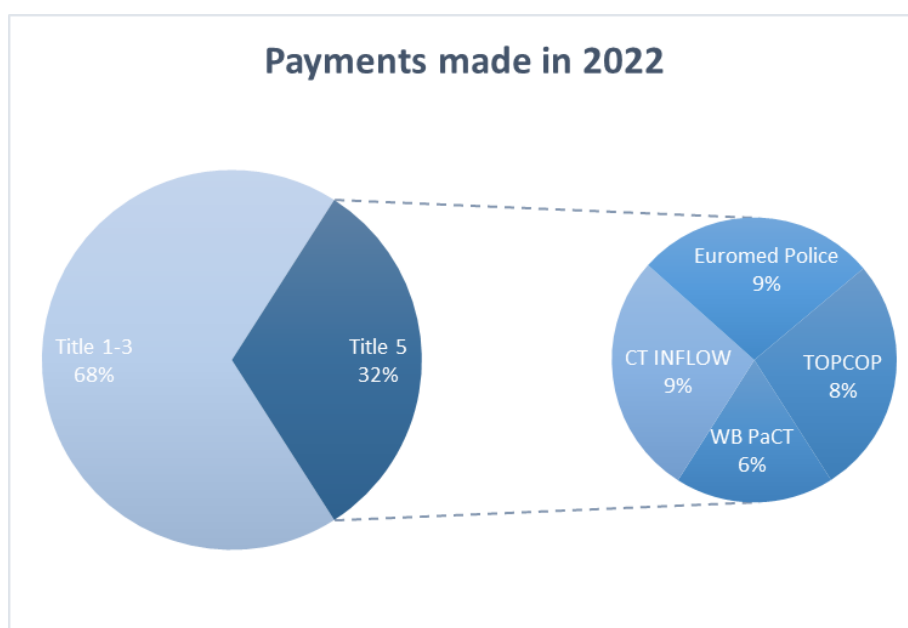
The total commitment appropriations amounted to kEUR 27 976; CEPOL consumed kEUR 18 526 of these, kEUR 9 450 was carried forward to 2023, and cancelled commitments were below kEUR 1.

Evolution of the available payment appropriations

EUR '000

Item	Carry-over of payment apppr. from 2021	Total payment apppr. available	Payments made	Carry forward of payment apppr. to 2023	Cancelled carried over payment apppr. from 2021
Title 1 – Staff expenditure	73	4 992	4 908	77	7
Title 2 – Administrative expenditure	232	679	633	43	3
Title 3 – Operational expenditure	2 206	8 209	6 309	1 674	226
Total Title 1-3 (regular budget)	2 511	13 880	11 850	1 794	236
Title 5 – WB PaCT	0	2 198	1 002	1 195	0
Title 5 – CT INFLOW	0	5 401	1 531	3 870	0
Title 5 – EUROMED Police	0	5 265	1 515	3 750	0
Title 5 – TOPCOP	0	4 587	1 501	3 086	0
Total Title 5 (other activities)	0	17 450	5 550	11 901	0
Grand Total	2 511	31 331	17 400	13 695	236

The total payment appropriations amounted to kEUR 31 331 (kEUR 29 570 in 2021); CEPOL paid kEUR 17 400 in 2022 (kEUR 11 954 in 2021) and a total of kEUR 13 695 was carried forward to 2023 (of which kEUR 11 901 related to Title 5).



68% (72% in 2021) of the payments were financed from the Regular Budget (EU subsidy) and 32% (28% in 2021) from assigned revenue implementing other CEPOL activities.

Cancelled appropriations

Item	EUR '000		
	Cancelled carried over payment appropriations from 2021	Cancelled commitment/payment appropriations	Total cancelled appropriations
Title 1 – Staff expenditure	7	0	7
Title 2 – Administrative expenditure	3	0	3
Title 3 – Operational expenditure	226	0	226
Total Title 1-3 (regular budget)	236	0	236
Total Title 5 (other activities)	0	0	0
Grand Total	236	0	236

In 2022 the total cancelled payment appropriations were kEUR 236, which is equivalent to the cancelled payment appropriations that were carried forward from 2021 to 2022. The commitment appropriations cancelled were less than kEUR 1. This is a significant decrease compared to 2021 (kEUR 405).

The budget result in 2022 was kEUR 283 (kEUR 405 in 2021). The exchange rate gain had a significant effect (kEUR 47) on this result. The exchange rate gain is due to the loss of the Hungarian currency (HUF) compared to EUR.

Impact of the activities in the financial statements

In the financial statements, the impact of the above mentioned activities can be noted in the:

- **Total expenses:** The significant increase of total expenses by kEUR 5 068 has been driven by the increase of operating costs by 62% (2022: kEUR 12 090 vs 2021: kEUR 7 467 – see note **3.3**) namely due to the fact that:
 - Some of the activities postponed in 2021 due to the COVID-19 restrictions were implemented in the first quarter of 2022;
 - The implementation of the projects resulting from the contribution agreements signed in 2020 continued at high speed in 2022, therefore the underlying operating costs increased by 67%;
 - High inflation in Europe, with faster than expected price increases resulted in higher costs of implementation of the planned activities;
- **Total revenue:** The increase of revenue by kEUR 2 244 is explained by the increase in the main source of CEPOL's revenue, the funding from the Commission, by 13% (2022: kEUR 16 085 vs 2021: kEUR 14 193 – see note **3.1**). This evolution was driven by larger financial needs so as to cover higher operating costs (see above).
- **Current exchange receivables and non-exchange recoverables:** The decrease by 20% (2022: kEUR 14 685 compared to 2021: kEUR 18 470) is driven by the decrease in the central treasury liaison accounts. Due to high operational payments made from the funds carried over from 2021, as well as higher costs of implementation due to increased prices, the cash available to CEPOL decreased from kEUR 17 549 to kEUR 13 904 in 2022 (see note **2.3**).
- **Non-current liabilities:** The decrease by 42% (2022: kEUR 4 156 vs 2021: kEUR 7 116) is directly linked to the progress made on implementation of the projects, which started in 2021 and end by 2023 and 2024, and to the decrease of the outstanding operating subsidy received from the Commission to finance these activities (see note **2.4**).

FINANCIAL STATEMENTS AND EXPLANATORY NOTES

It should be noted that due to the rounding of figures into thousands of euros (kEUR), some financial data in the tables below may appear not to add-up.

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BALANCE SHEET

EUR '000

	Note	31.12.2022	31.12.2021
NON-CURRENT ASSETS			
<i>Property, plant and equipment</i>	2.1	305	446
<i>Pre-financing</i>	2.2	116	363
<i>Exchange receivables and non-exchange recoverables</i>	2.3	82	99
		502	908
CURRENT ASSETS			
<i>Pre-financing</i>	2.2	288	304
<i>Exchange receivables and non-exchange recoverables</i>	2.3	14 685	18 470
		14 973	18 775
TOTAL ASSETS		15 476	19 683
NON-CURRENT LIABILITIES			
<i>Payables</i>	2.4	(4 156)	(7 116)
CURRENT LIABILITIES			
<i>Payables</i>	2.4	(7 804)	(7 675)
<i>Accrued charges</i>	2.5	(1 038)	(1 020)
		(12 998)	(15 811)
TOTAL LIABILITIES		(12 998)	(15 811)
NET ASSETS			
		2 478	3 872
<i>Accumulated profit</i>		3 872	2 442
<i>Economic result of the year</i>		(1 394)	1 430
NET ASSETS		2 478	3 872

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2022	EUR '000 2021
REVENUE			
Revenue from non-exchange transactions	3.1		
<i>Subsidy from the Commission</i>		16 085	14 193
<i>Recovery of expenses</i>		3	13
		16 088	14 207
Revenue from exchange transactions	3.2		
<i>Other</i>		445	83
		445	83
		16 533	14 289
EXPENSES			
<i>Operating costs</i>	3.3	(12 090)	(7 467)
<i>Staff costs</i>	3.4	(4 538)	(4 351)
<i>Other expenses</i>	3.5	(1 299)	(1 041)
		(17 927)	(12 859)
ECONOMIC RESULT OF THE YEAR		(1 394)	1 430

CASHFLOW STATEMENT⁵

	<i>EUR '000</i>	
	2022	2021
<i>Economic result of the year</i>	(1 394)	1 430
Operating activities		
<i>Depreciation and amortization</i>	218	208
<i>(Increase)/decrease in pre-financing</i>	263	364
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	3 803	4 013
<i>Increase/(decrease) in payables</i>	(2 831)	(6 430)
<i>Increase/(decrease) in accrued charges</i>	18	705
Investing activities		
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	(76)	(290)
NET CASHFLOW	-	-

⁵ Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of CEPOL, the treasury of CEPOL was integrated into the Commission's treasury system. Because of this, CEPOL does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts which are presented under the heading exchange receivables.

STATEMENT OF CHANGES IN NET ASSETS

EUR '000

	Accumulated Surplus/ (Deficit)	Economic result of the year	Net Assets
BALANCE AS AT 31.12.2020	1 427	1 015	2 442
<i>Allocation of the 2020 economic result</i>	<i>1 015</i>	<i>(1 015)</i>	<i>-</i>
<i>Economic result of the year</i>	<i>-</i>	<i>1 430</i>	<i>1 430</i>
BALANCE AS AT 31.12.2021	2 442	1 430	3 872
<i>Allocation of the 2021 economic result</i>	<i>1 430</i>	<i>(1 430)</i>	<i>-</i>
<i>Economic result of the year</i>	<i>-</i>	<i>(1 394)</i>	<i>(1 394)</i>
BALANCE AS AT 31.12.2022	3 872	(1 394)	2 478

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. ACCOUNTING PRINCIPLES

The objective of financial statements is to provide information about the financial position, performance and cashflows of an entity that is useful to a wide range of stakeholders.

