NATO / OTAN
NORTH ATLANTIC COUNCIL
CONSEIL DE L'ATLANTIQUE NORD

1er février 2016

DOCUMENT
C-M(2016)0006-AS1

RAPPORT DU COLLÈGE INTERNATIONAL DES COMMISSAIRES AUX COMPTES DE L'OTAN SUR LA VÉRIFICATION DES ÉTATS FINANCIERS CONSOLIDÉS DU COMMANDEMENT ALLIÉ TRANSFORMATION (ACT) POUR L'EXERCICE 2014

SUITE DONNÉE

Le 29 janvier 2016, au terme d'une procédure d'accord tacite, le Conseil a pris note du rapport du Collège international des commissaires aux comptes de l'OTAN diffusé sous la cote IBA-AR(2015)15 et figurant en annexe au C-M(2016)0006, et il a approuvé la recommandation du Bureau de la planification et de la politique générale des ressources visant la communication au public.

(signé) Alexander Vershbow
Secrétaire général délégué

NOTE : La présente note fait partie du C-M(2016)0006 et doit être placée en tête de ce document.

21 janvier 2016

DOCUMENT
C-M(2016)0006
Procédure d'accord tacite :
29 jan 2016 16:00

RAPPORT DU COLLÈGE INTERNATIONAL DES COMMISSAIRES AUX COMPTES DE L'OTAN SUR LA VÉRIFICATION DES ÉTATS FINANCIERS CONSOLIDÉS DU COMMANDEMENT ALLIÉ TRANSFORMATION (ACT) POUR L'EXERCICE 2014

Note du secrétaire général délégué

1. On trouvera ci-joint le rapport du Collège international des commissaires aux comptes de l'OTAN (IBAN) sur la vérification des états financiers consolidés du Commandement allié Transformation (ACT) pour l'exercice clos le 31 décembre 2014. Ce rapport contient une opinion sans réserve.

2. Le rapport de l'IBAN a été examiné par le Bureau de la planification et de la politique générale des ressources (RPPB). Conformément au PO(2015)0052, celui-ci a recommandé au Conseil, dans une note qu'il a approuvée le 10 décembre 2015, d'autoriser la communication au public du rapport de l'IBAN ainsi que des états financiers correspondants (annexe).

3. J'estime que ce rapport ne nécessite pas d'examen plus approfondi. Par conséquent, **sauf avis contraire me parvenant d'ici au vendredi 29 janvier 2016 à 16 heures**, je considérerai que le Conseil aura pris note du rapport de l'IBAN diffusé sous la cote IBA-AR(2015)15 et qu'il aura approuvé la recommandation du RPPB visant la communication au public des documents précités.

(signé) Alexander Vershbow

4 annexes

Original : anglais

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ANNEXE 1
C-M(2016)0006

RAPPORT DU COLLÈGE INTERNATIONAL DES COMMISSAIRES AUX COMPTES DE L'OTAN SUR LA VÉRIFICATION DES ÉTATS FINANCIERS CONSOLIDÉS DU COMMANDEMENT ALLIÉ TRANSFORMATION (ACT) POUR L'EXERCICE 2014

Note du Bureau de la planification et de la politique générale des ressources sur la communication au public

Références : (A) IBA-A(2015)120 // IBA-AR(2015)15
(B) NOR(DIR)(2015)0180

1. En vertu du PO(2015)0052, les rapports non classifiés du Collège international des commissaires aux comptes de l'OTAN (IBAN), assortis le cas échéant des états financiers correspondants, sont en principe rendus publics après leur examen par le Conseil.

2. L'IBAN a émis une opinion sans réserve sur les états financiers consolidés du Commandement allié Transformation (ACT) pour l'exercice 2014. Son rapport (référence (A)) sera transmis au Conseil afin qu'il en prenne note, ainsi que le prévoient les procédures agréées.

3. L'ACT a été invité à se prononcer sur la communication au public de ses états financiers consolidés pour 2014 et il n'a pas émis d'avis contraire (référence (B)).

4. Le Bureau de la planification et de la politique générale des ressources estime quant à lui que le rapport de l'IBAN ne contient pas d'informations qui, en vertu de la politique relative à la mise en lecture publique de l'information OTAN, ne peuvent être rendues publiques et, conformément à la politique agréée dans le PO(2015)0052, il recommande par conséquent que le Conseil approuve la communication au public de ce rapport et des états financiers correspondants.

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Note succincte du Collège international des commissaires aux comptes de l'OTAN à l'intention du Conseil sur la vérification des états financiers consolidés du Commandement allié Transformation (ACT) pour l'exercice clos le 31 décembre 2014

Le Collège international des commissaires aux comptes de l'OTAN a procédé à la vérification des états financiers du Commandement allié Transformation (ACT), qui se compose de quatre entités principales : le quartier général (QG de l'ACT), le Centre de guerre interarmées (JWC), le Centre d'entraînement de forces interarmées (JFTC) et le Centre interarmées d'analyse et de retour d'expérience (JALLC). L'ACT assume, devant le Comité militaire de l'OTAN, la responsabilité des recommandations générales relatives à la transformation de l'Organisation. D'une part, il étudie des concepts, s'attache à promouvoir l'élaboration de la doctrine et mène des recherches expérimentales, et, d'autre part, il soutient le Commandement allié Opérations (ACO) pour l'organisation et la conduite d'exercices visant à entraîner les forces des pays de l'Alliance et celles des pays partenaires aux opérations multinationales et/ou interarmées.

En 2014, les dépenses de l'ACT se sont établies à environ 133 millions d'euros (MEUR).

Le Collège a émis une opinion sans réserve sur les états financiers consolidés de l'ACT ainsi que sur la conformité pour l'exercice clos le 31 décembre 2014.

À l'issue de l'audit, le Collège a également formulé six observations et recommandations. Ses constatations sont récapitulées dans la lettre d'observations et de recommandations (annexe 3).

Les principales constatations sont les suivantes :

- Accord sur les niveaux de service à conclure avec l'État-major central interarmées de guerre électronique (JEWCS)
- Absence de parallélisme entre les versements en faveur du Centre pour la recherche et l'expérimentation maritimes et les prestations fournies par ce dernier
- Failles en matière de contrôle interne dans les procédures de comptabilisation et de compte rendu financier
- Absence de rapport d'audit interne
- Comptabilité des biens à améliorer au QG de l'ACT
- Non-conformité avec les nouvelles règles relatives à l'indemnité de représentation

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COLLÈGE INTERNATIONAL DES COMMISSAIRES AUX COMPTES DE L'OTAN

OPINION SUR LA VÉRIFICATION DES ÉTATS FINANCIERS CONSOLIDÉS DU COMMANDEMENT ALLIÉ TRANSFORMATION

(ACT)

POUR L'EXERCICE CLOS LE 31 DÉCEMBRE 2014

OPINION DU COLLÈGE INTERNATIONAL DES COMMISSAIRES AUX COMPTES DE L'OTAN À L'INTENTION DU CONSEIL DE L'ATLANTIQUE NORD

Rapport sur les états financiers

Le Collège international des commissaires aux comptes de l'OTAN a procédé à la vérification des états financiers consolidés du Commandement allié Transformation (ACT), composés de l'état de la situation financière au 31 décembre 2014 et de l'état de la performance financière, de l'état de l'actif net/situation nette et du tableau des flux de trésorerie pour l'exercice clos à cette date, ainsi que de diverses notes jointes aux états financiers, et notamment une déclaration sur les méthodes comptables. Le Collège a également vérifié les états de l'exécution du budget pour l'exercice clos le 31 décembre 2014.

Responsabilité de la direction

La direction est chargée d'établir les états financiers conformément au cadre comptable OTAN et aux dispositions du Règlement financier de l'OTAN tels qu'ils ont été fixés par le Conseil de l'Atlantique Nord, et de veiller à ce qu'ils donnent une image fidèle de la situation de l'entité. Elle est ainsi responsable de la conception, de l'application et de la tenue d'un système de contrôle interne de nature à permettre l'établissement et la présentation d'états financiers qui soient exempts d'inexactitudes significatives, que celles-ci relèvent d'une fraude ou d'une erreur.

Responsabilité du Collège

Il incombe au Collège de formuler sur ces états financiers une opinion qui soit fondée sur son travail de vérification, lequel aura été effectué conformément aux dispositions de sa charte et aux normes internationales d'audit. Ces normes exigent que le Collège respecte certains principes déontologiques, et qu'il planifie et effectue sa vérification de manière à parvenir à une assurance raisonnable sur le point de savoir si les états financiers sont exempts d'inexactitudes significatives.

Un audit consiste à appliquer des procédures permettant d'obtenir des éléments probants relatifs aux montants et aux informations figurant dans les états financiers. Les procédures retenues à cette fin sont laissées à l'appréciation de l'auditeur, qui évalue notamment les risques d'inexactitudes significatives dans les états financiers, que celles-ci relèvent d'une fraude ou d'une erreur. Pour l'évaluation de ces risques, le système de contrôle interne sur lequel s'appuient l'établissement et la présentation des états financiers de l'entité concernée est pris en considération, le but étant d'élaborer des procédures d'audit qui soient adaptées à la situation considérée et non pas d'exprimer une opinion sur l'efficacité du système de contrôle interne. Il s'agit aussi de déterminer si les méthodes comptables appliquées sont appropriées et si les estimations comptables faites par la direction sont raisonnables, ainsi que d'évaluer la présentation générale des états financiers.

Le Collège estime qu'il a obtenu par son audit les éléments probants nécessaires et suffisants pour lui permettre de formuler une opinion.

Opinion sur les états financiers

L'opinion du Collège est qu'à tous égards significatifs, les états financiers donnent une image fidèle, conforme au cadre comptable OTAN, de la situation financière de l'ACT au 31 décembre 2014, ainsi que de sa performance financière et de ses flux de trésorerie pour l'exercice clos à cette date.

Rapport sur la conformité

Responsabilité de la direction

En plus d'être responsable, comme il est dit plus haut, de l'établissement et de la présentation des états financiers, la direction est chargée de veiller à ce que les opérations financières et les informations présentées dans les états financiers soient conformes aux dispositions du Règlement financier de l'OTAN et du Règlement du personnel civil de l'OTAN telles qu'elles ont été fixées par le Conseil de l'Atlantique Nord.

Responsabilité du Collège

En plus d'être responsable, comme il est dit plus haut, de la formulation d'une opinion sur les états financiers, le Collège est chargé de se prononcer sur le point de savoir si les opérations financières et les informations présentées dans les états financiers sont, à tous égards significatifs, conformes au Règlement financier de l'OTAN et au Règlement du personnel civil de l'OTAN. Il lui incombe notamment d'appliquer des procédures lui permettant d'obtenir une assurance raisonnable sur le point de savoir si les fonds ont été utilisés pour le règlement de dépenses autorisées et si les opérations correspondantes ont été exécutées conformément à la réglementation en vigueur dans le domaine financier et en matière de personnel. De telles procédures prévoient notamment l'évaluation des risques de non-conformité significative.

Le Collège estime qu'il a obtenu par son audit les éléments probants nécessaires et suffisants pour lui permettre de formuler une opinion.

Opinion sur la conformité

Le Collège estime que les opérations financières et les informations présentées dans les états financiers consolidés sont, à tous égards significatifs, conformes au Règlement financier de l'OTAN et au Règlement du personnel civil de l'OTAN.

Bruxelles, le 24 juillet 2015

Charilaos Charisis
Président

24 juillet 2015

COLLÈGE INTERNATIONAL DES COMMISSAIRES AUX COMPTES DE L'OTAN

LETTRE D'OBSERVATIONS ET DE RECOMMANDATIONS CONCERNANT LE COMMANDEMENT ALLIÉ TRANSFORMATION

(ACT)

POUR L'EXERCICE CLOS LE 31 DÉCEMBRE 2014

Introduction

Le Collège international des commissaires aux comptes de l'OTAN a procédé à la vérification des états financiers consolidés de l'ACT pour l'exercice clos le 31 décembre 2014, et il a émis une opinion sans réserve à leur sujet ainsi que sur la conformité.

Observations et recommandations

À l'issue de l'audit, le Collège a formulé six observations et recommandations, lesquelles n'ont pas d'incidence sur l'opinion qu'il a émise. Elles peuvent être récapitulées comme suit :

- Accord sur les niveaux de service à conclure avec l'État-major central interarmées de guerre électronique (JEWCS)
- Absence de parallélisme entre les versements en faveur du Centre pour la recherche et l'expérimentation maritimes et les prestations fournies par ce dernier
- Failles en matière de contrôle interne dans les procédures de comptabilisation et de compte rendu financier
- Absence de rapport d'audit interne
- Comptabilité des biens à améliorer au QG de l'ACT
- Non-conformité avec les nouvelles règles relatives à l'indemnité de représentation

Le Collège a également fait le point sur la suite donnée aux questions ayant fait l'objet d'observations lors d'audits précédents et il a constaté que deux d'entre elles avaient été réglées, qu'une avait été partiellement réglée, que trois avaient été rendues caduques par des observations formulées à l'issue de la vérification des états financiers de 2014 et que quatre attendaient encore une suite.

