

# **FINAL ANNUAL ACCOUNTS**

## **Financial Statements & Reports on the Implementation of the Budget**

### **Financial Year 2020**

## Europol Public Information

These final accounts have been prepared in accordance with Articles 98 and 99 of the Financial Regulation applicable to Europol.

These final accounts shall be sent to the Accounting Officer of the European Commission, the European Court of Auditors, the European Parliament and the European Council by 1 July 2021 in accordance with Article 60 of the Europol Regulation and Article 102 of the Financial Regulation applicable to Europol.

*Rebecca Topham*

The Accounting Officer of the  
European Union Agency for Law Enforcement Cooperation (Europol)  
User ID N° 00768

*Catherine De Bolle*

Executive Director of the  
European Union Agency for Law Enforcement Cooperation (Europol)  
User ID N° 50649

Table of Contents

CERTIFICATE ..... 3

INTRODUCTION ..... 4

FINANCIAL STATEMENTS..... 8

    BALANCE SHEET ..... 9

    STATEMENT OF FINANCIAL PERFORMANCE ..... 10

    CASH FLOW STATEMENT ..... 11

    STATEMENT OF CHANGES IN NET ASSETS ..... 12

    NOTES TO THE FINANCIAL STATEMENTS ..... 13

        1.    SIGNIFICANT ACCOUNTING POLICIES ..... 13

        2.    NOTES TO THE BALANCE SHEET ..... 19

        3.    NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE ..... 32

        4.    NOTES TO THE CASH-FLOW STATEMENT ..... 35

        5.    CONTINGENT ASSETS AND LIABILITIES AND OTHER SIGNIFICANT  
DISCLOSURES ..... 35

        6.    FINANCIAL INSTRUMENTS..... 36

        7.    CHANGES TO ACCOUNTING RULES..... 38

        8.    RELATED PARTY DISCLOSURE ..... 38

        9.    EVENTS AFTER THE REPORTING DATE ..... 38

        10.   RECONCILIATION BETWEEN STATEMENT OF FINANCIAL PERFORMANCE AND  
BUDGET RESULT ..... 38

REPORTS ON THE IMPLEMENTATION OF THE BUDGET..... 40

    2.1.   Explanatory notes on the budget implementation ..... 42

        2.1.1.  Revenue 2020 ..... 42

        2.1.2.  Expenditure 2020 ..... 44

        2.1.3.  Budget implementation 2020 ..... 44

        2.1.4.  Budget implementation of assigned revenue ..... 46

        2.1.5.  Implementation of appropriations carried forward from 2019 to 2020 ..... 47

        2.1.6.  Appropriations carried over from 2020 to 2021 ..... 48

        2.1.7.  Budget transfers 2020 ..... 49

        2.1.8.  Budget result 2020 ..... 50

    2.2.   Tables of the budget implementation 2020 ..... 51

        Table 1: Revenue 2020..... 51

        Table 2: Expenditure 2020 ..... 51

        Table 3: Budget implementation 2020 ..... 52

        Table 4: Budget implementation of assigned revenue ..... 53

        Table 5: Implementation of appropriations carried forward from 2019 to 2020 ..... 56

        Table 6: Appropriations carried over from 2020 to 2021 ..... 57

        Table 7: List of Transfers 2020 ..... 58

        Table 8: Budget result 2020 ..... 59

## CERTIFICATE

The final annual accounts of Europol for the year 2020 have been prepared in accordance with the Financial Regulation applicable to the general budget of the European Union and the accounting rules adopted by the European Commission's Accounting Officer, as are to be applied by all the institutions, agencies and joint undertakings, and in accordance with Title IX of the Financial Regulation applicable to Europol.

I acknowledge my responsibility for the preparation and presentation of the final annual accounts of Europol in accordance with Article 77 of the Financial Regulation applicable to the general budget of the European Union and with Article 49 of the Financial Regulation applicable to Europol.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the final accounts that show the assets and liabilities of Europol and the budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have reasonable assurance that the final accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of Europol.

Rebecca Topham  
The Accounting Officer of the  
European Union Agency for Law Enforcement Cooperation (Europol)  
User ID N° 00768

# INTRODUCTION

## Basis for preparation

As a general rule, all aspects of the final annual accounts 2020 have been drawn up in accordance with the Financial Regulation applicable to Europol adopted by Europol's Management Board and with the European Commission's accounting rules and methods adopted by the European Commission's Accounting Officer following the principles of accrual-based accounting. The budgetary implementation reports are prepared on the basis of the modified cash-based accounting principle.

The final accounts of Europol include the financial statements and the budgetary implementation reports. They are drawn up by the Accounting Officer in accordance with Article 49 of the Financial Regulation applicable to Europol.

The financial statements comprise of the balance sheet, statement of financial performance, cash-flow statement and statement of changes in net assets. The notes to the financial statements supplement and comment on the information presented in the statements.

The objective of the financial statements is to provide information about the financial position, performance and cash-flows of Europol to demonstrate the accountability of the agency for the resources entrusted to it.

Throughout this document, figures are rounded so the sum of the individual amounts may differ from the totals.

## Reporting entity

### Regulatory context

Europol's work is founded on the Europol Regulation (Regulation 2016/794)<sup>1</sup> which became applicable in full in May 2017, taking effect in all EU Member States that are part of the Europol cooperation framework. The Europol Regulation enables Europol to step up its efforts to fight terrorism, cyber-crime and other serious and organised forms of crime, while, at the same time, enhancing Europol's governance and accountability arrangements towards the European Parliament, in particular by establishing the Joint Parliamentary Scrutiny Group (JPSG) in order to introduce national parliament oversight by EU Member States.

Europol's Strategy 2020+, including the mission, vision and values was endorsed by the Management Board (MB) of Europol, and is directly linked to the objective of Europol as laid out in Article 88 of the Treaty of the European Union, i.e. "to support and strengthen action by the Member States' police authorities and other law enforcement services and their mutual cooperation in preventing and combating serious crime affecting two or more Member States, terrorism and forms of crime which affect a common interest covered by a Union policy."

Europol's Strategy 2020+ is founded on the following guiding strategic priorities, which aim at effectively and efficiently delivering the services and support expected from Member States and operational cooperation partners:

1. Be the EU criminal information hub making full use of data from an extensive network of partners;

---

<sup>1</sup> Regulation (EU) 2016/794 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Law Enforcement Cooperation (Europol) and replacing and repealing Council Decisions 2009/371/JHA, 2009/934/JHA, 2009/935/JHA, 2009/936/JHA and 2009/968/JHA, Official Journal of the European Union, L 135/53 – L 135/114, 24 May 2016

## Europol Public Information

2. Deliver agile operational support;
3. Be a platform for European policing solutions;
4. Be at the forefront of innovation and research for law enforcement;
5. Be the model EU law enforcement organisation with robust performance, good governance and accountability, promoting diversity and staff engagement.

### Mission

Europol's mission is to support its Member States in preventing and combating all forms of serious international and organised crime, cybercrime and terrorism.

### Vision

Europol's vision is to ensure an effective EU response to the threats of serious international and organised crime, cybercrime and terrorism in the EU, by acting as the principal information hub, delivering agile operational support and providing European policing solutions in conjunction with our network of partners.

### Values

In line with Europol's vision and mission, the following organisational values guide the conduct, activities and goals of Europol:

- **Service:**  
We deliver the outcomes our colleagues, partners, and stakeholders need. We do so diligently, effectively, and efficiently, and we adhere to the EU public service principles.
- **Integrity:**  
We do the right thing. We do it consistently and reliably, with respect for others. We adhere to our Code of Conduct.
- **Accountability:**  
We accept responsibility for our actions. We align our behaviour with the goals of our organisation. We collaborate to achieve desired outcomes.
- **Initiative:**  
We pro-actively take action and bring about innovative solutions. We gauge our actions to continuously strive for improved performance.
- **Partnership:**  
We build trust relationships across the law enforcement community and beyond. We provide agile operational support to Member States and cooperation partners.
- **Diversity:**  
We foster diversity in the workplace. We uphold an inclusive corporate culture. We create and maintain conditions where we have equal opportunities to develop and contribute.

The Code of Conduct of Europol aims to promote an organisational culture that is consistent with the mission, vision and values of Europol. It outlines the standards of integrity and of personal and professional conduct that staff and all other persons working for or at Europol are expected to meet in discharging their responsibilities, individually, towards colleagues and other stakeholders including the law enforcement community, cooperation partners and the public. Europol is committed to providing a work environment, which supports the implementation of this Code at all levels of the organisation.

## Europol Public Information

### Nature of Europol's work

Europol uses its unique information capabilities and the expertise of its staff and the Liaison Bureaux community of Member States and cooperation partners hosted at Europol to identify and track the most dangerous criminal and terrorist networks in Europe. Law enforcement authorities in the EU rely on the work and services of Europol's 24/7 operational centre and secure information network, as well as strategic and operational analysis and support, including on-the-spot deployments covering the full range of Europol's capabilities.

The European Counter Terrorism Centre (ECTC) at Europol, including the Internet Referral Unit (IRU) to tackle unprecedented levels of terrorism propaganda online, provides a focal point for joint cooperation at EU level, aimed at supporting national counter terrorism efforts.

The European Cybercrime Centre (EC3) at Europol has become the central platform in the EU's fight against cybercrime, contributing to an enhanced response to criminal activity online.

Following its establishment in 2020, the European Financial and Economic Crime Centre (EFECC) expands Europol's range of operational support in the areas of fraud, money laundering, asset recovery, corruption and counterfeiting.

The European Serious Organised Crime Centre (ESOCC), which incorporates the European Migrant Smuggling Centre (EMSC), supports EU Member States to deliver operational results to address the EU crime priorities: Cybercrime, drug trafficking, facilitation of illegal immigration, organised property crime, trafficking in human beings, excise and Missing Trader Intra Community (MTIC) fraud, illicit firearms trafficking, criminal finances and money laundering, document fraud as well as environmental crime. This is complemented by the High-Value Targets (HVTs) approach, bring together Operational Taskforces (OTFs) to counteract Top Organised Crime Groups (OCGs).

From an overall perspective, Europol's work contributes to the disruption of criminal and terrorist networks, to the arrest of thousands of dangerous criminals, to the recovery of millions of Euro in criminal proceeds, and to the rescue from harm of hundreds of victims, including children trafficked for sexual exploitation. Europol also acts as a major centre of expertise in key fields of law enforcement activity and as a European centre for strategic analysis on organised crime.

### Reporting on the progress of Europol's work in 2020

The Consolidated Annual Activity (CAAR) 2020 provides a full account of Europol's progress in relation to the multi-annual strategic goals and objectives, as defined in the Europol Strategy, and the objectives contained in the 2020 Work Programme.

### Withdrawal of the United Kingdom from the EU

On 29 March 2017, in accordance with Article 50 of the Treaty on European Union (TEU), the European Council was notified of the United Kingdom's intention to withdraw from the European Union and the European Atomic Energy Community (EURATOM). The Withdrawal Agreement (WA)<sup>2</sup> entered into force on 1 February 2020, setting out specific provisions in relation to the contribution of the United Kingdom to the Union budget, including for the transition period which ended on 31 December 2020. On 1 January 2021, the Trade and

---

<sup>2</sup> Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (2019/C 384 I/01), Official Journal of the European Union, C 384 I/1 – C 384 I/193, 12 November 2019

## Europol Public Information

Cooperation Agreement (TCA)<sup>3</sup> between the EU and the United Kingdom became applicable which includes dedicated provisions on the cooperation with Europol. Preparations for the departure of the United Kingdom from the Europol cooperation framework as a Member State were successfully completed on time, allowing for continued operational cooperation of the competent authorities of the United Kingdom with and through Europol. No dedicated accounting provisions were required for the financial year 2020 in the annual accounts.

### COVID-19

In response to the Coronavirus Disease (COVID)-19, which was categorised as a global pandemic on 11 March 2020, Europol put in place a permanent Crisis Management Team (CMT), with all core business and administrative functions being maintained from Europol's buildings and through teleworking by Europol staff members. The annual accounts of Europol for the financial year 2020 did not require accounting provisions related to this circumstance.

In 2020, an amount of € 3.2M has been made available for the specific COVID-19 related measures within Europol: € 1.6M in the area of Facilities (e.g. for hygienic dividers, facemasks and disinfection materials) and € 2M for ICT related expenditure (extra devices for teleworking and mobile offices etc.).

Europol closely monitored its budget expenditure, including necessary adjustments, on a continuous basis. The COVID-19 pandemic led to a significant reduction of missions and meetings at Europol. This resulted in an amending budget to reduce the last EU subsidy instalment for 2020 by € 5M, as adopted by the October 2020 Management Board in line with the Europol Financial Rules.

The impact of the COVID-19 pandemic – including emerging and changing trends in serious and organised crime – was analysed by Europol and reported to Member States throughout the year. Europol exerted a high level of resilience and preparedness to absorb the impact of the COVID-19 pandemic throughout the organisation. Europol successfully took priority operational support activities forward, such as the dismantling of an encrypted phone network widely used by criminal networks (with over 1,800 suspects having been arrested, over 200 threat-to-life situations been prevented, cash money at a value exceeding € 130M having been seized and hundreds of new investigations initiated within the EU and beyond), as well as the crackdown of a drug trafficking network smuggling cocaine from Brazil into Europe, with over € 12M in cash seized in one Member State alone.

