



Annual accounts of the
European Union Agency for
Law Enforcement Training

Financial year 2021

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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 2021 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 1st of 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 230 training activities from the Single Programming Document 2021 providing up-to-date knowledge and good practices in law enforcement to over 38,000 participants. Training delivered included different type of activities:

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

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 online Research and Science Conference revolved around the pandemic effects on the law enforcement practice and training.

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 to the spread of the COVID-19 pandemic in an agile and proactive way combining extra health and safety measures in physical trainings with extending its online training portfolio when it was necessary. Seven onsite activities had to be cancelled due to the coronavirus restrictions throughout the year. In an effort to sustain the original training plan, CEPOL transformed 23 onsite courses to online implementation mode in order to meet the training demands from the Member States to the fullest extent. This high business implementation rate was the result of a collective effort from EU Member States authorities, the Framework Partners and the Agency.

Building on the latest COVID-19 developments and looking to the future, CEPOL improved its competitive edge to become the e-learning hub for EU Member States, which in turn constitutes one of the three top strategic priorities of the agency for the forthcoming years.

Towards this purpose, and to further support the online collaboration at national and organisational level, the Agency worked towards operating a multi-tenancy environment while running CEPOL`s online learning platform (LEEd), on the assumption that Member States and fellow EU institutions could benefit from a dedicated virtual space linked to CEPOL`s Law Enforcement Education (LEEd) platform for their exclusive, autonomous usage.

Additionally, CEPOL partnered with a third-party training delivery platform to allow LEEd users access to online learning products supporting the development of personal and business skills responding to the increasing demand for self-paced learning tools.

In 2021, CEPOL progressed with the EU-Strategic Training Needs Assessment exercise, which, by mapping the training needs of the Member States` law enforcement authorities, will set the law enforcement officials` training priorities for the years 2022-2025 for the EU and Member States level training providers.

In 2020, CEPOL incorporated four new projects to its business portfolio, thus covering the entire spectrum of the EU Enlargement and Neighbourhood policy areas. The inception phases of the projects were closed in the middle of 2021, and the implementation phases kicked off in August 2021. As project

activities started, the impact of COVID-19 was more significant on the budget field. The COVID-19 situation increased the organisational cost of activities. However, projects could cope with this cost increase thanks to the savings derived from the inception phase. Nevertheless, the fluctuation of staff, the uncertainties caused by COVID-19 with the postponement and cancellation of activities, or last minute changes in venues, created delays that will impact the workload for the year 2022. Most of the operational activities were implemented in the online environment.

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). The project closed the inception phase in March 2021, beneficiary level confidence-building workshops were organised online in order to introduce the project objectives and activities at operational level. The regional operational training needs analysis (OTNA) report was finalised and validated, the training catalogue was created and approved. Project steering committee, project board meetings and Strategic Cooperation Forum were organised and held online. Six exchanges were conducted. An onsite sub-regional course was held together with online sub-regional course, webinars and online workshop modules for analysts during the second half of the year. As a new outcome, the EU-MENA Information Sharing and Analysis Network (EMISA) network was established and kicked off with the first onsite meeting in December 2021.
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, national assessment missions were conducted online with the beneficiaries in order to introduce the project objectives and activities. The national and regional OTNA reports were finalised and accepted, training plans and catalogue were created. Steering committee, advisory committee and project board meetings were organised and held online. 14 exchanges and one study visit was conducted. Onsite national training courses and sub-regional course were held together with a train-the-trainers course, portfolio design workshops were organised online to develop the course curriculum for sub-regional and regional courses. Online activities, such as webinars, were organised throughout the year. The implementing partner, the EU Agency for Law Enforcement Cooperation (EUROPOL) conducted workshops and joint simulation exercise online for the analysis network composed of single points of contact for analysis (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. Beneficiary level assessment missions were conducted online in order to introduce the project objectives and activities. The elaboration of the regional OTNA reports started with the data collection process and is foreseen to be finalised in the first quarter of 2022. Steering committee, project board meetings and Strategic Cooperation Forum were organised and held online. Onsite national and regional training courses were held together with online webinars. Support and Capacity Building of Networks Workshop was held online too.
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, 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 sub-regional course were held together with online webinars. Furthermore, 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 a form of subsidy. In 2021, the voted budget slightly increased compared to 2020. This budget amounted to kEUR 10 632 in 2021 (compared to kEUR 10 439 in 2020).

The impact of COVID-19

The budget implementation has been severely impacted by the consequences of the measures taken in relation to the COVID-19 outbreak, which made impossible the organisation of onsite activities during the first semester of the year. This resulted in a considerable saving, therefore CEPOL returned kEUR 800 decreasing the budget to kEUR 9 832.

The implementation in terms of the final adopted budget used by commitments was 97%, the payments reached 72% and 25% of payment appropriations of the final adopted budget were carried over to 2022. The high amount of funds carried forward to 2022 is linked to the fact that CEPOL implemented almost all onsite activities of the work programme in the last four months of the year, therefore invoicing could not take place before the end of the year due to a legal issue with one particular supplier for a value of almost 10% of the carried forward amount.

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 budget for Title 1 was kEUR 4 700. 85% was for salary payments and 15% for other staff related expenditure. It is a 6% increase compared to the previous year (kEUR 4 422).

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 budget for Title 2 including carry overs and assigned revenue was kEUR 745 (kEUR 679 in 2020).

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 2021-2023) adopted by the MB (30/2021/MB) on 21 December 2021. CEPOL's core activities have been heavily impacted by the measures introduced in Europe and worldwide due to the COVID-19 pandemic. The surge in cases and further restrictions imposed obliged CEPOL to shift its implementation modalities. As a result, CEPOL rescheduled all activities for the last four months of the year, which meant an exceptionally high workload at the year-end, resulting also in a very high amount of funds carried forward, for services delivered but not yet invoiced. The final budget for Title 3 amounted to kEUR 4 922. 41% of the payment appropriations were carried over. However, there was a significant increase in paid budgetary expenses (kEUR 3 100) compared to 2020 (kEUR 2 073).

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 2021:

- 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 2021 amounted to kEUR 17 831 out of which kEUR 3 341 were paid (similar to 2020 - kEUR 3 320). The relatively high carry-over to 2022 (kEUR 14 490) is linked to the fact the 3 projects received 100% pre-financing in 2020 and the Euromed project 50% also in 2020.

Revenue implementation

In 2021, CEPOL collected as revenue:

- kEUR 9 832 as EU subsidy;
- kEUR 209 as assigned revenue, originated from unused pre-financing, reimbursement of costs (repayments);
- In addition, CEPOL paid back assigned revenue for two activities, where the implementation was finished in 2020:
 - kEUR 87 related to the joint CEPOL/Frontex Exchange Programme;
 - kEUR 1 494 related to the CEPOL-MENA Counter Terrorism Training Partnership2 project (CEPOL CT2).

