

INTERNATIONAL BOARD OF AUDITORS FOR NATO

AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF

THE NATO PARLIAMENTARY ASSEMBLY

(NATO PA)

AND THE NATO PA PROVIDENT FUND

FOR THE YEAR ENDED 31 DECEMBER 2014

REPORT OF THE INTERNATIONAL BOARD OF AUDITORS FOR NATO TO THE NATO PARLIAMENTARY STANDING COMMITTEE

Report on the Financial Statements

The International Board of Auditors for NATO (Board) audited the accompanying financial statements of the NATO Parliamentary Assembly (NATO PA), which comprised the statement of financial position as at 31 December 2014, and the statement of financial performance, the cash flow statement, statement of reserve funds and provisions and the statement of budgetary expenditure for the year then ended. The Board also audited the accompanying financial statements of the NATO Parliamentary Assembly Provident Fund for the year ended 31 December 2014, which comprised the statement of financial position, the statement of financial performance and the cash flow statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the reporting framework adopted by the NATO PA and in accordance with the accounting principles set out in NATO PA financial regulations as authorized by the NATO Parliamentary Standing Committee. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit, which is conducted in accordance with our Charter and international standards on auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, due to fraud or error. In making those risk assessments, internal control relevant to the entity's preparation and presentation of financial statements is considered in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion on Financial Statements

In our opinion, the financial statements of the NATO PA and its Provident Fund for the year ended 31 December 2014 are prepared, in all material respects, in accordance with the reporting framework adopted by the NATO PA and the accounting principles set out in NATO PA financial regulations and NATO PA regulations governing the Provident Fund.

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to the fact that the financial statements have been prepared in accordance with the reporting framework adopted by the NATO PA and the accounting principles set out in NATO PA financial regulations and NATO PA regulations governing the Provident Fund. The financial statements and our report are prepared to assist the NATO Parliamentary Standing Committee to carry out their role. As a result, the financial statements and our report may not be suitable for another purpose.

Report on Compliance

Management's Responsibility for Compliance

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the financial transactions and information reflected in the financial statements are in compliance with the NATO PA financial regulations and NATO PA regulations governing the Provident Fund as authorised by the NATO Parliamentary Standing Committee.

Auditor's Responsibility

In addition to the responsibility to express an opinion on the financial statements described above, our responsibility includes expressing an opinion on whether the financial transactions and information reflected in the financial statements are, in all material respects, in compliance with the NATO PA financial regulations and NATO PA regulations governing the Provident Fund. This responsibility includes performing procedures to obtain reasonable assurance about whether the funds have been used for the settlement of authorised expenditure and whether their operations have been carried out in compliance with the financial and personnel regulations in force. Such procedures include the assessment of the risks of material non-compliance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion on Compliance

In our opinion, in all material respects the financial transactions and information reflected in the financial statements are in compliance with the NATO PA financial regulations and NATO PA regulations governing the Provident Fund.

Brussels, 17 March 2015

Dr Charilaos Charisis
Chairman



NATO PARLIAMENTARY ASSEMBLY

FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31st DECEMBER 2014

A handwritten signature in black ink, appearing to read 'D. Hill', is positioned above the approval text.

Approved by the Secretary General

ACCOUNTING POLICIES

Note 1: The Organisation

The NATO Parliamentary Assembly (NATO PA) is a forum of parliamentarians from NATO member nations and associates and partner countries. It brings together European and North American legislators to debate and discuss issues of common interest and concern. The Assembly is entirely independent of NATO.

The Assembly's governing body is the Standing Committee, which is composed of the Head of each member delegation, the President, the Vice-Presidents, the Treasurer and the Secretary General. The International Secretariat under its Secretary General is responsible for all administration and the bulk of research and analysis that supports the Assembly's Committees, Sub-Committees and other groups.

Note 2: Significant Accounting Policies: the accounts are held on accrual and cash basis with no carry forwards.

Revenue Recognition: Calls for contributions from member countries are recorded in the same year as the budgets they relate to. Contributions received in advance, which relate to future budget years, are reported as year-end liabilities.

Expenditure Recognition: Expenditure is matched to the year in which the goods or services are received. However, some flexibility is applied over the year-end period to also include items where the goods have been ordered prior to year-end but shipments could not be received until the following month. All budgetary commitments are cancelled one month after year-end if goods have not been received.

Reserves and Provisions: Excess funds on hand at the end of a fiscal year belong to the contributors but are made available to the Assembly to cover expenses which may need to be met at an unknown future date. Each year, the Standing Committee, after considering the Treasurer's proposals, decides on the specific conditions governing how these reserves and provisions may be utilised in the future. Within that framework, management is granted advance permission to transfer these amounts to the budget and incur the expenditure. A separate financial statement summarising reserve fund and provision activity is prepared each year.

One special type of provision relates to voluntary contributions where donors have attached specific conditions as to what types of activities are to be funded. In these cases, the contribution is accounted for as being repayable to the contributor until the conditions relating to the expenditure are met.

Foreign Currency Translation: Foreign currency transactions are initially recorded in the accounts using NATO's official exchange rates. At year-end, all assets and liabilities denominated in foreign currencies are translated to Euros at official year-end rates. Exchange differences, both realised and unrealised, are recognised as current year income or expenditure.

Cash and Investments: Investments are comprised of operating bank accounts and short term deposits. Interest earned but not yet received at year-end is accrued and reported as current year income.

Property Plant and Equipment: Capital purchases are expensed to the budget in the year in which they occur. Listings of fixed assets are maintained, however, for insurance and internal control purposes.

Note 3: Property Plant and Equipment

Fixed assets owned by the Assembly are composed primarily of the following: the headquarters building, furniture, equipment, and 1 official vehicle.

The Assembly's headquarters, located on the Petit Sablon in Brussels, Belgium, was purchased in 1989 for Euro 1,549,334. Since that time, various renovations have taken place, which have significantly increased the amount of usable office space.