---

<sup>3</sup> Trade and Cooperation Agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part, Official Journal of the European Union, L444/14 – L444/1449, 31 December 2020

# FINANCIAL STATEMENTS

## BALANCE SHEET

<b>ASSETS</b>	<b>Note</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
<b>NON-CURRENT ASSETS</b>		<b>51,069,024</b>	<b>42,604,086</b>
<b>Intangible fixed assets</b>	<b>2.1.</b>	<b>24,479,329</b>	<b>18,723,452</b>
Computer software		20,321,406	8,021,678
Computer software under Financial lease		178,255	297,091
Under construction		3,979,669	10,404,683
<b>Tangible fixed assets</b>	<b>2.1.</b>	<b>26,577,763</b>	<b>23,873,719</b>
Land and buildings		7,854,389	7,730,066
Plant and equipment		78,545	125,979
Computer hardware		11,138,150	6,737,799
Furniture and vehicles		2,177,050	2,022,303
Other fixtures and fittings		3,810,814	4,790,840
Assets under financial lease		1,518,815	2,466,732
<b>Non-current receivables and recoverables</b>	<b>2.2.</b>	<b>11,931</b>	<b>6,915</b>
Long-term receivables		11,931	6,915
<b>CURRENT ASSETS</b>		<b>47,438,577</b>	<b>33,508,539</b>
<b>Short-term pre-financing</b>	<b>2.3.</b>	<b>4,503,252</b>	<b>849,634</b>
Short-term pre-financing		5,636,003	3,293,287
Accrued charges on pre-financing		-1,132,750	-2,443,653
<b>Short-term Receivables</b>		<b>9,561,319</b>	<b>9,251,826</b>
Current receivables	2.4.	2,394,654	2,076,385
Sundry receivables	2.5.	411,849	481,132
Other receivables: Accrued income	2.6.	27,975	20,086
Deferred charges <sup>4</sup>	2.6.	6,726,123	6,672,212
Receivables with consolidated EU entities	2.7.	718	2,011
<b>Cash and cash equivalents</b>	<b>2.8.</b>	<b>33,374,006</b>	<b>23,407,079</b>
<b>TOTAL ASSETS</b>		<b>98,507,601</b>	<b>76,112,624</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>		<b>4,600,779</b>	<b>5,216,038</b>
Pensions and other employee benefits	2.9.	3,424,453	3,371,330
Provisions for risks and charges		-	-
Other liabilities	2.10.	1,176,325	1,844,708
<b>CURRENT LIABILITIES</b>		<b>19,412,568</b>	<b>12,113,902</b>
Provisions for risks and charges	2.11.	12,000	10,000
Financial liabilities	2.12.	551,818	402,617
<b>Payables</b>		<b>18,848,750</b>	<b>11,701,284</b>
Current payables	2.13.	435	55,190
Sundry payables	2.14.	3,386,164	802,775
Other payables: Accrued charges	2.15.	6,948,828	7,021,982
Deferred income	2.15.	1,257	10,338
Accrued charges with consolidated EU entities	2.15.	23,101	206,879
Accounts payable with consolidated EU entities	2.16.	8,488,964	3,604,120
<b>NET ASSETS</b>		<b>74,494,254</b>	<b>58,782,685</b>
Accumulated surplus/deficit		58,782,685	54,168,990
Re-measurements of employee benefits		-723,950	-
Adjustment to accumulated result previous years		364,761	-
Economic result of the year		16,070,758	4,613,695
<b>TOTAL LIABILITIES</b>		<b>98,507,601</b>	<b>76,112,624</b>

<sup>4</sup> Includes deferred charges with consolidated EU entities.

## STATEMENT OF FINANCIAL PERFORMANCE

	Note	31.12.2020	31.12.2019
<b>REVENUE</b>	<b>3.1.</b>	<b>150,886,694</b>	<b>140,748,754</b>
<b>Non-exchange revenue</b>		<b>145,722,098</b>	<b>135,942,602</b>
Recovery of expenses		-	691
European Union Contribution		145,722,098	135,941,910
<b>Exchange revenue</b>		<b>5,164,596</b>	<b>4,806,152</b>
Interest income on late payment		-	8,079
Revenue from consolidated EU entities		1,837,840	1,701,599
Exchange rate gains		1,108	678
Fixed asset-related income		-	-
Sales revenue		-450 <sup>5</sup>	-7,177
Contribution from Denmark		2,965,556	2,684,998
Other exchange revenue		360,542	417,976
<b>EXPENDITURE</b>	<b>3.2.</b>	<b>134,815,936</b>	<b>136,135,059</b>
<b>Operational expenditure</b>		<b>26,428,627</b>	<b>25,539,339</b>
<b>Administrative expenditure</b>		<b>108,387,309</b>	<b>110,595,718</b>
Staff expenses		79,262,124	76,387,531
Finance expenses		82,979	166,194
Fixed asset-related		11,259,759	9,765,459
Expenses with consolidated EU entities		2,914,743	9,068,577
Other: Administrative and IT expenses		7,913,772	8,903,140
External service provider (non-IT)		2,075,801	2,291,581
Rent		248,452	248,452
Building – maintenance, insurance and security		4,628,147	3,761,970
Exchange rate losses		1,532	2,814
<b>SURPLUS/DEFICIT FROM ORDINARY ACTIVITIES</b>		<b>16,070,758</b>	<b>4,613,695</b>
Extraordinary gains		-	-
Extraordinary losses		-	-
<b>SURPLUS/DEFICIT FROM EXTRAORDINARY ITEMS</b>		<b>-</b>	<b>-</b>
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>16,070,758</b>	<b>4,613,695</b>

<sup>5</sup> Accrual reversal from year 2019 larger than income booked in 2020.

## CASH FLOW STATEMENT

	Note	31.12.2020	31.12.2019
Economic result of the year		16,070,758	4,613,695
<b>Operational activities</b>			
Amortisation (intangible fixed assets)		3,095,396	1,727,388
Depreciation (tangible fixed assets)		8,163,521	8,014,356
Increase (-)/Decrease in provisions for risks and charges		2,000	-7,000
Increase (-)/Decrease in short-term pre-financing		-3,653,619	2,818,374
Increase (-)/Decrease in long-term receivables		-5,016	-
Increase (-)/Decrease in short-term receivables		-310,786	-1,808,240
Increase (-)/Decrease in receivables related to consolidated EU entities		1,293	30,197
Increase(-)/Decrease in other long-term liabilities		-668,382	-752,470
Increase (-)/Decrease in accounts payable		2,262,621	2,204,871
Increase (-)/Decrease in liabilities related to consolidated EU entities		4,884,844	-3,276,603
Other non-cash movements		149,201	-229,463
<b>Net cash-flow from operational activities</b>	<b>4.1</b>	<b>29,991,831</b>	<b>13,335,104</b>
<b>Investing activities</b>			
Increase (-) of tangible and intangible fixed assets		-19,719,680	-15,799,910
Proceeds from tangible and intangible fixed assets		842	23,715
<b>Net cash-flow from investing activities</b>	<b>4.2</b>	<b>-19,718,838</b>	<b>-15,776,195</b>
<b>Increase/decrease (-) in pension and employee benefits liability</b>	<b>4.3</b>	<b>-306,066</b>	<b>171,746</b>
Net increase/decrease (-) in cash and cash equivalents		9,966,927	-2,269,346
Cash and cash equivalents at the beginning of the year		23,407,079	25,676,425
<b>Cash and cash equivalents at year-end</b>		<b>33,374,006</b>	<b>23,407,079</b>

## STATEMENT OF CHANGES IN NET ASSETS

	Accumulated Surplus/ Deficit	Economic result of the year	Net Assets (Total)
<b>Balance as at 31 December 2019</b>	<b>54,168,990</b>	<b>4,613,695</b>	<b>58,782,685</b>
Changes in accounting policies	-	-	-
<b>Balance as at 1 January 2020</b>	<b>54,168,990</b>	<b>4,613,695</b>	<b>58,782,685</b>
Re-measurements of employee benefit liabilities <sup>6</sup>	-359,189	-	-359,189
Allocation of the economic result of previous year	4,613,695	-4,613,695	-
Economic result of the year 2020	-	16,070,758	16,070,758
<b>Balance as at 31 December 2020</b>	<b>58,423,496</b>	<b>16,070,758</b>	<b>74,494,254</b>

<sup>6</sup> This is the net result of changes to actuarial demographic and financial assumptions from 2018 to 2020, in accordance with EU Accounting Rule 12 (Employee benefits).

# NOTES TO THE FINANCIAL STATEMENTS

## 1. SIGNIFICANT ACCOUNTING POLICIES

### 1.1. Accounting rules

These financial statements are prepared on the basis of the EU Accounting Rules as adopted by the Commission's Accounting Officer which adapt the International Public Sector Accounting Standards (IPSAS) and in some cases the International Financial Reporting Standards (IFRS) to the specific environment of the EU, while the reports on the implementation of the budget continue to be primarily based on movements of cash.

The accounting system of Europol comprises general accounts and budget accounts. These accounts are kept in Euro on the basis of the calendar year. The budget accounts give a detailed picture of the implementation of the budget. They are based on the modified cash accounting principle.<sup>7</sup> The general accounts allow for the preparation of the financial statements as they show all charges and income for the financial year and are designed to establish the financial position in the form of a balance sheet as at 31 December.

Europol's financial statements have been drawn up using the methods of preparation as set out in the accounting rules laid down by the European Commission's Accounting Officer.

### 1.2. Accounting principles

The objectives of the financial statements are to provide information about the financial position, performance and cash flows of Europol that is useful to a wide range of users. For a public sector entity such as Europol, the objectives are more specifically to provide information useful for decision-making, and to demonstrate the accountability of the entity for the resources entrusted to it.

The overall considerations (or accounting principles) to be followed when preparing the financial statements are laid down in EU Accounting rule 1 and are the same as those described in IPSAS 1, that is:

#### **Fair presentation**

Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses set out in European Commission's Accounting Rules. The application of European Commission's Accounting Rules, with additional disclosures when necessary, is presumed to result in financial statements that achieve a fair presentation.

#### **Accrual Basis**

In order to meet their objectives, financial statements are prepared on the accrual basis of accounting. Under this basis, the effects of transactions and other events are recognised when they occur (and not as cash or its equivalent is received or paid) and they are recorded in the

---

<sup>7</sup> This differs from cash-based accounting because of elements such as carry forward commitments.

accounting records and reported in the financial statements in the periods to which they relate.

### **Going concern basis**

When preparing financial statements an assessment of an entity's ability to continue as a going concern shall be made. Financial statements shall be prepared on a going concern basis unless there is an intention to liquidate the entity or to cease operating, or if there is no realistic alternative but to do so. These financial statements have been prepared in accordance with the going concern principle, which means that Europol is deemed to have been established for an indefinite duration.

### **Consistency of presentation**

According to this principle the presentation and classification of items in the financial statements shall be retained from one period to the next.

### **Aggregation**

Each material class of similar items shall be presented separately in the financial statements. Items of a dissimilar nature or function shall be presented separately unless they are immaterial.

### **Offsetting**

Assets and liabilities, and revenue and expenses, shall not be offset unless required or permitted by an EU Accounting rule.

### **Comparative Information**

Except when an EU Accounting Rule permits or requires otherwise, comparative information shall be disclosed in respect of the previous period for all amounts reported in the financial statements. When the presentation or classification of items in the financial statements is amended, comparative amounts shall be reclassified unless the reclassification is impracticable).

## **1.3. Basis of preparation**

### **1.3.1. Currency and basis for conversion**

#### **Functional and reporting currency**

The financial statements are presented in Euro, which is the functional and reporting currency of the EU and of Europol (Article 18 of the Financial Regulation applicable to Europol).

#### **Transactions and balances in foreign currencies**

Foreign currency transactions are recorded using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions or from the translation of monetary items in foreign currency into Euro at the year-end are recognised in the Statement of Financial Performance.

## Chart of Accounts

The chart of accounts used by Europol follows the structure of the chart of accounts of the European Commission.

### Use of estimates

Preparation of the financial statements in conformity with generally-accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect reported amounts presented and disclosed in the Financial Statements of Europol. Significant estimates and assumptions in these financial statements require judgment and are used for, but not limited to, accrued income and charges, provisions, contingent assets and liabilities. Actual results reported in future periods may be different from these estimates. Changes in estimates are reflected in the period in which they become known.

### 1.4. Balance Sheet

Assets are resources controlled by Europol as a result of past events and from which future economic benefits or service potential are expected to flow.

#### 1.4.1. Intangible fixed assets

Intangible assets are identifiable non-monetary assets without physical substance. Acquired computer software licences are stated at historical cost less accumulated amortisation and impairment losses. The assets are amortised on a straight-line basis over their estimated useful lives. The estimated useful lives of intangible assets depend on their specific economic lifetime or legal lifetime determined by an agreement.

Currently Europol uses a 25% amortisation rate for its intangible assets.

Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life (EU Accounting Rule 6).

Internally-generated intangible assets are capitalised when the relevant criteria of the EU Accounting rules are met. The costs that meet these criteria include all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Costs associated with research activities, development costs that do not meet the criteria to be capitalised and maintenance costs are recognised as expenses as incurred.

#### 1.4.2. Tangible fixed assets

All tangible fixed assets (property, plant and equipment) are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to Europol and its cost can be measured reliably. Repairs and maintenance costs are charged to the Statement of Financial Performance during the financial period in which they are incurred.

Assets under construction are not depreciated as these assets are not yet available for use.

## **Europol Public Information**

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life (EU Accounting Rule 7).

The depreciation is calculated using the straight-line method. Please see note 2.1. for the rates.

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

### **1.4.3. Leases**

Leases of intangible and tangible assets, where Europol has (substantially) all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The rental obligations, net of finance charges, are included in other liabilities (non-current and current). The interest element of the finance cost is charged to the Statement of Financial Performance over the lease period so as to produce a constant periodic interest rate on the remaining balance of the liability for each period. The assets held under finance leases are amortised/depreciated over the shorter of the assets' useful life and the lease term.

Leases where the lessor retains a significant portion of the risks and rewards inherent to ownership are classified as operating leases. Payments made under operating leases are recognised as an expense in the Statement of Financial Performance on a straight-line basis over the period of the lease. As at the year-end 2020, Europol had no operating leases.

### **1.4.4. Pre-financing amounts**

The initial recognition of pre-financing is based on the original amount received or given. Subsequent recognition is based on the original amount received or given, less eligible expenses, including estimated amounts where necessary, incurred during the period (EU Accounting Rule 3).

### **1.4.5. Receivables**

Receivables are carried at the original amount less write-down for impairment. A write-down for impairment of receivables is established when there is objective evidence that Europol will not be able to collect all amounts due according to the original terms of receivables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the Statement of Financial Performance.

