

DECISION 31/2006/GB
OF THE GOVERNING BOARD OF THE EUROPEAN POLICE COLLEGE
ADOPTING THE CLOSURE ACCOUNTS 2005

Adopted by the Governing Board
on 27 September 2006

The European Police College (CEPOL)

**Closure Accounts Report 2006
as at 27 July 2006**

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Information about the College

The European Police Academy (CEPOL)

Bramshill House

Bramshill

Hook

Hampshire

RG27 0JW

Governing Board

One representative from each EU member State.

Administrative Director

Mr Ulf Göransson

Auditors

Deloitte & Touche LLP

Reading, United Kingdom

Statement of the Administrative Director and Governing Board

We have today presented the Closure Accounts Report of CEPOL for the period ending 27 July 2006.

The Closure Accounts Report has been presented in accordance with the financial regulations agreed by the Governing Board on 27 September 2001.

We recommend the Closure Accounts for adoption.

Administrative Director

Ulf Göransson

Governing Board

Austria	Belgium	Cyprus	Czech Republic
Denmark	Estonia	Finland	France
Germany	Greece	Hungary	Ireland
Italy	Latvia	Lithuania	Luxembourg
Malta	Netherlands	Poland	Portugal
Slovak Republic	Slovenia	Spain	Sweden
United Kingdom			

Independent Auditors' Report to the Governing Board

We have audited the financial statements of CEPOL for the period from 1 January 2006 to 27 July 2006 which comprise the income and expenditure statement, the balance sheet and the related notes 1 to 4. These financial statements have been prepared under the accounting policies set out therein. These financial statements have been prepared to assist the Governing Board in assessing the stewardship of the organisation as required by the Financial Regulations.

Our Report is prepared solely for the exclusive use of the Governing Board of CEPOL and solely for the purpose of assisting the Governing Board in assessing the stewardship of the organisation. Our Report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written consent, except where there is a statutory duty to do so, and may not be relied upon by any other party for any purpose whatsoever.

Deloitte & Touche LLP, its members and staff neither owe nor accept any duty to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by their reliance on representations in our report.

Respective responsibilities of the Governing Board and auditors

As described in the statement of the Administrative Director and Governing Board, the organisation is responsible for the preparation of the financial statements in accordance with the financial regulations of CEPOL, agreed by the Governing Board on 27 September 2001. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK & Ireland).

We report to you our opinion as to whether the financial statements have been properly prepared in accordance with the financial regulations of CEPOL. We also report if the organisation has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

Independent Auditors' Report to the Governing Board (continued)

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK & Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the organisation in the preparation of the financial statements and of whether the accounting policies are appropriate to the organisation's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements have been properly prepared in accordance with the financial regulations of CEPOL.

Deloitte & Touche LLP
Reading, United Kingdom

Management's Review

The activities of 'Old' CEPOL ended on 27 July 2006, with all contracts and obligations assumed by 'New' CEPOL. Final closure accounts as at 27 July 2006 have been produced and following these any surplus cash will be returned to member states and no further claims will be accepted.

The 'credits' shown on the Income and Expenditure accounts reflect final claims being less than the accrued for estimated liabilities as at 31 December 2005. These include €75.000 of reserve originally made in respect of the completion of the refurbishment of the new CEPOL offices, although any additional claims would be contested as being within the CENTREX liability. Along with other 3rd parties, CENTREX were notified that as these accounts would be closing down, that any claim must be made by 31st May 2006. Whilst this remains a potential liability, it is the management's opinion that any subsequent claim would not be only be contested, but will be rejected as being outside of this time limit and so this accrual has been written back.

The Member States reimbursement monies are subject to final revision as a consequence of bank interest and charges between closure at July 27, 2006 until the subsequent date of reimbursement payments.

Accounting Policies

This Closure Accounts Report has been prepared in accordance with the Financial Regulations governing CEPOL.

Recognition and Measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to CEPOL, and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when CEPOL has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of CEPOL, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost.

Anticipated risks and losses that arise before the time of presentation of the Closure Accounts Report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial period. Value adjustments of financial assets and liabilities are recorded in the income statement as financial income or financial expenses.

Income statement

Income

No income from Member States for 2006 due to closure accounts being drawn. Income in 2005 comprises contributions from Member States.