The overall considerations (or accounting principles) to be followed when preparing the financial statements are laid down in EU Accounting Rule 1 'Financial Statements' and are the same as those described in IPSAS 1: fair presentation, accrual basis, going concern, consistency of presentation, materiality, aggregation, offsetting and comparative information. The qualitative characteristics of financial reporting are relevance, faithful representation (reliability), understandability, timeliness, comparability and verifiability.

1.2. BASIS OF PREPARATION

1.2.1. Reporting period

Financial statements are presented annually. The accounting year begins on 1 January and ends on 31 December.

1.2.2. Currency and basis for conversion

The annual accounts are presented in thousands of euros, the euro being the EU's functional currency. Foreign currency transactions are translated into euros using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the re-translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance. Different conversion methods apply to property, plant and equipment and intangible assets, which retain their value in euros at the date when they were purchased.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are translated into euros on the basis of the European Central Bank (ECB) exchange rates applying on 31 December.

Euro exchange rates

Currency	31.12.2022	31.12.2021	Currency	31.12.2022	31.12.2021
BGN	1.9558	1.9558	PLN	4.6808	4.5969
CZK	24.1160	26.8580	RON	4.9495	4.9490
DKK	7.4365	7.4364	SEK	11.1218	10.2503
GBP	0.88693	0.84028	CHF	0.9847	1.0331
HRK	7.5345	7.5156	JPY	140.6600	130.3800
HUF	400.8700	369.1900	USD	1.0666	1.1326

1.2.3. Use of estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to: impairment allowance for financial assets at amortised cost, accrued revenue and charges, provisions, degree of impairment of intangible assets and property, plant and equipment, net realisable value of inventories, contingent assets and liabilities. Actual results could differ from those estimates.

Reasonable estimates are an essential part of the preparation of financial statements and do not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision

of an estimate does not relate to prior periods and is not the correction of an error. The effect of a change in accounting estimate shall be recognised in the surplus or deficit in the periods in which it becomes known.

1.2.4. Application of new and amended European Union Accounting Rules (EAR)

New EAR which are effective for annual periods beginning on or after 1 January 2022

There are no new EAR which became effective for annual periods beginning on or after 1 January 2022.

New EAR adopted but not yet effective at 31 December 2022

There are no new EAR adopted during 2022.

1.3. BALANCE SHEET

1.3.1. Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition, construction or transfer of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the entity and its cost can be measured reliably. Repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred. Land is not depreciated, as it is deemed to have an indefinite useful life. Assets under construction are not depreciated as these assets are not yet available for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

Type of asset	Straight line depreciation rate
<i>Buildings</i>	4 % to 10 %
<i>Plant and equipment</i>	10 % to 25 %
<i>Furniture and vehicles</i>	10 % to 25 %
<i>Computer hardware</i>	25 % to 33 %
<i>Other</i>	10 % to 33 %

Gains or losses on disposals are determined by comparing proceeds less selling expenses with the carrying amount of the disposed asset and are included in the statement of financial performance.

Leases

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time. Leases are classified as either finance leases or operating leases.

Finance leases are leases where substantially all the risks and rewards incidental to ownership are transferred to the lessee.

An operating lease is a lease other than a finance lease, i.e. a lease where the lessor retains substantially all the risks and rewards incidental to ownership of an asset. When entering an operating lease as a lessee, the operating lease payments are recognised as an expense in the statement of financial performance on a straight-line basis over the lease term with neither an asset nor a liability recognised in the balance sheet.

1.3.2. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation/depreciation and are tested annually for impairment. Assets that are subject to amortisation/depreciation are tested for impairment whenever there is an indication at the reporting date that an asset may be impaired. An impairment loss

is recognised for the amount by which the asset's carrying amount exceeds its recoverable (service) amount. The recoverable (service) amount is the higher of an asset's fair value less costs to sell and its value in use.

Intangible assets and property, plant and equipment residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year. If the reasons for impairments recognised in previous years no longer apply, the impairment losses are reversed accordingly.

1.3.3. Financial assets

The classification of the financial instruments is determined at initial recognition. Based on the management model and the asset contractual cash-flow characteristics the financial assets can be classified in three categories: Financial assets at amortised cost ('AC'), financial assets at fair value through net assets/equity ('FVNA') or financial assets at fair value through surplus or deficit ('FVSD'). Based on this classification, the entity has only 'financial assets at amortised cost', which are exchange receivables.

Financial assets at amortised cost are non-derivative financial assets that meet two conditions: 1) The entity holds them in order to collect the contractual cash flows. 2) On specified days, there are contractual cash flows that are solely payments of the principal and interest on the outstanding principal.

Financial assets at amortised cost are included in current assets, except for those with maturity of more than 12 months from the balance sheet reporting date.

Initial recognition and measurement

Financial assets at amortised cost are initially recognised at their fair value plus the transaction costs.

Subsequent measurement

Financial assets at amortised cost are carried at amortised cost, which is the amount initially recognised minus the principal repayments, plus or minus the cumulative amortisation of the interests using the effective interest method. In addition, the entity recognises a loss allowance for expected credit losses over the lifetime of the financial assets. At each reporting date, the annual movement in the loss allowance adjusts the carrying amount of the financial asset. In the statement of financial performance, the entity recognises an impairment gain or loss for the adjustment of the loss allowance.

De-recognition

Financial assets at amortised cost are derecognised either when the rights to receive cash flows from the investments have expired or are waived, or when the entity has transferred substantially all risks and rewards of ownership to another party.

1.3.4. Pre-financing amounts

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

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

1.3.5. Receivables and recoverables

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

Receivables from exchange transactions meet the definition of financial instruments. The entity classified them as financial assets at amortised cost and measured them accordingly.

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

1.3.6. Payables

Included under accounts payable are both amounts related to exchange transactions such as the purchase of goods and services, and to non-exchange transactions e.g. to cost claims from beneficiaries, grants or other EU funding, or pre-financing received (see note **1.4.1**).

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

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

1.3.7. Accrued and deferred revenue and charges

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

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

1.4. STATEMENT OF FINANCIAL PERFORMANCE

1.4.1. Revenue

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

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

(i) Revenue from non-exchange transactions

Revenue from non-exchange transactions are taxes and transfers, because the transferor provides resources to the recipient entity, without the recipient entity providing approximately equal value directly in exchange. Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes. For the EU entities, transfers mostly comprise funds received from the Commission (e.g. balancing subsidy to the traditional agencies, operating subsidy for the delegation agreements).

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

(ii) Revenue from exchange transactions

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

1.4.2. Expenses

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

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

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

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

1.5. CONTINGENT ASSETS AND LIABILITIES

1.5.1. Contingent assets

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

1.5.2. Contingent liabilities

A contingent liability is either a possible obligation of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation where it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation.

A contingent liability also arises in the rare circumstances where a present obligation exists but cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the accounts. They are disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

1.6. CONSOLIDATION

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

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one reporting period.

EUR '000

	Plant and equipment	Furniture and vehicles	Computer hardware	Other	TOTAL
<i>Gross carrying amount at 31.12.2021</i>	19	86	1 377	415	1 897
<i>Additions</i>	-	9	67	-	76
Gross carrying amount at 31.12.2022	19	95	1 444	415	1 973
<i>Accumulated depreciation at 31.12.2021</i>	(16)	(59)	(966)	(410)	(1 451)
<i>Depreciation charge for the year</i>	(2)	(8)	(205)	(2)	(218)
Accumulated depreciation at 31.12.2022	(19)	(67)	(1 170)	(412)	(1 668)
NET CARRYING AMOUNT AT 31.12.2022	-	28	274	3	305
<i>NET CARRYING AMOUNT AT 31.12.2021</i>	3	27	411	5	446

In 2022, the acquisition rate for upgrading the infrastructure of the Agency was low, which resulted in the decrease of net tangible assets under this heading.

2.2. PRE-FINANCING

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into a number of payments over a period defined in the particular underlying contract, decision, agreement or basic legal act.

EUR '000

	31.12.2022	31.12.2021
<i>Non-current pre-financing</i>	116	363
<i>Current pre-financing</i>	288	304
Total	404	667

The heading includes the amounts of advances on projects linked to the Service Level Agreement (SLA) with Europol. The current pre-financing includes also amounts related to residential activities postponed to 2023.

In 2020 100% pre-financing was paid to Europol for three projects. The implementation continued in 2022 and thus the pre-financing was partially cleared with expenses incurred on those projects, which explains the decrease under this heading.

2.3. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

Exchange transactions are transactions in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. Non-exchange transactions are transactions in which an entity either receives value from another entity without directly giving approximately equal value in

exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

2.3.1. Non-current recoverables and receivables

As at 31.12.2022, CEPOL has kEUR 82 long-term receivables corresponding to a rent guarantee paid for the rental of additional office space. This guarantee was reduced compared to the previous year (2020: kEUR 99) due a recovery of the deposit from the previously rented office space.

