

**INTEGRATED AIR AND MISSILE DEFENCE  
CENTRE OF EXCELLENCE**



**FISCAL YEAR**

**2020**

**ANNUAL FINANCIAL STATEMENTS**

*March 2021*

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**IAMD COE FINANCIAL STATEMENTS 2020**

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**INTEGRATED AIR AND MISSILE DEFENCE CENTRE OF EXCELLENCE**

**Executive Statement  
(Summary)**

(Statement 1)

**INTRODUCTION**

1. The mission of the Integrated Air and Missile Defence Centre of Excellence (IAMD COE) is to enhance the interoperability and support the development and exploitation of IAMD capabilities of NATO, NATO Nations and Partner Nations, based on modern requirements and a smart defence/multinational solutions mindset, as well as to provide opportunities for comprehensive research, experimentation, doctrine and concept development, education and training and comprehensive analysis in support of the lessons learned process.

2. The ultimate controlling and decision-making entity for the Centre is the Steering Committee (SC) which consists of the IAMD COE's participants and is responsible for guidance and supervision of all the Centre's activities and administration.

3. At this time, Greece as the Framework Nation (FN) and Bulgaria, Czech Republic, Romania and Turkey as Sponsoring Nations (SNs) constitute the five (5) Participants of the IAMD COE.

4. The provisions concerning the operation, funding, workforce, equipment and infrastructure of the IAMD COE, as well as its administrative and logistical support, are defined in the Memorandum of Understanding among the Ministry of the National Defence of the Hellenic Republic, the Ministry of Defence of the Republic of Bulgaria, the Ministry of Defence of the Czech Republic, the Ministry of National Defence of Romania and the Ministry of National Defence of the Republic of Turkey, signed on 8 April 2020, which will be referred herein as "IAMD COE Operational MOU".

5. In the context of the 1<sup>st</sup> annual financial statements of the Centre, this executive statement (Statement 1) aims at providing an analysis of key facts and figures for the year under review.

**HIGHLIGHTS**

6. On 9-11 September 2020, the 1<sup>st</sup> SC meeting of the IAMD COE was held. Inter alia, based on Section 10 of the IAMD COE Operational MOU, the Financial Administrative Procedures (FAPs) were presented and approved by the SC, as well as the Budget for the Fiscal Year (FY) 2020, taking into note that all costs for the establishment and operation of the Centre for that year (2020) were to be fully covered by the FN.

7. In accordance with the C-M(69)22 "Procedures for the Activation and Reorganisation in Peacetime of NATO Military Bodies and Rules for Granting them International Status and International Financing" (16 May 69) and the MC 0685 (Mili-

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tary Decision) (INV) “Military Committee Policy for Centres of Excellence” (4 Dec 19), following the accreditation assessment visit by the ACT/CPD Accreditation Team and the endorsement of the Military Committee, the North Atlantic Council approved the accreditation of the IAMD COE as a NATO COE and its activation as a NATO Military Body on 25 January 2021.

## **FRAMEWORK OF THE FINANCIAL STATEMENTS**

8. Based on par. 10.12 of the IAMD COE Operational MOU and par. 25 of the FAPs, following the end of a FY, at the latest by the 31 March, an Annual Financial Statement is submitted to the SC for its information and approval.

9. Taking into note the IAMD COE Operational MOU, Section 7: “*The FN retains ownership of all facilities, lands and equipment made available by it to the IAMD COE*” and par. 9.2: “... *the FN covers all costs for establishment and operation of the IAMD COE for fiscal year 2020.*”, as well as par. 1.3 of the FAPs: “*Framework Nation Support is not subject to these FAPs.*”, the purpose of the current financial statements is to provide general information about the financial position, financial performance and cash flows of the IAMD COE to the SC members, accurately reflecting the overall financial status of the Centre as at 31 December 2020.

10. In the light of the above, the statements attached include only the Call for Funds concerning the FY 2021 as receivables, the advance payments of them which were received [by two (2) Participants] during the year 2020 and the relevant bank interest, as no other transaction/fact/activity was made and linked to the Participants' shared budget. The data presented in the Budget Execution Statement demonstrate the accountancy exercised by the Centre for funds granted to it only by the FN, taking into consideration that the 1<sup>st</sup> shared budget concerns the coming FY (2021). This foregoing statement aims, in principle, at presenting the appropriations granted by the FN and covered the costs for the establishment and operation of the Centre for the FY 2020.