Par ailleurs, il a adressé au commandant suprême allié Transformation une lettre (IBA-AML(2015)06) contenant des observations à l'intention de la direction.

OBSERVATIONS ET RECOMMANDATIONS

1. ACCORD SUR LES NIVEAUX DE SERVICE À CONCLURE AVEC L'ÉTAT-MAJOR CENTRAL INTERARMÉES DE GUERRE ÉLECTRONIQUE (JEWCS)

Contexte

1.1 Le 27 août 2013, l'État-major central interarmées de guerre électronique (JEWCS), l'ACO, l'ACT et neuf pays ont conclu un mémorandum d'entente concernant l'organisation, l'administration, la sécurité, le financement et l'effectif du JEWCS en soutien de l'OTAN. Le JEWCS est une entité régie par un mémorandum d'entente qui s'appuie sur un mécanisme de financement hybride, faisant appel à des fonds nationaux, multinationaux et communs. Sa mission est de fournir aux commandements et aux pays membres de l'OTAN expertise, soutien et formation aux niveaux tactique, opératif et stratégique en matière de guerre électronique.

1.2 Le mémorandum d'entente dispose ce qui suit : « [...] tous les services assurés par le JEWCS au profit de CLIENTS le seront à titre remboursable, le pays ou le commandement bénéficiaire devant payer jusqu'au coût total des prestations. Sans que cette liste soit exhaustive, cette disposition porte sur les éléments suivants : déplacements, moyen de transport, dépenses de personnel ainsi qu'une partie des dépenses annuelles de maintenance et de fonctionnement liées tant au matériel utilisé qu'au commandement du JEWCS. Le coût total à charge du CLIENT bénéficiaire sera communiqué au pays ou au commandement concerné, préalablement à la prestation du service, et facturé une fois la prestation exécutée. »

Constatation

1.3 En 2014, l'ACT a versé 520 kEUR au JEWCS en tant que « contribution » aux prestations de 2014 dans le domaine de la guerre électronique. Ce montant était fondé sur un courrier électronique du directeur du JEWCS, dans lequel celui-ci estimait que les prestations à fournir à l'OTAN (ACO, ACT et EMI) en 2014 représenteraient la moitié environ du budget du Centre, s'élevant à 1,3 MEUR. Sur la base d'une estimation de la répartition des prestations entre les entités OTAN, le JEWCS a estimé que l'ACT devrait prendre en charge 40 % du budget, soit 520 kEUR, pour les prestations de 2014.

1.4 Ce procédé n'est pas tout à fait conforme au mémorandum d'entente, qui prévoit que la prestation de services contre remboursement.

1.5 L'ACT a indiqué au Collège qu'en 2014, le JEWCS n'était pas en mesure de fixer le prix de ses prestations et d'en assurer correctement l'imputation. En conséquence, il n'a pas été possible d'instaurer une véritable relation client-fournisseur, et l'ACT n'est pas encore à même d'identifier les prestations requises ni de vérifier qu'elles ont été fournies au prix correct. L'ACT travaille avec le JEWCS à l'élaboration d'un accord sur les niveaux de service, qui contiendra un catalogue des prestations et des prix.

Recommandation n°1

1.6 Le Collège recommande à l'ACT de définir et d'énoncer clairement les prestations requises du JEWCS, en concertation avec l'ACO et l'EMI, et, sur cette base, de poursuivre les travaux visant l'élaboration et la conclusion d'un accord sur les niveaux de service avec le JEWCS.

Commentaires officiels de la direction

Nous souscrivons à cette recommandation. Le JEWCS a été autorisé à récupérer auprès de ses clients 50 % de ses frais de fonctionnement et de maintenance. Pour 2015, l'accord sur les niveaux de service entre l'ACT et le JEWCS énumère les exercices que doit effectuer le JEWCS et la panoplie de moyens dont il doit disposer. L'ACT se fondera sur cet accord pour établir un bon de commande, sur la base duquel le JEWCS facturera les frais qui devront lui être remboursés. L'ACT se tient en relation avec le JEWCS et le Commandement aérien allié (AIRCOM) pour déterminer les besoins en vue de l'accord sur les niveaux de service de 2016.

2. ABSENCE DE PARALLÉLISME ENTRE LES VERSEMENTS EN FAVEUR DU CENTRE POUR LA RECHERCHE ET L'EXPÉRIMENTATION MARITIMES ET LES PRESTATIONS FOURNIES PAR CE DERNIER

Contexte

2.1 L'ACT est censé rétribuer les fournisseurs et les prestataires au fur et à mesure de la fourniture des biens et de la prestation des services. L'avance de fonds doit être limitée autant que possible.

Observation

2.2 Le Collège a examiné le budget consacré au programme de travail maritime de l'ACT pour 2014, dont l'exécution est assurée par le Centre pour la recherche et l'expérimentation maritimes (CMRE) ; ce budget s'établissait à 26,7 MEUR. Il a ainsi constaté qu'à la fin juin 2014, 80 % des fonds prévus pour l'exercice avaient déjà été versés au CMRE. Le solde de trésorerie du Centre, culminant à 18,4 MEUR en juillet 2014, s'en est trouvé sensiblement amélioré.

Recommandation n°2

2.3 Le Collège recommande que, pour 2016, l'ACT envisage d'échelonner les versements en faveur du CMRE de manière à suivre plus précisément le rythme des prestations.

Commentaires officiels de la direction

Nous souscrivons à cette recommandation. Les services financiers de l'ACT veilleront, en coordination avec les directeurs de programme et l'Organisation pour la science et la technologie (STO), à ce que les versements soient échelonnés de manière à suivre le rythme des prestations.

3. FAILLES EN MATIÈRE DE CONTRÔLE INTERNE DANS LES PROCÉDURES DE COMPTABILISATION ET DE COMPTE RENDU FINANCIER

Contexte

3.1 Les états financiers présentés pour vérification doivent être exempts de toute inexactitude, de toute erreur de chiffres, de toute incohérence et de toute autre erreur ou omission découlant d'un contrôle insuffisant au moment de leur établissement. Chaque entité doit disposer d'un système approprié de contrôle interne, et notamment d'une procédure d'examen, lui permettant de s'assurer de la cohérence et de l'exactitude des informations présentées dans ses états financiers avant leur publication.

Observation

3.2 L'ACT a présenté au Collège ses états financiers de 2014 un mois avant la date limite du 30 avril. Il s'agissait pour lui de se préparer au fait qu'à compter de l'exercice 2015, les états financiers devront être présentés plus tôt (pour le 31 mars). Le Collège salue cette démarche de l'ACT, qui a permis de corriger des erreurs constatées au cours de l'audit avant la publication finale des états financiers, le 30 avril 2015. Il a également constaté que l'ACT avait apporté un certain nombre d'améliorations en termes de présentation et d'informations à fournir, conformément à ce qui lui avait été recommandé.

3.3 Malgré cela, les états financiers présentés pour vérification contenaient un grand nombre d'erreurs. Bien que, globalement, l'incidence financière de ces erreurs ne soit pas significative, il n'en demeure pas moins que les procédures de contrôle interne de l'ACT n'ont pas permis de les prévenir ni de les déceler.

Recommandation n°3

3.4 Comme l'année précédente, le Collège recommande à l'ACT d'améliorer sa procédure de vérification des données chiffrées et autres présentées dans ses états financiers, et notamment de désigner une personne étrangère au processus d'établissement des états financiers qui puisse passer en revue ces derniers.

Commentaires officiels de la direction

Nous souscrivons à cette recommandation. Les services financiers de l'ACT continueront d'améliorer la procédure de vérification des données chiffrées et autres contenues dans les états financiers avant la présentation de ces derniers pour vérification.

4. ABSENCE DE RAPPORT D'AUDIT INTERNE

Contexte

4.1 Pour des raisons d'efficacité et de transparence, il convient que les auditeurs internes rédigent un rapport sur chacun des audits internes réalisés, y compris les travaux effectués ponctuellement qui ne figuraient pas dans le programme d'audit en début d'exercice, et ce même lorsque les résultats des audits sont satisfaisants. Par ailleurs, toutes les activités réalisées en cours d'exercice devraient être récapitulées dans un rapport annuel les comparant aux activités prévues en début d'exercice.

Constatation

4.2 Au début de 2014, l'auditeur interne de l'ACT a rédigé un programme de travail (Summary Audit Planning Memorandum) énonçant les activités à réaliser en cours d'année. Selon lui, ce programme a été exécuté dans son intégralité. Or le Collège a constaté que les résultats de la plupart de ces activités n'avaient pas fait l'objet d'un rapport. L'auditeur interne a invoqué l'absence d'observations significatives pour justifier cette situation.

Recommandation n°4

4.3 Le Collège recommande qu'à compter du 1er janvier 2015, tous les résultats de tous les audits fassent l'objet d'un rapport écrit et qu'à la fin de chaque année civile, un rapport soit établi pour présentation au chef d'état-major.

Commentaires officiels de la direction

Nous souscrivons à cette recommandation. À compter de l'exercice 2015 et pour tous les exercices suivants, chaque audit fera l'objet d'un rapport. Par ailleurs, le chef d'état-major de l'ACT a ordonné qu'un rapport d'activité couvrant l'exercice 2015 lui soit présenté, pour examen et commentaire, en janvier 2016 au plus tard. Un rapport de ce type devra dorénavant être rédigé à l'issue de chaque exercice.

5. COMPTABILITÉ DES BIENS À AMÉLIORER AU QG DE L'ACT

Contexte

5.1 Aux termes des articles 18 et 26 des règles et procédures financières applicables aux quartiers généraux et organismes militaires, l'agent comptable des biens est chargé de tenir la comptabilité des biens internationaux, laquelle doit comporter des inventaires des biens non consommables et contrôlables. Par ailleurs, la Directive 60-1 de l'ACT établit des procédures détaillées en matière de comptabilisation des biens. La tenue d'une telle comptabilité est nécessaire indépendamment de la question de savoir si les biens sont inscrits à l'actif dans les états financiers. Le cadre comptable OTAN n'impose l'inscription à l'actif dans les états financiers que des immobilisations corporelles acquises après le 1^er^ janvier 2013 dont la valeur dépasse certains seuils.

Constatation

5.2 Le Collège a constaté que chaque section du QG de l'ACT avait créé son propre inventaire et que ces différents inventaires n'avaient pas été consolidés à l'échelle de l'ACT. Il s'ensuit que l'agent comptable des biens n'a pas procédé à une revue ou un contrôle périodique général des biens. Le Collège, qui avait déjà signalé ce problème dans son rapport relatif à 2013, constate qu'il est resté d'actualité en 2014 et que le QG de l'ACT doit y remédier.

Recommandation n°5

5.3 Le Collège recommande que des instructions permanentes soient adressées à l'ensemble des sections de sorte que celles-ci puissent fournir les informations nécessaires à la tenue d'un système de comptabilité des biens couvrant l'ensemble de l'ACT.

Commentaires officiels de la direction

Nous souscrivons à cette recommandation. La direction financière de l'ACT va établir des instructions permanentes pour la tenue de la comptabilité des biens.

6. NON-CONFORMITÉ AVEC LES NOUVELLES RÈGLES RELATIVES À L'INDEMNITÉ DE REPRÉSENTATION

Contexte

6.1 En 2013, le Conseil de l'Atlantique Nord a approuvé une procédure et des règles actualisées pour la perception et l'utilisation de l'indemnité de représentation. Ces nouvelles règles, applicables à tous les agents de l'OTAN ayant droit à cette indemnité, devaient entrer en vigueur le 1er juin 2013. L'indemnité est désormais perçue uniquement sous la forme de remboursement de dépenses et plus sous forme d'avance. Par ailleurs, les contrôleurs des finances sont maintenant chargés de vérifier que les dépenses satisfont bien aux critères fixés pour le remboursement.

Constatation

6.2 Le Collège a constaté que, durant la première moitié de 2014, l'ACT avait appliqué l'ancienne procédure pour ce qui est de l'indemnité de représentation. Depuis août 2014, des instructions permanentes ont été diffusées, qui ont permis d'améliorer la comptabilité des dépenses. La supervision a également été améliorée grâce à la vérification interne à laquelle procède désormais le Bureau du contrôleur des finances. Il reste néanmoins le problème de la régularisation des fonds affectés à l'indemnité de représentation, qui s'élevaient à plus de 20 000 dollars (USD) à la fin de 2014. Ce montant non utilisé n'a pas été restitué aux pays comme le prévoient les règles, et il a d'ailleurs été reporté sur l'exercice 2015 en vue d'être utilisé au cours de cet exercice.

Recommandation n°6

6.3 Le Collège recommande que l'ACT veille à se conformer pleinement aux règles relatives à l'indemnité de représentation qui sont entrées en vigueur en 2013, et plus particulièrement à ce que les fonds non utilisés en fin d'exercice soient restitués aux pays.