Evolution of the available commitment appropriations

EUR '000

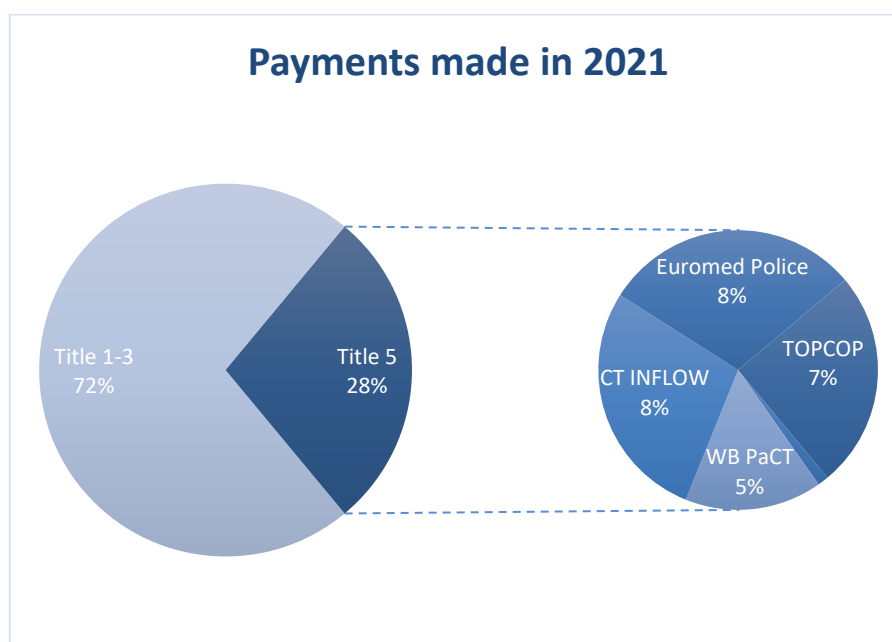
Item	Revenue as subsidy (final adopted budget)	Assigned revenue	Carry-over of commit. approp. from 2020	Total commit. approp. available	Commitments made	Carry forward of commit. approp. to 2022	Cancelled commit. approp.
	1	2	3	4=1+2+3	5	6	7
Title 1 Staff expenditure	4 681	20	0	4 700	4 659	0	41
Title 2 Administrative expenditure	742	3	0	745	722	0	23
Title 3 Operational expenditure	4 410	512	0	4 922	4 461	209	253
Total Title 1-3 (regular budget)	9 832	535	0	10 367	9 842	209	317
Title 5 CEPOL CT2	0	28	0	28	28	0	0
Title 5 WB PaCT	0	2 314	0	2 314	404	1 910	0
Title 5 CT INFLOW	0	2 600	0	2 600	574	2 026	0
Title 5 EUROMED Police	0	5 611	0	5 611	597	5 014	0
Title 5 TOPCOP	0	4 867	0	4 867	657	4 210	0
Total Title 5 (other activities)	0	15 421	0	15 421	2 260	13 161	0
Grand Total	9 832	15 956	0	25 788	12 101	13 370	317

The total commitment appropriations amounted to kEUR 25 788, kEUR 12 101 commitments were made, kEUR 13 370 were carried forward to 2022, and kEUR 317 were cancelled.

Evolution of the available payment appropriations

Item	EUR '000				
	Carry-over of payment apppr. from 2020	Total payment apppr. available	Payments made	Carry forward of payment apppr. to 2022	Cancelled carried over payment apppr. from 2020
Title 1 – Staff expenditure	152	4 852	4 722	73	15
Title 2 – Administrative expenditure	312	1 057	792	233	9
Title 3 – Operational expenditure	906	5 831	3 100	2 415	64
Total Title 1-3 (regular budget)	1 370	11 740	8 614	2 721	88
Title 5 – CEPOL CT2	0	42	42	0	0
Title 5 – WB PaCT	0	2 728	530	2 198	0
Title 5 – CT INFLOW	0	3 373	932	2 441	0
Title 5 – EUROMED Police	0	6 262	997	5 265	0
Title 5 – TOPCOP	0	5 426	839	4 587	0
Total Title 5 (other activities)	0	17 831	3 341	14 490	0
Grand Total	1 370	29 570	11 954	17 211	88

The total payment appropriations amounted to kEUR 29 570 (kEUR 31 953 in 2020), kEUR 11 954 payments were made (kEUR 10 084 in 2020), kEUR 17 211 were carried forward to 2022, including kEUR 309 assigned revenue on Title 3 and kEUR 14 490 on Title 5.



72% (67% in 2020) of the payments were financed from the Regular Budget (EU subsidy) and 28% (32% in 2020) from assigned revenue implementing other CEPOL activities.

Cancelled appropriations

Item	EUR '000		
	Cancelled carried over payment appropriations from 2020	Cancelled commitment/payment appropriations	Total cancelled appropriations
Title 1 – Staff expenditure	15	41	56
Title 2 – Administrative expenditure	9	23	32
Title 3 – Operational expenditure	64	253	317
Total Title 1-3 (regular budget)	89	316	405
Total Title 5 (other activities)	0	0	0
Grand Total	89	316	405

In addition to the kEUR 317 total commitment appropriations cancelled, kEUR 405 total payment appropriations were also cancelled. The exchange rate had minor effect (kEUR 0.1) on the budget result which was kEUR 405 in 2021 (kEUR 773 in 2020).

Impact of the activities in the financial statements

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

- Increase of revenues related to the Commission funding by 52% (2021: kEUR 14 193 vs 2020: kEUR 9 348). The increase was driven by the increase of revenue from the operating subsidy needed to cover the cost of implementation of activities under the contribution agreements (see note **3.1**).
- Significant increase of operating costs by 112% (2021: kEUR 7 467 vs 2020: kEUR 3 521). The increase is due to three main reasons:
 - Firstly, the cancellation of on-site activities in response to the spread of the COVID-19 pandemic were marginal compared to 2020, as CEPOL managed to combine extra health and safety measures in physical trainings with extending its online training portfolio when it was necessary;
 - Secondly, the impact of COVID-19 pandemic also lead to an increase in the costs of activities; and
 - Thirdly, the implementation of the projects stemming from the contribution agreements signed in 2020 started in August 2021, therefore underlying operating costs increased in 2021 (see note **3.3**).
- Decrease of payables by 30% (2021: kEUR 14 791 vs 2020: kEUR 21 221) directly linked to the start of implementation of the delegated projects in 2021, hence also a decrease of the pre-financing liability from the operational subsidy received last year (see note **2.4**). The decrease is correlated with a decrease of central treasury liaison accounts by 20% which is the main reason for a substantial decrease in receivables (see note **2.3**).
- Significant increase in accrued charges by 224% (kEUR 315 in 2020 and kEUR 1 020 in 2021). Due to measures imposed during the COVID 19 pandemic, CEPOL rescheduled all activities to the last four months of the year which resulted in an increase of services delivered but not yet invoiced (see note **2.5**).

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	31.12.2021	31.12.2020
NON-CURRENT ASSETS			
<i>Property, plant and equipment</i>	2.1	446	365
<i>Pre-financing</i>	2.2	363	594
<i>Exchange receivables and non-exchange recoverables</i>	2.3	99	98
		908	1 056
CURRENT ASSETS			
<i>Pre-financing</i>	2.2	304	437
<i>Exchange receivables and non-exchange recoverables</i>	2.3	18 470	22 485
		18 775	22 922
TOTAL ASSETS		19 683	23 979
NON-CURRENT LIABILITIES			
<i>Payables</i>	2.4	(7 116)	-
CURRENT LIABILITIES			
<i>Payables</i>	2.4	(7 675)	(21 221)
<i>Accrued charges</i>	2.5	(1 020)	(315)
		(15 811)	(21 536)
TOTAL LIABILITIES		(15 811)	(21 536)
NET ASSETS			
		3 872	2 442
<i>Accumulated profit</i>		2 442	1 427
<i>Economic result of the year</i>		1 430	1 015
NET ASSETS		3 872	2 442

STATEMENT OF FINANCIAL PERFORMANCE

		EUR '000	
	Note	2021	2020
REVENUE			
Revenue from non-exchange transactions	3.1		
<i>Subsidy from the Commission</i>		14 193	9 348
<i>Recovery of expenses</i>		13	-
		14 207	9 348
Revenue from exchange transactions	3.2		
<i>Other</i>		83	109
		83	109
		14 289	9 457
EXPENSES			
<i>Operating costs</i>	3.3	(7 467)	(3 521)
<i>Staff costs</i>	3.4	(4 351)	(4 042)
<i>Other expenses</i>	3.5	(1 041)	(878)
		(12 859)	(8 441)
ECONOMIC RESULT OF THE YEAR		1 430	1 015