2.3.2. Current recoverables and receivables

	EUR '000	
	31.12.2022	31.12.2021
Recoverables from non-exchange transactions		
<i>Member States</i>	215	262
<i>Other</i>	1	6
Total	216	268
Receivables from exchange transactions		
<i>Central treasury liaison accounts</i>	13 904	17 549
<i>Deferred charges relating to exchange transactions</i>	513	642
<i>Other</i>	52	11
Total	14 469	18 202
Total	14 685	18 470

The heading Recoverables from Member States contains VAT amounts to be recovered from Hungary. The Agency benefits from a direct exemption for VAT from Hungary for purchases where the direct exemption is impracticable to obtain, the VAT is refunded by Hungary.

Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of CEPOL, the treasury of CEPOL was integrated into the Commission's treasury system. Because of this, CEPOL does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury and registered on central treasury liaison (intercompany) accounts which are presented under receivables from exchange transactions. The decrease under this heading is a combined effect of high operational payments from funds received from the Commission in 2020 and an increase of payment amounts due to the inflation.

The deferred charges consist of pre-payments made during the year for school fees paid in advance for 2023, but comprise also payments for licenses, space renting and insurance fees, all linked to 2023.

LIABILITIES

2.4. PAYABLES

Payables are liabilities to pay for goods or services that have been received or supplied and unlike accrued charges have already been invoiced or formally agreed with the supplier. Payables can relate to both exchange transactions (such as the purchase of goods and services) and non-exchange transactions (e.g. cost claims from beneficiaries of grants, pre-financing or other EU funding).

EUR '000

	31.12.2022	31.12.2021
Non-current		
<i>Pre-financing received from EC – operating subsidy</i>	4 156	7 116
	4 156	7 116
Current		
<i>Pre-financing received from EC – operating subsidy</i>	7 347	6 950
<i>Pre-financing received from EC – balancing subsidy</i>	283	405
<i>Suppliers</i>	158	288
<i>Others</i>	–	8
<i>Members States</i>	16	24
	7 804	7 675
Total	11 960	14 791

The pre-financing liability related to balancing subsidy (kEUR 283) comprises the unused amounts of balancing subsidy received by CEPOL in 2022. The amounts will be returned to the Commission in 2023.

The amounts under the pre-financing liability related to the operating subsidy comprise the unspent pre-financing received from the Commission for delegated projects that are to be finished by 2024. These funds were mostly received in 2020, the second pre-financing for CT INFLOW project was received in 2022. The timeline for the implementation for these project justifies the split between the current and the non-current liabilities and explains the overall decrease of those liabilities with kEUR 2 563.

2.5. ACCRUED CHARGES

Accruals are liabilities to pay for goods or services that have been received or supplied but unlike payables have not yet been invoiced or formally agreed with the supplier. They include amounts due to employees (e.g. accruals for untaken holidays). The calculation of accruals is based on the open amount of budgetary commitments at year-end. The portion of the estimated accrued charges relating to pre-financing paid has been recorded as a reduction of the pre-financing amounts.

EUR '000

	31.12.2022	31.12.2021
<i>Accrued charges</i>	1 038	1 020

The majority of accrued charges under this heading relate to accrued operational expenses (kEUR 865). The remainder relates to accrued staff expenses for untaken leave (kEUR 161) and accrued charges for administrative expenses, mainly for services provided by third parties (kEUR 12).

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

3.1. REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions relates to transactions where the transferor provides resources to the recipient entity without the recipient entity providing approximately equal value directly in exchange. The heading mainly includes amounts received from the Commission during the year and recoveries of operational expenses.

	EUR '000	
	2022	2021
<i>Funds from the Commission</i>	16 085	14 193
<i>Recovery of expenses</i>	3	13
Total	16 088	14 207

The heading Funds from the Commission corresponds to the amounts of the balancing subsidy of kEUR 10 562 (kEUR 9 427 in 2021) used on the core activities of CEPOL in 2022, which increased due to more training and other activities implemented in the first quarter of 2022 which were delayed in 2021 due to COVID restrictions. It also includes revenue from the operating subsidy of kEUR 5 523 (kEUR 4 766 in 2021) related to cost incurred on programmes contributed to CEPOL by the Commission. Unused amounts are recorded as pre-financing liabilities under accounts payable.

3.2. REVENUE FROM EXCHANGE TRANSACTIONS

The revenue from exchange transactions and events relates to following types of transactions: rendering of services; sale of goods; and the use by others of entity assets yielding interest, royalties and dividends.

	EUR '000	
	2022	2021
<i>Other</i>	445	83

Included under this heading are foreign exchange gains (2022: kEUR 202 vs 2021 kEUR 65). The foreign exchange gains include both amounts related to realised and unrealised exchange gains. The increase is mainly due to the loss on the Hungarian currency (HUF) against (EUR). The corresponding exchange losses are included under other expenses (see note 3.5).

Included under this heading is also a recovery representing the result of negotiations between CEPOL and a supplier in relation to overcharging for services provided in previous years.

EXPENSES

3.3. OPERATING COSTS

Included under this heading are expenses incurred in relation to operational activities.

	EUR '000	
	2022	2021
<i>Operating costs</i>	12 090	7 467

Included under this heading are operating costs incurred mainly in respect of residential activities, webinars, online courses, online modules, CEPOL Exchange Programme (CEP), European Joint Master Programme (EJMP) and capacity building projects.

The significant increase of operational costs is a combined effect of the step up in implementation of core and delegated tasks postponed in 2021 due to the COVID-19 restrictions and overall higher cost of implemented activities due to the soaring prices in Europe.

3.4. STAFF COSTS

This heading includes the expenses for salaries, allowances and other employment-related benefits. Based on the service level agreement between the entity and the Commission, the calculations of staff-related costs is carried out by the Commission's Office for Administration and Payment of Individual Entitlements (also known as the Paymaster's Office - PMO). The pensions of the entity staff members are covered by the Pension Scheme of European Officials. This pension scheme is a defined benefit plan, i.e. the amount of benefit an employee will receive on retirement depends on several factors, the most important of which is years of service. Both the entity staff and the EU budget contribute to the pension scheme, with the contribution percentage being revised annually in line with the changes in the Staff Regulation governing the scheme. The cost to the EU Budget is not reflected in the entity accounts. Similarly, no provision related to the future pension payments is recognised in the annual accounts of the entity, as the obligation falls to the Commission. Consequently, both the annual cost to the EU budget, and the future benefits payable to the entity staff, are accounted for in the Commission's annual accounts as part of its provision for pensions and other post-employment benefits. The pension costs included in the Commission's Statement of Financial Performance represent current service cost (rights accrued during the year due to service) and interest cost (unwinding of the liability discounting) which have arisen following the year-end actuarial valuation of the employee benefits liabilities.

EUR '000

	2022	2021
<i>Staff costs</i>	4 538	4 351

The slight increase under this heading is due to the fact that posts were mostly filled during the year, some reclassifications of posts were made in 2022 and the increased school fees.

3.5. OTHER EXPENSES

Included under this heading are expenses of administrative nature such as external non IT services, operating leasing expenses, communications and publications, training costs etc.

EUR '000

	2022	2021
<i>External IT services</i>	319	183
<i>Administrative expenses with other consolidated entities</i>	299	271
<i>Property, plant and equipment related expenses</i>	218	254
<i>Foreign exchange losses</i>	155	65
<i>External non IT services</i>	149	77
<i>Office Supplies & maintenance</i>	44	28
<i>Recruitment costs</i>	32	94
<i>Legal expenses</i>	26	-
<i>Operating leasing expenses</i>	23	23
<i>Missions</i>	15	1
<i>Training costs</i>	14	38
<i>Experts expenses</i>	-	2
<i>Communications & publications</i>	3	3
<i>Other</i>	2	1
Total	1 299	1 041

The increase in administrative expenses was partially driven by the increase in foreign exchange losses caused by the huge fluctuations and losses on the Hungarian currency (HUF). Increased expenses on IT services is a result of the move to cloud licensing, as well as an increase in the number of licenses. The legal expenses is related to the successful negotiations between CEPOL and one of the suppliers for overcharging for services delivered in earlier years.

The operating leasing expense relate to the parking and the office contract. The future payments under these contracts are as follows:

EUR '000

	Future amounts to be paid			Total
	< 1 year	1- 5 years	> 5 years	
<i>Buildings</i>	158	77	-	235
Total	158	77	-	235

4. OTHER SIGNIFICANT DISCLOSURES

4.1. OUTSTANDING COMMITMENTS NOT YET EXPENSED

The outstanding commitments not yet expensed comprise the budgetary RAL ('Reste à Liquider') less related amounts that have been included as expenses in the current year's statement of financial performance. The RAL represents budgetary commitments for which payments and/or de-commitments have not yet been made. This is the normal consequence of the existence of multi-annual programmes.

	<i>EUR '000</i>	
	31.12.2022	31.12.2021
<i>Outstanding commitments not yet expensed</i>	3 197	2 711

4.2. SERVICES IN KIND

Based on the contract between CEPOL and Hungary that entered in force on 17 October 2014 the headquarters building in Budapest and the related services (utilities, maintenance, security services, etc.) are provided to CEPOL free of charge. The contract is valid for 10 years and its yearly value is estimated to be kEUR 650.