Statement of Financial Position at 31st December 2014

| ASSETS | | | LIABILITIES | | |
|------------------------------|-----------------------|-----------------------|--|-----------------------|-----------------------|
| | 2014 | 2013 | | 2014 | 2013 |
| <u>Current Assets</u> | | | <u>Current Liabilities</u> | | |
| Cash and Short-Term accounts | € 856,719.56 | € 1,142,484.97 | Creditors | € 65,458.92 | € 36,619.68 |
| Other Amounts Receivable | € 6,061.28 | € 10,413.31 | | | |
| Advance payments | € 13,055.23 | € 17,373.42 | <u>Advance Contributions</u> | | |
| Investment Fund | € 1,256,751.09 | € 1,241,657.88 | Contributions to next year budget paid in advance | € 422,783.00 | € 737,864.00 |
| Guarantees | € 5,208.29 | € 5,172.09 | | € 488,241.92 | € 774,483.68 |
| | € 2,137,795.45 | € 2,417,101.67 | | | |
| | | | <u>Reserves and Carryforwards</u> | | |
| | | | Emergency Fund | € 924,727.89 | € 924,727.89 |
| | | | Unemployment Fund | € 16,463.30 | € 16,463.30 |
| | | | Provisions | € 676,608.48 | € 676,608.48 |
| | | | Special Purpose Contributions | € 0.00 | € 0.00 |
| | | | | € 1,617,799.67 | € 1,617,799.67 |
| | | | Current Year Surplus | € 31,753.86 | € 24,818.32 |
| | | | | € 1,649,553.53 | € 1,642,617.99 |
| Total Assets | € 2,137,795.45 | € 2,417,101.67 | Total Liabilities, Reserves and Carryforwards | € 2,137,795.45 | € 2,417,101.67 |

Purchase value of the building in 1989: Euro 1,549,334

Statement of Financial Performance at 31st December 2014

| INCOME | | | EXPENDITURE | | |
|--|-----------------------|-----------------------|--|-----------------------|-----------------------|
| ANNUAL BUDGET | 2014 | 2013 | | 2014 | 2013 |
| Contributions | | | Expenditure | | |
| Contributions from Member Countries | € 3,698,825.00 | € 3,698,825.00 | Chapter 1 - Personnel Costs | € 2,745,108.45 | € 2,744,725.93 |
| NATO Subsidy | € 51,600.00 | € 51,600.00 | Chapter 2 - Operational Costs | € 374,020.61 | € 334,797.97 |
| | | | Chapter 3 - Sessions | € 344,382.27 | € 343,867.78 |
| | | | Chapter 4 - Missions, Seminars, External Relations | € 323,484.23 | € 361,134.46 |
| | € 3,750,425.00 | € 3,750,425.00 | | € 3,786,995.56 | € 3,784,526.14 |
| Financed By Provisions and Prior Year Surplus | | | | | |
| Financed from Prior Year Surplus | € 24,818.32 | € 0.00 | | | |
| Update of the budget | € 0.00 | € 0.00 | | | |
| Use of provisions | € 0.00 | € 0.00 | | | |
| Funding Outreach Programme | | | | | |
| Swiss Ministry of Defence | € 30,000.00 | € 45,000.00 | | | |
| | € 54,818.32 | € 45,000.00 | | | |
| Total Budget for the Year | € 3,805,243.32 | € 3,795,425.00 | | | |
| Other Income | | | | | |
| Investment Income | € 11,831.92 | € 13,749.90 | | | |
| Interest on Term Deposits | € 3,053.73 | € 1,731.15 | | | |
| Gains (Losses) on Exchange | € -2,390.71 | € -2,730.86 | | | |
| Other Income | € 1,011.16 | € 1,169.27 | | | |
| | € 13,506.10 | € 13,919.46 | | | |
| Total Income | € 3,818,749.42 | € 3,809,344.46 | Total Expenditure | € 3,786,995.56 | € 3,784,526.14 |
| | | | Excess of Receipts over Expenditure | € 31,753.86 | € 24,818.32 |

Cash Flow Statement

| Cash flow from operating activities | 2014 | 2013 |
|--|----------------|----------------|
| Receipts | | |
| Contributions Received | € 3,435,344.00 | € 4,437,574.00 |
| Funding Other Contributions | € 30,000.00 | € 45,000.00 |
| Other Income | € 15,317.93 | € 9,469.33 |
| Total Receipts: | € 3,480,661.93 | € 4,492,043.33 |
| Payments | | |
| Personnel Costs | € 2,745,108.45 | € 2,744,725.93 |
| Operational Costs | € 1,006,225.68 | € 1,023,222.95 |
| Total Payments: | € 3,751,334.13 | € 3,767,948.88 |
| NET increase/decrease in cash and cash equivalents: | € -270,672.20 | € 724,094.45 |
| Cash and cash equivalents at the beginnig of the period: | € 2,384,142.85 | € 1,660,048.40 |
| Cash and cash equivalents at the end of the period: | € 2,113,470.65 | € 2,384,142.85 |
| Balance: | € -270,672.20 | € 724,094.45 |

Statement of Reserve funds and Provisions at 31st December 2014

| | Opening Balances | Approved allocations | Revised Balances | Current Year Contributions | Transferred to Current Year Budget | Current Year Budget Expenditure | Other Income | Ending Balance |
|---|-----------------------|-------------------------|-----------------------|----------------------------------|--|---------------------------------------|--------------------|-----------------------|
| I. Provisions | | | | | | | | |
| Provision Chapter 1 | € 129,265.85 | € 0.00 | € 129,265.85 | € 0.00 | € 0.00 | € 0.00 | € 0.00 | € 129,265.85 |
| Provision Chapter 2 | € 72,425.99 | € 0.00 | € 72,425.99 | € 0.00 | € 0.00 | € 0.00 | € 0.00 | € 72,425.99 |
| Provision Chapter 3 | € 151,408.45 | € 0.00 | € 151,408.45 | € 0.00 | € 0.00 | € 0.00 | € 0.00 | € 151,408.45 |
| Provision Chapter 4 | € 323,508.19 | € 0.00 | € 323,508.19 | € 0.00 | € 0.00 | € 0.00 | € 0.00 | € 323,508.19 |
| Total | € 676,608.48 | € 0.00 | € 676,608.48 | € 0.00 | € 0.00 | € 0.00 | € 0.00 | € 676,608.48 |
| II. Special Purpose Contributions | | | | | | | | |
| Rose-Roth Programme - Swiss MOD funds | € 0.00 | € 0.00 | € 0.00 | € 30,000.00 | € -30,000.00 | € 0.00 | € 0.00 | € 0.00 |
| Total | € 0.00 | € 0.00 | € 0.00 | € 30,000.00 | € -30,000.00 | € 0.00 | € 0.00 | € 0.00 |
| III. Reserve Funds | | | | | | | | |
| Emergency Fund | € 924,727.89 | € 0.00 | € 924,727.89 | € 0.00 | € 0.00 | € 0.00 | € 0.00 | € 924,727.89 |
| Unemployment Fund | € 16,463.30 | € 0.00 | € 16,463.30 | € 0.00 | € 0.00 | € 0.00 | € 0.00 | € 16,463.30 |
| Total | € 941,191.19 | € 0.00 | € 941,191.19 | € 0.00 | € 0.00 | € 0.00 | € 0.00 | € 941,191.19 |
| TOTAL (Headings I,II,III) | € 1,617,799.67 | € 0.00 | € 1,617,799.67 | € 30,000.00 | € -30,000.00 | € 0.00 | € 0.00 | € 1,617,799.67 |
| IV. ANNUAL BUDGET | | | | | | | | |
| Allocation from prior year return on investment | € 0.00 | € 0.00 | € 0.00 | € 0.00 | € 0.00 | € 0.00 | € 0.00 | € 0.00 |
| Update of the budget | € 0.00 | € 24,818.32 | € 24,818.32 | € 0.00 | € -24,818.32 | € 0.00 | € 0.00 | € 0.00 |
| Allocation of Prior Year surplus | € 24,818.32 | € -24,818.32 | € 0.00 | € 0.00 | € 0.00 | € 0.00 | € 0.00 | € 0.00 |
| Current Year Operations - Normal Budget | € 0.00 | € 0.00 | € 0.00 | € 3,750,425.00 | € 54,818.32 | € 3,786,995.56 | € 13,506.10 | € 31,753.86 |
| TOTAL (Heading IV) | € 24,818.32 | € 0.00 | € 24,818.32 | € 3,750,425.00 | € 30,000.00 | € 3,786,995.56 | € 13,506.10 | € 31,753.86 |
| GRAND TOTAL (Headings I, II, III, IV) | € 1,642,617.99 | € 0.00 | € 1,642,617.99 | € 3,780,425.00 | € 0.00 | € 3,786,995.56 | € 13,506.10 | € 1,649,553.53 |
| - see Income and expenditure table for details | | | | | | | | |