CASHFLOW STATEMENT⁴

EUR '000

	2021	2020
<i>Economic result of the year</i>	1 430	1 015
Operating activities		
<i>Depreciation and amortization</i>	208	145
<i>(Increase)/decrease in pre-financing</i>	364	(1 031)
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	4 013	(15 105)
<i>Increase/(decrease) in payables</i>	(6 430)	15 396
<i>Increase/(decrease) in accrued charges</i>	705	(276)
Investing activities		
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	(290)	(146)
NET CASHFLOW	-	-

⁴ 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 31.12.2019	2 352	(925)	1 427
<i>Allocation of the 2019 economic result</i>	<i>(925)</i>	<i>925</i>	<i>-</i>
<i>Economic result of the year</i>	<i>-</i>	<i>1 015</i>	<i>1 015</i>
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

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	31.12.2021	31.12.2020	Currency	31.12.2021	31.12.2020
BGN	1.9558	1.9558	PLN	4.5969	4.5597
CZK	26.8580	26.2420	RON	4.9490	4.8683
DKK	7.4364	7.4409	SEK	10.2503	10.0343
GBP	0.84028	0.8990	CHF	1.0331	1.0802
HRK	7.5156	7.5519	JPY	130.3800	126.4900
HUF	369.1900	363.8900	USD	1.1326	1.2271

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: amounts for employee benefit liabilities, accrued and deferred revenue and charges, provisions, financial risk on accounts receivable, contingent assets and liabilities, and degree of impairment of assets. 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 revised European Union Accounting Rules (EAR)

Revised EAR which is effective for annual periods beginning on or after 1 January 2021

In 2020, the Accounting Officer adopted the revised EAR 11 'Financial Instruments', which is mandatorily effective as of 1 January 2021. The revised EAR 11 is based on the new IPSAS 41 'Financial Instruments', the amended IPSAS 28 'Financial Instruments: Presentation' and the amended IPSAS 30 'Financial Instruments: Disclosures' which were issued in August 2018. It establishes the financial reporting principles for financial assets and financial liabilities. In accordance with the transition provisions of the revised EAR 11, the entity accounts for any changes from the initial application, on 1 January 2021. The revised EAR 11 does not require the restatement of prior periods.

Changes from the application of the revised EAR 11

The only financial instruments of the entity, are the receivables from exchange transactions. In accordance with the revised EAR 11 requirements, the entity has classified these receivables as 'financial assets at amortised cost' ('loans and receivables' in prior periods). The entity has applied the impairment requirements of the revised EAR 11 to the receivables, but no recognition of loss allowance in the accumulated surplus or deficit on 1 January 2021 was needed.

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. 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.

1.3.4. 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.

1.3.5. 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.

1.3.6. 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 grant/delegation/contribution 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

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 31.12.2020</i>	19	73	1 100	415	1 607
<i>Additions</i>	-	12	277	1	290
Gross carrying amount at 31.12.2021	19	86	1 377	415	1 897
<i>Accumulated depreciation at 31.12.2020</i>	(14)	(53)	(767)	(408)	(1 242)
<i>Depreciation charge for the year</i>	(2)	(5)	(198)	(2)	(208)
Accumulated depreciation at 31.12.2021	(16)	(59)	(966)	(410)	(1 451)
NET CARRYING AMOUNT AT 31.12.2021	3	27	411	5	446
<i>NET CARRYING AMOUNT AT 31.12.2020</i>	5	20	333	7	365

The increase of property, plant and equipment is mostly related to furnishing of the new offices rented due to increase of staff in respect to the implementation of new projects started in 2020.

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

	31.12.2021	31.12.2020
<i>Non-current pre-financing</i>	363	594
<i>Current pre-financing</i>	304	437
Total	667	1 031

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 2022 as a result of COVID-19 restrictions.

In 2020 100% pre-financing was paid to Europol for three projects. In 2021 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

At 31.12.2021 CEPOL has 99 kEUR of non-current receivables corresponding to a rental guarantee paid for renting extra office space (2020: kEUR 98).

2.3.2. Current recoverables and receivables

The amounts included under this heading are of a short term nature and can be broken down as follows:

	31.12.2021	31.12.2020
<i>EUR '000</i>		
Recoverables from non-exchange transactions		
<i>Member States</i>	262	155
<i>Other</i>	6	-
Total	268	155
Receivables from exchange transactions		
<i>Central treasury liaison accounts</i>	17 549	21 864
<i>Deferred charges relating to exchange transactions</i>	642	428
<i>Other</i>	11	38
Total	18 202	22 330
Total	18 470	22 485

The recoverables from Member States comprise mainly VAT amounts to be received from 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 of central treasury liaison is a combined effect of an increase of payments related implementation of activities under the delegation projects started in 2020 and the repayment of unused funds related to finished project activities in 2020.

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

	31.12.2021	31.12.2020
Non-current		
<i>Pre-financing received from EC – operating subsidy</i>	7 116	-
	7 116	-
Current		
<i>Pre-financing received from EC – operating subsidy</i>	6 950	20 430
<i>Pre-financing received from EC - balancing subsidy</i>	405	773
<i>Suppliers</i>	288	15
<i>Others</i>	8	3
<i>Members States</i>	24	-
	7 675	21 221
Total	14 791	21 221

The pre-financing liability related to balancing subsidy (kEUR 405) comprises the unused amounts of balancing subsidy received by CEPOL in 2021. The amounts will be returned to the Commission in 2022.

The amounts under the pre-financing liability related to the operating subsidy comprise the unspent pre-financing received from the Commission for delegated projects. These funds were received in 2020 and they will be finished in 2024. This explains the split between the current and the non-current liabilities and the total decrease of kEUR 6 364.

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

	31.12.2021	31.12.2020
<i>Accrued charges</i>	1 020	315

Included under this heading are accrued charges for administrative expenses, mainly for services provided by third parties (kEUR 36), the rest is operation expenses (kEUR 836) and accrued staff expenses for untaken leave (kEUR 149). Only the onsite (example: in-house trainings) were rescheduled in the last 4 months, online activities were ongoing.

Due to restrictions imposed by COVID 19 pandemic, CEPOL rescheduled all activities to the last four months of the year which resulted in an increase of services delivered but not yet invoiced and consequently an increase of accrued charges by 224% compared to 2020.

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

3.1. NON-EXCHANGE REVENUE

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.

	<i>EUR '000</i>	
	2021	2020
<i>Funds from the Commission</i>	14 193	9 348
<i>Recovery of expenses</i>	13	-
Total	14 207	9 348

The heading Funds from the Commission corresponds to the amounts of the balancing subsidy of kEUR 9 427 (kEUR 7 056 in 2020) used on the core activities of CEPOL in 2021. It also includes revenue from the operating subsidy of kEUR 4 766 (kEUR 2 292 in 2020) related to cost incurred on programs delegated to CEPOL by the Commission. Unused amounts are recorded as pre-financing liabilities under accounts payable.

3.2. EXCHANGE REVENUE

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.

	<i>EUR '000</i>	
	2021	2020
<i>Other</i>	83	109

Included under this heading are mainly foreign exchange gains (2021: kEUR 65 vs 2020 kEUR 78). The foreign exchange gains include both amounts related to realised and unrealised exchange gains. The corresponding exchange losses are included under other expenses (see note 3.5).

