



ECFR

**Report and Financial Statements
For the Year Ended 31 December 2019**

Charity Number: 1143536

Company Registration Number: 07154609

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European Council on Foreign Relations

Legal and administrative information

Governing Document:	Memorandum and Articles of Association	
Registered Office/Principle Place of Business	Tennyson House 159-165 Great Portland St Marylebone London W1W 5PA	
Trustees/Directors	Carl Bildt Franziska Brantner – from 14 March 2019 Ian Clarkson Marta Dassu – from 14 March 2019 Lykke Friis Sylvie Kauffmann Ivan Krastev Andrzej Olechowski Norbert Röttgen Javier Solana Helle Thorning-Schmidt Mabel van Oranje – resigned 14 March 2019 Andrew Puddephatt – resigned 14 March 2019 Emma Bonio – resigned 14 March 2019	
Joint Chairs	Carl Bildt Lykke Friis – from 14 March 2019 Norbert Röttgen – from 14 March 2019 Mabel van Oranje – resigned 14 March 2019 Emma Bonio – resigned 14 March 2019	
Key Management Personnel:	Director	Mark Leonard
	Deputy Director - Operations	Alba Lamberti
	Deputy Director - Programmes & Advocacy	Vessela Tcherneva
	Research Director	Jeremy Shapiro
	Senior Director Strategic Partnerships	Antje Kuchenbecker
	Senior Director Finance & Operations	Folke Pfister
Auditors:	Wilkins Kennedy Audit Services, 2 nd Floor, Regis House, 45 King William St, London, EC4R 9AN	
Bankers:	Barclays Bank 2 Victoria Street London SW1	
Solicitors:	Bates Wells & Braithwaite 2-6 Cannon Street London EC4M 6YH	

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Report of the Directors

For the year ending 31 December 2019

The Directors, who are also Trustees for the purposes of company law, present their report together with the financial statements for the year ended 31 December 2019. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's memorandum and articles of association, the Charities Act 2011, the Companies Act 2006 and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1 January 2015.

Objectives and Activities

The European Council on Foreign Relations (also "ECFR", "Company", "Charity") is the first pan-European think-tank. First launched in October 2007, its objective is to conduct research and promote informed debate across Europe on the development of a coherent and effective European values-based foreign policy.

ECFR has developed a strategy with three distinctive elements that define its activities:

- **A pan-European Council.** ECFR has brought together a distinguished Council of over 330 Members — politicians, decision makers, thinkers and business people from across Europe — which meets once a year as a full body. Through geographical and thematic task forces, members provide ECFR staff with advice and feedback on policy ideas and help with ECFR's activities within their own countries.
- **A physical presence in the main EU member states.** ECFR, uniquely among European think-tanks, has offices in Berlin, London, Madrid, Paris, Rome, Sofia and Warsaw. The offices are platforms for research, debate, advocacy and communications.
- **A distinctive research and policy development process.** ECFR has brought together a team of distinguished researchers and practitioners from all over Europe to advance its objectives through innovative projects with a pan-European focus. ECFR's activities include primary research, publications of policy reports, private meetings and public debates, 'friends of ECFR' gatherings in EU capitals and outreach to strategic media outlets.

The Directors confirm that they have referred to the guidance provided by the Charity Commission on public benefit when reviewing the Company's aims and objectives and in planning future activities. ECFR is a unique organisation that with its Council representatives and offices in seven countries together with its pan-European research and outreach work supports the EU and European governments.

Achievements and Performance

For 2019, our effort was aimed at creating a more effective, ambitious, and cooperative European foreign policy. Within our four research programs (Middle East and North Africa, Asia and China, Wider Europe and European Power), our efforts focused on gaining an analytical understanding of Europe's foreign policy dilemmas, recommending innovative solutions, and promoting those solutions through publications, convening conferences, media appearances, and other forms of advocacy.

In 2019, much of this work focused on how to enable the EU and its member states to maintain their capacity to act despite increasing geo-political competition from powers such as Russia, China and arguably even the United States. We complemented this work with an effort to understand the domestic bases for an internationalist foreign policy through the European Union.

Other strands of work included:

- Promoting greater awareness of Chinese geopolitical efforts in the Middle East
- Understanding the new generation of Russian foreign policymakers and their effect on Russian foreign policy
- Seeking more effective methods of EU engagement in the Balkans
- Seeking mechanisms to integrate a post-Brexit UK into useful initiatives in support of common European foreign policy goals
- Promoting a de-escalation and stabilization agenda for the civil war in Syria
- Pushing for European activism to stabilize the situation in Libya, Yemen and the Sahel
- Promoting more effective European action in promoting Israeli-Palestinian peace
- Mapping European Leverage in the Middle East and North Africa
- Pushing for a European united front on the issue of the trade and investment relationship with China, while proactively seeking new investment and trade measures to reduce Europe's vulnerability.

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Report of the Directors

For the year ending 31 December 2019

Achievements and Performance - continued

We supported those activities through 41 long-form publications and 251 shorter commentaries, all published on our website which received 1.98 million unique page views in 2019. We additionally sent 28 private notes to key stakeholders.

In 2019, ECFR also convened over 250 events across Europe and brought the European view to Washington DC, Beijing, and Istanbul. From public events and conferences, to private roundtables and foreign policy salons, our experts have helped shape and inform policy debates about Europe's role in the world. Our most prominent conferences included our 12th Annual Council Meeting in Lisbon in June 2019, which gathered over 150 ECFR Council members and focused on equipping Europeans with strategic sovereignty in an age of geopolitical competition; our Middle East and North Africa Forum in February 2019 in Istanbul which took stock of regional issues; and a series of lectures in China focusing on European foreign policy. We also convened several strategy groups to broker frank discussions in safe spaces between European policymakers, including an EU-Russia Strategy Group, an EU-Iran Strategy Group, an EU-Syria Strategy Group, and EU-Libya Strategy Group and the first EU-Western Balkans Strategy Group. After commissioning voter polling before the May European Parliament's elections in 14 EU member states, ECFR underpinned many of its events with data insights in order to better connect policymakers with voters' expectations of European foreign policy, particularly ahead of the new EU leadership taking over in late 2019.