See note 1.4.10 below concerning the treatment of accrued income at year-end.

### **1.4.6. Cash and cash equivalents**

Cash and cash equivalents are financial instruments and classified as available for sale financial assets. They include cash at hand and deposits held at call with banks.

#### **1.4.7. Pensions and other employee benefits**

The Staff Regulations of Officials of the European Communities provide for various employee benefits (retirement pensions, invalidity pensions, survivors' pensions, medical insurance) for staff in service, invalidated staff and retired staff.

Each year of service performed by European Commission employees entitles them to various benefits (sickness, retirement, etc.). These benefits, which they will receive after a period of activity, constitute a commitment on the part of the European Communities which must be entered in the accounts. The arrival of new staff, the retirement of serving staff, and changes in interest rates or in mortality tables are all factors or assumptions that have a direct influence on the valuation of those commitments. The commitments are constantly changing and must be valued at the close of each reporting period.

The principle underlying all the detailed requirements of the applicable accounting rule is that the cost of providing employee benefits should be recognised in the period in which the benefit is earned by the employee, rather than when it is paid or payable. The principal objectives of post-employment accounting are to measure the cost associated with employees' benefits and to recognise that cost over the employees' respective service periods. The periodic costs of post-employment plans have to be assigned properly to the periods in which the related economic benefits are received by the employers incurring these costs.

It should be noted that due to the consolidation of these obligations and the required funding thereto is transferred to the European Commission, the described benefits cannot to be found in Europol's annual accounts but only in the consolidated accounts of the European Commission.

#### **1.4.8. Provisions**

Provisions are recognised when Europol has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

#### **1.4.9. Payables**

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

#### **1.4.10. Accrued and deferred income and charges**

According to the EU Accounting rules, transactions and events are recognised in the financial statements in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. The calculation of accrued expenses is done in accordance with detailed operational and practical guidelines which aim at ensuring that the financial statements reflect a true and fair view.

Revenue is also accounted for in the period to which it relates. At the year-end, if an invoice is not yet issued but the service has been rendered/goods have been delivered by Europol or a contractual agreement exists, accrued income is recognised in the financial statements.

## **Europol Public Information**

In addition, at the year-end, if an invoice is issued but the services have not yet been rendered or the goods supplied have not yet been delivered, the revenue or charges will be deferred and recognised in the subsequent accounting period.

### **1.5. Statement of Financial Performance**

Revenue and expenditure are accounted for in accordance with the principle of accrual-based accounting.

#### **1.5.1. Revenue**

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets.

Non-exchange revenue makes up the vast majority of Europol's revenue and includes mainly the EU subsidy and own resource amounts.

Exchange revenue is revenue from fees, mission reimbursements, gains from fixed asset disposals, bank credit interest and exchange rate conversion gains.

#### **1.5.2. Expenditure**

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets. Distributions of the result of the year are not considered as expenses.

According to the principle of accrual-based accounting, the financial statements take account of expenditure relating to the reporting period, without taking into consideration the payment date; meaning when the goods or services were delivered/provided.

### **1.6. Contingent Assets and Liabilities**

#### **1.6.1. Contingent assets**

A contingent asset is a possible asset that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Europol. It is not recognised because the amount of the obligation cannot be measured with sufficient reliability. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

#### **1.6.2. Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Europol; or a present obligation that arises from past events but is not recognised because: it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or, in the rare circumstances where the amount of the obligation cannot be measured with sufficient reliability.

## 2. NOTES TO THE BALANCE SHEET

### NON-CURRENT ASSETS

#### 2.1. Intangible and tangible fixed assets

During 2020 Europol's fixed assets increased by a gross amount of € 19.7M. The largest investments were made in computer hardware (€ 8.3M) and in the development of internally generated intangible assets (€ 8.8M). The Host State carried out a number of additional works within the Europol Headquarters and the Temporary Satellite Building in order to meet the business demands of the organisation. In 2020, as a result of COVID-19, Europol had to invest in fixed assets in order mitigate the spread of the virus and protect its staff members, contractors and visitors. The works were executed by contractors for the Host State, which in turn invoiced Europol. The total amount delivered in 2020, fulfilling the recognition criteria for fixed assets as defined in EU Accounting Rule 7, amounted to € 2.2M compared to € 4M in 2019.

In 2020 Europol finalised four disposal procedures involving 1,217 fixed assets. These disposal procedures (see table below) resulted in the retirement of assets with an initial acquisition value of € 1.9M.

Asset class	Reason for disposal	No of items
Computer hardware	End of life	1,217

In accordance with EU Accounting Rule 6 regarding internally generated intangible fixed assets, Europol maintained its threshold for capitalisation at € 200K.

There were eleven ICT development projects run in 2020. From this total, ten projects reached (or are estimated to reach) the threshold set for capitalisation. Two projects were finalised and released in 2020 and the other eight are scheduled to be finalised in 2021 or 2022. One project under construction was classified as finalised in 2020. One project classified in previous years as under construction, is expected to receive further investments in 2021 and 2022 and will thus be kept as an asset under construction.

#### Research and development costs

Europol has used its time-tracking system as a basis for the calculations. In the time-tracking system, each staff member and external consultant working within the project has recorded the hours worked with a link to the task performed. The tasks have been split into two phases, research and development. In addition to this, the tasks within the development phase have been split into two categories depending on their nature. This has been done in accordance with EU Accounting rule 6; costs directly qualifying for capitalisation and costs expensed for the given year. For the calculation of Europol employees, the average staff costs per salary grade, provided by the European Commission, have been taken as basis.

## Europol Public Information

The result:

Non-capitalised cost	Research cost	Non-capitalised development cost
<b>One project</b>		
Cost of the year	-	22,129.36

In-house ICT projects capitalised as at 31.12.2020	Research cost	Capitalised development cost
<b>Two projects</b>		
Cost of the year	-	7,860,042

Projects under construction as at 31.12.2020	Research cost	Capitalised development cost
<b>Eight projects</b>		
Cost of the year	-	991,232

Projects under construction released as IGIA at 31.12.2020	Research cost	Transfer of capitalised development cost
<b>One project</b>		
Reclassified asset under construction value	-	7,416,246 <sup>8</sup>

### Leasing

Leasing of tangible and intangible assets, where Europol has (substantially) all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The interest element of the finance lease payment is charged to expenditure over the period of the lease at a constant periodic rate in relation to the balance outstanding. The rental obligations, net of finance charges, are included in the financial liabilities (non-current and current). The interest element of the finance cost is charged to the Statement of Financial Performance over the lease period so as to produce a constant periodic interest rate on the remaining balance of the liability for each period. The assets held under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

In 2020, Europol did not sign any new contracts for finance leases to purchase fixed-assets.

In total the outstanding liabilities for 2021 and beyond for five leasing contracts amounts to € 1.4M.

### Depreciation

The depreciation rates used by Europol can be found in the following table:

<sup>8</sup> €173,989 belongs to the project SQL Server under construction, which was integrated into the project NGAGE 2020.

## Europol Public Information

Type of asset	Rate
Intangible (computer software)	25%
Leasehold improvements	25%
Buildings	4%
Plant and equipment	12.5%
Computer hardware	25%
Vehicles	25%
Furniture	10%
Kitchen, cafeteria equipment	12.5%
Telecommunication and audio-visual equipment	25%

Details of the intangible and tangible fixed assets can be found on the next two pages.

**Intangible fixed assets**

<b>Year 2020</b>	<b>Internally-generated computer software</b>	<b>Other computer software</b>	<b>Total computer software</b>	<b>Under Financial Lease</b>	<b>Under construction</b>	<b>Total</b>
<b>Gross carrying amounts 01.01.2020</b>	<b>12,759,886</b>	<b>13,403,394</b>	<b>26,163,280</b>	<b>475,346</b>	<b>10,404,683</b>	<b>37,043,309</b>
Additions	7,860,042	-	7,860,042	-	991,232	8,851,274
Disposals	-	-8,876	-8,876	-	-	-8,876
Transfer between headings	7,416,246	-	7,416,246	-	-7,416,246	-
<b>Gross carrying amounts 31.12.2020</b>	<b>28,036,174</b>	<b>13,394,519</b>	<b>41,430,692</b>	<b>475,346</b>	<b>3,979,669</b>	<b>45,885,707</b>
<b>Accumulated amortisation and impairment 01.01.2020</b>	<b>-4,738,208</b>	<b>-13,403,394</b>	<b>-18,141,602</b>	<b>-178,255</b>	<b>-</b>	<b>-18,319,857</b>
Amortisation	-318,256	-2,658,304	-2,976,560	-118,836	-	-3,095,396
Disposals	-	8,876	8,876	-	-	8,876
<b>Accumulated amortisation and impairment 31.12.2020</b>	<b>-5,056,464</b>	<b>-16,052,823</b>	<b>-21,109,286</b>	<b>-297,091</b>	<b>-</b>	<b>-21,406,377</b>
<b>Net carrying amounts 31.12.2020</b>	<b>22,979,710</b>	<b>-2,658,304</b>	<b>20,321,406</b>	<b>178,255</b>	<b>3,979,669</b>	<b>24,479,330</b>

## Tangible fixed assets

Year 2020	Buildings	Plant and equipment	Computer hardware	Furniture and vehicles	Other fixtures and fittings	Under finance lease	Total
<b>Gross carrying amounts 01.01.2020</b>	<b>12,005,050</b>	<b>1,148,479</b>	<b>38,527,486</b>	<b>6,555,157</b>	<b>22,173,947</b>	<b>5,045,669</b>	<b>85,455,788</b>
Additions	714,522	27,990	8,360,759	666,133	921,998	177,005	10,868,407
Disposals	-	-2,000	-2,051,841	-5,944	-	-	-2,059,785
Other changes	-	-	-	-	-	-	-
<b>Gross carrying amounts 31.12.2020</b>	<b>12,719,572</b>	<b>1,174,469</b>	<b>44,836,403</b>	<b>7,215,346</b>	<b>23,095,945</b>	<b>5,222,674</b>	<b>94,264,409</b>
<b>Accumulated depreciation and impairment 01.01.2020</b>	<b>-4,274,984</b>	<b>-1,022,500</b>	<b>-31,789,687</b>	<b>-4,532,854</b>	<b>-17,383,107</b>	<b>-2,578,937</b>	<b>-61,582,069</b>
Depreciation	-590,199	-75,424	-3,960,408	-510,544	-1,902,024	-1,124,922	-8,163,521
Disposals	-	2,000	2,051,841	5,102	-	-	2,058,943
Other changes	-	-	-	-	-	-	-
<b>Accumulated depreciation and impairment 31.12.2020</b>	<b>-4,865,183</b>	<b>-1,095,924</b>	<b>-33,698,253</b>	<b>-5,038,296</b>	<b>-19,285,131</b>	<b>-3,703,859</b>	<b>-67,686,646</b>
<b>Net carrying amounts 31.12.2020</b>	<b>7,854,389</b>	<b>78,545</b>	<b>11,138,150</b>	<b>2,177,050</b>	<b>3,810,814</b>	<b>1,518,815</b>	<b>26,577,763</b>

## 2.2. Long-term receivables

The total amount relates to a guarantee/deposit paid for Europol's postal services and an accommodation rental deposit for a Europol staff member posted in the U.S.

### CURRENT ASSETS

## 2.3. Short-term Pre-financing

The total gross amount relates to pre-financing paid out to the beneficiaries of various grants, for which a final cost claim had not been finalised as at 31.12.2020.

The amount of estimated expenditure during 2020 (accrued charges) has been obtained from the beneficiaries of the pre-financing.

## 2.4. Current receivables

	31.12.2020	31.12.2019
Open debtors (customers)	4,206	58,696
Open debtors (member states)	1,688,053	1,279,599
Open debtors (non-member states)	15,750	34,940
Open debtors (other)	6,235	14,206
VAT and other taxes	680,410	688,945
<b>Total</b>	<b>2,394,654</b>	<b>2,076,385</b>

Europol pays the invoices from local suppliers including VAT and claims (on invoices with a net amount of € 225 and above) a VAT refund from the Host State on a quarterly basis. The amount mentioned in the table above for VAT and other taxes relates only to the fourth quarter 2020 as the claim will only be prepared and sent in 2021.

## 2.5. Sundry receivables

	31.12.2020	31.12.2019
Staff – salary-related and mission advances	408,928	88,066
Other – expenditure to be allocated	2,921	393,065
<b>Total</b>	<b>411,849</b>	<b>481,132</b>

The increase in the amount for staff-related expenditure is due to the move of advance payments to Guest Officers deployed at Hotspots from other expenditure to be allocated. Hence the decrease in the latter.

## 2.6. Other

	31.12.2020	31.12.2019
Accrued income	27,975	20,086
Deferred charges	4,828,578	3,546,298
Deferred charges with consolidated EU entities	1,897,545	3,125,914
<b>Total</b>	<b>6,754,098</b>	<b>6,692,298</b>

The amount for accrued income relates to amounts recoverable by Europol relating to reimbursements and the outcome of one litigation case, but the debts towards Europol

## Europol Public Information

will only be recognised in the budget (revenue) 2021. Similarly the amount for deferred charges relates to invoices paid by Europol to suppliers in 2020, but relating to a period in 2021 (or beyond).

The deferred charges with consolidated EU entities can be broken down as follows:

EU Entity	Description of deferral	Amount
European Commission	Contribution to European School	1,894,466
European Council	Office rental in Brussels	3,079
<b>Total</b>		<b>1,897,545</b>

### 2.7. Short-term receivables with consolidated entities

This amount can be broken down as follows:

EU Entity	Description	Amount
European Monitoring Centre for Drug and Drug Addiction (EMCDDA)	Secure line connection costs	651
Court of Justice	Salary-related	67
<b>Total</b>		<b>718</b>

### 2.8. Cash and cash equivalents

These relate to bank accounts as follows:

	31.12.2020	31.12.2019
Europol	30,420,278	20,144,436
Europol Pension Fund	2,650,962	2,957,039
Local Staff Pension Fund	302,766	305,604
<b>Total</b>	<b>33,374,006</b>	<b>23,407,079</b>

## NON-CURRENT LIABILITIES

### 2.9. Pensions and other employee benefits

#### Historic elements

In October 2015, the Council of the European Union decided<sup>9</sup> to dissolve the Europol Pension Fund as of 1 January 2016 and to consider Europol as the legal successor of the fund in respect of all contracts concluded by, liabilities incumbent on and property acquired by the fund, and of claims of the fund towards third parties. In practice all the fund's assets and liabilities upon the closure of the fund were transferred to Europol.