Commentaires officiels de la direction

Nous souscrivons en partie à cette recommandation. Ce point a été abordé avec la personne responsable de l'audit. Il a ensuite été décidé de ne pas reporter sur l'exercice 2015 les fonds affectés aux indemnités de représentation qui n'avaient pas été utilisés mais de les annuler. Ces fonds vont donc être restitués aux pays conformément au Règlement financier de l'OTAN.

SUITES DONNÉES AUX OBSERVATIONS ANTÉRIEURES

Le Collège a fait le point sur la suite donnée aux observations et aux recommandations formulées à l'issue d'audits précédents. On en trouvera un récapitulatif dans le tableau ci-dessous.

Suites données aux observations antérieures

OBSERVATION/RECOMMANDATION	MESURES PRISES	ÉTAT DE LA QUESTION
(1) ACT – Exercice 2013 **IBA-AR(2014)16, paragraphe 1** **Faiblesses dans le processus d'examen des états financiers, avec pour conséquence des erreurs significatives au niveau des chiffres et des informations à fournir** **Recommandation du Collège** Le Collège recommande à l'ACT de mettre en place une procédure efficace pour la vérification des données chiffrées et autres figurant dans ses états financiers avant leur publication.	Le Collège a constaté qu'un certain nombre d'améliorations devaient encore être apportées s'agissant de la présentation et des informations à fournir, mais que le nombre d'erreurs de chiffres était inférieur à celui des exercices précédents.	Observation **rendue caduque par l'observation 1 formulée pour l'exercice 2014.**
(2) ACT – Exercice 2013 **IBA-AR(2014)16, paragraphe 2** **Prise en charge par l'ACT des risques financiers et autres associés aux CMRE malgré le transfert officiel de cette entité à la STO** **Recommandation du Collège** Le Collège recommande que l'ACT, la STO et leurs organes directeurs respectifs procèdent à une analyse approfondie des activités du CMRE sous l'angle des risques que l'ACT continue de supporter. Une attention particulière devra être portée à la question des résultats de recherche, et notamment à leur utilité eu égard aux objectifs et aux autres activités de l'OTAN, ainsi qu'au modèle d'exploitation des navires, s'agissant de la propriété, de la	Le Collège a relevé que des mesures étaient prises aux fins du transfert de la propriété des navires pour la fin de 2015. Il n'a toutefois pas eu connaissance des résultats de la moindre analyse.	Observation **Question restant à régler**.

OBSERVATION/RECOMMANDATION	MESURES PRISES	ÉTAT DE LA QUESTION
redevabilité, de la gouvernance et des coûts de la recherche maritime.		
Commentaires officiels de la direction *S'agissant de la question des navires, le commandant suprême allié Transformation (SACT) s'applique au mandat que lui ont confié les pays d'en transférer la propriété à la fin de 2015.*		
(3) ACT – Exercice 2013 **IBA-AR(2014)16, paragraphe 3** **Absence de procédure permettant de recenser les relations et opérations entre parties liées** **Recommandation du Collège** Le Collège recommande à l'ACT et aux commandements qui lui sont subordonnés de mettre en place des procédures dans le cadre desquelles il serait demandé aux principaux gestionnaires et à d'autres agents clés de signer une déclaration pour certifier l'absence de relations ou d'opérations avec des parties liées ou pour signaler l'existence de telles relations ou opérations, selon le cas.	Le Collège a constaté que la note jointe aux états financiers avait été améliorée s'agissant des informations relatives aux tiers. Il reste que les principaux gestionnaires et autres agents clés ne sont toujours pas invités à fournir des déclarations. L'ACT a fait savoir qu'il entendait mettre en place une procédure à cette fin en 2015. Cette question fera l'objet d'un suivi au cours de l'audit de 2015.	Observation **Question restant à régler**.
Commentaires officiels de la direction *La direction de l'ACT est satisfaite de lire que le Collège a pris acte des améliorations apportées à la note. Les principaux gestionnaires et autres agents clés fourniront des déclarations pour l'audit de 2015.*		
(4) ACT – Exercice 2013 **IBA-AR(2014)16, paragraphe 4** **Non-conformité avec les nouvelles règles relatives à l'indemnité de représentation** **Recommandation du Collège** Le Collège recommande à l'ACT de poursuivre, en collaboration avec les commandements qui lui sont subordonnés, ses travaux portant sur l'élaboration et la mise en application d'une procédure qui soit conforme aux nouvelles règles relatives à la	Le Collège a constaté que les fonds non utilisés à la fin de 2014 n'avaient pas été restitués aux pays comme le prévoit la réglementation.	Observation **rendue caduque par l'observation 6 formulée pour l'exercice 2014.**

<table>
<tr><th>OBSERVATION/RECOMMANDATION</th><th>MESURES PRISES</th><th>ÉTAT DE LA QUESTION</th></tr>
<tr><td>perception et à l’utilisation de l’indemnité de représentation.

Le Collège recommande également à l’ACT de fournir dans ses états financiers des informations sur l’indemnité de représentation, ainsi qu’il est prévu dans la procédure approuvée par le Conseil.</td><td></td><td></td></tr>
<tr><td>(5) ACT – Exercice 2013
IBA-AR(2014)16, paragraphe 5
Absence de confirmation du solde des éléments d’actif et de passif imputables à d’autres entités OTAN en fin d’exercice

Recommandation du Collège
Le Collège recommande à l’ACT, à partir de l'exercice 2014, de se faire confirmer par les autres organismes OTAN concernés le solde des éléments d’actif et de passif leur correspondant en prévision de l’établissement des états financiers.</td><td>L’ACT a entrepris de réduire la somme des montants dus, mais les autres organismes OTAN concernés ne lui ont pas tous confirmé le solde des éléments d’actif et de passif leur correspondant.</td><td>Observation
Question restant à régler.</td></tr>
<tr><td colspan="3">Commentaires officiels de la direction

L’ACT se fera confirmer par les autres organismes OTAN les soldes leur correspondant pour les états financiers de 2015.</td></tr>
<tr><td>(6) ACT – Exercice 2013
IBA-AR(2014)16, paragraphe 6
Non-respect des exigences des IPSAS en matière d’informations à fournir

Recommandation du Collège
Le Collège recommande à l’ACT de continuer d’améliorer le contenu des notes jointes aux états financiers de manière à ce que soient pleinement respectées les exigences des IPSAS.</td><td>Le Collège a constaté que le contenu des notes jointes aux états financiers avait été amélioré, mais il recommande que l’ACT continue sur cette voie de manière à ce que soient pleinement respectées les exigences des IPSAS.</td><td>Observation
Question en partie réglée.</td></tr>
</table>

OBSERVATION/RECOMMANDATION	MESURES PRISES	ÉTAT DE LA QUESTION
(7) ACT – Exercice 2013 **IBA-AR(2014)16, paragraphe 7** **Absence d'inventaire complet des biens** **Recommandation du Collège** Le Collège recommande au QG de l'ACT d'établir et de tenir à jour un inventaire complet de tous les biens internationaux sous contrôle de l'ACT, ainsi qu'il est prévu dans les règles et procédures financières et dans la Directive 60-1 de l'ACT. L'ACT devrait s'assurer qu'au moment du transfert des équipements SIC à la NCIA, les biens qui demeurent sous son contrôle soient clairement répertoriés.	Le Collège a constaté qu'il n'y avait toujours pas d'inventaire centralisé.	Observation **rendue caduque par l'observation 5 formulée pour l'exercice 2014.**
(8) ACT – Exercice 2012 **IBA-AR(2013)21, paragraphe 5.3** **QG de l'ACT – Montants dus de longue date par les pays** **Recommandation du Collège** Le Collège recommande à l'ACT de se concerter avec les pays, et à ces derniers de faire preuve d'esprit de coopération, pour faire en sorte que les montants dus depuis longtemps à l'ACT lui soient versés dans les meilleurs délais.	En 2014, l'ACT a entrepris de recouvrer les fonds dus depuis moins de 365 jours et a pris des dispositions en vue de récupérer les arriérés de plus de 365 jours. Au 31 décembre 2014, le solde dû par les pays depuis plus de 360 jours était toujours supérieur à 1,1 MEUR, ce qui cadre avec l'exercice précédent.	Observation **Question restant à régler**.
Commentaires officiels de la direction *Les mesures prises par la direction pour réduire le solde des montants dus de longue date ont permis d'améliorer la situation en 2014. Les services financiers continueront d'œuvrer directement avec les pays à la résolution de ce problème.*		
(9) ACT – Exercice 2012 **IBA-AR(2013)21, paragraphe 5.5** **JWC et QG de l'ACT – Lacunes dans l'application des procédures de passation des marchés** **Recommandation du Collège** Le Collège recommande au JWC et au QG de l'ACT de renforcer les contrôles internes dans le domaine de la passation des marchés, afin de faire en sorte que les	Dans ses sondages concernant 2014, le Collège n'a relevé aucun cas de	Observation **Question réglée**.

OBSERVATION/RECOMMANDATION	MESURES PRISES	ÉTAT DE LA QUESTION
contrats soient toujours signés de manière adéquate et que les procédures d'appel d'offres soient appliquées de manière correcte, conformément au NFR.	non-conformité avec les procédures d'appel d'offres.	
(10) QG de l'ACT – Exercice 2010 IBA-AR(2011)22 paragraphe 5.4.6 Gestion du nouveau fonds relatif aux contributions nationales volontaires **Recommandation du Collège** Le Collège recommande au QG de l'ACT d'ouvrir un compte bancaire distinct pour pouvoir rendre compte des contributions et des intérêts perçus, conformément aux principes directeurs adoptés par le Conseil. En outre, il recommande à l'ACT de fournir, dans ses états financiers, des informations sur l'activité du fonds au cours de l'exercice.	Le fonds d'affectation spéciale a été clôturé début 2013 et les contributions ont été correctement remboursées aux pays participants. Le Collège a constaté que l'ACT avait amélioré dans ses états financiers la fourniture d'informations sur celles de ses activités qui ne relèvent pas du financement commun.	Observation **Question réglée**.

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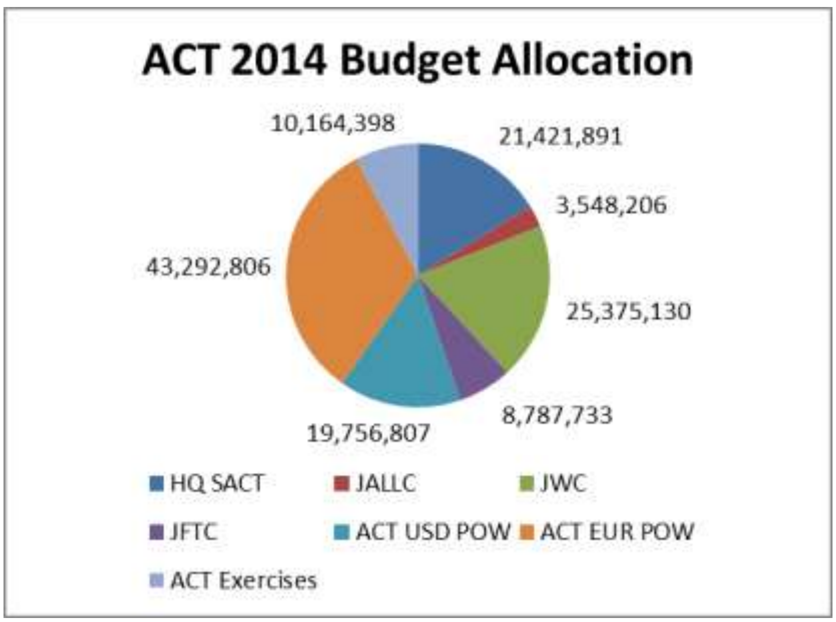
FINANCIAL CONTROLLER'S FOREWORD AND REPORT ON THE 2014 ACT FINANCIAL STATEMENTS

1. The Allied Command Transformation (ACT) Annual Financial Statements for the ACT Group of Budgets cover the period of 1 January 2014 to 31 December 2014 and have been prepared in accordance with the NATO Financial Regulations (NFRs), as well as International Public Sector Accounting Standards (IPSAS) as decided in 2002 by the North Atlantic Council (NAC) and subsequently modified by their decision to introduce the NATO Adapted Framework.

2. These Financial Statements should be read in conjunction with the ACT Annual Report and together, both documents provide visibility to the Nations on how ACT executed its 2014 programme, committed its resources, and contributed to Alliance Capabilities in accordance with the NATO Military Authorities (NMA) Strategic Priorities and Objectives (SPO) 2014 – 2017. The format follows Military Committee (MC) guidance and seeks to ensure that ACT's work is totally transparent.

FINANCIAL SUMMARY

3. For 2014, ACT was awarded a budget of €132,346,972 (based on January 2013 exchange rates). These funds were distributed across the ACT budgets as follows:



4. As at 31 December 2014 ACT had committed €129.68M or 98.0% of the total budget, which resulted in ACT lapsing approximately €2.67M. The execution rate is somewhat lower than in the years prior to 2013, but can be explained by a lower than anticipated expenditure in the exercise programme (€405K); reduced programme costs in Exploring Future Science and Technology and NATO Expeditionary Medical Support (€359K); reduced training undertaken by HQ SACT (€280K); and finally, a significant reduction in the travel actually undertaken by HQ SACT personnel in the fourth quarter of 2014 (€1.2M).