| Revised Budget 2013 | Expenses 2013 | Revised Budget 2014 | Expenses 2014 | Saving | % Rev. Budget |
|---------------------------|------------------|---------------------------|------------------|--------|------------------|
|---------------------------|------------------|---------------------------|------------------|--------|------------------|

BREAKDOWN OF EXPENDITURE FOR FINANCIAL YEAR 2014

CHAPTER 1 - PERSONNEL COSTS

€ 2,091,125.00 € 2,090,999.29 € 2,092,145.00 € 2,092,141.68 € 3.32 100.00%

€ 1,607,125.00 € 1,619,126.91 € 1,625,145.00 € 1,624,698.23

| | | | |
|--------------|--------------|--------------|--------------|
| € 264,000.00 | € 251,068.45 | € 259,000.00 | € 258,616.72 |
| € 52,000.00 | € 52,507.99 | € 52,000.00 | € 53,623.40 |
| € 45,000.00 | € 43,122.76 | € 50,000.00 | € 49,540.88 |
| € 123,000.00 | € 125,173.18 | € 106,000.00 | € 105,662.45 |
| € 0.00 | € 0.00 | € 0.00 | € 0.00 |
| € 0.00 | € 0.00 | € 0.00 | € 0.00 |

€ 482,200.00 € 482,146.00 € 481,400.00 € 481,318.48 € 81.52 99.98%

| | | | |
|--------------|--------------|--------------|--------------|
| € 240,000.00 | € 237,497.03 | € 239,000.00 | € 238,970.19 |
| € 242,200.00 | € 244,648.97 | € 242,400.00 | € 242,348.29 |

Article 1 - Gross Salaries

- 1.1 Basic salaries
- 1.2 Allowances
 - Expatriation
 - Household
 - Dependent children
 - Fiscal
 - Education
 - Unemployment

Article 2 - Additional salary costs

- 2.1 Health insurance
- 2.2 Provident Fund

This article is for the employer's contribution to the group insurance scheme provided under the law of 14 August 1974 to give staff members of the Assembly insurance coverage for sickness/disability. Two thirds of the premium is paid by the Assembly and one third by the employee.

The Provident Fund was set up under the law of 14 August 1974 to provide a pension capital reserve for staff members. The Assembly's contribution to this fund is 14% of basic salary.

€ 23,100.00 € 23,045.19 € 46,128.32 € 46,124.70 € 3.62 99.99%

| | | | |
|-------------|-------------|-------------|-------------|
| € 1,500.00 | € 1,526.80 | € 1,810.00 | € 6,401.15 |
| € 16,100.00 | € 13,895.10 | € 8,000.00 | € 6,714.44 |
| € 5,000.00 | € 6,000.00 | € 29,818.32 | € 28,351.42 |
| € 500.00 | € 1,623.29 | € 6,500.00 | € 4,657.69 |

Article 3 - Recruitment expenses

- 3.1 Travel
- 3.2 Removal and installation costs
- 3.3 Recruitment fees
- 3.4 Other expenditure (medical fees)

This includes standard recruitment costs (advertisements and employment agency charges), travel costs for applicants from abroad, the installation costs in Brussels, and repatriation expenses at the end of the term of employment. The removal costs include one removal to Germany, one to United Kingdom and one from Portugal.

| Revised Budget 2013 | Expenses 2013 | Revised Budget 2014 | Expenses 2014 | Saving | % Rev. Budget |
|---------------------------|------------------|---------------------------|------------------|------------|------------------|
| € 46,500.00 | € 46,304.91 | € 43,600.00 | € 43,362.68 | € 237.32 | 99.46% |
| € 5,000.00 | € 10,789.17 | € 3,500.00 | € 3,660.40 | | |
| € 38,000.00 | € 33,723.86 | € 33,500.00 | € 33,100.47 | | |
| € 3,500.00 | € 1,791.88 | € 6,600.00 | € 6,601.81 | | |
| € 27,000.00 | € 26,968.57 | € 9,000.00 | € 8,694.95 | € 305.05 | 96.61% |
| € 23,000.00 | € 22,750.00 | € 4,000.00 | € 2,439.62 | | |
| € 2,000.00 | € 2,828.67 | € 4,500.00 | € 5,604.88 | | |
| € 2,000.00 | € 1,389.90 | € 500.00 | € 650.45 | | |
| € 0.00 | € 0.00 | € 0.00 | € 0.00 | € 0.00 | 0.00% |
| € 300.00 | € 275.06 | € 480.00 | € 358.31 | € 121.69 | 74.65% |
| € 75,000.00 | € 74,986.91 | € 73,690.00 | € 73,107.65 | € 582.35 | 99.21% |
| € 5,000.00 | € 4,035.56 | € 3,690.00 | € 3,188.79 | | |
| € 35,000.00 | € 31,566.00 | € 35,000.00 | € 32,002.00 | | |
| € 33,000.00 | € 37,826.25 | € 33,000.00 | € 36,217.92 | | |
| € 2,000.00 | € 1,559.10 | € 2,000.00 | € 1,698.94 | | |
| € 2,745,225.00 | € 2,744,725.93 | € 2,746,443.32 | € 2,745,108.45 | € 1,334.87 | 99.95% |

Article 4 - Expenditure related to staff

- 4.1 Home leave
- 4.2 Luncheon vouchers and commuting expenses
- 4.3 Language and training courses

This article covers various types of expenditure from which staff benefit, such as luncheon vouchers during a three month period prior to the sessions, training courses and travel costs for expatriated staff members going home every two years. It also covers a substantial percentage of the staff commuting expenses on public transport.

