

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



**FISCAL YEAR**

**2021**

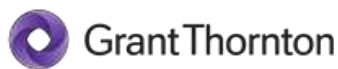
**ANNUAL FINANCIAL STATEMENTS**

*March 2022*

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## INDEPENDENT AUDITOR'S REPORT

To Steering Committee of NATO's Integrated Air and Missile Defence (IAMD) Centre of Excellence (COE)

### Opinion

We have audited the financial statements of the Integrated Air and Missile Defence ("IAMD") Centre of Excellence ("COE"), which comprise the statement of financial position as of **December 31, 2021**, the Statement of Financial Performance, the Statement of Change in Net Assets/Equity, the Statement of Cash Flow, the Budget Execution Statement, and the Notes to the Financial Statements for the year then ended, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Integrated Air and Missile Defence ("IAMD") Centre of Excellence ("COE") as of December 31, 2021, its financial performance, its cash flows and budget execution for the year then ended in accordance with the IAMD COE Financial Administrative Procedures (FAPs), based on the NATO Financial Regulations, aligning with the financial reporting stipulations delineated in the International Public Sector Accounting Standards (IPSAS).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as incorporated in the Greek Legislation. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our Audit report. We are independent of the Centre within the entire course of our appointment, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) incorporated into the Greek Legislation and ethical requirements relevant to the audit of financial statements in Greece and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's Responsibility on the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the IAMD COE Financial Administrative Procedures as approved by the Centre's Steering Committee, based on the NATO accounting framework which adheres to many of the IPSAS as it is in force, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Centre's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management's intention is to proceed with liquidating the Centre or discontinuing its operations or unless the management has no other realistic option but to proceed with those actions.

### Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs, as incorporated into the Greek Legislation, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to affect the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as incorporated in the Greek Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient



and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Centre's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Centre to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We disclose to the management, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Report on Other Legal and Regulatory Requirements

Considering that the management is responsible for the preparation of the financial statements, which are jointly signed by the IAMD COE Director (or the Deputy Director for the Statement of Internal Control) and the Financial Controller, conforming to the respective responsibility and accountability principles, we note that:

- In our opinion, the Executive Statement (Summary) has been prepared in accordance with the applicable legal requirements and its content corresponds to the attached financial statements for the year ended 31/12/2021.
- Based on the knowledge we have gained in our audit of the Centre and its environment, we have not identified any material inaccuracies in the Executive Statement (Summary).

Heraklion, 23/07/2024

The Chartered Public Accountant



Konstantinos Emm. Antonakakis

CPA Reg. No 22 781

#### General information about the Centre

IAMD COE is located within Souda A/B at Chania of Crete supported by 115 Combat Wing.

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, experimental, doctrine and concept development, education and training and comprehensive analysis in support of the lessons learned process.

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.

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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, the 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 2<sup>nd</sup> Annual Financial Statements of the Centre [for Fiscal Year (FY) 2021], this executive statement (Statement 1) aims at providing an analysis of key facts and figures for the year under review.

**HIGHLIGHTS**

6. 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 (Military 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, granting it status under Article 14 of the Paris Protocol (the Protocol on the Status of International Military Headquarters set up pursuant to the North Atlantic Treaty, signed in Paris on 28 August 1952), together with the respective Supplementary Agreement.

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7. For the FY 2021, the amount of 224.000,00 € has finally approved as the IAMD COE Shared Budget (following one revision decided by the SC), in which four of five participating nations (Bulgaria, the Czech Republic, Greece and Romania) contribute (Turkey's final obligations start from the year 2022).

8. Considering the experience acquired from the first implementation of the IAMD COE Financial Administrative Procedures (FAPs), as they had been decided at the 1<sup>st</sup> SC meeting (September 2020), their 1<sup>st</sup> revision was approved unanimously by the IAMD COE SC on 01 October 2021. Through this amendment which has primarily aimed at enhancing transparency and contributing to more effective and efficient operation of the Centre, the following, inter alia, main changes/ adjustments/improvements have been endorsed:

8.1 Explicit segregation of duties concerning the purchasing, procurement and contracting procedures [Financial Controller - Procurement & Contracting Officer], to avoid any conflicts of interest;

8.2 Provision of assignment of Property Accountable & Disposal Officer to streamline the property controlling procedures (receiving and maintaining physical custody of property, accounting and maintaining up to date the entity's asset register);

8.3 Establishing business (debit) card programme, e-procurement procedures and the operation of an internal travel agency (through a Travel Officer) to achieve the highest possible cost-efficiency and effectiveness;

8.4 Defining the International Public Sector Accounting Standards (IPSAS) as the applicable standards for accounting and preparing the IAMD COE financial statements, based on the NATO Financial Regulations (NFR).

## **FRAMEWORK OF THE FINANCIAL STATEMENTS**

9. Based on par. 10.12 of the IAMD COE Operational MOU and par. 25 of the FAPs, following the end of a FY, the respective Annual Financial Statements are submitted to the SC for approval.