%	2008	2009	2010	2011	2012	2013	2014
ACT Budget Execution	99.8	99.76	99.9	99.58	99.02	97.3	98.0

Figure 2: ACT budget execution expressed in % of the total amount from 2008 to 2014

5. It should also be noted that ACT requested and received authorization for a Special Carry Forward of €532K within the 255 Joint Warfare Centre (JWC) and 256 Joint Forces Training Centre (JFTC) Budget. This figure is included in the €129.68M committed.

6. ACT continues to be a good custodian of the nation's funds. During 2014, the International Board of Auditors for NATO (IBAN) issued an unqualified opinion on the ACT Restated Consolidated Financial Statements for the year ended 31 December 2013.

SIGNIFICANT ACTIVITY

7. Supreme Allied Commander Transformation's (SACT) stated mission is to contribute to a secure future for the Alliance, and its nations, by leading the transformation and continuous improvement of military structures and capabilities; in particular enhancing the preparation, military effectiveness and interoperability of their forces.

8. In order to ensure the success of this mission, the Command developed Strategic Objectives. Collectively, these represent the Command's goal of supporting a collective set of national forces, available to the Alliance, that are interoperable, and possess the full range of capabilities and structures for the Alliance that are sufficiently dynamic to meet its level of ambition in a rapidly evolving security environment.

9 Each Strategic Objective is broken down into one or two specific lines of operation, and these are further delineated into integrated and cross functional activities.

WAY AHEAD

10. SACT's intent is to continue pursuing a dynamic transformational agenda that represents the best balance between the pressing need to enhance the Alliance's responsiveness and the strategic requirement to focus ACT's effort on safeguarding the long-term military relevance of the Alliance. This balance of effort is the key to ensure an effective and sustainable ACT role as a fundamental contributor to preserve NATO's ability to perform its core tasks now and in the future.

11. In the short to medium-term, ACT will continue to implement the outcomes of the Wales Summit and to support operational transformation leading up to the Warsaw Summit in 2016. HQ SACT will continue to provide inputs to support SHAPE for the implementation of the RAP tasking, including the final analysis of the adaptation requirements to address the threats and challenges emanating from the Southern Flank.

NATO ADAPTED ACCOUNTING FRAMEWORK

12. The NATO Adapted Accounting Framework was endorsed by the NAC on 14 February 2013 and applies to all NATO Reporting Entities. This is an adapted version of IPSAS as issued by the International Public Sector Accounting Standards Board of the International Federation of Accountants. The Accounting Framework for NATO was developed to provide minimum requirements for financial reporting for all NATO Reporting Entities. This Framework formed the basis of the 2013 ACT financial statements and once again ACT achieved an unqualified audit opinion from the IBAN. ACT continues to apply the NAC endorsed Accounting Framework to these 2014 Consolidated Financial Statements.

REPORT ON THE STATEMENTS

13. These financial statements incorporate the accounting records of the ACT Headquarters, as well as those of the subordinate Commands within the ACT Budget Group. They have been consolidated under my direction to provide a true and fair view of the financial activities of ACT during financial year 2014.

PETER E. DAHL
Financial Controller
Allied Command Transformation

STATEMENT ON INTERNAL CONTROL

The Scope of Responsibility

1. As Supreme Allied Commander Transformation, I am responsible for maintaining a sound system of internal control that supports the achievement of the Command's policies, aims and objectives. These are articulated in my Strategic Plan and my Strategic Direction and Guidance.

2. As ACT Financial Controller, I have responsibility for safeguarding the Nations' common funds and assets, in accordance with the responsibilities assigned to me in the NATO Financial Rules and Regulations.

The Purpose of the System of Internal Control

3. The system of internal control is designed to manage risk at a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

4. The Command's system of internal control is based on an ongoing process to identify, and prioritize, the principle risks to the achievement of the Command's policies, aims and objectives, to evaluate the nature and extent of those risks being realized, and to manage them effectively, efficiently and economically.

5. A system of internal control has been in place, throughout the Command, during the year ended 31 December 2014 and up to the date of publication of these Consolidated Financial Statements; this accords with the Nations' guidance.

Capacity to Handle Risk

6. Management of risk is essential for the effective achievement of the Command's objectives, and to the way our business is conducted. Our risk mitigation process is strengthened through our comprehensive sets of Directives and Standard Operating Procedures which are available to all staff on the Command's intranet.

Review of Effectiveness

7. We are responsible for reviewing the effectiveness of the systems of internal control that support the achievement of the Command's policies, aims and objectives, as set out by the Nations.

8. Our review of the effectiveness of these systems is informed by the work of our Budget Holders and Fund Managers, and comments made by our external auditors.

We have a responsibility for the development and maintenance of the Command's internal control framework. In particular this includes ensuring that:

9. governance processes are operating in an efficient and effective manner;

10. comprehensive budget management systems exist, which are linked to NATO's resource management process; and

11. there are regular reviews, by the Command's Management Board, which monitor and manage budget activity and financial performance.

12. In addition, the Command's Code of Conduct is specifically designed to ensure that all members of staff are conscious of their individual responsibilities

13. We are responsible for reviewing the effectiveness of the Command's systems of internal control. As such, we are committed to a policy of continuous improvement, of our procedures, regulations and internal processes, so as to provide a comprehensive and relevant process of risk management, compliance and assurance.

14. We will therefore continue to ensure that:

a. qualified officials are assigned to the financial positions reflected in the Command's internal organization;

b. the tasks and responsibilities of those officials are clearly reflected in the relevant job descriptions;

c. formal delegation of authority for financial matters is in place; and

d. effective controls are in place, areas of concern are being highlighted and where necessary, effective remedial action is undertaken.

Peter E Dahl
Financial Controller
Allied Command Transformation

Jean-Paul Paloméros
General, French Air Force
Supreme Allied Commander Transformation

ACT CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDING 31 DECEMBER 2014 (EUR)							
ASSETS							
		Notes	**2014**			**2013**	
Current Assets							
	Cash and Cash Equivalents						
	Cash and Cash Equivalents	2		64,943,413			62,504,003
	Receivables						
	Receivables	3	6,062,664			14,345,726	
	Prepayments & Miscellaneous Assets						
	Prepayments	4	452,848			480,564	
	Advances to Non Consolidated Entities	5	382,002			4,093,121	
				6,897,515			18,919,411
	Total Current Assets			71,840,928			81,423,414
Non-Current Assets							
	Land and buildings		0				
	Ships		0				
	Plant and equipment		0				
	Total Non Current Assets			0			0
TOTAL ASSETS				71,840,928			81,423,414
LIABILITIES							
Current Liabilities							
	Payables	6	16,918,496			20,323,877	
	BC Unearned Revenue	7	16,311,310			23,609,771	
	Other Unearned Revenue	7	1,405,764			1,214,865	
	Advance Contributions	8	36,785,723			35,896,517	
	Other Advances		55,013			137,135	
	Invoices to be Received		364,622			241,250	
	Total Current Liabilites			71,840,928			81,423,414
	Non Curent Liabilites			0			0
TOTAL LIABILITIES				71,840,928			81,423,414
NET ASSETS				0			0

ACT CONSOLIDATED STATEMENT OF NET ASSETS & EQUITY
FOR THE YEAR ENDING 31 DECEMBER 2014
(EUR)

	Notes	2014		2013	
NET ASSETS AND EQUITY					
Net Capital Contributed by Nations					
Accumulated Surpluses/Defecits					
Accumulated Surpluses/ Deficits as of 31 Dec prior year			0		0
Accumulated Surplus/Deficit for the Period		0		0	
Depreciation of Nation's Capital Contributions for the period					
Net Surlus/(Deficit) For The Year			0		0
Unrealised Gains & Losses					
Unrealised Translation I-E Gain on consolidation		0			
			0		0
TOTAL NET ASSETS & EQUITY			0		0

ACT CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDING 31 DECEMBER 2014
(EUR)

	Notes	2014		2013	
OPERATING REVENUE					
Assessment Calls	9	126,681,392		118,011,501	
Reimbursable Revenue	10	5,919,307		14,143,986	
NSIP Revenue	13	21,720		75,988	
Interest income		254,604		255,069	
Other Income	9	38,486		311,510	
Total Operating Revenue			132,915,509		132,798,054
OPERATING EXPENSES					
Personnel Costs	11/12	26,211,959		26,635,708	
Contractual Supplies and Services	11	100,436,712		89,834,432	
Capital and Investments	11	44,599		1,609,858	
NSIP Expenditure	13	21,792		78,039	
Reimbursable Expenditure	10	5,919,306		14,143,986	
Net Realised Exchange Rate Loss		265,167		480,907	
Other Expenses		15,974		15,124	
Total Operating Expenses			(132,915,509)		(132,798,054)
NET SURPLUS/(DEFICIT) FOR THE YEAR			0		0

ACT CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDING 31 DECEMBER 2014
(EUR)

		2014		2013	
Cash Flow from Operating Activities					
Surplus (deficit) from ordinary activities			0		0
	Increase (decrease) in payables	(3,282,008)		2,542,115	
	Increase (decrease) in unearned revenue	(7,107,562)		3,510,786	
	Increase (decrease) in advance contributions	889,206		627,899	
	Increase (decrease) in other advances	(82,122)		(15,998)	
	(Increase) decrease in Nation's Contribution receivable	0		13,042,038	
	(Increase) decrease in Receivables	487,205		1,310,626	
	(Increase)/decrease Reimburseable Receivables	7,795,857		1,526,206	
	(Increase)/decrease Advances / Prepayments	3,738,835		284,974	
	(Increase)/decrease in Inventories	0		-	
			2,439,410		22,828,646
Extraordinary Item			0		-
Net cash flow from operating activities			2,439,410		22,828,646
	transfer of 2011 equity to STO	0		-	
	Receipts from sale of investments	0		-	
	Purchase of PPE	0		-	
Net cash flow from investing activities			0		-
Cash flows from financing activities					
	Receipts from borrowings	0		-	
	Repayment of borrowings	0		-	
Net cash flows from financing activities			0		-
Net increase (decrease) in cash and cash equivalents			2,439,410		22,828,646
Effect of exchange rate changes on cash and cash equivalents on translation					
Cash and cash equivalents at beginning of period			62,504,003		39,675,357
Cash and cash equivalents at end of period			64,943,413		62,504,003

ACT CONSOLIDATED BUDGET EXECUTION STATEMENT FOR

THE YEAR ENDING 31 DECEMBER 2014

ALL FIGURES SHOWN IN THE APPROVED BUDGET CURRENCY

Budgets presented in approved Currency	Initial Authorisation (BA1)	Movements	1st Mid Year Authorisation (BA2)	Movements	2nd Mid Year Authorisation (BA3)	Movements	Final Authorisation	Net Commitment	Actual Expenses	Total Commitment/Spend	Carry Forward	Lapse
201 Budget - SACT HQ												
2014	$	$	$	$	$	$	$	$	$	$	$	$
Personnel	18,456,997	(18,805)	18,438,192	(387,664)	18,050,528	(367,596)	17,682,932	56,759	17,537,233	17,593,992	56,759	88,940
Contractual Supplies & Services	9,918,440	(5,901,571)	4,016,869	153,887	4,170,756	560,310	4,731,066	1,456,545	2,535,460	3,992,004	1,456,545	739,061
2014 Total	28,375,437	(5,920,376)	22,455,061	(233,777)	22,221,284	192,714	22,413,998	1,513,303	20,072,693	21,585,996	1,513,303	828,002
2013	$	$	$	$	$	$	$	$	$	$	$	$
Personnel	166,681	0	166,681	0	166,681	0	166,681	33,879	114,287	148,167	33,879	18,514
Contractual Supplies & Services	2,057,584	0	2,057,584	0	2,057,584	0	2,057,584	397,791	1,304,754	1,702,546	397,791	355,038
Capital Investments	116,008	0	116,008	0	116,008	0	116,008	49,995	34,919	84,914	49,995	31,095
2013 Total	2,340,273	0	2,340,273	0	2,340,273	0	2,340,273	481,665	1,453,961	1,935,626	481,665	404,647
201 Budget - SACT HQ												
2012	$	$	$	$	$	$	$	$	$	$	$	$
Personnel	27,310	0	27,310	0	27,310	0	27,310	0	95	95	0	27,215
Contractual Supplies & Services	284,114	0	284,114	0	284,114	0	284,114	0	(47,246)	(47,246)	0	331,360
2012 Total	311,424	0	311,424	0	311,424	0	311,424	0	(47,151)	(47,151)	0	358,575
Budget 201 Grand Total	***31,027,134***	***(5,920,376)***	***25,106,758***	***(233,777)***	***24,872,981***	***192,714***	***25,065,695***	***1,994,968***	***21,479,502***	***23,474,471***	***1,994,968***	***1,591,224***