The assets obtained are considered as Planned Assets (PA) and the liabilities inherited are hereafter referred to as Defined Benefit Obligations (DBO). Due to the link with external assigned revenue (budget fund source R0), the PA can only be used by Europol to make payments related to the DBO. Under the DBO, Europol also

<sup>9</sup> Council Decision (EU) 2015/1889 on the dissolution of the Europol Pension Fund as published in OJEU L/276, 21.10.2015 pages 60-64.

## Europol Public Information

recognises surpluses remaining to be paid to former active participants of the fund or their lawful heirs.

### **Disclosure on DBO (Pursuant to EU Accounting Rule (EAR) 12)**

At the year-end 2020, Europol made an in-house actuarial assessment of the DBO, resulting in an increase of the residual DBO 2019 by € 53K to € 3.4M.

The table below summarises the DBO 2020, compared to 2019:

	31.12.2020	31.12.2019
Pension liabilities payable	3,360,210	3,307,087
Surplus to Member States	-	-
Surplus to former participants (or lawful heirs)	64,243	64,243
<b>Total</b>	<b>3,424,453</b>	<b>3,371,330</b>

The DBO 2020 is set up in accordance with the actuarial assumption described in the Annex to the Council Decision on the dissolution of the Europol Pension Fund. This Annex does not refer to the most typical assumptions such as annual indexation, pensionable age, change of medical costs, etc. These typical assumptions were not required to be disclosed in the Annex as not changing over time. Therefore Europol only discloses those actuarial assumptions specifically referred to in the Annex. Some have changed during 2020 compared to 2019.

	31.12.2020	31.12.2019
Discount Rate	DNB <sup>10</sup> 2020	DNB 2019
Actuarial value for deferred pensioners or persons not entitled to a pension	Max value of pension, transfer right or severance grant	Max value of pension, transfer right or severance grant
Mortality table (healthy people)	EULT 2018 <sup>11</sup> , 2020 data	EULT 2018, 2019 data
Mortality table (invalids)	EULT 2018 + 3 years, 2020 data	EULT 2018 + 3 years, 2019 data
Marriage rate when leaving service	Real situation	Real situation
Age difference between spouses	Real situation	Real situation
<b>Future administrative costs</b>	<b>NPV<sup>12</sup> of foreseeable costs</b>	<b>NPV of foreseeable costs</b>

The change in DBO 2020 compared to 2019 is a result of the negative change in the DNB rate (financial assumption) and the negative mortality table/medical cost adjustment (demographic actuarial assumptions), aside the further decrease due to benefits paid in 2020 can be detailed as follows:

<sup>10</sup> Each year the Dutch National Bank (DNB) provides discount rates to be used by all NL-based pension schemes.

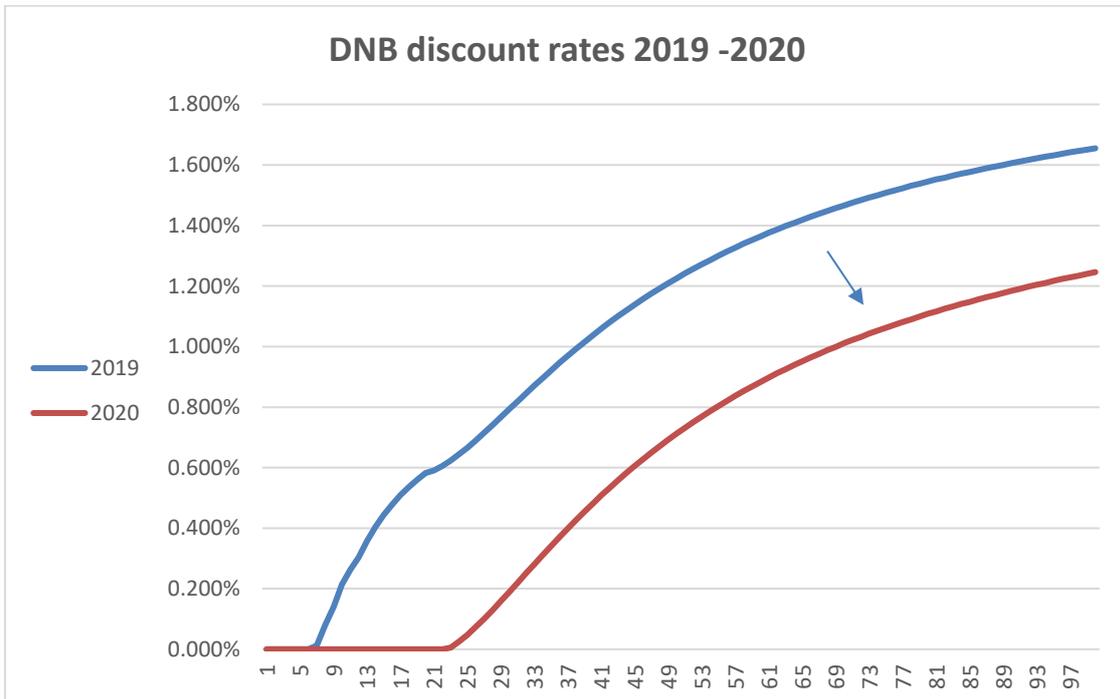
<sup>11</sup> EU life table as provided by the EC's actuary ESTAT (EUROSTAT) for the period 2018-2022 whilst awaiting a review in 2023.

<sup>12</sup> Net present value.

**Europol Public Information**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Opening balance	3,371,330	3,199,584
Benefits paid in year	-306,066	-176,366
Actuarial G/L demographic assumption	146,909	61,941
Actuarial G/L financial assumption	212,281	286,171
<b>Total after accounting for actuarial changes</b>	<b>3,424,453</b>	<b>3,371,330</b>

The increase in longevity 2020 (compared to 2019) and a material increase in medical costs, both demographic assumptions, generated a negative growth of the DBO. Additional material increase of the DBO is required due to the drop of the discount rates, being financial assumptions, during 2020 compared to 2019 as the period of negative/zero interest is extended from 7 years in 2019 to 24 years in 2020.



In order to test the sensitivity of the actuarial assumptions, Europol should disclose a 10 basic point (or 0.1%) upward/downward adjustment of the most important actuarial assumptions. For the DBO of Europol, only a measurement of the sensitivity of the discount rate is required. The sensitivity effect was still not very material, though more material than in 2019:

	<b>0.1% up</b>	<b>0.1% down</b>
Sensitivity analysis 0.1% Discount Rate Adjustment 2020	-20,087	11,163
Sensitivity analysis 0.1% Discount Rate Adjustment 2019	-3,471	3,471

As can be seen above a 0.1% increase in discount rates has a positive effect whereas it shortens the period the discount rate is set at 0.00% from 2042 to 2035 having a positive effect of € 20k. On the contrary, a further reduction has less material impact as it only lengthens the period of 0.00% from 2042 to 2046, resulting in a correction of € 11k.

**Disclosure on PA (Pursuant to EAR 12)**

All PA are invested in cash held on a ring-fenced bank account (see point 2.8. above) with an EU-based financial institution that did in 2020 not charge negative credit interest. It is troublesome that more and more EU-based financial institutions introduce negative credit interest for all/most of their professional clients. The only PA movement in 2020, other than benefits paid, was interest cashed in 2020 for a total of € 1,526.

For future PA inflow, it is important to note is that pursuant to Article 4(b) of the Council Decision on the dissolution of the Europol Pension Fund, former active participants of the fund (or their lawful heirs) had until October 2017, being two years after publication of the Council Decision, to communicate their beneficiary details to Europol. If not provided or found by Europol by that date, the remaining portion of the related PA should have become other income for Europol. At 31.12.2020, the amount remained € 64,243 as in 2019. Following its own legal advice, Europol did not yet consider the amount of € 64,243 as other income 2017, 2018, 2019 or even 2020 as a more robust file of administrative actions taken by Europol should support such recognition. This recognition is expected to occur in 2021 and not 2019 or 2020 as previously disclosed due to prioritisation of tasks in 2019 and 2020.

**Disclosure on the net DBO liability (Pursuant to EAR 12)**

	31.12.2020	31.12.2019
DBO	3,424,453	3,371,330
PA	-2,650,961 <sup>13</sup>	-2,955,514
<b>Net DBO liability</b>	<b>773,491</b>	<b>415,816</b>

This increased net DBO liability 2020 reduced the 2019 coverage ratio of 87.67% to only 77.41%, whereas 100% is required. In order to supplement the missing 22.59% Europol charged € 359,189 (being the increase in shortage between 2020 - € 773,491 and 2019 - € 415,816 + a small accrual adjustment for bank interest and charges) to its Balance Sheet as re-measurements of employee benefit liabilities. This adjustment is expected to be partly offset in 2021 by the revenue expected as described above (€ 64,243). Further corrections are currently not envisaged to be made whereas the majority of the DBO is payable in excess of at least the next financial year(s) to come.

**2.10. Other long-term liabilities**

	31.12.2020	31.12.2019
Local staff pension fund	302,766	301,308
Leasing liability on computer hardware	873,559	1,543,400
<b>Total</b>	<b>1,176,325</b>	<b>1,844,708</b>

Local staff members recruited prior to 2010, and still having an employment contract after 2010, are entitled to a Defined Benefit old age pension accrual under Dutch labour law pursuant to the applicable pension scheme characteristics. The premium payments needed thereto are given to a third party who provided assurance that the liabilities were accrued by obtaining the required assets thereto periodically. Such an approach classifies this scheme to be a Defined Contributions or DC-scheme, even

<sup>13</sup> Equal to bank balance under point 2.8 above.

## Europol Public Information

though the underlying entitlement is a defined benefit entitlement for the staff member.

As a consequence Europol set aside the employer and employees' contributions onto a ring-fenced bank account (see point 2.8. above) on a monthly basis, with an EU-based financial institution. The sole purpose of this bank account's balance is to finance the premiums to be paid to the new DC pension reinsurer.

In 2014, a tender procedure to secure a new DC pension reinsurer as from 2015 onwards failed, meaning that no premiums have been settled in relation to the employment period beyond 1 January 2015.

In light of the provisions of Article 73(4) of the Europol Regulation adopted in May 2016, allowing local staff members to move to a contract governed by the Conditions of Employment of Other Servants of the European Union ('CEOS') at the latest on 1 May 2018, it was not considered appropriate to launch another tender during this transitional period.

The last local staff member entered into a contract governed by the CEOS effective from 1 January 2018. Consequently, no further Dutch labour law Defined Benefit pension rights were accrued beyond 31 December 2017.

In 2019, Europol requested external legal advice in order to assure compliance with Dutch law whilst tendering for a new DC pension reinsurer for the pensions entitlements linked to the period 2015-2017. In light of the requirements set in this advice which was only converted into actionable decisions in 2020, and the complex nature of the tender requirements, it is expected that these (historical) entitlements will be settled by the end of 2021/beginning of 2022.

### **Disclosure of outstanding DC liability**

The absence of a pension reinsurer for these three years (2015-2017) currently makes Europol liable to cover the pension rights of the concerned local staff members until the DC premiums are paid to a pension reinsurer. An internal worst-case actuarial calculation made as at 31 December 2020, established the pension cost in relation to these three years to be € 274,060. This is slightly higher than the € 271,420 for 2019 due to longevity adjustments in the demographic population.

The internal calculation of the remaining DC liability is € 28,705 lower than the available bank balance of € 302,766. Hence, in accordance with the principles of sound financial management, no external actuarial calculation was deemed necessary to provide an external assurance on the financial health of the fund.

### **Future treatment of possible surplus PA and classification of DC as a long-term liability**

In 2019, Europol requested external legal advice in relation to how, under Dutch law, material excess funds of the PA, if any, should be treated. Prior to making any decision on which option to pursue, it is required to settle the outstanding DC liability for the period 2015-2017. As the required tender procedure thereto is still to start in 2021, it is therefore prudent to consider these liabilities as long-term.

**2.11. Provisions for risks and charges (short-term)**

Provision	Litigation cases
Balance at the beginning of the year	10,000
Additions	2,000
Utilised	-
Unused	-
Transferred to non-current	-
<b>Total as at 31.12.2020</b>	<b>12,000</b>

This provision for litigation cases provides for the applicants' legal costs involving two open cases that were also disclosed as a short-term provision in the 2019 accounts (excluding the small adjustment (addition) of € 2K). The reason they remain in 2020 is due to the links to the previous cases (from 2013), the cessation of rights to a third party and lack of internal resources. Europol is aiming to deal with the matter in 2021.

**CURRENT LIABILITIES****2.12. Current Financial Liabilities**

The total amount relates to the short-term leasing liabilities on computer hardware.

**2.13. Current payables**

	31.12.2020	31.12.2019
Amounts payable - vendors	1,386,817	1,788,756
Amounts payable - Member States	169,796	196,966
Amounts payable – public bodies	63,182	31,717
Invoices / credit notes pending verification	-1,619,360	-1,962,249
<b>Total</b>	<b>435</b>	<b>55,190</b>

**2.14. Sundry payables**

	31.12.2020	31.12.2019
Fixed assets – goods received <sup>14</sup>	1,773,632	740,411
Pre-financing received re HORIZON 2020 <sup>15</sup>	1,628,962	-
Amounts payable - staff	-16,429 <sup>16</sup>	62,364
<b>Total</b>	<b>3,386,164</b>	<b>802,775</b>

The amount for pre-financing received regarding HORIZON 2020 can be broken down as follows:

Description	Amount
GRACE - Global Response Against Child Exploitation based on big-data technologies supported by advanced AI powered algorithms	526,913
AIDA - Artificial Intelligence and advanced Data Analytics project for Law Enforcement Agencies	701,849
INFINITY - a flagship project to revolutionise how Law Enforcement Agencies view, analyse and share information to combat crime and terrorism	400,200
<b>Total</b>	<b>1,628,962</b>

<sup>14</sup> Fixed assets received in 2020, but not paid.

