



ECFR

**Report and Consolidated Financial Statements
For the Year Ended 31 December 2017**

Charity Number: 1143536

Company Registration Number: 07154609

European Council on Foreign Relations

Contents

Contents

| | |
|--|----|
| Legal and administrative information..... | 3 |
| Report of the Directors..... | 4 |
| Independent Auditor's Report to the Directors..... | 8 |
| Consolidated Statement of Financial Activities for the year ended 31 December 2017..... | 11 |
| Consolidated and Parent Balance Sheet as at 31 December 2017..... | 12 |
| Consolidated Statement of Cashflow for the year ended 31 December 2017 | 13 |
| Notes forming part of the Consolidated Financial Statements for the Year ended 31 December 2017..... | 14 |



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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 Emma Bonino Ian Clarkson Lykke Friis Timothy Garton-Ash – Resigned 31/12/2017 Ivan Krastev Mabel van Oranje Andrew Puddephatt Norbert Röttgen Javier Solana Andrzej Olechowski Helle Thorning Schmidt Sylvie Kaufmann | |
| Joint Chairs | Carl Bildt, Mabel van Oranje and Emma Bonino | |
| Key Management Personnel: | | |
| CEO | Alison Wallace – to 11 July 2017 | |
| Director | Mark Leonard | |
| Senior Director for Advocacy | Alba C Lamberti | |
| Senior Director for Programmes | Vessela Tchomeva | |
| Senior Director for Research | Jeremy Sharipo | |
| Senior Director for Development | Thorsten Klassen – to 31 October 2017 | |
| Senior Director for Finance and Operations | Joanna Knowles - to 19 November 2017 Folke Pfister - from 20 November 2017 | |
| Auditors: | Wilkins Kennedy LLP Bridge House 4 Borough High Street London SE1 9QR | |
| Accountants: | ExcluServ 1 Fore Str Avenue Moorgate London EC2Y 9DT | |
| Bankers: | Unity Trust Bank PLC 9 Brindley Place Birmingham B1 2HB | 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

The Directors, who are also Trustees for the purposes of company law, present their report together with the consolidated financial statements for the year ended 31 December 2017. 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 nearly two hundred Members — politicians, decision makers, thinkers and business people from the EU's member states and candidate countries — 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. The Council is chaired by Mabel van Oranje.
- **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 2017, our effort was aimed at creating a more effective, ambitious and cooperative European foreign policy. Within our four research programmes (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 2017, much of this work focused on how to protect Europe from the unravelling of the global order and the return of great power competition. Europe's influence and well-being both supports and depends on a functioning global order. That order is now under threat not just from Russia, but from actors as diverse as China, India, and arguably even the United States and from the competition between them.

We conducted an effort to understand how other great powers see the evolving global order, what they want from it, and how Europeans can work with them to preserve its best features. Toward this end, we published four 'reverse power audits' to understand Europe's relationship with and vulnerabilities to the United States, China, Turkey, and Russia.

Other strands of work included:

- Promoting a more coherent and inclusive EU policy towards Russia
- Understanding the evolution of EU-Turkey relations and Turkey's accession process to the EU
- Taking stock of the transatlantic relationship and the effect of the new U.S. administration on U.S. foreign policy and on Europe
- 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 and Yemen



European Council on Foreign Relations

Report of the Directors

- Promoting more effective European action in promoting Israeli-Palestinian peace
- 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.

We supported those activities through 41 long-form publications and 238 shorter commentaries, all published on our website which received 1.65 million unique page views in 2017. We also promoted that content through nearly 300 conferences, seminars, and workshops in 20 countries as well as hundreds of media appearances and interviews.

Some of our more prominent conferences included our 10th Annual Conference Meeting in June, which gathered over 150 council members and focused on the persistence of the European idea in a difficult world; our MENA Forum in January which took stock of regional issues; and the second edition of Europe-China Forum, a high-level track 1.5 policy dialogue between Chinese and Europeans addressing key trends in China and their impact on Europe. We also convened several strategy groups including a high-level Foreign Policy Strategy Group looking at cross-cutting issues, an EU-Russia Strategy Group, an EU-Turkey Strategy Group, and the Arrabida China Strategy Group.