## **FINANCIAL MANAGEMENT**

11. The procurement and contracting procedures for the expenses regarding the FY 2020 were handled in accordance with FN's legislation, taking into account the provisions of par. 9.2 of the IAMD COE Operational MOU and par. 1.3 of the FAPs. It is noted that, the competent authorities of Greece have carried out the necessary control of these expenditures, while in addition, the suppressive audit of them is under the jurisdiction of the Hellenic Court of Audit, which is the Hellenic Supreme Financial Court auditing the use of public funds in Greece according to the principles of legality, regularity and sound financial management.

## **DATA PERIOD**

12. The Financial Position, the Financial Performance, the Change in Net Assets/Equity and the Cash Flows for the FY 2020 are depicted in Statements 3, 4, 5 and 6 respectively, and provide a detailed accounting overview of the IAMD COE for the period above. Furthermore, a report regarding the Internal Control is also

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submitted [Statement (2) of Internal Control] as an equivalent implementation of the provision of par. 7 of the FAPs.

13. In-depth analysis of the 2020 Budget execution (which concerns exclusively the appropriations granted by the FN) is provided via Statement 7, which has been prepared in a type equivalent with the Budget Execution Statement concerning the shared budget, as defined in the FAPs, respectively with the categories of the Chapter Item Sub-Item (CISI) codes.

14. More data analysis and clarifications for the FY 2020 are provided via the Notes, attached at the end of the Statements.

### RESPONSIBILITY

15. The attached FY 2020 IAMD COE financial statements, for the period starting 08 April 2020 and ending 31 December 2020, have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS). Taking into account the NATO Financial Regulations (NFR), these statements are jointly signed by the IAMD COE Director and the IAMD COE Financial Controller (FINCON) and conform to the respective responsibility and accountability principles. Especially, in accordance with par. 6.1 of Annex A of the FAPs, the statement of internal control is jointly signed by the IAMD COE Chief of Staff (in the absence of the Deputy Director, based on the provisions of the respective Job Description) and the IAMD COE FINCON.

16. In preparing these statements, the IAMD COE:

16.1 Observed the relevant accounting and disclosure requirements, and applied suitable accounting policies on a consistent basis;

16.2 Made judgements and estimates on a reasonable basis;


16.3 Composed the accounts on accrual basis;

16.4 Rested upon the initial presenting of the expenditures carried out by the appropriations granted by the FN.

17. We hereby certify that to the best of our knowledge, we have a reasonable assurance that the attached financial statements and notes present a true and fair view of the financial statement status and activities as at 31 December 2020.



Cpt (A) (OF-2) Evangelos BALTADOROS  
IAMD COE Financial Controller



Col (AF) (OF-5) Evangelos TZIKAS  
IAMD COE Director

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**INTEGRATED AIR AND MISSILE DEFENCE CENTRE OF EXCELLENCE**

**Statement of Internal Control**

(Statement 2)

**SCOPE OF RESPONSIBILITY**

1. As the IAMD COE Chief of Staff, in the absence of the Deputy Director, I am responsible and accountable for maintaining a sound system of internal control providing reasonable assurance regarding the IAMD COE financial management.
2. As the IAMD COE Financial Controller, I am responsible and accountable for the administration of the fiscal control system and the supervision of all staff involved in financial procedures.

**PURPOSE OF THE INTERNAL CONTROL SYSTEM**

3. In general, in accordance with FAPs, the IAMD COE Internal Control system includes, but is not limited to:

3.1 The existence of:

3.1.1 Segregation of duties (separated duties of the Financial Controller and the Disbursing Officer, between the officers who are responsible for the payments and the approval of the expenditures etc.);

3.1.2 Measures to avoid conflict of interests;

3.1.3 Procedures for monitoring the performance and follow-up of identified internal control weaknesses and deviations from the procedures laid down in the internal control system;

3.1.4 Periodic assessment and review of the risk and the sound functioning of the internal control system;

3.1.5 Formal approval process and authorization for transactions.

3.2 Ensuring that:

3.2.1 Effective systems of internal financial and budgetary control exist;

3.2.2 Comprehensive accounting records of all assets, receivables and liabilities are established and maintained;

3.2.3 Financial limits of discretionary powers delegated by the SC are introduced and applied;

3.2.4 All accounts are reviewed on a regular basis and all activities with financial implications are controlled by periodic inspections;

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3.2.5 Regular training and information updates for all personnel involved in the financial process have been achieved.