4.3. RELATED PARTIES

The related parties of the entity are the other EU consolidated entities and the key management personnel of these entities. As transactions between the relevant entity and the parties involved take place as part of the normal operations of the entity and on terms and conditions that are normal for such transactions, no specific disclosures are required.

4.4. KEY MANAGEMENT ENTITLEMENTS

The Director, or head of entity, is remunerated in accordance with the Staff Regulations of the European Union, which establish the rights and obligations of all officials of the EU. The Staff Regulations are published on the Europa website.

The highest ranked civil servant of CEPOL is the Executive Director, who executes the role of the Authorising Officer.

	31.12.2022	31.12.2021
<i>Executive Director</i>	<i>AD 14</i>	<i>AD 14</i>

5. FINANCIAL RISK MANAGEMENT

5.1. TYPES OF RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate, because of variations in market prices. Market risk embodies not only the potential for loss, but also the potential for gain. It comprises currency risk, interest rate risk and other price risk (the entity has no significant interest rate risk and other price risk).

(1) *Currency risk* is the risk that the entity operations will be affected by changes in exchange rates. This risk arises from the change in the price of one currency against another.

(2) *Interest rate risk* is the possibility of a reduction in the value of a security, especially a bond, resulting from an increase in interest rates. In general, higher interest rates will lead to lower prices of fixed rate bonds, and vice versa. The entity does not have any securities thus it is not exposed to the interest rate risk.

Credit risk is the risk of loss due to a debtor's non-payment or other failure to meet a contractual obligation. The default events include a delay in repayments, and bankruptcy.

Liquidity risk is the risk that an EU entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

5.2. CURRENCY RISKS

At the end of the year, the financial assets are composed of exchange receivables. The financial liabilities are composed of accounts payable. Their ending balances are mainly quoted in EUR, the entity is thus not exposed to currency risk.

5.3. CREDIT RISK

At the end of the year, the financial assets comprise exchange receivables that are not past due for more than 30 days. As no credit loss is expected during the life time of those receivables the entity is not exposed to any significant credit risk.

5.4. LIQUIDITY RISK

The financial liabilities are composed of kEUR 7 804 of current payables with contractual maturity less than 1 year and of kEUR 4 156 of non-current payables with contractual maturity of 3 years. As non-current payables refers to pre-financing liability, the entity is not exposed to any significant liquidity risk.

THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES

It should be noted that due to the rounding of figures into thousands of euros (kEUR), some financial data in the tables below may appear not to add-up.

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1. BUDGETARY PRINCIPLES AND STRUCTURE

1.1. BUDGETARY PRINCIPLES

The establishment and implementation of the budget of CEPOL is governed by the following basic principles set out in the Title II of the Financial Regulation of CEPOL:

Principles of unity and budget accuracy

This principle means that no revenue shall be collected and no expenditure effected unless booked to a line in the budget of CEPOL. No expenditure may be committed or authorised in excess of the appropriations authorised by the budget. An appropriation may be entered in the budget only if it is for an item of expenditure considered necessary.

Principle of annuality

The appropriations entered in the budget shall be authorised for a financial year which shall run from 1 January to 31 December.

Principle of equilibrium

Revenue and payment appropriations shall be in balance.

Principle of unit of account

The budget shall be drawn up and implemented in euro and the accounts shall be presented in euro.

Principle of universality

Total revenue shall cover total payment appropriations and all revenue and expenditure shall be entered in full without any adjustment against each other.

Principle of specification

Appropriations shall be earmarked for specific purposes by title and chapter. The chapters shall be further subdivided into articles and items.

Principle of sound financial management

Appropriations shall be used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness.

Principle of transparency

The budget shall be established and implemented and the accounts presented in accordance with the principle of transparency. The budget and any amending budgets shall be published in the Official Journal of the European Union within three months of their adoption.

1.2. STRUCTURE AND PRESENTATION OF THE BUDGET

For each financial year, the budget of CEPOL shall forecast and authorise all revenue and expenditure considered necessary. CEPOL makes use of non-differentiated appropriations for its administrative and operational expenditure.

The statement of expenditure must be set out on the basis of a nomenclature with a classification by purpose. The budget of CEPOL is structured by Title and Chapter. The Chapters are further detailed in articles and items. The budget is planned at item level; however, it is presented to the Management Board and the Budgetary Authorities at Chapter level. The budget structure is divided into five Titles.

Title 1

Budget lines relating to staff expenditure such as salaries and allowances for personnel working with CEPOL. It also includes recruitment expenses, staff trainings and missions, expenses for the socio-medical infrastructure and representation costs.

Title 2

Budget lines relating to administrative expenditure such as building related costs, IT systems, furniture, office equipment, telecommunication, legal expenses, translation, and correspondence.

Title 3

Budget lines providing the implementation of the operational activities and tasks assigned to CEPOL in accordance with Regulation (EU) 2015/2219 of the European Parliament and of the Council of 25 November and detailed in the Single Programming Document (SPD 2018-2020).

Title 4 (assigned revenue⁶)

Budget lines exclusively created for the implementation of the EU-MENA Counter Terrorism Training Partnership Programme, which was closed in 2018.

Title 5 (assigned revenue)

Budget line is for implementing other activities through grant/delegation/contribution agreements.

⁶ Assigned revenue budget lines relate to financing of specific items of expenditure. They can be externally or internally assigned.

2. BUDGET RESULT

		EUR '000	
	Title	2022	2021
Revenue		14 121	8 461
of which:			
European Commission subsidy	1	11 160	10 041
Assigned revenue for main operational projects	3	-	(87)
Assigned revenues for other projects	5	2 960	(1 494)
Expenditure		(15 124)	(10 673)
of which:			
Staff expenditure	1	(4 842)	(4 586)
Administrative expenditure	2	(403)	(489)
Operational expenditure	3	(4 329)	(2 257)
Other project expenditure	5	(5 550)	(3 341)
Payment appropriat. carried over to the following year		(1 664)	(2 411)
of which:			
Staff expenditure	1	(77)	(73)
Administrative expenditure	2	(43)	(232)
Operational expenditure	3	(1 544)	(2 105)
Other project expenditure	5	-	-
Cancellation of unused appropri. carried over from year n-1		135	89
Evolution of assigned revenue (B)-(A)		2 769	4 940
Unused appropriations at the end of current year (A)		12 031	14 800
Unused appropriations at the end of previous year (B)		14 800	19 739
Exchange rate differences		47	(0)
Budget result		283	405

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

	EUR '000	
	2022	2021
ECONOMIC RESULT OF THE YEAR	(1 394)	1 430
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	(2 220)	8 033
<i>Adjustments for accrual cut-off (net)</i>	(40)	1 161
<i>Unpaid invoices at year end but booked in expenses</i>	2	7
<i>Depreciation of intangible and tangible assets</i>	218	208
<i>Recovery orders issued in the year and not yet cashed</i>	–	–
<i>Pre-financing given in previous year and cleared in the year</i>	620	385
<i>Prefinancing received in previous year but included in the budgetary result in the year</i>	(5 523)	4 766
<i>Payments made from carry-over of payment appropriations</i>	2 485	1 506
<i>Other individually immaterial</i>	18	–
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	3 897	(9 058)
<i>Asset acquisitions (less unpaid amounts)</i>	(76)	(290)
<i>New pre-financing paid in the year and remaining open as at 31 December</i>	(316)	(441)
<i>New pre-financing received in the year and remaining open as at 31 December</i>	2 960	–
<i>Entitlements established in previous year and cashed in the year</i>	1	–
<i>Entitlements established on balance sheet accounts and cashed in the year</i>	51	196
<i>Payment appropriations carried over to next year</i>	(1 664)	(19 739)
<i>Cancellation of unused carried over payment appropriations from previous year</i>	135	89
<i>Adjustment for carry-over of assigned revenue appropriations from previous year</i>	2 769	11 147
<i>Other individually immaterial</i>	37	(20)
BUDGET RESULT OF THE YEAR	283	405

4. IMPLEMENTATION OF BUDGET REVENUE

4.1. Implementation of budget revenue – Title 1

EUR '000

Item	Income appropriations		Entitlements established			Revenue				Out-standing
	Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	
1000 European Commission subsidy	10 845	10 845	11 175	1	11 176	11 159	1	11 160	103 %	15
Total Chapter 10	10 845	10 845	11 175	1	11 176	11 159	1	11 160	103 %	15
Total Title 1	10 845	10 845	11 175	1	11 176	11 159	1	11 160	103 %	15

4.2. Implementation of budget revenue – Title 5

EUR '000

Item	Income appropriations		Entitlements established			Revenue				Out-standing
	Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	
5300 Assigned revenue for Counter Terrorism Inflow	0	0	2 960	–	2 960	2 960	–	2 960	–	–
Total Chapter 53	0	0	2 960	–	2 960	2 960	–	2 960	–	–
Total Title 5	0	0	2 960	–	2 960	2 960	–	2 960	–	–
GRAND TOTAL	10 845	10 845	14 135	1	14 136	14 120	1	14 121	130 %	15