10. Taking into note the provisions of 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. 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 2021 based on the shared budget.

11. The statements attached are based on an ongoing concern. Accounting records and documentation of the IAMD COE comprise the primary source of information, whilst accounting policy follows the generally accepted accounting framework - standards - practices and FAPs, on accrual basis under budget orientation, taking cognizance of the guidance - feedback in the context of the internal control and review.



12. In the light of foregoing, the current statements depict the financial position of Centre's assets (cash and cash equivalents, receivables, property, plant and equipment, intangible assets) and liabilities (payables, accrued liabilities, advances, short and long-term provisions), its financial performance based on the revenues and expenses, and the cash flow for the FY ended 31 December 2021. Furthermore, the data presented in the Budget Execution Statement demonstrate the execution of the Shared Budget for FY 2021 (approved funds, transfers, committed credits, payments, funds to be carried forward, lapsed credits), with details provided in the current Notes.

## **FINANCIAL MANAGEMENT**

13. Increased accountability and transparency in the financial management within the IAMD COE remain main priorities of the Financial Controller and the Centre's competent officials. Prioritization, cost-effectiveness and efficiency comprise significant milestones towards the optimization of our financial procedures.

14. Through targeted improvements in the internal procedures, following the relevant review and control, significant adjustments were decided and taken gradually into force upon the respective approval (as above par. 8). More precisely:

14.1 The business debit card programme has been fully implemented in collaboration with the Centre's cooperating bank, achieving:

14.1.1 "Zero-cash" transactions for the whole year 2021, resulting therefore in zero-risk for any movement of our trusted funds, maximising clarity and transparency of all the Centre's payments, through complete electronic recording of any transaction;

14.1.2 Direct payments through internet platforms for the purchases conducted, entailing the best possible cost reduction;

14.1.3 Flexibility of any transactions required during travel on duty, providing the travellers the possibility to make their payments (tickets for means of local transportation, car rental fuel costs, etc.) through a corporate payment instrument (bank card).

14.2 From the end of the FY 2021, the use of e-procurement application "sourceONE" has begun, accomplishing the goal to provide our bidders with timely, accessible and accurate information, maximise competition amongst all eligible - capable sources and treat all prospective bidders objectively, without any discrimination.

15. For the FY 2021, which was the first year executing Shared Budget, the approved funds were sufficient for the Centre's operational needs supporting its Programme of Work (POW) and any Requests for Support (RfS) by HQ SACT, whereas any lapsed credits arose for the following main reasons:

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15.1 The crucial role of the COVID-19 pandemic and its impacts to the manner of carrying out the activities in which the Centre participates or conducts [most of the activities are cancelled or held online (via VTC) and courses conducted by distance learning, without physical presence, which means restricting travelling, consequently, visits, hospitality - representation activities and public affairs supplies are limited, etc.];

15.2 The fact that a substantial part of the Centre's needs was largely met by the Framework Nation (Greece), through its funding within the year 2020 (according to the provision of 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.*"), resulting in reduced funding requirements for several categories of potential expenditures (building maintenance, valid warranty of CIS assets and other equipment, stock of consumables, etc.).

### **DATA FOR THIS PERIOD**

16. The Financial Position, the Financial Performance, the Change in Net Assets/Equity and the Cash Flows for the FY 2021 are depicted in Statements 3, 4, 5 and 6 respectively, and provide a detailed accounting overview of the IAMD COE for the respective year (2021). Furthermore, a report regarding the Internal Control is also submitted [Statement (2) of Internal Control] as an equivalent implementation of the provision of par. 7 of the FAPs.

17. In-depth analysis of the year 2021, Shared Budget execution is provided via Statement 7, as defined in the FAPs, respectively with the categories of the Chapter Item Sub-Item (CISI) codes.

18. More data analysis and clarifications are provided via the Notes, attached at the end of the Statements.

### **RESPONSIBILITY**

19. The attached FY 2021 IAMD COE Financial Statements, for the period starting 01 January 2021 and ending 31 December 2021, have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS). Taking into account the NFR, these statements are jointly signed by the IAMD COE Director and the Financial Controller 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 Deputy Director and the Financial Controller.

20. In preparing these statements, the IAMD COE:

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

20.2 Made judgements and estimates on a reasonable basis;

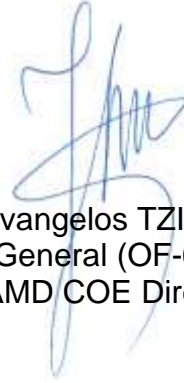
20.3 Prepared the accounts on a going concern accrual basis.

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21. 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 2021.