3.3 Establishing a system of internal financial and budgetary control, embracing all aspects of financial management including transactions for which appropriations have been approved;

3.4 Verifying that procedures for designating and formally delegating authority to officials who may disburse and receive funds on their behalf are in place;

#### **OVERALL ASSESSMENT**

4. Taking into note par. 9.2 of the IAMD COE Operational MOU: "... *the FN covers all costs for establishment and operation of the IAMD COE for fiscal year 2020.*" and par. 1.3 of the FAPs: "*Framework Nation Support is not subject to these FAPs.*", the internal control activities regarding the year 2020 focused mainly on the following items:

4.1 The smooth incurring of the expenditures regarding the establishment (initial infrastructure etc.) and operation of the Centre;

4.2 The avoidance of conflict of interests concerning the procurement and contracting procedures;

4.3 The correct management, safeguarding and registering/recording of the assets, in coordination and cooperation with the competent national (FN) authorities;

4.4 The preparation of an internal financial and budgetary system in view of the FY 2021;

4.5 The establishment of comprehensive accounting records;

4.6 The verification of the ledger/available balance of the bank account(s) as at 31 December 2020.

5. After reviewing the aforementioned items, we ensure that, as regards the year 2020, the necessary internal management functions are in place to support effective internal control and provide reasonable assurance that:

5.1 Effectiveness and efficiency functions, reliability of financial information and compliance with applicable rules and regulations have been achieved;

5.2 Assets are properly safeguarded and managed;

5.3 An evaluation as to the adequacy of the system of internal control has been taken place;

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5.4 The preparation of the establishment of an appropriate internal financial and budgetary system is going to be ready for the FY 2021;

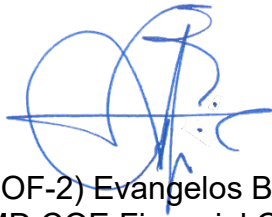
5.5 The accuracy and reliability of the accounting data, records and bank account(s) balances are verified;

5.6 No conflict of interests concerning the procurement and contracting procedures has been detected;

5.7 Segregation of duties regarding the Financial Controller and the Disbursing Officer has already been settled in coordination with the cooperating bank, as all the payments require registration and approval separately by these Officers;

5.8 No areas of improvement of the system of internal control detected yet and deemed necessary at this time, given the fact that the upcoming year will be the first FY when the internal control will be fully implemented.

6. Finally, it is noted that the review of the effectiveness of the system of internal control relies on the work of the Internal Controller, as well as the Financial Controller who has the responsibility for the development and maintenance of the internal control framework.



Cpt (A) (OF-2) Evangelos BALTADOROS  
IAMD COE Financial Controller



Col (AF) (OF-5) Georgios TSELEKIDIS  
IAMD COE Chief of Staff  
(In the absence of the Deputy Director)

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INTEGRATED AIR AND MISSILE DEFENCE CENTRE OF EXCELLENCE  
**Statement of Financial Position**

(Statement 3)

<i>As at December 31, 2020 (in EUR)</i>	<i>Notes</i>	<i>2020<sup>(1)</sup></i>	<i>2019<sup>(1)</sup></i>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents <sup>(2)</sup>	(B.9)	192.007,07	-
Receivables	(B.10)	64.000,00	-
Inventories	(B.11)	0,00	-
Advances and prepayments	(B.12)	0,00	-
Reimbursable expenses	(B.13)	0,00	-
Other current assets		0,00	-
<b>Total current assets</b>		<b>256.007,07</b>	<b>-</b>
<b>Non-current assets</b>			
Property, plant and equipment	(B.14)	0,00	-
Intangible assets	(B.15)	0,00	-
Receivables		0,00	-
Other financial assets		0,00	-
Other non-financial assets		0,00	-
<b>Total non-current assets</b>		<b>0,00</b>	<b>-</b>
<b>Total Assets</b>		<b>256.007,07</b>	<b>-</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	(B.16)	0,00	-
Liabilities accrued	(B.17)	0,00	-
Advances	(B.18)	256.000,00	-
Short-term provisions		0,00	-
Unearned revenue <sup>(2)</sup>	(B.19)	7,07	-
<b>Total current liabilities</b>		<b>256.007,07</b>	<b>-</b>
<b>Non-Current liabilities</b>			
Payables		0,00	-
Long-term provisions		0,00	-
<b>Total non-current liabilities</b>		<b>0,00</b>	<b>-</b>
<b>Total liabilities</b>		<b>256.007,07</b>	<b>-</b>
<b>Net assets</b>		<b>-</b>	<b>-</b>



Cpt (A) (OF-2) Evangelos BALTADOROS  
 IAMD COE Financial Controller



Col (AF) (OF-5) Evangelos TZIKAS  
 IAMD COE Director

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<sup>1</sup> In all tables, the Financial Statements regard the 1<sup>st</sup> FY (2020) of the operation of the Centre, according to the date of its establishment (date of the signing of the IAMD COE Operational MOU - 08 April 2020).