Article 5 - External consultants and temporary staff

- 5.1 External consultants
- 5.2 Temporary staff
- 5.3 Insurance Cover

This covers costs for consultants (sessions) and for temporary staff during peak periods or when staff are on sick leave.

Article 6 - Financial control and advice

This covers general financial consultations and advice. *IBAN has waived the costs of its audit.*

Article 7 - Legal advisers

For specialized advice on Belgian legislation.

Article 8 - Research assistants programme

- 8.1 Travel
- 8.2 Subsistence Allowance
- 8.3 Housing
- 8.4 Miscellaneous (medical insurance)

This programme enables postgraduate students from member and associate nations to work at the Assembly's International Secretariat in Brussels. Each year ten to twelve research assistants come to the Assembly for a period of three to six months. The budget for this programme covers transportation, accommodation costs and a modest living allowance.

TOTAL CHAPTER 1

| Revised Budget 2013 | Expenses 2013 | Revised Budget 2014 | Expenses 2014 | Saving | % Rev. Budget |
|---------------------------|------------------|---------------------------|------------------|--------|------------------|
|---------------------------|------------------|---------------------------|------------------|--------|------------------|

€ 67,230.00 € 67,229.41 € 94,300.00 € 94,207.21 € 92.79 99.90%

€ 20,000.00 € 19,486.86 € 48,300.00 € 52,418.59

€ 11,000.00 € 6,833.76 € 14,000.00 € 6,937.83

€ 5,500.00 € 4,712.26 € 5,500.00 € 20,075.13

€ 1,000.00 € 1,309.22 € 1,000.00 € 780.84

€ 2,500.00 € 681.62 € 2,500.00 € 181.85

€ 0.00 € 5,950.00 € 25,300.00 € 24,442.94

CHAPTER 2 - OPERATING COSTS

Article 1 - Expenditure on headquarters

1.1 General maintenance; decoration of premises, maintenance contracts

1.1.1 Maintenance contracts

1.1.2 General maintenance

1.1.3 Maintenance of office equipment and furniture

1.1.4 Decoration of premises

1.1.5 Alterations

This article includes electrical work, plumbing and minor repairs to the building; the purchase and upkeep of plants to decorate the interior and exterior façades and minor internal decoration expenses. It includes repairs to office equipment.

It also include contracts with firms authorized to carry out maintenance of the fixtures (boiler, fire extinguishers, telephone exchange, lift) and official health and safety checks.

The alterations included replacing of outdated lighting with more energy saving lighting and the renovation of the ground floor toilets.

€ 17,230.00 € 17,343.09 € 16,000.00 € 11,600.79

€ 1,000.00 € 883.63 € 1,000.00 € 893.26

€ 8,000.00 € 6,110.28 € 7,500.00 € 4,627.60

€ 8,230.00 € 10,349.18 € 7,500.00 € 6,079.93

€ 30,000.00 € 30,399.46 € 30,000.00 € 30,187.83

1.2 Utilities

1.2.1 Water

1.2.2 Electricity

1.2.3 Heating

1.3 Cleaning and maintenance of offices

This covers daily office cleaning, including windows, carpets and curtains, and also the purchase of cleaning products.

€ 6,300.00 € 6,282.64 € 6,300.00 € 6,250.68 € 49.32 99.22%

€ 2,300.00 € 2,464.04 € 2,300.00 € 2,497.84

€ 1,300.00 € 1,000.00 € 1,100.00 € 1,000.00

€ 1,400.00 € 1,358.21 € 1,400.00 € 1,358.21

€ 800.00 € 1,120.00 € 1,000.00 € 1,120.00

€ 500.00 € 340.39 € 500.00 € 274.63

Article 2 - Insurances

2.1 Building and content (fire, theft, flood damage)

2.2 Third party liability

2.3 Computer and portable interpretation equipment (fire, theft, flood damage)

2.4 Luggage insurance while on missions

2.5 Freight Insurance

| Revised Budget 2013 | Expenses 2013 | Revised Budget 2014 | Expenses 2014 | Saving | % Rev. Budget | |
|---------------------------|------------------|---------------------------|------------------|----------|------------------|---|
| € 13,170.00 | € 13,042.36 | € 14,200.00 | € 14,161.92 | € 38.08 | 99.73% | Article 3 - Contracts concerning security |
| € 3,300.00 | € 3,598.47 | € 3,500.00 | € 3,653.07 | | | 3.1 Surveillance of headquarters |
| € 8,700.00 | € 9,305.82 | € 8,700.00 | € 9,269.41 | | | 3.2 Security guard service |
| € 1,170.00 | € 138.07 | € 2,000.00 | € 1,239.44 | | | 3.3 Security work, upgrade alarm system |
| | | | | | | This article covers annual maintenance charges for security equipment already installed at the International Secretariat headquarters as well as charges for the daily supervision of the headquarters. |
| € 10,750.00 | € 10,728.30 | € 12,900.00 | € 12,857.23 | € 42.77 | 99.67% | Article 4 - Postage and telephone costs |
| € 1,500.00 | € 613.32 | € 1,500.00 | € 761.21 | | | 4.1 Postage |
| € 1,000.00 | € 377.60 | € 1,000.00 | € 1,245.24 | | | 4.2 Special courier services |
| € 8,250.00 | € 9,737.38 | € 10,400.00 | € 10,850.78 | | | 4.3 Telephone costs |
| € 15,800.00 | € 15,752.69 | € 11,600.00 | € 11,529.06 | € 70.94 | 99.39% | Article 5 - Administration costs and office supplies |
| € 10,000.00 | € 10,067.37 | € 5,100.00 | € 6,434.25 | | | 5.1 Office supplies (headquarters and sessions) |
| € 800.00 | € 979.80 | € 1,500.00 | € 485.00 | | | 5.2 Paper for printers and copiers |
| € 500.00 | € 218.10 | € 500.00 | € 0.00 | | | 5.3 Envelopes for dispatch |
| € 4,500.00 | € 4,487.42 | € 4,500.00 | € 4,609.81 | | | 5.4 Bank and other administrative expenses |
| € 13,000.00 | € 12,983.32 | € 10,400.00 | € 10,339.25 | € 60.75 | 99.42% | Article 6 - Small office equipment and furniture |
| € 8,500.00 | € 12,983.32 | € 5,900.00 | € 5,003.65 | | | 6.1 Office equipment |
| € 4,500.00 | € 0.00 | € 4,500.00 | € 5,335.60 | | | 6.2 Replacement of old furniture |
| € 9,850.00 | € 9,845.67 | € 11,620.00 | € 11,534.75 | € 85.25 | 99.27% | Article 7 - Renting and maintenance of photocopiers |
| € 7,850.00 | € 9,531.28 | € 9,620.00 | € 10,897.22 | | | 7.1 Photocopiers |
| € 2,000.00 | € 314.39 | € 2,000.00 | € 637.53 | | | 7.2 Extra copies above contract |
| € 43,700.00 | € 43,454.94 | € 43,700.00 | € 42,893.62 | € 806.38 | 98.15% | Article 8 - Computer equipment |
| € 22,500.00 | € 23,850.42 | € 22,500.00 | € 18,564.30 | | | 8.1 Contracts (Hardware, Software and Internet) |
| € 18,700.00 | € 19,054.52 | € 18,700.00 | € 24,294.15 | | | 8.2 Purchase Hardware and Software |
| € 2,500.00 | € 550.00 | € 2,500.00 | € 35.17 | | | 8.3 Training |