Evangelos BALTADOROS  
Captain (OF-2), GRC (A)  
IAMD COE Financial Controller



Evangelos TZIKAS  
Brigadier General (OF-6), GRC (AF)  
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 Deputy Director, I am responsible for exercising a sound system of internal control providing reasonable assurance regarding the IAMD COE financial management through the Centre's Financial Controller.
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;

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. Following the 1<sup>st</sup> revision of the IAMD COE FAPs (01 October 2021), the internal control activities regarding the year 2021 focused mainly on the following items:

4.1 The smooth incurring of the Centre's expenditures;

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

4.3 The escalation of levels of registration and approval of bank payment orders;

4.4 The correct management, safeguarding and registering/recording of the assets;

4.5 The administration of an internal financial and budgetary system;

4.6 The establishment of comprehensive accounting records;

4.7 The verification of the ledger/available balance of the bank account(s) as at 31 December 2021.

5. After reviewing the aforementioned items, we ensure that, as regards the year 2021, 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;

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

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5.5 No conflict of interests concerning the procurement and contracting procedures has been detected (performance of Procurement & Contracting Officer's duties has been defined with the 1<sup>st</sup> revision of the FAPs);

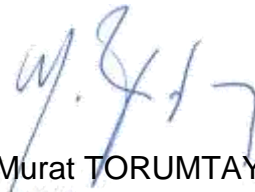
5.6 Segregation of duties regarding the Financial Controller and the Disbursing Officer has already been settled in coordination with the cooperating bank, as all the payments require registration and approval separately by these Officers;

5.7 No areas of improvement of the system of internal control detected yet and deemed necessary at this time, except in respect of the preparation and approval of a Standard Operating Procedure (SOP), as a handbook for the IAMD COE internal control procedures [which is in progress based on the experience gained following one year (2021) Shared Budget execution and implementation of the respective procedures].

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.



Evangelos BALTADOROS  
Captain (OF-2), GRC (A)  
IAMD COE Financial Controller



Murat TORUMTAY  
Colonel (OF-5), TUR (AF)  
IAMD COE Deputy Director

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INTEGRATED AIR AND MISSILE DEFENCE CENTRE OF EXCELLENCE

**Statement of Financial Position**

(Statement 3)

*As at December 31, 2021*  
*(in EUR)*

	<i>Notes</i>	<i>2021</i>	<i>2020</i>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	(B.9)	148.843,51	192.007,07
Receivables	(B.10)	64.000,00	64.000,00
Inventories	(B.11)	0,00	0,00
Advances and prepayments	(B.12)	0,00	0,00
Reimbursable expenses	(B.13)	0,00	0,00
Other current assets		0,00	0,00
<b>Total current assets</b>		<b>212.843,51</b>	<b>256.007,07</b>
<b>Non-current assets</b>			
Property, plant and equipment	(B.14)	27.386,65	0,00
Intangible assets	(B.15)	5.824,27	0,00
Receivables		0,00	0,00
Other financial assets		0,00	0,00
Other non-financial assets		0,00	0,00
<b>Total non-current assets</b>		<b>33.210,92</b>	<b>0,00</b>
<b>Total Assets</b>		<b>246.054,43</b>	<b>256.007,07</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	(B.16)	113.676,58	0,00
Liabilities accrued	(B.17)	9.689,77	0,00
Advances	(B.18)	64.000,00	256.000,00
Short-term provisions		0,00	0,00
Unearned revenue	(B.19)	25.477,16	7,07
<b>Total current liabilities</b>		<b>212.843,51</b>	<b>256.007,07</b>
<b>Non-Current liabilities</b>			
Payables		0,00	0,00
Long-term provisions	(B.20)	33.210,92	0,00
<b>Total non-current liabilities</b>		<b>33.210,92</b>	<b>0,00</b>
<b>Total liabilities</b>		<b>246.054,43</b>	<b>256.007,07</b>
<b>Net assets</b>		<b>0,00</b>	<b>0,00</b>



Evangelos BALTADOROS  
 Captain (OF-2), GRC (A)  
 IAMD COE Financial Controller



Evangelos TZIKAS  
 Brigadier General (OF-6), GRC (AF)  
 IAMD COE Director

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

(Statement 4)

*For the year ended 31 December 2021  
 (in EUR)*

	<i>Notes</i>	<i>2021</i>	<i>2020</i>
<b>REVENUES</b> (C.21)			
Revenue from Shared Budget (Current Year 2021)		224.000,00	0,00
Revenue from Shared Budget (Previous Year 2020)		7,07	0,00
Revenue from Shared Budget (Previous Year 2019)		0,00	0,00
Total to be returned to the Participants		(113.676,58)	0,00
Fees		0,00	0,00
Bank interest		651,01	7,07
Other revenue		0,00	0,00
<b>Total revenue</b>		<b>110.981,50</b>	<b>7,07</b>
<b>EXPENSES</b> (C.22)			
Expenses Shared Funded (Current Year 2021)		110.930,74	0,00
Expenses Shared Funded (Previous Year 2020)		0,00	0,00
Expenses Shared Funded (Previous Year 2019)		0,00	0,00
Depreciation and amortization expense		50,76	0,00
Other expenses		0,00	0,00
<b>Total expenses</b>		<b>110.981,50</b>	<b>0,00</b>
<b>End of the Period Result</b>			
<b>Surplus/(deficit)</b>		<b>0,00</b>	<b>7,07</b>