<sup>2</sup> Bank interest (included in unearned revenue) is reported on accrual basis. More information can be found in the notes (A.8 - E.23).

INTEGRATED AIR AND MISSILE DEFENCE CENTRE OF EXCELLENCE

**Statement of Financial Performance**

(Statement 4)

*For the year ended 31 December 2020  
 (in EUR)*

	<i>Notes</i>	<i>2020</i>	<i>2019</i>
<b>REVENUES</b> (C.20)			
Revenue from Shared Budget (Current Year 2020)		0,00	-
Revenue from Shared Budget (Previous Year 2019)		0,00	-
Fees		0,00	-
Bank interest		7,07	-
Other revenue		0,00	-
<b>Total revenue</b>		<b>7,07</b>	<b>-</b>
<b>EXPENSES</b> (C.21)			
Expenses Shared Funded (Current Year 2020)		0,00	-
Expenses Shared Funded (Previous Year 2019)		0,00	-
Depreciation and amortization expense		0,00	-
Other expenses		0,00	-
<b>Total expenses</b>		<b>0,00</b>	<b>-</b>
<b>End of the Period Result</b>			
<b>Surplus/(deficit) - Unearned Revenue</b>		<b>7,07</b>	

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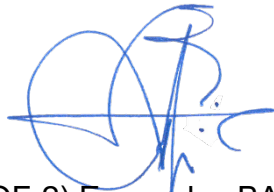
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**Statement of Change in Net Assets/Equity**

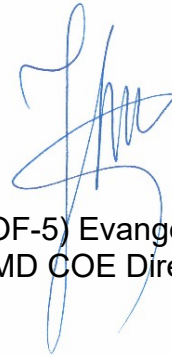
(Statement 5)

*For the year ended 31 December 2020*  
*(in EUR)*

	<i>Notes</i>	<i>2020</i>	<i>2019</i>
Balance at the end of the previous year/period		-	-
Changes in accounting policy		-	-
Restated balance		-	-
<b>Changes in net assets/equity (Current Year)</b>		-	-
Gain on property revaluation		-	-
Loss on revaluation of investments		-	-
Net revenue recognized directly in net assets/equity		-	-
Attributable surplus for the period		-	-
<b>Total recognized revenue and expense for the period</b>		-	-
<b>Balance at December 31, 2020 carried forward</b>	(D.22)	-	-



Cpt (A) (OF-2) Evangelos BALTADOROS  
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INTEGRATED AIR AND MISSILE DEFENCE CENTRE OF EXCELLENCE

**Statement of Cash Flow**

(Statement 6)

*For the year ended 31 December 2020  
 (in EUR)*

*Notes 2020 2019*

<b>CASH INFLOW FROM OPERATING ACTIVITIES</b>		(E.23)	
<b>Receipts</b>			
Amounts received from Participants		192.000,00	-
Amounts received from Third Parties		0,00	-
Amounts received from Suppliers		0,00	-
Amounts received from Personnel		0,00	-
Tuition/Conference Fees		0,00	-
Sales of Goods and Services		0,00	-
Bank Interest		7,07	-
Grants		0,00	-
Other revenue		0,00	-
<b>Net cash inflows from operating activities</b>		<b>192.007,07</b>	<b>-</b>
<b>CASH OUTFLOW FROM OPERATING ACTIVITIES</b>		(E.24)	
<b>Payments</b>			
Payments to Participants		0,00	-
Payments to Third Parties		0,00	-
Payments to Suppliers		0,00	-
Payments to Personnel		0,00	-
Bank charges		0,00	-
Other payments		0,00	-
<b>Net cash outflows from operating activities</b>		<b>0,00</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>192.007,07</b>	
Cash and cash equivalents at the beginning of period		0,00	
Cash and cash equivalents at the end of period		192.007,07	



Cpt (A) (OF-2) Evangelos BALTADOROS  
 IAMD COE Financial Controller



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 IAMD COE Director

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**INTEGRATED AIR AND MISSILE DEFENCE CENTRE OF EXCELLENCE**  
**Budget Execution Statement**

(Statement 7)

As at December 31, 2020 (in EUR)