5. IMPLEMENTATION OF BUDGET EXPENDITURE

5.1. Breakdown & changes in commitment appropriations

5.1.1. Breakdown & changes in commitment appropriations – Title 1

EUR '000

Item	Budget appropriations				Additional appropriations			Total apppr. available
	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry- overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1100 Salaries and allowances	4 010	115	12	4 137	-	-	-	4 137
Total Chapter 11	4 010	115	12	4 137	-	-	-	4 137
1200 Expenditure on recruitment	9	-	5	14	-	-	-	14
Total Chapter 12	9	-	5	14	-	-	-	14
1300 Mission expenses, travel expenses, incidental expenditure for administrative missions	30	-	(15)	15	-	-	-	15
Total Chapter 13	30	-	(15)	15	-	-	-	15
1410 Medical expenses	14	-	(1)	13	-	-	-	13
1420 Staff Committee	1	-	(1)	-	-	-	-	-
1430 Schooling and nursery	415	-	59	474	-	4	4	478
Total Chapter 14	430	-	57	487	-	4	4	491
1500 Further training, language courses, retraining for staff	50	-	(25)	25	-	-	-	25
Total Chapter 15	50	-	(25)	25	-	-	-	25
1601 Payment for administrative assistance from Community institutions	171	-	(5)	166	-	-	-	166
1602 Other services and work to be contracted out	50	-	13	63	-	-	-	63
Total Chapter 16	221	-	8	229	-	-	-	229
1700 Entertainment and representation expenses	3	5	(7)	1	-	-	-	1
Total Chapter 17	3	5	(7)	1	-	-	-	1
1810 Social contacts between staff	8	-	(0)	7	-	-	-	7
Total Chapter 18	8	-	(0)	7	-	-	-	7
Total Title 1	4 761	120	34	4 915	-	4	4	4 919

5.1.2. Breakdown & changes in commitment appropriations – Title 2

EUR '000

Item	Budget appropriations			Final adopted budget 4=1+2+3	Additional appropriations			Total approp. available 8=4+7
	Initial adopted budget 1	Amending budgets 2	Transfers 3		Carry-overs 5	Assigned revenue 6	Total 7=5+6	
2003 Cost of renting office space, parkings	32	-	(12)	20	-	-	-	20
2010 Insurance	4	-	(3)	1	-	0	0	2
2040 Fitting-out of premises	8	-	(2)	6	-	-	-	6
Total Chapter 20	44	-	(16)	28	-	0	0	28
2100 ICT acquisition and maintenance of equipment and software, technical support and assistance	237	-	(26)	211	-	-	-	211
2104 Telecommunications	83	-	(38)	45	-	-	-	45
2105 Commission IT systems	72	-	53	125	-	-	-	125
Total Chapter 21	392	-	(11)	381	-	-	-	381
2200 Purchase and replacement of office machinery	4	-	0	4	-	-	-	4
2210 Purchase and replacement of furniture	11	-	(10)	1	-	-	-	1
2250 Purchase of books and other works in hard copy and in electronic form	1	-	(0)	1	-	-	-	1
Total Chapter 22	16	-	(10)	6	-	-	-	6
2300 Stationery	14	-	(4)	10	-	-	-	10
2330 Legal expenses, consultancy services	10	-	3	13	-	-	-	13
2350 Miscellaneous insurance	2	-	(1)	1	-	-	-	1
2355 Translations	12	-	(8)	4	-	-	-	4
Total Chapter 23	38	-	(10)	28	-	-	-	28
2400 Postal and delivery charges	6	-	(2)	4	-	-	-	4
Total Chapter 24	6	-	(2)	4	-	-	-	4
Total Title 2	496	-	(49)	446	-	0	0	447

5.1.3. Breakdown & changes in commitment appropriations – Title 3

EUR '000

Item	Budget appropriations			Final adopted budget	Additional appropriations			Total approp. available
	Initial adopted budget	Amending budgets	Transfers		Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
3000 Governance, Management Board, Working Groups, Network Meetings	205	-	(39)	166	-	-	-	166
3002 External Relations	50	-	(29)	21	-	-	-	21
3004 Communication	162	-	(2)	160	-	-	-	160
Total Chapter 30	417	-	(71)	346	-	-	-	346
3100 On-site activities	2 678	(277)	(332)	2 069	-	336	336	2 405
3101 Travel for on-site activities	945	-	94	1 039	-	176	176	1 215
3103 On-line activities	420	-	11	431	-	-	-	431
3106 Exchanges	300	-	17	317	-	8	8	324
3150 Research and Science	80	-	(16)	64	-	-	-	64
3160 Training Needs Analysis	38	-	22	60	-	-	-	60
Total Chapter 31	4 461	(277)	(205)	3 979	-	519	519	4 498
3200 Missions	202	-	-	202	-	0	0	203
3202 Electronic networks, platforms	209	-	3	212	-	-	-	212
3204 External support	300	157	288	745	-	-	-	745
Total Chapter 32	712	157	291	1 159	-	0	0	1 159
Total Title 3	5 589	(120)	15	5 484	-	520	520	6 004

5.1.4. Breakdown & changes in commitment appropriations – Title 5

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropri- available
	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry- overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	
5210 Western Balkans Partnership against Crime and Terrorism	-	-	-	-	-	2 000	2 000	2 000
Total Chapter 52	-	-	-	-	-	2 000	2 000	2 000
5300 Counter-Terrorism Inflow	-	-	-	-	-	5 114	5 114	5 114
Total Chapter 53	-	-	-	-	-	5 114	5 114	5 114
5400 Euromed Police	-	-	-	-	-	5 128	5 128	5 128
Total Chapter 54	-	-	-	-	-	5 128	5 128	5 128
5500 Training and Operational Partnership against Organised Crime project	-	-	-	-	-	4 364	4 364	4 364
Total Chapter 55	-	-	-	-	-	4 364	4 364	4 364
Total Title 5	-	-	-	-	-	16 607	16 607	16 607
GRAND TOTAL	10 845	-	0	10 845	-	17 131	17 131	27 976

5.2. Breakdown & changes in payment appropriations

5.2.1. Breakdown & changes in payment appropriations – Title 1

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropri- available
	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry- overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1100 Salaries and allowances	4 010	115	12	4 137	0	–	0	4 137
Total Chapter 11	4 010	115	12	4 137	0	–	0	4 137
1200 Expenditure on recruitment	9	–	5	14	34	–	34	48
Total Chapter 12	9	–	5	14	34	–	34	48
1300 Mission expenses, travel expenses, incidental expenditure for administrative missions	30	–	(15)	15	–	–	–	15
Total Chapter 13	30	–	(15)	15	–	–	–	15
1410 Medical expenses	14	–	(1)	13	1	–	1	13
1420 Staff Committee	1	–	(1)	–	–	–	–	–
1430 Schooling and nursery	415	–	59	474	–	4	4	478
Total Chapter 14	430	–	57	487	1	4	5	492
1500 Further training, language courses, retraining for staff	50	–	(25)	25	13	–	13	38
Total Chapter 15	50	–	(25)	25	13	–	13	38
1601 Payment for administrative assistance from Community institutions	171	–	(5)	166	7	–	7	173
1602 Other services and work to be contracted out	50	–	13	63	19	–	19	81
Total Chapter 16	221	–	8	229	26	–	26	255
1700 Entertainment and representation expenses	3	5	(7)	1	–	–	–	1
Total Chapter 17	3	5	(7)	1	–	–	–	1
1810 Social contacts between staff	8	–	(0)	7	–	–	–	7
Total Chapter 18	8	–	(0)	7	–	–	–	7
Total Title 1	4 761	120	34	4 915	73	4	77	4 992

5.2.2. Breakdown & changes in payment appropriations – Title 2

EUR '000

Item	Initial adopted budget	Budget appropriations			Final adopted budget	Additional appropriations			Total approp. available
		Amending budgets	Transfers			Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
2003 Cost of renting office space, parkings	32	–	(12)	20	9	–	9	29	
2010 Insurance	4	–	(3)	1	–	0	0	2	
2040 Fitting-out of premises	8	–	(2)	6	5	–	5	11	
Total Chapter 20	44	–	(16)	28	14	0	14	42	
2100 ICT acquisition and maintenance of equipment and software, technical support and assistance	237	–	(26)	211	157	–	157	368	
2104 Telecommunications	83	–	(38)	45	21	–	21	66	
2105 Commission IT systems	72	–	53	125	–	–	–	125	
Total Chapter 21	392	–	(11)	381	177	–	177	558	
2200 Purchase and replacement of office machinery	4	–	0	4	1	–	1	5	
2210 Purchase and replacement of furniture	11	–	(10)	1	11	–	11	12	
2250 Purchase of books and other works in hard copy and in electronic form	1	–	(0)	1	–	–	–	1	
Total Chapter 22	16	–	(10)	6	11	–	11	17	
2300 Stationery	14	–	(4)	10	7	–	7	17	
2330 Legal expenses, consultancy services	10	–	3	13	22	–	22	35	
2350 Miscellaneous insurance	2	–	(1)	1	–	–	–	1	
2355 Translations	12	–	(8)	4	–	–	–	4	
Total Chapter 23	38	–	(10)	28	29	–	29	57	
2400 Postal and delivery charges	6	–	(2)	4	1	–	1	5	
Total Chapter 24	6	–	(2)	4	1	–	1	5	
Total Title 2	496	–	(49)	446	232	0	233	679	