| Revised Budget 2013 | Expenses 2013 | Revised Budget 2014 | Expenses 2014 | Saving | % Rev. Budget | |
|---------------------------|---------------------|---------------------------|---------------------|------------|------------------|---|
| € 5,600.00 | € 5,433.92 | € 5,000.00 | € 4,710.97 | € 289.03 | 94.22% | Article 9 - Transport |
| € 2,500.00 | € 1,511.40 | € 1,900.00 | € 1,678.77 | | | 9.1 Assembly car |
| € 600.00 | € 801.10 | € 1,100.00 | € 837.20 | | | 9.2 Local transport Brussels |
| € 2,500.00 | € 3,121.42 | € 2,000.00 | € 2,195.00 | | | 9.3 Freight costs to the sessions |
| € 108,400.00 | € 108,379.49 | € 123,780.00 | € 123,779.95 | € 0.05 | 100.00% | Article 10 - Documents |
| € 5,000.00 | € 5,398.85 | € 12,280.00 | € 13,635.31 | | | 10.1 Publication costs |
| € 19,400.00 | € 16,538.90 | € 17,500.00 | € 16,550.88 | | | 10.2 Proofreading |
| € 84,000.00 | € 86,441.74 | € 94,000.00 | € 93,593.76 | | | 10.3 Translation |
| € 25,600.00 | € 25,272.32 | € 24,900.00 | € 24,694.16 | € 205.84 | 99.17% | Article 11 - Library |
| € 23,000.00 | € 24,219.97 | € 24,400.00 | € 24,538.33 | | | 11.1 Subscriptions and others |
| € 1,500.00 | € 417.35 | € 500.00 | € 155.83 | | | 11.2 Books and other reference material |
| € 1,100.00 | € 635.00 | € 0.00 | € 0.00 | | | 11.3 Daily magazines and other periodicals |
| € 16,400.00 | € 16,392.91 | € 17,100.00 | € 17,061.81 | € 38.19 | 99.78% | Article 12 - Representation, hospitality, receptions |
| € 2,000.00 | € 1,513.18 | € 2,000.00 | € 2,508.76 | | | 12.1 Restaurants (Brussels and during missions) |
| € 7,400.00 | € 8,899.02 | € 8,100.00 | € 8,051.90 | | | 12.2 Beverages headquarters |
| € 4,000.00 | € 4,168.87 | € 4,000.00 | € 3,501.15 | | | 12.3 Hospitality, gifts and Christmas lunch for the International Secretariat |
| € 3,000.00 | € 1,811.84 | € 0.00 | € 0.00 | | | 12.4 Assembly lunch with representatives from the North Atlantic Council |
| € 0.00 | € 0.00 | € 3,000.00 | € 3,000.00 | | | 12.5 OECD lunch |
| € 335,800.00 | € 334,797.97 | € 375,800.00 | € 374,020.61 | € 1,779.39 | 99.53% | TOTAL CHAPTER 2 |

| Revised Budget 2013 | Expenses 2013 | Revised Budget 2014 | Expenses 2014 | Saving | % Rev. Budget |
|---------------------------|------------------|---------------------------|------------------|--------|------------------|
|---------------------------|------------------|---------------------------|------------------|--------|------------------|

€ 15,000.00 € 13,517.49 € 14,650.00 € 14,393.07 € 256.93 98.25%

€ 5,000.00 € 4,857.63 € 4,650.00 € 8,086.77
 € 10,000.00 € 8,659.86 € 10,000.00 € 6,191.30
 € 0.00 € 0.00 € 0.00 € 115.00

€ 112,000.00 € 111,876.23 € 135,350.00 € 135,307.27 € 42.73 99.97%

€ 15,500.00 € 15,220.16 € 25,850.00 € 40,513.88
 € 94,000.00 € 93,984.98 € 107,000.00 € 86,434.35
 € 2,000.00 € 1,490.90 € 2,000.00 € 1,057.30
 € 0.00 € 900.00 € 0.00 € 7,301.74
 € 500.00 € 280.19 € 500.00 € 0.00

€ 195,000.00 € 194,665.02 € 157,500.00 € 157,219.64 € 280.36 99.82%

€ 35,000.00 € 52,648.75 € 17,500.00 € 16,592.11
 € 135,000.00 € 122,427.83 € 121,000.00 € 126,675.92
 € 4,500.00 € 3,054.98 € 4,500.00 € 3,812.95
 € 20,000.00 € 16,328.46 € 14,000.00 € 10,072.50
 € 500.00 € 205.00 € 500.00 € 66.16

€ 8,500.00 € 8,218.35 € 5,850.00 € 5,817.92 € 32.08 99.45%

CHAPTER 3 - SESSIONS

Article 1 - Standing Committee meeting - April 2014 - Riga

- 1.1 Travel
- 1.2 Accommodation, per diem and staff expenditure
- 1.3 Reserve for unforeseeable administrative expenditure

Article 2 - Spring Session - May 2014 - Vilnius

- 2.1 Travel
- 2.2 Accommodation, per diem and staff expenditure
- 2.3 Hospitality expenses for meetings (Bureau meetings and press)
- 2.4 Provision for the recruitment of Russian interpreters
- 2.5 Reserve for unforeseeable administrative expenditure

Article 3 - Annual Session - November 2014 - The Hague

- 3.1 Travel
- 3.2 Accommodation, per diem and staff expenditure
- 3.3 Hospitality expenses for meetings (Bureau meetings and press)
- 3.4 Provision for the recruitment of Russian interpreters
- 3.5 Reserve for unforeseeable administrative expenditure

These articles cover the costs of personnel, speakers and interpreters (travel, accommodation, per diem, salaries), minor hospitality expenses related to the session.