Evangelos BALTADOROS  
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INTEGRATED AIR AND MISSILE DEFENCE CENTRE OF EXCELLENCE

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

(Statement 5)

*For the year ended 31 December 2021  
 (in EUR)*

	<i>Notes</i>	<i>2021</i>	<i>2020</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, 2021 carried forward</b>	(D.23)	-	-



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 2021  
 (in EUR)*

*Notes*

*2021*

*2020*

**CASH INFLOW FROM OPERATING ACTIVITIES**

(E.24)

**Receipts**

Amounts received from Participants	32.000,00	192.000,00
Amounts received from Third Parties	0,00	0,00
Amounts received from Suppliers	0,00	0,00
Amounts received from Personnel	0,00	0,00
Tuition/Conference Fees	0,00	0,00
Sales of Goods and Services	0,00	0,00
Bank Interest	651,01	7,07
Grants	0,00	0,00
Other revenue	0,00	0,00
<b>Net cash inflows from operating activities</b>	<b>32.651,01</b>	<b>192.007,07</b>

**CASH OUTFLOW FROM OPERATING ACTIVITIES**

(E.25)

**Payments**

Payments to Participants	0,00	0,00
Payments to NATO Entities	5.095,60	0,00
Payments to Suppliers	70.495,88	0,00
Payments to Personnel	223,09	0,00
Payments to Third Parties	0,00	0,00
Bank charges	0,00	0,00
Other payments	0,00	0,00
<b>Net cash outflows from operating activities</b>	<b>75.814,57</b>	<b>0,00</b>

**Net increase/(decrease) in cash and cash equivalents**

**(43.163,56)**

**192.007,07**

Cash and cash equivalents at the beginning of period	192.007,07	0,00
Cash and cash equivalents at the end of period	148.843,51	192.007,07



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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, 2021 (in EUR)

CISI	ACCOUNT DESCRIPTION	SHARED BUDGET 2021						
		CARRY FORWARD FROM FY 2020 (a)	APPROVED BUDGET FY 2021 (b)	TRANSFERS (c)	FINAL BUDGET FY 2021 (d)	COMMITTED /PAID (e)	CARRY FORWARD TO 2022 (f)	LAPSED CREDIT (g)
710101	Consultants and Temporary Staff	-	0,00	0,00	0,00	0,00	0,00	0,00
710102	Academic Expenses	-	5.000,00	0,00	5.000,00	0,00	0,00	5.000,00
710103	Research Project Contracts	-	0,00	0,00	0,00	0,00	0,00	0,00
710201	Transportation	-	12.000,00	0,00	12.000,00	2.435,26	0,00	9.564,74
710202	Course Fee	-	10.670,00	0,00	10.670,00	4.250,00	0,00	6.420,00
720101	Printing and Photocopying Rental/Lease	-	0,00	0,00	0,00	0,00	0,00	0,00
720102	Printing and Photocopying Consumables	-	0,00	+1.362,76	1.362,76	1.362,76	0,00	0,00
720201	Public Affairs Supplies	-	10.000,00	0,00	10.000,00	9.626,71	0,00	373,29
720202	Hospitality and Representation	-	10.000,00	0,00	10.000,00	3.535,71	0,00	6.464,29
720301	Electricity	-	7.800,00	0,00	7.800,00	3.105,84	0,00	4.694,16
720302	Water and Sewage	-	2.000,00	0,00	2.000,00	1.405,21	0,00	594,79
720303	Heating and Cooling	-	2.000,00	0,00	2.000,00	560,36	0,00	1.439,64
720401	Rental of Minor Facilities	-	3.000,00	0,00	3.000,00	300,00	0,00	2.700,00
720402	Minor Building Maintenance	-	2.000,00	0,00	2.000,00	553,60	0,00	1.446,40
720403	Facilities and Buildings - Equipment Maintenance	-	1.000,00	0,00	1.000,00	0,00	0,00	1.000,00
720404	Facilities and Buildings - Services	-	8.000,00	0,00	8.000,00	2.707,29	0,00	5.292,71
720501	Computers - Rental and Operational Lease	-	0,00	0,00	0,00	0,00	0,00	0,00
720502	Computers - Spare/Repair Parts	-	1.000,00	0,00	1.000,00	0,00	0,00	1.000,00
720503	Computers - Maintenance	-	2.000,00	0,00	2.000,00	0,00	0,00	2.000,00
720504	Computers - Services	-	7.000,00	0,00	7.000,00	4.168,20	0,00	2.831,80
720601	Communication Systems - Rental and Operational Lease	-	0,00	0,00	0,00	0,00	0,00	0,00
720602	Communication Systems - Spare Parts and Consumables	-	0,00	0,00	0,00	0,00	0,00	0,00
720603	Communication Systems - Maintenance	-	2.000,00	0,00	2.000,00	0,00	0,00	2.000,00
720604	Communication Systems - Services	-	8.000,00	0,00	8.000,00	3.273,00	0,00	4.727,00
720701	Mission carriers - Rental and Operational Lease	-	2.000,00	0,00	2.000,00	388,54	0,00	1.611,46
720702	Mission carriers - Maintenance	-	2.400,00	0,00	2.400,00	1.320,00	0,00	1.080,00
720703	Mission carriers - Fuel Costs	-	2.130,00	0,00	2.130,00	1.911,07	0,00	218,93
720704	Mission carriers - Insurance	-	0,00	0,00	0,00	0,00	0,00	0,00
720801	Travel - Transportation	-	21.800,00	0,00	21.800,00	7.555,98	0,00	14.244,02