5.2.3. Breakdown & changes in payment appropriations – Title 3

EUR '000

Item	Budget appropriations			Final adopted budget 4=1+2+3	Additional appropriations			Total approp. available 8=4+7
	Initial adopted budget	Amending budgets	Transfers		Carry-overs	Assigned revenue	Total	
	1	2	3		5	6	7=5+6	
3000 Governance, Management Board, Working Groups, Network Meetings	205	-	(39)	166	24	-	24	189
3002 External Relations	50	-	(29)	21	-	-	-	21
3004 Communication	162	-	(2)	160	154	-	154	314
Total Chapter 30	417	-	(71)	346	178	-	178	524
3100 On-site activities	2 678	(277)	(332)	2 069	692	336	1 028	3 097
3101 Travel for on-site activities	945	-	94	1 039	67	176	243	1 282
3103 On-line activities	420	-	11	431	715	-	715	1 145
3106 Exchanges	300	-	17	317	41	8	48	365
3150 Research and Science	80	-	(16)	64	84	-	84	148
3160 Training Needs Analysis	38	-	22	60	30	-	30	89
Total Chapter 31	4 461	(277)	(205)	3 979	1 628	519	2 147	6 126
3200 Missions	202	-	-	202	6	0	6	208
3202 Electronic networks, platforms	209	-	3	212	203	-	203	415
3204 External support	300	157	288	745	191	-	191	936
Total Chapter 32	712	157	291	1 159	400	0	400	1 560
Total Title 3	5 589	(120)	15	5 484	2 206	520	2 726	8 209

5.2.4. Breakdown & changes in payment appropriations – Title 5

EUR '000

Item	Budget appropriations				Additional appropriations			Total approp. available
	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry- overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
5210 Western Balkans Partnership against Crime and Terrorism	-	-	-	-	-	2 198	2 198	2 198
Total Chapter 52	-	-	-	-	-	2 198	2 198	2 198
5300 Counter-Terrorism Inflow	-	-	-	-	-	5 401	5 401	5 401
Total Chapter 53	-	-	-	-	-	5 401	5 401	5 401
5400 Euromed Police	-	-	-	-	-	5 265	5 265	5 265
Total Chapter 54	-	-	-	-	-	5 265	5 265	5 265
5500 Training and Operational Partnership against Organised Crime project	-	-	-	-	-	4 587	4 587	4 587
Total Chapter 55	-	-	-	-	-	4 587	4 587	4 587
Total Title 5	-	-	-	-	-	17 450	17 450	17 450
GRAND TOTAL	10 845	-	0	10 845	2 511	17 975	20 486	31 331

5.3. Implementation of commitment appropriations

5.3.1. Implementation of commitment appropriations - Title 1

EUR '000

Item	Total approp. available	Commitments made				Appropriations carried over to 2023			Appropriations lapsing				
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1100 Salaries and allowances	4 137	4 137	-	-	4 137	100 %	-	-	-	-	-	0	-
Total Chapter 11	4 137	4 137	-	-	4 137	100 %	-	-	-	-	-	0	-
1200 Expenditure on recruitment	14	14	-	-	14	98 %	-	-	-	0	-	0	0
Total Chapter 12	14	14	-	-	14	98 %	-	-	-	0	-	0	0
1300 Mission expenses, travel expenses, incidental expenditure for administrative missions	15	15	-	-	15	100 %	-	-	-	-	-	0	-
Total Chapter 13	15	15	-	-	15	100 %	-	-	-	-	-	0	-
1410 Medical expenses	13	13	-	-	13	100 %	-	-	-	-	-	0	-
1430 Schooling and nursery	478	474	-	4	478	100 %	-	-	-	-	-	0	-
Total Chapter 14	491	487	-	4	491	100 %	-	-	-	-	-	0	-
1500 Further training, language courses, retraining for staff	25	25	-	-	25	100 %	-	-	-	-	-	0	-
Total Chapter 15	25	25	-	-	25	100 %	-	-	-	-	-	0	-
1601 Payment for administrative assistance from Community institutions	166	166	-	-	166	100 %	-	-	-	-	-	0	-
1602 Other services and work to be contracted out	63	63	-	-	63	100 %	-	-	-	-	-	0	-
Total Chapter 16	229	229	-	-	229	100 %	-	-	-	-	-	0	-
1700 Entertainment and representation expenses	1	1	-	-	1	100 %	-	-	-	-	-	0	-
Total Chapter 17	1	1	-	-	1	100 %	-	-	-	-	-	0	-

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2023			Appropriations lapsing			
		from final adopt. budget	from carry- overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry- overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+ 11+12
1810 Social contacts between staff	7	7	-	-	7	100 %	-	-	-	-	-	0	-
Total Chapter 18	7	7	-	-	7	100 %	-	-	-	-	-	0	-
Total Title 1	4 919	4 915	-	4	4 919	100 %	-	-	-	0	-	0	0

5.3.2. Implementation of commitment appropriations - Title 2

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2023			Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
2003 Cost of renting office space, parkings	20	20	-	-	20	100 %	-	-	-	-	-	0	-
2010 Insurance	2	1	-	0	2	100 %	-	-	-	-	-	-	-
2040 Fitting-out of premises	6	6	-	-	6	100 %	-	-	-	-	-	0	-
Total Chapter 20	28	28	-	0	28	100 %	-	-	-	-	-	-	-
2100 ICT acquisition and maintenance of equipment and software, technical support and assistance	211	211	-	-	211	100 %	-	-	-	-	-	0	-
2104 Telecommunications	45	45	-	-	45	100 %	-	-	-	-	-	0	-
2105 Commission IT systems	125	125	-	-	125	100 %	-	-	-	-	-	0	-
Total Chapter 21	381	381	-	-	381	100 %	-	-	-	-	-	0	-
2200 Purchase and replacement of office machinery	4	4	-	-	4	100 %	-	-	-	-	-	0	-
2210 Purchase and replacement of furniture	1	1	-	-	1	100 %	-	-	-	-	-	0	-
2250 Purchase of books and other works in hard copy and in electronic form	1	0	-	-	0	86 %	-	-	-	0	-	0	0
Total Chapter 22	6	6	-	-	6	99 %	-	-	-	0	-	0	0
2300 Stationery	10	10	-	-	10	100 %	-	-	-	-	-	0	-
2330 Legal expenses, consultancy services	13	13	-	-	13	100 %	-	-	-	-	-	0	-
2350 Miscellaneous insurance	1	1	-	-	1	100 %	-	-	-	-	-	0	-
2355 Translations	4	4	-	-	4	100 %	-	-	-	-	-	0	-
Total Chapter 23	28	28	-	-	28	100 %	-	-	-	-	-	0	-
2400 Postal and delivery charges	4	4	-	-	4	100 %	-	-	-	-	-	0	-
Total Chapter 24	4	4	-	-	4	100 %	-	-	-	-	-	0	-
Total Title 2	447	446	-	0	447	100 %	-	-	-	0	-	-	0

5.3.3. Implementation of commitment appropriations - Title 3

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2023			Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
3000 Governance, Management Board, Working Groups, Network Meetings	166	166	-	-	166	100 %	-	-	-	-	-	0	-
3002 External Relations	21	21	-	-	21	100 %	-	-	-	-	-	0	-
3004 Communication	160	160	-	-	160	100 %	-	-	-	-	-	0	-
Total Chapter 30	346	346	-	-	346	100 %	-	-	-	-	-	0	-
3100 On-site activities	2 405	2 069	-	268	2 336	97 %	68	-	68	-	-	-	-
3101 Travel for on-site activities	1 215	1 039	-	116	1 155	95 %	60	-	60	-	-	-	-
3103 On-line activities	431	431	-	-	431	100 %	-	-	-	-	-	0	-
3106 Exchanges	324	317	-	7	324	100 %	0	-	0	-	-	-	-
3150 Research and Science	64	64	-	-	64	100 %	-	-	-	-	-	0	-
3160 Training Needs Analysis	60	60	-	-	60	100 %	-	-	-	-	-	0	-
Total Chapter 31	4 498	3 979	-	391	4 369	97 %	129	-	129	-	-	-	-
3200 Missions	203	202	-	0	203	100 %	-	-	-	-	-	-	-
3202 Electronic networks, platforms	212	212	-	-	212	100 %	-	-	-	-	-	0	-
3204 External support	745	745	-	-	745	100 %	-	-	-	-	-	0	-
Total Chapter 32	1 159	1 159	-	0	1 159	100 %	-	-	-	-	-	-	-
Total Title 3	6 004	5 484	-	391	5 875	98 %	129	-	129	-	-	-	-

5.3.4. Implementation of commitment appropriations - Title 5

EUR '000

Item	Total approp. available	Commitments made				Appropriations carried over to 2023			Appropriations lapsing				
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
5210 Western Balkans Partnership against Crime and Terrorism	2 000	-	-	1 356	1 356	68 %	645	-	645	-	-	0	-
Total Chapter 52	2 000	-	-	1 356	1 356	68 %	645	-	645	-	-	0	-
5300 Counter-Terrorism Inflow	5 114	-	-	2 345	2 345	46 %	2 769	-	2 769	-	-	0	-
Total Chapter 53	5 114	-	-	2 345	2 345	46 %	2 769	-	2 769	-	-	0	-
5400 Euromed Police	5 128	-	-	1 903	1 903	37 %	3 226	-	3 226	-	-	0	-
Total Chapter 54	5 128	-	-	1 903	1 903	37 %	3 226	-	3 226	-	-	0	-
5500 Training and Operational Partnership against Organised Crime project	4 364	-	-	1 682	1 682	39 %	2 682	-	2 682	-	-	0	-
Total Chapter 55	4 364	-	-	1 682	1 682	39 %	2 682	-	2 682	-	-	0	-
Total Title 5	16 607	-	-	7 286	7 286	44 %	9 321	-	9 321	-	-	0	-
GRAND TOTAL	27 976	10 845	-	7 681	18 526	66 %	9 450	-	9 450	0	-	-	0