EXPENSES

3.3. OPERATING COSTS

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

	<i>EUR '000</i>	
	2021	2020
<i>Operating costs</i>	7 467	3 521

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.

While in 2020 the COVID-19 pandemic severely impacted on the possibility of organising the law enforcement training in onsite format, causing a considerable underspending, in 2021 the pandemic and the uncertainty continued to have a strong impact on planning and implementation of CEPOL training activities however, CEPOL managed to respond and only a few onsite activities were cancelled. The other reason for the increase of the operational costs the increase of the cost incurred on the delegated projects whose activities started in August 2021. In addition, the cost of activities grew due to the impact of COVID 19 pandemic. Higher prices for flight tickets, accommodation and new, unplanned expenses such as PCR test fees also contributed to the increase of costs under this heading.

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

	2021	2020
<i>Staff costs</i>	4 351	4 042

The increase under this heading is due to the general salary increase and that the posts were mostly filled during the year.

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

	2021	2020
<i>Administrative expenses with other consolidated entities</i>	271	257
<i>Property, plant and equipment related expenses</i>	254	145
<i>External IT services</i>	183	126
<i>Recruitment costs</i>	94	11
<i>External non IT services</i>	77	163
<i>Foreign exchange losses</i>	65	64
<i>Training costs</i>	38	49
<i>Office Supplies & maintenance</i>	28	28
<i>Operating leasing expenses</i>	23	23
<i>Experts expenses</i>	2	4
<i>Communications & publications</i>	3	3
<i>Missions</i>	1	3
<i>Other</i>	1	1
Total	1 041	878

The increase of the administrative expenses has been driven by an increase of property, plant and equipment related expenses, namely depreciation on new equipment that was acquired so as to furnish the newly rented offices (see note **2.1**).

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>	181	271	-	451

4. OTHER SIGNIFICANT DISCLOSURES

4.1. OUTSTANDING COMMITMENTS NOT YET EXPENSED

EUR '000

	31.12.2021	31.12.2020
<i>Outstanding commitments not yet expensed</i>	2 711	4 196

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.

4.2. CONTINGENT ASSETS

Following a recommendation from an OLAF investigation, CEPOL engaged a local law firm in order to recover unduly charged amounts from a former supplier. At the date of the preparation of these financial statements no agreement has been reached with the supplier. The value of the amount that may be recovered cannot be determined at the date of preparation of these annual accounts.

4.3. 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.

4.4. 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.

4.5. 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.

	31.12.2021	31.12.2020
<i>Executive Director</i>	AD 14	AD 14

4.6. EVENTS AFTER REPORTING DATE

In accordance with EU accounting rule 19, Events after Reporting Date, the war in Ukraine, that began in February 2022 is a non-adjusting event, thus not requiring any adjustments to the figures reported in these financial statements at 31 December 2021. For subsequent reporting periods, the war may affect the recognition and measurement of some assets and liabilities on the balance sheet and also of some revenue and expenses recognised in the statement of financial performance. Based on the facts and circumstances at the time of preparation of these financial statements, in particular the evolving situation, the financial effect of the war in Ukraine on the European Union Agency for Law Enforcement Training cannot be reliably estimated.

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 7 675 of current payables with contractual maturity less than 1 year and of kEUR 7 116 of non-current payables with contractual maturity of 3 years.

THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES

It should be noted that due to the rounding of figures into thousands of euros, 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 revenue⁵)

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.

⁵ Assigned revenue budget lines relate to financing of specific items of expenditure. They can be externally or internally assigned.

2. BUDGET RESULT

	Title	2021	EUR '000 2020
Revenue		8 461	25 320
of which:			
European Commission subsidy	1	10 041	8 157
Assigned revenue for main operational projects	3	(87)	130
Assigned revenues for other projects	5	(1 494)	17 034
Expenditure		(10 673)	(9 205)
of which:			
Staff expenditure	1	(4 586)	(4 195)
Administrative expenditure	2	(489)	(313)
Operational expenditure	3	(2 257)	(1 377)
Other project expenditure	5	(3 341)	(3 320)
Payment appropriat. carried over to the following year		(2 411)	(1 370)
of which:			
Staff expenditure	1	(73)	(152)
Administrative expenditure	2	(232)	(312)
Operational expenditure	3	(2 105)	(906)
Other project expenditure	5	-	-
Cancellation of unused appropri. carried over from year n-1		89	105
Evolution of assigned revenue (B)-(A)		4 940	(14 091)
Unused appropriations at the end of current year (A)		14 800	19 739
Unused appropriations at the end of previous year (B)		19 739	5 648
Exchange rate differences		(0)	14
Budget result		405	773

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

	EUR '000	
	2021	2020
ECONOMIC RESULT OF THE YEAR	1 430	1 015
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	8 033	2 962
<i>Adjustments for accrual cut-off (net)</i>	1 161	(809)
<i>Unpaid invoices at year end but booked in expenses</i>	7	-
<i>Depreciation of intangible and tangible assets</i>	208	145
<i>Pre-financing given in previous year and cleared in the year</i>	385	420
<i>Prefinancing received in previous year but included in the budgetary result in the year</i>	4 766	2 291
<i>Payments made from carry-over of payment appropriations</i>	1 506	915
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	(9 058)	(3 205)
<i>Asset acquisitions (less unpaid amounts)</i>	(290)	(142)
<i>New pre-financing paid in the year and remaining open as at 31 December</i>	(441)	(1 108)
<i>New pre-financing received in the year and remaining open as at 31 December</i>	-	13 219
<i>Entitlements established in previous year and cashed in the year</i>	-	4
<i>Entitlements established on balance sheet accounts and cashed in the year</i>	196	291
<i>Guarantees</i>	-	(80)
<i>Payment appropriations carried over to next year</i>	(19 739)	(21 110)
<i>Cancellation of unused carried over payment appropriations from previous year</i>	89	105
<i>Adjustment for carry-over of assigned revenue appropriations from previous year</i>	11 147	5 648
<i>Other individually immaterial</i>	(20)	(32)
BUDGET RESULT OF THE YEAR	405	773

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	10 632	9 832	10 042	0	10 042	10 041	0	10 041	102 %	1
Total Chapter 10	10 632	9 832	10 042	0	10 042	10 041	0	10 041	102 %	1
Total Title 1	10 632	9 832	10 042	0	10 042	10 041	0	10 041	102 %	1

4.2. Implementation of budget revenue – Title 3

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	
3000 Assigned revenue for main operational projects	0	0	(87)	-	(87)	(87)	-	(87)	-	-
Total Chapter 30	0	0	(87)	-	(87)	(87)	-	(87)	-	-
Total Title 3	0	0	(87)	-	(87)	(87)	-	(87)	-	-

4.3. 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	
5100 Assigned revenue for MENA2 Project	0	0	(1 494)	-	(1 494)	(1 494)	-	(1 494)	-	-
Total Chapter 51	0	0	(1 494)	-	(1 494)	(1 494)	-	(1 494)	-	-
Total Title 5	0	0	(1 494)	-	(1 494)	(1 494)	-	(1 494)	-	-
GRAND TOTAL	10 632	9 832	8 461	0	8 461	8 460	0	8 461	86 %	1