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CISI	ACCOUNT DESCRIPTION	SHARED BUDGET 2021						
		CARRY FORWARD FROM FY 2020 (a)	APPROVED BUDGET FY 2021 (b)	TRANSFERS (c)	FINAL BUDGET FY 2021 (d)	COMMITTED /PAID (e)	CARRY FORWARD TO 2022 (f)	LAPSED CREDIT (g)
720802	Travel - Participation Fee	-	2.500,00	0,00	2.500,00	360,00	0,00	2.140,00
720901	Literature and Periodicals	-	2.000,00	0,00	2.000,00	0,00	0,00	2.000,00
720902	Office Supplies	-	4.000,00	-1.362,76	2.637,24	880,32	0,00	1.756,92
720903	Bank Charges	-	100,00	0,00	100,00	0,00	0,00	100,00
720904	Postal/Shipping services	-	100,00	0,00	100,00	0,00	0,00	100,00
720905	Miscellaneous Supplies	-	6.000,00	0,00	6.000,00	3.296,44	0,00	2.703,56
720906	Miscellaneous Services	-	6.000,00	0,00	6.000,00	3.039,99	0,00	2.960,01
730001	Computers	-	10.000,00	+17.000,00	27.000,00	18.419,90	1.865,00	6.715,10
730002	Communications	-	70.000,00	-19.490,00	50.510,00	8.558,16	23.612,16	18.339,68
730003	Furniture and Office Equipment	-	0,00	+2.490,00	2.490,00	2.490,00	0,00	0,00
730004	Vehicles	-	0,00	0,00	0,00	0,00	0,00	0,00
730005	Machinery	-	1.500,00	0,00	1.500,00	0,00	0,00	1.500,00
730006	Installed Equipment	-	0,00	0,00	0,00	0,00	0,00	0,00
730007	Buildings	-	0,00	0,00	0,00	0,00	0,00	0,00
<b>TOTAL</b>			<b>224.000,00</b>	<b>0,00</b>	<b>224.000,00</b>	<b>85.504,34</b>	<b>25.477,16</b>	<b>113.018,50</b>

**NOTES**

- (a) No funds carried forward from previous FY (2020) to the current FY (2021).
- (b)(d) The shared budget for FY 2021 (as 1<sup>st</sup> revision) as approved by the SC - the final budget after the transfer of appropriations decided.
- (c) Transfers of appropriations/funds between sub-items and items decided/approved by the IAMD COE Director in accordance with par. 19.1 of FAPs.
- (e) Payments and commitments of appropriations for which goods and services have been rendered but the invoice has not been received by the end of the financial year (in accordance with par. 17.4 of FAPs).
- (f) Funds to be carried forward from FY 2021 to FY 2022 (as approved by the SC).
- (g) Unspent shared funds [(g) = (d) - (e) - (f)].



Evangelos BALTADOROS  
Captain (OF-2), GRC (A)  
IAMD COE Financial Controller



Evangelos TZIKAS  
Brigadier General (OF-6), GRC (AF)  
IAMD COE Director

**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 2021:

- 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.

Tangible assets are recognised as non-current assets if they have (or are expected to have) a useful life of more than a year. Non-current tangible assets are capitalised as "Property, Plant and Equipment" ("PP&E") if their value exceeds the thresholds depicted in the following table, otherwise they are considered as fully expensed upon implementation. The depreciation of PP&E is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives set as the following table. When spare parts and stand-by or servicing equipment can be used only in connection with an item of PP&E, they are also accounted for as PP&E.