Administrative costs

The item comprises costs that have been incurred in the financial period, regardless of their time of payment, to run the Secretariat, including personnel costs.

Programme costs

The item comprises expenses related to the holding of training courses.

Accounting Policies (continued)

Regulatory costs

The item comprises expenses for various bodies and committees.

Balance sheet

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Fixed assets

Fixed assets are not capitalised but are expensed to the income statement within other administrative costs in the year purchased.

Income and Expenditure Statement

Period ending 27 July 2006

	Year Ending 31 December 2005 Actual	Period Ending 27 July 2006 Actual
	€	€
Member States Contribution	4,144,191	-
2003 Surplus	752,657	-
2004 Reservation	759,500	-
Bank & Late Payment Interest	112,151	58,016
FUNDS AVAILABLE	5,768,499	58,016
External Experts	184,220	(26,272)
Participants	599,619	(98,425)
Lesson Costs	135,039	(8,890)
Other Costs	167,204	(5,349)
Programme Costs (net of provision releases)	1,086,082	(138,936)
Harmonising	30,193	15,830
Best Practice & Research	125,768	(5,651)
Exchanges and Secondments	15,517	(5,082)
Electronic Network	170,157	12,253
Co-operation	216	-
Training	209	-
Activity Costs (net of provision releases)	342,060	17,350
Evaluation Costs (net of provision releases)	-	371
TOTAL PROGRAMME COSTS	1,428,142	(121,215)

Income and Expenditure Statement 2006 (continued)

Period ended 27 July 2006

	Year Ending 31 December 2005 Actual	Period Ending 27 July 2006 Actual
	€	€
Salaries	825,664	(38,665)
Other Personnel Costs	4,401	225
Short Secondment	28,252	-
Personnel Costs (net of provision releases)	858,317	(38,440)
Offices	8,382	(78,897)
Travel	73,595	(5,811)
Office Costs	66,431	(1,904)
Durable Goods	25,385	-
IT and Communications	36,067	-
Other Costs	24,566	15,304
VAT / Exchange Rate	(11,586)	-
Other Administrative Costs (net of provision releases)	222,840	(71,309)
TOTAL ADMINISTRATIVE COSTS	1,081,157	(109,749)
Governing Board	144,096	(17,362)
Committees	147,407	7,740
External Control Body	2,780	-
Audit	12,000	20426
Regulatory Costs (net of provision releases)	306,283	10804
TOTAL EXPENDITURE	2,815,582	(220,160)
Surplus	2,952,917	278,175
Courses scheduled for completion by 'Old' CEPOL to be run by 'New' CEPOL	(115,000)	-
Expenditure on funds reserved for 2005	2 (444,132)	-
Net Surplus	3 2,393,785	278,175

Balance Sheet as at 27 July 2006

		At 31 December 2005 Actual €	At 27 July 2006 Actual €
Cash at Bank		5,033,368	3,558,141
Program Advances		185,000	-
Other Advances		213,119	-
Debtors		20,300	35,528
VAT / Contributions		81,228	-
Payment on Account 'New CEPOL'		15,282	-
Projects managed on behalf of the EU	4	(323,033)	6,014
Creditors		(415,686)	(28,595)
Accruals		(1,442,166)	(20,500)
Courses scheduled for completion by 'Old' CEPOL to be run by 'New' CEPOL		(115,000)	-
NET ASSETS		<u>3,272,412</u>	<u>3,550,587</u>
Surplus 2004	3	878,627	878,627
Surplus 2005	3	2393785	2,393,785
Surplus 2006		-	278,175
RESERVES		<u>3,272,412</u>	<u>3,550,587</u>