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	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	
1100 Salaries and allowances	3 927	–	42	3 969	–	–	–	3 969	
Total Chapter 11	3 927	–	42	3 969	–	–	–	3 969	
1200 Expenditure on recruitment	9	–	52	61	–	0	0	61	
Total Chapter 12	9	–	52	61	–	0	0	61	
1300 Mission expenses, travel expenses, incidental expenditure for administrative missions	30	(12)	(16)	3	–	0	0	3	
Total Chapter 13	30	(12)	(16)	3	–	0	0	3	
1410 Medical expenses	18	–	(13)	5	–	–	–	5	
1420 Staff Committee	1	–	(1)	–	–	–	–	–	
1430 Schooling and nursery	416	(13)	(12)	391	–	19	19	410	
Total Chapter 14	435	(13)	(26)	395	–	19	19	415	
1500 Further training, language courses, retraining for staff	87	–	(16)	71	–	–	–	71	
Total Chapter 15	87	–	(16)	71	–	–	–	71	
1601 Payment for administrative assistance from Community institutions	160	10	(23)	147	–	–	–	147	
1602 Other services and work to be contracted out	73	(31)	(14)	28	–	–	–	28	
Total Chapter 16	233	(21)	(36)	176	–	–	–	176	
1700 Entertainment and representation expenses	3	–	(1)	2	–	–	–	2	
Total Chapter 17	3	–	(1)	2	–	–	–	2	
1810 Social contacts between staff	8	–	(2)	5	–	–	–	5	
Total Chapter 18	8	–	(2)	5	–	–	–	5	
Total Title 1	4 731	(46)	(5)	4 681	–	20	20	4 700	

5.1.2. Breakdown & changes in commitment appropriations – Title 2

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	
2003 Cost of renting office space, parkings	35	(8)	5	33	-	-	-	33
2010 Insurance	4	-	(2)	2	-	0	0	2
2040 Fitting-out of premises	6	-	48	54	-	-	-	54
Total Chapter 20	45	(8)	51	88	-	0	0	88
2100 ICT acquisition and maintenance of equipment and software, technical support and assistance	237	-	177	414	-	-	-	414
2104 Telecommunications	81	6	(48)	39	-	-	-	39
2105 Commission IT systems	70	-	44	114	-	3	3	116
Total Chapter 21	388	6	173	567	-	3	3	569
2200 Purchase and replacement of office machinery	4	-	12	16	-	-	-	16
2210 Purchase and replacement of furniture	11	-	12	23	-	-	-	23
2250 Purchase of books and other works in hard copy and in electronic form	1	-	(1)	0	-	-	-	0
Total Chapter 22	16	-	23	38	-	-	-	38
2300 Stationery	15	-	-	15	-	-	-	15
2330 Legal expenses, consultancy services	5	-	19	24	-	-	-	24
2350 Miscellaneous insurance	1	-	(1)	-	-	-	-	-
2355 Translations	12	-	(8)	4	-	-	-	4
Total Chapter 23	33	-	11	44	-	-	-	44
2400 Postal and delivery charges	10	-	(5)	5	-	-	-	5
Total Chapter 24	10	-	(5)	5	-	-	-	5
Total Title 2	492	(2)	252	742	-	3	3	745

5.1.3. Breakdown & changes in commitment appropriations – Title 3

		Budget appropriations				Additional appropriations			EUR '000
Item	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	Total approp. available	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
3000 Governance, Management Board, Working Groups, Network Meetings	205	-	(71)	134	-	7	7	142	
3002 External Relations	5	-	-	5	-	-	-	5	
3004 Communication	162	-	1	163	-	-	-	163	
Total Chapter 30	372	-	(70)	302	-	7	7	309	
3100 On-site activities	2 570	(567)	(669)	1 334	-	495	495	1 829	
3101 Travel for on-site activities	708	(96)	104	716	-	6	6	722	
3103 On-line activities	273	(5)	594	862	-	1	1	863	
3106 Exchanges	500	(72)	(168)	260	-	1	1	261	
3150 Research and Science	220	50	(156)	114	-	-	-	114	
3160 Training Needs Analysis	57	15	(26)	46	-	-	-	46	
Total Chapter 31	4 328	(675)	(321)	3 332	-	504	504	3 835	
3200 Missions	200	(28)	(112)	60	-	1	1	61	
3202 Electronic networks, platforms	255	-	(52)	203	-	-	-	203	
3204 External support	255	(50)	308	513	-	-	-	513	
Total Chapter 32	710	(78)	144	776	-	1	1	777	
Total Title 3	5 410	(753)	(247)	4 410	-	512	512	4 922	

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	8=4+7
5100 EU Middle East and North Africa Counter-Terrorism Partnership Training 2	-	-	-	-	-	28	28	28
Total Chapter 51	-	-	-	-	-	28	28	28
5210 Western Balkans Partnership against Crime and Terrorism	-	-	-	-	-	2 314	2 314	2 314
Total Chapter 52	-	-	-	-	-	2 314	2 314	2 314
5300 Counter-Terrorism Inflow	-	-	-	-	-	2 600	2 600	2 600
Total Chapter 53	-	-	-	-	-	2 600	2 600	2 600
5400 Euromed Police	-	-	-	-	-	5 611	5 611	5 611
Total Chapter 54	-	-	-	-	-	5 611	5 611	5 611
5500 Training and Operational Partnership against Organised Crime project	-	-	-	-	-	4 867	4 867	4 867
Total Chapter 55	-	-	-	-	-	4 867	4 867	4 867
Total Title 5	-	-	-	-	-	15 421	15 421	15 421
GRAND TOTAL	10 632	(800)	-	9 832	-	15 956	15 956	25 788

5.2. Breakdown & changes in payment appropriations

5.2.1. Breakdown & changes in payment appropriations – Title 1

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	
1100 Salaries and allowances	3 927	–	42	3 969	–	–	–	3 969	
Total Chapter 11	3 927	–	42	3 969	–	–	–	3 969	
1200 Expenditure on recruitment	9	–	52	61	91	0	92	153	
Total Chapter 12	9	–	52	61	91	0	92	153	
1300 Mission expenses, travel expenses, incidental expenditure for administrative missions	30	(12)	(16)	3	–	0	0	3	
Total Chapter 13	30	(12)	(16)	3	–	0	0	3	
1410 Medical expenses	18	–	(13)	5	0	–	0	5	
1420 Staff Committee	1	–	(1)	–	–	–	–	–	
1430 Schooling and nursery	416	(13)	(12)	391	3	19	23	413	
Total Chapter 14	435	(13)	(26)	395	4	19	23	418	
1500 Further training, language courses, retraining for staff	87	–	(16)	71	30	–	30	101	
Total Chapter 15	87	–	(16)	71	30	–	30	101	
1601 Payment for administrative assistance from Community institutions	160	10	(23)	147	9	–	9	156	
1602 Other services and work to be contracted out	73	(31)	(14)	28	18	–	18	46	
Total Chapter 16	233	(21)	(36)	176	26	–	26	202	
1700 Entertainment and representation expenses	3	–	(1)	2	–	–	–	2	
Total Chapter 17	3	–	(1)	2	–	–	–	2	
1810 Social contacts between staff	8	–	(2)	5	–	–	–	5	
Total Chapter 18	8	–	(2)	5	–	–	–	5	
Total Title 1	4 731	(46)	(5)	4 681	152	20	171	4 852	

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	35	(8)	5	33	–	–	–	33
2010	Insurance	4	–	(2)	2	–	0	0	2
2040	Fitting-out of premises	6	–	48	54	0	–	0	54
Total Chapter 20		45	(8)	51	88	0	0	1	89
2100	ICT acquisition and maintenance of equipment and software, technical support and assistance	237	–	177	414	266	–	266	681
2104	Telecommunications	81	6	(48)	39	41	–	41	80
2105	Commission IT systems	70	–	44	114	–	3	3	116
Total Chapter 21		388	6	173	567	308	3	310	877
2200	Purchase and replacement of office machinery	4	–	12	16	0	–	0	16
2210	Purchase and replacement of furniture	11	–	12	23	–	–	–	23
2250	Purchase of books and other works in hard copy and in electronic form	1	–	(1)	0	0	–	0	0
Total Chapter 22		16	–	23	38	0	–	0	39
2300	Stationery	15	–	–	15	1	–	1	16
2330	Legal expenses, consultancy services	5	–	19	24	1	–	1	26
2350	Miscellaneous insurance	1	–	(1)	–	–	–	–	–
2355	Translations	12	–	(8)	4	1	–	1	5
Total Chapter 23		33	–	11	44	3	–	3	46
2400	Postal and delivery charges	10	–	(5)	5	1	–	1	6
Total Chapter 24		10	–	(5)	5	1	–	1	6
Total Title 2		492	(2)	252	742	312	3	315	1 057