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PP&E	Depreciation			Remarks
	Threshold (€)	Useful Life (years)	Rate (percent per annum)	
Computer Information System (CIS) assets	250,00	5	20%	Capital - investment expenses (CISI 730001-730002) concerning tangible assets, including also any spare parts, relative stand-by or servicing equipment.
Furniture	200,00	10	10%	Capital - investment expenses (CISI 730003).
Vehicles	10.000,00	5	20%	Capital - investment expenses (CISI 730004).
Machinery	250,00	10	10%	
Installed Equipment	500,00	10	10%	
Buildings	30.000,00	40	2,5%	

Intangible assets are recognised as non-current assets if they have (or are expected to have) a useful life of more than a year. Non-current intangible assets are capitalised as “Intangible Assets” if their value exceeds the thresholds depicted in the following table, otherwise they are considered as fully expensed upon implementation. The depreciation of these assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives set as the following table:

Intangible Assets	Depreciation			Remarks
	Threshold (€)	Useful Life (years)	Rate (percent per annum)	
Computer software (commercial off the shelf)	500,00	4	25%	Capital - investment expenses (CISI 730002) concerning intangible assets, and software (CISI 720504). Useful life and depreciation rate are adjusted in case the expiration/end date of the intangible asset is known.
Computer software (bespoke)	1.000,00	10	10%	
Computer database	1.000,00	4	25%	
Integrated system	1.000,00	4	25%	

For the FY 2021, 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 2021.

#### 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) covered all costs for the establishment and operation of the IAMD COE for the FY 2021 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, 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 without having a 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 2021, 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 accounts of sight.

No cash on hand, petty cash and short-term investments exist at the ending of the FY 2021.

The IAMD COE owns eight (8) bank accounts of sight (one as the main/ primary bank account and the others used as ancillary/secondary for transactions in link with the staff's business debit cards).

The data concerning this account, as at 31 December 2021, are depicted in the following table:

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<b>Cash and cash equivalents</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
Bank accounts		
Piraeus Bank	148.843,51	192.007,07
(IBAN GR85 0171 5620 0065 6214 8491 615)	148.842,95	192.007,07
(IBAN GR25 0171 5620 0065 6214 9353 861)	0,08	0,00
(IBAN GR76 0171 5620 0065 6214 9354 107)	0,44	0,00
(IBAN GR96 0171 5620 0065 6215 1588 433)	0,02	-
(IBAN GR02 0171 5620 0065 6215 1588 573)	0,02	-
(IBAN GR24 0171 5620 0065 6215 1588 662)	0,00	-
(IBAN GR55 0171 5620 0065 6215 1588 395)	0,00	-
(IBAN GR90 0171 5620 0065 6215 1588 735)	0,00	-
Cash on hand	0,00	0,00
Petty cash	0,00	0,00
Short-term financial investments	0,00	0,00
<b>Total amount</b>	<b>148.843,51</b>	<b>192.007,07</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 2021.

Receivables from staff members concern advances paid for travels and fees. No receivables from staff members exist as at 31 December 2021.

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

<b>Receivables</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
Receivables from Participants	64.000,00	64.000,00
Bulgaria	4.000,00	0,00
Czech Republic	4.000,00	16.000,00
Greece	44.000,00	0,00
Romania	4.000,00	16.000,00
Turkey	8.000,00	32.000,00
Receivables from other NATO Nations	0,00	0,00
Receivables from non-NATO Nations	0,00	0,00
Receivables from NATO entities	0,00	0,00
Receivables from third parties	0,00	0,00
Receivables from staff members	0,00	0,00
<b>Total amount</b>	<b>64.000,00</b>	<b>64.000,00</b>

## 11. Inventories

In accordance with the NAF, items recognised as inventories shall be capitalised if they exceed the respective inventory capitalisation threshold.

Considering the provisions of IPSAS 12 and taking cognizance of the mission and the operation of the IAMD COE, work in progress including educational/training course materials and “client” services constitute, among others, prospective inventories.

In this regard, taking into account that no relevant items/services are existed/developed, 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 2021- as follows:

<b>Advances and prepayments</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
NATO School Oberammergau (NSO)	0,00	0,00
Other Schools and Training Centres	0,00	0,00
Personnel	0,00	0,00
Suppliers	0,00	0,00
<b>Total amount</b>	<b>0,00</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 2021.

## Assets - Non-current Assets

### 14. Property, Plant and Equipment

According to the IPSAS 17 and the NAF all assets qualified as PP&E, such as CIS assets, furniture, vehicles, machinery, installed equipment and buildings, 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 respective capitalisation thresholds.

Taking into consideration the provisions of par. A.3 above, the net book value (purchase cost minus accumulated depreciation) of PP&E is 27.386,65 € at 31 December 2021 as depicted in the following table:

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<b>PP&amp;E</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
CIS assets net book value 31/12	24.901,39	0,00
Net book value 01/01	0,00	0,00
Purchases within year	24.940,08	0,00
Disposals within year	0,00	0,00
Accumulated depreciation	(38,69)	0,00
Furniture assets net book value 31/12	2.485,26	0,00
Net book value 01/01	0,00	0,00
Purchases within year	2.490,00	0,00
Disposals within year	0,00	0,00
Accumulated depreciation	(4,74)	0,00
Vehicles net book value 31/12	0,00	0,00
Machinery net book value 31/12	0,00	0,00
Installed Equipment net book value 31/12	0,00	0,00
Buildings net book value 31/12	0,00	0,00
<b>Total amount</b>	<b>27.386,65</b>	<b>0,00</b>