Financial Review

Results for the year

Net incoming resources for the year ending 31st December 2019 were €8,288k (2018: €8,236k) and net resources expended were €7,630k (2018: €7,967k), resulting in a surplus for the year of €659k (€269k). The Open Society Foundation provided an unrestricted grant of €2,242k or 27% of total income. Large restricted donations were received from the Open Society Foundation (€1,216k), the Swedish Ministry of Foreign Affairs (€812k), the Norwegian Ministry of Foreign Affairs (€476k), Stiftung Mercator (€369k), Compagnia di San Paolo (€295k) and the Bill & Melinda Gates Foundation (€245k). The funding balance continues to shift towards restricted grants, where donors provide funds for specific pieces of policy work (see full list in note 13). We are also grateful to organisations which provide support to ECFR in the form of gifts-in-kind, which in 2019 were valued at €1,217k (2018: €1,122k).

Reserves

ECFR's reserves policy is to build sufficient reserves to meet the identified risks assessed each year. The aim is to invest in reserves until they cover at least three months operational running costs so that organisational liabilities to staff and other stakeholders can be met at all times. ECFR ended 2019 with a surplus of €659k. As a result, unrestricted reserves as of 31 December 2019 increased to €1,739k, equivalent to 4.0 months of operational running costs. The Board has approved a surplus budget for 2020 to maintain strong reserves. Beyond 2020 the Board is committed to continue break-even to surplus budgets in line with the stated policy.

Subsequent Events – Covid-19

The Covid-19 pandemic reached us at a time of relative financial and organisational strength. We quickly took action to protect staff and stakeholders, delivery and financials, for example by operating remotely and virtually, by innovating further our advocacy and developing alternative and new ways to deliver on our grant commitments, by staying close to our funders (repurposing activities, offering fresh content and new formats), by closely monitoring costs (including contingency planning), and by constantly staying vigilant to and assessing new developments.

The shorter-term impact, essentially throughout 2020, of the pandemic onto our financials we believe to be manageable and limited which allowed us to re-confirm our 2020 surplus Budget. The longer-term organisational and financial impact for us may be more significant in as much as the pandemic would seriously affect our funders financial bases and their relevant environments including financial markets. Using the tools we have developed and applied to date to handle successfully the pandemic's challenges for us to date we also believe we can quickly adjust to as well as manage and mitigate its longer-term effects.

Plans for the Future

For 2020, ECFR will need to evolve both operationally and strategically in response to the coronavirus crisis. The pandemic hits at a time of great power competition, a fraying of the rules-based order and greater instability in the European periphery. It will not make any of those problems easier. At the same time, Europe internally is dealing with a crisis of solidarity and internal cohesion and a growing politicisation and fragmentation of European foreign policymaking. As such, 2020 represents a dangerous moment for European foreign policy.

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Report of the Directors

For the year ending 31 December 2019

Plans for the Future – continued

ECFR's priorities for 2020 reflect the major factors of political change and concerns of European citizens. They also offer European decision-makers concrete solutions to address those concerns by showing how Europe can serve as the first line of defense. In more detail our priorities are:

- **Evaluating the effect of covid-19 on European Foreign Policy** – We intend to mobilise the views and insights on the impact of covid-19 from across the ECFR network. In particular, we will encourage and share our policy fellow and Council Member contributions that examine the consequences of the crisis on their area of expertise. We will cover issues such as government legitimacy, the impact on multilateralism and the rule of law, the crisis of European solidarity, health sovereignty, and the consequences for the ambition of a geopolitical Europe
- **Protecting European Sovereignty** – Through our continuing partnership with the European External Action Service in Brussels, the European Bank for Reconstruction and Development and eight EU member states, we are conducting a second phase of our reflection on how to protect European capacity to act. We intend a specific look at protecting European sovereignty in key regions as well as health sovereignty, the geopolitical impact of the green deal, and Europe's contribution to the future of multilateralism, and on protecting health and climate sovereignty. With our technical research and a final conceptual paper we will serve to first engage policymakers and then reach out to the new generation of European politicians across our national offices, using the ECFR Annual Council Meeting in June and advocacy opportunities in the course of the year provided by Germany's EU presidency as well as other events.
- **Understanding the role of Africa in European Foreign Policy** – We plan a mapping of different European approaches towards Africa in partnership with the Gates Foundation, and a policy-driven analysis on the intersection of conflict and migration in the Middle East and North Africa, our goal is to equip European decision-makers with equitable, humane strategies and tools to address the challenges that Africa presents for European policy.
- **Bolstering the European neighborhood against external threats and internal instability** – Through our research and advocacy work on containing Russia, preventing terrorism and managing internal instability in Ukraine and the Western Balkans, our goal is first and foremost to prevent escalation, promote concerted European action to pursue stabilisation of the immediate neighborhood, while not losing sight of ongoing reform efforts.
- **Unlocking Europe's Hidden Internationalist Majority** – The politicisation of foreign policy – and the way in which the European political environment is being shaped by a multitude of actors beyond the diplomatic community – creates a continuing need for understanding public attitudes towards foreign policy. We see our role in developing concrete foreign policy strategies that allow pro-European forces to present EU foreign policy as the first line of defense for its citizens against foreign threats, intricate international challenges, and current trends such as climate and health topics. That means developing better political intelligence and a new way of framing our work for new audiences. We will map the different debates, provide insights on the national drivers and the most contentious issues resonating in a dozen EU countries. Through research, mapping exercises with ECFR's network of EU28 researchers and polling surveys, we aim to understand the public mood and gather data that would develop new forms of argument and a new framing of the issues that might appeal to different groups of citizens across Europe.
- **Move towards new forms of communications and advocacy** — We continue to increase our use of data visualisation, of infographics, of podcasts and of social media to allow our ideas to profit from new forms of communications. We intend to learn from our lockdown experience and develop new forms and formats of video conferencing, as well as organize new types of events and advocacy that are both easier to put on and more engaging to audiences, particularly our Council Members.
- **Launch Asia and Africa programs** – At the end of 2019, we restarted the Asia and China program under new leadership. We will further launch a new Africa program mid-2020 that will focus on seriously understanding and engaging today's Africa as both an interest of European foreign policy and a set of multifaceted geopolitical actors in their own right.