Budgets presented in approved Currency	Initial Authorisation (BA1)	Movements	1st Mid Year Authorisation (BA2)	Movements	2nd Mid Year Authorisation (BA3)	Movements	Final Authorisation	Net Commitment	Actual Expenses	Total Commitment/Spend	Carry Forward	Lapse
257 Budget - ACT USD Programe of Work												
2014	$	$	$	$	$	$	$	$	$	$	$	$
Personnel	968,874	(46,195)	922,679	(102,001)	820,678	(233,025)	587,653	50,553	514,104	564,656	50,553	22,997
Contractual Supplies & Services	25,200,997	(462,978)	24,738,019	136,507	24,874,526	(395,911)	24,478,615	4,367,317	18,159,579	22,526,895	4,367,317	1,951,720
2014 Total	26,169,871	(509,173)	25,660,698	34,506	25,695,204	(628,936)	25,066,268	4,417,869	18,673,682	23,091,552	4,417,869	1,974,716
2013	$	$	$	$	$	$	$	$	$	$	$	$
Personnel	15,209	0	15,209	0	15,209	0	15,209	7,461	6,300	13,761	7,461	1,448
Contractual Supplies & Services	5,786,754	0	5,786,754	0	5,786,754	0	5,786,754	880,377	4,131,534	5,011,911	880,377	774,843
2013 Total	5,801,963	0	5,801,963	0	5,801,963	0	5,801,963	887,838	4,137,834	5,025,671	887,838	776,291
257 Budget - ACT USD Programe of Work												
2012	$	$	$	$	$	$	$	$	$	$	$	$
Personnel	50		50		50		50	0	0	0	0	50
Contractual Supplies & Services	1,378,117	0	1,378,117	0	1,378,117	0	1,378,117	0	691,279	691,279	0	686,838
Capital Investments	9,200	0	9,200	0	9,200	0	9,200	0	0	0	0	9,200
2012 Total	1,387,367	0	1,387,367	0	1,387,367	0	1,387,367	0	691,279	691,279	0	696,088
Budget 257 Grand Total	***33,359,201***	***(509,173)***	***32,850,028***	***34,506***	***32,884,534***	***(628,936)***	***32,255,598***	***5,305,707***	***23,502,795***	***28,808,502***	***5,305,707***	***3,447,095***

Budgets presented in approved Currency	Initial Authorisation (BA1)	Movements	1st Mid Year Authorisation (BA2)	Movements	2nd Mid Year Authorisation (BA3)	Movements	Final Authorisation	Net Commitment	Actual Expenses	Total Commitment/Spend	Carry Forward	Lapse
252 Budget - Joint Analysis and Lessons Learned Centre												
2014	€	€	€	€	€	€	€	€	€	€	€	€
Personnel	837,731	0	837,731	0	837,731	0	837,731	3,210	831,527	834,737	3,210	2,994
Contractual Supplies & Services	2,710,475	23,887	2,734,362	0	2,734,362	0	2,734,362	91,676	2,600,786	2,692,462	91,676	41,900
2014 Total	3,548,206	23,887	3,572,093	0	3,572,093	0	3,572,093	94,886	3,432,313	3,527,199	94,886	44,894
2013	€	€	€	€	€	€	€	€	€	€	€	€
Personnel	10,142	0	10,142	0	10,142	0	10,142	0	8,392	8,392	0	1,750
Contractual Supplies & Services	136,893	0	136,893	0	136,893	0	136,893	0	133,606	133,606	0	3,287
2013 Total	147,035	0	147,035	0	147,035	0	147,035	0	141,998	141,998	0	5,037
Budget 252 Grand Total	***3,695,241***	***23,887***	***3,719,128***	***0***	***3,719,128***	***0***	***3,719,128***	***94,886***	***3,574,311***	***3,669,197***	***94,886***	***49,932***
258 Budget - ACT Euro Programe of Work												
2014	€	€	€	€	€	€	€	€	€	€	€	€
Contractual Supplies & Services	42,917,125	9,754,037	52,671,162	72,484	52,743,646	(49,205)	52,694,441	3,566,464	48,777,092	52,343,556	3,566,464	350,885
2014 Total	42,917,125	9,754,037	52,671,162	72,484	52,743,646	(49,205)	52,694,441	3,566,464	48,777,092	52,343,556	3,566,464	350,885
2013	€	€	€	€	€	€	€	€	€	€	€	€
Contractual Supplies & Services	3,481,752	0	3,481,752	0	3,481,752	0	3,481,752	1,027,852	2,372,862	3,400,714	1,027,852	81,038
2013 Total	3,481,752	0	3,481,752	0	3,481,752	0	3,481,752	1,027,852	2,372,862	3,400,714	1,027,852	81,038
258 Budget - ACT Euro Programe of Work												
2012	€	€	€	€	€	€	€	€	€	€	€	€
Contractual Supplies & Services	103,070	0	103,070	0	103,070	0	103,070	0	72,602	72,602	0	30,468
2012 Total	103,070	0	103,070	0	103,070	0	103,070	0	72,602	72,602	0	30,468
Budget 258 Grand Total	***46,501,947***	***9,754,037***	***56,255,984***	***72,484***	***56,328,468***	***(49,205)***	***56,279,263***	***4,594,317***	***51,222,555***	***55,816,872***	***4,594,317***	***462,391***

Budgets presented in approved Currency	Initial Authorisation (BA1)	Movements	1st Mid Year Authorisation (BA2)	Movements	2nd Mid Year Authorisation (BA3)	Movements	Final Authorisation	Net Commitment	Actual Expenses	Total Commitment/Spend	Carry Forward	Lapse
259 Budget - ACT Exercise Budget												
2014	**€**	**€**	**€**	**€**	**€**	**€**	**€**	**€**	**€**	**€**	**€**	**€**
Personnel	8,000	(8,000)	0	0	0	0	0	0	0	0	0	0
Contractual Supplies & Services	10,156,398	8,000	10,164,398	0	10,164,398	0	10,164,398	0	9,562,342	9,562,343	0	602,055
2014 Total	10,164,398	0	10,164,398	0	10,164,398	0	10,164,398	0	9,562,342	9,562,343	0	602,055
2013	**€**	**€**	**€**	**€**	**€**	**€**	**€**	**€**	**€**	**€**	**€**	**€**
Personnel	284,201	0	284,201	0	284,201	0	284,201	0	225,035	225,035	0	59,167
Contractual Supplies & Services	3,669,185	0	3,669,185	0	3,669,185	0	3,669,185	0	2,513,323	2,513,323	0	1,155,862
2013 Total	3,953,386	0	3,953,386	0	3,953,386	0	3,953,386	0	2,738,358	2,738,358	0	1,215,028
Budget 259 Grand Total	***14,117,784***	***0***	***14,117,784***	***0***	***14,117,784***	***0***	***14,117,784***	***0***	***12,300,700***	***12,300,701***	***0***	***1,817,084***

Budgets presented in approved Currency	Initial Authorisation (BA1)	Movements	1st Mid Year Authorisation (BA2)	Movements	2nd Mid Year Authorisation (BA3)	Movements	Final Authorisation	Net Commitment	Actual Expenses	Total Commitment/Spend	Carry Forward	Lapse
255 Budget - Joint Warfare Centre												
2014	***NOK***	***NOK***	***NOK***	***NOK***	***NOK***	***NOK***	***NOK***	***NOK***	***NOK***	***NOK***	***NOK***	***NOK***
Personnel	98,659,922	(9,094,778)	89,565,144	0	89,565,144	(1,438,621)	88,126,523	4,608,686	83,266,355	87,875,041	4,608,686	251,482
Contractual Supplies & Services	90,676,607	(10,341,411)	80,335,196	0	80,335,196	3,438,621	83,773,817	16,900,429	66,071,225	82,971,655	16,900,429	802,162
2014 Total	189,336,529	(19,436,189)	169,900,340	0	169,900,340	2,000,000	171,900,340	21,509,115	149,337,580	170,846,695	21,509,115	1,053,645
255 Budget - Joint Warfare Centre												
2013	***NOK***	***NOK***	***NOK***	***NOK***	***NOK***	***NOK***	***NOK***	***NOK***	***NOK***	***NOK***	***NOK***	***NOK***
Personnel	1,923,512	0	1,923,512	0	1,923,512	0	1,923,512	0	1,751,947	1,751,947	0	171,565
Contractual Supplies & Services	19,140,876	0	19,140,876	0	19,140,876	0	19,140,876	2,647,968	16,007,167	18,655,134	2,647,968	485,742
2013 Total	21,064,389	0	21,064,389	0	21,064,389	0	21,064,389	2,647,968	17,759,114	20,407,081	2,647,968	657,307
255 Budget - Joint Warfare Centre												
2012	***NOK***	***NOK***	***NOK***	***NOK***	***NOK***	***NOK***	***NOK***	***NOK***	***NOK***	***NOK***	***NOK***	***NOK***
Contractual Supplies & Services	199,595	0	199,595	0	199,595	0	199,595	0	135,695	135,695	0	63,900
2012 Total	199,595	0	199,595	0	199,595	0	199,595	0	135,695	135,695	0	63,900
Budget 255 Grand Total	***210,600,513***	***(19,436,189)***	***191,164,324***	***0***	***191,164,324***	***2,000,000***	***193,164,324***	***24,157,083***	***167,232,389***	***191,389,472***	***24,157,083***	***1,774,852***

Budgets presented in approved Currency	Initial Authorisation (BA1)	Movements	1st Mid Year Authorisation (BA2)	Movements	2nd Mid Year Authorisation (BA3)	Movements	Final Authorisation	Net Commitment	Actual Expenses	Total Commitment/Spend	Carry Forward	Lapse
256 Budget Joint Forces Training Centre												
2014	***PLN***	***PLN***	***PLN***	***PLN***	***PLN***	***PLN***	***PLN***	***PLN***	***PLN***	***PLN***	***PLN***	***PLN***
Personnel	5,810,897	0	5,810,897	500,000	6,310,897	(773,640)	5,537,257	10,268	5,490,408	5,500,676	10,268	36,581
Contractual Supplies & Services	29,609,668	(7,623,437)	21,986,231	(500,000)	21,486,231	1,221,215	22,707,446	7,208,983	15,392,546	22,601,529	7,208,983	105,918
Capital Investments	491,382	0	491,382	0	491,382	3,941	495,323	429,285	63,996	493,281	429,285	2,042
2014 Total	35,911,947	(7,623,437)	28,288,510	0	28,288,510	451,517	28,740,027	7,648,536	20,946,949	28,595,485	7,648,536	144,541
2013	***PLN***	***PLN***	***PLN***	***PLN***	***PLN***	***PLN***	***PLN***	***PLN***	***PLN***	***PLN***	***PLN***	***PLN***
Personnel	164,873	0	164,873	0	164,873	0	164,873	12,895	126,941	139,836	12,895	25,037
Contractual Supplies & Services	5,324,000	0	5,324,000	0	5,324,000	0	5,324,000	1,231,811	3,422,859	4,654,670	1,231,811	669,330
2013 Total	5,488,873	0	5,488,873	0	5,488,873	0	5,488,873	1,244,706	3,549,800	4,794,506	1,244,706	694,367
256 Budget Joint Forces Training Centre												
2012	***PLN***	***PLN***	***PLN***	***PLN***	***PLN***	***PLN***	***PLN***	***PLN***	***PLN***	***PLN***	***PLN***	***PLN***
Personnel	73,549	0	73,549	0	73,549	0	73,549	0	43,091	43,091	0	30,457
Contractual Supplies & Services	66,863	0	66,863	0	66,863	0	66,863	0	5,530	5,530	0	61,332
Capital Investments	15,400	0	15,400	0	15,400	0	15,400	0	13,200	13,200	0	2,200
2012 Total	155,811	0	155,811	0	155,811	0	155,811	0	61,822	61,822	0	93,990
Budget 256 Grand Total	***41,556,631***	***(7,623,437)***	***33,933,194***	***0***	***33,933,194***	***451,517***	***34,384,711***	***8,893,242***	***24,558,571***	***33,451,813***	***8,893,242***	***932,897***

NOTES TO THE ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

The financial statements of Allied Command Transformation (ACT) have been prepared on the accrual basis of accounting in accordance with the International Public Sector Accounting Standards (IPSAS) using the historic cost convention; as decided by the North Atlantic Council (NAC) in 2002 and subsequently modified by their decision to introduce the NATO Adapted Framework issued by the NAC. Where an IPSAS does not address a particular issue, the appropriate International Financial Reporting Standard/International Accounting Standard has been applied. They have also been prepared in accordance with the accounting requirements of the NATO Financial Regulations (NFR) and the associated Financial Rules and Procedures (FRP).

Measurement Base

The accounting principles recognized as appropriate for the measurement and reporting of the financial performance, cash flows, and financial position on an accrual basis using historical cost were followed in the preparation of the financial statements.

NATO Adapted Framework

The accounting framework for all NATO Reporting Entities is an adapted version of IPSAS as issued by the International Public Sector Accounting Standards Board of the International Federation of Accountants. This Accounting Framework for NATO was developed to provide minimum requirements for financial reporting for all NATO Reporting Entities following endorsement by the NAC on 14 February 2013 of an IPSAS-adapted Accounting Framework for the Alliance.