Notes to the accounts

1. Members State Reimbursement

Country	2004 Net Surplus	2005 Net Surplus	Closure Net Surplus	2005 Late Interest	2005 Under Payments	Difference Between GNI Est. and GDP Actual for 2004 Contribution	Difference Between GNI Est. and GDP Actual for 2005 Contribution	Total Reimbursed
	€	€	€	€	€	€	€	€
Austria	20,088.96	54,328.32	6313.35	0.00	0.00	(210.19)	513.70	81,034.13
Belgium	24,340.42	65,936.10	7662.25	(1,964.58)	0.00	(1510.49)	(908.62)	93,555.08
Cyprus	660.80	2,801.72	325.58	0.00	(959.00)	5.79	194.94	3,029.83
Czech Republic	4,677.95	19,271.67	2239.51	(319.21)	(5,141.00)	506.80	1,342.26	22,577.98
Denmark	16,805.34	45,538.81	5291.94	(498.54)	0.00	35.88	884.75	68,058.17
Estonia	445.92	1,954.22	227.09	(20.36)	(849.00)	159.19	571.79	2,488.85
Finland	13,096.70	35,044.43	4072.42	0.00	0.00	340.06	317.31	52,870.92
France	140,865.46	382,966.34	44503.47	(1,879.38)	0.00	(5,000.14)	2,373.78	563,829.52
Germany	195,123.34	519,502.20	60369.93	0.00	0.00	(4,494.89)	(13,156.09)	757,344.49
Greece	13,051.96	37,350.95	4340.45	(67.81)	0.00	(467.35)	3,581.94	57,790.14
Hungary	4,154.78	17,658.90	2052.09	0.00	(5,692.00)	599.49	2,483.98	21,257.25
Ireland	11,872.43	33,401.68	3881.52	(46.86)	0.00	7,453.58	13,076.08	69,638.43
Italy	117,821.17	320,661.54	37263.20	0.00	0.00	4,662.15	14,790.65	495,198.71
Latvia	591.46	2,395.99	278.43	(2.08)	(945.00)	159.76	297.14	2,775.71
Lithuania	896.14	3,948.45	458.84	(26.82)	(1,401.00)	38.20	596.18	4,509.99
Luxembourg	2,185.74	6,167.51	716.71	0.00	0.00	1,057.24	2,006.15	12,133.35
Malta	265.8	1,039.84	120.84	0.00	(386.00)	77.99	80.04	1,198.51
Netherlands	42,318.54	114,386.78	13292.57	(54.67)	0.00	6,177.06	10,094.76	186,215.04
Poland	12,498.14	45,963.31	5341.27	(595.13)	(1,558.00)	887.81	(7,359.03)	55,178.38
Portugal	12,319.82	33,023.67	3837.59	0.00	0.00	1,871.71	2,540.80	53,593.59
Slovak Republic	1,414.28	7,018.73	815.63	0.00	(3,384.00)	(324.59)	1,553.56	7,093.61
Slovenia	1,553.6	5,969.74	693.73	(43.72)	(1,827.00)	460.95	283.24	7,090.54
Spain	66,315.94	187,435.26	21781.34	(2,302.59)	0.00	7,984.06	28,244.51	309,458.51
Sweden	23,549.02	64,727.25	7521.78	0.00	0.00	(310.49)	2,392.75	97,880.30
United Kingdom	151,713.29	385,291.59	44773.68	(5,564.54)	0.00	(20,159.58)	(66,796.60)	489,257.84
Total	878,627.00	2,393,785.00	278,175.21	(13,386.29)	(22,142.00)	0.00	0.00	3,515,058.90
							Late Interest	13,386.29
							Under Payments	22,142.00
							Accumulated Surplus	3,550,587.19

2. Expenditure Written Back on 2005 Reservations

	Year Ending 31 December 2005	Period Ending 27 July 2006
	€	€
Programme costs	66,252	-
Activity costs	174,923	-
Other administrative costs	186,957	-
Regulatory costs	16,000	-
Total	<u>444,132</u>	<u>-</u>

3. Movement in Reserves

	2004	Surplus 2005	2006	Total
	€	€	€	€
Reserves as at 31 December 2005	878,627	2,393,785	-	3,272,412
Current period surplus	-	-	278,175	278,175
Reserves as at 27 July 2006	<u>878,627</u>	<u>2,393,785</u>	<u>278,175</u>	<u>3,550,587</u>

4. Projects managed on behalf of the EU

	At 31	
	December	At 27 July
	2005	2006
	€	€
Meda	379,716	603,073
Meda Guarantee	(597,060)	(597,060)
Cards	(156,137)	-
AGIS	50,448	-
	<u>(323,033)</u>	<u>6,014</u>

These projects are funded directly by the EU and fall outside the main training programme managed by CEPOL and funded by the member states. All costs incurred in relation to these projects are recovered from the EU. A debit balance indicates that costs, as at 27 July 2006, are in excess of amounts recovered from the EU.