### 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.

Taking into consideration the provisions of par. A.3 above, the net book value (purchase cost minus accumulated depreciation) of intangible assets is 5.824,27 € at 31 December 2021 as depicted in the following table:

<b>Intangible assets</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
Computer software (commercial off the shelf) net book value 31/12/21	5.824,27	0,00
Net book value 01/01/21	0,00	0,00
Purchases in 2021	5.831,60	0,00
Disposals in 2021	0,00	0,00
Accumulated depreciation	(7,33)	0,00
Computer software (bespoke) net book value 31/12/21	0,00	0,00
Computer database net book value 31/12/21	0,00	0,00
Integrated system net book value 31/12/21	0,00	0,00
<b>Total amount</b>	<b>5.824,27</b>	<b>0,00</b>

### Liabilities - Current Liabilities

#### 16. Payables

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

Payables to the Participants consist of unspent shared funds (lapsed credits), any positive currency exchange rate differences (emerged from payments in other currencies) and any other revenue (grants, bank interest, etc.).

Payables to suppliers concern amounts for goods and services received and invoiced that remain unpaid as of the reporting date. No such liabilities exist as at 31 December 2021.

The amount of payables exist as at 31 December 2021 refers to lapsed credits for FY 2021 (113.018,50 €) and the accumulated bank interest received (658,08 €) as depicted in the following table:



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<b>Payables</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
Participants	113.676,58	0,00
Bulgaria	8.119,76	0,00
Czech Republic	0,00	0,00
Greece	8.119,76	0,00
Romania	0,00	0,00
Turkey	89.317,30	0,00
Domestic suppliers	0,00	0,00
Foreign suppliers	8.119,76	0,00
NATO entities	0,00	0,00
Third parties	0,00	0,00
	0	0,00
	0,0	0,00
	0	0,00
	0,00	
	0,0	
	0	
	0,00	
	0,00	
	0,00	
	0,00	
<b>Total amount</b>	<b>113.676,58</b>	<b>0,00</b>

### 17. Liabilities Accrued

This account depicts goods and/or services received, but not invoiced until 31 December 2021 as the following table:

<b>Liabilities accrued</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
NATO Missile Firing Installation (NAMFI) services	7.778,70	0,00
Electricity	3.105,84	0,00
Heating	0,00	0,00
Water	560,36	0,00
Cleaning and garbage services	0,00	0,00
Hellenic Air Force/115 Combat Wing	1.405,21	0,00
Fuel Diesel F-54	0,00	0,00
	2.707,29	
	1.911,07	
	1.911,07	
	0,00	
	0,00	
	0,00	
<b>Total amount</b>	<b>9.689,77</b>	<b>0,00</b>

### 18. Advances

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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 2021 and concern the coming FY (2022), 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 2021, which amounts to 64.000,00 € based on the approved Shared Budget for FY 2022 and the respective 1<sup>st</sup> CFF for this year, depicted in the following table:

<b>Advances</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
Participants' contributions for coming year	64.000,00	256.000,00
Bulgaria	4.000,00	16.000,00
Czech Republic	4.000,00	16.000,00
Greece	44.000,00	176.000,00
Romania	4.000,00	16.000,00
Turkey	8.000,00	32.000,00
<b>Total amount</b>	<b>64.000,00</b>	<b>256.000,00</b>

### 19. Unearned Revenue

This account consists of the current and prior years' unearned revenue. Unearned revenue refers to carry forward funds that will be used during the next FY (approval granted by the SC). Hence, the amount of 25.477,16 €, referring to supplies for which there has been a relevant legal obligation, however the deliverable goods had not been received by the end of the year 2021, is carried forward and recorded as unearned revenue as depicted in the following table:

<b>Unearned revenue</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
Carry forward funds	25.477,16	0,00
Computers (CISI 730001)	1.865,00	0,00
Communications (CISI 730002)	23.612,16	0,00
<b>Total amount</b>	<b>25.477,16</b>	<b>0,00</b>

### 20. Long-Term Liabilities

Long-term liabilities depict the (net book) value of non-current assets which have been capitalised (33.210,92 €).

## C. Notes to Statement of Financial Performance

### 21. Operating & Financial 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' shared funding, 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. The other revenue account depicts any positive currency exchange rate differences (emerged from payments made in other currencies), and any miscellaneous revenue received during the FY.

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The revenues from prior years' Shared Funds (funds carried forward and bank interest amount from previous years not been offset) are recognized in the beginning of the FY (no funds to be carried-forward from FY 2020 to FY 2021 exist as at 31 December 2021). In addition, the bank interest revenue is credited at the end of the period that it refers to.

Finally, the revenue recognition is matched with the recognition of expenses (110.981,50 €) against the IAMD COE revenues (shared funds and bank interest).