5.2.3. Breakdown & changes in payment appropriations – Title 3

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
3000 Governance, Management Board, Working Groups, Network Meetings	205	-	(71)	134	-	7	7	142
3002 External Relations	5	-	-	5	-	-	-	5
3004 Communication	162	-	1	163	127	-	127	290
Total Chapter 30	372	-	(70)	302	127	7	134	436
3100 On-site activities	2 570	(567)	(669)	1 334	-	495	495	1 829
3101 Travel for on-site activities	708	(96)	104	716	-	6	6	722
3103 On-line activities	273	(5)	594	862	283	1	284	1 146
3106 Exchanges	500	(72)	(168)	260	1	3	4	264
3150 Research and Science	220	50	(156)	114	94	-	94	208
3160 Training Needs Analysis	57	15	(26)	46	21	-	21	68
Total Chapter 31	4 328	(675)	(321)	3 332	399	506	905	4 237
3200 Missions	200	(28)	(112)	60	-	1	1	61
3202 Electronic networks, platforms	255	-	(52)	203	260	-	260	463
3204 External support	255	(50)	308	513	120	-	120	634
Total Chapter 32	710	(78)	144	776	380	1	381	1 158
Total Title 3	5 410	(753)	(247)	4 410	906	514	1 421	5 831

5.2.4. Breakdown & changes in payment appropriations – Title 5

		Budget appropriations				Additional appropriations			EUR '000
Item		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	Total approp. available
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
5100	EU Middle East and North Africa Counter-Terrorism Partnership Training 2	-	-	-	-	-	42	42	42
Total Chapter 51		-	-	-	-	-	42	42	42
5210	Western Balkans Partnership against Crime and Terrorism	-	-	-	-	-	2 728	2 728	2 728
Total Chapter 52		-	-	-	-	-	2 728	2 728	2 728
5300	Counter-Terrorism Inflow	-	-	-	-	-	3 373	3 373	3 373
Total Chapter 53		-	-	-	-	-	3 373	3 373	3 373
5400	Euromed Police	-	-	-	-	-	6 262	6 262	6 262
Total Chapter 54		-	-	-	-	-	6 262	6 262	6 262
5500	Training and Operational Partnership against Organised Crime project	-	-	-	-	-	5 426	5 426	5 426
Total Chapter 55		-	-	-	-	-	5 426	5 426	5 426
Total Title 5		-	-	-	-	-	17 831	17 831	17 831
GRAND TOTAL		10 632	(800)	-	9 832	1 370	18 368	19 738	29 570

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 2022			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	3 969	3 969	-	-	3 969	100 %	-	-	-	-	-	0	-
Total Chapter 11	3 969	3 969	-	-	3 969	100 %	-	-	-	-	-	0	-
1200 Expenditure on recruitment	61	54	-	0	54	89 %	-	-	-	7	-	-	7
Total Chapter 12	61	54	-	0	54	89 %	-	-	-	7	-	-	7
1300 Mission expenses, travel expenses, incidental expenditure for administrative missions	3	1	-	0	1	37 %	-	-	-	2	-	-	2
Total Chapter 13	3	1	-	0	1	37 %	-	-	-	2	-	-	2
1410 Medical expenses	5	4	-	-	4	94 %	-	-	-	0	-	0	0
1430 Schooling and nursery	410	385	-	19	404	98 %	-	-	-	6	-	0	6
Total Chapter 14	415	389	-	19	408	98 %	-	-	-	6	-	0	7
1500 Further training, language courses, retraining for staff	71	48	-	-	48	68 %	-	-	-	23	-	0	23
Total Chapter 15	71	48	-	-	48	68 %	-	-	-	23	-	0	23
1601 Payment for administrative assistance from Community institutions	147	147	-	-	147	100 %	-	-	-	-	-	0	-
1602 Other services and work to be contracted out	28	28	-	-	28	100 %	-	-	-	-	-	0	-
Total Chapter 16	176	176	-	-	176	100 %	-	-	-	-	-	0	-
1700 Entertainment and representation expenses	2	1	-	-	1	75 %	-	-	-	0	-	0	0
Total Chapter 17	2	1	-	-	1	75 %	-	-	-	0	-	0	0

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2022			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	5	2	-	-	2	40 %	-	-	-	3	-	0	3
Total Chapter 18	5	2	-	-	2	40 %	-	-	-	3	-	0	3
Total Title 1	4 700	4 640	-	19	4 659	99 %	-	-	-	41	-	0	41

5.3.2. Implementation of commitment appropriations - Title 2

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2022			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	33	32	-	-	32	99 %	-	-	-	0	-	0	0
2010 Insurance	2	2	-	-	2	72 %	0	-	0	0	-	0	0
2040 Fitting-out of premises	54	50	-	-	50	93 %	-	-	-	4	-	0	4
Total Chapter 20	88	84	-	-	84	95 %	0	-	0	4	-	0	4
2100 ICT acquisition and maintenance of equipment and software, technical support and assistance	414	414	-	-	414	100 %	-	-	-	0	-	0	0
2104 Telecommunications	39	37	-	-	37	95 %	-	-	-	2	-	0	2
2105 Commission IT systems	116	114	-	3	116	100 %	-	-	-	-	-	-	-
Total Chapter 21	569	565	-	3	567	100 %	-	-	-	2	-	-	2
2200 Purchase and replacement of office machinery	16	13	-	-	13	85 %	-	-	-	2	-	0	2
2210 Purchase and replacement of furniture	23	14	-	-	14	62 %	-	-	-	8	-	0	8

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2022			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
2250 Purchase of books and other works in hard copy and in electronic form	0	0	-	-	0	44 %	-	-	-	0	-	0	0
Total Chapter 22	38	27	-	-	27	71 %	-	-	-	11	-	0	11
2300 Stationery	15	15	-	-	15	100 %	-	-	-	-	-	0	-
2330 Legal expenses, consultancy services	24	24	-	-	24	100 %	-	-	-	-	-	0	-
2355 Translations	4	0	-	-	0	4 %	-	-	-	4	-	0	4
Total Chapter 23	44	40	-	-	40	91 %	-	-	-	4	-	0	4
2400 Postal and delivery charges	5	4	-	-	4	74 %	-	-	-	1	-	0	1
Total Chapter 24	5	4	-	-	4	74 %	-	-	-	1	-	0	1
Total Title 2	745	719	-	3	722	97 %	0	-	0	23	-	-	23