CISI	ACCOUNT DESCRIPTION	FRAMEWORK NATION BUDGET/ APPROPRIATIONS	SHARED BUDGET 2020							REMARKS
			CARRY FORWARD FROM FY 2019	APPROVED BUDGET FY 2020	TRANSFERS	FINAL BUDGET FY 2020	COMMITTED /PAID	CARRY FORWARD TO 2021	LAPSED CREDIT	
710101	Consultants and Temporary Staff		-	-	-	-	-	-	-	
710102	Academic Expenses		-	-	-	-	-	-	-	
710103	Research Project Contracts		-	-	-	-	-	-	-	
710201	Transportation		-	-	-	-	-	-	-	
710202	Course Fee	450,00	-	-	-	-	-	-	-	(1)
720101	Printing and Photocopying Rental/Lease		-	-	-	-	-	-	-	
720102	Printing and Photocopying Consumables	240,00	-	-	-	-	-	-	-	(1)
720201	Public Affairs Supplies	2.967,08	-	-	-	-	-	-	-	(1)
720202	Hospitality and Representation	2.220,93	-	-	-	-	-	-	-	(1)
720301	Electricity		-	-	-	-	-	-	-	(3)
720302	Water and Sewage		-	-	-	-	-	-	-	
720303	Heating and Cooling		-	-	-	-	-	-	-	
720401	Rental of Minor Facilities		-	-	-	-	-	-	-	(2)
720402	Minor Building Maintenance	33.678,72	-	-	-	-	-	-	-	(1) (6)
720403	Facilities and Buildings-Equipment Maintenance	11.527,00	-	-	-	-	-	-	-	(1) (6)
720404	Facilities and Buildings-Services		-	-	-	-	-	-	-	
720501	Computers - Rental and Operational Lease		-	-	-	-	-	-	-	
720502	Computers - Spare/Repair Parts	1.700,00	-	-	-	-	-	-	-	(1) (6)
720503	Computers - Maintenance		-	-	-	-	-	-	-	
720504	Computers - Services		-	-	-	-	-	-	-	
720601	Communication Systems - Rental and Operational Lease		-	-	-	-	-	-	-	
720602	Communication Systems - Spare Parts and Consumables		-	-	-	-	-	-	-	
720603	Communication Systems - Maintenance		-	-	-	-	-	-	-	
720604	Communication Systems - Services	122,88	-	-	-	-	-	-	-	(1) (7)
720701	Mission carriers - Rental and Operational Lease		-	-	-	-	-	-	-	
720702	Mission carriers - Maintenance	602,33	-	-	-	-	-	-	-	(1)

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CISI	ACCOUNT DESCRIPTION	FRAMEWORK NATION BUDGET/ APPROPRIATIONS	SHARED BUDGET 2020							REMARKS
			CARRY FORWARD FROM FY 2019	APPROVED BUDGET FY 2020	TRANSFERS	FINAL BUDGET FY 2020	COMMITTED /PAID	CARRY FORWARD TO 2021	LAPSED CREDIT	
720703	Mission carriers - Fuel Costs		-	-	-	-	-	-	-	(4)
720704	Mission carriers - Insurance		-	-	-	-	-	-	-	
720801	Travel - Transportation	6.220,00	-	-	-	-	-	-	-	(1)
720802	Travel - Participation Fee		-	-	-	-	-	-	-	
720901	Literature and Periodicals		-	-	-	-	-	-	-	
720902	Office Supplies	5.634,64	-	-	-	-	-	-	-	(1) (6)
720903	Bank Charges		-	-	-	-	-	-	-	
720904	Postal/Shipping services		-	-	-	-	-	-	-	(5)
720905	Miscellaneous Supplies	8.916,64	-	-	-	-	-	-	-	(1)
720906	Miscellaneous Services	1.739,85	-	-	-	-	-	-	-	(1)
730001	Capital and Investments - Computers	21.670,00	-	-	-	-	-	-	-	(6)
730002	Capital and Investments - Communications	71.728,91	-	-	-	-	-	-	-	(6)
730003	Capital and Investments - Furniture and Office Equipment	24.487,52	-	-	-	-	-	-	-	(6)
730004	Capital and Investments - Vehicles	12.000,00	-	-	-	-	-	-	-	(6)
730005	Capital and Investments - Machinery	4.698,68	-	-	-	-	-	-	-	(6)
730006	Capital and Investments - Installed Equipment	17.470,21	-	-	-	-	-	-	-	(6)
730007	Capital and Investments - Buildings		-	-	-	-	-	-	-	(8)
<b>TOTAL</b>		<b>228.075,39</b>								

**REMARKS**

- (1) The FN covered all the costs for the establishment and operation of the IAMD COE for the FY 2020 in accordance Section 9, par. 9.2 of the IAMD COE Operational MOU.
- (2) Rental of minor facilities (e.g. to host the Steering Committee meeting) covered directly by the FN.
- (3) Electricity, water - sewage and heating - cooling expenses covered directly by the FN.
- (4) Fuel expenses and insurance for the vehicle of the Centre covered directly by the FN.
- (5) In accordance with Annex E, par.2b of the IAMD COE Operational MOU, the FN provided any military postal services.
- (6) In accordance with Annex E, par. 2a of the IAMD COE Operational MOU, the FN provided initial furniture and office supplies, CIS equipment (hardware and software), Local Area Networks (LAN), telephone system and service, VTC equipment, commercial internet connectivity and NATO SECRET Wide Area Network (NSWAN) and related infrastructure, security infrastructure and services and cryptographic equipment - connectivity - services - maintenance - security.
- (7) Intangible assets concerning the domain of the IAMD COE website.
- (8) In accordance with Annex E, par. 2b.iv of the IAMD COE Operational MOU, the FN provided the building(s) and supporting infrastructure that houses the IAMD COE.