The data concerning the Operating and Financial Revenues of the IAMD COE are depicted in the following table:

<b>Operating &amp; financial revenues</b>	<b>01/01/2021 - 31/12/2021</b>	<b>01/01/2020 - 31/12/2020</b>
Revenue from Shared Funds (Current Year 2021)	224.000,00	0,00
Revenue from Shared Funds (Year 2020)	7,07	0,00
Revenue from Shared Funds (Year 2019)	0,00	0,00
Total to be returned to the Participants Fees	(113.676,58)	0,00
Bank interest	651,01	7,07
Other revenue	0,00	0,00
<b>Total amount</b>	<b>110.981,50</b>	<b>7,07</b>

## 22. Operating & Financial 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.).

Budgetary expenses are recognized when goods and services are received. In principle, the expenses of the IAMD COE are shared.

Furthermore, depreciation expenses are included in this account presenting the reduction of the recorded cost of the capitalized assets.

The data concerning the Operating and Financial Expenses of the IAMD COE are depicted in the following table:

<b>Operating &amp; financial expenses</b>	<b>01/01/2021 - 31/12/2021</b>	<b>01/01/2020 - 31/12/2020</b>
Expenses Shared Funded (Current Year 2021)	110.930,74	0,00
Expenses Shared Funded (Year 2020)	0,00	0,00
Expenses Shared Funded (Year 2019)	0,00	0,00
Depreciation and amortization expense	50,76	0,00
Other expenses	0,00	0,00
<b>Total amount</b>	<b>110.981,50</b>	<b>0,00</b>

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

## 23. 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

### 24. 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.).

Within the year 2021, the amount of 32.000,00 € has been received from two (2) Participants [Romania: 16.000,00 € (19 January 2021) - Czech Republic: 16.000,00 € (11 March 2021)] as their contributions for this FY (2021) (these payments were pending against the CFF which had been requested in December 2020).

The data concerning the bank interest received within the FY 2021 are depicted in the following table:

Bank interest	01/01/2021 - 31/12/2021		01/01/2020 - 31/12/2020	
	30 Jun 21	31 Dec 21	30 Jun 20	31 Dec 20
Bank accounts				
Piraeus Bank				
IBAN GR85 0171 5620 0065 6214 8491 615	324,12	326,28	-	7,07
IBAN GR25 0171 5620 0065 6214 9353 861	0,02	0,08	-	-
IBAN GR76 0171 5620 0065 6214 9354 107	0,03	0,44	-	-
IBAN GR96 0171 5620 0065 6215 1588 433	-	0,02	-	-
IBAN GR02 0171 5620 0065 6215 1588 573	-	0,02	-	-
IBAN GR24 0171 5620 0065 6215 1588 662	-	-	-	-
IBAN GR55 0171 5620 0065 6215 1588 395	-	-	-	-
IBAN GR90 0171 5620 0065 6215 1588 735	-	-	-	-
<b>Total amount</b>	324,17	326,84	-	7,07
	<b>651,01</b>		<b>7,07</b>	

The bank interest received within the year 2021 has arisen from the interest (0,30%) on the funds deposited in the Centre's bank accounts.

### 25. Cash Outflow from Operating Activities

The cash outflow refers to payments carried out on cash basis (including any advances - prepayments) for the reporting period to Participants, NATO Entities, suppliers and personnel.

The payments to personnel refer to travel claims paid for transportation expenses (tickets for means of local transportation, car rental fuel costs, etc.) for which it would not be possible to complete the respective transaction directly from the Centre. In addition, payments to NATO Entities refer to expenses paid NATO

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Schools (NSO etc.) and other Training Centres (JAPCC, SP COE, NMIOTC, etc.) for services rendered (participation in conference/training in course).

No bank charges were made within the year 2021, given the particularly favorable pricing terms of the services provided by the cooperating bank (zero charges for incoming and outgoing remittances, no charges for the use of cards, etc.).

In-depth analysis for the period above is provided in the following table:

<b>Cash outflow from operating activities</b>	<b>01/01/2021 - 31/12/2021</b>	<b>01/01/2020 - 31/12/2020</b>
<b>Payments to Participants</b>	<b>0,00</b>	<b>0,00</b>
Current Year 2021	0,00	0,00
Year 2020	0,00	0,00
Year 2019	0,00	0,00
<b>Payments to NATO Entities</b>	<b>5.095,60</b>	<b>0,00</b>
Current Year 2021	5.095,60	0,00
Year 2020	0,00	0,00
Year 2019	0,00	0,00
<b>Payments to Suppliers</b>	<b>70.495,88</b>	<b>0,00</b>
Current Year 2021	70.495,88	0,00
Year 2020	0,00	0,00
Year 2019	0,00	0,00
<b>Payments to Personnel</b>	<b>223,09</b>	<b>0,00</b>
Current Year 2021	223,09	0,00
Year 2020	0,00	0,00
Year 2019	0,00	0,00
<b>Cash outflow from operating activities</b>	<b>01/01/2021 - 31/12/2021</b>	<b>01/01/2020 - 31/12/2020</b>
Payments to Third Parties	0,00	0,00
Bank charges	0,00	0,00
<b>Total amount</b>	<b>75.814,57</b>	<b>0,00</b>

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