Structure, Governance and Management

Constitution

ECFR, a UK company limited by guarantee incorporated on 11 February 2010, is a not-for-profit organisation which obtained UK charitable status on 24 August 2011. The liability of members is limited to £1. The Company is governed by its Memorandum & Articles of Association, as last revised and adopted on 16 August 2011. The objects of the Company are 'the advancement of education in the field of foreign policy and related areas by undertaking and promoting research for the public benefit and publishing the useful results thereof'.

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Report of the Directors

For the year ending 31 December 2019

Structure, Governance and Management - continued

The ECFR Group is made up of the UK Company and five legal entities established in Germany, France, Spain and Italy under the common control of the UK Charity Board. Further details of these subsidiaries are provided in Note 9.

Governance

ECFR is governed by a Board of Directors, which meets three times a year. Directors are recruited by invitation based on the skills, experience and influence they have in the European political arena. In 2019 Carl Bildt, Mabel van Oranje (until 14 March 2019), Emma Bonino (until 14 March 2019), Lykke Friis (from 14 March 2019) and Norbert Röttgen (from 14 March 2019) have been appointed joint Chairs. The joint Chairs are advised by a Council of over 330 learned and experienced members acting as influential advocates for a values-based European foreign policy and as ambassadors for ECFR's ideas.

The Board is supported by an Executive Committee which meets monthly and is composed of three or four members of the ECFR Board of Trustees including one of the joint Chairs. This Committee has been delegated responsibility for overseeing the administrative and financial governance of the Charity on behalf of the Board, whilst noting that the Board retains final responsibility for the performance of that delegated authority. Its decisions and recommendations are reported to the Board so as to ensure the full Board can continue to discharge its overall responsibility.

All members of the Board give their time freely and no board members received remuneration in the year. Details of expenses reimbursed to trustees are disclosed in note 14. There are no related party transactions.

Key management personnel

The management of the Charity is delegated to the Director and through him to the members of the senior management team. Remuneration for the Director is reviewed annually and set by the Board. Remuneration for senior management and the rest of the staff team is set by the Director.

Brexit

ECFR is a truly pan-European organization. To limit effects from the Brexit onto our operations we have set up another legal entity (registered association) in Germany to serve as the operational hub and center of gravity for ECFR, moving some key functions, processes, operations, assets and, ultimately, common control from the UK, to which we remain strongly connected and committed, to Germany including the shares of the German GmbH.

Principal risks and uncertainties

The Board of Trustees is responsible for ensuring that there are effective and adequate risk management and internal control systems in place to manage the major risks to which the Charity is exposed. It discharges this responsibility through its review of the effectiveness of the Charity's risk management framework.

This is designed to support informed decision-making regarding the risks that affect the Charity's performance and its ability to achieve its objectives. It also provides for a consistent approach to identifying, assessing and dealing with the risks facing the Charity so as to ensure that they do not exceed the level of risk the Charity is willing to assume. It should be noted that the framework is designed to manage, rather than to eliminate, the risks to the Charity's objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss.

The ECFR board together with the senior management team have reviewed the risks faced by the Charity and updated the risk register to capture and monitor all risks identified. The key risks have been assessed as:

- Loss of key Trustees
- Loss of key staff members
- Risks to the organisation arising from cyber-attacks and loss of key data
- Raising insufficient funds to cover cost

Actions taken to mitigate the risks associated with loss of key trustees includes active recruitment of trustees with the right skillset to support ECFR's mission. Loss of key staff members is being mitigated through the annual performance review and objective setting process, transparent staff policies, and active line management combined with regular communication with staff. I.T. security risks are being addressed through related investments in hard- and software, data back-up routines and staff training. Actions taken to mitigate the risks associated with funding include close monitoring of fundraising strategy and progress, diversifying sources of funding to include a wider range of donors, seeking multi-year partnerships, and maintaining good relations with current major funders.

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Report of the Directors

For the year ending 31 December 2019

Statement of Directors' responsibilities

The Directors are responsible for preparing the Report of Directors and the financial statements in accordance with applicable law, UK accounting standards and UK GAAP.

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of incoming resources and application of resources, including the income and expenditure of the charitable company for that period.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the charities SORP (FRS 102)
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the charitable Company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Disclosure of information to the auditors

We, the directors of the Company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the Company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Wilkins Kennedy Audit Service have expressed their willingness to act as auditors in accordance with Section 419 (2) of the Companies Act 2006.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the trustees and signed on their behalf:

Lykke Friis
Joint Chair

Date

European Council on Foreign Relations

Independent Auditor's Report to the members of ECFR

Opinion

We have audited the financial statements of ECFR (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the Group Statement of Financial Activities including the Group Summary Income and Expenditure Account, the Group and Parent Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 December 2019 and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

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Independent Auditor's Report to the members of ECFR

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine 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, the trustees are responsible for assessing the group's and the charitable parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

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 (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and the charitable parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Howard (Senior Statutory Auditor)
For and on behalf of Wilkins Kennedy Audit Services
Statutory Auditor
2nd Floor, Regis House,
45 King William St,
London, EC4R 9AN

Date

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Consolidated Statement of Financial Activities (including consolidated
income and expenditure) for the year ended 31 December 2019