<sup>15</sup> Grant agreements (as part of consortia) with the EC Research Executive Agency (see page 43).

<sup>16</sup> Amount is negative due to transfer of vendor type during 2020.

## 2.15. Other accounts payable

	31.12.2020	31.12.2019
Accrued charges <sup>17</sup>	4,385,547	5,647,032
Accrued charges with consolidated entities	23,101	206,879
Accrual for untaken annual leave at year-end	2,563,281	1,374,949
Deferred income <sup>18</sup>	1,257	10,338
<b>Total</b>	<b>6,973,186</b>	<b>7,239,199</b>

The total amount for accrued charges with consolidated entities can be broken down as follows:

EU Entity	Description of accrual	Amount
European Commission	Laissez-Passer applications	13,000
European Commission	Management costs	10,101
<b>Total</b>		<b>23,101</b>

According to the EU Staff Regulation, Annex V: Leave, Article 4, if the person at the time of leaving the service has not used their annual leave, they shall be paid compensation equal to one thirtieth of their monthly remuneration for each leave day due to them. Therefore the calculation (based on average salary rates) for untaken annual leave has been recognised as an accrued charge.

## 2.16. Accounts payable with consolidated EU entities

	31.12.2020	31.12.2019
Surplus from European Commission subsidy <sup>19</sup>	3,349,469	2,363,548
Balance on pre-financing received for the SIRIUS Grant	327,103	413,905
Balance on pre-financing received for the WB (Western Balkans) Grant	1,047,380	593,964
Balance on pre-financing received for the EaP Region Grant	2,485,156	-
Balance on pre-financing received for Grant agreements with EUIPO	414,662	212,784
Balance on pre-financing received for Grant agreement with CEPOL	865,194	-
Other accounts payable	-	19,920
<b>Total</b>	<b>8,488,964</b>	<b>3,604,120</b>

Details on the grants can be found under within the budget implementation reports starting from page 40 below.

<sup>17</sup> Invoices to be paid in 2021 relating to goods/services delivered in 2020 and expensed (not capitalised).

<sup>18</sup> Receipts 2020 to be put to budget 2021.

<sup>19</sup> This is the budget result (see page 60 below).

### 3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

Europol's financial statements are prepared on an accrual-basis by which transactions are recorded in the period to which they relate. The result for the year using this basis is indicated in the Statement of Financial Performance. However, Europol uses a modified cash accounting system for preparing the budget result. In this system, only payments made and revenue received in the year as well as the carry-forward of appropriations to the following year are recorded.

All differences between the Statement of Financial Performance and the budget result can be found in the reconciliation on page 39.

#### 3.1. Revenue

The revenue has been split between non-exchange and exchange transactions in accordance with the EU Accounting Rules.

The difference between the revenue in the budgetary result and the statement of financial performance of € 9.7M is broken down as follows:

Description	Difference
New pre-financing received	10,718,822
Pre-financing received in previous years closed 2020	-1,015,000
Budgetary recovery orders issued in 2020 on balance sheet accounts and cashed	868,757
Reversal of cut-offs 2019	1,650,579
Budgetary recovery orders issued before 2020 and cashed in the year	42,189
Value reduction (debt waiver)	-862
Exchange rate gains	-1,108
Uncashed recovery orders	-24,936
Cut-offs 2020 <sup>20</sup>	-2,465,017
<b>Total</b>	<b>9,773,424</b>

#### 3.2. Expenditure

A total of >€ 15.3M is included in the Statement of Financial Performance relating to expenditure made from budgetary commitments carry forward from 2019. This is not included in the budgetary result 2020 as it relates to the implementation of the European Commission Subsidy 2019. However, details of this implementation can be found in the budget implementation reports on page 52.

#### Operational

The total amount of expenses (including accruals and deferrals) amounted to € 30.1M broken down as follows:

<sup>20</sup> Includes budget surplus 2020.

**Europol Public Information**

Description	Difference
Operational purchase and maintenance of hardware and software	10,312,934
Operational ICT External Service Provision	9,594,159
Deployments	3,642,026
Decryption Platform	1,682,311
Meetings	991,399
Operational telecommunications costs	935,745
EMPACT grants	857,029
Operational training	740,494
Missions	441,471
ATLAS	296,539
Operational expenditure related to research and development projects	213,415
External expertise	167,968
Other grants	88,612
WEB services and publications	75,025
Heads of Europol National Units (including interpretation and equipment for meetings)	23,806
Expertise training for third parties	15,798
Operational equipment	934
Liaison Bureaux outside the Netherlands	792
<b>Total</b>	<b>30,080,458</b>

The difference of € 3.7M between the € 30.1M expenditure and the result in the Statement of Financial Performance of € 26.4M is due to the adjustment required for the internally-generated intangible assets in order to correctly reduce the expenses for consultants that worked on projects considered eligible to be capitalised or expected to be capitalised (under construction).

**Staff**

These expenses contain personnel-related expenses such as salaries, allowances, social security contributions and other welfare expenses.

All salary calculations resulting in the total staff expenses included in the Statement of Financial Performance of Europol are outsourced to the Office for administration and payment of individual entitlements (also known as the Paymaster's Office - PMO) which is a central office of the European Commission audited by the European Court of Auditors.

The material differences between the staff costs detailed in the budget result and those in the Statement of Financial Performance can be explained as follows:

- Internally-generated intangible assets - € 5.2M decrease due to the capitalised and expected to be capitalised (under construction) staff costs;
- Annual leave accrual (see point 2.15. above) - € 2.6M increase;
- Adjustment for the pension benefits paid (see point 2.10. above) - € 306K decrease.

### Finance expenses

This amount relates to interest on late payments (€ 12K), interest on leasing (€ 65K) and bank charges (€ 6K).

### Fixed asset-related

These expenses contain the charged depreciation of tangible (€ 8.2M) and amortisation of intangible (€ 3.1M) fixed assets. The latter includes the amortisation for the internally-generated intangible assets.

### Expenses with consolidated entities

The expenses with consolidated entities (including accruals and deferrals) can be broken down as follows:

Entity	Description of expense	Amount
European Commission JRC <sup>21</sup>	Decryption Platform and media-monitoring costs	50,000
European Commission HR <sup>22</sup>	European School, training and other staff-related services	1,466,461
European Commission SCIC <sup>23</sup>	Interpretation services	267,692
European Commission PMO <sup>24</sup>	Administrative charges (salaries) and deferred (2021 part) contribution to European School	399,841
European Commission DIGIT <sup>25</sup> and BUDG	Financial system (ABAC) fees and Cloud services	384,129
EUIPO <sup>26</sup>	Closure of grant	114,410
European Commission OP <sup>27</sup>	Publications, distribution and storage	46,186
Translation Centre for EU Bodies	Translation services	92,440
EU-LISA	Meeting reimbursement	5,263
European External Action Service	Liaison Office in the U.S.	50,541
European Food Safety Authority	Permanent secretariat costs	26,157
Council of the European Union	Rental of office space	9,374
Eurojust	Training	2,250
<b>Total</b>		<b>2,914,743</b>

### Other administrative and IT expenses

The total amount of € 7.9M can be broken down as follows:

<sup>21</sup> Joint Research Centre

<sup>22</sup> Human Resources and Security

<sup>23</sup> Interpretation

<sup>24</sup> Paymaster's Office

<sup>25</sup> Informatics

<sup>26</sup> European Union Intellectual Property Office

<sup>27</sup> Publications Office

## Europol Public Information

Description of expense	Amount
Experts and related expenditure	5,042,429
Office supplies and maintenance	1,691,849
Communications and publications	697,843
Recruitment	227,738
Training	108,842
Legal	75,190
Insurance (other than building)	52,342
Transport	17,539
<b>Total</b>	<b>7,913,772</b>

## 4. NOTES TO THE CASH-FLOW STATEMENT

Cash-flow information is used to provide a basis for assessing the ability of Europol to generate cash and cash equivalents, and its needs to utilise those cash flows.

The cash flow statement is prepared using the indirect method. This means that the economic result of the financial year (Statement of Financial Performance) is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of revenue or expense associated with investing cash flows.

The cash flow statement presented, reports cash flows during the period classified by operating and investing activities.

### 4.1. Operating activities

Operating activities are the activities of Europol that are not investing activities. These are the majority of the activities performed. Other changes under this activity mainly relate to the decrease to the financial liability for the short-term finance lease (see point 2.12. above) on tangible fixed assets.

### 4.2. Investing activities

Investing activities are the acquisition and disposal of intangible and tangible fixed assets and of other investments, which are not, included in cash equivalents. The objective is to show the real investments made by Europol.

### 4.3. Employee benefits

This relates to the increase in employee benefits (see point 2.9. above).

## 5. CONTINGENT ASSETS AND LIABILITIES AND OTHER SIGNIFICANT DISCLOSURES

### 5.1. Contingent Assets

Europol has no contingent assets to disclose as at 31 December 2020.

## 5.2. Contingent Liabilities

Europol has no contingent assets to disclose as at 31 December 2020.

## 5.3. Other significant disclosures

### 5.3.1. Services-in-kind

In accordance with EU Accounting rule 17, Europol discloses its free use of its office buildings (including parking facilities) during the year 2020, offered by the Host State. The total amount disclosed for the year 2020 is:

Building	Amount	Offered until
Headquarters	12,500,000	01/03/2031
Temporary satellite	1,387,497	31/12/2023
<b>Total</b>	<b>13,887,497</b>	

### 5.3.2. Remaining net RAL (Reste à Liquider)

The total amount of budget commitments carried forward to 2021 after deducting all eligible 2020 expenses amounted to € 15,493,645.

### 5.3.3. Other contractual commitments

Europol's contractual obligations as at 31.12.2020 not covered by the RAL (see above) totals € 7,609,680. This calculation considers contracts up to the earliest date possible to end the contract and possible penalty costs.

## 6. FINANCIAL INSTRUMENTS

Financial instruments comprise of cash, current receivables/recoverables, current payables and amounts due to and from consolidated entities. Financial instruments give rise to risks such as credit, liquidity and market (interest rates and foreign currency exchange).

### Credit risk

Credit risk is the risk of loss due to a debtor /borrower's non-payment of a loan or other line of credit (either the principal amount, accrued interest or both) or other failure to meet a contractual obligation. The default events include a delay in repayments, restructuring of borrower repayments and bankruptcy.

The next table provides for the credit quality of Europol's financial assets that are neither past due or impaired.

Europol Public Information

31 December 2020	Receivables with			
	Member States	Third parties including accruals & deferrals	Consolidated entities	Bank accounts
<b>Counterparties with external credit rating</b>	<b>2,368,463</b>	-	<b>718</b>	<b>33,374,006</b>
Prime and high grade	1,990,448	-	718	28,848,769
Upper medium grade	257,735	-	-	4,239,562
Lower medium grade	120,279	-	-	285,674
Non-investment grade	-	-	-	-
<b>Counterparties without external credit rating</b>	-	<b>7,204,069</b>	-	-
Debtors who never defaulted	-	7,204,069	-	-
Debtors who defaulted in the past	-	-	-	-

The total for the Member States can be broken down as follows:

Member State	Credit rating grade	Amount
The Netherlands	Prime and high	1,964,928
France		25,520
Spain	Upper medium	257,735
Romania	Lower medium	117,809
Italy		2,470
<b>Total</b>		<b>2,368,463</b>

Regarding the bank accounts, due to the current financial market, Europol has spread the risk between five banks. Up until 31.12.2020, this approach has meant that Europol has kept the charge of negative interest to a minimum. However as the banks are forced to change the conditions originally agreed upon with Europol, the negative interest will rise significantly in 2021. With this in mind, Europol will seek to secure a contract with the European Commission for the use of its treasury services. This will be more cost-effective and will lower the risk factor considerably.

### Liquidity risk

Liquidity risk arises from the ongoing financial obligations, including settlement of payables.

Europol manages liquidity risk by monitoring forecasts and actual cash flows.

The following table shows Europol's liabilities (payables) that had a remaining contractual maturity as at 31.12.2020:

31 December 2020	< 1 year	1-5 years	Total
Local staff pension liability	-	302,766	<b>302,766</b>
Payables third parties (including Member states)	3,386,599	-	<b>3,386,599</b>
Payables with consolidated entities	8,488,964	-	<b>8,488,964</b>
<b>Total liabilities</b>	<b>11,875,563</b>	<b>302,766</b>	<b>12,178,329</b>

**Market risk**

Interest rate risk

Europol does not borrow any money. Consequently, it was not exposed to any interest rate risk. However, as mentioned under credit risk above, it is foreseen that negative interest will significantly increase due to the situation with the financial markets and thus banks being forced to change conditions originally agreed upon with Europol.

Foreign currency risk

Currency risk is the risk that Europol’s operations or its investments' value will be affected by changes in exchange rates. This risk arises from the change in price of one currency against another.

As at 31.12.2020, Europol had one payable in USD equivalent to € 12,146.

**7. CHANGES TO ACCOUNTING RULES**

Aside from the retroactive application of AR12 mentioned under Net Assets above, there were no changes to the accounting rules during 2020.

**8. RELATED PARTY DISCLOSURE**

In accordance with EU Accounting Rule 15, Europol discloses its related parties as its key management personnel. Key management personnel are the directorate members (top management) of Europol. The total remuneration of the directorate members and the number of individuals, on a full-time equivalent basis, are provided for in the following table:

Position	Grade	Number of Individuals	Total remuneration
Executive Director	AD15	1	243,700
Deputy Executive Director	AD14	3	676,712
<b>Total remuneration 2020</b>			<b>920,412</b>

**9. EVENTS AFTER THE REPORTING DATE**

There were no events after the reporting date be known to the Accounting Officer of Europol as at the date of submission of the final accounts 2020.