5.4. Implementation of payment appropriations

5.4.1. Implementation of payment appropriations - Title 1

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2023				Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
1100 Salaries and allowances	4 137	4 137	0	-	4 137	100 %	-	-	-	-	-	-	-	-
Total Chapter 11	4 137	4 137	0	-	4 137	100 %	-	-	-	-	-	-	-	-
1200 Expenditure on recruitment	48	6	28	-	34	70 %	8	-	-	8	0	6	-	6
Total Chapter 12	48	6	28	-	34	70 %	8	-	-	8	0	6	-	6
1300 Mission expenses, travel expenses, incidental expenditure for administrative missions	15	13	-	-	13	87 %	2	-	-	2	-	-	-	-
Total Chapter 13	15	13	-	-	13	87 %	2	-	-	2	-	-	-	-
1410 Medical expenses	13	12	1	-	13	97 %	0	-	-	0	-	-	-	-
1430 Schooling and nursery	478	449	-	4	453	95 %	25	-	-	25	-	-	-	-
Total Chapter 14	492	461	1	4	466	95 %	26	-	-	26	-	-	-	-
1500 Further training, language courses, retraining for staff	38	18	12	-	30	79 %	7	-	-	7	-	1	-	1
Total Chapter 15	38	18	12	-	30	79 %	7	-	-	7	-	1	-	1
1601 Payment for administrative assistance from Community institutions	173	157	7	-	164	94 %	10	-	-	10	-	-	-	-
1602 Other services and work to be contracted out	81	39	18	-	57	70 %	24	-	-	24	-	0	-	0
Total Chapter 16	255	195	25	-	221	87 %	34	-	-	34	-	0	-	0
1700 Entertainment and representation expenses	1	1	-	-	1	100 %	-	-	-	-	-	-	-	-
Total Chapter 17	1	1	-	-	1	100 %	-	-	-	-	-	-	-	-

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2023				Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
1810 Social contacts between staff	7	7	-	-	7	100 %	-	-	-	-	-	-	-	-
Total Chapter 18	7	7	-	-	7	100 %	-	-	-	-	-	-	-	-
Total Title 1	4 992	4 838	66	4	4 908	98 %	77	-	-	77	0	7	-	7

5.4.2. Implementation of payment appropriations - Title 2

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2023					Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total	
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13	
2003 Cost of renting office space, parkings	29	19	9	-	28	95 %	1	-	-	1	(0)	0	-	0	
2010 Insurance	2	1	-	0	2	100 %	-	-	-	-	-	-	-	-	
2040 Fitting-out of premises	11	6	4	-	10	94 %	0	-	-	0	-	0	-	0	
Total Chapter 20	42	26	13	0	40	95 %	1	-	-	1	(0)	1	-	1	
2100 ICT acquisition and maintenance of equipment and software, technical support and assistance	368	196	157	-	352	96 %	15	-	-	15	-	0	-	0	
2104 Telecommunications	66	29	21	-	49	75 %	17	-	-	17	-	-	-	-	
2105 Commission IT systems	125	125	-	-	125	100 %	-	-	-	-	-	-	-	-	
Total Chapter 21	558	349	177	-	526	94 %	32	-	-	32	-	0	-	0	
2200 Purchase and replacement of office machinery	5	4	0	-	4	78 %	1	-	-	1	-	0	-	0	
2210 Purchase and replacement of furniture	12	1	11	-	12	100 %	-	-	-	-	-	-	-	-	
2250 Purchase of books and other works in hard copy and in electronic form	1	0	-	-	0	10 %	0	-	-	0	0	-	-	0	
Total Chapter 22	17	5	11	-	16	91 %	1	-	-	1	0	0	-	1	
2300 Stationery	17	9	7	-	16	92 %	1	-	-	1	(0)	0	-	0	
2330 Legal expenses, consultancy services	35	6	22	-	28	80 %	7	-	-	7	-	-	-	-	
2350 Miscellaneous insurance	1	1	-	-	1	100 %	-	-	-	-	-	-	-	-	
2355 Translations	4	4	0	0	4	100 %	0	0	0	0	0	0	0	0	
Total Chapter 23	57	20	29	-	49	85 %	8	-	-	8	(0)	0	-	0	
2400 Postal and delivery charges	5	3	0	-	3	59 %	1	-	-	1	-	1	-	1	
Total Chapter 24	5	3	0	-	3	59 %	1	-	-	1	-	1	-	1	
Total Title 2	679	403	230	0	633	93 %	43	-	-	43	0	3	-	3	

5.4.3. Implementation of payment appropriations - Title 3

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2023					Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total	
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13	
3000 Governance, Management Board, Working Groups, Network Meetings	189	143	23	-	166	88 %	22	-	-	22	(0)	1	-	1	
3002 External Relations	21	10	-	-	10	49 %	11	-	-	11	-	-	-	-	
3004 Communication	314	99	154	-	253	81 %	60	-	-	60	-	0	-	0	
Total Chapter 30	524	253	177	-	430	82 %	93	-	-	93	(0)	1	-	1	
3100 On-site activities	3 097	1 590	535	266	2 390	77 %	479	-	70	549	-	157	-	157	
3101 Travel for on-site activities	1 282	1 027	35	116	1 178	92 %	12	-	60	72	(0)	32	-	32	
3103 On-line activities	1 145	52	715	-	767	67 %	378	-	-	378	-	-	-	-	
3106 Exchanges	365	316	24	7	347	95 %	1	-	0	1	(0)	16	-	16	
3150 Research and Science	148	0	78	-	78	53 %	64	-	-	64	-	6	-	6	
3160 Training Needs Analysis	89	11	30	-	41	46 %	49	-	-	49	-	-	-	-	
Total Chapter 31	6 126	2 996	1 417	389	4 802	78 %	983	-	130	1 113	(0)	211	-	211	
3200 Missions	208	192	4	0	196	94 %	11	-	-	11	(0)	2	-	2	
3202 Electronic networks, platforms	415	-	192	-	192	46 %	212	-	-	212	-	11	-	11	
3204 External support	936	499	190	-	690	74 %	245	-	-	245	-	1	-	1	
Total Chapter 32	1 560	691	386	0	1 078	69 %	468	-	-	468	(0)	14	-	14	
Total Title 3	8 209	3 940	1 980	389	6 309	77 %	1 544	-	130	1 674	(0)	226	-	226	

5.4.4. Implementation of payment appropriations - Title 5

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2023				Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
5210 Western Balkans Partnership against Crime and Terrorism	2 198	-	-	1 002	1 002	46 %	-	-	1 195	1 195	-	-	-	-
Total Chapter 52	2 198	-	-	1 002	1 002	46 %	-	-	1 195	1 195	-	-	-	-
5300 Counter-Terrorism Inflow	5 401	-	-	1 531	1 531	28 %	-	-	3 870	3 870	-	-	-	-
Total Chapter 53	5 401	-	-	1 531	1 531	28 %	-	-	3 870	3 870	-	-	-	-
5400 Euromed Police	5 265	-	-	1 515	1 515	29 %	-	-	3 750	3 750	-	-	-	-
Total Chapter 54	5 265	-	-	1 515	1 515	29 %	-	-	3 750	3 750	-	-	-	-
5500 Training and Operational Partnership against Organised Crime project	4 587	-	-	1 501	1 501	33 %	-	-	3 086	3 086	-	-	-	-
Total Chapter 55	4 587	-	-	1 501	1 501	33 %	-	-	3 086	3 086	-	-	-	-
Total Title 5	17 450	-	-	5 550	5 550	32 %	-	-	11 901	11 901	-	-	-	-
GRAND TOTAL	31 331	9 181	2 276	5 943	17 400	56 %	1 664	-	12 031	13 695	0	235	-	236

6. OUTSTANDING COMMITMENTS

6.1. Outstanding commitments – Title 1

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year					Total commitm. outstanding at year-end
	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end		
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8	
1100 Salaries and allowances	0	-	0	-	4 137	4 137	-	-	-	
Total Chapter 11	0	-	0	-	4 137	4 137	-	-	-	
1200 Expenditure on recruitment	34	(6)	28	-	14	6	-	8	8	
Total Chapter 12	34	(6)	28	-	14	6	-	8	8	
1300 Mission expenses, travel expenses, incidental expenditure for administrative missions	-	-	-	-	15	13	-	2	2	
Total Chapter 13	-	-	-	-	15	13	-	2	2	
1410 Medical expenses	1	-	1	-	13	12	-	0	0	
1430 Schooling and nursery	-	-	-	-	478	453	-	25	25	
Total Chapter 14	1	-	1	-	491	465	-	26	26	
1500 Further training, language courses, retraining for staff	13	(1)	12	-	25	18	-	7	7	
Total Chapter 15	13	(1)	12	-	25	18	-	7	7	
1601 Payment for administrative assistance from Community institutions	7	-	7	-	166	157	-	10	10	
1602 Other services and work to be contracted out	19	(0)	18	-	63	39	-	24	24	
Total Chapter 16	26	(0)	25	-	229	195	-	34	34	
1700 Entertainment and representation expenses	-	-	-	-	1	1	-	-	-	
Total Chapter 17	-	-	-	-	1	1	-	-	-	
1810 Social contacts between staff	-	-	-	-	7	7	-	-	-	
Total Chapter 18	-	-	-	-	7	7	-	-	-	
Total Title 1	73	(7)	66	-	4 919	4 842	-	77	77	