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NOTES

Budget needs for the year 2020, as presented at the 1<sup>st</sup>/2020 SC meeting (estimated at the amount of 227.803,37 €), were over-collateralized by the FN, taking into account the total expenditures carried out through granting appropriations to the Centre (228.075,39 €), as well as other personnel expenses, contractual supplies and services, capital and investments covered as depicted above.



Cpt (A) (OF-2) Evangelos BALTADOROS  
IAMD COE Financial Controller



Col (AF) (OF-5) Evangelos TZIKAS  
IAMD COE Director

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**INTEGRATED AIR AND MISSILE DEFENCE CENTRE OF EXCELLENCE**

## **Notes to the Financial Statements**

### **A. Significant Accounting Policies**

#### **1. Basis of Preparation**

The Financial Statements of the IAMD COE have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS), complying with the financial reporting requirements of the NATO Financial Regulations (NFRs - Article 14).

#### **2. Accounting Standards**

In principle, the following accounting standards have been applied/taken into consideration in preparing the IAMD COE Financial Statements for the FY 2020:

- a. IPSAS 1 - Presentation of Financial Statements;
- b. IPSAS 2 - Cash Flow Statements;
- c. IPSAS 3 - Accounting Policies, Changes in Accounting Estimates and Errors;
- d. IPSAS 12 - Inventories;
- e. IPSAS 17 - Property, Plant and Equipment;
- f. IPSAS 31 - Intangible Assets;
- g. IPSAS 34 - Separate Financial Statements.

In addition, the NATO Accounting Framework [NAF - C-M(2016)0023, dated 29 April 2016] has been taken into account for the current statements.

#### **3. Accounting Policy**

The same accounting policies are applied within each period and from one period to the next, unless a change in accounting policy meets one of the criteria set in IPSAS 3.

For the FY 2020, the accounting policies have been applied consistently throughout the reporting period.

#### **4. Currency**

These Financial Statements are presented in Euro, which is the IAMD COE's functional and reporting currency. No foreign currency transactions were made during the FY 2020.

## 5. Credit Risk

The IAMD COE Participants, which are NATO Nations, are responsible for the net-expenditures necessary for the operation of the Centre in accordance with par. 9.1 of the IAMD COE Operational MOU (as costs eligible for sharing are outlined in Annex D of this MOU). Especially, Greece (as Framework Nation) covers all costs for the establishment and operation of the IAMD COE for the FY 2020 and is responsible for the expenditures regarding the Framework Nation Support (as defined in Annex E of the IAMD COE Operational MOU). The IAMD COE is therefore not exposed to credit risk for the reporting period.

## 6. Liquidity Risk

The IAMD COE is not exposed to any liquidity risk due to the funding mechanisms from the contributing NATO's Member Nations (Participants), as well as internal policies and procedures put in place to ensure that there are always appropriate resources to meet the financial obligations.

## 7. Foreign Currency Risk

The IAMD COE has no exposure to foreign currency.

## 8. Interest Rate Risk

The IAMD COE has successfully implemented a system of complete management of its liquidity through electronic transactions (internet banking platform), achieving zero keeping, handling and use of cash and eliminating therefore any respective risk.

In accordance with FAPs, liquidity is invested in current deposit accounts, ensuring the best possible return [bank interest rate 0,30%, stable for two (2) years and no link with a fixed deposit account] considering the current financial market situation. Therefore, it is estimated that the IAMD COE is not exposed to material interest rate risk in short-medium term.

## B. Notes to Statement of Financial Position

### Assets - Current Assets

#### 9. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, petty cash, current bank accounts deposits and any other relevant short-term financial investments with a maturity up to twelve (12) months. As at 31 December 2020, the total of cash held at a bank current deposit account. No short-term deposits were opted due to the low bank interest rates in the domestic market, compared to the interest rate of the current bank account of sight.

No cash on hand, petty cash and short-term investments exist at the ending of the FY 2020.