5.3.3. Implementation of commitment appropriations - Title 3

EUR '000

Item	Total approp. available	Commitments made				Appropriations carried over to 2022			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	142	49	-	7	56	39 %	-	-	-	86	-	-	86
3002 External Relations	5	-	-	-	-	0 %	-	-	-	5	-	0	5
3004 Communication	163	163	-	-	163	100 %	-	-	-	0	-	0	0
Total Chapter 30	309	211	-	7	219	71 %	-	-	-	91	-	-	91
3100 On-site activities	1 829	1 243	-	291	1 534	84 %	204	-	204	91	-	-	91
3101 Travel for on-site activities	722	708	-	3	711	98 %	3	-	3	8	-	-	8
3103 On-line activities	863	837	-	1	838	97 %	-	-	-	25	-	0	25
3106 Exchanges	261	248	-	0	248	95 %	1	-	1	12	-	-	12
3150 Research and Science	114	106	-	-	106	93 %	-	-	-	8	-	0	8
3160 Training Needs Analysis	46	46	-	-	46	100 %	-	-	-	-	-	0	-
Total Chapter 31	3 835	3 189	-	295	3 484	91 %	208	-	208	143	-	0	143
3200 Missions	61	50	-	1	51	83 %	0	-	0	10	-	-	10
3202 Electronic networks, platforms	203	203	-	-	203	100 %	-	-	-	-	-	0	-
3204 External support	513	504	-	-	504	98 %	-	-	-	9	-	0	9
Total Chapter 32	777	757	-	1	758	97 %	0	-	0	19	-	-	19
Total Title 3	4 922	4 158	-	303	4 461	91 %	209	-	209	253	-	0	253

5.3.4. Implementation of commitment appropriations - Title 5

EUR '000

Item	Total approp. available	Commitments made				Appropriations carried over to 2022			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
5100 EU Middle East and North Africa Counter-Terrorism Partnership Training 2	28	-	-	28	28	100 %	-	-	-	-	-	-	-
Total Chapter 51	28	-	-	28	28	100 %	-	-	-	-	-	-	-
5210 Western Balkans Partnership against Crime and Terrorism	2 314	-	-	404	404	17 %	1 910	-	1 910	-	-	0	-
Total Chapter 52	2 314	-	-	404	404	17 %	1 910	-	1 910	-	-	0	-
5300 Counter-Terrorism Inflow	2 600	-	-	574	574	22 %	2 026	-	2 026	-	-	0	-
Total Chapter 53	2 600	-	-	574	574	22 %	2 026	-	2 026	-	-	0	-
5400 Euromed Police	5 611	-	-	597	597	11 %	5 014	-	5 014	-	-	0	-
Total Chapter 54	5 611	-	-	597	597	11 %	5 014	-	5 014	-	-	0	-
5500 Training and Operational Partnership against Organised Crime project	4 867	-	-	657	657	13 %	4 210	-	4 210	-	-	0	-
Total Chapter 55	4 867	-	-	657	657	13 %	4 210	-	4 210	-	-	0	-
Total Title 5	15 421	-	-	2 260	2 260	15 %	13 161	-	13 161	-	-	-	-
GRAND TOTAL	25 788	9 516	-	2 585	12 101	47 %	13 370	-	13 370	316	-	0	317

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 2022					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	3 969	3 968	-	-	3 968	100 %	0	-	-	0	0	-	-	0
Total Chapter 11	3 969	3 968	-	-	3 968	100 %	0	-	-	0	0	-	-	0
1200 Expenditure on recruitment	153	20	90	-	110	72 %	34	-	0	34	7	2	-	9
Total Chapter 12	153	20	90	-	110	72 %	34	-	0	34	7	2	-	9
1300 Mission expenses, travel expenses, incidental expenditure for administrative missions	3	1	-	0	1	37 %	-	-	-	-	2	-	-	2
Total Chapter 13	3	1	-	0	1	37 %	-	-	-	-	2	-	-	2
1410 Medical expenses	5	4	0	-	4	80 %	1	-	-	1	0	0	-	0
1430 Schooling and nursery	413	385	3	19	407	98 %	-	-	-	-	6	1	0	7
Total Chapter 14	418	388	3	19	411	98 %	1	-	-	1	6	1	0	7
1500 Further training, language courses, retraining for staff	101	35	20	-	55	55 %	13	-	-	13	23	10	-	33
Total Chapter 15	101	35	20	-	55	55 %	13	-	-	13	23	10	-	33
1601 Payment for administrative assistance from Community institutions	156	140	9	-	149	95 %	7	-	-	7	-	-	-	-
1602 Other services and work to be contracted out	46	10	15	-	24	53 %	19	-	-	19	-	3	-	3
Total Chapter 16	202	150	23	-	173	86 %	26	-	-	26	-	3	-	3
1700 Entertainment and representation expenses	2	1	-	-	1	75 %	-	-	-	-	0	-	-	0

EUR '000

Item	Total approp. availab.	Payments made				Appropriations carried over to 2022				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
Total Chapter 17	2	1	-	-	1	75 %	-	-	-	-	0	-	-	0
1810 Social contacts between staff	5	2	-	-	2	40 %	-	-	-	-	3	-	-	3
Total Chapter 18	5	2	-	-	2	40 %	-	-	-	-	3	-	-	3
Total Title 1	4 852	4 566	136	19	4 722	97 %	73	-	0	73	41	15	0	57

5.4.2. Implementation of payment appropriations - Title 2

EUR '000

Item	Total approp. availab.	Payments made				Appropriations carried over to 2022					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	33	23	-	-	23	71 %	9	-	-	9	0	-	-	0
2010 Insurance	2	2	-	-	2	72 %	-	-	0	0	0	-	-	0
2040 Fitting-out of premises	54	45	0	-	45	84 %	5	-	-	5	4	0	-	4
Total Chapter 20	89	70	0	-	70	79 %	14	-	0	14	4	0	-	5
2100 ICT acquisition and maintenance of equipment and software, technical support and assistance	681	258	266	-	524	77 %	157	-	-	157	0	-	-	0
2104 Telecommunications	80	16	34	-	50	62 %	21	-	-	21	2	8	-	10
2105 Commission IT systems	116	114	-	3	116	100 %	-	-	-	-	-	-	-	-
Total Chapter 21	877	387	300	3	690	79 %	177	-	-	177	2	8	-	10
2200 Purchase and replacement of office machinery	16	13	0	-	13	80 %	1	-	-	1	2	0	-	3
2210 Purchase and replacement of furniture	23	3	-	-	3	15 %	11	-	-	11	8	-	-	8
2250 Purchase of books and other works in hard copy and in electronic form	0	0	0	-	0	49 %	-	-	-	-	0	0	-	0
Total Chapter 22	39	16	0	-	16	42 %	11	-	-	11	11	0	-	11
2300 Stationery	16	8	0	-	8	54 %	7	-	-	7	-	0	-	0
2330 Legal expenses, consultancy services	26	2	1	-	3	13 %	22	-	-	22	-	-	-	-
2355 Translations	5	0	1	-	1	23 %	-	-	-	-	4	-	-	4
Total Chapter 23	46	10	3	-	13	28 %	29	-	-	29	4	0	-	4
2400 Postal and delivery charges	6	3	0	-	3	49 %	1	-	-	1	1	1	-	2
Total Chapter 24	6	3	0	-	3	49 %	1	-	-	1	1	1	-	2
Total Title 2	1 057	487	303	3	792	75 %	232	-	0	233	23	9	-	32