This Accounting Framework is applicable for financial reporting periods beginning on 1 January 2013 and is the basis for the preparation of these accounts. Currently the Accounting Framework allows variation from four IPSAS:

- IPSAS 6 - Consolidated and Separate Financial Statements
- IPSAS 12 - Inventories
- IPSAS 17 - Property, Plant, and Equipment
- IPSAS 31 - Intangible Assets

The objective of the adaptation to IPSAS 6 is to allow for the non-consolidation of Morale and Welfare Activities (MWA) and/or Staff Association activities. The objective of the adaptations to IPSAS 12, 17 & 31 is in the main to allow entities to expense all items acquired prior to the implementation date of 01 January 2013. Note 1 (viii) below refers.

Currency

The financial statements are presented in Euros (€) rather than the currency in which ACT is domiciled.

Accounting Policies

The following specific accounting policies that materially affect the measurement of financial performance and the financial position are applied:

i) Basis for Consolidation

The consolidated financial statements, prepared in terms of IPSAS 6, *Consolidated and Separate Financial Statements*, include the financial results of ACT as the controlling entity exercising control over the controlled entities listed below. Inter-entity balances and transactions have been eliminated on consolidation.

- Joint Warfare Centre (JWC),
- Joint Force Training Centre (JFTC), and
- Joint Analysis and Lessons Learned Centre (JALLC),

MWA are not consolidated as per the NATO Accounting Framework, which ACT implemented from 01 January 2013.

ii) Consolidated Cash Flow Statement

The consolidated ACT Cash Flow Statement has been compiled using the indirect method.

The following are definitions of the terms used in the consolidated statement of cash flows:

- Cash and cash equivalents comprise cash on hand, current bank balances, and short-term deposits that can be converted to cash within two working days.
- Operating activities include all transactions and other events that are not investing or financing activities.
- Investing activities are those activities relating to the acquisition, holding, and disposal of fixed assets and investments. Investments can include securities not falling within the definition of cash.
- Financing activities are those activities that result in changes to the size and composition of ACT's capital structure. This includes both equity and debt not falling within the definition of cash.

iii) Segmental Reporting

The ACT consolidation group consists of a number of individual entities as detailed in Note 23. These entities are kept as separate segments for accounting purposes.
The individual accounts of these segments are balanced in their functional currency and the inter-entity transactions are removed on consolidation within the ACT group of accounts.

iv) Foreign Currency Transactions

Foreign currency transactions have been recorded in the entity's budget currency by applying the declared NATO exchange rate between the budget currency and foreign currency at the date of the cash outflow/inflow. Realized gains and losses resulting from the settlement of such transactions are recognized as revenue and expenses in the Statement of Financial Performance. Monetary assets and liabilities at year-end which were denominated in foreign currencies were translated into Euro using the NATO rates of exchange applicable at 31 December 2014.

On consolidation, unrealized translation gains and losses were recorded in the Statement of Financial Performance as a result of the application of weighted average rates of exchange throughout the year and in the Statement of Financial Position due to exchange rates applicable at 31 December 2014.

v) Cash and Cash Equivalents

Cash and cash equivalents are defined as current assets. They include cash on hand, deposits held with banks and other short-term, highly liquid investments, the carrying value of which approximate fair value due to their short maturities.

vi) Receivables

Receivables are stated at their estimated realizable value after providing for doubtful and uncollectible debts.

vii) Inventory

Inventories held across ACT are considered to be insignificant in terms of having a material impact on the financial statements. As such, ACT does not capitalize the limited inventory holdings but charges such costs to the Statement of Financial Performance when incurred.

Should an asset meet the definition of inventory as per IPSAS 12 (Inventories) and that individual item be considered material, such inventory shall be valued at the lower of historical cost or net realizable value. The Weighted Average Cost methodology is used to calculate the average historical cost held within inventory. Provision is made to reduce the carrying cost of inventory to the net realizable value where there is no expectation of consumption or sale in the ordinary course of business; such provision will be released to expenses on consumption, disposal and write off.

viii) Property, Plant & Equipment

ACT will adopt the NATO Adapted Framework to account for Property, Plant & Equipment (PP&E) and will use the minimum capitalization thresholds detailed in that Framework. These capitalization thresholds, together with the depreciation life and methodology are detailed in the table on the following page.

In addition to the standard assessment of "substance over form", the ACT fixed assets policy to comply with PP&E accounting establishes the criteria to be used to assist in assessing the level of control that ACT has for reporting assets in its financial statements. Criteria that evidence the control of PP&E are detailed in that policy.

All amounts stated in Thousands of Euros (€'000), unless otherwise stated

Category	Threshold	Depreciation life	Method
Land	€200,000	N/A	N/A
Buildings	€200,000	40 years	Straight line
Other infrastructure	€200,000	40 years	
Installed equipment	€30,000	10 years	
Machinery	€30,000	10 years	
Vehicles	€10,000	5 years	
Mission equipment	€50,000	3 years	
Furniture	€30,000	10 years	
Communications	€50,000	3 years	
Automated information systems (AIS)	€50,000	3 years	

In accordance with the NAC approved Adapted Accounting Framework and the ACT policy on accounting for PP&E, consolidated entities will consider PP&E acquired before 01 January 2013 as fully expensed. PP&E held prior to 01 January 2013, and not previously recognized as an asset, are disclosed in the table below:

PP&E category	Approximate number of items	Location of asset	comments
Buildings	1 geographical HQ location	HQ SACT, Norfolk, Virginia	Buildings were either provided free of charge or fully expensed prior to 01 January 2013. Includes installed equipment.
Buildings	1 geographical HQ location	JWC, Stavanger, Norway	
Buildings	1 geographical HQ location	JFTC, Bydgoszcz Poland	
Buildings	1 geographical HQ location	JALLC, Lisbon, Portugal	
Vehicles	9	HQ SACT, Norfolk, Virginia	All vehicles held at the HQs were purchased prior to 01 January 2013 and have been fully expensed in the year of purchase.
Vehicles	21	JWC, Stavanger, Norway	
Vehicles	7	JFTC, Bydgoszcz Poland	
Vehicles	4	JALLC, Lisbon, Portugal	
Ships	2	CMRE, La Spezia, Italy	Although located at CMRE, these vessels are under SACT control

The two research vessels referred to in the table above are solely used by the CMRE, located in La Spezia, Italy. As a result of the Command Structure Review and Agency Reform, on 01 July 2012 the NURC was integrated into the newly created NATO Science & Technology Organization (STO) as the CMRE. Since 01 January 2013, the CMRE operates under a customer-funded regime. SACT is currently the CMRE's main customer, and will maintain custody of the vessels until 31 December 2015. C-M(2013)0069, dated 11 December 2013 and signed by the Secretary General, provides further information.

During 2014, ACT staff conducted a thorough analysis of all purchases made during the year to establish if any fell within the categories and capitalization thresholds detailed in the table above. No PP&E purchases were identified since 01 January 2014.

A major construction project to extend the main building at HQ SACT in Norfolk was completed in early 2015. This project was separately funded by NSIP with the United States acting as Host Nation. Only upon completion is the asset handed over to ACT and so it will be recorded as PP&E in the 2015 financial statements.

ix) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rentals payable under operating leases are charged to the Statement of Financial Performance on a straight-line basis over the term of the relevant lease as charges are paid annually. Additionally, due to the no-penalty release clause in these contracts, ACT had no outstanding commitments for operating leases at the end of this financial year.

x) Impairment

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price or its value in use. Gains and losses on disposal are determined by comparing proceeds with carrying amounts and are included in the Statement of Financial Performance in the year concerned.

Repairs and maintenance are charged to the Statement of Financial Performance during the financial period in which they are incurred.

xi) Unearned Revenue and Advance Calls for Contributions

Revenue is defined as the contributions of the Member Nations which, for the purposes of the financial statements, equate to the budgetary cash costs of ACT, net of earned interest and any revenue in respect of other NATO bodies. As contributions from Nations are recognized as non-exchange transactions, revenue is recognized when it is earned.

Unearned revenue represents the contributions received from Nations and/or third parties that have been called for current or prior year budgets but that have not yet been recognized as revenue.

Advance calls for contributions are contributions received related to future years' budgets.

xii) Current Loans

Inter-entity loans provided at 0% interest have been eliminated upon consolidation.

xiii) Payables

Payables are amounts due to third parties based on goods and services provided that remain unpaid. This includes an estimate of accrued obligation to third parties for goods and services received but not yet invoiced.

xiv) Provisions

Provisions are recognized when there is a legal or constructive obligation as a result of a past event, where it is probable that an outflow of resources will be required to settle the obligation, and where a reliable estimate of the amount of the obligation can be made.

xv) Financial Instruments

ACT uses only non-derivative financial instruments as part of its normal operations. These financial instruments could include bank accounts, certificates of deposit, accounts receivable and accounts payable.

All financial instruments are recognized in the statement of financial position at their fair values.

xvi) Revenue

Revenue is the gross inflow of economic benefit or service potential during the reporting period when those inflows result in an increase in net assets/equity, other than increases relating to contributions from owners.

Revenue for Administrative Budgets – Contributions to the Budget is initially recorded as unearned revenue liabilities in the Statement of Financial Position. They are recognized as revenue in the Statement of Financial Performance when such contributions are used for their intended purpose as envisioned in the operational budget.

xvii) Employee Entitlements

Employee entitlements to salaries, wages, annual vacation, pension costs, and other benefits are recognized when they are earned. Annual vacation and other leave have been calculated on an actual entitlement basis at current rates of pay.

ACT contributes to an employee defined contribution retirement benefit plan. Payments to the defined contribution retirement benefit plan are recognized as expenses as they become due.

xviii) Borrowing Costs

Borrowing costs are recognized as an expense in the period in which they occur unless they can be directly attributable to the acquisition, construction or production of a qualifying asset. In this case borrowing costs are capitalized as part of the cost of that asset.

xix) Taxation

Within the scope of its official activities, ACT's assets, property and income are exempt from all direct taxes and duties levied upon goods and services acquired or imported.

xx) Use of Estimates

In accordance with generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions made by management using the most reliable information available to them.

Estimates include accrued revenue and expenses and actual results may differ from those estimates. Changes in estimates are reflected in the period in which they become known.

xxi) Contingent Liabilities

A contingent liability is defined as a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events wholly within the control of ACT; or a present obligation that arises from past events but is not recognized because the amount of the obligation cannot be measured with sufficient reliability.

xxii) Changes in Accounting Policies

There were no significant changes in accounting policies for these 2014 ACT consolidated financial statements.

xxiii) Reclassifications

There were no reclassifications necessary for the prior years' consolidated financial statements.

All amounts stated in Thousands of Euros (€'000), unless otherwise stated

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash held on deposit in financial institutions in instant access accounts.

	2014	2013
Total Euro Accounts	35,183	33,152
Total non-Euro Accounts	29,761	29,352
	64,944	62,504

All non-Euro denominated currencies were converted to Euros using the NATO spot exchange rate for applicable currencies in the Statement of Financial Position as at 31 December 2014. The Euro account includes an amount of €350k which represents funds deposited by nations contributing to a Voluntary National Contribution Fund (VNCF) operated by HQ SACT. Total deposits received by ACT during 2014 in relation to this fund amounted to €286k. These will be used to provide training during 2015 and 2016 for weapons inspector teams from NATO nations, as well as Partnership for Peace (PfP) countries.

The cash holdings are broadly in line with the previous year and again represent the nations paying cash call contributions in full just before the end of 2014. As a result, bank balances are high on 31 December compared to other times of the year.

3. RECEIVABLES

	2014	2013
Receivables	6,063	14,346
	6,063	14,346

As at 31 December 2014, ACT had received full settlement of the 2nd 2014 cash call and so no receivable is shown in the HQ SACT accounts. Receivables were given a high priority during 2014, following comments made in the 2013 IBAN Audit Report. With concerted effort, the receivable position was reduced significantly during 2014 as reimbursable debts were collected.

4. PREPAYMENTS

The following prepayments were recorded:

	2014	2013
Prepayments to 3rd Party Suppliers	453	480

Prepayments to third party suppliers relate to payments made in advance of goods or services rendered, which will reflect terms and conditions of a contract or agreement. Such prepayments are offset against final payments upon receipt of a final invoice.

All amounts stated in Thousands of Euros (€'000), unless otherwise stated

5. ADVANCES TO NON CONSOLIDATED ENTITIES

The following advances were made:

	2014	2013
NATO Communication & Information Agency	0	4,000
Other advances	382	93
Total advances	382	4,093

As a result of NATO Agency reform, the long standing advance of €4M to the NATO Communication and Information Agency (NCIA) was recovered from payments made during 2014.