**10. RECONCILIATION BETWEEN STATEMENT OF FINANCIAL PERFORMANCE AND BUDGET RESULT**

The difference between the budget result and the Statement of Financial Performance is explained in the following table:

## Europol Public Information

Description	Amount
Economic result (Statement of Financial Performance) 2020	16,070,758
Accruals/deferrals 2020	-1,086,461
Accruals/deferrals reversed from 2019	-1,347,555
Adjustment for 2019 carry forward appropriations assigned revenue	5,056,138
Adjustment to employee benefit liability	-306,066
Cancellation of unused payment appropriations from 2019	2,471,557
Cashed balance sheet recovery orders issued in 2020	868,757
Cashed recovery orders issued before 2020	42,189
Depreciation and amortisation of fixed assets	11,258,917
Fixed asset acquisitions (excluding unpaid amounts at 31.12.2020)	-10,350,043
Fixed asset corrections	-5,781
Internally-generated fixed assets <sup>28</sup>	-8,851,274
Invoices 2019, re-opened in 2020	-9,589
Negative payment requests	6,001
Open pre-financing paid in 2020	-5,782,617
Open pre-financing received in 2020	10,718,822
Other general ledger corrections	-9,390
Payment appropriations carried forward to 2021	-32,201,626
Payments 2020 in Statement of Financial Performance different year	-5,081
Payments made from carry forward 2019	15,274,962
Payments made in 2020 from 2021 budget	78,879
Pre-financing given in previous year(s) and cleared in 2020	2,495,067
Pre-financing received in previous year(s) and cleared in 2020	-1,015,000
Provisions (impact of the year)	2,000
Uncashed recovery orders issued in 2020	-24,936
Value reductions (impact of the year)	842
<b>Total = Budget result 2020</b>	<b>3,349,469</b>

<sup>28</sup> This is the total amount capitalised in 2020 and considered under construction.

# **REPORTS ON THE IMPLEMENTATION OF THE BUDGET**

## **1. INTRODUCTION**

This report provides information about the 2020 budget implementation. The budget has been implemented in accordance with the Financial Regulation applicable to Europol following the budgetary principles.

## **2. CONTENT**

The main elements of the report are:

### **2.1 Explanatory notes on the budget implementation**

- 2.1.1 Revenue 2020
- 2.1.2 Expenditure 2020
- 2.1.3 Budget implementation 2020
- 2.1.4 Budget implementation of assigned revenue
- 2.1.5 Implementation of appropriations carried forward from 2019 to 2020
- 2.1.6 Appropriations carried over from 2020 to 2021
- 2.1.7 Budget transfers 2020
- 2.1.8 Budget result 2020

### **2.2 Budget implementation tables**

- Table 1: Revenue 2020
- Table 2: Expenditure 2020
- Table 3: Budget implementation 2020
- Table 4: Budget implementation of assigned revenue
- Table 5: Implementation of appropriations carried forward from 2019 to 2020
- Table 6: Appropriations carried over from 2020 to 2021
- Table 7: List of budget transfers 2020
- Table 8: Budget result 2020

## 2.1. Explanatory notes on the budget implementation

In this section, explanatory notes are provided for the implementation of the 2020 budget. The tables containing the amounts are provided in the next section (Tables 1–8). Throughout these explanations, fund sources for the different types of appropriations are mentioned, the definitions for which are as follows:

Fund Source	Description	Presentation in the reports
<b>Income fund sources</b>		
IC1	Initial Budget	Revenue 2020
IC4(1)	Refunds current year (N-1)	Internal assigned revenue current year (carried forward)
IR1(1)	External resources/ grants	Other external assigned revenue, funds and contributions
<b>Expenditure fund sources</b>		
C1	Initial Budget	Adopted budget for 2020
C4	Refunds current year	Internal assigned revenue (current year)
C5	Refunds carried forward	Internal assigned revenue (carried forward)
C8	Automatic carry forward	Carried forward commitments from 2019 to 2020
R0	External resources/ grants	Other external assigned revenue, funds and contributions

### 2.1.1. Revenue 2020

In December 2019 the Europol budget 2020, amounting to € 154.1M, was adopted by the Europol Management Board. During the year 2020, the subsidy was amended to € 149.1M as an effect of the savings generated by the COVID-19 pandemic (Table 1) and thus an amount of € 5M was deducted from the final subsidy call-up from the European Commission (EC).

An amount of € 1.7M was established as internal assigned revenue (fund source IC4/IC41) of which € 1.3M was cashed. This revenue was linked to expenditure budget items and the outstanding amount (non-cashed recovery orders) amounting to € 443K will be used after future cashing in the budgetary year 2021.

The budget for external assigned revenue (fund source IR1) was amended during the year for various grant agreements, contribution agreements and service level agreements (SLAs), for an additional € 6.6M<sup>29</sup>:

<sup>29</sup> Of which € 6M was cashed.

## Europol Public Information

- **IMPACT EaP**: a contribution agreement with the EC (DG Near) to fight organised crime in the EaP region, € 2.5M fully cashed in 2020.
- **CEPOL**: a SLA with the European Union Agency for Law Enforcement Training to collaborate against organised crime and terrorism in different regions, € 880K, also fully cashed during the year and divided as follows:
  - o EUROMED POLICE V project, as part of the Annual Action Programme for ENI South countries - € 320K.
  - o WB PaCT, Western Balkan Partnership against Crime and Terrorism (WB PaCT) project - € 240K.
  - o TOPCOP, Partnership against Organised Crime for ENI East countries Project - € 320K.
- **HORIZON 2020**: grant agreements (as part of consortia) with the EC Research Executive Agency to leverage artificial intelligence and big-data technologies to revolutionise how Law Enforcement Agencies (LEAs) view, analyse and share information to combat crime and terrorism, were concluded. For Europol this concerns a total amount of € 2.2M, of which 75% was cashed, specified as follows:
  - o GRACE, Global Response Against Child Exploitation based on big-data technologies supported by advanced AI powered algorithms, € 702.6K of which € 527K was cashed.
  - o AIDA, Artificial Intelligence and advanced Data Analytics project for Law Enforcement Agencies, € 935.8K of which € 702K was cashed.
  - o INFINITY, a flagship project to revolutionise how Law Enforcement Agencies view, analyse and share information to combat crime and terrorism, € 533.6K of which € 400K was cashed.
- **EUIPO** for a total amount of € 1M, specified as follows:
  - o EUIPO IP Crime: a new service level agreement was signed between EUIPO and Europol for an amount of € 950K in order to finance actions against Intellectual Property crime. The amount of the new agreement was fully cashed during the year.
  - o EUIPO Fraud: a new SLA was signed between EUIPO and Europol for an amount of € 80K, in order to finance actions in the field of acquisition fraud. The amount was already cashed in 2019 and carried over to 2020.

Moreover, for two agreements, the budget was amended in 2018 and additional pre-financing was cashed during 2020:

**SIRIUS** grant agreement, to support an action on international digital cooperation – cross border access to electronic evidence. The pre-financing amount cashed in 2020 was € 452K.

**WB (Western Balkans)** agreement, a pilot project to deploy Europol Liaison Officers in the Western Balkans. The pre-financing amount of € 879K was also cashed during the year.

Also included in fund source IR1 are:

The contribution to Europol from the Kingdom of Denmark<sup>30</sup> for the budget year 2020, which represented an additional amending budget of € 3M.

---

<sup>30</sup> Following the application of the Europol Regulation on 1 May 2017, Denmark is regarded as a third country with respect to Europol. This is a consequence of the application of the Protocol (no 22) annexed to the TFEU on the position of Denmark, under which the Kingdom of Denmark does not take part in the adoption of measures pursuant to Title V of Part Three of the TFEU and such measures are not binding upon nor applicable in Denmark. The Agreement on Operational and Strategic Cooperation between the Kingdom of

An amount of € 1.6K, which was cashed for bank interest, received for the Europol Pension fund.

### 2.1.2. Expenditure 2020

In order to measure budget performance, several key performance indicators (KPIs) directly linked to the Europol Work Plan 2020 were set at the beginning of the year.

Budget performance was measured based on implementation (commitments and payments) against budget.

- The target set for the commitment implementation rate was at least 95%.
- For the payment implementation rate it was at least 90% in order to secure a reasonable carry forward to the following year.
- In addition, the cancellation of the carry forward commitments from 2019 should not exceed 5%.

In 2020, implementation was highly impacted by the COVID-19 outbreak. The year-end KPI results represent a remarkable achievement, considering the disruption caused by the pandemic, which resulted in many occurrences of underspending and late implementation out of Europol's control.

The final outcome of the KPIs for 2020 was as follows:

- The implementation of commitment appropriations was 99.4%, at the same level as 2019.
- The overall payment rate was 85.1%. The target was not met due to transfers within the budget that were made relatively late in the year, in order to allow for a higher implementation of the funds, followed by commitments for which the payments are expected early 2021.
- The cancelled carry-forward commitments amounted to 13.9%: a total of € 2.5M was not used and was incorporated in the final budget result. This was largely due to unused operational funds for EMPACT grants (€ 787K returned pre-financing by Member States), for meetings (€ 607K), for missions and deployments (€ 423K) and for ICT expenditure (€ 311K). Administrative unspent funds related to building expenditure and telecommunication costs (€ 246K) and a minor part to staff expenditure (€ 84K).

In the below sections the implementation of the budget in different fund sources (Table 2) amounting to total of € 183.5M, is explained.

### 2.1.3. Budget implementation 2020 (fund source C1)

#### Title 1 – Staff-related expenditure

The final budget under Title 1 amounted to € 85.9M with an implementation rate for commitments of 100% and for payments of 98% (Table 3). The amending budget,

---

Denmark and Europol ("Denmark agreement") was signed on 29 April 2017 with the purpose to establish cooperative relations.

## Europol Public Information

resulting from the agreement with Denmark under fund source R0 (external assigned revenue € 3M), was used to cover salary expenditure.

A number of transfers from Title 1 (Staff) amounting to € 5.2M were made during the year. € 1.7M savings generated from the delayed recruitments caused by the COVID-19 pandemic for both Temporary Agents and Contract Agents were re-purposed towards the EC. An additional € 3.5M was transferred to cover for operational ICT costs under Title 3.

An amount of € 127K remained unused and 1.9% or € 1.6M of the budget under Title 1 was carried forward to 2021, mainly for expenditure relating to facilities (e.g. catering, medical services, training of staff, hospitality services, moving expenses and security services).

### Title 2 – Other administrative expenditure

The final budget under Title 2 amounted to € 10.8M with an implementation rate for commitments of 98% and for payments of 62% (Table 3).

The payment implementation for building-related expenditure is normally slower as it requires involvement of (sub-) contractors before the Host State can issue invoices.

During the year, transfers for a total of € 122K were made within Title 2, of which € 100K was re-purposed to the EC as part of the overall € 5M transfer, and the remaining amount was the result of savings realised from activities not performed anymore due to the COVID-19 pandemic. Such savings were almost entirely offset by additional costs for the set-up of a new safe working environment as well as for the purchase of cleaning and protection materials, acrylic shields and other facilities equipment related to coping with the pandemic.

An amount of € 201K remained unused, while € 3.9M was carried forward to 2021, representing 37% of the budget under Title 2. Commitments carried forward were related to facility costs, such as the long-term replacement plan in the headquarters, the preventive maintenance, and the extension of video conferencing possibilities to all meeting rooms and the replacement of luggage lockers. For all these activities, payments are expected in 2021.

### Title 3 – Operational activities

The final budget under Title 3 amounted to € 52.4M, with a 99% commitment rate and a 69% payment rate (Table 3).

26.1% or € 13.5M of the budget available under Title 3 was used to support strategic operational activities (of which € 3.7M was for EMPACT grants and the same amount for Deployments, € 2.4M for ATLAS, € 1.2M for meetings, € 635K for missions and € 485K for High Value Targets/Operational Task Force - HVT/ OTF). 66.5% or € 34.5M of the budget was implemented for ICT operational activities (e.g. Interoperability project, telecommunication and sustainment costs). Another 7.5% or € 3.9M was used for other operational activities (e.g. SNE costs, HENU meetings and Liaison Bureau costs).

The budget under Title 3 was increased by € 3.5M transferred from Title 1 and Title 2 where the savings realised due to the COVID-19 pandemic were repurposed for operational purchase and maintenance of hardware and software and other ICT external services. Moreover, in this area, an additional € 2.3M savings in meetings, missions and for the EPCC event were part of the above mentioned € 5M amending budget reduction deducted from the final subsidy call-up from the EC.

An amount of € 509K lapsed, while an overall amount of € 15.8M was carried forward to 2021, representing 30% of the budget under Title 3. Payments related to this carry forward are expected early in 2021.

#### **2.1.4. Budget implementation of assigned revenue (fund sources C4, C5, R0)**

##### **Internal Assigned Revenue (fund sources C4, C5)**

With regard to the implementation of internal assigned revenue (Table 4), there is a distinction between funds established in 2020 (fund source C4) and funds carried forward from 2019 (fund source C5):

C4: This type of revenue relates to refunds and other revenue, such as re-payments of amounts wrongly paid, tax reimbursements, revenue from third parties, unspent pre-financing by MS etc.

During the year 2020, an overall amount of € 1.3M was established and cashed. The implementation was limited (€ 1.5K) and the budget was carried over to fund source C5, in order to be implemented in 2021.

C5: The C5 budget relates to cashed and unused assigned revenue from the previous year (under C4 funds) (C4 -> C5).

Appropriations carried forward from 2019 amounting to € 1.1M were almost fully committed (€ 1M or 96%). The total unpaid amount of € 152K was carried forward (to fund source C8) and will be implemented in 2021. An amount of € 41.7, which was not committed, lapsed.

##### **External Assigned Revenue**

With regard to the implementation of external assigned revenue (fund source R0), there is a distinction between the funds that were established in 2020 (e.g. new agreements) and the funds from before 2020 for which the implementation continued into the year.