5.4.3. Implementation of payment appropriations - Title 3

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2022					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	142	25	-	7	32	23 %	24	-	-	24	86	-	-	86	
3002 External Relations	5	-	-	-	-	0 %	-	-	-	-	5	-	-	5	
3004 Communication	290	9	108	-	117	40 %	154	-	-	154	0	19	-	19	
Total Chapter 30	436	33	108	7	149	34 %	178	-	-	178	91	19	-	109	
3100 On-site activities	1 829	651	-	191	842	46 %	592	-	304	896	91	-	-	91	
3101 Travel for on-site activities	722	641	-	3	644	89 %	67	-	3	70	8	-	-	8	
3103 On-line activities	1 146	124	271	-	395	34 %	714	-	1	715	25	12	0	36	
3106 Exchanges	264	207	-	3	210	80 %	41	-	1	41	12	1	-	13	
3150 Research and Science	208	22	70	-	92	44 %	84	-	-	84	8	25	-	32	
3160 Training Needs Analysis	68	17	21	-	38	56 %	30	-	-	30	-	-	-	-	
Total Chapter 31	4 237	1 662	362	197	2 221	52 %	1 527	-	309	1 836	143	37	0	180	
3200 Missions	61	44	-	1	45	74 %	6	-	0	6	10	-	-	10	
3202 Electronic networks, platforms	463	-	252	-	252	54 %	203	-	-	203	-	8	-	8	
3204 External support	634	313	120	-	433	68 %	191	-	-	191	9	0	-	9	
Total Chapter 32	1 158	357	372	1	730	63 %	400	-	0	400	19	8	-	28	
Total Title 3	5 831	2 052	843	205	3 100	53 %	2 105	-	309	2 415	253	64	0	317	

5.4.4. Implementation of payment appropriations - Title 5

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2022					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	
5100 EU Middle East and North Africa Counter-Terrorism Partnership Training 2	42	-	-	42	42	100 %	-	-	-	-	-	-	-	-	
Total Chapter 51	42	-	-	42	42	100 %	-	-	-	-	-	-	-	-	
5210 Western Balkans Partnership against Crime and Terrorism	2 728	-	-	530	530	19 %	-	-	2 198	2 198	-	-	-	-	
Total Chapter 52	2 728	-	-	530	530	19 %	-	-	2 198	2 198	-	-	-	-	
5300 Counter-Terrorism Inflow	3 373	-	-	932	932	28 %	-	-	2 441	2 441	-	-	-	-	
Total Chapter 53	3 373	-	-	932	932	28 %	-	-	2 441	2 441	-	-	-	-	
5400 Euromed Police	6 262	-	-	997	997	16 %	-	-	5 265	5 265	-	-	-	-	
Total Chapter 54	6 262	-	-	997	997	16 %	-	-	5 265	5 265	-	-	-	-	
5500 Training and Operational Partnership against Organised Crime project	5 426	-	-	839	839	15 %	-	-	4 587	4 587	-	-	-	-	
Total Chapter 55	5 426	-	-	839	839	15 %	-	-	4 587	4 587	-	-	-	-	
Total Title 5	17 831	-	-	3 341	3 341	19 %	-	-	14 490	14 490	-	-	-	-	
GRAND TOTAL	29 570	7 105	1 282	3 568	11 954	40 %	2 411	-	14 800	17 211	316	89	0	405	

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 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	
1100 Salaries and allowances	-	-	-	-	3 969	3 968	0	0	0	
Total Chapter 11	-	-	-	-	3 969	3 968	0	0	0	
1200 Expenditure on recruitment	91	(2)	90	-	54	20	-	34	34	
Total Chapter 12	91	(2)	90	-	54	20	-	34	34	
1300 Mission expenses, travel expenses, incidental expenditure for administrative missions	-	-	-	-	1	1	-	-	-	
Total Chapter 13	-	-	-	-	1	1	-	-	-	
1410 Medical expenses	0	(0)	0	-	4	4	-	1	1	
1430 Schooling and nursery	3	(1)	3	-	404	404	-	-	-	
Total Chapter 14	4	(1)	3	-	408	408	-	1	1	
1500 Further training, language courses, retraining for staff	30	(10)	20	-	48	35	-	13	13	
Total Chapter 15	30	(10)	20	-	48	35	-	13	13	
1601 Payment for administrative assistance from Community institutions	9	-	9	-	147	140	-	7	7	
1602 Other services and work to be contracted out	18	(3)	15	-	28	10	-	19	19	
Total Chapter 16	26	(3)	23	-	176	150	-	26	26	
1700 Entertainment and representation expenses	-	-	-	-	1	1	-	-	-	
Total Chapter 17	-	-	-	-	1	1	-	-	-	
1810 Social contacts between staff	-	-	-	-	2	2	-	-	-	
Total Chapter 18	-	-	-	-	2	2	-	-	-	
Total Title 1	152	(15)	136	-	4 659	4 586	0	73	73	

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	
2003 Cost of renting office space, parkings	-	-	-	-	32	23	-	9	9
2010 Insurance	-	-	-	-	2	2	-	-	-
2040 Fitting-out of premises	0	(0)	0	-	50	45	-	5	5
Total Chapter 20	0	(0)	0	-	84	70	-	14	14
2100 ICT acquisition and maintenance of equipment and software, technical support and assistance	266	-	266	-	414	258	-	157	157
2104 Telecommunications	41	(8)	34	-	37	16	-	21	21
2105 Commission IT systems	-	-	-	-	116	116	-	-	-
Total Chapter 21	308	(8)	300	-	567	390	-	177	177
2200 Purchase and replacement of office machinery	0	(0)	0	-	13	13	-	1	1
2210 Purchase and replacement of furniture	-	-	-	-	14	3	-	11	11
2250 Purchase of books and other works in hard copy and in electronic form	0	(0)	0	-	0	0	-	-	-
Total Chapter 22	0	(0)	0	-	27	16	-	11	11
2300 Stationery	1	(0)	0	-	15	8	-	7	7
2330 Legal expenses, consultancy services	1	-	1	-	24	2	-	22	22
2355 Translations	1	-	1	-	0	0	-	-	-
Total Chapter 23	3	(0)	3	-	40	10	-	29	29
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	312	(9)	303	-	722	489	-	232	232

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	
3000 Governance, Management Board, Working Groups, Network Meetings	-	-	-	-	56	32	-	24	24
3004 Communication	127	(19)	108	-	163	9	-	154	154
Total Chapter 30	127	(19)	108	-	219	41	-	178	178
3100 On-site activities	-	-	-	-	1 534	842	-	692	692
3101 Travel for on-site activities	-	-	-	-	711	644	-	67	67
3103 On-line activities	283	(12)	271	-	838	124	-	715	715
3106 Exchanges	3	(1)	2	-	248	208	-	41	41
3150 Research and Science	94	(25)	70	-	106	22	-	84	84
3160 Training Needs Analysis	21	-	21	-	46	17	-	30	30
Total Chapter 31	402	(37)	365	-	3 484	1 856	-	1 628	1 628
3200 Missions	-	-	-	-	51	45	-	6	6
3202 Electronic networks, platforms	260	(8)	252	-	203	-	-	203	203
3204 External support	120	(0)	120	-	504	313	-	191	191
Total Chapter 32	380	(8)	372	-	758	358	-	400	400
Total Title 3	909	(64)	845	-	4 461	2 255	-	2 206	2 206

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 forward from previous 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
5100 EU Middle East and North Africa Counter-Terrorism Partnership Training 2	162	(148)	14	-	28	28	-	-	-
Total Chapter 51	162	(148)	14	-	28	28	-	-	-
5210 Western Balkans Partnership against Crime and Terrorism	415	(2)	411	2	404	119	-	286	288
Total Chapter 52	415	(2)	411	2	404	119	-	286	288
5300 Counter-Terrorism Inflow	869	(97)	771	2	574	161	-	413	414
Total Chapter 53	869	(97)	771	2	574	161	-	413	414
5400 Euromed Police	805	(154)	646	5	597	351	-	246	250
Total Chapter 54	805	(154)	646	5	597	351	-	246	250
5500 Training and Operational Partnership against Organised Crime project	754	(195)	554	5	657	285	-	372	377
Total Chapter 55	754	(195)	554	5	657	285	-	372	377
Total Title 5	3 006	(596)	2 397	13	2 260	944	-	1 316	1 329
GRAND TOTAL	4 379	(685)	3 681	13	12 101	8 274	0	3 828	3 841

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.