6. ACCOUNTS PAYABLE

Accounts Payable is detailed below:

	2014	2013
Suppliers	9,254	7,925
Staff Members	107	123
Non-Consolidated NATO Entities	7,523	12,242
Other payables	34	35
	16,918	20,324

The Accounts Payable in relation to Non-Consolidated NATO entities has decreased significantly. This is primarily due to the reduction in the accruals figure reported. Significant effort was made to ensure that invoices were received, and paid, prior to the close of the financial year in order to reduce the payable position.

7. UNEARNED REVENUE

Unearned revenue consists of contributions and other transfers received or receivable, but for which corresponding charges will be incurred after the reporting date. For the financial year ending 31 December 2014, €16.311m was attributable to BC Unearned Revenue (See Note 10).

An additional €1.406m is attributable to Other Unearned Revenue and the majority of this (€1,056m) relates to NSIP, with the remaining balance (€350k) relating to the Trust Funds operated by HQ SACT (see Note 2 above).

8. ADVANCE CONTRIBUTIONS

Advance Contributions correspond to cash called from the Nations for the following financial year and represent approximately 25% of the total ACT budget allocation.

	2014	2013
Advance Contributions	36,786	35,897

As outlined in Note 3 above, at 31 December 2014, ACT had received full settlement of the 2nd 2014 cash call

The Statement of Accounting Policies and the accompanying notes form part of the financial statements.

All amounts stated in Thousands of Euros (€'000), unless otherwise stated

9. REVENUE

Revenue is recognized to the extent that it is probable that the economic benefit will flow to ACT and that such revenue can be measured reliably. Contributions, when called, are booked as an advance under unearned revenue and subsequently recognized as revenue when earned.

The following key revenue items are presented:

Recognized Revenue	**2014**	**2013**
Assessment Calls/Contributions	126,681	118,011
NSIP Revenue	22	76
Other income	38	312

An analysis of ACT's cash receipts from Nations' is as follows:

	Euro '000	**USD '000**	**NOK '000**	**PLN '000**
Cash Receipt by currency during 2014	59,579	43,043	180,789	20,434
Amount in Euros (for comparison only)	59,579	32,303	21,606	4,869

Nations' contributions are set by the requirements of the Nations' cost shares, approved by the NAC. In this respect, the cash receipts in the table above represent the sums of money that Nations deposited on ACT bank accounts in relation to the two cash calls made by the NATO International Staff during 2014. ACT's end of year cash position reflects the fact that as per Note 3, the nations had settled all cash calls by 31 December 2014.

<u>Reconciliation of Revenue and Unearned Revenue</u>:

Unearned Revenue - Opening Balance 1 January 2014 (31 December 2013 rate)		23,610
Advance Contributions from 2014	35,897	
Translation adjustment Adv. Contributions	551	
Contributions called and received in 2014	118,357	
Translation Adj. Contributions Called 2014	1,398	
Total Contributions		156,203
		179,813
Advance Contributions for 2015	-36,786	
Revenue recognized in 2014	-126,681	
Translation adjustment 31 Dec 14	-35	
		-163,502
Unearned Revenue - Closing Balance at 31 December 2014		16,311

All amounts stated in Thousands of Euros (€'000), unless otherwise stated

10. REIMBURSABLE REVENUE AND EXPENSES

Reimbursable activity within ACT is comprised of two elements: activity undertaken between entities within the ACT consolidation group (inter-entity) and activity undertaken between the ACT group and a 3rd party (reimbursable). The inter-entity activity has been eliminated from the ACT consolidated accounts. That is to say that Revenue and Expenditure has only been recorded once in the accounts and not by both consolidating entities. In addition, the end of year asset and liability position between consolidating entities has also been balanced and removed.

With regard to 3rd party reimbursable activity some €5.9m of activity has been undertaken during 2014. The receivable in Note 3 includes €1.14m for invoices that still need to be prepared at the end of the financial year. For the majority of this amount, ACT has yet to receive and pay an invoice since the corresponding expenditure reflects accruals for goods and services provided. The receivable is necessary under the matching concept as the expense, although neither invoiced or paid, has been accrued due to the services already being delivered.

11. CHAPTER EXPENSES

The expenditure shown in the Statement of Financial Performance has been calculated after charging the following main elements:

	2014	2013
Chapter 1		
Salaries & associated costs	23,993	24,250
Consultants	1,182	1,250
Training	663	570
Other	374	566
TOTAL	26,212	26,636

Chapter 2		
General support and Utility costs	4,945	5,983
Contractors	50,517	47,527
Travel and subsistence	11,742	10,142
AIS Support	27,683	23,430
Mission equipment costs	141	599
Communications	463	776
Training	4,901	1,375
R&D supplies	45	0
Other	0	2
TOTAL	100,437	89,834

Chapter 3		
Mission Equipment Assets	0	1,068
AIS Capital & Investment	19	450
Communications Capital Investment	19	3
Building Infrastructures	0	0
Other	7	89
TOTAL	45	1,610

All amounts stated in Thousands of Euros (€'000), unless otherwise stated

Expenses relating to contractors are reflected in Chapter 2 and reflect the Budget Committee guidance set out in paragraph 2.2.3 of MBC-M(2010)0039. A significant part of this category of expenditure is with the CMRE. In 2014, ACT incurred €26.4m of expenditure relating to contractor services provided by CMRE. The other significant amount expensed by ACT in relation to contractor costs and AIS support were payments made to NCIA. In 2014, these amounted to €30m, which is spread across contractor costs and AIS support.

12. STAFF RESOURCES

a) Analysis of staff costs - the aggregate staff costs, including grants and allowances paid, are detailed below.

	2014	2013
Salaries of Civilian Staff	15,573	15,839
Allowances of Civilian Staff	4,416	4,494
Contributions to Health Insurance (c)	2,732	2,990
Contributions to Pension Funds (d)	985	927
	23,706	24,250

b) Analysis of staff numbers - the number of full-time equivalent persons employed as at 31 December 2014 was:

	HQ SACT	JWC	JFTC	JALLC
Military	495	177	88	39
Civilian	115	58	14	9
Local Wage Rate (LWR)	0	12	0	0
Total	610	247	102	48
Voluntary National Contributions	28	1	0	3
Partnership for Peace (PfP)	4	1	2	1
Overages in addition to VNC	1	1	0	0

c) Health Insurance - all civilian members of ACT are members of the NATO Health Insurance Scheme, providing sickness, maternity, accident, disablement and death benefits to staff members, their spouses and children. Staff members pay contributions of approximately 4% to 9% of gross salary, which are matched by contributions paid by SACT. For 2014 ACT contributions totalled €2.732m.

d) Contributions to Pension Funds

The NATO Defined Contribution Pension Scheme: came into effect on 1 July 2005 and provides for the communal investment of contributions in respect of civilian staff of ACT accorded international status under the NATO Charter. Staff pay contributions equivalent to 8% of their monthly basic salary, and ACT pays a 12%

All amounts stated in Thousands of Euros (€'000), unless otherwise stated

contribution. The assets and liabilities for this scheme are accounted for centrally at NATO Headquarters, located in Brussels, Belgium and are not recognized in these financial statements.

The NATO Provident Fund: is a scheme where contributions are invested in a managed account. Staff members make contributions representing 7% of their monthly basic salary, and ACT makes a contribution of 14% of the same monthly salary.

The NATO Coordinated Pension Scheme: staff members make contributions representing 9% of their monthly salary.

Contributions are expensed during the year in which the services are rendered and represent the total pension obligation for ACT. Total pension contributions of ACT across the 3 schemes outlined above totalled €985k during 2014.

Untaken Leave

NATO regulations allow civilian staff to carry forward untaken leave days to the following year. The regulation stipulates that any days carried forward must be taken by 30 April of the following year or the leave days are forfeited. Carry forward beyond this date is only approved by the Human Resources Branch in exceptional circumstances. At the end of 2014, ACT civilian staff across all Headquarters carried forward 1,425.5 leave days. Although this represents a liability to the organization, the number of days is consistent with previous years and the vast majority of days are taken by 30 April of the following year. In view of this fact, ACT does not recognize a liability in these financial statements.

13. NATO Security Investment Programme (NSIP) OVERVIEW

The following NSIP (being the source of funding for the construction assets) account values are contained in these financial statements as detailed in the table below:

	2014	2013
Cash and Cash Equivalents	1,078	967
Advances and Prepayments	0	0
Payable	(22)	0
NSIP Unearned Revenue	(1,056)	(967)
Total Net Assets	0	0

The activity for ACT during 2014 is limited to contributions from the Nations (€110k); payments of €22k; and revenue recognized (€22k).

14. FINANCIAL INSTRUMENTS

All financial instruments to which ACT is a party are recognized in the financial statements.

Credit risk

In the normal course of business, ACT incurs credit risk from trade accounts receivable and transactions with banking institutions. ACT manages its exposure to credit risk by:

- holding bank balances and short-term deposits with registered banking institutions; and
- maintaining credit control procedures over receivables

The maximum exposure as at 31 December 2014 is equal to the total amount of bank balances, short-term deposits, and receivables disclosed in the Statement of Financial Position. Receivables considered uncollectible have been adequately provided for. ACT does not require any collateral or security to support financial instruments and other receivables it holds due to the low risk associated with the realization of these instruments.

Currency risk
ACT operates separate bank accounts in US dollars (USD), Norwegian krone (NOK), Polish zloty (PLN) and Euros. ACT incurs currency risk as a result of the conversion of foreign currency balances held in these bank accounts to Euros as at 31 December 2014. The currency risk associated with this balance is considered minimal and therefore ACT does not hedge its foreign currency exposure. Foreign currency transactions are translated to Euro currency at exchange rates at the date of the transactions.

Interest rate risk
As ACT has no encumbered debt; no interest rate risk is identified.

Fair values
As at 31 December 2014, the carrying amounts approximate the fair values for all financial instruments held by ACT.

15. RELATED PARTY TRANSACTIONS

<u>Controlled Entities:</u>
ACT controls the following reporting entities:

- Joint Warfare Centre (JWC)
- Joint Force Training Centre (JFTC)
- Joint Analysis and Lessons Learned Centre (JALLC)

NATO is an organization set up under the 1948 Washington Treaty. Those countries that were or have become parties to the Convention, the Member Nations, are regarded as related parties. ACT, as one of the two NATO Strategic Commands, has, during the year, had various material transactions with these Member Nations.

<u>Key Management Personnel</u>

Under IPSAS 20 Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial and operating decisions. IPSAS 20 requires the disclosure of the existence of related party relationships, where control exists, and the disclosure of information about entities and its related parties. This information is required for accountability purposes and to facilitate a better understanding of the financial position and performance of the reporting entity.

All amounts stated in Thousands of Euros (€'000), unless otherwise stated

No related party disclosure is made in these financial statements as key management personnel have no significant party relationships that could affect the operation of this reporting entity. The Key Management Personnel are defined as members of the Command Group, who together constitute the governing body of ACT. Remuneration received by individuals has been in accordance with an individual's national military pay scale or in accordance NATO published salary scales. During the period, no key managerial staff or other related parties has undertaken any material transactions with ACT during the year.

In addition to the key management personnel of the Command Group, ACT has implemented several controls on staff who are involved in the contract award process to ensure that no related party factors could influence this procedure.

16. REPRESENTATION ALLOWANCE

Representation Funds are provided to SACT by the Nations' Permanent Representatives to NATO for use at his discretion. SACT allocates these funds to his subordinate Commanders, as he considers reasonable. For 2014 the Representation Funds allocated to SACT, and subsequently delegated, where as follows:

Entity	2014 Allocation
HQ SACT	27,582
JWC	3,145
JFTC	889
JALLC	535
TOTAL	**32,151**

ACT has initiated revised processes to meet the new regulations governing the use of Representation Funds. The use is monitored on a monthly basis through the office of the Financial Controller and they are also subject to annual audit by the IBAN.

At the end of 2014, any unused Representation Funds are lapsed and returned to the nations through the normal cash call process.

17. BUDGET EXECUTION STATEMENTS OVERVIEW

Exchange Rates applicable to Budget Execution Statement:

All amounts stated in Thousands of Euros (€'000), unless otherwise stated

Year	Initial Authorization	Mid-Yr Authorization	Final Authorization	Net Commitment	Actual Expenses	Carry Forward
2014	Sep 13[1]	Sep 13	Sep 13	Dec 14[2]	Ave 14[3]	Dec 14
2013/12	Dec 12[4]	Dec 12	Dec 13	Dec 14[2]	Ave 14[3]	Dec 14

[1] Rate used in 2013 Budget authorization
[2] Rate used to revalue outstanding commitments at year end prior to rolling forward to 2014
[3] Rate used in determining expenditure throughout the year
[4] Rate used to bring forward commitments remaining at year end 2013

Expenditure Reconciliation: Budget Execution Statement / Statement of Financial Performance. IPSAS 24 requires a reconciliation of Budget Execution Statement data with the expenses recorded in the Statement of Financial Performance. The expenditure data is in the currency of the budget and then translated using an average exchange rate for the year.