Depending on the subjects addressed and the participation of delegations, Russian interpretation is provided for certain committee meetings.

Article 4 - Joint Meeting - The Hotel - February 2014 - Brussels

This covers the technical and personnel costs for the use of The Hotel (Tuesday morning only) as well as the Sunday evening reception and transportation. The Belgian delegation is hosting the meetings taking place at The Hotel.

| Revised Budget 2013 | Expenses 2013 | Revised Budget 2014 | Expenses 2014 | Saving | % Rev. Budget |
|---------------------------|------------------|---------------------------|------------------|--------|------------------|
| € 16,400.00 | € 15,590.69 | € 31,650.00 | € 31,644.37 | € 5.63 | 99.98% |
| € 8,000.00 | € 8,758.10 | € 14,650.00 | € 12,792.42 | | |
| € 8,400.00 | € 6,832.59 | € 17,000.00 | € 18,851.95 | | |

Article 5 - Preparation of future sessions

5.1 Spring Sessions

5.2 Annual Sessions

This covers costs allocated in 2014 for preparatory trips for sessions to be held in London, Budapest and Stavanger (2015).

| Revised Budget 2013 | Expenses 2013 | Revised Budget 2014 | Expenses 2014 | Saving | % Rev. Budget |
|---------------------------|------------------|---------------------------|------------------|--------|------------------|
|---------------------------|------------------|---------------------------|------------------|--------|------------------|

| | | | | | |
|-------------|-------------|-------------|-------------|----------|--------|
| € 15,000.00 | € 14,940.80 | € 10,500.00 | € 10,310.83 | € 189.17 | 98.20% |
|-------------|-------------|-------------|-------------|----------|--------|

Article 1 - Committee on the Civil Dimension of Security

| | | | | | |
|-------------|-------------|-------------|-------------|----------|--------|
| € 29,100.00 | € 29,012.63 | € 26,000.00 | € 25,845.71 | € 154.29 | 99.41% |
|-------------|-------------|-------------|-------------|----------|--------|

Article 2 - Defence and Security Committee

| | | | | | |
|------------|------------|-------------|-------------|--------|--------|
| € 9,000.00 | € 8,737.28 | € 18,600.00 | € 18,591.78 | € 8.22 | 99.96% |
|------------|------------|-------------|-------------|--------|--------|

Article 3 - Economics and Security Committee

| | | | | | |
|-------------|-------------|-------------|-------------|----------|--------|
| € 12,600.00 | € 12,393.97 | € 14,000.00 | € 13,570.78 | € 429.22 | 96.93% |
|-------------|-------------|-------------|-------------|----------|--------|

Article 4 - Political Committee

| | | | | | |
|-------------|-------------|-------------|-------------|----------|--------|
| € 15,300.00 | € 15,202.28 | € 16,500.00 | € 16,358.78 | € 141.22 | 99.14% |
|-------------|-------------|-------------|-------------|----------|--------|

Article 5 - Science and Technology Committee

These budgets essentially cover the costs incurred by each Director in carrying out Committee activities such as contacts with Rapporteurs (discussion of the reports), Sub-Committee fact-finding missions (travel, accommodation, per diem), participation in seminars of special relevance to Committee work.

| | | | | | |
|------------|------------|-------------|-------------|---------|--------|
| € 6,000.00 | € 4,785.91 | € 11,100.00 | € 11,002.86 | € 97.14 | 99.12% |
|------------|------------|-------------|-------------|---------|--------|

Article 6 - Any additional meeting

This budget article was used to cover costs involved in the Presidential Election Monitoring and Parliamentary Election Monitoring in Ukraine

| | | | | | |
|-------------|-------------|-------------|-------------|------------|--------|
| € 99,765.64 | € 99,676.57 | € 75,069.58 | € 68,353.52 | € 6,716.06 | 91.05% |
|-------------|-------------|-------------|-------------|------------|--------|

Article 7 - Rose-Roth and Outreach programme

| | | | |
|-------------|-------------|-------------|-------------|
| € 77,765.64 | € 75,656.69 | € 57,669.58 | € 52,429.90 |
| € 10,000.00 | € 19,088.55 | € 10,000.00 | € 13,148.26 |
| € 5,000.00 | € 4,754.33 | € 1,000.00 | € 0.00 |
| € 5,000.00 | € 155.00 | € 4,400.00 | € 2,775.36 |
| € 2,000.00 | € 22.00 | € 2,000.00 | € 0.00 |

7.1. Rose-Roth Seminars (Sarajevo, Baku, Warsaw)
7.2. Parliamentary Training Programmes
7.3. NATO Orientation Programme
7.4. Partnership programmes with Georgia and Ukraine
7.5. Miscellaneous

This item is used for: the costs incurred by the international staff in the organisation of and participation in seminars and parliamentary training programmes under the Rose-Roth Programme; the costs of participation of some associate delegations not covered by funding; the costs of speakers and additional staff.

Part of the programme is financed by external funding (Swiss MOD).

| Revised Budget 2013 | Expenses 2013 | Revised Budget 2014 | Expenses 2014 | Saving | % Rev. Budget |
|---------------------------|------------------|---------------------------|------------------|-------------|------------------|
| € 17,500.00 | € 17,239.97 | € 13,000.00 | € 12,826.42 | € 173.58 | 98.66% |
| € 12,500.00 | € 10,868.66 | € 12,500.00 | € 11,231.24 | € 1,268.76 | 89.85% |
| € 110,734.36 | € 110,660.64 | € 100,230.42 | € 100,201.89 | € 28.53 | 99.97% |
| € 2,500.00 | € 362.37 | € 2,500.00 | € 107.65 | € 2,392.35 | 4.31% |
| € 0.00 | € 0.00 | € 0.00 | € 0.00 | € 0.00 | 0.00% |
| € 22,500.00 | € 22,434.25 | € 18,000.00 | € 17,707.70 | € 292.30 | 98.38% |
| € 15,000.00 | € 14,819.13 | € 20,000.00 | € 17,375.07 | € 2,624.93 | 86.88% |
| € 367,500.00 | € 361,134.46 | € 338,000.00 | € 323,484.23 | € 14,515.77 | 95.71% |
| € 3,795,425.00 | € 3,784,526.14 | € 3,805,243.32 | € 3,786,995.56 | € 18,247.76 | 99.52% |

Article 8 - Mediterranean and Middle East Special Group seminars

The seminar was held in Catania and the visit to Greece (joint with PCNP).

Article 9 - Transatlantic seminar

The Transatlantic seminar was held in Washington. Participants covered the cost of bus transportation, lunch and interpretation equipment.

Article 10 - Interpretation costs for all meetings

This item covers interpretation costs in the two official languages at meetings of the Assembly. It also includes Russian interpretation costs when Associate Delegations participate in certain meetings.

A portion of the interpretation costs is financed by external funding (Swiss MOD).

Article 11 - President**Article 12 - Treasurer****Article 13 - Secretary General****Article 14 - Deputy Secretaries General****TOTAL CHAPTER 4****GRAND TOTAL**

Received Contributions

| Member Country | Contribution | Received | |
|----------------|--------------------|------------|--------------------|
| | | Date | € |
| Albania | € 3,218 | 25/06/2014 | € 3,218 |
| Belgium | € 74,483 | 02/04/2014 | € 74,483 |
| Bulgaria | € 12,010 | 18/06/2014 | € 12,010 |
| Canada | € 225,314 | 01/11/2013 | € 225,314 |
| Croatia | € 11,341 | 30/05/2014 | € 11,341 |
| Czech Republic | € 34,847 | 31/01/2014 | € 24,891 |
| | | 13/02/2014 | € 9,956 |
| Denmark | € 44,804 | 13/11/2013 | € 44,804 |
| Estonia | € 3,721 | 20/06/2014 | € 3,721 |
| France | € 412,127 | 22/01/2014 | € 251,855 |
| | | 13/02/2014 | € 160,272 |
| Germany | € 536,526 | 02/01/2014 | € 89,421 |
| | | 14/01/2014 | € 178,842 |
| | | 13/06/2014 | € 178,842 |
| | | 18/07/2014 | € 89,421 |
| Greece | € 40,794 | 17/06/2014 | € 40,794 |
| Hungary | € 25,836 | 30/04/2014 | € 25,836 |
| Iceland | € 1,591 | 20/02/2014 | € 1,591 |
| Italy | € 322,722 | 11/12/2013 | € 322,722 |
| Latvia | € 5,115 | 06/03/2014 | € 5,115 |
| Lithuania | € 7,886 | 31/12/2013 | € 7,886 |
| Luxembourg | € 5,641 | 20/01/2014 | € 5,641 |
| Netherlands | € 120,386 | 15/11/2013 | € 120,386 |
| Norway | € 57,280 | 14/03/2014 | € 57,280 |
| Poland | € 97,438 | 25/06/2014 | € 48,719 |
| | | 07/11/2014 | € 48,719 |
| Portugal | € 35,128 | 24/02/2014 | € 35,128 |
| Romania | € 39,034 | 08/04/2014 | € 39,034 |
| Slovakia | € 16,752 | 27/12/2013 | € 16,752 |
| Slovenia | € 8,137 | 06/01/2014 | € 8,137 |
| Spain | € 193,781 | 21/02/2014 | € 193,781 |
| Turkey | € 152,780 | 23/06/2014 | € 152,780 |
| United Kingdom | € 406,031 | 23/01/2014 | € 406,031 |
| United States | € 804,102 | 02/05/2014 | € 804,102 |
| NATO Subsidy | € 51,600 | 03/07/2014 | € 51,600 |
| Total | € 3,750,425 | | € 3,750,425 |

1) within the budget

| | Chapter/Article | Transfer | Balance after transfer |
|------|--|---------------|------------------------|
| FROM | Chapter 1 - Art. 7 Legal advisers € 3,500.00 | - € 3,020.00 | € 480.00 |
| FROM | Chapter 3 - Art. 3 Annual Session € 205,000.00 | - € 30,000.00 | € 175,000.00 |
| TO | Chapter 1 - Art. 1 Salaries € 2,059,125.00 | + € 33,020.00 | € 2,092,145.00 |
| FROM | Chapter 1 - Art. 4 Expenditure related to staff € 53,000.00 | - € 9,400.00 | € 43,600.00 |
| FROM | Chapter 1 - Art. 8 Research Assistants € 75,000.00 | - € 1,000.00 | € 74,000.00 |
| TO | Chapter 1 - Art. 2 Additional Salary costs € 471,000.00 | + € 10,400.00 | € 481,400.00 |
| FROM | Chapter 1 - Art. 5 Temporary staff and consultants € 15,000.00 | - € 6,000.00 | € 9,000.00 |
| FROM | Chapter 1 - Art. 8 Research Assistants € 74,000.00 | - € 310.00 | € 73,690.00 |
| TO | Chapter 1 - Art. 3 Recruitment Expenditure € 39,818.32 | + € 6,310.00 | € 46,128.32 |
| FROM | Chapter 2 - Art. 2 Insurances € 7,500.00 | - € 1,000.00 | € 6,500.00 |
| FROM | Chapter 2 - Art. 4 Postage, facsimile, telephone € 15,000.00 | - € 2,100.00 | € 12,900.00 |
| FROM | Chapter 2 - Art. 6 Small office equipment and furniture € 11,500.00 | - € 1,100.00 | € 10,400.00 |
| FROM | Chapter 2 - Art. 9 Transport € 14,600.00 | - € 9,600.00 | € 5,000.00 |
| FROM | Chapter 4 - Art. 8 Mediterranean and Middle East Special Group € 20,000.00 | - € 7,000.00 | € 13,000.00 |
| FROM | Chapter 4 - Art. 13 Secretary General € 25,500.00 | - € 7,500.00 | € 18,000.00 |
| TO | Chapter 2 - Art. 1 Expenditure on Headquarters € 66,000.00 | + € 28,300.00 | € 94,300.00 |