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The data concerning this account, as at 31 December 2020, are depicted in the following table:

<b>Cash and cash equivalents</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
Bank accounts		
Piraeus Bank	192.007,07	-
(IBAN GR85 0171 5620 0065 6214 8491 615)	192.007,07	
(IBAN GR25 0171 5620 0065 6214 9353 861)	0,00	
(IBAN GR76 0171 5620 0065 6214 9354 107)	0,00	
Cash on hand	0,00	-
Petty cash	0,00	-
Short-term financial investments	0,00	-
<b>Total amount</b>	<b>192.007,07</b>	<b>-</b>

#### 10. Receivables

Receivables are stated at net realizable value, including contribution receivables from the Participants (NATO Nations which are signatories to the COE's Operational and Functional MOU) and any other receivables from other NATO Nations, non-NATO Nations, NATO entities, third parties and staff members.

Receivables from Participants refer to the contributions of the FN and the SNs to the shared budget, approved by the SC prior to the coming FY in accordance with par. 10.5 of the IAMD COE Operational MOU. Those contributions are recognized as receivables when they are officially submitted to the Participants (and received by them) via the respective Calls for Funds (CFF). The Director submits the 1<sup>st</sup> CFF no later than 15<sup>th</sup> December of the preceding year unless otherwise decided by the SC according to par. 10.9 of the IAMD COE Operational MOU.

Receivables from other NATO Nations, non-NATO Nations, NATO entities and third parties refer to services provided to them. No receivables regarding these categories exist as at 31 December 2020.

Receivables from staff members concern advances paid for travels and fees. No receivables from staff members exist as at 31 December 2020.

The data concerning the Receivables of the IAMD COE from Participants are depicted in the following table:

<b>Receivables</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
Receivables from Participants	64.000,00	-
Bulgaria	0,00	
Czech Republic	16.000,00	
Greece	0,00	
Romania	16.000,00	
Turkey	32.000,00	
Receivables from other NATO Nations	0,00	-
Receivables from non-NATO Nations	0,00	-
Receivables from NATO entities	0,00	-
Receivables from third parties	0,00	-
Receivables from staff members	0,00	-
<b>Total amount</b>	<b>64.000,00</b>	<b>-</b>

## 11. Inventories

In accordance with the IPSAS 12 and the NAF, items such as consumables and spare parts acquired and held on stock at the reporting date are recorded as inventories if their useful life is less than one year and they exceed the materiality threshold (as defined in the NAF or set by the entity taking into account its own activities and size).

Taking into note the IAMD COE Operational MOU, Section 7: *“The FN retains ownership of all facilities, lands and equipment made available by it to the IAMD COE”* and par. 9.2: *“... the FN covers all costs for establishment and operation of the IAMD COE for fiscal year 2020.”* and given the fact that no inventories have been acquired from the shared budget, the amount of this account is zero.

## 12. Advances and Prepayments

This account depicts the payments realized in advance (schools - training centres based on their policies, personnel for travel claims etc) and the final authorization - settlement of the respective expenses is still pending. No advances and prepayments occur pending at 31 December 2020 as depicted in the following table:

<b>Advances and prepayments</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
NATO School Oberammergau (NSO)	0,00	-
Other Schools and Training Centres	0,00	-
Personnel	0,00	-
Suppliers	0,00	-
<b>Total amount</b>	<b>0,00</b>	-

## 13. Reimbursable expenses

This account depicts expenses not covered via the funds entrusted to the IAMD COE from the Participants. The respective expenditures refer to the expenses financially administered and covered in advance by the Centre, and finally reimbursed upon request by the liable entity. No reimbursable expenses exist as at 31 December 2020.

## Assets - Non-current Assets

### 14. Property, Plant and Equipment

According to the IPSAS 17 and the NAF all assets qualified as Property, Plant and Equipment (PP&E), such as infrastructure, installed equipment, machinery, vehicles, furniture, communication and automated information systems, which were under the control of the IAMD COE, are capitalized and recognized as non-current assets in the statement of financial position if acquisition cost exceed the corresponding capitalization thresholds.

Taking into consideration the provisions of par. B.11 above and given the fact that no items of PP&E have been acquired from the shared budget for the FY 2020, the amount of this account is zero.

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**15. Intangible assets**

Intangible assets concern indicatively computer software, patents, copyrights, acquired licenses, intellectual property and trademarks (including brand names and publishing titles) in accordance with the IPSAS 31. Given the fact that no intangible assets have been acquired from the shared budget, the amount of this account is zero.

**Liabilities - Current Liabilities**

**16. Payables**

In principle, payables are amounts due to the Participants and/or third parties.