Expenditure recorded in Statement of Financial Performance:

Chapter 71	26,212	
Chapter 72	100,437	
Chapter 73	44	
Total Expenditure		126,693

Financial Expenditure recorded in Budget Execution Statements:

Budget 201	16,120	
Budget 252	3,574	
Budget 255	19,986	
Budget 256	5,852	
Budget 257	17,638	
Budget 258	51,222	
Budget 259	12,301	
		126,693

IPSAS 24. This Standard requires reconciliation between Budget Execution Statements and actual amounts presented in the financial statements where the financial statement and budget are not prepared on a comparable basis. Whilst the table above reconciles the actual expenses recorded in ACT's Budget Execution Statements and the Statement of Financial Performance, the remainder of the Budget Execution Statements is prepared using a different basis.

The Statements of Financial Position, Financial Performance, Changes in Net Assets and Statement of Cash Flow are prepared on a full accrual basis, whereas the Budget Execution Statements, apart from "actual expenses," are prepared on a commitment accounting basis. Significant budgetary transfers are detailed in the table at Note 18 below.

All amounts stated in Thousands of Euros (€'000), unless otherwise stated

Budgetary Lapses

Lapses recorded on the Budget Execution Statement have a value of €6.545m. This figure is generated as a direct result of the exchange rates. Lapses occur in the original currency in which the budget was approved by the BC.

Budget Code	Budget Currency	Value of Lapse in Budget Currency (figures shown as complete amounts)				Value of Lapse in Euro (Average Rate of Exchange)
		2012	**2013**	**2014**	**Total**	
201	USD	359	405	828	1,592	**1,195**
252	EUR	0	5	45	50	**50**
255	NOK	64	657	1,054	1,775	**212**
256	PLN	94	694	144	932	**222**
257	USD	696	776	1,975	3,447	**2,587**
258	EUR	30	81	351	462	**462**
259	EUR	0	1,215	602	1,817	**1,817**
						6,545

18. STATEMENT OF BUDGETARY TRANSFERS

In accordance with the NATO Financial Regulations (NFRII Article 10 – FRP X c 3) budgetary transfers are recorded on the face of the accounts. All transfers were executed between budgets at the Sept 2013 rate of exchange. The totality of transfers undertaken in 2014 do not breach the authorized Budget Authority outlined in BC-BA(2014)003 dated 17 October 2014.

In order to comply with the requirements of IPSAS 24 the significant budgetary transfers are detailed in the table below:

All amounts stated in Thousands of Euros (€'000), unless otherwise stated

Budget Code	Currency	Transfer Amount	% of total transfers	Comment
201	USD	(5,919,571)	99%	Transfer of CIS Support costs to BC 258 in order to support SLA with NCIA and reduce currency risk - BC-D(2014)0014 Refers
257	USD	(355,049)	32%	Surplus funds transferred to support JWC 2MNOK requirement
257	USD	(146,350)	13%	Surplus funds to support JFTC 450 KPLN requirement
257	USD	(317,904)	29%	Surplus funds to support CISCO Switch maintenance costs
252	EUR	23,887	100%	Increase in Budget Authority based on revised cost estimate from NCIA - BC-D(2014)0014 Refers
258	EUR	8,939,285	91%	Transfer of CIS Support costs from BC 201, 255 and 256 in order to support SLA with NCIA and reduce currency risk - BC-D(2014)0014 Refers
258	EUR	429,747	4%	Increase in Budget Authority based on revised cost estimate from NCIA - BC-D(2014)0014 Refers
258	EUR	240,000	2%	Additional funds required to support CISCO switch maintenance costs in JWC SLA with NCIA
255	NOK	(19,436,188)	111%	Transfer of CIS Support costs to BC 258 in order to support SLA with NCIA and reduce currency risk - BC-D(2014)0014 Refers
255	NOK	2,000,000	-11%	Additional 2MNOK and Internal transfer to support the JWC Virtual backbone, development of Skolkan 2 scenario and procurement of Geo products for Skolkan 2 and Soratan scenarios - BC-D(2015)0026 Refers
256	PLN	(7,623,439)	106%	Transfer of CIS Support costs to BC 258 in order to support SLA with NCIA and reduce currency risk - BC-D(2014)0014 Refers
256	PLN	451,512	-6%	Additional 450 KPLN and internal transfer to support the JFTC IKM service support contract and additional building maintenance costs - BC-D(2015)0026 Refers

19. STATEMENT OF CREDITS CARRIED FORWARD

As required by the NATO Financial Regulations, credits committed and carried forward are separately disclosed by budget and by year in the Budget Execution Statements. The Budget Committee authorized ACT to make an exceptional carry forward of €2.9m - BC-DC(2013)0056 refers. This authorisation was to support the NATO-Wide Cyber Defence education programme in 2014.

20. IPSAS DISCLOSURES

There are IPSAS Standards that are not relevant to ACT and there are Standards that require compliance in future years. ACT can provide the following overview:

<u>IPSAS 27 (Agriculture)</u> - ACT undertakes no activity covered by Standard 27

IPSAS 31 (Intangible Assets) - This Standard is also modified by the Adapted Accounting Framework in a similar way to IPSAS 17, PP&E. Any intangible assets purchased prior to 01 January 2013 can be treated as fully expensed. ACT did not purchase any intangible assets during 2014 as covered by IPSAS 31.

ACT management is reviewed the applicability of Standards 28, 29, & 30:

IPSAS 28 (Financial Instruments - Presentation) - compliance with this Standard was due on or after 01 January 2013. All financial instruments are recognized in the statement of financial position at their fair values.

IPSAS 29 (Financial Instruments - Recognition & Measurement) - compliance with this Standard was due on or after 01 January 2013. All financial instruments are recognized in the statement of financial position at their fair values.

IPSAS 30 (Financial Instruments - Disclosure) - compliance with this Standard was due on or after 01 January 2013. All financial instruments are recognized in the statement of financial position at their fair values.

21. MORALE & WELFARE ACTIVITIES

Under the NAC approved NATO Adapted Accounting Framework implemented with effect from 01 January 2013, NATO entities should capture financial information in support of morale and welfare activities by way of a note disclosure to the financial statements and not consolidated in the financial statements.

ACT submitted MWA financial information for all Headquarters to the Budget Committee under cover of reference 7000 TSC GSB-0010/FC-31-15 dated 10 April 2015.

22. STATEMENT OF WRITE-OFF

A summary table of write off is attached at Annex A to these financial statements. A full statement will be sent under separate cover to the Budget Committee.

23. STATEMENT OF PERFORMANCE AND POSITION PER ENTITY

The tables on the following pages show the Statements of Position and Performance of the ACT Headquarters that are part of the consolidated group. There is also a table showing the entries made on consolidation.

For the year ended 31 December 2014
Amounts in EUR

STATEMENT OF FINANCIAL POSITION PER HEADQUARTER

	HQ SACT			**JWC**			**JFTC**		
	2014	2013	Difference	2014	2013	Difference	2014	2013	Difference
Current Assets									
Total Cash & Cash Equivalents	51,274,657	47,729,884	3,544,773	7,899,377	8,784,162	(884,785)	3,923,144	4,167,249	(244,105)
Receivables	4,594,519	12,740,815	(8,146,296)	1,471,349	1,747,945	(276,596)	217,770	266,150	(48,380)
Total Advances & Prepayments	399,471	462,270	(62,799)	7,011	11,776	(4,765)	7,289	3,328	3,961
Advance to Consoliated Entity	150,000	1,350,336	(1,200,336)						
Adances to Non Consolidated Entities		4,000,000	(4,000,000)	325,081	85,996	239,085	56,922	7,125	49,797
Total Current Assets	56,418,646	66,283,305	(9,864,659)	9,702,818	10,629,879	(927,061)	4,205,125	4,443,852	(238,727)
Liabilities									
Payables	(14,148,537)	(16,400,081)	2,251,545	(2,356,847)	(4,289,497)	1,932,650	(565,993)	(965,490)	399,497
Unearned Revenue	(11,423,181)	(20,085,829)	8,662,648	(2,682,413)	(1,423,234)	(1,259,179)	(2,014,173)	(1,911,840)	(102,333)
Other Unearned Revenue	(349,723)	(247,413)	(102,309)						
Advance Contributions	(30,497,206)	(29,549,982)	(947,224)	(4,663,558)	(4,801,344)	137,787	(1,624,959)	(1,545,191)	(79,768)
Other Advances	0	0	0	0	(115,804)	115,804	0	(21,331)	21,331
Total Liabilities	(56,418,646)	(66,283,305)	9,864,659	(9,702,818)	(10,629,879)	927,061	(4,205,125)	(4,443,852)	238,727
Total Net Assets	0	0	(0)	0	0	(0)	0	0	(0)
Net Assets and Equity									
Surplus for the Period	0	0	0	0	0	0	0	0	0
Accumulated Surplus Bf	0	0	0	0	0	0	0	0	0
Total Accumulated Surplus Cf	0	0	0	0	0	0	0	0	0
Unrealised Translation I-E Gain on consolidation	0	0		0	0	0	0	0	0
Total Equity	0	0	0	0	0	0	0	0	0

For the year ended 31 December 2014
Amounts in EUR

STATEMENT OF FINANCIAL POSITION PER HEADQUARTER

	JALLC			NSIP			Total	Consolidation Postings	Published
	2014	2013	Difference	2014	2013	Difference	2014		2014
Current Assets									
Total Cash & Cash Equivalents	726,691	705,256	21,435	1,077,833	967,452	110,381	64,901,702	41,711	64,943,413
Receivables	71,968	319,872	(247,904)				6,355,606	(292,942)	6,062,664
Total Advances & Prepayments	39,077	3,190	35,887				452,848		452,848
Advance to Consoliated Entity							150,000	(150,000)	0
Adances to Non Consolidated Entities							382,002		382,002
Total Current Assets	837,737	1,028,318	(190,581)	1,077,833	967,452	110,381	72,242,159	(401,231)	71,840,928
Liabilities									
Payables	(591,181)	(839,450)	248,268	(21,792)	0	(21,792)	(17,684,350)	401,231	(17,283,118)
Unearned Revenue	(191,543)	(188,868)	(2,674)				(16,311,310)		(16,311,310)
Other Unearned Revenue				(1,056,041)	(967,452)	(88,589)	(1,405,764)		(1,405,764)
Advance by Consolidated Entity									
Advance Contributions							(36,785,723)		(36,785,723)
Other Advances	(55,013)		(55,013)				(55,013)		(55,013)
Miscellaneous Liabilities									
Total Liabilities	(837,737)	(1,028,318)	190,581	(1,077,833)	(967,452)	(110,381)	(72,242,159)	401,231	(71,840,928)
Total Net Assets	0	0	0	0	0	0	(0)	0	(0)
Net Assets and Equity									
Surplus for the Period	0	0	0	0	0	0	0	0	0
Accumulated Surplus Bf	0	0	0	0	0	0	0	0	0
Total Equity	0	0	0	0	0	0	0	0	0

For the year ended 31 December 2014
Amounts in EUR

STATEMENT OF FINANCIAL PERFORMANCE PER HEADQUARTER

	HQ SACT			**JWC**			**JFTC**		
	2014	2013	Difference	2014	2013	Difference	2014	2013	Difference
Total Revenue	(98,864,498)	(98,505,407)	(359,091)	(21,531,583)	(22,478,623)	947,040	(8,478,082)	(8,333,753)	(144,330)
Total Expenses	98,864,498	98,505,407	359,091	21,531,583	22,478,623	(947,040)	8,478,082	8,333,753	144,330
End of Year Result	0	0	(0)	0	0	0	0	0	0

	JALLC			**NSIP**			**Published** 2014	**Consolidation Postings**
	2014	2013	Difference	2014	2013	Difference		
Total Revenue	(4,019,554)	(3,395,956)	(623,598)	(21,792)	(84,315)	62,524	(132,915,509)	11,958,786
Total Expenses	4,019,554	3,395,956	623,598	21,792	84,315	(62,524)	132,915,509	(11,958,786)
End of Year Result	0	0	0	0	0	0	0	0

Note: inter entity revenue and expenses have been removed from the originating entity (mainly HQ SACT) and are shown at the subordinate level. IPSAS 18 applies.

Statement of Position

		Inter-Entity Adjustments
Assets		
Current Assets		
	Cash and Cash Equivalents	41,711
	Receivables	(292,942)
	Advance to Consoliated Entity	(150,000)
	Total Current Assets	(401,231)
Liabilities		
	Payables	401,231
	Total Liabilities	401,231
Net Assets		0

Statement of Performance

		Inter Entity Adjustments
Revenue		
	Operating revenue	9,989,454
	Inter Entity Revenue	1,969,332
	Total Revenue	11,958,786
Expenses		
	Inter Entity Expenses	(11,958,786)
	Total Expenses	(11,958,786)

Annex A

ACT Write off Report of International Property 2014

ACT HQ	Headquarters Property		Communications Systems Property
	Equipment	Vehicles	Equipment
HQ SACT	USD 4,565	0	USD 724,953
JWC	NOK 5,739,496	NOK 10,609,295	NOK 48,768,361
JFTC	0	0	PLN 2,274,848
JALLC	0	0	EUR 1,280,791