6.2. Outstanding commitments – Title 2

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	Pay- ments	Total	Commit- ments made during the year	Pay- ments	Cancel- lation of commit. which cannot be carried forward	Commit. outstand- ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
2003 Cost of renting office space, parkings	9	(0)	9	-	20	19	-	1	1
2010 Insurance	-	-	-	-	2	2	-	-	-
2040 Fitting-out of premises	5	(0)	4	-	6	6	-	0	0
Total Chapter 20	14	(1)	13	-	28	27	-	1	1
2100 ICT acquisition and maintenance of equipment and software, technical support and assistance	157	(0)	157	-	211	196	-	15	15
2104 Telecommunications	21	-	21	-	45	29	-	17	17
2105 Commission IT systems	-	-	-	-	125	125	-	-	-
Total Chapter 21	177	(0)	177	-	381	349	-	32	32
2200 Purchase and replacement of office machinery	1	(0)	0	-	4	4	-	1	1
2210 Purchase and replacement of furniture	11	-	11	-	1	1	-	-	-
2250 Purchase of books and other works in hard copy and in electronic form	-	-	-	-	0	0	-	0	0
Total Chapter 22	11	(0)	11	-	6	5	-	1	1
2300 Stationery	7	(0)	7	-	10	9	-	1	1
2330 Legal expenses, consultancy services	22	-	22	-	13	6	-	7	7
2350 Miscellaneous insurance	-	-	-	-	1	1	-	-	-
2355 Translations	-	-	-	-	4	4	-	-	-
Total Chapter 23	29	(0)	29	-	28	20	-	8	8
2400 Postal and delivery charges	1	(1)	0	-	4	3	-	1	1
Total Chapter 24	1	(1)	0	-	4	3	-	1	1
Total Title 2	232	(3)	230	-	447	403	-	43	43

6.3. Outstanding commitments – Title 3

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	Pay- ments	Total	Commit- ments made during the year	Pay- ments	Cancel- lation of commit. which cannot be carried forward	Commit. outstand- ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
3000 Governance, Management Board, Working Groups, Network Meetings	24	(1)	23	-	166	143	-	22	22
3002 External Relations	-	-	-	-	21	10	-	11	11
3004 Communication	154	(0)	154	-	160	99	-	60	60
Total Chapter 30	178	(1)	177	-	346	253	-	93	93
3100 On-site activities	692	(157)	535	-	2 336	1 856	-	481	481
3101 Travel for on-site activities	67	(32)	35	-	1 155	1 142	-	12	12
3103 On-line activities	715	-	715	-	431	52	-	378	378
3106 Exchanges	41	(16)	24	-	324	323	-	1	1
3150 Research and Science	84	(6)	78	-	64	0	-	64	64
3160 Training Needs Analysis	30	-	30	-	60	11	-	49	49
Total Chapter 31	1 628	(211)	1 417	-	4 369	3 385	-	984	984
3200 Missions	6	(2)	4	-	203	192	-	11	11
3202 Electronic networks, platforms	203	(11)	192	-	212	-	-	212	212
3204 External support	191	(1)	190	-	745	499	-	245	245
Total Chapter 32	400	(14)	386	-	1 159	691	-	468	468
Total Title 3	2 206	(226)	1 980	-	5 875	4 329	-	1 546	1 546

6.4. Outstanding commitments – Title 5

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	Pay- ments	Total	Commit- ments made during the year	Pay- ments	Cancel- lation of commit. which cannot be carried forward	Commit. outstand- ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
5210 Western Balkans Partnership against Crime and Terrorism	288	(90)	184	14	1 356	819	–	537	551
Total Chapter 52	288	(90)	184	14	1 356	819	–	537	551
5300 Counter-Terrorism Inflow	414	(127)	284	3	2 345	1 248	–	1 097	1 101
Total Chapter 53	414	(127)	284	3	2 345	1 248	–	1 097	1 101
5400 Euromed Police	250	(114)	134	2	1 903	1 381	–	522	524
Total Chapter 54	250	(114)	134	2	1 903	1 381	–	522	524
5500 Training and Operational Partnership against Organised Crime project	377	(154)	211	11	1 682	1 289	–	393	404
Total Chapter 55	377	(154)	211	11	1 682	1 289	–	393	404
Total Title 5	1 329	(485)	813	31	7 286	4 737	–	2 549	2 580
GRAND TOTAL	3 841	(721)	3 089	31	18 526	14 311	–	4 215	4 245

7. GLOSSARY

Administrative appropriations

Appropriations to cover the running costs of the entities (staff, buildings, office equipment).

Adopted budget

Draft budget becomes the adopted budget as soon as approved by the budgetary authority.

Amending budget

Decision adopted during the budget year to amend (increase, decrease, transfer) aspects of the adopted budget of that year.

Appropriations

Budget funding.

The budget forecasts both commitments (legal pledges to provide finance) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ — differentiated appropriations — because multiannual programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses.

Assigned revenue

Revenue dedicated to finance specific items of expenditure.

Budget result

The difference between income received and amounts paid, including adjustments for carry-overs, cancellations and exchange rate differences.

For agencies, the resulting amount will have to be reimbursed to the funding authority.

Budget implementation

Consumption of the budget through expenditure and revenue operations.

Budget item / Budget line / Budget position

Revenue and expenditure are shown in the budget structure in accordance with a binding nomenclature, which reflects the nature and purpose of each item, as imposed by the budgetary authority. The individual headings (title, chapter, article or item) provide a formal description of the nomenclature.

Budgetary commitment

Operation by which the authorising officer responsible reserves the budget appropriations necessary to cover for subsequent payments to honour legal commitments.

Cancellation of appropriations

Appropriations which have not been used by the end of the financial year and which cannot be carried over, shall be cancelled.

Carryover of appropriations

Exception to the principle of annuality in so far as appropriations that could not be used in a given budget year may, under strict conditions, be exceptionally carried over for use during the following year.

Commitment appropriations

Commitment appropriations cover the total value of legal obligations (contracts, grant agreements or decisions) that could be signed in the current financial year.

De-commitment

Operation whereby the authorising officer responsible cancels wholly or partly the reservation of appropriations previously made by means of a budgetary commitment.

Differentiated appropriations

Differentiated appropriations are used to finance multiannual operations; they cover, for the current financial year, the total cost of the legal obligations entered into for operations whose implementation extends over more than one financial year.

Economic result

Impact on the balance sheet of expenditure and revenue based on accrual accounting rules.

Entitlements established

Right to collect income from a debtor as recognised through the issuing of a recovery order.

Exchange rate difference

The difference resulting from currency exchange rates applied to the transactions concerning countries outside the euro area, or from the revaluation of assets and liabilities in foreign currencies at the date of the accounts.

Expenditure

Term used to describe spending the budget from all types of funds sources.

Grants

Direct financial contributions from the budget to third-party beneficiaries, engaged in activities that serve Union policies.

Lapsing appropriations

Unused appropriations to be cancelled at the end of the financial year. Lapsing means the cancellation of all or part of the authorisation to make expenditures and/or incur liabilities, as represented by an appropriation.

For joint undertakings (and EIT), as specified in their Financial Rules, any unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years (the so-called "N+3" rule). Hence, lapsing appropriations for JUs can be re-activated until financial year "N+3".

Legal basis / basic act

The legal act adopted by the legislative authority (usually the Council and European Parliament) specifying the objective of a Union spending programme, the purpose of the appropriations, the rules for intervention, expiry date and the relevant financial rules to serve as a legal basis for the implementation of the spending programme.

Legal commitment

The act whereby the Authorising Officer enters into an obligation towards third parties which results in a charge for the Union budget.

Common forms of legal commitments are contracts in the case of procurement, grant agreements and grant decisions.

Non-differentiated appropriations

Appropriations which meet annual needs and must therefore be committed during the budget year. Only amounts qualifying for automatic carryover can be disbursed in the following year. Non-differentiated appropriations which have not been used, i.e. committed, by the end of the year, are cancelled (unless, exceptionally, permission is given by a Commission decision for a non-automatic carryover). Non-differentiated appropriations apply to administrative expenditure and commitment appropriations equal payment appropriations.

Operational appropriations

Operational appropriations finance the different policies, mainly in the form of grants or procurement.

Outstanding commitments

Outstanding commitments (or RAL, from the French 'reste à liquider') are defined as the amount of appropriations committed that have not yet been paid. They stem directly from the existence of multiannual programmes and the dissociation between commitment and payment appropriations.

Payment appropriations

Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years.

RAL (Reste à liquider)

Amount remaining to be paid on a budgetary commitment at a given moment. Cf. Outstanding commitments

Surplus

Positive difference between revenue and expenditure, which has to be returned to the funding authority. Cf. Budget result

Transfer between budget lines

Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification.