

INTERNATIONAL CRIMINAL POLICE ORGANIZATION – INTERPOL (ICPO-INTERPOL)



ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS 2020

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ANNUAL FINANCIAL REPORT 2020

Financial statement highlights 2020

The global disruption caused by the COVID-19 pandemic had a major impact on operations in 2020. While the Organization adapted quickly to adjust its operations to enable remote delivery, the rapidly changing conditions required continued management of risk and uncertainty. The Organization continually reviewed its financial operations, revising its budgets and financial plans during the year. The actions to increase the Organization's financial security resulted in a prudent financial performance in 2020, which was considerably different to the previous financial year and to the pre-pandemic Approved Budget.

Key Financial Indicators	Budget 2020 ¹	2020	2019	Annual Change
Regulatory compliance (reserves)	100%	151%	138%	13%
Statutory contribution collection	100%	97.6%	98.5%	(0.9%)
Unrestricted cash (months)	N/A	6.3	4.8	35%
Regular Budget execution	100%	91%	106%	(14%)
Revenue (EUR millions)	148.6	135.9	141.9	(4%)
Operating result (EUR millions)	(6.0)	2.7	(4.7)	57%

The financial decisions taken during 2020 were designed to protect the Organization's financial position in the face of significant uncertainty, while ensuring that it was able to deliver on its key objectives in the short and medium term. The impact of these financial decisions is clearly seen in the Key Financial Indicators. For example, in 2020, the execution of the Organization's budgets was significantly and deliberately lower than in 2019: Regular Budget execution was 91%, down from 106%,² Trust Fund and Special Accounts was 74%, down from 97%, and the Capital Budget was 84%, down from 107%.

Emphasis was placed on longer-term actions: cash flow and financial sustainability, while maintaining – as far as possible – revenue and budget implementation within restricted operational circumstances. Cash flow from operating activities was positive, EUR 32.5 million, compared with the 2019 operating cash flow of EUR 6.0 million. This helped increase total cash, cash equivalents and investments to EUR 151.8 million at the end of 2020, from EUR 122.5 million in 2019. Available “unrestricted” cash, cash equivalents and investments (i.e. free-to-use) were added as a key financial indicator and increased to 6.3 months at the end of 2020 (2019: 4.8 months). There was close follow-up on accounts receivable: the in-year collection rate of statutory contributions for 2020 remained high at 97.6%, albeit a slight fall from 2019 by 0.9%. Fifteen of the 194 member countries are in long-term payment arrears and therefore subject to the Organization's administrative sanctions. The Organization continued its cost efficiency measures.

The result of these budget management actions was a positive operating result that increased the Organization's reserves and improved its regulatory compliance from 138% in 2019 to 151% in 2020. The level of the General Reserve Fund increased by EUR 2.0 million to EUR 18.0 million. The financial operating result was a surplus of EUR 2.7 million, significantly higher than the budgeted use of reserves of EUR 6.0 million and compared to the budgeted use of reserves of EUR 4.7 million registered in 2019.

¹ The budget is further detailed in note 25 to the financial statements.

² Includes use of carry-forward reserve projects.

Total revenue decreased in the year by EUR 6.0 million, compared to 2019, to EUR 135.9 million (-4%). However, total assets increased by EUR 27.9 million (17%) to EUR 187.3 million of which cash, cash equivalents and investments represent 81%. Total liabilities increased by EUR 25.2 million (+22%) to EUR 140.3 million, primarily as a consequence of increasing Trust Fund and Special Accounts and employee-related liabilities. The current ratio is 0.86, an improvement on the 2019 level of 0.74. The liquidity measures highlight the necessary prudent approach in budget management during 2020.

Introduction

The International Criminal Police Organization (ICPO-INTERPOL, the “Organization”) was created to facilitate international law enforcement cooperation. It is the world’s largest international police organization by number of Member States, having 194 members. The Organization helps provide the tools and services, and sets standards to enable the secure exchange of information between international law enforcement agencies; it provides analysis and coordinates international operations, and it assists its members in further developing their international law enforcement capacity.

Strategy and operating environment 2020: Long-term operating sustainability

The Organization operates globally by connecting law enforcement organizations from different countries.

Vision - Connecting police for a safer world

The Organization’s vision is that every law enforcement official can communicate through its secure channels to access police information whenever and wherever needed, to help ensure the safety of the world's citizens.

Mission - Preventing and fighting crime through enhanced cooperation and innovation on police and security matters

Defined in its Constitution, the Organization’s mandate is “to ensure the widest possible cooperation between all criminal police authorities and to suppress ordinary law crimes”. The Organization ensures law enforcement agencies can communicate securely with each other. It enables access to police data and information. It provides operational support on priority crime areas. It fosters continuous improvement in the capacity of law enforcement for more effective international policing.

Global policing goals - Strategic framework, goals, objectives and activities³

To ensure that international policing efforts are coordinated and consistent, law enforcement agencies must work towards the same outcomes. The Organization has developed seven “Global Policing Goals”⁴ which address a range of issues relating to international crime and security. Linked to the Global Policing Goals, the Organization has defined its organizational goals. These are further sub-divided into specific objectives and activities, against which a budget is allocated and progress monitored. The Organization has a contact bureau in every member country run by national authorities and conducts its activities across the world.

³ <https://www.interpol.int/Who-we-are/Strategy/Strategic-Framework-2017-2020>

⁴ <https://www.interpol.int/Who-we-are/Strategy/Global-Policing-Goals>. The Global Policing Goals are aligned to the United Nations 2030 Agenda for Sustainable Development, notably Goal 16 “Peace, Justice and Strong Institutions”.

Operating environment 2020 and beyond

The Organization is impacted by the global security environment which itself is impacted by wider societal changes. The year 2020 was characterised by significant restrictions in international cross border movement of people that had a significant impact on database activity, coordinating in-person international operations and capacity-building events. However, the reduction in these physical events was partly off-set by activities conducted by virtual means, with an increase in web-enabled activities and training. This changing emphasis is a reflection of wider societal trends that are leading to new ways of committing transnational crime, requiring the Organization to develop tools and services to coordinate an effective international response.

Future financial sustainability

The year 2020 has seen a global economic contraction, characterised by government economic support. While forecasts remain optimistic of a significant rebound in the coming years, the Organization takes a prudent approach in the management of its finances to ensure ongoing sustainability. The Organization's financial objectives are to ensure that it has sufficient funds to conduct its Programme of Activities and react to operational emergencies, to have a balanced budget in the long term, to have reserves to overcome temporary shortfalls and to protect the Organization's assets. Further discussion on financial risk management is provided in the separate section.

Financial position and cash flow

As the financial risks increased during the year, the emphasis on budget management was to strengthen the Organization's financial position and cash flow to ensure some capacity to manage future uncertainties. This included more focus on the Statement of Financial Position by a close follow-up of receivables, a review of longer-term commitments, and expense reduction measures.

Cash flow

Overall, cash generation remained strong. Cash, cash equivalents and investments rose 24% or EUR 29.3 million. Although the main driver was, again, the increase in internally-restricted cash for the settlement of future employee liabilities and Trust Fund and Special Accounts, which increased by EUR 25.3 million, budget management actions also improved operating cash flow.

Operating cash flow

The Organization continues to generate significant operating cash flows, generating EUR 32.5 million (2019: EUR 6.0 million). However, these balances are not always free-to-use as they may have internal restrictions, being held for third parties such as sponsors or employees. The key indicator for the Organization's operating sustainability is the unrestricted operating cash flow and its unrestricted cash, cash equivalent and investment balances. These balances increased to EUR 35.0 million in 2020 (2019: EUR 29.3 million) equivalent to 6.3 months of Regular Budget operating expenses (2019: 4.8 months). Overall cash, cash equivalents and investments also increased significantly as restricted balances increased: employee future liabilities and Trust Fund and Special Account Balances. This reduced the total % of unrestricted cash, also highlighting that a significant portion of the Organization's assets are managed on behalf of third parties.

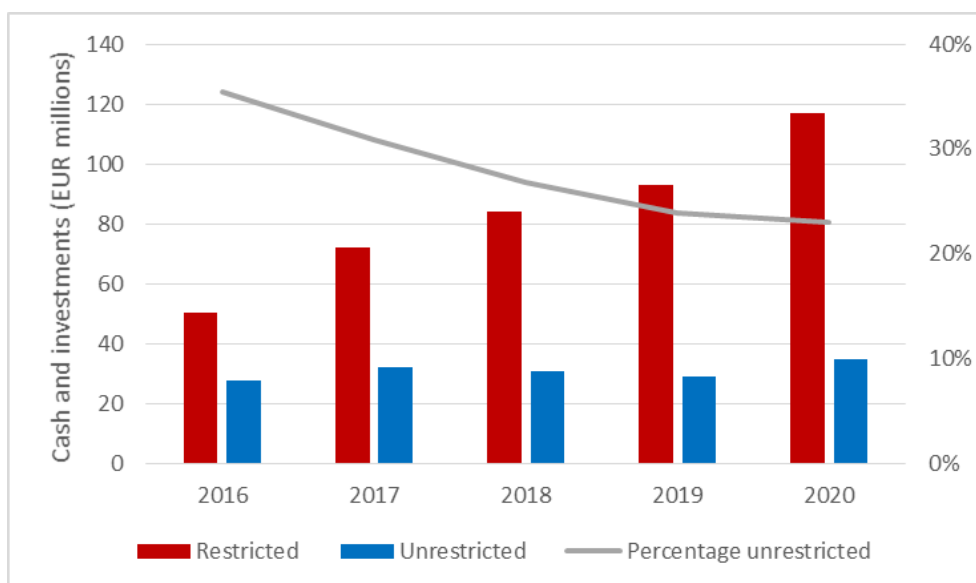


Figure 1: Five-year trend in restricted and non-restricted cash, cash equivalents and investments (EUR millions, percentage total unrestricted)

Cash, cash equivalents and investments

Total cash, cash equivalents and investments rose to EUR 151.8 million in 2020. This increase was both for balances with restrictions – not freely available to the Organization – which increased from EUR 93.2 million to EUR 116.8 million in 2020, and the unrestricted balances.

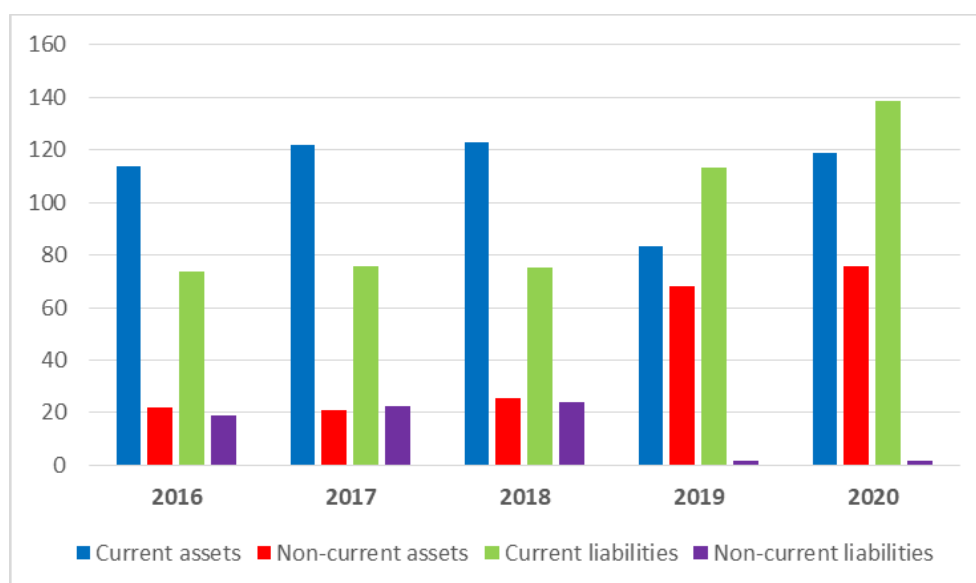


Figure 2: Five-year evolution of total assets and liabilities

Assets

Total assets increased by 17% from EUR 159.4 million to EUR 187.3 million. This is mainly driven by the increase in cash, cash equivalents and investments, which represent 81% of total assets. Net asset values of long-term assets (capital items) have been decreasing in recent years, which is consistent with the wider trend towards rental rather than ownership. The trend in investment in intangible assets continues and has seen the proportion of these assets rise in comparison with tangible assets.

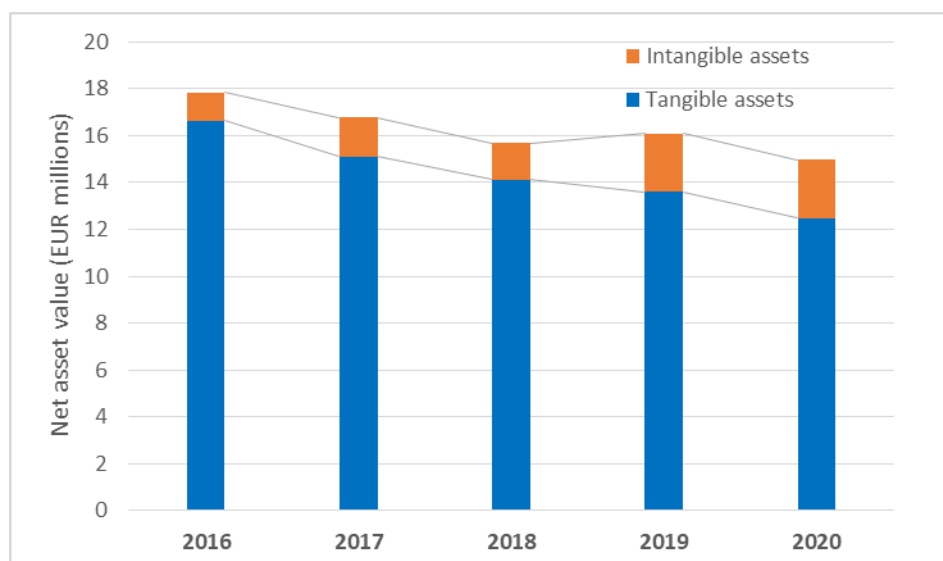


Figure 3: Five-year trend in net asset value of tangible and intangible assets

Liabilities

The Organization has three principal sources of liabilities: accounts payable and accrued charges; employee future benefits; deferred revenue. As can be seen from the assets to liabilities ratio of 1.33, liabilities are normally covered by assets. Employee future benefits and deferred revenue generally have an associated internally restricted asset in cash or cash equivalent or an investment that exactly matches the liability.

Employee future benefits

The Organization offers a defined contribution pension to its employees under contract.⁵ The total liability continues to increase (EUR 30.3 million of liabilities in 2020 for 434 members of staff). The plan is “fully funded”.

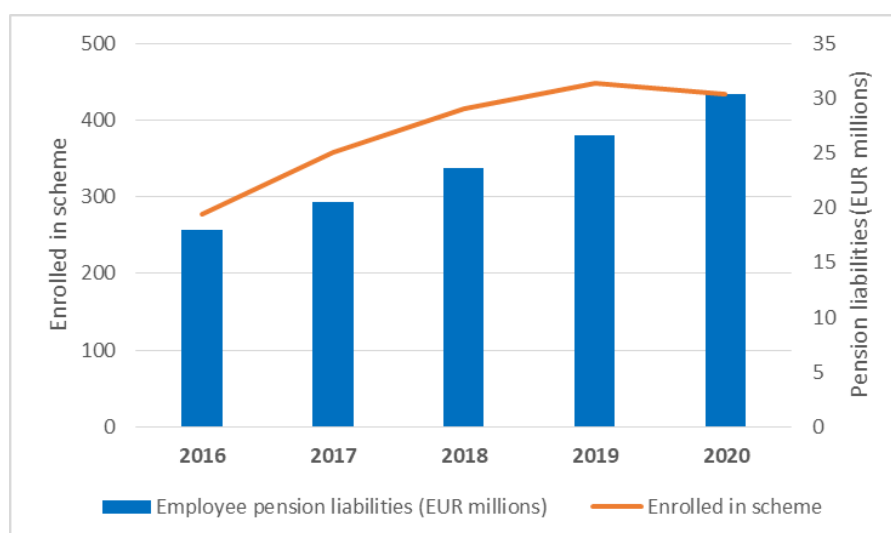


Figure 4: Five-year trend in liability and employees enrolled (line) in the defined contribution pension scheme

⁵ Employees under contract may be enrolled in their national pension schemes, to which the Organization may also contribute, but considers that it has no further liability to the pensioner.

Deferred revenue: Trust Fund and Special Accounts

The Organization executes projects on behalf of third-party sponsors. It generally receives funding in advance of execution, and hence the revenue is deferred until the project is implemented. The amount of Trust Fund and Special Account projects has been increasing and with it the liability to deliver the projects. At the end of 2020, the Organization held EUR 80.0 million for these projects (2019: EUR 60.8 million), representing 2.2 years of project execution based on the most recent implementation rate. This level of “implementation reserves”, together with continued strong Trust Fund and Special Account sponsorship provides confidence in the continuation of these activities in the medium term, even with an expected increased implementation rate.

Liquidity ratios

The focus on strengthening the Statement of Financial Position is demonstrated in the increase in financial analysis ratios. The current ratio increased to 0.86 at the end of 2020, from 0.74 in 2019. Similarly, the assets to liabilities ratio and the operating cash flow ratios remain strong. Assets to liabilities ratio was 1.33 in 2020 (2019: 1.38) and the operating cash flow ratio increased from 0.05 in 2019 to 0.23 in 2020. However, the liquidity ratios are distorted by managing funds on behalf of third parties: Trust Fund and Special Accounts and employee liabilities. The re-classification of certain employee liabilities as current liabilities can change these ratios, as occurred in 2019. Liabilities in both cases are covered by assets.

Liquidity ratio	What is measured
Current ratio	Measures an organization’s ability to pay off short-term liabilities with current assets
Quick ratio	Measures an organization’s ability to pay off short-term liabilities with quick assets
Operating cash flow ratio	A measure of the number of times an organization can pay off current liabilities with the cash generated in a given period.
Assets to liabilities ratio	Indicates how an organization can potentially settle its liabilities by selling its assets.

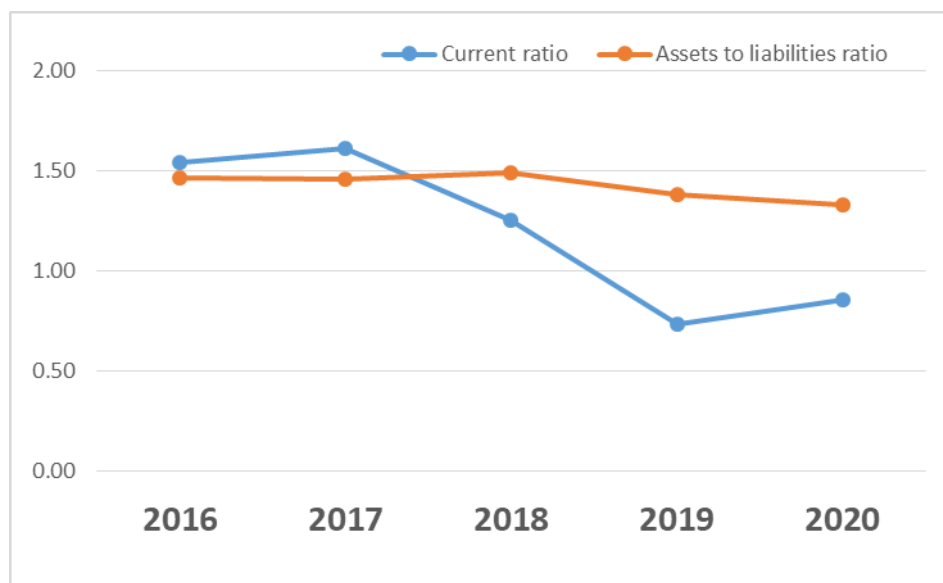


Figure 5: Five-year trend in the current and assets to liabilities ratio

Changes in equity: reserves and statutory limits

In 2020, the Organization had budgeted to use its reserves above its statutory level for strategic investments. However, as the financial operating conditions deteriorated, the Organization reviewed and reduced these activities. The 2020 operating performance, a surplus of EUR 2.7 million, helped increase total reserves. These accumulated reserves represented 53% of the 2020 annual statutory contributions call (2019: 48%).

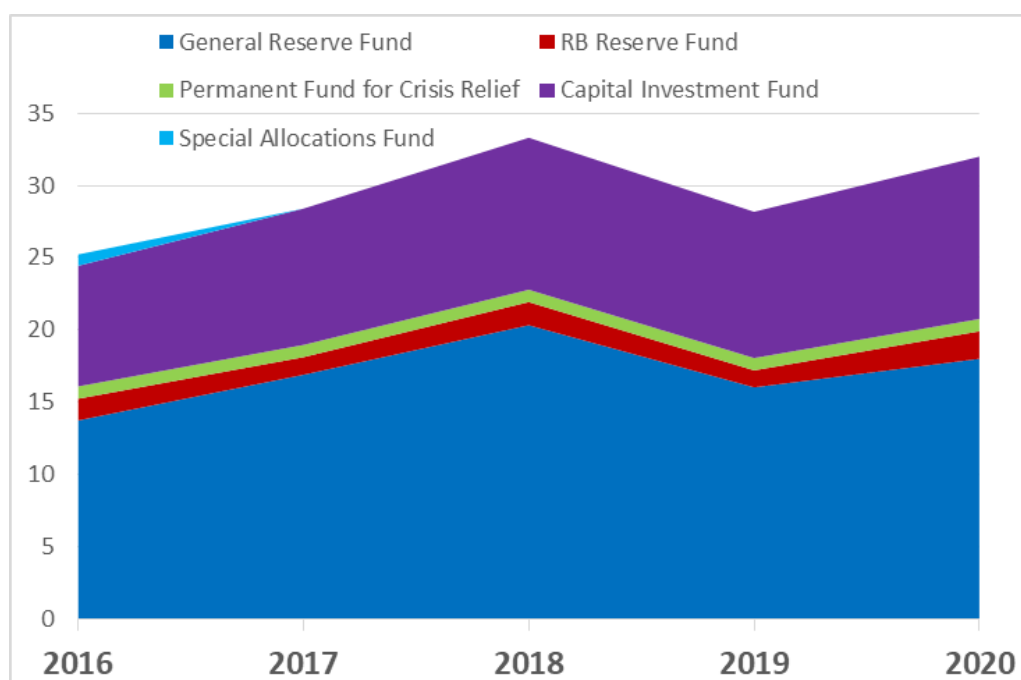


Figure 6: Five-year trend in the evolution of the level of accumulated reserve funds

There was a similar improvement in the General Reserve Fund compliance level. To ensure operational continuity, the financial regulations stipulate a level of the combined General Reserve Fund and Permanent Fund for Crisis Relief. The level of these funds is currently EUR 18.9 million (2019: EUR 16.9 million) which is a margin of EUR 9.6 million (2019: 6.4 million) or 51% (2019: 38%) over the compliance limits.⁶

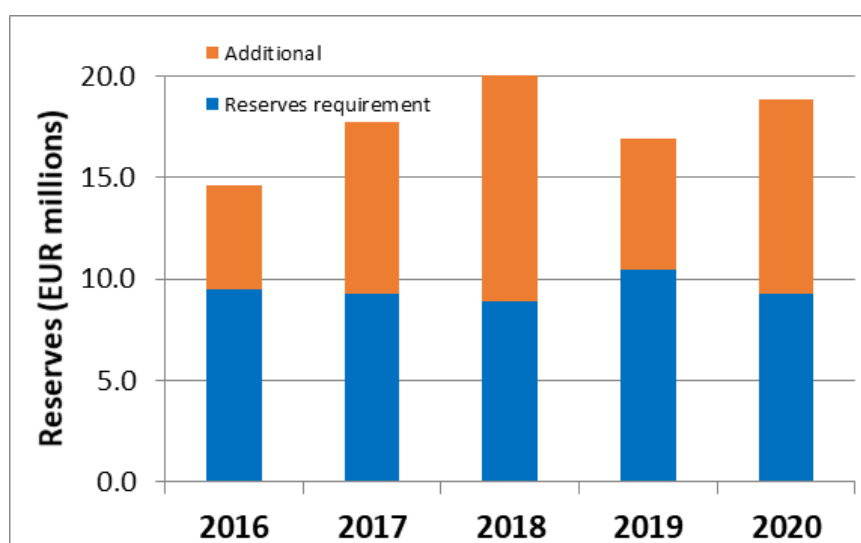


Figure 7: Five-year trend in the accumulated reserve funds and compliance with the Financial Regulations

⁶ There is no statutory level of the capital reserve fund or RB reserve fund.

Financial performance

Operating result

In 2020 the Organization made a surplus of EUR 2.7 million mainly as a result of dynamic budget management reducing planned activities, notably in the use of its reserves. The financial performance was EUR 8.7 million higher than the budgeted deficit of EUR 6.0 million. Some reserve spend remained – to complete key strategic activities of upgrading policing and corporate infrastructure and to ensure increased operational efficiency. However, the managed “underlying result” was strongly positive.

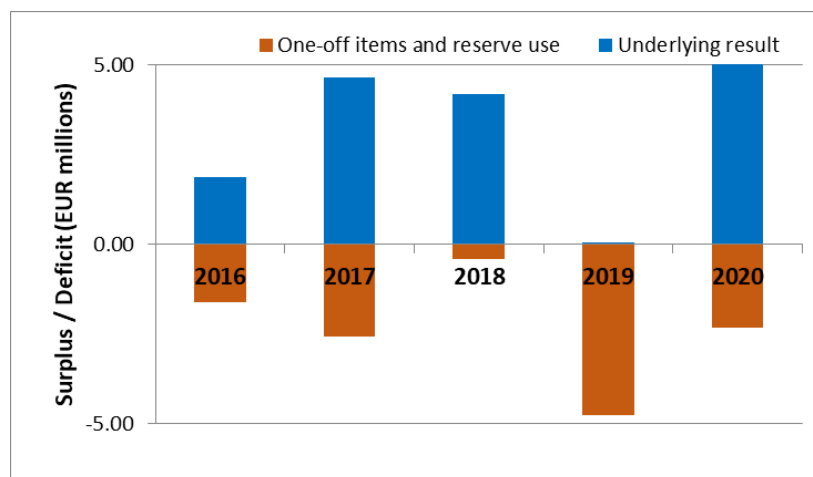


Figure 8: Financial performance: five-year view of operating result

Income overview

There was less emphasis on revenue generation, with more focus on financial operating sustainability, in 2020. Total revenues decreased by EUR 6.1 million to EUR 135.9 million in 2020 (-4% versus 2019). Revenues come from three main sources: statutory contributions of EUR 60.2 million (+2.6% versus 2019); contributions in kind valued at EUR 34.9 million (+1% versus 2019) and other voluntary contributions of EUR 40.0 million (-16% versus 2019), that includes the Trust Fund and Special Accounts.

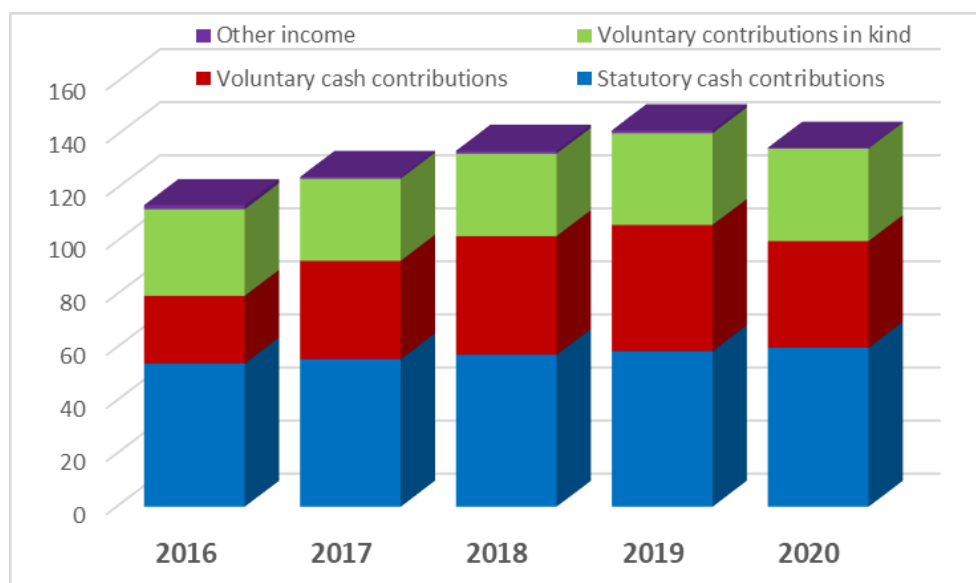


Figure 9: Five-year evolution of operating income (EUR millions)

The Organization has been diversifying its income streams, so as not to become too dependent on any one source. Notably, it has been increasing its voluntary cash and contributions in kind – meaning that statutory (cash) contributions as a percentage of total revenue was 45% in 2020 (2019: 41%). Although this was an increase in 2020, it was caused by the difficult operating conditions in being able to implement Trust Fund and Special Account projects, not as a result of the availability of this funding.

By region: The statutory contributions are set according to a defined scale, of which a new scale was adopted for implementation in 2020. Voluntary contributions, both in cash and in kind, are made for specific activities. Of the statutory contributions, slightly under half (41%) come from Europe.

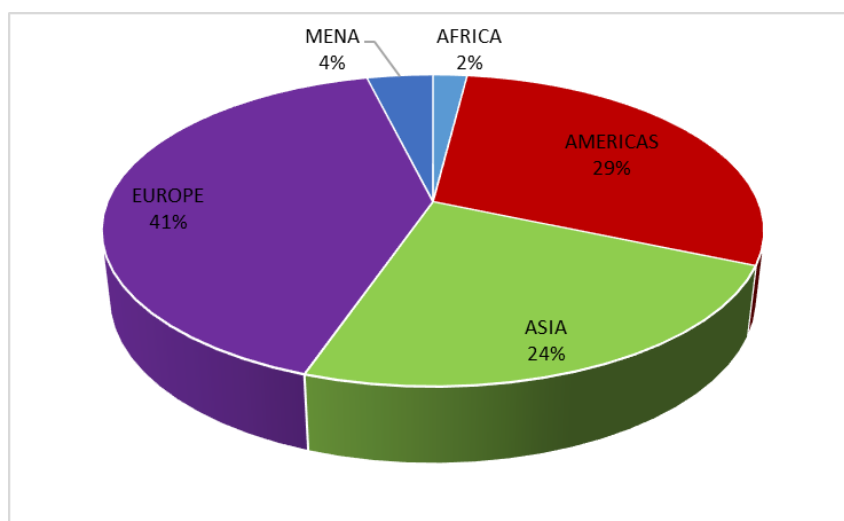


Figure 10: Share of 2020 statutory revenue by INTERPOL region

Of the total revenue, which includes voluntary contributions such as those in kind for buildings and seconded officials and income for projects, the amount for Europe reduces to 33%, Americas to 28%, Asia and South Pacific remains at 24%; whereas Africa increases to 6% and Middle East and North Africa to 9%.

Statutory contributions

On-time collection of statutory contributions is a key financial indicator as it impacts the overall budget available for implementation. Collection rates were slightly down on the General Budget, though not significantly, remaining above 97%. RB budgets also saw a drop in the collection rate, down to below 60%.

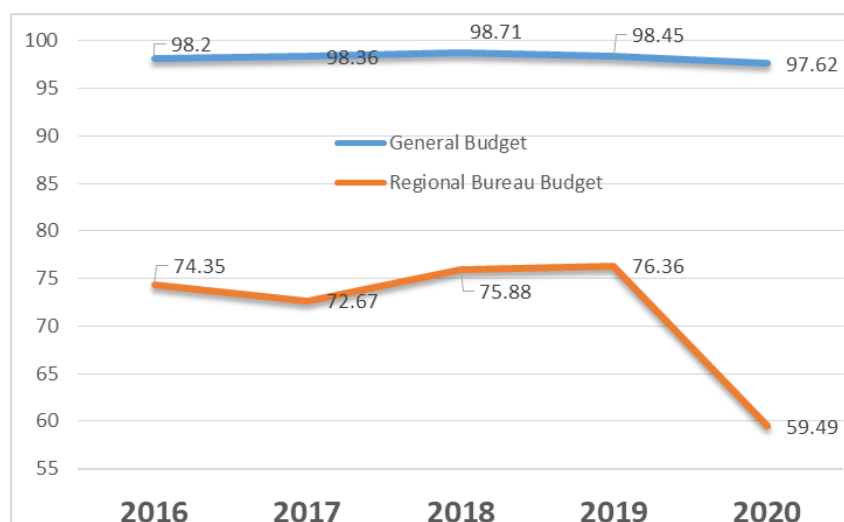


Figure 11: Five-year collection rates of statutory contributions – General and RB budgets (percentage in the year)

Overall outstanding statutory contributions from member countries increased in the year by EUR 1.1 million (+24%) to 9.6% of total statutory contributions (2019: 7.9%). Amounts owed from countries in long-term payment difficulties (“Article 52” countries) increased from EUR 3.5 million (13 countries, 7% of the total countries) to EUR 3.8 million (15 countries, 8% of the total countries). Despite the deterioration in collection rates, the Organization continued its dialogue with countries with the notable success of the voluntary support of a member country in long-term payment arrears by a third country.

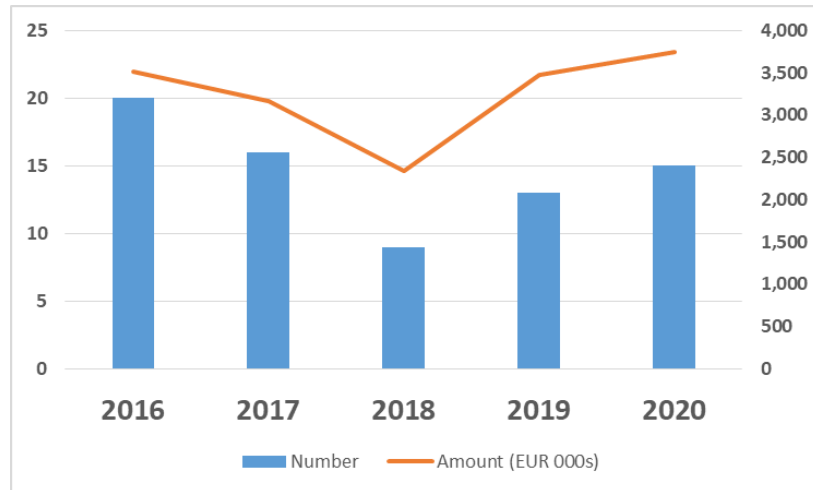


Figure 12: Five-year trend in number and amount outstanding from countries under Article 52 sanctions (long-term payment difficulties)

Expenses overview

Specific management actions helped manage overall expenses. Total expenses decreased in 2020 to EUR 133.2 million (-9% compared to 2019), reversing the recent trend of increasing expenses. Employee pay costs, including the in-kind pay costs, are the main expense type accounting for over two-thirds (69%) of the total costs in 2020.

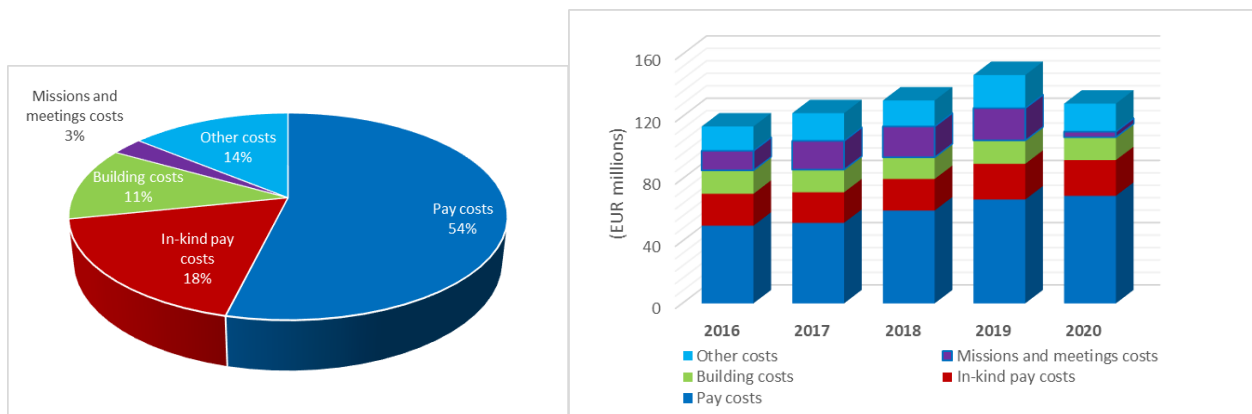


Figure 13: 2020 operating expenses by type and five-year evolution

Financial performance by budget segment

The Regular Budget represented 71% of total expenditures with the remainder being the Trust Fund and Special Accounts. The diversification of revenues has slowed in 2020 as Trust Fund and Special Account activities were restricted (2019: 70% Regular Budget).

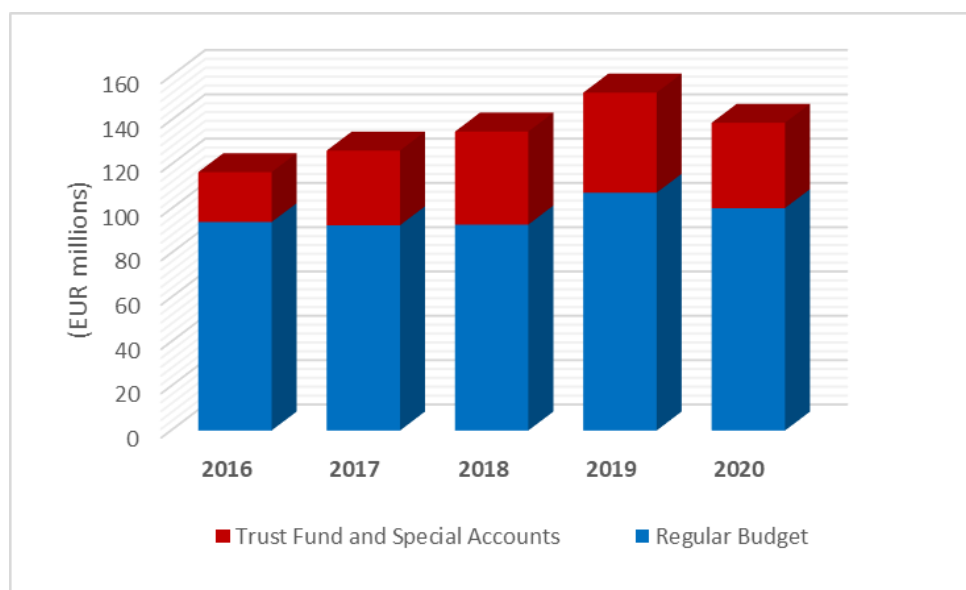


Figure 14: Five-year evolution of budgets by type

EUR millions	Budget 2020	Actual 2020	Implementation rate %
Regular Budget	109.0	100.4	92%
Capital Budget	5.0	3.8	84%
Trust Fund and Special Accounts Budget	51.3	38.5	75%

Table 1: Execution rate (expenses) by budget type

Regular Budget including Capital Budget

Execution of the Regular Budget was lower in 2020 at 92% (2019: 106%), due to operational budget implementation difficulties linked with the COVID-19 pandemic and the emphasis on financial sustainability. The 2020 operating result is a surplus of EUR 2.7 million compared with a budgeted use of reserves of EUR 6.0 million (2019: budgeted use of reserves of EUR 4.7 million).

Capital Budget

The Capital Budget forms part of the Regular Budget and had expenses of EUR 3.8 million in 2020 (2019: EUR 5.3 million). As with operating budgets, implementation of the Capital Budget programme was also reviewed and decreased to an implementation rate of 84% 2020 (2019: 107%).

Trust Fund and Special Accounts Budget

Despite the operating conditions, Trust Fund and Special Account activity continued to be strong, albeit lower than the previous year with implementation down to EUR 38.1 million (-16%). There is continued significant interest from sponsors to support complementary programmes with new signed contracts in 2020 representing EUR 63.5 million received in 2020 and receivable over the next several years and equivalent to 167% of 2020 budget implementation.

The other feature of the Trust Fund and Special Account revenue is the increase in the number of different sponsors. This diversification means that the top five sponsors represent 65% of the total implementation, compared to 69% five years ago. The Organization also continues to target public funding: public entities represent 94% of the projects implemented in 2020, compared to 85% five years ago.

Transfers between budgets (cost recovery or combination adjustment)

Certain services are shared between the different budgets. There has been a financial initiative to ensure that additional Trust Fund and Special Account activity does not result in a long-term liability to members. The cost for these services are therefore recovered from the Trust Fund and Special Accounts and they usually represent revenue to the Regular Budget.⁷ The amount of these transfers was EUR 5.7 million in 2020, a slight reduction compared to 2019 but based on a much lower implementation of Trust Fund and Special Accounts. The recovery “rate” to the Regular Budget for services provided declined slightly to 15% of project expenditures in 2020, from 16% in 2019.

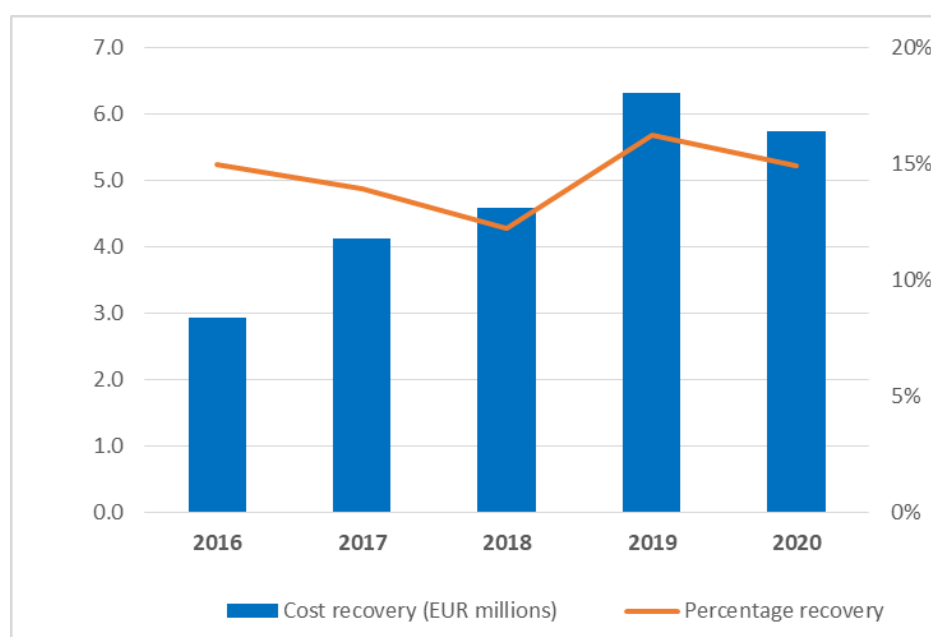


Figure 15: Five-year evolution in cost recovery from Trust Fund and Special Account projects

Financial risks and risk management

Principal financial risks

The Organization’s operating environment means that it is constantly subject to financial risks that may significantly impact its financial position in the future. The Organization monitors its principal financial risks and prepares risk mitigation measures to address them, which are further described below.

Reliance on member country contributions

The Organization belongs to its members. It depends on their financial support (both in cash and in-kind) and their operational input for the delivery of its activities. Two thirds of the Organization’s revenue comes from statutory contributions or contributions in kind. Although support is divided between the 194 different member countries according to an agreed scale, a significant portion of the cash revenues is supplied by a smaller number of countries: the top ten (5% of the total countries) provided over two thirds of the cash contributions in 2020. Unpaid contributions can restrict the Organization’s operational capability. The Organization tries to manage this risk by ensuring minimum reserve levels and liquidity.

⁷ These budgetary transfers are eliminated when the budgets are combined and presented in the financial statements.

The Organization also receives non-monetary support from its members, notably in the secondment of law enforcement officials that implement the Organization's activities. In 2020, a quarter of staff (25%; 2019: 26%) were seconded to the Organization. In addition, the Organization receives free use of some of its buildings and equipment. A reduction in these contributions could materially impact ongoing operations.

The Organization mitigates this risk by maintaining strong relations with its membership. Relying on single types and sources of revenues has also prompted the Organization to pursue a diversification of its revenue streams. In 2020, revenue from statutory contributions represented 44% of the total revenue. The Organization regularly monitors the payment of statutory contributions and makes assessments of recoverability, and, where necessary, makes a financial provision. In addition, the Organization encourages a wide contribution of in-kind support from its membership.

Reliance on Trust Fund and Special Account partners and voluntary contributions

The Organization leverages its member country contributions by seeking support for its activities from external partners, on a voluntary basis. Voluntary cash contributions made up more than a quarter of the Organization's revenues in 2020. A slow-down in this voluntary support could impact the overall activities delivered by the Organization. In addition, these voluntary activities may develop assets such as databases that require on-going servicing that may lead to a continued financial obligation to members.

In order not to become overly reliant on Trust Fund and Special Account revenues nor a single sponsor, the Organization's Financial Regulations protect the Organization against this risk by stipulating a limit of 50% of total operating revenue to be sourced from Trust Fund and Special Accounts for utilization in a year. Similarly, the total annual donation from a single donor in Trust Fund and Special Accounts, other than the INTERPOL Foundation, cannot exceed 15% of total operating revenue in that year. No single donor exceeded this amount, including the INTERPOL Foundation, with the highest single sponsor being the European Union that contributed 6% of total revenue and 20% of total Trust Fund and Special Account revenue in 2020. The total number of sponsors that contributed EUR 100,000 or more in the year increased to 30.

Budget execution, commitments and liquidity

The Organization operates different budgets, the implementation of which may impact future organizational financial performance. This may include the renewal of revenues, the continued use of assets made available to the Organization and the voluntary contributions to specific projects. The Organization manages this budget risk by not making excessively long-term commitments and not contracting with counterparties until funding is secured, matching contracts with the associated revenue streams. In particular, contracting on behalf of Trust Fund and Special Accounts is supported and linked to underlying contractual agreements. The Organization also has limits stipulated in its Financial Regulations to counter operational financial risks and liquidity risks. The level of the funds subject to this requirement was EUR 18.9 million or 51% above its limit at the end of 2020.