| | Chapter/Article | Transfer | Balance after transfer |
|------|--|---------------|------------------------|
| FROM | Chapter 2 - Art. 2 Insurances € 6,500.00 | - € 200.00 | € 6,300.00 |
| TO | Chapter 2 - Art. 3 Contract concerning security € 14,000.00 | + € 200.00 | € 14,200.00 |
| FROM | Chapter 2 - Art. 5 Administration cost and office supplies € 16,500.00 | - € 4,900.00 | € 11,600.00 |
| FROM | Chapter 2 - Art. 7 Photocopiers € 14,000.00 | - € 2,380.00 | € 11,620.00 |
| FROM | Chapter 3 - Art. 3 Annual Session € 175,000.00 | - € 16,500.00 | € 158,500.00 |
| TO | Chapter 2 - Art. 10 Documents € 100,000.00 | + € 23,780.00 | € 123,780.00 |
| FROM | Chapter 2 - Art. 11 Library € 27,000.00 | - € 2,100.00 | € 24,900.00 |
| TO | Chapter 2 - Art. 12 Representation, hospitality € 15,000.00 | + € 2,100.00 | € 17,100.00 |
| FROM | Chapter 3 - Art. 1 Standing Committee € 15,000.00 | - € 350.00 | € 14,650.00 |
| TO | Chapter 3 - Art. 2 Spring Session € 135,000.00 | + € 350.00 | € 135,350.00 |
| FROM | Chapter 3 - Art. 4 Joint Committee Meeting - February € 6,500.00 | - € 650.00 | € 5,850.00 |
| FROM | Chapter 3 - Art. 3 Annual Session € 158,500.00 | - € 1,000.00 | € 157,500.00 |
| TO | Chapter 3 - Art. 5 Preparation of future sessions € 30,000.00 | + € 1,650.00 | € 31,650.00 |
| FROM | Chapter 4 - Art. 4 Political Committee € 18,000.00 | - € 4,000.00 | € 14,000.00 |
| FROM | Chapter 4 - Art. 7 Rose-Roth and Outreach Programme € 75,000.00 | - € 4,000.00 | € 71,000.00 |
| TO | Chapter 4 - Art. 2 Defence and Security Committee € 18,000.00 | + € 8,000.00 | € 26,000.00 |

| | Chapter/Article | Transfer | Balance after transfer |
|------|---|---------------|------------------------|
| FROM | Chapter 4 - Art. 7 Rose-Roth and Outreach Programme € 71,000.00 | - € 19,100.00 | € 51,900.00 |
| TO | Chapter 4 - Art. 3 Economic and Security Committee € 18,000.00 | + € 800.00 | € 18,800.00 |
| TO | Chapter 4 - Art. 6 Any Additional Meeting € 6,000.00 | + € 5,100.00 | € 11,100.00 |
| TO | Chapter 4 - Art. 10 Interpretation Cost € 80,000.00 | + € 13,400.00 | € 93,400.00 |
| FROM | Chapter 4 - Art. 1 Committee on the Civil Dimension of Security € 13,500.00 | - € 3,000.00 | € 10,500.00 |
| TO | Chapter 4 - Art. 5 Science and Technology Committee € 13,500.00 | + € 3,000.00 | € 16,500.00 |

2) from external funding

| | | | |
|----|---|---------------|--------------|
| | Swiss MOD Funding | € 30,000.00 | |
| TO | Chapter 4 - Art. 7 Rose-Roth and Outreach Programme € 51,900.00 | + € 23,169.58 | € 75,069.58 |
| TO | Chapter 4 - Art. 10 Interpretation Cost € 93,400.00 | + € 6,830.42 | € 100,230.42 |



NATO Parliamentary Assembly

PROVIDENT FUND

FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31st DECEMBER 2014

A handwritten signature in black ink, appearing to be 'Andreas' followed by a stylized surname.

Approved by the Secretary General

Significant Accounting Policies

Contributions

Member and organisation contributions are paid monthly directly into the Fund. Payments are received in euros and credited to individual accounts.

Funds

Funds consist of shares in four portfolios: conservative, balanced, growth and cash. The member's return on investment is based upon the actual performance of the selected fund.

Pension schemes

Contributions to national pension schemes are deducted from the monthly contributions of the affiliates when salaries are calculated and paid out.

Loans

Affiliates can withdraw money from their Provident Fund for the purchase of a house in accordance with the Provident Fund rules (article 23). Shares in their portfolio are sold and the amount of the proceeds are transferred into the affiliates' bank account.

STATEMENT OF FINANCIAL POSITION

| ASSETS | | |
|-------------------------------------|----------------------------|----------------------------|
| | 2014 | 2013 |
| Current Assets | | |
| Current Account | 643.03 | 643.03 |
| Receivables | 0.00 | 0.00 |
| | <u>643.03</u> | <u>643.03</u> |
| Personal Investment Accounts | | |
| Conservative Portfolio | 402,105.42 | 787,088.17 |
| Balanced Portfolio | 1,839,496.71 | 1,384,549.07 |
| Growth Portfolio | 1,448,619.48 | 1,277,595.78 |
| Cash Portfolio | 271,299.19 | 233,523.68 |
| | <u>3,961,520.80</u> | <u>3,682,756.70</u> |
| Approved Home Loans | 929,671.64 | 1,267,341.68 |
| | <u><u>4,891,835.47</u></u> | <u><u>4,950,741.41</u></u> |

| LIABILITIES | | |
|---|----------------------------|----------------------------|
| Member Equity: Personal Investment Accounts | 3,961,520.80 | 3,682,756.70 |
| Member Equity: Approved Home Loans | 929,671.64 | 1,267,341.68 |
| Undistributed Assets | 643.03 | 643.03 |
| | <u><u>4,891,835.47</u></u> | <u><u>4,950,741.41</u></u> |

STATEMENT OF OPERATIONS AND CASH FLOW

| | 2014 | 2013 |
|---|--------------------------------|--------------------------------|
| Opening Balance - Personal Investment Accounts | 3,682,756.70 | 4,512,495.19 |
| Contributions for the year | | |
| Individual Contributions (7% of Basic Salary) | 121,173.90 | 122,324.42 |
| NATO PA Contributions (14% of Basic Salary) | 242,348.29 | 244,648.97 |
| Reimbursement of Loans | 92,770.04 | 87,451.98 |
| | <u>456,292.23</u> | <u>454,425.37</u> |
| Withdrawals for the year | | |
| Closure accounts of Departing Employees | 582,614.91 | 690,785.66 |
| Payments to National Pension Schemes | 4,860.00 | 6,240.00 |
| Loan Advances | 6,200.00 | 839,914.00 |
| | <u>593,674.91</u> | <u>1,536,939.66</u> |
| Subtotal | 3,545,374.02 | 3,429,980.90 |
| Portfolio Performance | | |
| Interest | 0.00 | 2.38 |
| Bank costs | 0.00 | 0.00 |
| Personal Investment Accounts | 416,146.78 | 252,775.80 |
| Return on Investments for the year | <u>416,146.78</u> | <u>252,778.18</u> |
| Less: Net Change in Undistributed Assets | 0.00 | -2.38 |
| | <u>416,146.78</u> | <u>252,775.80</u> |
| Closing Balance- Personal Investment Accounts | <u><u>3,961,520.80</u></u> | <u><u>3,682,756.70</u></u> |