External assigned revenue included in the budgetary accounts came to € 14.3M, of which € 4M was carried over from 2019 and the remaining € 10.3M was established and cashed in 2020. € 7.3M was committed during the year, of which € 4.9M was paid. The outstanding amount of € 9.4M was carried over to 2021.

The external assigned revenue was implemented for the following activities:

## Europol Public Information

- Following the agreement between Europol and Denmark, a contribution amounting to € 3M was received in 2020. The full amount was used and paid under budget item 1100 – Basic salaries.
- Under budget item 1184 – Pensions under the Europol convention, an amount of € 3M was carried forward for the further implementation of the Europol Pension Fund. € 306K was paid and the remainder, amounting to € 2.7M in total, was carried forward to 2021.
- Under budget item 3600 – Operational expenditure related to subsidies and grants, two agreements were implemented:
  - **IMPACT EaP**: An amount of € 2.5M was established during the year for a contribution agreement with DG NEAR. A total of € 644K was committed and € 14.8K was paid. The remaining budget was carried over for further implementation in 2021.
  - **CEPOL**: An additional € 880K was established for a SLA with CEPOL for three separate actions. A total of € 770K was committed and € 14.8K was paid. The remaining budget was carried over for further implementation in 2021.
- Under budget item 3700 – Operational expenditure related to research and development projects, several agreements were implemented for different purposes:
  - **EUIPO IP Crime** - to support law enforcement authorities preventing crime related to Intellectual Property Rights. Out of the amending budget of € 950K, an amount of € 636K was paid and the remaining amount was carried forward to 2021. An amount of € 103K from 2019 was carried forward of which € 30.5K was implemented in 2020 and the remaining amount of € 72.8K was returned to EUIPO and closed.
  - **EUIPO Fraud** - to support law enforcement authorities preventing fraud against users of the EU IP Systems. Out of amending budget (€ 80K) which was already cashed in 2019 and carried forward, € 53K was paid and the remaining budget was carried forward to 2021. Moreover, at the year-end 2020, a new cashing for EUIPO Fraud was received for the implementation of new activities in 2021.
  - **SIRIUS**: € 293K was carried forward from previous years and a new pre-financing amount of € 452K was cashed during the year. An amount of € 392K was paid and the remaining € 353K was carried forward for implementation in 2021.
  - **WB (Western Balkans)**: € 545K was carried forward from previous years and a new pre-financing amount of € 879K was cashed during the year. In 2020 an amount of € 1.4M was available of which € 704K was committed in 2020, € 376K was paid and the remaining € 1M was carried forward to 2021.
  - **HORIZON 2020**: An additional € 1.6M was established during the year. Commitments were limited to € 14.9K and the remaining 99% of the amount was carried over to 2021.

### 2.1.5. Implementation of appropriations carried forward from 2019 to 2020 (fund source C8)

The carry forward to 2020 (Table 5) came to a total of € 17.7M to cover existing commitments established during 2019. The final implementation rate of the carry forward was 86.1% which was 4.7% lower than in 2019. The cancelled carry forward commitments amounted to 13.9%. A total of € 2.5M was not used and was therefore

incorporated in the final budget result. The unused funds were mainly related to the following:

- € 84K for Title 1, which is 13.4% of the amount carried forward under this Title (€ 627K); the unused funds were for staff expenditure (e.g. training, recruitment, catering, and external services (e.g. removal services)).
- € 246K for Title 2, for building related expenditure, administrative telecommunication costs and statutory expenditure. This represented 4.3% of the total amount carried forward under this Title (€ 5.7M).
- € 2.1M for Title 3, which is 18.8% of the amount carried forward under Title 3 (€ 11.4M). This was mainly coming from EMPACT grants (€ 787K), meetings (€ 607K), missions and deployments (€ 423K) and ICT expenditure (€ 311K).

### **2.1.6. Appropriations carried over from 2020 to 2021**

With regard to the carry-over of appropriations from 2020 to 2021 (Table 6), there is a distinction between the funds corresponding to the carry-over of payment appropriations related to the current budget, carry-over of appropriations corresponding to internal assigned revenue and carry-over of appropriations corresponding to external assigned revenue. All appropriations were carried over in accordance with Article 12 of the Europol Financial Regulation.

#### **Appropriations corresponding to the budget 2021 (fund source C1 to C8)**

An amount of € 21.4M of payment appropriations covering existing commitments was carried forward from fund source C1 to C8. This represented 14.3% of the overall budget (€ 149.1M). Out of the € 21.4M carried forward:

- € 1.6M concerned Title 1 (Staff), which was 1.9% of the total Title 1 budget (€ 85.9M).
- € 3.9M concerned Title 2 (Administrative Expenditure), which was 36.6% of the total Title 2 budget (€ 10.8M).
- € 15.8M concerned Title 3 (Operational Expenditure), which was 30.3% of the total Title 3 budget (€ 52.4M).

#### **Appropriations arising from internal assigned revenue (fund source C5 to C8)**

Appropriations arising from internal assigned revenue carried over to fund source C8 amounted, at the end of the year, to € 110K mainly for EMPACT grants (€ 109K) and the rest for meetings. These funds will be further implemented in 2021.

#### **Appropriations corresponding to internal assigned revenue (fund sources C4 to C5 and C4 to C8)**

For internal assigned revenue, an amount of € 1.3M under fund source C4 was carried over to 2020 to fund source C5 as available budget for implementation in 2021. In

addition, the outstanding payment appropriations of fund source C4 to cover existing commitments of € 1.5K was carried forward to C8 for further implementation in 2021.

**Appropriations corresponding to external assigned revenue (fund source R0 to R0)**

For external assigned revenue (amounting to € 9.5M), € 7M of commitment appropriations (available budget) and € 2.5M of payment appropriations (open commitments) were carried over to 2021. The appropriations were related to:

- € 2.7M - Europol Pension Fund;
- € 2.5M - contribution agreement for EMPACT EaP;
- € 1.6M - grant agreements under Horizon 2020;
- € 1.1M - grant agreement for WB;
- € 865K - SLA with CEPOL;
- € 313K - SLA for EUIPO IP Crime;
- € 353K - grant agreement for SIRIUS;
- € 107K - SLA for EUIPO Fraud.

**2.1.7. Budget transfers 2020**

Throughout the year, a total number of 37 transfers (12 more than in 2019) were made for a total amount of almost € 13.8M (or 9.2% of the budget) (Table 7). In total, an amount of € 5M was saved and thus deducted from the final subsidy call-up from the EC, via an amending budget.

In Title 1 (Staff), due to savings generated from the delays in recruiting vacancies for Temporary and Contract Agents caused by the COVID-19 pandemic, it was possible to transfer a total of € 5.2M of which € 1.7M was used for the refund back to the EC.

In Title 2 (Other Administrative Expenditure), the savings generated by the delays in implementation of activities due to the COVID-19 pandemic were almost fully re-purposed towards the set-up of the new office environment for safe working. An amount of € 100K in this area was not possible to be re-purposed and therefore transferred back to the EC.

In Title 3 (Operational activities) the additional costs (€ 3.5M) incurred due to the need of mobile offices and other equipment to ensure teleworking capabilities (additional internet capacity for videoconferencing activities, additional ICT hardware and software etc.) was almost fully offset by the substantial underspending in meetings and missions (€ 2.3M), due to the travel restrictions imposed by the COVID-19 pandemic. Total savings of € 3.2M in the meetings and missions areas, EPCC event and Decryption Platform (go-live was also delayed to 2021 because of COVID-19) were in the € 5M amending budget reduction deducted from the final subsidy call-up from the EC as mentioned above.

All transfers were approved by the Executive Director in accordance with Article 26(1) of the Financial Regulation applicable to Europol.

### **2.1.8. Budget result 2020**

The overall budget result (surplus) for the financial year 2020 came to € 3.3M. This includes the following (Table 8):

- An amount of € 836.6K of the 2020 budget was not committed and lapsed.
- An amount of € 2.5M of appropriations carried forward from 2019 to 2020 was not used.
- An amount of € 41.7K of internal assigned revenue (C5) carried forward from 2019 to 2020 was not used and lapsed.

The exchange rate difference in 2020 was a loss of €424.

## 2.2. Tables of the budget implementation 2020

Table 1: Revenue 2020

Item	Fund source	Heading	Published budget		Established Revenue	Cashed Revenue	Outstanding amount
			Initially adopted	Amending budget			
<b>9000</b>	IC1	Regular subsidy from the Community	154,071,567	-5,000,000	149,071,567	149,071,567	-
<b>9200</b>	IC41	Other internal generated revenue carried over from previous year	-	-	382,518	382,518	-
<b>9200</b>	IC4	Other internal generated revenue established in the current year	-	-	1,312,253	869,598	442,655
<b>9010</b>	IR11	Other subsidies and grants carried over from previous year	-	-	-	-	-
<b>9010</b>	IR1	Other subsidies and grants established in the current year	-	6,581,950	7,369,353	7,369,353	-
<b>9101</b>	IR1	Contribution Denmark	-	2,965,556	2,965,556	2,965,556	-
<b>9200</b>	IR1	Other revenue established in the current year	-	-	1,526	1,526	-
		<b>Total revenue</b>	<b>154,071,567</b>	<b>4,547,506</b>	<b>161,102,772</b>	<b>160,660,117</b>	<b>442,655</b>

Table 2: Expenditure 2020

Fund source	Heading	CF from 2019	New established budget	Total budget 2020
<b>C1</b>	Budget 2020		149,071,567	149,071,567
<b>C4</b>	Internal assigned revenue established in the current year	-	1,252,115	1,252,115
<b>C5</b>	Internal assigned revenue carried over from previous year	1,079,236	-	1,079,236
<b>R0</b>	External assigned revenue	3,976,903	10,336,435	14,313,338
<b>C8</b>	Automatic carry forward from 2019	17,746,519	-	17,746,519
	<b>Total expenditure</b>	<b>22,802,657</b>	<b>160,660,117</b>	<b>183,462,774</b>

Europol Public Information

**Table 3: Budget implementation 2020 (fund source C1)**

Chapter	Description	Final Budget (1)	Committed (2)	Rate Committ ed =(2)/(1)	CA Not Used =(1)- (2)	Paid (3)	Rate Paid =(3)/(1)	PA Carried Over to 2021 =(2)-(3)	Rate Carried Over = (2)- (3)/(1)
<b>A-11</b>	Staff in active employment	79,079,994	79,028,116	100%	51,878	79,025,142	100%	2,974	0.0%
<b>A-13</b>	Sociomedical infrastructure	994,373	989,179	99%	5,194	600,923	60%	388,256	39.0%
<b>A-14</b>	Training	114,000	109,526	96%	4,474	43,212	38%	66,314	58.2%
<b>A-15</b>	Other staff-related expenditure	5,693,500	5,640,408	99%	53,092	4,514,644	79%	1,125,764	19.8%
<b>A-16</b>	Entertainment and representation expenses	64,000	51,807	81%	12,193	28,646	45%	23,161	36.2%
	<b>Total Title 1</b>	<b>85,945,867</b>	<b>85,819,036</b>	<b>100%</b>	<b>126,831</b>	<b>84,212,567</b>	<b>98%</b>	<b>1,606,470</b>	<b>2%</b>
<b>A-20</b>	Rental of buildings and associated costs	6,891,700	6,820,915	99%	70,785	3,768,834	55%	3,052,080	44%
<b>A-21</b>	Administrative information technology	1,640,000	1,619,981	99%	20,019	1,182,062	72%	437,919	27%
<b>A-22</b>	Movable property and associated costs	899,300	865,120	96%	34,180	748,585	83%	116,535	13%
<b>A-23</b>	Current administrative expenditure	384,400	327,998	85%	56,402	238,036	62%	89,963	23%
<b>A-24</b>	Postal charges and telecommunications	836,725	836,400	100%	325	595,465	71%	240,935	29%
<b>A-25</b>	Statutory expenditure	113,000	93,470	83%	19,530	90,741	80%	2,730	2%
	<b>Total Title 2</b>	<b>10,765,125</b>	<b>10,563,884</b>	<b>98%</b>	<b>201,241</b>	<b>6,623,722</b>	<b>62%</b>	<b>3,940,162</b>	<b>37%</b>
<b>B3-0</b>	Operations	13,874,275	13,534,036	98%	340,239	10,728,819	77%	2,805,217	20%
<b>B3-1</b>	Operational information technology	33,517,900	33,510,102	100%	7,798	20,496,489	61%	13,013,613	39%
<b>B3-2</b>	Telecommunication costs for operational activities	903,800	903,706	100%	94	881,567	98%	22,139	2%
<b>B3-3</b>	Seconded National Experts (Operational)	4,000,000	3,839,749	96%	160,251	3,839,749	96%	-	-
<b>B3-4</b>	EPCC	-	-	-	-	-	-	-	-
<b>B3-5</b>	Heads of Europol National Units	19,000	18,873	99%	127	18,873	99%	-	-
<b>B3-8</b>	Decryption Platform	45,600	45,588	100%	12	45,588	100%	-	-
	<b>Total Title 3</b>	<b>52,360,575</b>	<b>51,852,054</b>	<b>99%</b>	<b>508,521</b>	<b>36,011,085</b>	<b>69%</b>	<b>15,840,969</b>	<b>30%</b>
	<b>Total</b>	<b>149,071,567</b>	<b>148,234,974</b>	<b>99%</b>	<b>836,593</b>	<b>126,847,373</b>	<b>85%</b>	<b>21,387,601</b>	<b>14%</b>