	Note	Unrestricted €	Restricted €	Total 2019 €	Total 2018 €
Incoming Resources					
Donations & Legacies	2,3	1,318,840	-	1,318,840	1,460,539
Charitable activities	2,3	2,311,090	4,569,124	6,880,214	6,699,282
Investment Income	2,3	-	-	-	511
Other Income	2,3	89,307	-	89,307	75,322
Total Incoming Resources		3,719,237	4,569,124	8,288,361	8,235,654
Resources Expended					
	4				
Charitable activities:					
Asia & China programme		7,936	-	7,936	920,376
Middle East & North Africa programme		479,870	1,223,367	1,703,237	1,482,201
European Power programme		165,622	2,200,384	2,366,006	1,315,149
Wider Europe programme		271,739	727,893	999,632	900,253
National Offices		2,208,435	417,480	2,625,915	3,322,700
Total Resources Expended		3,133,602	4,569,124	7,702,726	7,940,679
Net income/(expenditure)	5	585,635	-	585,635	294,975
Other recognised gains/(losses)		72,931	-	72,931	(26,309)
Net movement in funds		658,566	-	658,566	268,666
Reconciliation of funds					
Total funds brought forward		1,080,797	-	1,080,797	812,131
Total funds carried forward		1,739,363	-	1,739,363	1,080,797

The statement of financial activities includes all gains and losses in the year. All income and expenditure derive from continuing activities.

The notes on pages 12-25 form part of these financial statements.

European Council on Foreign Relations
Consolidated Balance Sheet as at 31 December 2019
(Company number: 07154609)

	Note	Charity		Group	
		2019 €	2018 €	2019 €	2018 €
Fixed assets					
Tangible assets	8	6,981	9,639	89,119	64,072
Investments	9	-	25,000	-	-
Total Fixed assets		6,981	34,639	89,119	64,072
Current assets					
Debtors	10	442,697	846,610	556,386	745,903
Cash at bank and in hand	11	1,675,887	978,803	2,124,984	1,361,870
Total Current assets		2,118,584	1,825,413	2,681,370	2,107,773
Current Liabilities					
Creditors: amounts falling due within one year	12	(442,654)	(805,409)	(1,031,126)	(1,091,048)
Total Current liabilities		(442,654)	(805,409)	(1,031,126)	(1,091,048)
Net Current Assets		1,675,930	1,020,004	1,650,244	1,016,725
Total assets less current liabilities		1,682,911	1,054,643	1,739,363	1,080,797
Total net assets		1,682,911	1,054,643	1,739,363	1,080,797
Funds of the Charity					
Restricted Funds	13/14	-	-	-	-
Unrestricted Funds		1,054,643	785,015	1,080,797	812,131
Movement in Funds		628,268	269,628	658,566	268,666
Total Funds		1,682,911	1,054,643	1,739,363	1,080,797

Approved by the board of directors and trustees on _____ and signed on its behalf by:

Lykke Friis, Chair

The notes on pages 12-25 form part of these financial statements.

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Cashflow Statement for the year ended 31 December 2019

		2019	2018
		€	€
Cash flows from operating activities:			
Net cash provided by operating activities	17	815,795	618,189
Cash flows from investing activities:			
Purchase of assets		<u>(52,681)</u>	<u>(64,382)</u>
Net cash used in investing activities		(52,681)	(64,382)
Change in cash and cash equivalents in the year		<u>763,114</u>	<u>553,807</u>
Cash and cash equivalents at beginning of the year		1,361,870	808,063
Cash and cash equivalents at end of year	11	<u>2,124,984</u>	<u>1,361,870</u>

The notes on pages 12-25 form part of these financial statements.

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Notes to the Financial Statements for the year ended 31 December 2019

1) Accounting Policies

(a) General information and basis of preparation

ECFR (The European Council on Foreign Relations) is a company limited by guarantee in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. ECFR meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are presented in Euro (EUR), which is the presentational currency of the charity from 1 January 2018.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Basis of Consolidation

Where control is exercised by the parent charity over another entity, those entities are consolidated as subsidiaries on a line by line basis in accordance with FRS 102 section 9 and the Charities SORP (FRS102).

Details of these entities are given in note 9 to the financial statements. A separate statement of financial activities for the charitable company has not been presented as permitted by the SORP.

(c) Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(d) Funds

Unrestricted funds - represent funds which are free to be spent in accordance with the charitable objects at the discretion of the Trustees.

Designated reserves are set aside out of unrestricted reserves by the Trustees, for particular purposes.

Restricted funds - represent funds that have been given for particular purposes and/or projects, which have legal restrictions on their use and must be spent wholly to undertake activities in accordance with donor requirements.

(e) Income

All incoming resources are recognised where the charity is legally entitled to the income, the amount can be reliably measured and it is probable that the income will be received.

Donated Services and Gifts in Kind are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Charity can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities.

Donations and legacies are recognised in the financial statements when the trustees are convinced that there is entitlement to the income, it is probable that the income will be received and the amount in question is measurable. Any administration fee that is charged is recognised as unrestricted income.

Grant income is recognised in the period the grant relates to and to the extent that certainty to their entitlement can be measured.

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Notes to the Financial Statements for the year ended 31 December 2019

(f) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities includes spending on ECFR's 4 Programmes (China & Asia, Wider Europe, Middle East & North Africa and European Power) and the National Offices.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Staff costs are allocated between cost headings according to the function of each employee.

(g) Allocation of support and governance costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include governance costs, administrative office function costs, and depreciation, HR and recruitment, and premises costs. They are incurred directly in support of expenditure on ECFR's charitable objects.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to the statutory audit, legal fees, as well as staff and consultancy costs in relation to senior management.

Support and Governance costs have been allocated across charitable activities using percentage allocations.

(h) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. All assets costing more than £500(€555) are capitalised. Assets are depreciated once the asset is ready for use. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset on a straight-line basis over the assets estimated useful lives as follows:

Leasehold property — over the lifetime of the lease straight line
Computer equipment — 33% straight line
Furniture, Fixtures and fittings — 25% straight line
Computer equipment — 33% straight line
Software — 33% straight line

(i) Investments

Investments in subsidiaries are stated at cost, less any provision for impairment losses.

(j) Debtors

Other debtors including amounts owed from European Entities are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Accrued income including gift aid is measured at the amount due to be received.

(k) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(l) Creditors and provisions

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Other creditors and accruals are recognised at their settlement amount due.

(m) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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Notes to the Financial Statements for the year ended 31 December 2019

(n) Operating Leases

The charity classifies the lease on the London office building as an operating lease; the title to the building remains with the lessor. Rental charges are charged on a straight-line basis over the term of the lease.

(o) Pensions

The company subscribes to a defined contribution pension scheme provided by Standard Life. Contributions payable for the period are charged in the Statement of Financial Activities.

(p) Foreign Currency

In preparing these financial statements, transactions in the foreign currencies have been recorded in the presentational currency using an average exchange rate or the rate prevailing at the time.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Foreign exchange differences arising on translation are reported in the Statement of Financial Activities.

(q) Taxation

No charge to taxation arises on the result for the year because the company is able to take advantage of the tax exemptions available to charities.

(r) Judgements and key sources of estimation uncertainty

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets, see note 8 for the carrying amount of the fixtures and equipment and computer equipment, and note I(h) for the useful economic lives for each class of assets.

There are no other key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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Notes to the Financial Statements for the year ended 31 December 2019

2) Analysis of group income

	Unrestricted €	Restricted €	Total 2019 €	Total 2018 €
Donations and legacies:				
Donations and gifts	101,735	-	101,735	338,676
Donated goods, facilities and services (Note 3)	1,217,105	-	1,217,105	1,121,863
	1,318,840	-	1,318,840	1,460,539
Charitable Activities:				
Grants	2,311,090	4,569,124	6,880,214	6,699,282
	2,311,090	4,569,124	6,880,214	6,699,282
Investment Income:				
Interest Income	-	-	-	511
	-	-	-	511
Other Income				
	89,307	-	89,307	75,322
	89,307	-	89,307	75,322
Total Income	3,719,237	4,569,124	8,288,361	8,235,654

ECFR is very grateful for the continuing support of the Open Society Foundation for their core funds of €2,241,508 (2018: €2,455,108).

In 2018, all of the €1,460,539 income in relation to donations and legacies was attributable to the unrestricted funds.

In 2018, €2,628,740 of income from charitable activities was attributable to the unrestricted fund and the remaining €4,070,542 of the income was attributable to the restricted fund.

In 2018, all of the €511 income from investments and €75,322 income from other income was attributable to the unrestricted fund.

3) Donated goods, facilities and services of the group

	Total 2019 €	Total 2018 €
Asia & China programme	-	131,846
Middle East & North Africa programme	87,500	76,530
European Power programme	66,488	30,352
Wider Europe programme	133,430	173,374
Advocacy & National Offices	929,687	709,761
Total Gifts in Kind	1,217,105	1,121,863

Gifts in Kind consist of 1.2% (2018: 10%) of donated office services and 98.8% (2018: 90%) of event services. It includes contributions to office space, speakers time, provision of venue space and support to public events.

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Notes to the Financial Statements for the year ended 31 December 2019

4) Analysis of group expenditure

	Direct Staff Costs	Activity Costs	Support Costs	Total 2019	Total 2018
	€	€	€	€	€
Asia & China programme	7,936	-	-	7,936	920,376
Middle East & North Africa programme	493,776	501,810	707,651	1,703,237	1,482,201
European Power programme	771,075	734,214	860,717	2,366,006	1,315,149
Wider Europe programme	309,768	325,686	364,178	999,632	900,253
National Offices	1,238,352	1,341,170	46,393	2,625,915	3,322,700
	2,820,907	2,902,880	1,978,939	7,702,726	7,940,679

	Total 2019	Total 2018
	€	€
Support Costs		
Staff Costs	915,760	1,034,035
Office Rental	467,316	493,303
Communications	70,285	90,567
Support Activity costs	81,543	16,026
Professional costs	168,916	236,875
Computing costs	112,057	104,929
Depreciation, equipment hire & asset impairment	33,962	34,666
Bank charges & gain on exchange	125,750	(26,722)
Governance costs	3,350	17,926
	1,978,939	2,001,605

During 2019, Fundraising costs were classed as Support Costs and allocated onto Programmes and National Offices. 2018 figures were restated accordingly based on the same allocation logic. Also, in 2019 costs for premises and advocacy were allocated not only to National Offices but also to Programmes, explaining the significant reduction in National Offices costs year-on-year.

5) Net Income/(Expenditure) of the group for the year is stated after charging:

	Total 2019	Total 2018
	€	€
Auditors remuneration for the charity:		
Audit fees for the audit of group accounts (charity €11,150)	21,435	25,253
Under provision of prior years' audit fee	(1,503)	-
Other services	10,095	11,746
	30,027	36,999
For group:		
Depreciation	27,577	26,555
Operating lease office rentals	359,404	384,505

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Notes to the Financial Statements for the year ended 31 December 2019

6) Staff costs and employee benefits for the group

Staff Costs	Total 2019 €	Total 2018 €
Salaries & wages	3,020,101	3,349,883
Social security costs, incl. pension arrangements for non-UK staff	615,730	628,583
Pension costs (defined contribution scheme for UK staff)	61,972	65,911
Redundancy costs	(14,425)	104,065
Other employee benefits	53,289	108,520
	3,736,667	4,256,962

Staff costs consists of support costs of €915,760 (2018 restated: €1,034,035) and direct activities staff costs of €2,820,907 (2018 restated: €3,222,927). Please see note 4.

Average monthly number of employees during the year calculated on a full-time equivalent basis was 55 (2018: 54).

The following number of employees received a gross salary between the below bands during the year:

Band	2019	2018
€70,000 to €79,999	3	4
€80,000 to €89,999	-	4
€90,000 to €99,999	2	-
€100,000 to €109,999	3	1
€110,000 to €119,999	3	3
€120,000 to €129,999	-	1
€140,000 to €149,999	1	-
€170,000 to €179,999	1	1

Key management comprise the Director and 5 members of the senior management team (noted on page 1). The total cost to company of key management for the group were €772,277 (2018: €726,194).

A staff redundancy provision of €Nil (2018 €95,624) has been provided for Italy and the UK and further €25,204 (2018: €68,943) have been provided on the basis of a "end of tenure" provision for Italy included in group creditors.

Redundancy payments made during the year were €79,621 (2018: €20,057).

Accrued annual leave of €52,718 (2018: €68,263) has been provided for.

7) Defined Contribution

The Standard Life Group Self Invested Personal Pension is available to all UK employees in line with current statutory requirements. The company makes 5% contribution to employees, in exceptional cases up to 10% contribution. The charity complied with the requirements of auto-enrolment in the UK in July 2015 and re-enrolment by September 2018. Pension related costs for the year amounted to €61,972 (2018: €65,911). Pension contribution payments of €8,434 (2018: €5,568) were outstanding at year end.

Pension contributions for non-UK staff are paid in line with the social security arrangements in place in each country.

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Notes to the Financial Statements for the year ended 31 December 2019

8) Tangible Fixed Assets

Charity	Computer Equipment	Office Equipment	Fixtures, fittings & equipment	Total
	€	€	€	€
Costs				
At 1st January 2019	55,611	48,211	21,373	125,195
Additions	4,517	-	-	4,517
Disposals	(1,494)	-	-	(1,494)
Foreign Exchange loss/gain	3,194	2,699	1,197	7,090
At 31st December 2019	61,828	50,910	22,570	135,308
Depreciation				
At 1st January 2019	45,972	48,211	21,373	115,556
Charge for the year	7,118	-	-	7,118
Disposals	(996)	-	-	(996)
Foreign Exchange loss/gain	2,753	2,699	1,197	6,649
At 31st December 2019	54,847	50,910	22,570	128,327
Net Book Value				
At 31st December 2019	6,981	-	-	6,981
At 31st December 2018	9,639	-	-	9,639

Group	Computer Equipment	Office Equipment	Fixtures, fittings & equipment	Software	Total
	€	€	€	€	€
Costs					
At 1st January 2019	113,157	64,265	81,304	-	258,726
Additions	19,041	-	8,528	25,112	52,681
Disposals	(4,613)	-	-	-	(4,613)
Foreign Exchange loss/gain	3,194	2,699	1,197	-	7,090
At 31st December 2019	130,779	66,964	91,029	25,112	313,884
Depreciation					
At 1st January 2019	85,522	62,736	46,396	-	194,654
Charge for the year	19,609	390	6,497	1,081	27,577
Disposals	(4,115)	-	-	-	(4,115)
Foreign Exchange loss/gain	2,753	2,699	1,197	-	6,649
At 31st December 2019	103,769	65,825	54,090	1,081	224,765
Net Book Value					
At 31st December 2019	27,010	1,139	36,939	24,031	89,119
At 31st December 2018	27,635	1,529	34,908	-	64,072

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Notes to the Financial Statements for the year ended 31 December 2019

9) Interests in Subsidiaries

The subsidiary undertaking, ECFR Deutschland GmbH, is a registered charity with company No. 128119B limited by shares in Germany. The entity is deemed to be a subsidiary by virtue of common control. As part of wider restructure of the group the shares which were held by two directors of the UK charity on behalf of ECFR were transferred at the end of the year to the new German entity – European Council on Foreign Relations (ECFR) e.V. registered number VR 37797 B.

	Year ended 31 December 2019	Year ended 31 December 2018
ECFR - Deutschland GmbH	€	€
Income	2,280,532	1,638,038
Expenses	2,279,419	1,638,523
Net surplus/(deficit)	1,113	(485)
Net assets	18,474	17,360

The subsidiary undertaking, Le Conseil Européen – ECFR, is a French registered not-for-profit association with No. W751226645. The entity is deemed to be a subsidiary by virtue of common control.

	Year ended 31 December 2019	Year ended 31 December 2018
ECFR - Le Conseil Européen	€	€
Income	918,665	1,178,464
Expenses	915,593	1,178,989
Net surplus/(deficit)	3,072	(525)
Net assets	14,765	11,692

The subsidiary undertaking, Asociacion Consejo Europeo de Relaciones Exteriores ECFR – Espana is a Spanish registered not-for-profit association No. 607963. The entity is deemed to be a subsidiary by virtue of common control.

	Year ended 31 December 2019	Year ended 31 December 2018
ECFR - Asociacion Consejo Europeo de Relaciones Exteriores	€	€
Income	466,236	318,132
Expenses	465,123	317,822
Net surplus/(deficit)	1,113	310
Net assets	(2,814)	(3,927)

The subsidiary undertaking, European Council on Foreign Relations Italy – ECFR is an Italian not-for-profit association ICF no 97727990588. The entity is deemed to be a subsidiary by virtue of common control. It began trading on 1 February 2017.

	Year ended 31 December 2019	Year ended 31 December 2018
ECFR - Italy	€	€
Income	196,600	445,804
Expenses	191,804	446,069
Net surplus/(deficit)	4,796	(265)
Net assets	5,826	1,029

European Council on Foreign Relations (ECFR) e.V, is a German registered not-for-profit association No. VR 37797 B. The entity is classified as a connected association.

	Year ended 31 December 2019	Year ended 31 December 2018
ECFR – Germany e.V	€	€
Income	25,000	-
Expenses	2,359	-
Net surplus/(deficit)	22,641	-
Net assets	22,641	-

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Notes to the Financial Statements for the year ended 31 December 2019

10) Debtors

	Charity		Group	
	2019	2018	2019	2018
	€	€	€	€
Trade Debtors	121,653	21,528	206,546	254,343
Accrued Income	176,398	317,198	227,782	344,475
Property Deposit	42,533	40,278	42,533	40,278
European Subsidiaries	37,532	371,514	-	-
Other Debtors	1,548	25,157	8,021	27,110
Prepayments	63,033	70,935	71,504	79,697
	442,697	846,610	556,386	745,903

11) Cash at bank and in hand

	Charity		Group	
	2019	2018	2019	2018
	€	€	€	€
Cash at bank and in hand	1,675,887	978,803	2,124,984	1,361,870
	1,675,887	978,803	2,124,984	1,361,870

12) Creditors and accruals

	Charity		Group	
	2019	2018	2019	2018
	€	€	€	€
Analysis of creditors				
European Subsidiaries	48,469	192,433	-	-
Trade Creditors	90,555	232,223	131,011	261,759
Other tax and social security costs	43,444	55,483	133,581	184,134
Pension Contributions	8,434	5,658	8,434	5,658
Sundry Creditors	71,858	83,231	156,290	284,932
Accruals	114,628	145,973	185,981	203,032
Deferred Grant income	65,266	90,408	415,829	151,533
	442,654	805,409	1,031,126	1,091,048
Deferred Income	2019	2018	2019	2018
Movement in deferred income account:	€	€	€	€
Balance at 1 January	90,408	126,958	151,533	183,898
Amounts added in current period	65,266	90,408	415,829	151,533
Amounts released to income from previous periods	(90,408)	(126,958)	(151,533)	(183,898)
Balance at 31 December	65,266	90,408	415,829	151,533

Deferred income relates to income received during the year for projects taking place after the year end.

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Notes to the Financial Statements for the year ended 31 December 2019

13) Restricted Funds

Donor	Restricted Purpose - a grant to support	01 January 2019	Income	Expenditure	31 December 2019
		€	€	€	€
Bill & Melinda Gates Foundation	Africa Capacity Building	-	83,663	(83,663)	-
Bill & Melinda Gates Foundation	Future of Development Aid	-	123,831	(123,831)	-
Bill & Melinda Gates Foundation	Mapping exercise on Migration	-	37,833	(37,833)	-
Compagnia di San Paolo	Strategic Partnership 2018-2019	-	51,778	(51,778)	-
Compagnia di San Paolo	Strategic Partnership 2019-2020	-	243,261	(243,261)	-
Embassy of the UK in Moscow	Building bridges to a younger Russia, via its civil society	-	36,273	(36,273)	-
Federal Foreign Office Germany	European Sovereignty Phase II	-	30,384	(30,384)	-
Federal Foreign Office Germany	New European security architecture	-	20,131	(20,131)	-
Federal Foreign Office Germany	Russia Strategy Group 2019	-	51,754	(51,754)	-
Federal State of Nordrhein-Westfalen	Conference on European reforms	-	25,990	(25,990)	-
Fondation Calouste Gulbenkian	Strategic Partnership Pilot Phase 2019	-	104,264	(104,264)	-
Foreign and Commonwealth Office United Kingdom (FCO)	Western Balkans 2018/2019	-	66,856	(66,856)	-
Japan Bank for International Cooperation (JBIC)	MENA Annual Support on Iran & Others	-	101,180	(101,180)	-
Konrad-Adenauer-Stiftung (KAS)	AI & autonomy in warfare	-	27,216	(27,216)	-
Microsoft	Trust and Security in Cyberspace	-	28,982	(28,982)	-
Ministry for Foreign Affairs Finland	Multilateralism project	-	26,384	(26,384)	-
Ministry of Foreign Affairs Denmark	Core support for MENA 2019 - 2022	-	101,310	(101,310)	-
Ministry of Foreign Affairs France	Russia Strategy Group 2019	-	30,000	(30,000)	-
Ministry of Foreign Affairs Netherlands	Europe and its Neighbours (Tender "PROGRESS")	-	72,500	(72,500)	-
Ministry of Foreign Affairs Norway	MENA Support 2018-2020	-	475,589	(475,589)	-
Ministry of Foreign Affairs Spain	Spain in Europe, Migration, Sovereignty	-	54,012	(54,012)	-
Ministry of Foreign Affairs Sweden	Multiprogramme support (MENA, WEP, EP)	-	812,417	(812,417)	-
Ministry of Foreign and European Affairs Slovakia	Cyber Security workshop in the EaP	-	21,000	(21,000)	-
Balance carried forward		-	2,626,608	(2,626,608)	

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Notes to the Financial Statements for the year ended 31 December 2019

13) Restricted Funds – continued

Donor	Restricted Purpose - a grant to support	01 January 2019	Income	Expenditure	31 December 2019
		€	€	€	€
Balance brought forward		-	2,626,608	(2,626,608)	-
Open Society Foundations (OSF)	UNLOCK Phase I	-	448,420	(448,420)	-
Open Society Foundations (OSF)	UNLOCK Phase II	-	697,782	(697,782)	-
Open Society Foundations (OSF)	UNLOCK Phase III	-	69,605	(69,605)	-
Repsol	Madrid core 2019	-	25,000	(25,000)	-
Robert Bosch Stiftung	Russia Strategy Group 2018	-	20,100	(20,100)	-
Rockefeller Brothers Fund	Iran taskforce 2019 - 2021	-	44,015	(44,015)	-
Stiftung Mercator	Rethink: Europe 2.0	-	368,921	(368,921)	-
Thales Group	Perspective 2020	-	25,000	(25,000)	-
Various below € 20.000 each	Asia & China programme	-	15,725	(15,725)	-
Various below € 20.000 each	European Power programme	-	41,243	(41,243)	-
Various below € 20.000 each	Middle East & North Africa programme	-	53,493	(53,493)	-
Various below € 20.000 each	Wider Europe programme	-	41,200	(41,200)	-
Various below € 20.000 each	Advocacy & National Offices	-	92,012	(92,012)	-
		-	4,569,124	(4,569,124)	-

ECFR contributed to the work supported by each of these restricted funds and the restricted funds were fully expensed. ECFR is grateful to all its funders for their generous support provided in 2019, especially from our core funder, the Open Society Foundation.

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Notes to the Financial Statements for the year ended 31 December 2019

14) Restricted Funds – Prior Year (2018)

Donor	Restricted Purpose - a grant to support	01 January 2018	Income	Expenditure	31 December 2018
		€	€	€	€
Bertelsmann Stiftung	India Strategy Group	-	20,000	(20,000)	-
Bill & Melinda Gates Foundation	Mapping on Migration	-	272,161	(272,161)	-
CEA	New European Security Initiative	-	39,377	(39,377)	-
Compagnia di San Paolo	ECFR Strategic Partnership	-	299,378	(299,378)	-
CSFRS	Sahel-Sahara stability, security, development	-	25,000	(25,000)	-
CSFRS	Maritime Security	-	70,000	(70,000)	-
Daimler AG	European China Forum 2018	-	35,000	(35,000)	-
EEAS	European Sovereignty	-	30,000	(30,000)	-
Embassy of Japan in Poland	New multilateralism (Poland)	-	37,456	(37,456)	-
Finnair	Finnair Strategic Partnership	-	49,989	(49,989)	-
Jetro	Workshop on investment and security 2018	-	77,974	(77,974)	-
MFA Belgium	European Sovereignty	-	50,000	(50,000)	-
MFA Denmark	Workshop on Lybia & other	-	33,366	(33,366)	-
MFA Denmark	Middle East & North Africa programme	-	99,523	(99,523)	-
MFA Finland	Multilateralism project	-	26,384	(26,384)	-
MFA France	Role of China at the UN , China Strategy Group, India Strategy Group, Flexible Union II	-	55,300	(55,300)	-
MFA France	European Sovereignty, Foreign Affairs France	-	20,000	(20,000)	-
MFA Germany	India Strategy Group	-	40,000	(40,000)	-
MFA Germany	Russia Strategy Group	-	41,733	(41,733)	-
MFA Japan	Japanese MFA	-	65,631	(65,631)	-
MFA Japan	Japan in Europe	-	123,519	(123,519)	-
MFA Netherlands	European Sovereignty	-	30,000	(30,000)	-
MFA Netherlands	Europe and its Neighbours (PROGRESS tender)	-	87,536	(87,536)	-
MFA Norway	Asia & China programme	-	47,843	(47,843)	-
MFA Norway	Middle East & North Africa programme	-	473,775	(473,775)	-
MFA Spain	Spanish Foreign Policy	-	27,819	(27,819)	-
MFA Sweden	European Sovereignty	-	29,116	(29,116)	-
MFA Sweden	Wider Europe - CARE	-	102,361	(102,361)	-
MFA Sweden	Middle East & North Africa programme	-	384,996	(384,996)	-
MFA UK	Stay the Course	-	25,819	(25,819)	-
Balance carried forward		-	2,721,056	(2,721,056)	-

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Notes to the Financial Statements for the year ended 31 December 2019

14) Restricted Funds – continued

Donor	Restricted Purpose - a grant to support	01 January 2018	Income	Expenditure	31 December 2018
		€	€	€	€
Balance brought forward		-	2,721,056	(2,721,056)	-
MFA UK	Western Balkans	-	239,480	(239,480)	-
Open Society Foundations	Unlock project phase I	-	50,906	(50,906)	-
Open Society Foundations	European Sovereignty	-	70,695	(70,695)	-
Robert Bosch Stiftung	Russia Strategy Group	-	24,653	(24,653)	-
Robert Bosch Stiftung	Warsaw - Reengage Poland	-	31,356	(31,356)	-
Rockefeller Brothers Fund	Iran taskforce	-	40,390	(40,390)	-
Statoil	Wider Europe programme	-	41,695	(41,695)	-
Stiftung Mercator	Rethink: Europe 2.0	-	465,574	(465,574)	-
Thales	Geopolitical Trends 2019	-	32,315	(32,315)	-
Total	ACM	-	25,000	(25,000)	-
Various below € 20,000 each	Asia & China programme projects	-	77,460	(77,460)	-
Various below € 20,000 each	European Power programme projects	-	79,482	(79,482)	-
Various below € 20,000 each	Middle East & North Africa programme projects	-	32,486	(32,486)	-
Various below € 20,000 each	Wider Europe programme projects	-	42,129	(42,129)	-
Various below € 20,000 each	Advocacy & National Offices projects	-	95,865	(95,865)	-
			4,070,542	4,070,542	

15) Transactions with trustees

During the year, no trustees (2018: nil) were paid or received any other benefit from employment with the charitable company. 10 trustees (2018: 10) were reimbursed for travel and meeting expenses amounting to €9,703 (2018: €7,360).

16) Transaction(s) with related parties

There have been no related party transactions in the reporting period.

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Notes to the Financial Statements for the year ended 31 December 2019

17) Reconciliation of net income/(expenditure) to net cashflow from operating activities

	2019	2018
	€	€
Net income/(expenditure) for the reporting period	585,635	294,975
Adjustments for:		
Depreciation	27,577	26,655
Loss/(profit) on sale of fixed assets	498	-
Decrease in debtors	189,517	218,184
(Decrease)/Increase in creditors	(59,922)	97,232
Foreign Currency Translation reserve	72,931	(26,309)
FX movement on fixed assets	(441)	7,452
	815,795	618,189

18) Operating lease commitments

	Group		Charity	
	2019	2018	2019	2018
	€	€	€	€
The charity had total commitments under an operating lease as follows:				
Not later than one year	162,464	290,198	9,447	117,068
Later than one and not later than five years	296,199	458,971	-	9,756
Later than five years	-	-	-	-