Payables to the Participants consist of unspent previous year shared funds, any positive currency exchange rate differences (emerged from payments in other currencies) and bank interest received. Payables to suppliers concern amounts for goods and services received and invoiced that remain unpaid as of the reporting date. No payables exist as at 31 December 2020 as depicted in the following table:

<b>Payables</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
Domestic suppliers	0,00	-
Foreign suppliers	0,00	-
Participants	0,00	-
NATO entities	0,00	-
Third parties	0,00	-
<b>Total amount</b>	<b>0,00</b>	-

**17. Liabilities Accrued**

This account depicts goods and/or services received, but not invoiced until 31 December 2020. No liabilities accrued exist at the end of the year 2020.

**18. Advances**

Advances are income/contributions from Participants called the current year and related to future years' budgets. This account depicts the contributions called during the year 2020 and concern the coming FY (2021), taking into account the provision of par. 10.9 of the IAMD COE Operational MOU ("*...The Director submits the first call for funds no later than 15<sup>th</sup> December of the preceding year unless otherwise decided by the SC.*"). Advances are not recognized as revenue until the reporting date. The balance of the account at 31 December 2020 amounts to 256.000,00 € based on the approved shared budget for FY 2021 as depicted in the following table:

<b>Advances</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
Participants' contributions for coming year	256.000,00	-
Bulgaria	16.000,00	
Czech Republic	16.000,00	
Greece	176.000,00	
Romania	16.000,00	
Turkey	32.000,00	
<b>Total amount</b>	<b>256.000,00</b>	-

## **19. Unearned Revenue**

This account consists of the current and prior years' unearned revenue. The current year unearned revenue is the result (output) of the Statement of Financial Performance for the FY 2020 and refers to the bank interest accrued/received.

## **C. Notes to Statement of Financial Performance**

### **20. Revenues**

Revenues are recognized to the extent that it is possible when the economic benefits for the entity can be measured reliably.

The main revenues of the IAMD COE come from the Participants' contributions, fees/other income accrued from courses provided by or through the IAMD COE and services provided to third parties, and the interest from bank accounts for the current year.

For the FY 2020, only the bank interest was recognized as a revenue for the Centre.

### **21. Expenses**

The expenses of the Centre mainly refer to the personnel expenditures (education and training, transportation and travel etc.), contractual supplies and services (consumables, office supplies, equipment maintenance, hospitality and representation etc.) and capital - investments (computers, communications, machinery etc.).

For the reporting period, no expenses were recognized given the fact that the FN covered all costs for the establishment and operation of the IAMD COE in accordance with par. 9.2 of the IAMD COE Operational MOU.

## **D. Notes to Statement of Change in Net Assets/Equity**

### **22. Net Assets/Equity**

Net assets represent the residual interest in the assets of an entity after deducting its liabilities. Unspent revenue (unspent contributions) are to be reimbursed to the Participants and is recorded as a liability (payable). The IAMD COE is therefore not recording any net assets.

## **E. Notes to Statement of Cash Flow**

### **23. Cash Inflow from Operating Activities**

The cash inflow refers to amounts received on cash basis (contributions from Participants, payments from third parties, fees, sales of goods and services, bank interest, grants etc.).

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The data concerning the Participants' contributions for the FY 2021 are shown in the following table:

Nation	Assigned Positions	Percentage (cost share formula)	Total Share/ contribution	Lapsed Credits previous FY/Income accrued (Euro)	CFF	Requested on (date of the receipt)	Received on (status as at 31 Dec 20)
Bulgaria	1	6,25% (1/16)	16.000,00	-	16.000,00	15 Dec 20	23 Dec 20
Czech	1	6,25% (1/16)	16.000,00	-	16.000,00	15 Dec 20	Pending <sup>3</sup>
Greece	11	68,75% (11/16)	176.000,00	-	176.000,00	15 Dec 20	29 Dec 20
Romania	1	6,25% (1/16)	16.000,00	-	16.000,00	15 Dec 20	Pending <sup>4</sup>
Turkey	2	12,50% (2/16)	32.000,00	-	32.000,00	16 Dec 20	Pending

The bank interest received on 31 December 2020 and its amount has arisen from the interest (0,30%) on the funds deposited in the bank account (first deposit on 23 December 2020).

#### 24. Cash Outflow from Operating Activities

The cash outflow refers to payments carried out on cash basis for the reporting period. No cash outflow exists for the FY 2020.

Cpt (A) (OF-2) Evangelos BALTADOROS  
IAMD COE Financial Controller

Col (AF) (OF-5) Evangelos TZIKAS  
IAMD COE Director

<sup>3</sup> CZE contribution received on 11 Mar 21.

<sup>4</sup> ROU contribution received on 19 Jan 21.