Table 4: Budget implementation of assigned revenue

## Fund source C4 - Internal assigned revenue

Item	Description	Revenue Cashed (1)	Committed (2)	Rate Committed = (2)/(1)	Paid (3)	Rate Paid = (3)/(1)	CA Carried Over to 2021 = (1)-(2)	PA Carried Over to 2021 = (2)-(3)
1100	Basic salaries	1,110	-	-	-	-	1,110	-
1150	Expenditure related to Recruitment	484	-	-	-	-	484	-
1152	Installation resettlement and transfer allowances	164	-	-	-	-	164	-
1520	Other external services	255	-	-	-	-	255	-
	<b>Total Title 1</b>	<b>2,013</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,013</b>	<b>-</b>
2050	Other building related expenditure	43,539	-	-	-	-	43,539	-
2100	Administrative purchase and maintenance of HW & SW	96,417	-	-	-	-	96,417	-
2210	Furniture and other acquisitions	1,159	-	-	-	-	1,159	-
2310	Bank charges	6,080	1,500	25%	26	-	4,580	1,474
	<b>Total Title 2</b>	<b>147,195</b>	<b>1,500</b>	<b>1%</b>	<b>26</b>	<b>-</b>	<b>145,695</b>	<b>1,474</b>
3000	Meetings	10,171	-	-	-	-	10,171	-
3003	Missions	3,232	-	-	-	-	3,232	-
3006	Operational equipment	34,562	-	-	-	-	34,562	-
3020	EMPACT grants	844,422	-	-	-	-	844,422	-
3030	Other Grants	37,110	-	-	-	-	37,110	-
3100	Operational purchase and maintenance of HW and SW	170,359	-	-	-	-	170,359	-
3200	Operational telecommunications costs	552	-	-	-	-	552	-
3400	EPCC	2,500	-	-	-	-	2,500	-
	<b>Total Title 3</b>	<b>1,102,907</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,102,907</b>	<b>-</b>
	<b>Total</b>	<b>1,252,115</b>	<b>1,500</b>	<b>-</b>	<b>26</b>	<b>-</b>	<b>1,250,615</b>	<b>1,474</b>

Europol Public Information

**Fund source C5 – Internal assigned revenue carried forward from 2019**

Item	Description	Carried Over (1)	Committed (2)	Rate Committed =(2)/(1)	Paid (3)	Rate Paid =(3)/(1)	CA Carried Over to 2021 =(1)-(2)	PA Carried Over to 2021 =(2)-(3)
<b>1100</b>	Basic salaries	1,197	1,197	100%	1,197	100%	-	-
<b>1520</b>	Other external services	12,256	12,256	100%	12,256	100%	-	-
	<b>Total Title 1</b>	<b>13,453</b>	<b>13,453</b>	<b>100%</b>	<b>13,453</b>	<b>100%</b>	<b>-</b>	<b>-</b>
<b>2050</b>	Other building related expenditure	7,749	7,749	100%	7,749	100%	-	-
<b>2100</b>	Administrative purchase and maintenance of HW & SW	89,700	89,700	100%	89,700	100%	-	-
<b>2210</b>	Furniture and other acquisitions	225	225	100%	225	100%	-	-
<b>2500</b>	Management Board Meetings	36,027	1,468	4%	1,180	3%	34,559	288
	<b>Total Title 2</b>	<b>133,701</b>	<b>99,142</b>	<b>74%</b>	<b>98,853</b>	<b>74%</b>	<b>34,559</b>	<b>288</b>
<b>3000</b>	Meetings	23,458	23,458	100%	22,424	96%	-	1,034
<b>3003</b>	Missions	39,860	39,860	100%	39,860	100%	-	-
<b>3009</b>	Deployments	1,233	1,233	100%	1,233	100%	-	-
<b>3020</b>	EMPACT grants	623,592	620,907	100%	511,929	82%	2,684	108,979
<b>3030</b>	Other Grants	21,769	21,769	100%	21,769	100%	-	-
<b>3100</b>	Operational purchase and maintenance of HW and SW	173,049	173,049	100%	173,049	100%	-	-
<b>3200</b>	Operational telecommunications costs	44,621	44,621	100%	44,621	100%	-	-
<b>3400</b>	EPCC	4,500	-	-	-	-	4,500	-
	<b>Total Title 3</b>	<b>932,082</b>	<b>924,898</b>	<b>99%</b>	<b>814,885</b>	<b>87%</b>	<b>7,184</b>	<b>110,012</b>
	<b>Total</b>	<b>1,079,236</b>	<b>1,037,492</b>	<b>96%</b>	<b>927,191</b>	<b>86%</b>	<b>41,744</b>	<b>110,301</b>

Europol Public Information

**Fund source R0 – External assigned revenue and expenditure**

Item	Description	CF from 2019	Established budget in 2020 (1)	Committed (2)	Rate Committed = (2)/(1)	Paid (3)	Rate Paid = (3)/(1)	CA Carried Over to 2021 = (1)-(2)	PA Carried Over to 2021 = (2)-(3)
<b>1100</b>	Basic salaries	-	2,965,556	2,965,556	100%	2,965,556	100%	-	-
<b>1184</b>	Pensions under Europol convention	2,955,514	2,957,039	423,718	14%	306,066	10%	2,533,321	117,652
	<b>Total Title 1</b>	<b>2,955,514</b>	<b>5,922,595</b>	<b>3,389,274</b>	<b>57%</b>	<b>3,271,622</b>	<b>55%</b>	<b>2,533,321</b>	<b>117,652</b>
<b>3600</b>	Operational expenditure related to subsidies and grants - <b>EaP</b>	-	2,500,000	643,551	26%	14,844	1%	1,856,449	628,707
<b>3600</b>	Operational expenditure related to subsidies and grants - <b>CEPOL</b>	-	880,000	770,000	88%	14,806	2%	110,000	755,194
<b>3700</b>	Operational expenditure related to research and development projects - <b>EUIPO IP Crime</b>	103,299	1,053,299	1,030,672	98%	739,452	70%	22,627	291,220
<b>3700</b>	Operational expenditure related to research and development projects - <b>EUIPO Fraud</b>	80,000	160,000	132,179	83%	52,603	33%	27,821	79,577
<b>3700</b>	Operational expenditure related to research and development projects - <b>SIRIUS</b>	293,208	744,812	648,095	87%	392,086	53%	96,717	256,009
<b>3700</b>	Operational expenditure related to research and development projects - <b>WB</b>	544,883	1,423,670	704,106	49%	376,290	26%	719,564	327,816
<b>3700</b>	Operational expenditure related to research and development projects - <b>H2020</b>	-	1,628,962	14,900	1%	-	-	1,614,062	14,900
	<b>Total Title 3</b>	<b>1,021,389</b>	<b>8,390,742</b>	<b>3,943,503</b>	<b>47%</b>	<b>1,590,080</b>	<b>19%</b>	<b>4,447,240</b>	<b>2,353,422</b>
	<b>Total</b>	<b>3,976,903</b>	<b>14,313,338</b>	<b>7,332,777</b>	<b>51%</b>	<b>4,861,702</b>	<b>34%</b>	<b>6,980,561</b>	<b>2,471,074</b>

Europol Public Information

**Table 5: Implementation of appropriations carried forward from 2019 to 2020 (fund sources C3 and C8)**

Chapter	Description	Carried Forward (1)	Paid (2)	Rate Paid =(2)/(1)	PA Not Used =(1)-(2)	Rate PA Not Used =(1)- (2)/(1)
<b>A-11</b>	Staff in active employment	35,371	30,231	86%	5,140	15%
<b>A-13</b>	Sociomedical infrastructure	202,427	188,144	93%	14,283	7%
<b>A-14</b>	Training	61,169	46,802	77%	14,367	24%
<b>A-15</b>	Other staff-related expenditure	302,337	261,493	87%	40,844	14%
<b>A-16</b>	Entertainment and representation expenses	25,800	16,191	63%	9,609	37%
	<b>Total Title 1</b>	<b>627,105</b>	<b>542,862</b>	<b>86.6%</b>	<b>84,243</b>	<b>13%</b>
<b>A-20</b>	Rental of buildings and associated costs	4,693,851	4,577,996	98%	115,855	3%
<b>A-21</b>	Administrative information technology	255,807	203,494	80%	52,313	21%
<b>A-22</b>	Movable property and associated costs	286,014	278,178	97%	7,836	3%
<b>A-23</b>	Current administrative expenditure	82,749	60,699	73%	22,049	27%
<b>A-24</b>	Postal charges and telecommunications	222,985	183,112	82%	39,872	18%
<b>A-25</b>	Statutory expenditure	160,770	152,854	95%	7,916	5%
	<b>Total Title 2</b>	<b>5,702,176</b>	<b>5,456,335</b>	<b>96%</b>	<b>245,842</b>	<b>4%</b>
<b>B3-0</b>	Operations	3,781,923	1,976,906	52%	1,805,016	48%
<b>B3-1</b>	Operational information technology	7,311,749	7,002,489	96%	309,261	4%
<b>B3-2</b>	Telecommunication costs for operational activities	2,991	1,331	45%	1,659	56%
<b>B3-3</b>	Seconded National Experts (Operational)	-	-	-	-	-
<b>B3-4</b>	EPCC	183,029	160,565	88%	22,464	12%
<b>B3-5</b>	Heads of Europol National Units	16,612	13,540	82%	3,072	19%
<b>B3-8</b>	Decryption Platform	120,934	120,934	100%	-	-
	<b>Total Title 3</b>	<b>11,417,238</b>	<b>9,275,765</b>	<b>81%</b>	<b>2,141,472</b>	<b>19%</b>
	<b>Total</b>	<b>17,746,519</b>	<b>15,274,962</b>	<b>86%</b>	<b>2,471,557</b>	<b>14%</b>

**Table 6: Appropriations carried over from 2020 to 2021**

Description	Fund Source Sender	Fund Source Receiver	Carry Over of Commitment Appropriations	Carry Over of Payment Appropriations	Total
Payment Appropriations Current Budget	<b>C1</b>	<b>C8</b>	-	21,387,601	21,387,601
Payment Appropriations arising from internal assigned revenue	<b>C5</b>	<b>C8</b>	-	110,301	110,301
Commitment Appropriations arising from internal assigned revenue	<b>C4</b>	<b>C5</b>	1,250,615	-	1,250,615
Payment Appropriations arising from internal assigned revenue	<b>C4</b>	<b>C8</b>	-	1,474	1,474
Payment Appropriations arising from external assigned revenue	<b>R0</b>	<b>R0</b>	6,980,561	2,471,074	9,451,635
			<b>8,231,177</b>	<b>23,970,450</b>	<b>32,201,626</b>

Table 7: List of Transfers 2020

Chapter	Description	Initial Budget	Amending Budget	Transfers	Final Budget	Actually Committed
<b>A-11</b>	Staff in active employment	84,170,567	-1,185,000	-3,905,573	79,079,994	79,028,116
<b>A-13</b>	Sociomedical infrastructure	1,084,000	-285,000	195,373	994,373	989,179
<b>A-14</b>	Training	150,000	-	-36,000	114,000	109,526
<b>A-15</b>	Other staff-related expenditure	5,649,000	-235,000	279,500	5,693,500	5,640,408
<b>A-16</b>	Entertainment and representation expenses	106,000	-	-42,000	64,000	51,807
	<b>Total Title 1</b>	<b>91,159,567</b>	<b>-1,705,000</b>	<b>-3,508,700</b>	<b>85,945,867</b>	<b>85,819,036</b>
<b>A-20</b>	Rental of buildings and associated costs	6,517,500	-	374,200	6,891,700	6,820,915
<b>A-21</b>	Administrative information technology	1,570,000	-	70,000	1,640,000	1,619,981
<b>A-22</b>	Movable property and associated costs	889,000	-	10,300	899,300	865,120
<b>A-23</b>	Current administrative expenditure	374,000	-	10,400	384,400	327,998
<b>A-24</b>	Postal charges and telecommunications	881,000	-	-44,275	836,725	836,400
<b>A-25</b>	Statutory expenditure	656,000	-100,000	-443,000	113,000	93,470
	<b>Total Title 2</b>	<b>10,887,500</b>	<b>-100,000</b>	<b>-22,375</b>	<b>10,765,125</b>	<b>10,563,884</b>
<b>B3-0</b>	Operations	17,613,500	-2,300,000	-1,439,225	13,874,275	13,534,036
<b>B3-1</b>	Operational information technology	28,141,000	-	5,376,900	33,517,900	33,510,102
<b>B3-2</b>	Telecommunication costs for operational activities	1,050,000	-	-146,200	903,800	903,706
<b>B3-3</b>	Seconded National Experts (Operational)	4,100,000	-	-100,000	4,000,000	3,839,749
<b>B3-4</b>	EPCC	300,000	-300,000	-	-	-
<b>B3-5</b>	Heads of Europol National Units	120,000	-	-101,000	19,000	18,873
<b>B3-8</b>	Decryption Platform	700,000	-595,000	-59,400	45,600	45,588
	<b>Total Title 3</b>	<b>52,024,500</b>	<b>-3,195,000</b>	<b>3,531,075</b>	<b>52,360,575</b>	<b>51,852,054</b>
	<b>Total</b>	<b>154,071,567</b>	<b>-5,000,000</b>	<b>-</b>	<b>149,071,567</b>	<b>148,234,974</b>

**Table 8: Budget result 2020**

Description	2020	2019
<b>REVENUE</b>		
Union contribution, cashed	149,071,567	138,305,458
Other revenue, cashed	11,588,550	4,788,604
<b>TOTAL REVENUE (a)</b>	<b>160,660,117</b>	<b>143,094,062</b>
<b>EXPENDITURE</b>		
<b>Budget Title 1: Staff</b>		
Payments current year	87,497,641	84,299,365
Appropriations carried over to next year	4,259,456	3,596,071
<b>Budget Title 2: Administrative</b>		
Payments current year	6,722,601	7,077,975
Appropriations carried over to next year	4,087,619	5,835,877
<b>Budget Title 3: Operational</b>		
Payments current year	38,416,050	37,214,565
Appropriations carried over to next year	23,854,551	13,370,709
<b>TOTAL EXPENDITURE (b)</b>	<b>164,837,919</b>	<b>151,394,562</b>
<b>RESULT FOR THE FINANCIAL YEAR BEFORE SPECIAL ITEMS (a-b)</b>	<b>-4,177,802</b>	<b>-8,300,500</b>
Cancellation of unused payment appropriations carried over from the previous year	2,471,557	1,557,227
Adjustment for carry-over from the previous year – assigned revenue	5,056,138	9,108,957
Exchange rate differences	-424	-2,137
<b>BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR</b>	<b>3,349,469</b>	<b>2,363,548</b>