Data volume and quality, operating environment and legal challenges

The Organization depends on its member countries for the input of notices and data in its databases. There has been an increase in the amount of data and records that are held by the Organization as well as the number of enquiries made on these data. Total records in the databases increased by 11% in 2020 to 113 million records. Total searches across databases in 2020 was 3.46 billion searches (2019: 7.2 billion), representing a 53% reduction. Searches that result in a positive result ("hit") reduced by 18% to 1 million (2019: 1.3 million).

The Organization is exposed to risks in the quality of the data and in the implementation of new standards in the handling of data. Legal challenges and further costs in reviewing and ensuring data quality may result in future financial liabilities to the Organization. The Organization conducts its operations in high-risk areas and may be subject to other legal claims in the ordinary course of its operations. The Organization monitors the risks of litigation that occur in the conduct of its activities. It ensures that the handling of data from member countries is made according to the rules. It has adopted mitigating measures and precautions to limit the financial impact of potential legal risks. Safeguards include better review of red notices and wanted persons diffusions; stricter criteria for publication of extracts on INTERPOL's public website; separation between notices and diffusions in the notice forms; support and guarantees from member countries; third-party insurance coverage.

Pension and social security schemes

For contracted employees who enrol, the Organization operates a defined contribution pension scheme. Other contracted employees may be affiliated to national pension schemes. A shortfall in funding of these schemes, the Organization's withdrawal from national schemes or other contributions to national social security schemes, including on behalf of employees, may require additional contributions from employees or members. As the Organization plans to implement its own pension scheme,⁸ the withdrawal from national pension and social security schemes may impact the Organization's financial position in the future. No actuarial assessment has been made on these potential financial risks. The Organization continues to discuss with its host Member States any potential ongoing pension liabilities and social security liabilities.

Financial risks relating to inflation, currencies, interest rates, credit and liquidity

The Organization operates internationally. High inflation, notably in certain duty stations, may impact the level of expenditures that the Organization can support. The Organization receives and makes transfers and holds cash and cash equivalents in a number of currencies. The Organization is subject to fluctuating exchange rates on these transactions and the positions it takes in these currencies.

The Organization invests some of its available funds in investment products – including on behalf of third parties such as employees and sponsors. It is subject to the credit quality of the products and the institutions that manage them, as well as to liquidity risk in accessing funds. The Organization is also subject to the credit quality of all its accounts receivable, including the amounts receivable from its member countries.

The Organization has a Treasury Policy that helps to address its currency, credit and interest rate risks. This includes limits on the amounts held with single institutions and the credit rating of the investment products it deals in. Currency risk management includes matching foreign currency inflows with expected outflows. Sensitivity analysis is performed on its financial instruments for interest rate and currency risks.

Internal control system

The Organization addresses these and other risks by establishing an overall internal control system. A statement of internal control describes what is included in this system and is shown below.

⁸ Resolution AG-2016-RES-13.

STATEMENT OF INTERNAL CONTROL

10 May 2021

Scope of responsibility

As Secretary General of ICPO-INTERPOL, in accordance with Regulation 1.3 of the Financial Regulations, I am responsible and accountable for the proper financial management of the Organization. I have established mechanisms of internal oversight and financial control to ensure the effective and efficient use of the Organization's resources and the safeguarding of its assets.

Operating environment

ICPO-INTERPOL operates globally with a physical representation in all of its member countries. The diverse and challenging environments and the engagement with multiple funding and delivery partners expose the Organization to many potential risks and opportunities. There is a high level of inherent risk, including for the security of employees, which presents challenges in maintaining high standards of internal control.

Purpose of the system of internal control

ICPO-INTERPOL has designed an internal control system to reduce and manage the risk of failure to achieve its objectives within its budgets and according to its regulations. Internal control is an ongoing process that identifies and evaluates the principal risks and manages them efficiently, effectively and economically.

The system of internal control consists of measures conducted by the General Assembly, the Executive Committee, Advisors and the General Secretariat including senior management, the Office of Internal Oversight and other departments. It is not a single policy or procedure but a set of processes running continuously throughout the Organization at all levels. It is designed to provide reasonable assurance on achieving the internal control objectives:

- Effective and efficient conduct of its operations including all of its financial operations;
- Safeguard of assets;
- Prevention, detection and reporting of fraud;
- Reliable, accurate and complete recording of its transactions and related financial reporting;
- Objective assessment of the risks and potential liabilities and their effective management;
- Compliance with the regulatory framework, notably its Financial Regulations.

Internal control framework and risk management

The Organization has implemented an internal control framework comprising but not limited to:

- Sets of regulations, policies and rules including the Code of Conduct, Financial Regulations, Staff Manual and data protection and due diligence procedures;
- Systematic automatic and regular manual operating controls and monitoring activities;
- Senior management accountability reinforced by specific management declarations;
- An Office of Internal Oversight to provide regular reviews and internal audits;
- Governing and review bodies which are independent of management;
- Independent external audit and evaluation.

The Organization has established a risk management system. This includes the identification of risks, classified according to relevance, impact and probability of occurrence and their periodic review. The risk management system is implemented through regular operational reviews and is reinforced by external parties, notably with appropriate insurance cover.

Review of the effectiveness of ICPO-INTERPOL system of internal control 2020

My review of the effectiveness of the system of internal controls for 2020 is mainly informed by:

- Senior Management, who are formally accountable for results, performance and the control of their activities and the resources entrusted to them;
- Internal departments for ensuring the application of the Organization's regulatory texts including the Office of Legal Affairs for pending or potential legal actions;
- Audits, evaluations and investigations performed by the Office of Internal Oversight and independent external financial verification on behalf of the various sponsors of the Trust Fund and Special Accounts;
- Governing body observations and comments and independent advisors such as the Advisory Group on Financial Matters;
- External audit and other independent review committees including the Commission for the Control of INTERPOL files;
- Feedback from member countries and external sponsors.

Internal control issues arising in the year

The system of internal control identified no major internal control weaknesses in 2020. Areas where further improvements in internal control may be required include:

Legal Framework: The Organization is subject to legal challenges and continues to update its operating processes and strengthen its legal reviews, notably in the processing of data;

Audit recommendations: The Office of Internal Oversight and the external auditors provide recommendations for improving management processes and financial reporting. The Organization addresses any weaknesses and regularly reports on the progress of the implementation of the recommendations to its governing bodies;

Enterprise risk management: The Organization is strengthening its risk management, including its insurance cover. Systematic risk reporting, especially financial risk reporting, and risk management can be further improved;

Statutory Oversight: The Organization was unable to conduct its annual General Assembly and other oversight committees in person due to the impact of the pandemic. Whilst it remained in compliance with its regulatory requirements, certain actions such as confirming timely preparation and distribution of the 2019 audited financial statements through a vote, approvals of the 2021 budget including the 2022 – 2023 forecasts and the 2021 – 2025 Strategic Framework have had to be postponed;

Performance management and operational implementation: The approval and implementation rate of programs can be improved. The Organization is reviewing its support processes, including its financial systems with the implementation of I-Cost, in order to improve its ability to implement these projects.

Approval for the financial year 2020

No matter how well designed, effective internal control has inherent limitations including the possibility of circumvention. It can only provide reasonable not absolute assurance. The effectiveness of internal control may vary over time owing to changes in operating conditions. I am committed to the continuous development of the system of internal control, addressing weaknesses and taking timely remedial actions.

Based on the above, I conclude that, to the best of my knowledge, ICPO-INTERPOL has an effective system of internal control, that there are no material weaknesses nor are there other significant matters arising which would need to be raised in the present document for the year ended 31 December 2020 and up to the approval of the financial statements.

Jürgen Stock
Secretary General

APPROVAL OF THE 2020 FINANCIAL STATEMENTS

Regulation 6.3 of the ICPO–INTERPOL Financial Regulations gives the responsibility to management for the production of the financial statements. The Organization has adopted International Public Sector Accounting Standards (IPSAS) as its accounting reference standard. These financial statements have been prepared in accordance with IPSAS and the Financial Regulations and management considers that it has been compliant with both throughout the year.

The Secretary General is responsible for establishing and maintaining adequate internal financial controls. The Organization's system of internal financial control is designed to provide reasonable assurance on the reliability of financial reporting including detailed accounting procedures and operations and the prevention, detection and reporting of fraud. The system of internal control includes policies, procedures and approval of financial operations at both the organizational level and transactional level.

Organizational level controls include the policies and procedures that set the internal financial control environment, provide for the maintenance of records, the authorization levels of management and the Office of Internal Oversight that reports directly to the Secretary General. Management is responsible for establishing and maintaining transactional level controls that provide reasonable assurance that the Organization complies with its Financial Regulations and other approved policies and procedures including accounting for all authorized receipts and expenditures and for the prevention and detection of unauthorized acquisition, use or disposition of the Organization's assets. Senior Management makes a declaration on their or related parties' outside interests that may be in conflict or prejudicial to the Organization and that could call into question their independence in exercising their ICPO-INTERPOL functions. These Organizational level controls have identified no transactions that have not been included in these financial statements and may have a material impact on their reliability.

These financial statements include certain amounts that are based on Management's best estimates and probabilities on the likelihood of occurrence at the financial statement approval date.

Management establishes controls to investigate reported incidents of fraud. No reported incidents were substantiated during the year. Management has reasonable assurance that its system of internal financial control has been operating effectively during the year and that there are no material misstatement or omissions. Management therefore considers that these financial statements present a true and fair view of the Organization's financial position as at 31 December 2020 and the results of financial operations and cash flows for the year at that date.

The financial statements were approved by Management on 10 May 2021. The financial statements are audited by the Auditor General of Canada, who was re-appointed by the General Assembly⁹ for a second three-year term beginning in 2019.

Jürgen Stock
Secretary General

Alberto Varano
Executive Director, Resource Management

⁹ GA-2018-87-RES-12

OPINION OF THE EXTERNAL AUDITOR



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of the International Criminal Police Organization—INTERPOL

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the International Criminal Police Organization—INTERPOL (the Organization), which comprise the statement of financial position as at 31 December 2020, and the statement of financial performance, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Financial Report and Financial Statements, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the financial statements, we have audited transactions of the International Criminal Police Organization—INTERPOL coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the Constitution, General Regulations and Financial Regulations of the International Criminal Police Organization—INTERPOL.

In our opinion, the transactions of the International Criminal Police Organization—INTERPOL that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the Financial Regulations of the International Criminal Police Organization—INTERPOL, we report that, in our opinion, the accounting principles in IPSASs have been applied on a basis consistent with that of the preceding year.

In addition, in accordance with Chapter 7, Section 2, Regulation 7.7 of the Financial Regulations of the International Criminal Police Organization—INTERPOL and Appendix 2 to these Financial Regulations, we have also issued a detailed report on our audit of the International Criminal Police Organization—INTERPOL to the General Assembly.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the International Criminal Police Organization—INTERPOL's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the International Criminal Police Organization—INTERPOL to comply with the specified authorities.

Auditor's Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.



Karen Hogan, CPA, CA
Auditor General of Canada

Ottawa, Canada
10 May 2021

STATEMENT OF FINANCIAL POSITION

As at 31 December

<i>000s euros</i>	Notes	2020	2019
ASSETS			
Current assets			
Cash and cash equivalents	8	72,219	56,107
Investments	9	26,853	7,000
Statutory contributions receivable	10	1,411	731
Accounts receivable	11	15,723	15,753
Prepaid expenses		2,327	3,469
Inventories		488	484
Total current assets		119,021	83,544
Non-current assets			
Investments	9	52,731	59,384
Statutory contributions receivable	10	585	413
Intangible assets	12	2,484	2,486
Plant, property and equipment	13	12,477	13,593
Total non-current assets		68,277	75,876
TOTAL ASSETS		187,298	159,420
LIABILITIES			
Current liabilities			
Accounts payable and accrued charges	14	12,353	12,314
Contributions received in advance	15	1,237	1,354
Deferred revenue	16	79,946	60,752
Employee future benefits	17	45,066	38,804
Total current liabilities		138,602	113,224
Non-current liabilities			
Employee future benefits	17	1,734	1,939
Total non-current liabilities		1,734	1,939
TOTAL LIABILITIES		140,336	115,163
NET ASSETS			
Capital financing reserve	19	14,961	16,079
Accumulated reserve funds	20	32,001	28,178
TOTAL NET ASSETS		46,962	44,257

The accompanying Notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL PERFORMANCE
For the financial year ended on 31 December

<i>000s euros</i>	Notes	Revised Combined Budget 2020	2020	2019
Operating revenue	27			
Statutory contributions		58,811	58,811	57,320
Regional Bureau financing		1,371	1,371	1,335
In-kind contributions		33,951	34,901	34,547
Voluntary contributions		3,493	3,460	3,493
Reimbursements and recoveries		50,000	36,577	44,207
Financial income		370	417	410
Other income		571	367	700
Total operating revenue		148,567	135,904	142,012
Operating expenses	28			
Pay costs		67,599	69,104	66,755
In-kind pay costs		22,626	22,965	22,936
Other staff costs		1,811	1,659	2,504
Premises running costs		4,333	2,813	3,452
In-kind premises running costs		11,325	11,936	11,611
Maintenance		6,694	3,844	3,657
Missions and meetings		18,049	3,545	20,714
Office expenses		2,900	3,633	2,102
Telecommunication costs		1,288	1,030	1,172
Third party and other costs		12,956	6,762	6,818
Depreciation and amortization		5,000	4,928	4,934
Exchange rate losses net		0	980	84
Total operating expenses		(154,581)	(133,199)	(146,739)
Surplus / (deficit) for the year		(6,014)	2,705	(4,727)

The accompanying Notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS

For the financial year ended on 31 December

000s euros	Total Net Assets	Capital Financing Reserve	Accumulated Reserve Funds	Breakdown of Accumulated Reserve Funds			
				General Reserve Fund	Permanent Fund for Crisis Relief	Capital Investment Fund	Regional Bureau Reserve Fund
Notes		19	20	21	22	23	24
Balance at 31 December 2018	48,984	15,679	33,305	20,332	855	10,515	1,603
Surplus / (deficit) for the year	(4,727)	0	(4,727)	(4,300)	0	0	(427)
<i>Items not in the Statement of Financial Performance</i>							
- Capital expenditure	0	5,337	(5,337)	0	0	(5,337)	0
- Depreciation and amortization	0	(4,934)	4,934	0	0	4,934	0
- Disposals	0	(3)	3	0	0	3	0
Balance at 31 December 2019	44,257	16,079	28,178	16,032	855	10,115	1,176
Surplus / (deficit) for the year	2,705	0	2,705	1,977	0	0	728
<i>Items not in the Statement of Financial Performance</i>							
- Capital expenditure	0	3,813	(3,813)	0	0	(3,813)	0
- Depreciation and amortization	0	(4,928)	4,928	0	0	4,928	0
- Disposals	0	(3)	3	0	0	3	0
Balance at 31 December 2020	46,962	14,961	32,001	18,009	855	11,233	1,904

The accompanying Notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
For the financial year ended on 31 December

<i>000s euros</i>	Notes	2020	2019
Cash flows from operating activities			
Surplus / (deficit) for the year		2,705	(4,727)
Adjustments for non-cash movements			
Depreciation and amortization	12, 13	4,928	4,934
Effect of unrealized loss / (gains) on foreign currency		566	(180)
Loss on disposal of assets	12, 13	3	3
Changes in assets			
(Increase) Decrease in statutory contributions receivable (net)	10	(852)	452
(Increase) Decrease in accounts receivable	11	7,873	(2,698)
(Increase) in prepaid expenses		1,142	(639)
(Increase) Decrease in inventories		(4)	(17)
Changes in liabilities			
Increase (Decrease) in accounts payable and accrued charges	14	(1,108)	4,029
Increase (Decrease) in contributions received in advance	15	(117)	176
Increase (Decrease) in deferred revenue	16	11,351	(623)
Increase in employee future benefits	17	6,057	5,293
Net Cash Flows from operating activities		32,544	6,003
Cash Flows from investing activities			
Purchases of plant, property and equipment	13	(1,961)	(3,350)
Purchases of intangible assets	12	(705)	(1,987)
Maturity of investments	9	7,000	4,000
Purchases of investments	9	(20,200)	(47,500)
Net Cash Flows from investing activities		(15,866)	(48,837)
Effect of foreign currency exchange rates in cash and cash equivalents		(566)	180
Net change in cash and cash equivalents		16,112	(42,654)
Cash and cash equivalents at the beginning of period	8	56,107	98,761
Cash and cash equivalents at the end of period	8	72,219	56,107

EUR 329,000 of interest received is included in the net cash flows from operating activities (2019: EUR 170,000).

The accompanying Notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Note 1: General information

The International Criminal Police Organization – INTERPOL (ICPO-INTERPOL, “The Organization”) was founded in 1923 to enhance police co-operation around the world. The Organization is legally registered as an International Organization. It currently has 194 countries as equal members who effectively own and govern it by approving its governing texts including the Constitution and General Regulations. The Organization’s Financial Regulations are an appendix to its General Regulations.

As set out in Article 2 of its Constitution, the aims of the Organization are:

- To ensure and promote the widest possible mutual assistance between all criminal police authorities within the limits of the laws existing in the different countries and in the spirit of the “Universal Declaration of Human Rights”;
- To establish and develop all institutions likely to contribute effectively to the prevention and suppression of ordinary law crimes.

These aims are summarized by the vision and mission of the Organization:

Vision: *“Connecting Police for a Safer World”;*

Mission: *“Preventing and fighting crime through enhanced cooperation and innovation on police and security matters”.*

The Organization carries out its mission by focusing on achieving its five strategic goals:

1. To serve as the worldwide information hub for law enforcement cooperation;
2. To deliver state-of-the-art policing capabilities that support member countries to fight and prevent transnational crimes;
3. To lead globally innovative approaches to policing;
4. To maximize the Organization’s role within the global security architecture;
5. To consolidate resources and governance structures for enhanced operational performance.

The members meet annually at the General Assembly (GA). To oversee the Organization, the members elect representatives by region to the Executive Committee (EC), which meets regularly to provide oversight, and they elect the Secretary General, responsible for operational management. The current Secretary General was re-elected in November 2019 for a second and mandated final term.

The Organization has its General Secretariat headquarters (IPSG) in Lyon, France, and the INTERPOL Global Centre for Innovation (IGCI) in Singapore. It has representative Liaison Offices (LOs) in Brussels, Belgium; Bangkok, Thailand; Addis Ababa, Ethiopia; and New York, USA. The Organization has Regional Bureaus (RBs) in Abidjan, Côte d’Ivoire; Buenos Aires, Argentina; Harare, Zimbabwe; Nairobi, Kenya; San Salvador, El Salvador; Yaoundé, Cameroon. It has legal agreements with each of these countries and operates in each country in accordance with these agreements. The Organization may also have privileges and immunities in the countries in which it operates, notably that of being exempt from paying most forms of taxation. In addition to these offices, each member country has a representative office, known as the ICPO-INTERPOL National Central Bureau (NCB), through which the Organization coordinates its operational activities with each member.

Note 2: Management of the activities of the Organization

The Organization organizes and manages its activities through its Strategic Framework. The Strategic Framework defines the Organization's Operating Model, consisting of its three global programmes: Counter-Terrorism, Organized and Emerging Crime, and Cybercrime – through which the Organization develops its "Programme of Activities". The Programme of Activities is the Organization's annual plan and is financed by the "Combined Budget" for the period. The Programme of Activities and the Combined Budget are approved by the members at the GA.

The Secretary General is responsible for the delivery of the Programme of Activities within the Combined Budget and to ensure that controls are established to monitor their implementation. The Combined Budget for the Organization is the combination of the Organization's different operational budgets, further described in Note 5 below, that may have different financial conditions.

The approval of the Combined Budget empowers the Secretary General to:

- Receive income and resources for the period, up to the approved limits;
- Commit and authorize expenditures for the period for approved activities up to the approved limits.

Minor changes to the Combined Budget allow for operational delivery. These changes result in a "Revised Combined Budget" against which financial performance is measured and reported.

Note 3: Basis of preparation of the financial statements

The financial statements have been prepared according to the Organization's governing texts: its Constitution, General Regulations, Financial Regulations, Financial and Staff Directives. The Financial Regulations establish International Public Sector Accounting Standards (IPSAS) as the Organization's appropriate governing financial accounting and reporting standard.

Going concern

Management has expressed confidence in the Organization as a going concern:

1. The Organization has the support of its members for long-term initiatives:
 - 1.1 A new Strategic Framework 2021-2025 was developed with the support of many people across the Organization, and was approved by the Executive Committee in November 2020;¹⁰ however, due to the COVID-19 pandemic, the GA session did not take place in 2020 to provide the final approval of the new Strategic Framework for implementation, resulting in the postponement of its implementation to the periods 2022-2025. The 2021 Operations are therefore based on the previously approved Strategic Framework;
 - 1.2 The INTERPOL 2020 initiative,¹¹ an agenda for continuing activity and reform, was approved at the 2016 GA and the 2020+ initiative is proposed to continue it;

¹⁰ Document EC-2020-205-1-DOC-13.

¹¹ Resolution GA-2016-85-RES-02.

- 1.3 Due to the cancellation of the GA session in 2020, the Programme of Activities and Budget for 2021 and Budget Indications for 2022 and 2023 were delegated to and approved by the EC in December 2020^{12 13} as mandated by the Organization's Constitution.¹⁴
2. The Organization has long-term financial support from its members and third parties:
 - 2.1 The revised scale of distribution between members of statutory contributions for the period 2020-2022 was approved at the 2018 GA¹⁵ session and some member countries have already made their contributions to the 2021 Budget;
 - 2.2 There is commitment from member countries and third parties for the secondment of officials including positions on the Executive Committee, the free-use of assets – including buildings – and for the Trust Fund and Special Account projects, including those supported by the INTERPOL Foundation, which runs to 2023 and beyond;
 - 2.3 There is commitment from member countries for additional voluntary support in 2021;
 - 2.4 Despite the COVID-19 pandemic, the overall 2020 collection rates on the General Budget remained above 97%.
3. The Organization has its own resources and can continue to garner support for its initiatives:
 - 3.1 Reserve limits of the General Reserve Fund are considerably in excess of its financial requirements, as well as the potential availability of the General Reserve Fund;
 - 3.2 The Organization has the capacity to raise additional financing, including loans, should it be needed;
 - 3.3 The Organization is independent and can act rapidly to take decisions as required, including measures to reduce cost and spend in the short term.

Financial statement presentation

The financial statements have been prepared on an accrual basis. The functional and presentation currency of the Organization is the euro. Unless otherwise stated, information is presented to the nearest one thousand euros (EUR 000s).

Note 4: New accounting standards

The International Public Sector Accounting Standards Board (IPSASB) revises and issues new accounting standards.

New standards applicable from 1 January 2020

There are no new IPSAS Standards that came into effect in 2020.

Accounting standards issued but not yet effective until 1 January 2023

The IPSASB has issued two standards: IPSAS 41 - Financial Instruments and IPSAS 42 - Social Benefits. These standards have a future implementation date of 1 January 2023 and their impact on the Organization is currently being assessed. In addition to the standards, IPSASB published an update on improvements to IPSAS, 2019, with a future implementation date of 1 January 2023. The Organization considers that there is no impact from these improvements.

¹² Document EC-2020-205-1-DOC-13.

¹³ Resolution GA-2019-88-RES-09.

¹⁴ Article 40 of CONSTITUTION 09 2017.

¹⁵ Resolution GA-2018-87-RES-14.

Note 5: Budgets and budget approval

The Combined Budget of the Organization consists of the Regular Budget and Specific Budgets and is approved by the GA for a period of one year.

GA-approved budgets for a year may subsequently be reallocated and approved by the EC for operational implementation of the activities. The EC may also approve extensions and amendments to the Trust Fund and Special Account Budgets that have been made with donor approval. Budget comparisons in the financial statements are made against the EC-approved budgetary revisions.

The Regular Budget has two components: operating and capital budgets. The operating part consists of the General Budget and the Regional Bureau (RB) Budgets. The General Budget is the main operating budget of the Organization. It is primarily financed by all members, notably via an agreed statutory call for contribution, and supports all of the Organization's activities. The Organization's Capital Budget is financed through asset depreciation on the General Budget. Financial results from the General Budget, including the Capital Budget, pass to the Organization's General Reserve Fund (GRF) and Capital Investment Fund (CIF). RB Budgets are limited to the member countries that support operational activities at each RB. Financial results for each RB are allocated to the RB Reserve Fund. Pay Costs and Capital Expenditures at the RBs are supported by the General Budget.

Specific Budgets are composed of the Trust Fund and Special Accounts. The Trust Fund and Special Accounts support additional, specific activities. The Organization's Trust Fund was established to ensure common conditions for the management of donor funds and the activities that they finance. The Trust Fund has specific operating conditions; the funds are internally separated and managed for the agreed activities. Special Accounts are individual contracts negotiated separately with a funding party, usually national public agencies, for the execution of defined activities. Approval and implementation of Trust Fund and Special Account projects does not necessarily follow the Organization's annual Regular Budget cycle as the projects may be approved at any time within a financial year and/or over multiple financial periods.

An adjustment for financial transactions and transfers between the different budgets, known as the Combination Adjustment, is made to ensure that transactions are not counted twice in the financial statements.

Note 6: Significant accounting policies

The principal accounting policies adopted by the Organization are set out below:

Revenue recognition

Statutory contributions are recognized as revenue in full in the period that they are due, on the basis of the GA approval of the budget, and are due by 30 April of that budget year. Member country statutory contributions are set according to an agreed scale of assessed contributions that is approved in advance by the GA. The scale of assessed contributions applied in these financial statements was approved by the GA for the period from 2020 to 2022.

Regional Bureau financing consists of statutory contributions from specific member countries linked to each RB and are recognized as revenue in full in the period that they are due, on the basis of GA approval, for the amount per member country for that year's budget.

Contributions in kind are non-cash, voluntary contributions, usually made from member countries. They consist of officials that are seconded to work under the control of the Organization from their national agencies and the rent-free use of buildings and equipment. There is usually a defined contract between the Organization and the member country or organization that defines the permitted use of the asset or service. The value of the use of these assets and services is estimated at fair-value where a corresponding value can be determined and recognized as revenue in the financial period that they are used. An equivalent expense for the use of the asset or service is also recognized at the same time in the financial statements. Where no value can reasonably be determined no revenue or expense is recognized in the financial statements.

Voluntary contributions are donations received with no specific or defined purpose and are recognized in the year they are received or become receivable. Voluntary contributions include amounts without restriction receivable from the INTERPOL Foundation for a Safer World ("INTERPOL Foundation"). Voluntary contributions may include donations of tangible and intangible assets which are accounted for at fair-value at the date of acquisition.

Revenue from statutory contributions, RB financing, contributions in kind and voluntary contributions are considered to be non-exchange transactions under IPSAS 23.

Reimbursements and recoveries include amounts reimbursed for operating expenses under a specific agreement or for revenues from conferences for the sale of exhibitor booths or for hosting events. The revenues are recognized when the right to receive them is established under the contract. The amounts received under Trust Fund and Special Accounts are within specific agreements with external donors, including the general conditions of the Trust Fund, for the implementation of defined project activities. These received amounts are initially accounted as deferred revenue of the Organization and are subsequently recognized as income to the extent of direct or accrued expenditure on the defined project activities.

Financial income or interest income from the Organization's bank accounts and other investments is accounted for on the effective yield basis as it is earned in the month or proportionally over the course of the investment, where the investment extends over multiple months.

Other Income includes income for the products and services that the Organization may provide including from the shop, for one-off items and any other income that does not easily fit into the remaining income categories.

Foreign currencies

The Organization holds and manages transactions in multiple currencies. All statutory contributions to the Organization's Regular Budget are payable in euros. Foreign currency transactions are recorded in euros at the exchange rates prevailing on the dates of the transactions for the settlement of invoices and for goods receipts, and at an average rate from the previous month for other accounting transactions. Assets and liabilities denominated in foreign currencies are translated into euros at the exchange rates prevailing on the date of the Statement of Financial Position. Both realized and unrealized gains and losses resulting from the settlement and revaluation of foreign currency transactions are recognized under operating expenses in the Statement of Financial Performance as Exchange rate (gains)/losses net.

Offsetting assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a legally enforceable right to do so and the intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Plant, property and equipment (PP&E)

An item of PP&E is recognized as a non-current asset initially at historic cost if it is deemed probable that a future economic benefit or service potential will flow to the Organization and that the cost of the asset can be measured reliably. Historic cost includes any unrecoverable taxes and directly attributable costs associated with bringing the asset into service. Donated assets of PP&E, acquired through a non-exchange transaction, are recognized at their fair value at the date of transaction with the exception of the land on which the building is constructed which is not recognized as the fair value and cannot be reliably estimated. An assessment of each category of assets is made at the reporting date for any potential impairment. If applicable, assets are written down to their estimated recoverable amount, being the higher of the fair value, less costs of sale, or its estimated value in use. PP&E are derecognized either on disposal or when they are permanently withdrawn from use. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the Statement of Financial Performance under Third Party and Other Costs in the period of derecognition.

All PP&E are stated at historic cost less accumulated depreciation and impairment losses. Depreciation is provided to recognize the use of the assets over their useful lives according to the following asset classes:

- *Buildings* are depreciated on a straight-line basis over 40 years;
- *Fixtures and fittings*: Furniture and office equipment are depreciated on a reducing balance basis at 40% of net asset value at the start of the year, over seven years. Fittings and sports equipment are depreciated on a straight-line basis over 10 years;
- *Equipment and other assets*: IT hardware assets are depreciated on a reducing balance basis at 50% of net asset value at the start of the year, over four years. Vehicles are depreciated on a reducing balance basis at 40% of net asset value at the start of the year, over seven years.

Improvements to PP&E as a result of major maintenance works are capitalized over the remaining life of the asset when the improvement results in the increase of future economic benefits to the organization or an extension of its useful life. Normal repair and maintenance costs are expensed in the year when the costs are incurred.

Where the book value of an asset is greater than its estimated recoverable amount, the asset is written down to its recoverable amount.

Work-in-progress: PP&E assets that are in the course of construction, installation or commissioning are measured at cost and an estimated stage of completion of the asset usually on the basis of contractual payments. No depreciation is recorded until the asset is considered to be in service.

Intangible assets

Perpetual software licences and development costs that are directly associated with bringing software into use are capitalized as intangible assets. However, research phase expenditures on internally-developed intangible assets are expensed in the period they are incurred. Annual licences are expensed according to their use. All intangible assets are stated at historic cost less accumulated amortization and impairment losses. Amortization of intangible assets is based on a reducing balance basis at 50% of the net asset value at the start of the year, over four years. Intangible assets are derecognized either on disposal or when they are permanently withdrawn from use. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the Statement of Financial Performance under Third Party and Other Costs in the period of derecognition.

Other development costs that do not meet the capitalization criteria are recognized as an expense in the period that they are incurred. Donated intangible assets, acquired in a non-exchange transaction, are recognized at their fair value at the date of the exchange.

Work-in-process: Intangible assets that are in the course of development are measured at cost and based on the estimated stage of completion. Amounts shown may include part or full payments for assets whose beneficial ownership has passed over to the Organization. No amortization is recorded until the asset is considered in service.

Heritage assets

From time to time, the Organization receives donations or the “free-use” of works of art from member countries or other institutions. Such assets are not recognized by the Organization in its financial statements, as the Organization does not consider them to have significant financial value, it is not intended that they will be sold nor are they used in the ordinary course of the Organization’s activities.

Inventories

Inventories are valued at their acquisition cost using the weighted average cost method and this is the value used for the cost of goods sold in the Statement of Financial Performance. Allowances are made for inventories with a net realizable value less than cost.

Statutory contributions receivable and accounts receivable

Statutory contributions and accounts receivable are initially recognized at fair value, and are subsequently measured at cost or amortized cost. Member countries that have not fulfilled their financial obligations towards the Organization according to the Financial Regulations are subject to sanctions under Article 52 of the General Regulations of the Organization (“Article 52”). Countries under Article 52 sanctions have their right to vote at GA sessions suspended, along with other penalties. Unless there are specific reasons not to do so for a particular country, the Organization makes an allowance for the total amounts due to the Organization from countries under Article 52 sanctions. Though the Organization may make allowances for the debts per its accounting policy, it retains its rights for the receipt of the gross statutory contributions receivable, unless the Organization’s members decide among themselves to disallow these amounts.

The Organization may conclude specific agreements, including repayment terms and conditions, allowing a member country to honour their statutory contribution obligations. Member country statutory contributions covered under these long-term debt-rescheduling agreements may have both current and non-current portions. Member country dues not falling under either category, Article 52 sanctions or debt-rescheduling agreements, are shown as other member country dues.

Cash and cash equivalents

The Organization holds cash on hand, has on demand bank deposits (together referred to as “cash”) and makes short-term investments (highly liquid and referred to as “cash equivalents”) in a number of currencies, all of which are subject to its Treasury Management policy.

The amount of cash and cash equivalents held by the Organization includes sums that have specific uses and are considered as internally restricted. Included in internally restricted cash and cash equivalents are amounts set aside for the employee’s supplementary retirement scheme, the defined contribution pension scheme, the Japanese specific account that is held for salaries and allowance paid to officials seconded from Japan and on Trust Fund and Special Accounts.

Cash equivalents are highly liquid investments with maturities of less than three months from the date of acquisition that are readily convertible to known amounts of cash and considered to be subject to an insignificant risk of change in value.

Term deposits with a maturity greater than three months are classified as cash and cash equivalents if they respect the criteria of a cash equivalent, are held to meet short-term cash needs and are not subject to a significant change in value as a result of an early withdrawal. As at 31 December 2020 and 2019, the Organization did not have any such term deposits.

Investments

Term deposits with a maturity greater than three months are classified as investments if they do not meet the criteria noted above to be classified as cash equivalents.

Investments are made by the Organization usually with the intention to hold them to maturity. They are classified as held-to-maturity and measured at amortised cost. Financial interest receivable on investments and cash equivalents is shown in accounts receivable. Included in investments with internally restricted use are amounts for the employee's supplementary retirement scheme, the defined contribution pension scheme, and for Trust Fund and Special Accounts.

Contingent assets and liabilities

Contingent assets are not recognized in the financial statements unless it has become virtually certain that the revenue will be able to be recognized according to the revenue recognition criteria. A disclosure is made in the Notes where the existence of a possible asset is contingent on a future event that is not wholly within the Organization's control. Contingent liabilities are not recognized in the financial statements but are disclosed in the Notes unless the possibility of an outflow of economic resources is considered remote.

The Organization recognizes a provision in its financial statements when an obligation exists as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The provision is measured at the amount of cash outflow that the Organization considers is probable, net of any recoverable insurance amounts for legal cases and fees.

Employee future benefits

The cost of all employee benefits, such as paid leave, medical cover and contributions towards retirement, is recognized in the period in which the employee renders service. Employees have acquired these benefits according to their contractual employment rights at the Organization. The Organization's contributions towards employee future benefits, including from Trust Fund and Special Accounts, are recorded under pay costs in the Statement of Financial Performance.

The employee future benefits are recorded as accrued liabilities in the Statement of Financial Position and classified according to the contractual terms of the benefit. The liabilities comprise both contributions from the Organization and deductions from staff pay. These liabilities are initially measured at the fair value of the contributions and are subsequently adjusted for any gains or losses.

Employee future benefits are further classified according to their type:

Internal Scheme for the Compensation of Involuntary Loss of Employment (ISCILE): This termination benefit is to compensate individuals that have undergone involuntary loss of employment. The scheme is funded entirely by the Organization's contributions. Payments are made either as a lump sum or on a declining basis for consecutive years of an individual not finding alternate employment, per the rules specified in the Organization's Staff Manual.

Indemnity on retirement and supplementary retirement scheme: The Organization offers two post-employment benefits: indemnity on retirement and supplementary retirement benefits. They are eligible to its contracted employees and are calculated according to seniority and service and are entirely funded by the Organization's contributions. Estimates of the impact of the indemnity upon retirement are made at the Statement of Financial Position date and recognized in the Statement of Financial Performance.

Defined contribution pension scheme: The Organization provides a savings plan designed for post-employment retirement benefits. It administers the plan as a defined contribution pension scheme for the employees who choose to participate in it. Both the Organization and the employee contribute to the plan at an agreed level for the period that an employee is under contract with the Organization. This defined contribution pension scheme is not legally separated from the Organization. Currently the pension scheme is administered internally: both the assets and the liabilities of the pension scheme are shown within the Organization's Statement of Financial Position.¹⁶ The financial assets under this pension scheme are held and managed by the Organization alongside its own financial assets.

Employee loans

The Organization may offer its employees loans for a duration that may not extend beyond the employee contractual end date and for which financial interest is charged that is comparable to market rates. Interest bearing loans are measured at amortised cost using the effective interest rate method with the remaining amount of the loan outstanding being shown as an Account Receivable.

Leases

Charges are expensed on a straight-line basis over the operating lease term. Lease agreements entered into are classified as operating leases unless they substantially transfer all of the risk and reward of ownership to the Organization.

Financial risk management

The Organization invests its own funds as well as the funds held for third parties, notably its employees and for external parties that support the Trust Fund and Special Accounts. Changes in the values of the holdings for these parties may not contractually have an impact on the Organization.

Exposure to financial risks including, currency, liquidity, and credit risk arises in the normal course of the Organization's operations. The overall objective of the Organization's Financial Risk Management policies are to manage its Financial Instruments to ensure that its budgets are achieved within the plan set in the agreed Programme of Activities. The Organization's Financial Risk Management policies are consistent with and subject to the Organization's Financial Regulations. Further details on the management of the financial instruments and the financial risks are shown in Note 18 below.

Note 7: Accounting judgments and estimates

Preparing financial statements in accordance with IPSAS and the Organization's financial regulations requires the Organization to make judgments and assumptions in the selection and application of accounting policies and about the carrying amounts of assets, liabilities and for revenues and expenses. While the estimates and underlying assumptions are reviewed on an ongoing basis, the effects of revisions to accounting estimates are recognized in the period in which the estimate is revised, if the estimate affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

¹⁶ See Note 8 Cash and cash equivalents under "Cash with internally restricted use", Note 9 Investments under "Investments with internally restricted use", and Note 17 Employee future benefits.

Significant estimates and assumptions that may result in material adjustments in future years include: selection of the useful lives and the depreciation and amortization policies for plant, property and equipment and intangible assets; impairment of assets; indemnity benefits on retirement; accrued charges; provision for financial risk on inventories and accounts receivable; legal disputes, contingent assets and liabilities.

In the course of preparing the financial statements, significant judgments have been made in the process of applying the Organization's accounting policies relating to non-recognition of the free-use land in Note 13 and classification of investments related to pension funds.

In March 2020, the World Health Organization declared a global pandemic following the outbreak of a novel strain of the coronavirus (COVID-19). The pandemic has led to a significant increase in economic uncertainty, and has increased the complexity and reliability of certain estimates and assumptions used to prepare the financial statements. While the Organization is confident in the assessments it has made in preparing these financial statements, certain changes in these estimates could materially impact the financial statements in particular, including:

- Accounts Receivable and Statutory Contributions Receivable: the Organization is constantly reviewing its Accounts Receivable and maintains close contact with its membership and other receivables. Sustained economic depression could lead to further delays in payments, over and above what has been recognized in the financial statements according to the Organization's accounting policies;
- Trust fund and Special Accounts: travel restrictions still exist in many countries, impacting delivery on these projects. This has resulted in a lower implementation of these projects in 2020, as shown in the Statement of Financial Performance, and may impact the amounts recognized in the Statement of Financial Position, if continued delays jeopardise contract implementation;
- Counterparty and foreign exchange rate risk: the Organization holds significant cash and cash equivalents and investments. A decrease in creditworthiness or a significant deterioration in exchange rates could impact the valuation of these assets.

Note 8: Cash and cash equivalents

The Organization holds cash and cash equivalents in a number of currencies for operational purposes. The Organization has no credit lines nor does it utilize any bank overdrafts.

000s euros	31 December	
	2020	2019
Cash	31,521	16,512
Cash equivalents	40,698	39,595
Total cash and cash equivalents	72,219	56,107

000s euros	31 December	
	2020	2019
Euros	60,121	53,081
USD	10,243	2,032
Other currencies	1,855	994
Total cash and cash equivalents	72,219	56,107

Cash and cash equivalents with internally restricted use:

Included within cash and cash equivalents are amounts held for specific purposes. They are subject to contractual constraints, referred to as “internally restricted”, as they are not “free-to-use” by the Organization.

000s euros	Notes	31 December	
		2020	2019
Deferred revenue – Trust Fund and Special Accounts	16	39,973	6,795
Defined contribution pension scheme	17	517	14,165
Employee futures benefits – supplementary retirement scheme	17	911	5,063
Japanese special account	15	844	790
Total cash and cash equivalents with internally restricted use		42,245	26,813

During the year, the Organization reviewed its allocation of internally restricted cash and cash equivalents versus internally restricted investments (Note 9) to better face its obligations, explaining the shifts in the internally restricted amounts when compared to prior year.

Note 9: Investments

The Organization holds investments in order to meet long-term operational needs, commitments and obligations.

Name and location of investment 000s euros	Type	Currency	31 December	
			2020	2019
Current				
Crédit du Nord (France)	EMTN	EUR	4,853	0
CIC (France)	EMTN	EUR	9,000	7,000
LCL (France)	EMTN	EUR	4,000	0
Natixis (France)	EMTN	EUR	9,000	0
Total current			26,853	7,000
Non-current				
HSBC (France)	DAT	EUR	31	31
Crédit du Nord (France)	EMTN	EUR	0	4,853
CIC (France)	EMTN	EUR	0	9,000
BNP Paribas (France)	EMTN	EUR	6,000	6,000
LCL (France)	EMTN	EUR	11,800	4,000
Natixis (France)	EMTN	EUR	0	9,000
BP Aura (France)	DAT	EUR	10,000	10,000
BECM (France)	DAT	EUR	24,900	16,500
Total non-current			52,731	59,384
Total investments			79,584	66,384

(Legend: DAT = Term Deposit linked to bank guarantee; EMTN: Euro Medium Term Note.)

Investments with internally restricted use:

Included within investments are amounts held for specific purposes. They are subject to contractual constraints, referred to as “internally restricted”, as they are not “free-to-use” by the Organization.

Name and location of investment <i>000s euros</i>	Note	Type	Currency	31 December	
				2020	2019
Defined contribution pension scheme					
BP Aura (France)		DAT	EUR	10,000	10,000
Crédit du Nord (France)		EMTN	EUR	2,427	2,427
CIC (France)		EMTN	EUR	5,000	0
LCL (France)		EMTN	EUR	4,000	0
BECM (France)		DAT	EUR	8,400	0
Total defined contribution pension scheme	17		EUR	29,827	12,427
Employee futures benefits – supplementary retirement scheme					
LCL (France)		EMTN	EUR	800	0
CIC (France)		EMTN	EUR	4,000	0
Total employee futures benefits – supplementary retirement scheme	17		EUR	4,800	0
Deferred revenue – Trust Fund and Special Accounts					
HSBC (France)		DAT	EUR	0	31
CIC (France)		EMTN	EUR	0	16,000
Crédit du Nord (France)		EMTN	EUR	0	2,426
BNP Paribas (France)		EMTN	EUR	6,000	6,000
LCL (France)		EMTN	EUR	8,473	4,000
Natixis (France)		EMTN	EUR	9,000	9,000
BECM (France)		DAT	EUR	16,500	16,500
Total Deferred revenue – Trust Fund and Special Accounts	16		EUR	39,973	53,957
Total investments with internally restricted use			EUR	74,600	66,384

During the year, the Organization reviewed its allocation of internally restricted investments versus cash and cash equivalents (Note 8) to better face its obligations, explaining the shifts in the internally restricted amounts when compared to prior year.

Note 10: Statutory contributions receivable

<i>000s euros</i>	31 December	
	2020	2019
Current		
<i>Member country dues under Article 52</i>	3,749	3,475
<i>Less: allowance for doubtful debts</i>	(3,749)	(3,475)
Net member country dues under Article 52	0	0
Member country dues under debt-rescheduling agreements	218	152
Other member country dues	1,193	579
Total current	1,411	731
Non-current		
Member country dues under debt-rescheduling agreements	585	413
Total non-current	585	413
Total statutory contributions receivable	1,996	1,144

Gross statutory contributions receivable, excluding the allowance for doubtful accounts relating to countries under Article 52 sanctions, is EUR 5.745 million (2019: EUR 4.619 million).

Note 11: Accounts receivable

<i>000s euros</i>	31 December	
	2020	2019
Staff loans	159	207
Receivable on Trust Fund and Special Accounts*	9,486	9,342
Financial interest receivable	551	323
<i>Other receivables**</i>	<i>4,147</i>	<i>4,552</i>
<i>Provision for doubtful debts</i>	<i>(395)</i>	<i>(63)</i>
Net other receivables	3,752	4,489
Net Value Added Tax recoverable	1,775	1,392
Total accounts receivable	15,723	15,753

* Receivables on Trust Fund and Special Accounts represent amounts of EUR 7 million (2019: EUR 7 million) due to the Organization by INTERPOL Foundation and EUR 2.486 million (2019: EUR 2.342 million) from other Trust Fund and Special Account partners.

** Other receivables consist mainly of an amount of EUR 3 million (2019: EUR 3 million) due to the Organization by the INTERPOL Foundation as well as expected reimbursements from insurance claims.

Note 12: Intangible assets

These consist of software licenses and the external development costs associated with their exploitation. There was no impairment of intangible assets in the year.

<i>000s euros</i>	Balance at 31 December 2018	Additions / amortization	Disposals	Balance at 31 December 2019	Additions / amortization	Disposals	Balance at 31 December 2020
Cost							
Software	13,047	2,031	0	15,078	1,413	(6)	16,485
Work in process	360	(44)	0	316	(67)	0	249
Total cost	13,407	1,987	0	15,394	1,346	(6)	16,734
Accumulated amortization							
Software	(11,832)	(1,076)	0	(12,908)	(1,345)	3	(14,250)
Work in process	0	0	0	0	0	0	0
Total accumulated amortization	(11,832)	(1,076)	0	(12,908)	(1,345)	3	(14,250)
Net book value							
Software	1,215	955	0	2,170	68	(3)	2,235
Work in process	360	(44)	0	316	(67)	0	249
Total net book value	1,575	911	0	2,486	1	(3)	2,484

Note 13: Plant, property and equipment

<i>000s euros</i>	Balance at 31 December 2018	Additions / depreciation	Disposals	Balance at 31 December 2019	Additions / depreciation	Disposals	Balance at 31 December 2020
Cost							
Buildings	18,582	0	0	18,582	0	0	18,582
Fixtures and fittings	31,432	1,359	(555)	32,236	1,491	(29)	33,698
Equipment and other assets	14,281	1,880	(123)	16,038	1,101	(377)	16,762
Work in process	87	111	0	198	(125)	0	73
Total cost	64,382	3,350	(678)	67,054	2,467	(406)	69,115
Accumulated depreciation							
Buildings	(12,765)	(457)	0	(13,222)	(460)	0	(13,682)
Fixtures and fittings	(25,206)	(1,889)	554	(26,541)	(1,771)	29	(28,283)
Equipment and other assets	(12,307)	(1,512)	121	(13,698)	(1,352)	377	(14,673)
Work in process	0	0	0	0	0	0	0
Total accumulated depreciation	(50,278)	(3,858)	675	(53,461)	(3,583)	406	(56,638)
Net book value							
Buildings	5,817	(457)	0	5,360	(460)	0	4,900
Fixtures and fittings	6,226	(530)	(1)	5,695	(280)	0	5,415
Equipment and other assets	1,974	368	(2)	2,340	(251)	0	2,089
Work in process	87	111	0	198	(125)	0	73
Total net book value	14,104	(508)	(3)	13,593	(1,116)	0	12,477

Buildings: The headquarters building in Lyon, France is owned by the Organization. The land on which the building is constructed is owned by the City of Lyon and is leased rent-free to the Organization for a period of 99 years from 1985. At the end of the lease, both the title to the building and the land will pass to the City of Lyon. No recognition of the rent-free use of the land is made as no comparable value could be determined.

Fixtures and fittings: Includes office equipment and sports equipment.

Equipment and other assets: Consist of computer hardware and telecommunications equipment including computers, printers, routers/switches and communications systems and vehicles.

Note 14: Accounts payable and accrued charges

<i>000s euros</i>	31 December	
	2020	2019
Creditors for goods and services	5,773	6,354
Social security and insurance payable	6,570	5,867
Other creditors	10	93
Total accounts payable and accrued charges	12,353	12,314

Note 15: Contributions received in advance

<i>000s euros</i>	31 December	
	2020	2019

Statutory contributions received in advance	386	547
Japanese special account	844	790
Other income received in advance	7	17
Total contributions received in advance	1,237	1,354

Note 16: Deferred revenue

Deferred revenue corresponds to future income¹⁷ from Trust Fund and Special Account activity that has been received for projects and that will be implemented in the coming year.

<i>000s euros</i>	Trust Fund	Special Accounts	Total
Balance at 31 December 2018	11,006	43,369	54,375
Funds received or receivable during the year	7,880	43,022	50,902
Income recognized during the year	(8,841)	(35,684)	(44,525)
Balance at 31 December 2019	10,045	50,707	60,752
Funds received or receivable during the year	10,137	46,197	56,334
Income recognized during the year	(6,994)	(30,146)	(37,140)
Balance at 31 December 2020	13,188	66,758	79,946

<i>000s euros</i>	Current liability	
	31 December 2020	31 December 2019
Trust Fund	13,188	10,045
Special Accounts	66,758	50,707
Total deferred revenue	79,946	60,752

Note 17: Employee future benefits

<i>000s euros</i>	31 December	
	2020	2019
Current		
Internal Scheme for the Compensation of Involuntary Loss of Employment (ISCILE)	3,172	1,971
Employee future benefits – indemnity on retirement	1,177	1,341
Employee leave not taken	4,662	3,837
Employee future benefits – supplementary retirement	5,711	5,063
Defined contribution pension scheme	30,344	26,592
Total current	45,066	38,804
Non-current		
ISCILE	1,081	1,467
Employee future benefits – indemnity on retirement	653	472
Total non-current	1,734	1,939
Total employee future benefits	46,800	40,743

<i>000s euros</i>	ISCILE	Indemnity on retirement	Supplementary retirement	Employee leave not taken	Defined contribution pension scheme	TOTAL
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¹⁷ Income recognized in this reconciliation excludes “contributions in kind”. This is recognized as revenue in the financial period that it is used and is not shown as deferred revenue on the Statement of Financial Position.

Balance at 31 December 2018	2,269	1,593	4,529	3,455	23,604	35,450
Recognized in the Statement of Financial Performance	1,330	306	1,292	511	3,531	6,970
<i>Items not in the Statement of Financial Performance</i>						
- Staff contribution	0	0	0	0	2,354	2,354
- Financial interest income	0	0	28	0	134	162
- Settlement of liabilities	(161)	(86)	(786)	(129)	(3,031)	(4,193)
Balance at 31 December 2019	3,438	1,813	5,063	3,837	26,592	40,743
Recognized in the statement of financial performance	1,656	505	1,530	952	3,813	8,456
<i>Items not in the Statement of Financial Performance</i>						
- Staff contribution	0	0	0	0	2,542	2,542
- Financial interest income	0	0	57	0	142	199
- Settlement of liabilities	(841)	(488)	(939)	(127)	(2,745)	(5,140)
Balance at 31 December 2020	4,253	1,830	5,711	4,662	30,344	46,800

Supplementary retirement and the defined contributions pension scheme have a corresponding asset which has been designated as *Cash and cash equivalents* (2020: EUR 1.428 million, 2019: EUR 19.228 million) and *Investments* (2020: EUR 34.627 million, 2019: EUR 12.427 million) with internally restricted use (refer to Notes 8 and 9).

The defined contribution pension scheme, offered to contracted officials of the Organization, had 434 members enrolled of 747 contracted officials at 31 December 2020 (2019: 448 of 778). The remaining contracted officials are part of national pension schemes.

Note 18: Financial instruments

The Organization classifies its investments as held-to-maturity and measures them at amortised cost as both of the following criteria are met:

- The financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Organization classifies its cash and cash equivalents, accounts receivable and statutory contributions receivable as loans and receivable. These financial assets are recognized initially at fair value. Subsequent to initial recognition, these financial assets are measured at amortized cost using the effective interest method.

The Organization classifies its accounts payable and accrued charges as other financial liabilities and measures them at amortised cost.

The fair value of investments approximates their carrying value due to the short-term maturities of these instruments and the low interest rates. The fair values of cash and cash equivalents, accounts receivable, statutory contributions receivable and accounts payable and accrued charges approximates their carrying value due to their short-term maturities.

At each reporting date, INTERPOL assesses the expected impairment losses on any financial assets measured at amortized cost. If there is evidence of an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

The Organization's financial instruments are subject to changes that can have an impact on the Organization's operating results. The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. An assessment of the risks associated with the financial instruments by major type of risk is shown below.

Interest rate risk

The Organization invests its available financial resources and earns financial interest income. Investments are subject to "Security, liquidity and profitability" criteria as specified in the Financial Regulations. Cash and cash equivalents and investments are in short-term maturity instruments with banks or in asset management schemes and are subject to fluctuating returns, on account of market-driven interest rates. This may have a bearing on the level of the expenditure that is supported by the Organization. There are no other financial instruments that are impacted by a change in interest rates.

The weighted average interest rates of the investments and cash and cash equivalents in banks according to their expected maturity profile are as follows (no investments greater than five years):

<i>000s euros</i>	<i>Weighted average interest rate</i>	1 year or less	1-5 years	Total
Investments	0.71%	26,853	52,731	79,584
Cash and cash equivalents	0.07%	72,178	0	72,178
TOTAL	0.40%	99,031	52,731	151,762

An interest rate risk sensitivity analysis was performed on the above amounts at the Statement of Financial Position date. The potential impact of a change in the interest rate is not considered material:

	Increase (+) / decrease (-) in basis points	Potential effect on financial performance (000s euros)
Investments	+50/-50	+264/(264)
Cash and cash equivalents	+50/-50	+361/(361)

Currency risk

The Organization's functional currency is the euro that applies across all of its operations and duty stations. The Organization conducts its activities in many different currencies, holding different currencies for operational purposes and is therefore subject to foreign exchange risk in the implementation of its budgets as well as in the translation of the foreign currency balances that it holds. The overall foreign exchange risk is mitigated by limiting the amount of different currencies held, matching its receipts of currencies with future likely payments in those currencies and maintaining investment assets in the same currency as the liability.

At 31 December 2020, the Organization held bank deposits in euros (EUR), United States dollars (USD), Singapore dollars (SGD), Kenyan shillings (KES), Thai baht (THB), Argentina pesos (ARS), West African CFA francs (XOF), Central African CFA francs (XAF) and Ethiopian Birr (ETB). A foreign exchange rate risk sensitivity analysis was performed at the Statement of Financial Position date and the impact is not considered material. As at 31 December 2019, the Organization had trade payables and receivables in the following currencies: EUR, USD, SGD, KES, THB, ARS, XOF, ETB, AED, and CAD as well as 31 other currencies in amounts that are not deemed significant in the context of the Statement of Financial Position. The principal amounts held are shown below.

Stated in 000s euros	31 December 2020			31 December 2019		
	Receivables	Payables	Net	Receivables	Payables	Net
AED	0	63	63	58	0	58
CAD	1	0	1	893	0	893
SGD	83	(1,842)	(1,759)	69	(1,930)	(1,861)
USD	1,758	(242)	1,516	1,480	(616)	864
TOTAL	1,842	(2,021)	(179)	2,500	(2,546)	(46)

Credit risk

Credit risk is the risk of financial loss if counterparties to financial instruments fail to meet their contractual obligations. It arises principally from the Organization's investments, receivables, notably its statutory contributions, and cash and cash equivalents. The number and range of accounts receivables, including statutory contributions receivable, is diverse consisting mainly of government entities, non-profit organizations and some private companies. Credit ratings, from external rating agencies are not readily available for all receivables.

The carrying amount of financial assets represents the maximum credit exposure. Credit risk on accounts receivable is mitigated by reducing overall accounts receivables, given that the delivery of projects funded by external parties by the Organization is subject to receipt on an initial payment.

The Organization provides for amounts that it deems not collectable and the carrying amounts are already reflected in the net amount of statutory contributions receivable and accounts receivable.

000s euros	31 December 2020	31 December 2019
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Statutory contributions receivable*	1,996	1,144
Cash and cash equivalents excluding cash on hand*	72,178	56,048
Investments*	79,584	66,384
Accounts receivable incl. interest receivable	15,723	15,753
Maximum exposure to credit risk	169,481	139,329

* Further details shown below

Credit risk on statutory contributions receivable: The table below provides the credit rating attached to the statutory contributions receivable. Statutory contributions receivable are stated net of provision for doubtful debt. The credit rating corresponds to the sovereign credit rating, made by a credit rating agency that evaluates the creditworthiness of the issuer of the country, which may not necessarily correspond to the exact counterparty's ability to pay.

<i>Statutory contributions receivable at 31 December 2020 (000s euros)</i>				
Rating	1 year or less	1-5 years	> 5 years	TOTAL
AA-	20	0	0	20
BBB+	90	0	0	90
BBB	1	0	0	1
BBB-	63	0	0	63
B	46	0	0	46
B-	653	0	0	653
CCC	139	0	0	139
Not rated	399	0	0	399
Total current	1,411	0	0	1,411
B-	0	44	13	57
CCC	0	101	168	269
Not rated	0	125	134	259
Total non-current	0	270	315	585
Total	1,411	270	315	1,996

Credit risk on cash and cash equivalents and investments: The Organization determines credit quality of the investments and banks using information obtained from external rating agencies for each counterparty. Cash is included as not rated, although there is no assumed credit risk.

000s euros	31 December 2020	31 December 2019
	Carrying value	Carrying value
AA	64	70
AA-	34,541	21,115
A+	3,747	2,179
A	33,645	32,528
Not rated ¹⁸	181	156
Cash and cash equivalents <i>excluding cash on hand</i>	72,178	56,048
AA-	6,031	6,031
A+	68,700	55,500
A	4,853	4,853
Investments at amortised cost	79,584	66,384
TOTAL	151,762	122,432

Liquidity risk

Liquidity risk is the risk that the Organization is not able to meet its financial obligations as they fall due. The Organization manages its liquidity risk by ensuring that sufficient funds are available to meet its current liabilities without incurring unacceptable losses or risking its reputation. It continually monitors its receivables position, its available funds and its expenditure commitments.

Liquidity risk is mitigated by holding cash and cash equivalents for operational expenditures. The Financial Regulations also specify that member countries pay their contribution dues to the Organization each year before the end of April. Resource allocations for activities are made against available or committed and due funds only, generally before the start of the activity. The tables below present current financial liabilities by maturity date:

As at 31 December 2020 000s euros	< 3 Months	3-12 months	1-5 years	> 5 years	Total
Accounts payable and accrued charges	12,353	0	0	0	12,353

As at 31 December 2019 000s euros	< 3 Months	3-12 months	1-5 years	> 5 years	Total
Accounts payable and accrued charges	12,314	0	0	0	12,314

Note 19: Capital financing reserve

The Capital financing reserve forms part of the Organization's equity and is an exact balance of the fixed assets owned by the Organization. Purchases of fixed assets add to the reserve while disposals and sales of fixed assets and depreciation reduce it.

Note 20: Accumulated reserve funds

Accumulated Reserve Funds constitute the reserves of the Organization. The Organization's funds are created by GA resolutions, which determine the use and limits of each of the funds. They are added to by surpluses and reduced by deficits of the Organization each year according to the use of the budgets that are linked to them.

¹⁸ Not-rated concerns cash held with banks in Argentina, Cameroon, El Salvador, Ethiopia, Côte d'Ivoire, Kenya, Thailand and Zimbabwe, where ratings are not readily available. For operational reasons, a local bank partner is used in these duty stations. To limit exposure, amounts held are minimised to immediate operational purposes.

Note 21: General Reserve Fund (GRF)

The GRF is a statutory fund required under the Financial Regulations and created by GA Resolution AG/52/RES/7 and is the primary operating reserve of the Organization. Transfers to and from the GRF are by GA resolutions. General Budget surpluses add to the level of the fund and deficits reduce it. The Financial Regulations stipulate a statutory level on the GRF.

In 2020 the operating result from the Regular Budget was a surplus of EUR 2.705 million (2019: deficit of EUR 4.727 million) of which a surplus of EUR 1.977 million (2019: deficit of EUR 4.300 million) is attributable to the GRF and a surplus of EUR 0.728 million (2019: deficit of EUR 0.427 million) is attributable to the RB Reserve Fund.

Statutory amount of the GRF

There are two stipulations in the Financial Regulations for the level of the GRF. The reserve, cumulated with the Permanent Fund for Crisis Relief, is sufficient to cover at least: (1) one sixth of the operating expenses on the Organization's Regular Budget for the previous financial period, excluding expenditure to cover for depreciation and expenditure valued on an in-kind basis; (2) 117% of the net outstanding statutory contributions receivable from member countries subject to sanctions under Article 52 of the General Regulations.

1. Operating expenses: Regular Budget operating expenses net of depreciation and in-kind expenditure were EUR 55.817 million in 2020 (2019: EUR 62.649 million) requiring EUR 9.303 million (2019: EUR 11.901 million) to be set aside as a reserve requirement;
2. Dues under Article 52: The *net* amount outstanding from member country statutory contributions subject to Article 52 sanctions was EUR 0 (2019: EUR 0). The reserve requirement for dues under Article 52 sanctions is EUR 0 (2019: EUR 0).

The total reserve requirement for 2020 is EUR 9.279 million (2019: EUR 10.442 million). The level of the GRF cumulated with the permanent Fund for Crisis Relief is EUR 18.864 million (2019: EUR 16.887 million). The balance of the funds is compliant with the Financial Regulations with a margin of EUR 9.585 million or 51% of the level of the two funds (2019: EUR 6.446 million or 38%).

Note 22: Permanent Fund for Crisis Relief (PFCR)

The PFCR is a statutory fund. It was created in 2005 (GA Resolution AG-2005/RES-08) and exists to enable the Organization to respond immediately to crises or emergencies. It is funded directly from voluntary member country contributions in response to a specific call by the Organization or by amounts transferred to it from other reserve funds following GA approval. The mandated level of the fund is EUR 0.855 million.

In 2020 and 2019 there were no expenditures against the PFCR maintaining its mandated level.

Note 23: Capital Investment Fund (CIF)

The CIF is a statutory fund of the Organization (GA Resolution AG/52/RES/7). It is used to finance acquisitions of the Organization's fixed assets including for the RBs and LOs. The CIF is reduced when purchases of fixed assets are made and added to by the amount of annual depreciation on the fixed assets of the Organization's Regular Budget. It can also be replenished via direct sequestration of statutory contributions or through transfers from other reserves following a GA resolution. Although there is no mandatory level of this fund there needs to be adequate funds available for the capital expenditure budget of the Organization for the following year.

The CIF increased by EUR 1.118 million (2019: decrease of EUR 0.400 million) from EUR 10.115 million on 31 December 2019 to EUR 11.233 million on 31 December 2020.

Note 24: RB Reserve Fund

The RB Reserve Fund is a statutory fund created by GA Resolution AG/63/RES/5. It is funded by statutory contributions from countries that are attached to each RB. It is reduced by the cash operating expenses of each RB (excluding pay costs that are funded by the General Budget). Each RB is treated separately within the fund although the overall level of the fund is the sum for all of the RBs. There is no stipulated mandatory level for this fund.

In 2020 the operating surplus for RBs was EUR 0.728 million (2019: EUR 0.427 million deficit), increasing the RB Reserve Fund to EUR 1.904 million (2019: decrease to EUR 1.176 million).

Note 25: Combined budget

The final revised combined budget is the approved budget for the Organization that contains re-allocations from the GA-approved combined budget approved by the EC at its March 2020 session for the Regular Budget. Trust Fund and Special Accounts Budgets were increased throughout 2020 as additional projects were approved according to the Organization's Financial Regulations. Reporting in these Financial Statements is made against the final revised Combined Budget and its sub-components.

000s euros	GA-Approved Original Combined Budget 2020				Revisions				Final Revised Combined Budget 2020			
	Total	Regular Budget	Trust Fund and Special Accounts	Combination adjustment	Total	Regular Budget	Trust Fund and Special Accounts	Combination adjustment	Total	Regular Budget	Trust Fund and Special Accounts	Combination adjustment
Operating revenue												
Statutory contributions	58,811	58,811	0	0	0	0	0	0	58,811	58,811	0	0
Regional Bureau financing	1,371	1,371	0	0	0	0	0	0	1,371	1,371	0	0
In-kind contributions	30,931	29,584	1,347	0	3,020	3,020	0	0	33,951	32,604	1,347	0
Voluntary contributions	3,566	3,566	0	0	(73)	(73)	0	0	3,493	3,493	0	0
Reimbursements and recoveries	50,271	5,226	50,000	(4,955)	(271)	551	0	(822)	50,000	5,777	50,000	(5,777)
Financial income	300	300	0	0	70	70	0	0	370	370	0	0
Other income	494	494	0	0	77	77	0	0	571	571	0	0
Exchange rate gains/(losses) net	0	0	0	0	0	0	0	0	0	0	0	0
Total operating revenue	145,744	99,352	51,347	(4,955)	2,823	3,645	0	(822)	148,567	102,997	51,347	(5,777)
Operating expenses												
Pay costs	67,658	48,415	19,852	(609)	(59)	455	545	(1,059)	67,599	48,870	20,397	(1,668)
In-kind pay costs	19,975	18,628	1,347	0	2,651	2,651	0	0	22,626	21,279	1,347	0
Other staff costs	2,745	2,036	709	0	(934)	(236)	(698)	0	1,811	1,800	11	0
Premises running costs	3,591	3,440	151	0	742	983	47	(288)	4,333	4,423	198	(288)
In-kind premises running costs	10,956	10,956	0	0	369	369	0	0	11,325	11,325	0	0
Maintenance	5,169	4,640	529	0	1,525	1,051	474	0	6,694	5,691	1,003	0
Missions and meetings	19,056	5,967	13,089	0	(1,007)	(655)	(352)	0	18,049	5,312	12,737	0
Office expenses	3,444	2,312	1,132	0	(544)	(543)	(1)	0	2,900	1,769	1,131	0
Telecommunication costs	1,219	1,117	102	0	69	84	(15)	0	1,288	1,201	87	0
Third party and other costs	12,530	2,440	14,436	(4,346)	426	(99)	0	525	12,956	2,341	14,436	(3,821)
Depreciation and amortization	5,000	5,000	0	0	0	0	0	0	5,000	5,000	0	0
Total operating expenses	(151,343)	(104,951)	(51,347)	4,955	(3,238)	(4,060)	0	822	(154,581)	(109,011)	(51,347)	5,777
(Deficit) for the year	(5,599)	(5,599)	0	0	(415)	(415)	0	0	(6,014)	(6,014)	0	0

Note 26: Financial Performance on Regular and Specific Budgets

The Organization conducts its activities through its various budgets which it considers as its operating segments. While the Regular Budget has significant assets and liabilities and is linked to a number of funds the Specific Budgets are accounted for as liabilities. For this reason and the fact that the Regular Budget covers risks and liabilities of the Specific budgets no separate Statement of Financial Position or Statement of cash flows is provided for the Specific Budgets.

000s euros	TOTAL	Regular Budget	Specific budgets and adjustment	
			Trust Fund and Special Accounts	Combination adjustment
Operating revenue				
Statutory contributions	58,811	58,811	0	0
Regional Bureau financing	1,371	1,371	0	0
In-kind contributions	34,901	33,913	988	0
Voluntary contributions	3,460	3,460	0	0
Reimbursements and recoveries	36,577	4,766	37,553	(5,742)
Financial income	417	417	0	0
Other income	367	367	0	0
Total operating revenue	135,904	103,105	38,541	(5,742)
Operating expenses				
Pay costs	69,104	46,116	24,640	(1,652)
In-kind pay costs	22,965	21,977	988	0
Other staff costs	1,659	1,107	657	(105)
Premises running costs	2,813	2,809	563	(559)
In-kind premises running costs	11,936	11,936	0	0
Maintenance	3,844	3,307	638	(101)
Missions and meetings	3,545	1,234	2,342	(31)
Office expenses	3,633	1,208	2,432	(7)
Telecommunication costs	1,030	954	161	(85)
Third Party and other costs	6,762	4,169	5,760	(3,167)
Depreciation and amortization	4,928	4,928	35	(35)
Exchange rate losses - net	980	655	325	0
Total operating expenses	133,199	100,400	38,541	(5,742)
Surplus for the year	2,705	2,705	0	0

Note 27: Financial performance – operating revenue detail

<i>000s euros</i>	Final Revised Combined Budget 2020*	2020	2019
Statutory contributions	58,811	58,811	57,320
Regional Bureau financing	1,371	1,371	1,335
In-kind pay costs		22,965	22,936
In-kind premises running costs		11,936	11,611
In-kind contributions	33,951	34,901	34,547
Member Country contributions		460	493
INTERPOL Foundation		3,000	3,000
Voluntary contributions	3,493	3,460	3,493
Trust Fund and Special Account income		31,811	38,313
Other reimbursements		4,766	5,894
Reimbursements and recoveries	50,000	36,577	44,207
Financial income	370	417	410
I-Checkit revenue		125	407
Other revenue		242	293
Other income	571	367	700
Total operating revenue	148,567	135,904	142,012

* The Revised Combined Budget is approved at a summary level

Material variances versus the budget or the prior year are:

- *Statutory contributions* – increased in 2020 by 2.6% versus 2019. The increase is aligned with the budgeted amount and reflects the statutory contributions agreed to by member countries and an increase in the number of members;
- *Reimbursements and recoveries* – decreased in 2020 by 17% versus 2019 and are significantly lower than budget primarily as a result of a reduction in the completion of project work funded by Trust Fund and Special Accounts. In-person events were restricted owing to the COVID-19 pandemic, impacting recovery.

Note 28: Financial performance – operating expenses detail

<i>000s euros</i>	Final Revised Combined Budget 2020*	2020	2019
Salaries		42,921	40,732
Employer's social charge costs		16,047	15,245
Allowances		10,136	10,778
Pay costs	67,599	69,104	66,755
In-kind pay costs	22,626	22,965	22,936
Training		324	589
Employee welfare and recruitment costs		1,335	1,915
Other staff costs	1,811	1,659	2,504
Building rental		1,329	1,797
Utilities and other		1,484	1,655
Premises running costs	4,333	2,813	3,452
In-kind premises running costs	11,325	11,936	11,611
IT equipment		3,138	2,734
Building maintenance		706	923
Maintenance	6,694	3,844	3,657
Travel		2,670	15,679
Conferences and events		875	5,035
Missions and meetings	18,049	3,545	20,714
Consumables and supplies		3,516	704
Equipment hire and other		117	1,398
Office expenses	2,900	3,633	2,102
Network costs		698	707
Communication costs		332	465
Telecommunication costs	1,288	1,030	1,172
Consultancy expenses		2,859	2,800
Provisions for member country contributions		1,069	1,133
Equipment donated		1,903	2,458
Other administration expenses		931	427
Third party and other costs	12,956	6,762	6,818
Depreciation and amortization	5,000	4,928	4,934
Exchange Rate Losses – net	0	980	84
Total operating expenses	154,581	133,199	146,739

* The Revised Combined Budget is approved at a summary level

Material variances versus the budget or 2019 are:

- *Missions and meetings costs* – decreased in 2020 compared to 2019 by 83% and are significantly lower than budget, primarily as a result of the lower number of missions and physical meetings held during the year due to travel restrictions as a result of the COVID-19 pandemic;
- *Third party and other costs* – decreased slightly in 2020 versus 2019 and was significantly lower than budget as a result of lower consultancy and cost recovery as a result of lower Trust Fund and Special Account expenses in the year;
- *Maintenance costs* – lower in 2020 than budget as a result of lower level of activities implemented during the year owing to the COVID-19 pandemic.

Note 29: Property lease commitments

Amounts payable after the balance sheet date for non-cancellable operating leases for leased office premises at *Cité Internationale* in Lyon, for an apartment in Lyon, for leased offices in Brussels and Abidjan are as follows:

<i>000s euros</i>	2020	2019
Not more than 1 year	2,053	2,086
Later than one year and not later than 5 years	7,568	7,717
Later than 5 years	5,564	7,419
Total property lease commitments	15,185	17,222

The *Cité Internationale* in Lyon and the apartment in Lyon leases include escalation clauses. The leases are indexed according to the “*indice des loyers, des activités tertiaires*” published quarterly by the *Institut national de la statistique et des études économiques*. These property lease commitments are the future minimum lease payments under non-cancellable operating leases and exclude the use of rent-free properties (“in-kind premises running costs”).

Note 30: Contingent assets, contingent liabilities, commitments and contractual rights**Contingent assets and contingent liabilities including legal disputes**

The Organization considers that it has no contingent assets, no contingent liabilities and no provisions as at 31 December 2020 including those arising from legal actions and claims.

Commitments

Future minimum lease rental payments for non-cancellable leases for property are shown in Note 29 above. Excluding property commitments, outstanding commitments for signed contracts with suppliers for the acquisition of services and capital commitments but not yet delivered are as follows:

<i>000s euros</i>	2020	2019
Not more than 1 year	4,950	3,333
Later than one year and not later than 5 years	1,630	881
Total commitments excluding property	6,580	4,214

There are no commitments later than five years.

Contractual rights

Based on signed agreements and excluding all amounts already received and/or recognized in the financial statements under accounts receivable at the reporting date, the Organization’s contractual rights are as follows:

Contractual rights at 31 December 2020	<i>000s euros</i>
Statutory contributions and RB financing for 2021	61,746
Revenue for the implementation of Trust Fund and Special Accounts	87,248
Other revenue	276
Total contractual rights	149,270

Of the above, EUR 117.360 million is expected to be received in 2021 and EUR 31.910 million is expected to be received after 2021.

Revenue from statutory contributions has been approved at the General Assembly. Revenue for the implementation of Trust Fund and Special Accounts is for signed agreements with third parties for the implementation of project activity, including with the INTERPOL Foundation. In 2016, the Organization entered into a five-year agreement with the INTERPOL Foundation for a EUR 50.0 million donation. The total amount is to be received annually in equal amounts over five years. EUR 35.0 million (EUR 7.0 million per year) is to be received into sub-accounts of the Trust Fund to support the execution of special projects carried out by the Organization, and EUR 15.0 million (EUR 3.0 million per year) is designated as an unrestricted voluntary contribution with no specific purpose to the Organization's Regular Budget. However, the funding agreement came to an end in 2020.

Note 31: Key management personnel

The Secretary General directs the Secretariat in the implementation of its activities. The Secretary General is assisted by a Senior Management Board that reports directly to him. Together, the Secretary General and the Senior Management Board comprise the key management personnel of the Organization. The remuneration of the Secretary General is determined by the Executive Committee. The Senior Management Board is subject to the same regulations as other members of staff and they are eligible to the same benefits under the Staff Manual. There is no difference in the contracts of the Senior Management Board from other members of staff; their remuneration is determined according to the Organization's salary scales for work provided under a standard contractual work arrangement. There are no specific performance-related criteria that impacts their overall remuneration. The Senior Management Board includes officials that are seconded from their national administrations.

Key management personnel aggregate remuneration, including gross salary and benefits and one-off separation costs where applicable, paid or accrued directly by the Organization, was as follows:

Key management personnel			
2020		2019	
Number	Aggregate remuneration 000s euros	Number	Aggregate remuneration 000s euros
7	1,296	7	1,171

There were several changes in the composition of the Senior Management Board during the year, notably in the officials that are seconded to the Organization.

Related parties: Included in the aggregate remuneration, though not in the number of individuals, is EUR 0.105 million (2019: EUR 0.141 million) for one staff (2019: 1) that was a related party to the key management personnel, working for the Organization under standard contract. This amount is included in the above aggregate remuneration only as this official does not form part of the Senior Management Board nor does this official have any direct influence on their decisions.

The Secretary General is provided with a serviced apartment in Lyon, France paid for by the Organization (2020: EUR 0.128 million, 2019: EUR 0.157 million), included in the above.

Key management personnel include three officers that are seconded from their national administrations (2019: 3) and whose expenses may partly be paid by the national administration. These seconded officials or their national administrations, received EUR 0.104 million from the Organization during the year (2019: EUR 0.018 million) and this is included in the table. The total value of the in-kind benefit for these seconded officials that the Organization received, accounted in the financial statements but not included in the above table, is estimated as EUR 0.491 million (2019: EUR 0.509 million).

There were no loans to key management personnel or their close family members which were not available to other categories of staff. There were no material accounting transactions declared by Senior Management between the Organization and related parties during years 2020 and 2019.

Note 32: Related-party transactions

The Organization is under the direct control of the member countries. It has no ownership interest in other associations or joint ventures. The Organization's supreme governing body is the General Assembly (GA), composed of representatives from all of the member countries. The GA elects an Executive Committee (EC) composed of thirteen delegates including the President of the Organization.

Neither the delegates to the GA nor the EC members receive any remuneration from the Organization for their roles nor is the contribution of their time valued as a contribution in kind. Members of the EC are entitled to reimbursement of travel expenses incurred in the execution of their duties, and are paid per-diems for accommodation, in accordance with the Organization's travel policy.

The INTERPOL Foundation was created and registered under Swiss law in October 2013 with the aim of supporting global law enforcement activities. The INTERPOL Foundation has its own board of management, is autonomous and independent of the Organization and is therefore not considered a related party. Transactions with the Foundation are made according to a specific agreement and managed as for Trust Fund and Special Accounts.

SUPPLEMENTARY INFORMATION (UNAUDITED)

CONTENTS OF SUPPLEMENTARY INFORMATION

Note: This section provides users with further information to allow for a better understanding of the Organization, its operational context and financial operating environment, the interpretation of the Organization's financial statements, and more detailed comparisons with approved budgets. It is not a requirement under IPSAS to supply this information, much of which is specific to the Organization. Therefore this supplementary information – like the financial discussion and analysis section – is not subject to the detailed external audit requirements applied to the actual financial statements, although it is checked for consistency. Where relevant, the links between the supplementary information and the financial statements and Notes are highlighted.

A. ORGANIZATION SET-UP, FINANCING AND RISK MANAGEMENT

This section provides more detail on the Organization's governance and oversight, its sources of finance and its risk management activities.

A1. ORGANIZATION STRUCTURE AND GOVERNANCE

A2. FINANCING

A3. RISK MANAGEMENT

B. MEMBER COUNTRY CONTRIBUTIONS

This section provides more detail on the status and specific contributions by each member country, which includes statutory contributions, according to the Organization's Financial Regulations and additional voluntary contributions which may be in cash or "in-kind".

B1. STATUS OF STATUTORY MEMBER COUNTRY CONTRIBUTIONS

B2. ADDITIONAL MEMBER COUNTRY SUPPORT

B3. TOTAL MEMBER COUNTRY CONTRIBUTIONS TO THE REGULAR BUDGET

C. FINANCIAL PERFORMANCE BY BUDGET TYPE

This section provides more detail on the implementation of the different budgets. The Organization implements its activities through its different budgets. The comparison with the Regular Budget is made against the approved re-allocated Regular Budget (C1). The Organization also contracts with third parties, usually public or international public Organizations, for the support of specific activities. Section C2 provides more detail on the external funding agreements by sponsor for Trust Fund and Special Accounts. The Combination Adjustment (C3) allows for transfers between these budgets. The Capital Budget (C4) is managed separately.

C1. REGULAR BUDGET

C2. TRUST FUND AND SPECIAL ACCOUNTS

C3. COMBINATION ADJUSTMENT: TRANSFERS BETWEEN BUDGETS

C4. CAPITAL BUDGET

D. OTHER FINANCIAL INFORMATION

This section provides additional financial information.

D1. INVENTORIES

A. ORGANIZATION SET-UP, FINANCING AND RISK MANAGEMENT

A1. ORGANIZATION STRUCTURE AND GOVERNANCE

Organization structure

The Organization coordinates its activities through the General Secretariat, led by the Secretary General. The Secretary General manages the Organization's activities and coordinates them through four Executive Directorates via its General Secretariat headquarters, the Global Complex for Innovation, Special Representatives, Regional Bureaus and Liaison Offices. Each member country also maintains a National Central Bureau staffed by its own law enforcement officials, which does not form part of these financial statements.

Operational implementation of the Organization's mission is defined in the annual work plan, the Programme of Activities, which includes: the secure exchange of law enforcement information; the maintenance of specific criminal databases; the conduct of operations; capacity building and training; the provision of intelligence analysis. The Organization provides support across a wide range of different crimes areas.¹⁹ It implements its Programme of Activities through different budgets, its Regular Budget – for continuing operations – and Trust Fund and Special Accounts budget which are voluntary contributions, generally from member countries for specific, project activities.

Governance and oversight

The Organization functions under international law and is recognized as an International Organization by the United Nations. The Organization is established and controlled by its legal texts, including its Constitution and Financial Regulations. The governance structure ensures control and oversight and is independent of operational management. The Organization's supreme governing body is its General Assembly, composed of delegates from each member country. The General Assembly elects the Organization's Executive Committee to oversee its decisions and the delivery of the Programme of Activities. The Executive Committee is headed by the President and has representatives from each region. External advisors provide independent oversight and report directly to the General Assembly.

Relations with other entities

Transnational crime cannot be countered by national law enforcement agencies in isolation. The Organization has a number of key stakeholders. It works closely with its members through coordination offices in each member country (the National Central Bureau) that assist in collecting data, organizing and conducting operations and providing criminal analysis reports and capacity-building sessions. Law enforcement agencies and selected national organizations may "second" personnel who provide expertise and resources for the delivery of the Organization's programmes. Member states provide the delegates of the Organization's Executive Committee as well as funding which also includes the rent-free use of buildings and equipment and support for specific activities.

Partnerships to share expertise, technology and resources play an important role in coordinating operations and providing capacity building. The Organization cooperates closely with a number of partners, such as the European Union, UNODC, EUROPOL, ASEANAPOL, the World Customs Organization, CEMAC and government agencies. It works with selected partners from the private sector, primarily non-governmental organizations and foundations, notably the INTERPOL Foundation for a Safer World.

¹⁹ Additional details are available at <https://www.interpol.int> ("Crimes" section).

A2. FINANCING

The Organization's principal source of funding is the annual statutory contribution provided by its members. Each member country contributes on the basis of an approved scale for a stated period. Member countries and other organizations may also make additional voluntary contributions, which may be monetary or "in kind", such as the free-use of equipment and services. Voluntary contributions for pre-determined activities, are managed separately in the Trust Fund and Special Accounts. The Organization is also able to generate some of its own funding such as through financial investments or shop sales.

Overview on sources of financing by sector in 2020

<i>Source</i>	<i>Total</i> <i>000s euros</i>	<i>Regular Budget</i> <i>000s euros</i>	<i>Trust Fund and</i> <i>Special Accounts</i> <i>000s euros</i>
Foundation	550	0	550
Government agency*	133,617	97,555	36,062
International Organization	737	0	737
NGO	402	0	402
Private sector	790	0	790
Own – (investments, recoveries, and shop sales)	5,550	5,550	0
TOTAL	141,646	103,105	38,541

* This includes contributions in kind. Table excludes combination adjustment.

A3. FINANCIAL RISK MANAGEMENT

The Organization regularly reviews its financial instruments and exposures and dynamically manages the perceived risks, according to the perceived market conditions and operating activities.

A3.1 Foreign exchange sensitivity analysis

Based on the amounts held in bank accounts at the financial statement dates, if the currency rates appreciate or depreciate by 10% above or below the rates at those dates, the impact on the Statement of Financial Performance in the main currencies would have been:

<i>000s euros</i>	31 December			
	2020		2019	
	10%	(10%)	10%	(10%)
EUR/USD	833	(833)	179	(179)
EUR/SGD	110	(110)	60	(60)

Based on the balances of receivables and payables in foreign currencies, the foreign exchange sensitivity is as follows:

000s euros	31 December			
	2020		2019	
	10%	(10%)	10%	(10%)
EUR/AED	1	(1)	1	(1)
EUR/CAD	0	0	61	(61)
EUR/SGD	(108)	108	(123)	123
EUR/USD	124	(124)	77	(77)

A3.2 Interest rate sensitivity analysis

If the average interest rate had been 50 basis points higher or lower in 2020 the financial interest income would have been impacted as follows (assuming the Organization is paying financial interest where rates would be below zero):

	Increase (+) / decrease (-) in basis points	Effect on surplus / deficit 000s euros
Investments	50 (50)	264 (264)
Cash and cash equivalents	50 (50)	361 (361)

B. MEMBER COUNTRY CONTRIBUTIONS

The Organization's principal source of financing is from its membership. Contributions may be both statutory – according to the Organization's regulatory texts – and voluntary. These latter contributions may be both in cash or in-kind.

B1. STATUS OF STATUTORY MEMBER COUNTRY CONTRIBUTIONS

The tables below show the status of statutory contributions at 31 December 2020 including the amount outstanding for the current budget year (See Note 10 of the financial statements). The amounts include the contributions for the General Budget and the RB budgets.

The total amount outstanding for statutory member country contributions is EUR 5.745 million. Of this amount:

B1.1 Member country dues: subject to Article 52 sanctions	3,749,000
B1.2 Member country dues: debt rescheduling	803,000
B1.3 Member country dues: other	1,193,000
TOTAL	5,745,000

The amount of the outstanding contributions relate to the following budgets:

Budget Type <i>000s euros</i>	Article 52	Debt Rescheduling	Other	TOTAL
General Budget	2,814	473	812	4,099
RB Budget	935	330	381	1,646
- <i>RB Abidjan</i>	363	171	157	639
- <i>RB Buenos Aires</i>	121	0	50	171
- <i>RB Harare</i>	0	40	0	40
- <i>RB Nairobi</i>	198	119	31	348
- <i>RB San Salvador</i>	45	0	54	99
- <i>RB Yaoundé</i>	208	0	89	297
TOTAL	3,749	803	1,193	5,745

The total amount of statutory member country contributions paid in advance of budget year 2021 (Note 15 of the financial statements):

B1.4 Statutory member country contributions paid in advance	386,000
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B1.1 Member country dues: Members subject to sanctions under Article 52 of the General Regulations

The following countries are subject to non-payment sanctions under Article 52 of the General Regulations as at 31 December 2020 and owe the Organization the amounts shown in the table for each budget period.

<i>000s euros</i>	Prior to 2015 dues	2015 dues	2016 dues	2017 dues	2018 dues	2019 dues	2020 dues	31 December 2020
Belize*	0	0	0	0	0	39	41	80
Comoros*	157	28	29	30	31	32	33	340
Djibouti*	0	0	0	30	31	32	33	126
Dominica	179	16	16	16	17	17	18	279
Guinea-Bissau*	284	31	32	33	34	35	36	485
Haiti	0	3	16	16	17	17	19	88
Liberia*	227	31	32	33	33	35	36	427
Nauru	203	16	16	16	17	17	18	303
Samoa	0	0	0	0	0	17	18	35
Sao Tomé and Príncipe*	291	31	32	33	34	35	36	492
South Sudan*	0	0	0	30	31	32	35	128
Suriname*	0	0	0	0	0	41	44	85
Turkmenistan	0	0	0	0	0	17	23	40
Venezuela*	0	0	0	0	241	253	293	787
Yemen	0	0	0	0	17	17	20	54
Total amount due	1,341	156	173	237	503	636	703	3,749
<i>Less allowance for doubtful debts</i>	<i>(1,341)</i>	<i>(156)</i>	<i>(173)</i>	<i>(237)</i>	<i>(503)</i>	<i>(636)</i>	<i>(703)</i>	<i>(3,749)</i>
Net amount Article 52	0	0	0	0	0	0	0	0

* Denotes that the country is also attached to an RB.

Dues for RB specific budgets included in the above: EUR 0.934 million. Of this amount, EUR 0.362 million relates to RB Abidjan, EUR 0.121 million relates to RB Buenos Aires, EUR 0.198 million relates to RB Nairobi, EUR 0.045 million relates to RB San Salvador and EUR 0.208 million relates to RB Yaoundé.

40% of the outstanding dues from countries under Article 52 sanctions have been outstanding for more than five years.

A specific doubtful debt provision is made in the financial statements as required by International Public Sector Accounting Standards. The Organization actively seeks recovery of these amounts.

B1.2 Member country dues: Members under debt-rescheduling agreements

The Organization's Financial Regulations allow for countries to pay contributions over a specific time period, notably where the country may have temporary problems in making payments. The following countries have signed specific agreements with the Organization to pay their outstanding member country dues over a specified period.

<i>000s euros</i>	Prior to 2015 dues	2015 dues	2016 dues	2017 dues	2018 dues	2019 dues	2020 dues	31 December 2020
Burundi*	0	11	29	30	0	0	2	72
Cape Verde*	0	0	6	33	0	0	0	39
Cuba	4	0	0	0	0	0	0	4
Gambia*	128	31	32	33	34	35	36	329
Grenada	15	16	0	0	0	0	0	31
Iraq	74	0	0	0	0	0	0	74
Somalia*	91	29	29	0	0	0	31	180
Zambia*	0	0	0	0	0	32	42	74
Total rescheduled debt	312	87	96	96	34	67	111	803

* Denotes that the country is also attached to an RB.

Dues for RB specific budgets included in the above: EUR 0.331 million (2019: EUR 0.199 million). Of the amounts EUR 0.217 million is payable in 2021 and EUR 0.586 million is payable after 2021.

B1.3 Member country dues: Other

The following countries have outstanding balances on their member country dues at the end of each financial period. They are not subject to Article 52 sanctions nor have they signed debt-rescheduling arrangements.

<i>000s euros</i>	31 December 2020	31 December 2019
Afghanistan	0	17
Antigua and Barbuda	16	0
Aruba	18	0
Belize*	0	39
Botswana*	0	39
Cambodia	19	17
Cameroon*	38	0
Central African Republic*	36	0
Chad*	37	0
Congo (Dem. Rep.)*	37	0
Côte d'Ivoire*	85	35
Ecuador*	3	0
El Salvador*	44	41
Gabon*	39	0
Guatemala*	46	0
Guinea*	36	0
Honduras*	15	0
India	0	1
Iran	195	148
Kenya*	38	2
Kyrgyzstan	9	0
Kuwait	20	0
Lesotho*	0	9
Libya	75	66
Nepal	20	0
Niger*	36	0
Panama*	1	0
Peru*	90	38
Saint Vincent and the Grenadines	0	17
Samoa	0	17
Senegal*	37	0
Sierra Leone*	36	35
Sint Maarten	18	0
Suriname*	0	41
Tajikistan	3	0
Tanzania*	35	0
Togo*	36	0
Tunisia	10	0
Turkmenistan	0	17
Uganda*	2	0
Uruguay*	63	0
Total other outstanding contributions	1,193	579

* Denotes that the country is also attached to an RB.

B1.4 Member country dues – Statutory contributions received in advance

The following countries have made payments in advance of the budget year 2021 when they are due:

<i>000s euros</i>	31 December 2020	31 December 2019
Antigua and Barbuda	0	2
Bhutan	0	18
Burkina Faso	0	2
Burundi	0	43
Cape Verde	0	24
Czech Republic	240	256
Fiji	0	19
Guyana	0	1
Kiribati	0	18
Latvia	30	30
Lithuania	50	39
Luxemburg	65	68
Madagascar	0	1
Montenegro	0	19
Paraguay	1	5
Tajikistan	0	2
Total statutory contributions received in advance	386	547

B2. ADDITIONAL MEMBER COUNTRY SUPPORT

B2.1 Seconded officials

The following countries have officials seconded to the Organization (total as at the year-end date):

Country	2020	2019	Country	2020	2019
Albania	1	1	Kenya	6	7
Argentina	11	11	Kuwait	6	5
Australia	1	2	North Macedonia	1	1
Austria	2	2	Mauritania	1	2
Bahrain	2	1	Montenegro	1	1
Belgium	2	3	Mozambique	1	1
Belorussia	1	1	Namibia	2	1
Benin	2	2	Netherlands	4	3
Brazil	8	8	New Zealand	1	1
Brunei	1	1	Nicaragua	1	1
Burkina Faso	2	2	Niger	2	2
Burundi	0	1	Nigeria	4	4
Cameroon	7	7	Norway	1	3
Canada	1	2	Pakistan	1	0
Central African Republic	1	1	Poland	1	2
Chad	1	2	Portugal	4	3
Chile	3	5	Qatar	4	5
China	6	9	Romania	0	1
Congo	1	2	Rwanda	4	4
Côte d'Ivoire	6	8	Senegal	1	1
Croatia	1	1	Singapore	13	11
Cyprus	0	1	Slovakia	1	1
Czech Republic	3	3	Slovenia	1	1
Dem. Rep. Congo	2	2	South Africa	2	3
Denmark	0	1	South Korea	7	7
Djibouti	1	1	Spain	5	6
El Salvador	4	5	Sudan	1	1
Eswatini	1	1	Sweden	0	1
Ethiopia	5	4	Switzerland	1	2
Fiji	1	1	Tanzania	1	1
Finland	1	1	Tunisia	1	1
France	21	25	Turkey	2	1
Gabon	1	1	UAE	5	5
Germany	13	15	Uganda	1	1
Greece	1	1	Ukraine	4	3
Guinea	1	2	United Kingdom	7	7
India	1	1	United States	10	13
Ireland	3	2	Vietnam	1	1
Israel	2	2	Zambia	1	2
Italy	8	8	Zimbabwe	3	4
Japan	6	6			
Jordan	1	1	Total seconded officials	249	276

The financial benefit of the seconded officials is assessed according to the Staff Manual and valued as a contribution in kind. The value is shown in the total member country table below. The valuation is

based on INTERPOL grades and duty stations of the positions in which they are working. The amount recognized in the financial statements in 2020 was EUR 22.965 million (2019: EUR 22.936 million).

B2.2 Rent-free use of buildings

In-kind premise running costs are for the rent-free use of buildings owned by member countries or other organizations that are made available to the Organization. An estimate has been made for valuing the rent free-use of these assets, based on the market rental rates in these locations. No valuation is made of country NCB premises that are not under the direct control of the Organization.

Type	Country/Organization	2020 000s euros	2019 000s euros
IGCI	Singapore	10,403	9,974
LO	Thailand	67	59
LO	Ethiopia	0	48
LO	United Nations	359	300
RB	Côte d'Ivoire	94	98
RB	Argentina	172	152
RB	Zimbabwe	187	211
RB	Kenya	123	225
RB	El Salvador	310	287
RB	Cameroon	221	257
Total rent-free use of buildings		11,936	11,611

B2.3 Voluntary donations by member country and organizations

The following countries and organizations have made additional voluntary contributions to the Organization's Regular Budget in the periods. The budget for voluntary contributions was EUR 3.493 million (see Note 27 of the financial statements).

000s euros	2020	2019
Albania	46	47
Bahamas	78	79
Bangladesh	46	47
Barbados	47	47
Liechtenstein	16	18
Malaysia	72	91
Monaco	80	80
Pakistan	27	37
St Kitts and Nevis	48	47
INTERPOL Foundation	3,000	3,000
Total voluntary donations	3,460	3,493

B3. TOTAL MEMBER COUNTRY CONTRIBUTIONS TO THE REGULAR BUDGET

The following table summarises the total contribution by type and by country to the Organization's *Regular Budget* only by type. The "Amount Owing (advance)" represents the amount outstanding to be paid (or made in advance of Budget Year 2021) *as at year-end 31 December 2020*.

*This is summarised in the Country Payment Status: "2020 only"; "Advance 2021"; "Article 52"; "DRA" (debt rescheduling) ("0" represents "All paid to 2020").

Country	Statutory contribution 2020		RB 2020	Amount owing (advance)	Country payment status*	Voluntary contribution 2020 to the Regular Budget (euros)		
	%	euros	euros	euros		Cash	In-kind premises	In-kind official
United States of America	19.627	11,535,769	N/A	0			360,534	1,258,268
Japan	11.114	6,532,254	N/A	0				583,320
Germany	7.186	4,223,572	N/A	0				1,186,254
France	5.461	3,209,703	N/A	0				1,991,120
United Kingdom	5.274	3,099,794	N/A	0				893,983
China	5.003	2,940,513	N/A	0				686,547
Italy	4.455	2,618,426	N/A	0				710,884
Canada	2.941	1,728,573	N/A	0				134,316
Spain	2.652	1,558,713	N/A	0				510,282
Brazil	2.575	1,513,456	24,880	0				615 039
Russia	2.161	1,270,128	N/A	0				
Australia	2.111	1,240,740	N/A	0				256,062
Korea (Rep.)	1.937	1,138,472	N/A	0				708,970
Netherlands	1.781	1,046,783	N/A	0				403,458
Mexico	1.588	933,347	22,833	0				
Switzerland	1.356	796,989	N/A	0				103,384
Sweden	1.246	732,337	N/A	0				26,224
Belgium	1.160	681,790	N/A	0				378,792
Austria	0.970	570,118	N/A	0				220,392
Turkey	0.949	557,775	N/A	0				118,008
Saudi Arabia	0.908	533,677	N/A	0				
Norway	0.867	509,579	N/A	0				271 316
Poland	0.842	494,886	N/A	0				161 380
Denmark	0.718	422,005	N/A	0				
Argentina	0.642	377,336	24,880	0			171,693	683,152
India	0.617	362,642	N/A	(19)	Advance 2021			116,880
Greece	0.602	353,826	N/A	0				78,672
Finland	0.598	351,475	N/A	0				29,254
United Arab Emirates	0.485	285,059	N/A	0				484,764
Portugal	0.467	274,479	N/A	0				291,183
Venezuela	0.457	268,602	24,880	787,329	Article 52			
Czech Republic	0.436	256,259	N/A	(239,397)	Advance 2021			297,348
Israel	0.426	250,382	N/A	0				226,932
Ireland	0.407	239,214	N/A	0				272,163
Singapore	0.397	233,337	N/A	0			10,402,842	1 ,418,582
South Africa	0.344	202,186	22,258	0				268,590
Indonesia	0.333	195,721	N/A	0				

Country	Statutory contribution 2020		RB 2020	Amount owing (advance)	Country payment status*	Voluntary contribution 2020 to the Regular Budget (euros)		
	%	euros	euros	euros		Cash	In-kind premises	In-kind official
Iran	0.332	195,133	N/A	195,133	2020 only			
Chile	0.309	181,615	24,880	0				202,196
Malaysia	0.268	157,517	N/A	0		72,293		
New Zealand	0.265	155,754	N/A	0				94,968
Kuwait	0.246	144,587	N/A	19,704	2020 only			497,178
Thailand	0.245	143,999	N/A	0			66,517	
Colombia	0.240	141,060	24,880	0				65,560
Hungary	0.234	137,534	N/A	0				
Slovakia	0.200	117,550	N/A	0				78,672
Qatar	0.188	110,497	N/A	0				408,852
Romania	0.144	84,636	N/A	0				71,856
Philippines	0.141	82,873	N/A	0				
Egypt	0.137	80,522	N/A	0				
Algeria	0.133	78,171	N/A	0				
Libya	0.128	75,232	N/A	75,232	2020 only			
Nigeria	0.120	70,530	17,846	0				318,828
Peru	0.120	70,530	24,880	90,346	2020 only			
Luxembourg	0.116	68,179	N/A	(64,860)	Advance 2021			
Oman	0.103	60,538	N/A	0				
Kazakhstan	0.100	58,775	N/A	0				
Slovenia	0.099	58,187	N/A	0				78,672
Croatia	0.098	57,600	N/A	0				78,672
Ukraine	0.089	52,310	N/A	0				267,672
Pakistan	0.086	50,547	N/A	0		27,283		70,002
Iraq	0.083	48,783	N/A	73,829	Debt Rescheduling			
Cuba	0.069	40,555	N/A	4,078	Debt Rescheduling			
Lithuania	0.067	39,379	N/A	(50,050)	Advance 2021			
Uruguay	0.065	38,204	24,880	63,084	2020 only			
Morocco	0.062	36,441	N/A	0				
Iceland	0.060	35,265	N/A	0				
Belarus	0.056	32,914	N/A	0				78,672
Ecuador	0.056	32,914	24,880	3,300	2020 only			
Azerbaijan	0.053	31,151	N/A	0				
Cyprus	0.053	31,151	N/A	0				19,668
Vietnam	0.053	31,151	N/A	0				108,080
Latvia	0.052	30,563	N/A	(29,798)	Advance 2021			
Dominican Republic	0.051	29,975	N/A	0				
Bulgaria	0.050	29,388	N/A	0				
Lebanon	0.049	28,800	N/A	0				
Costa Rica	0.048	28,212	22,833	0				
Bahrain	0.047	27,624	N/A	0				157,812
Estonia	0.046	27,037	N/A	0				

Country	Statutory contribution 2020		RB 2020	Amount owing (advance)	Country payment status*	Voluntary contribution 2020 to the Regular Budget (euros)		
	%	euros	euros	euros		Cash	In-kind premises	In-kind official
Trinidad and Tobago	0.046	27,037	N/A	0				
Serbia	0.044	25,861	N/A	0				
Tunisia	0.042	24,686	N/A	10,296	2020 only			78,672
Panama	0.041	24,098	22,833	533	2020 only			
Brunei	0.040	23,510	N/A	0				94,968
Guatemala	0.040	23,510	22,833	46,343	2020 only			
Sri Lanka	0.040	23,510	N/A	0				
Syria	0.040	23,510	N/A	0				
Turkmenistan	0.039	22,922	N/A	40,108	Article 52			
Uzbekistan	0.038	22,335	N/A	0				
Jordan	0.037	21,747	N/A	0				65,560
Gabon	0.036	21,159	17,846	39,005	2020 only			65,112
Ghana	0.036	21,159	17,846	0				
Kenya	0.036	21,159	14,911	37,680	2020 only		122,855	410,939
Malta	0.036	21,159	N/A	0				
Bahamas	0.035	20,571	N/A	0		78,171		
Bosnia and Herzegovina	0.035	20,571	N/A	0				
Botswana	0.035	20,571	22,258	0				
El Salvador	0.035	20,571	22,833	43,471	2020 only		309,844	218,178
Paraguay	0.035	20,571	24,880	(754)	Advance 2021			
Angola	0.034	19,984	22,258	0				19,668
Bangladesh	0.034	19,984	N/A	0		45,844		
Bolivia	0.034	19,984	24,880	0				
Cameroon	0.034	19,984	17,846	37,830	2020 only		221,120	430,188
Côte d'Ivoire	0.034	19,984	17,846	85,422	2020 only		94,116	439,889
Equatorial Guinea	0.034	19,984	17,846	0				
Ethiopia	0.034	19,984	14,911	0				371,197
Jamaica	0.034	19,984	N/A	0				
Mauritius	0.034	19,984	22,258	0				
Monaco	0.034	19,984	N/A	0		80,000		
Myanmar	0.034	19,984	N/A	0				
Namibia	0.034	19,984	22,258	0				72,302
Sudan	0.034	19,984	14,911	0				60,780
Tanzania	0.034	19,984	14,911	34,690	2020 only			63,516
Uganda	0.034	19,984	14,911	1,963	2020 only			94,152
Yemen	0.034	19,984	N/A	53,969	Article 52			
Afghanistan	0.033	19,396	N/A	0				
Albania	0.033	19,396	N/A	0		46,432		78,672
Andorra	0.033	19,396	N/A	0				
Armenia	0.033	19,396	N/A	0				
Barbados	0.033	19,396	N/A	0		46,432		
Congo	0.033	19,396	17,846	0				161,712
Congo (Dem. Rep.)	0.033	19,396	17,846	37,242	2020 only			130,224
Georgia	0.033	19,396	N/A	0				
Honduras	0.033	19,396	22,833	15,194	2020 only			

Country	Statutory contribution 2020		RB 2020	Amount owing (advance)	Country payment status*	Voluntary contribution 2020 to the Regular Budget (euros)		
	%	euros	euros	euros		Cash	In-kind premises	In-kind official
Liechtenstein	0.033	19,396	N/A	0		15,604		
Nepal	0.033	19,396	N/A	19,396	2020 only			
North Macedonia	0.033	19,396	N/A	0				96,828
Suriname	0.033	19,396	24,880	85,079	Article 52			
Zambia	0.033	19,396	22,258	73,297	Debt Rescheduling			113,052
Benin	0.032	18,808	17,846	84	2020 only			215 220
Burkina Faso	0.032	18,808	17,846	(170)	Advance 2021			145 188
Cambodia	0.032	18,808	N/A	18,808	2020 only			
Chad	0.032	18,808	17,846	36,654	2020 only			119,372
Fiji	0.032	18,808	N/A	0				107,784
Haiti	0.032	18,808	N/A	87,707	Article 52			
Laos	0.032	18,808	N/A	0				
Madagascar	0.032	18,808	22,258	0				
Mali	0.032	18,808	17,846	0				
Moldova	0.032	18,808	N/A	0				
Mongolia	0.032	18,808	N/A	0				
Montenegro	0.032	18,808	N/A	0				78,672
Mozambique	0.032	18,808	22,258	0				63,516
Nicaragua	0.032	18,808	22,833	0				56,460
Papua New Guinea	0.032	18,808	N/A	0				
San Marino	0.032	18,808	N/A	0				
Senegal	0.032	18,808	17,846	36,654	2020 only			78,672
South Sudan	0.032	18,808	14,911	126,494	Article 52			
Tajikistan	0.032	18,808	N/A	2,400	2020 only			
Timor-Leste	0.032	18,808	N/A	0				
Zimbabwe	0.032	18,808	22,258	0			186,718	172,882
Antigua and Barbuda	0.031	18,220	N/A	16,270	2020 only			
Aruba	0.031	18,220	N/A	18,220	2020 only			
Belize	0.031	18,220	22,833	80,489	Article 52			
Bhutan	0.031	18,220	N/A	0				
Burundi	0.031	18,220	14,911	72,014	Debt Rescheduling			15,195
Cape verde	0.031	18,220	17,846	38,787	Debt Rescheduling			
Central African Republic	0.031	18,220	17,846	36,066	2020 only			51,720
Comoros	0.031	18,220	14,911	339,921	Article 52			
Curacao	0.031	18,220	N/A	0				
Djibouti	0.031	18,220	14,911	125,906	Article 52			78,672
Dominica	0.031	18,220	N/A	279,079	Article 52			
Eritrea	0.031	18,220	14,911	0				
Eswatini	0.031	18,220	22,258	0				63,516
Gambia	0.031	18,220	17,846	328,301	Debt Rescheduling			

Country	Statutory contribution 2020		RB 2020	Amount owing (advance)	Country payment status*	Voluntary contribution 2020 to the Regular Budget (euros)		
	%	euros	euros	euros		Cash	In-kind premises	In-kind official
Grenada	0.031	18,220	N/A	30,454	Debt Rescheduling			
Guinea	0.031	18,220	17,846	36,066	2020 only			128,559
Guinea-Bissau	0.031	18,220	17,846	484,748	Article 52			
Guyana	0.031	18,220	24,880	0				
Kiribati	0.031	18,220	N/A	0				
Kyrgyzstan	0.031	18,220	N/A	9,411	2020 only			
Lesotho	0.031	18,220	22,258	0				
Liberia	0.031	18,220	17,846	427,196	Article 52			
Malawi	0.031	18,220	22,258	0				
Maldives	0.031	18,220	N/A	0				
Marshall Islands	0.031	18,220	N/A	(83)	Advance 2021			
Mauritania	0.031	18,220	17,846	(319)	Advance 2021			77,336
Nauru	0.031	18,220	N/A	303,559	Article 52			
Niger	0.031	18,220	17,846	36,066	2020 only			133,032
Palestine	0.031	18,220	N/A	0				
Rwanda	0.031	18,220	14,911	0				331,248
Saint Kitts and Nevis	0.031	18,220	N/A	(100)	Advance 2021	47,608		
Saint Lucia	0.031	18,220	N/A	0				
Saint Vincent and the Grenadines	0.031	18,220	N/A	352	2020 only			
Samoa	0.031	18,220	N/A	35,406	Article 52			
Sao Tomé and Príncipe	0.031	18,220	17,846	491,962	Article 52			
Seychelles	0.031	18,220	14,911	0				
Sierra Leone	0.031	18,220	17,846	36,066	2020 only			
Sint Maarten	0.031	18,220	N/A	18,220	2020 only			
Solomon Islands	0.031	18,220	N/A	0				
Somalia	0.031	18,220	14,911	181,568	Debt Rescheduling			
The Vatican City State	0.031	18,220	N/A	0				
Togo	0.031	18,220	17,846	36,066	2020 only			
Tonga	0.031	18,220	N/A	0				
Vanuatu	0.031	18,220	N/A	0				
Total	100.06	58,811,453	1,370,467	5,358,998		459,667	11,936,239	22,965,532

C. FINANCIAL PERFORMANCE BY BUDGET TYPE

Performance on the Organization's operating budgets is shown in Note 26 for the current financial year.

Further analysis is provided below by budget type: Regular Budget (C1); Trust Fund and Special Accounts (C2), Combination Adjustment (C3) and Capital Budget (C4).

C1: The Regular Budget

The Regular Budget (C1.1) is an operating budget that comprises the General Budget and the Regional Bureau (RB) Budgets. The separation into these two budgets is shown in table C1.1A. The Financial Year 2020 was characterised by the approved use of reserves which are separated and shown in C1.1B. The financial performance of the RBs is shown separately in table C1.1C. Further details on Regular Budget revenues, including RBs, are shown in C1.2. Further details on Regular Budget expenses, including RBs, are shown in C1.3.

C2: Trust Fund and Special Accounts

The Trust Fund and Special Accounts Budget is an operating budget that comprises the INTERPOL Trust Fund for Police Cooperation and individual projects, in separate Special Accounts. The financial performance against budget is shown and previous year is shown in C2.1. The amount that was implemented by each sponsor and for the programme is shown in C2.2.

C3: Combination Adjustment: Transfer between Budgets

Resources are shared between the Regular Budget and Trust Fund and Special Accounts. The Combination adjustment removes the effect of double counting these resources.

C4: Capital Budget (C4)

The Capital Budget is followed separately and expenses are withdrawn from the Capital Investment Fund.

C1. REGULAR BUDGET

C1.1 Detailed financial performance on the Regular Budget versus budget and prior year

000s euros	Details	Revised Regular Budget 2020		2020		2019		2020 variance to Revised Budget		2020 variance to 2019	
								000s	%	000s	%
Operating revenue											
Statutory contributions	B1.2.1	58,811		58,811		57,320		0	(0%)	1,491	3%
Regional Bureau financing	B1.2.2	1,371		1,371		1,335		0	(0%)	36	3%
In-kind contributions	B1.2.3	32,604		33,913		33,890		1,309	4%	23	0%
Voluntary contributions	B1.2.4	3,493		3,460		3,493		(33)	(1%)	(33)	(1%)
Reimbursements and recoveries	B1.2.5	5,777		4,766		5,771		(1,011)	(18%)	(1,005)	(17%)
Financial income	B1.2.6	370		417		410		47	13%	7	2%
Other income	B1.2.7	571		367		823		(204)	(36%)	(456)	(55%)
Total operating revenue			102,997		103,105		103,042	108	0%	63	0%
Operating expenses											
Pay costs	B1.3.1	48,870		46,116		47,025		(2,754)	(6%)	(909)	(2%)
In-kind pay costs	B1.3.2	21,279		21,977		22,279		698	3%	(302)	(1%)
Other staff costs	B1.3.3	1,800		1,107		1,811		(693)	(39%)	(704)	(39%)
Premises running costs	B1.3.4	4,423		2,809		3,452		(1,614)	(36%)	(643)	(19%)
In-kind premises running costs	B1.3.5	11,325		11,936		11,611		611	5%	325	3%
Maintenance	B1.3.6	5,691		3,307		3,386		(2,384)	(42%)	(79)	(2%)
Missions and meetings	B1.3.7	5,312		1,234		6,358		(4,078)	(77%)	(5,124)	(81%)
Office expenses	B1.3.8	1,769		1,208		1,532		(561)	(32%)	(324)	(21%)
Telecommunication costs	B1.3.9	1,201		954		1,147		(247)	(21%)	(193)	(17%)
Third party and other costs	B1.3.10	2,341		4,169		4,246		1,828	78%	(77)	(2%)
Depreciation and amortization	B1.3.11	5,000		4,927		4,934		(72)	(1%)	(6)	(0%)
Exchange rate (gains)/losses - net	B1.2.8	0		655		(12)		655		667	(5,558%)
Total operating expenses			(109,011)		(100,400)		(107,769)	8,611	8%	7,369	7%
Surplus/(deficit) for the year			6,014		2,705		(4,727)	8,719		7,432	

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Appendix

C1.1A Detailed Regular Budget financial performance by budget type

000s euros	Total Regular Budget		General Budget*		RB Budgets	
	2020	2019	2020	2019	2020	2019
Operating revenue						
Statutory contributions	58,811	57,320	58,811	57,320	0	0
Regional Bureau financing	1,371	1,335	0	0	1,371	1,335
In-kind contributions	33,913	33,890	29,699	29,092	4,214	4,798
Voluntary contributions	3,460	3,493	3,460	3,493		0
Reimbursements and recoveries	4,766	5,771	4,713	5,715	53	56
Financial income	417	410	417	410	0	0
Other income	367	823	331	799	36	24
Total operating revenue	103,105	103,042	97,431	96,829	5,674	6,213
Operating expenses						
Pay costs	46,116	47,025	46,049	47,000	66	25
In-kind pay costs	21,977	22,279	18,789	18,639	3,188	3,640
Other staff costs	1,107	1,811	1,060	1,693	48	118
Premises running costs	2,809	3,452	2,755	3,394	55	58
In-kind premises running costs	11,936	11,611	10,910	10,453	1,026	1,158
Maintenance	3,307	3,386	3,237	3,264	70	122
Missions and meetings	1,234	6,358	1,131	5,401	102	957
Office expenses	1,208	1,532	1,124	1,447	85	85
Telecommunication costs	954	1,147	756	954	199	193
Third party and other costs	4,169	4,246	4,060	3,961	109	285
Depreciation and amortization	4,928	4,934	4,928	4,934	0	0
Exchange rate (gains)/losses - net	655	(12)	655	(12)	0	0
Total operating expenses	(100,400)	(107,769)	(95,454)	(101,128)	(4,946)	(6,641)
Surplus/(deficit) for the year	2,705	(4,727)	1,977	(4,299)	728	(428)

General Reserve Fund

RB Reserve Fund by RB

* The General Budget includes the budgeted use of the General Reserve Fund ("Reserves"). The Financial Performance on the use of the reserves and the "Base" General Budget is separated below.

C1.1B General Budget financial performance: Use of General Reserve Fund and “Reserve-funded projects”

000s euros	Total Regular Budget			Base General Budget*			Reserves		
	Budget 2020	2020	2019	Budget 2020	2020	2019	Budget 2020	2020	2019
Operating revenue									
Statutory contributions	58,811	58,811	57,320	58,811	58,654	57,320			0
Regional Bureau financing	1,371	1,371	1,335	1,371	1,274	1,335			0
In-kind contributions	32,604	33,913	33,890	32,604	33,913	33,854			36
Voluntary contributions	3,493	3,460	3,493	3,493	3,460	3,493			0
Reimbursements and recoveries	5,777	4,766	5,771	5,777	4,766	5,670			101
Financial income	370	417	410	370	417	410			0
Other income	571	367	823	571	367	823			0
Total operating revenue	102,997	103,105	103,042	102,997	103,105	102,905	0	0	137
Operating expenses									
Pay costs	48,870	46,116	47,025	45,405	44,398	45,221	3,465	1,718	1,804
In-kind pay costs	21,279	21,977	22,279	21,279	21,977	22,243	0	0	36
Other staff costs	1,800	1,107	1,811	1,800	1,074	1,755	0	33	56
Premises running costs	4,423	2,809	3,452	4,400	2,807	3,452	23	2	0
In-kind premises running costs	11,325	11,936	11,611	11,325	11,936	11,611	0	0	0
Maintenance	5,691	3,307	3,386	4,099	3,300	3,386	1,592	7	0
Missions and meetings	5,312	1,234	6,358	4,778	1,170	6,126	534	64	232
Office expenses	1,769	1,208	1,532	1,711	1,170	1,497	58	38	35
Telecommunication costs	1,201	954	1,147	1,200	952	1,144	1	2	3
Third party and other costs	2,341	4,169	4,246	2,000	3,718	3,649	341	451	597
Depreciation and amortization	5,000	4,928	4,934	5,000	4,928	4,934	0	0	0
Exchange rate (gains)/losses - net	0	655	(12)	0	655	(12)			0
Total operating expenses	(109,011)	(100,400)	(107,769)	(102,997)	(98,085)	(105,006)	(6,014)	(2,315)	(2,763)
Surplus/(deficit) for the year	(6,014)	2,705	(4,727)	0	5,020	(2,101)	(6,014)	(2,315)	(2,626)

* The Organization had approval to use the General Reserve Fund reserve for specific projects. It also used RB reserves as shown in C1.1A but not included in reserves in the table above for EUR 260,000. This together with the doubtful debt provision in Third Party and Other costs are the main variance on the “Base General Budget”.

C1.1C Financial Performance on RB Budgets

C1.1C.1 Financial Performance of the RB on RB Reserve only

RB Reserve Fund Only 000s Euros	RB Abidjan			RB Buenos Aires			RB Harare			RB Nairobi			RB San Salvador			RB Yaoundé			TOTAL		
	Revised Budget			Revised Budget			Revised Budget			Revised Budget			Revised Budget			Revised Budget			Revised Budget		
	2020	2020	2019	2020	2020	2019	2020	2020	2019	2020	2020	2019	2020	2020	2019	2020	2020	2019	2020	2020	2019
Operating revenue																					
Regional Bureau financing	286	286	278	299	298	291	267	267	260	194	194	189	183	183	178	143	143	139	1,371	1,371	1,335
Reimbursements and recoveries	0	53	52	0	0	4	0	0	0	0	0	0	0	0	0	0	0	0	0	53	56
Other Income	0	0	0	0	36	24	0	0	0	0	0	0	0	0	0	0	0	0	0	36	24
Total operating revenue	286	339	330	299	334	319	267	268	260	194	194	189	183	183	178	143	143	139	1,371	1,460	1,415
Pay costs	0	0	0	0	67	25	0	0	0	0	0	0	0	0	0	0	0	0	0	67	25
Other staff costs	12	22	24	0	7	48	0	3	12	3	0	1	3	2	5	25	13	27	43	47	117
Premises Running costs	14	14	11	18	10	12	0	2	5	9	11	10	10	8	7	10	9	13	86	54	58
Maintenance	51	19	49	26	6	22	25	9	15	23	5	7	19	9	15	34	22	14	196	70	122
Missions and meetings	139	33	101	188	6	286	43	10	305	96	27	80	108	27	166	13	0	19	660	103	957
Office expenses	27	33	19	19	4	12	117	24	24	25	9	10	12	8	17	18	6	3	109	84	85
Telecommunication costs	27	34	7	31	26	26	8	50	73	31	37	36	22	17	20	39	34	31	218	198	193
Third party and other costs	5	39	50	13	83	62	68	(20)	31	7	(61)	119	1	48	1	4	20	22	34	109	285
Total operating expenses	(275)	(194)	(261)	(295)	(209)	(493)	(265)	(78)	(465)	(194)	(28)	(263)	(175)	(119)	(231)	(143)	(104)	(129)	(1,346)	(732)	(1,842)
Surplus/(deficit) for the year	11	145	69	4	125	(174)	2	190	(205)	0	166	(74)	8	64	(53)	0	39	10	25	728	(427)

C1.1C.2 Total financial performance of the RB

Total expenses of the RB 000s Euros	Abidjan			Buenos Aires			Harare			Nairobi			San Salvador			Yaoundé			TOTAL		
	Revised Budget			Revised Budget			Revised Budget			Revised Budget			Revised Budget			Revised Budget			Revised Budget		
	2020	2020	2019	2020	2020	2019	2020	2020	2019	2020	2020	2019	2020	2020	2019	2020	2020	2019	2020	2020	2019
Operating expenses - RB budget	(275)	(194)	(261)	(295)	(209)	(493)	(265)	(78)	(465)	(194)	(28)	(263)	(175)	(119)	(231)	(143)	(104)	(129)	(1,347)	(732)	(1,842)
Pay costs - General budget	(288)	(138)	(190)	(277)	(200)	(254)	(238)	(230)	(248)	(194)	(157)	(214)	(214)	(220)	(219)	(226)	(230)	(234)	(1,438)	(1,175)	(1,359)
Total operating expenses of RB	(563)	(332)	(451)	(572)	(409)	(747)	(503)	(308)	(713)	(388)	(185)	(477)	(389)	(339)	(450)	(369)	(334)	(363)	(2,785)	(1,907)	(3,201)
In-kind pay costs - General Budget	(878)	(805)	(847)	0	(379)	(552)	(811)	(596)	(724)	(557)	(450)	(491)	(368)	(279)	(293)	(794)	(679)	(733)	(3,408)	(3,188)	(3,640)
In-kind premises costs - General Budget	454	(94)	(98)	(82)	(91)	(81)	(214)	(187)	(211)	(228)	(123)	(225)	(290)	(310)	(286)	261	(221)	(257)	(621)	(1,026)	(1,158)
Total in-kind operating expenses of RB	(424)	(899)	(945)	(82)	(470)	(633)	(1,025)	(783)	(935)	(785)	(573)	(716)	(658)	(589)	(579)	(1,055)	(900)	(990)	(4,029)	(4,214)	(4,799)
Total capital expenditures of RB	(17)	(86)	(8)	(50)	(165)	(5)	(60)	(24)	(2)	(33)	(36)	(5)	(76)	67	(2)	(13)	(16)	(3)	(249)	(260)	(25)
Total expense of RB	1,004	1,317	1,404	704	1,044	1,385	1,588	1,115	1,650	1,206	794	1,198	1,123	861	1,031	1,437	1,250	1,356	7,063	6,377	8,025

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C1.1C.3 RB reserve fund by RB

RB reserve fund 000s euros	Abidjan	Buenos Aires	Harare	Nairobi	San Salvador	Yaoundé	Total RB reserve fund
Balance at 31 December 2019	400	39	357	(32)	480	(68)	1,176
Surplus / (Deficit) for the year	145	125	189	166	64	39	728
Balance at 31 December 2020	545	164	546	134	544	(29)	1,904

Appendix

C1.2 REGULAR BUDGET REVENUES

The Regular Budget comprises the General Budget and the RBs Budgets. The tables shown below include both budgets. The RBs budgets are detailed separately in “Financial Performance on RB Budgets” as shown for each RB above (C1.1B).

C1.2.1 Statutory contributions

The revenues by member country for the General Budget and the payment status of the country as at 31 December 2020 are shown in table B3 above.

C1.2.2 Regional Bureau financing

The revenues by member country of the RB financing budget and the payment status of the country as at 31 December 2020 (including RBs) are shown in table B3 above.

C1.2.3 In-kind contributions

<i>000s euros</i>	Revised Budget 2020	2020	2019
In-kind pay costs	21,279	21,977	22,279
In-kind premises running costs	10,956	11,936	11,611
Total in-kind contributions	32,235	33,913	33,890

C1.2.4 Voluntary contributions

Member countries and Organizations that have made voluntary contributions are shown in tables B2.3 and B3 above.

C1.2.5 Reimbursements and recoveries

<i>000s euros</i>	Revised Budget 2020	2020	2019
Trust Fund and Special Accounts recharges	5,513	4,090	4,729
Revenue from conferences	0	0	485
Other reimbursements	264	676	680
Total reimbursements and recoveries	5,777	4,766	5,894

Revenue from conferences includes EUR 0 million received from the sale of exhibitor booths during the annual GA (2019: EUR 0.175 million).

C1.2.6 Financial income

<i>000s euros</i>	Revised Budget 2020	2020	2019
On bank balances	0	152	48
On investments	370	265	362
Total financial income²	370	417	410

The effective rate of financial interest on the average bank and investments held by the Organization was 0.40% (2019: 0.47%).

C1.2.7 Other income

<i>000s euros</i>	Revised Budget 2020	2020	2019
Shop sales	249	65	245
I-Checkit revenue	322	125	284
Miscellaneous receipts	0	177	171
Total other income	571	367	700

Other income includes receipts from Shop Sales of emblems, logos, wines and duty-free stocks. The Organization receives I-Checkit revenue from verification of data held in its databases that is included under this category.

C1.2.8 Foreign exchange gains / losses

Foreign exchange gains/losses are reported on a net basis under revenue for both realised and unrealised amounts. In 2020 there was a total net loss of EUR 0.698 million (2019: gain EUR 0.012 million). Of the total loss, the realised loss was EUR 0.132 million (2019: loss EUR 0.168 million) and unrealised loss was EUR 0.566 million (2019: gain EUR 0.180 million).

C1.3 REGULAR BUDGET EXPENSES

The Regular Budget comprises the General Budget and the RBs Budgets. The tables shown below include both budgets. The RBs budgets are detailed separately in “Financial Performance on RB Budgets” as shown for each RB above (C1.1C). The amounts include the use of the reserves.

C1.3.1 Pay costs

<i>000s euros</i>	Revised Budget 2020	2020	2019
Salaries	34,287	28,605	30,083
Employer's social charge costs	8,497	11,447	11,389
Allowances	5,676	4,369	4,788
Provision for employee leave not taken	0	539	234
Provision for retirement benefits	410	490	479
Indemnity for contract termination	0	571	1,335
Reimbursement of national taxes paid	0	95	61
Total pay costs	48,870	46,116	48,369

C1.3.2 In-kind pay costs

<i>000s euros</i>	Revised Budget 2020	2020	2019
In-kind pay costs	21,279	21,977	22,279
Total in-kind pay costs	21,279	21,977	22,279

C1.3.3 Other staff costs

<i>000s euros</i>	Revised Budget 2020	2020	2019
Employee welfare costs	1,800	737	1,134
Recruitment expenses	0	177	339
Training expenses	0	193	338
Total other staff costs	1,800	1,107	1,811

C1.3.4 Premises running costs

<i>000s euros</i>	Revised Budget 2020	2020	2019
Rental costs	0	1,326	1,797
Running costs	4,423	1,483	1,655
Total premises running costs	4,423	2,809	3,452

C1.3.5 In-kind premises running costs

The use of premises provided by member countries was valued at EUR 11.936 million in 2020 (2019: EUR 11.611 million) and a budget of EUR 11.325 million.

C1.3.6 Maintenance

<i>000s euros</i>	Revised Budget 2020	2020	2019
IT and telecom maintenance	5,691	2,629	2,462
Premises and equipment maintenance	0	678	924
Total maintenance	5,691	3,307	3,386

C1.3.7 Missions and meetings

Missions and meetings include expenditure for costs for staff and outside officials to attend statutory meetings, training and conferences of the Organization. It includes travel costs of EUR 0.377 million (2019: EUR 2.647 million), amounts for per diem and accommodation of EUR 0.488 million (2019: EUR 2.244 million) and of conferences costs EUR 0.124 million (2019: EUR 0.625 million).

<i>000s euros</i>	Revised Budget 2020	2020	2019
Shop merchandise consumed	0	49	156
Corporate hospitality including gifts	4,673	35	372
Interpretation and minute taking fees	0	161	314
Travel and agency costs	639	377	2,647
Hotel and accommodation including per diem	0	488	2,244
Conferences and meetings organization	0	124	625
Grants and subsidies for meetings	0	0	0
Total missions and meetings	5,312	1,234	6,358

Statutory meetings costs include some travel and tickets of delegates, and interpretation and minute taking fees. Costs shown for the GA and Regional Conferences are on a gross basis and exclude income received on the sale of exhibitor booths during the GA of EUR 0 million (2019: EUR 0.175 million).

<i>000s euros</i>	Revised Budget 2020	2020	2019
General Assembly	608	4	620
Executive Committee	111	102	214
Regional conferences	787	7	219
Heads of NCB conference	83	0	304
Committee for Control of INTERPOL files	207	58	134
Total statutory meetings	1,796	171	1,491

C1.3.8 Office expenses

<i>000s euros</i>	Revised Budget 2020	2020	2019
Equipment rentals and hire charges	0	117	140
Fuel for vehicles	0	25	32
Mailing and courier costs	0	56	83
Printing and publications	0	3	38
External security services	0	544	588
Supply costs	1,769	343	441
External translation	0	120	210
Total office expenses	1,769	1,208	1,532

C1.3.9 Telecommunication Costs

<i>000s euros</i>	Revised Budget 2020	2020	2019
Network hire charges	0	709	687
Telephone charges	1,201	245	460
Total telecommunication costs	1,201	954	1,147

Although some network hire charges involve rentals, these do not involve leasing of equipment nor the leasing of network capacity.

C1.3.10 Third party and other costs

Changes in provisions for member country statutory contributions include amounts (paid)/due on both General and RB budgets as EUR 0.116 million (2019: EUR 0.894 million) and EUR 0.491 million (2019: EUR 0.239 million) respectively.

<i>000s euros</i>	Revised Budget 2020	2020	2019
Consultancy charges	2,341	1,879	2,144
Bank charges	0	43	47
Insurance	0	784	528
Equipment donated	0	274	474
Miscellaneous (gains)	0	287	(38)
Gain on projects	0	0	0
Provision for statutory contributions	0	607	1,133
Provisions for stock depreciation and other	0	41	(42)
Total third party and other costs	2,341	3,915	4,246

C1.3.11 Depreciation

The total amount of depreciation by asset class on the Regular Budget is shown in Notes 12 (Intangible assets) and 13 (Plant, property and equipment).

C2. TRUST FUND AND SPECIAL ACCOUNTS

Trust Fund and Special Accounts consists of funds received from external sponsors with a defined purpose such as the implementation of special activities in various crime areas. Projects are separated and tracked individually. Implementation is usually according to the crime area that is managing the project.

C2.1 FINANCIAL PERFORMANCE ON TRUST FUND AND SPECIAL ACCOUNTS

<i>000s euros</i>	Revised Budget 2020	2020	2019
Operating revenues			
In-kind contributions	1,347	988	657
Reimbursements and recoveries	50,000	37,553	44,679
Total operating revenue	51,347	38,541	45,336
Operating expenses			
Pay costs	20,397	24,640	21,049
In-kind pay costs	1,347	988	657
Other staff costs	11	657	807
Premises running costs	198	563	215
Maintenance	1,003	638	281
Missions and meetings	12,737	2,342	14,391
Office expenses	1,131	2,432	578
Telecommunication costs	87	161	127
Third party and other costs	14,436	5,760	6,753
Depreciation and amortization	0	35	49
Exchange rate (gains)/losses - net	0	325	429
Total operating expenses	(51,347)	(38,541)	(45,336)
Surplus/(deficit) for the year	0	0	0

Operating expenses relating to the INTERPOL Fund for International Police Cooperation in the above are EUR 7.035 million (2019: EUR 9.038 million) of which operating expenses relating to the INTERPOL Foundation are EUR 6.393 million (2019: EUR 7.781 million).

C2.2 TRUST FUND AND SPECIAL ACCOUNTS BY SPONSOR 2020

The following table shows the Trust Fund and Special Account projects that were executed in the year 2020 (cash-only) by sponsor and for each programme.

Sponsor	Programme	Amount recognized in 2020 <i>000s euros</i>
European Commission	Africa Regional Programme; Capacity Building Programme; CBRNE Programme; Counter-Terrorism Programme; Criminal Analysis Programme; Drugs and Organized Crime Programme; Environmental and Wildlife Crime Programme; Human Trafficking Programme; I-24/7 Programme; iARMS Programme; INTERPOL Legislation Programme; IT Infrastructure; Maritime Piracy Programme; Migration and Border Management Programme; NCB Support and Upgrade Programme; Operational Support; Research and Innovation	7,848
INTERPOL Foundation	Counter-Terrorism Programme; Criminal Analysis Programme; Cybercrime Programme; Drugs and Organized Crime Programme; Human Trafficking Programme; INTERPOL Organization Support; Stolen Motor Vehicles Programme; Stolen Works of Art Programme; Trafficking in Illicit Goods and Counterfeiting Programme	6,393
US Dept. Of State	Anti-Corruption Programme; CBRNE Programme; Criminal Analysis Programme; Environmental and Wildlife Crime Programme; Human Trafficking Programme; I-24/7 Programme; Maritime Piracy Programme; Trafficking in Illicit Goods and Counterfeiting Programme	4,729
Global Affairs Canada	Capacity Building Programme; CBRNE Programme; Counter-Terrorism Programme; Cybercrime Programme; Foreign Fighters Programme; Migration and Border Management Programme	3,890
Federal Ministry for Foreign Affairs (Germany)	G5 Sahel Programme; Combat Human Trafficking in the Balkans Programme; Capacity Building Programme; Human Trafficking Programme; Terrorism Network programme	1,964
NORAD - Norwegian Agency for Development Cooperation	Environmental and Wildlife Crime Programme	1,556
US AID	Environmental and Wildlife Crime Programme	1,317
UK Department for International Development	Project Soteria	932
US Defense Threat Reduction Agency	CBRNE Programme	864

Sponsor	Programme	Amount recognized in 2020 <i>000s euros</i>
Norway - Ministry of Foreign Affairs	Environmental and Wildlife Crime Programme; Human Trafficking Programme; INTERPOL Organization Support; Cybercrime Programme	809
Japan ASEAN Integration Fund	Cybercrime Programme	736
UNICEF	Crime Against Children Programme	694
Qatar 2022 Supreme Committee	Sports Security Programme	586
Human Dignity Foundation	Child Exploitation Programme	540
Republic of Korea National Police Agency	FACE Asia Programme; Cybercrime Programme	517
UK Department for Business, Energy and Industrial Strategy	CBRNE Programme	433
Dutch National Police	Child Exploitation Programme; Counter-Terrorism Programme; Integrity in Sport Programme	416
Pew Charitable Trusts	Environmental and Wildlife Crime Programme	311
Federal Ministry of Interior (Germany)	I-Core Programme; ICSE New Generation Programme	277
Underwriters' Laboratory Inc.	Trafficking in Illicit Goods and Counterfeiting Programme	263
Dutch MFA	Counter-Terrorism Programme; Foreign Fighters Programme; Capacity Building Programme	241
FRONTEX	Migration and Border Management Programme	206
FBI	CBRNE Programme	184
Council of Europe	Cybercrime Programme	184
IOC	Integrity in Sport Programme	162
UK NCA	Anti-Corruption Programme; Migration and Border Management Programme	161
Italian Interior Ministry	I-Can Programme	155
Government of Japan	Counter-Terrorism Programme; Foreign Fighters Programme; I-24/7 Programme	152
CEMAC	I-24/7 extension Programme	142
CCAMLRL	IGGH Support programme; ENS Fisheries programme	107
Other (below EUR 100,000)		784
TOTAL		37,553
In-kind		988
Total Trust Fund and Special Accounts		38,541

C3. COMBINATION ADJUSTMENT: TRANSFERS BETWEEN BUDGETS

Trust Fund and Special Account projects share Regular Budget resources and infrastructure, and also benefit by having access to internal experts. The consolidation adjustment removes the effect of double counting the revenue and expenses between budgets when they are combined.

Overhead recoveries, expert fees and charges for other services such as office rentals are invoiced to the Trust Fund and Special Accounts from the Regular Budget and counted as an expense on the Trust Fund or Special Account. All such costs on Trust Fund and Special Accounts are agreed in advance with the sponsor, either in a specific contract or in the general terms and conditions of operation of the Trust Fund. These are accounted under the category, third party and other costs.

The average overhead recovery rate was 7.8% of total Trust Fund and Special Account expenses (2019: 10.0%). Total recoveries from projects, including overhead and other recharges were EUR 4.946 million, or 14.9% (2019: EUR 6.308 million or 16.2%). Of this amount expert fees recovered were EUR 1.609 million (2019: EUR 1.732 million).

<i>000s euros</i>	Revised Budget 2020	2020	2019
Operating revenue			
Reimbursements and recoveries	(5,077)	5,742	6,308
Total operating revenue	(5,077)	5,742	6,308
Operating expenses			
Pay costs	1,668	1,652	1,579
Other staff costs	0	105	115
Premises running costs	288	559	215
Maintenance	0	101	10
Missions and meetings	0	31	35
Office expenses	0	7	8
Telecommunication costs	0	85	102
Third party and other costs	3,821	3,167	4,195
Depreciation and amortization	0	35	49
Total operating expenses	(5,077)	(5,742)	(6,308)
Surplus/(deficit) for the year	0	0	0

C4. CAPITAL BUDGET

C4.1 2019 CAPITAL EXPENDITURE PROGRAMME AGAINST BUDGET

Location	Capital expenditure programme <i>000s euros</i>	Revised Budget 2020	2020	Difference
IPSG	Specific equipment furniture and fixtures	948	931	(17)
	Building works	0	187	187
	Security	0	19	19
	Building and security	948	1,138	190
	EDPS database projects	580	548	(32)
	Other IS software projects	602	560	(42)
	IS infrastructure including global capacity	726	825	99
	End user computer hardware and peripherals	492	459	(33)
	IT systems and communications	2,400	2,392	(8)
IGCI	Specific equipment furniture and fixtures	904	(31)	(935)
	Building works	0	0	0
	Building and security	904	(31)	(935)
	IGCI database projects	0	0	0
	Other IS software projects	0	0	0
	End user computer hardware and peripherals	0	0	0
	IT systems and communications	0	0	0
RB	Specific equipment furniture and fixtures	248	184	(64)
	Building works	0	0	0
	Security	0	76	76
	Building and security	248	260	12
	End user computer hardware and peripherals	0	0	0
	IT systems and communications	0	0	0
NCB	IS infrastructure and I-24/7	0	0	0
	End user computer hardware and peripherals	0	0	0
	IT systems and communications	0	0	0
	Total capital expenditure programme	4,500	3,758	(742)

D. OTHER FINANCIAL INFORMATION**D1. INVENTORIES**

Inventories consist of items of stock held at the shop for resale or to be given as gifts and stocks of office consumables and items held for maintenance.

<i>000s euros</i>	31 December	
	2020	2019
Items held for sale	436	436
Items held for maintenance	30	27
Office consumables	22	21
Total inventories	488	484

D2. SHOP SALES

Presented below is the summary trading results for the Organization's shop. Merchandise consumed in the shop is reported under "missions and meetings" expenses.

<i>000s euros</i>	Revised Budget 2020	2020	2019
Shop sales	249	65	245
Merchandise consumed	0	(49)	(156)
Gross trading profit	249	16	89
<i>Shop merchandise consumed</i>	0	49	156
<i>Items given as gifts (not included above)</i>	0	22	92