Financial Review

Results for the year

Net incoming resources for the year ending 31st December 2017 were £7.3m and net resources expended were also £7.3m, resulting in a small surplus for the year of £43k. The Open Society Foundation provided an unrestricted grant of £2.4m or 32% of total turnover. Other large restricted donations were received from Stiftung Mercator (£692k), the Norwegian Ministry of Foreign Affairs (£377k), SIDA (£304k) and Compagnia di San Paolo (£348k). 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 2017 were valued at £869k (2016: £920k).

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 we improve our ability to meet organisational liabilities to staff and other stakeholders. ECFR ended 2017 with a small surplus of £43k. As a result, unrestricted reserves at the 31 December 2017 amounted to £714k, equivalent to 1.7 months of operational running costs. Having delivered on the approved break-even budget for 2017, the Board has approved a surplus budget for 2018 to further contribute towards rebuilding reserves. Beyond 2018 the Board is committed to continue surplus budgets and comply with the stated policy.

Plans for the Future

For 2018, ECFR continues to evolve in response to world events. When ECFR began, its goal was to help European nations and citizens come together to stand up for the values of the open society and to transform the world order to reflect them. Recently that vision has suffered major setbacks which necessarily will change how we do business. However, in 2017 we also saw proof of the resilience of the European idea and the continuing appeal of the values and aspirations it represents to publics both in Europe and abroad.

Even as we shift some of the locations and focus of our work to reflect geopolitical developments, our fundamental purpose remains the same - to demonstrate that European cooperation on foreign policy is valuable to its citizens. We will make the case for cooperative European solutions to the key foreign policy challenges that worry European citizens, including:

- **New Security Threats** — We have embarked on an effort to understand the new types of security threats that already plague Europe. We are raising funds to establish a New European Security Initiative to bring together expertise on cyber, hybrid war, information warfare, terrorism, and conventional military threats to understand them and to devise strategies to defend against them. This will include reflections on how post-Brexit Britain fits into Europe security.
- **Roots of Refugee Crisis and Terror** — The refugee crisis and many of the terrorist attacks in Europe stem from instability and poor governance in the Middle East and Northern Africa. ECFR research seeks first to understand that region and ultimately to provide European solutions — at a time when the United States is retreating and regional actors such as Iran and Saudi Arabia, alongside neighbouring states like Turkey and Russia, are shaping the agenda. We will convene policymakers, officials, and the opinion leaders around innovative proposals for European efforts to de-escalate the war in Syria, promote stabilisation in Libya, save the Iranian nuclear deal and find creative solutions to the Israeli-Palestinian conflict as well as facilitating a debate about the links between foreign policy, immigration and integration.



European Council on Foreign Relations

Report of the Directors

- **Instability on Europe's Periphery** — The EU cannot be stable and united while instability persists on its periphery. ECFR's work will focus on supporting independence and effective governance on Europe's periphery, particularly Ukraine and the Balkans. We will work to propose new mechanisms both for deterring Russian intervention in European politics and society and for engaging with Russia. We will also seek new mechanisms for relating to Turkey that, without prejudicing the accession process, allow a more geo-strategic focus.

In this new world, we will work even harder to build a consensus for European co-operation on foreign policy by framing arguments in ways that will resonate in national capitals by:

- **Building up our policy and advocacy capacity in national capitals** — over the next several years, we will ensure that each of the four policy programmes has both policy and advocacy staff based in those of the national capitals and offices which are most influential in their area of expertise
- **Shifting our centre of gravity to Berlin** — to reflect the British decision to leave the EU and in the belief that Germany will serve even more as pivot in European affairs, we have begun to gradually shift the centre of ECFR's staff away from London and towards Berlin. To facilitate this we have invested in larger office space in Berlin, with the goal of using the engagement of the German government as the kernel of wider European coalitions.
- **Move towards new forms of communications** — 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.

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'.

The ECFR Group is made up of the UK Company and four 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. Mabel van Oranje, Carl Bildt and Emma Bonino have been appointed joint Chairs. They are advised by a Council of over 250 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 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

Following the dis-establishment of the role of CEO late 2017, 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.

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.



European Council on Foreign Relations

Report of the Directors

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
- Disruption from Brexit and the transition of ECFR's centre of gravity to Berlin
- Risks to the organisation arising from cyber attacks and loss of key data
- Raising insufficient funds to cover costs

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. Disruption arising from the decision to shift the centre of gravity to Berlin is being mitigated through regular communication with staff, Board and Council members, sound recruiting activities and forward and contingency planning. IT security risks are being mitigated through security investments and the development of relevant policies 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.

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 LLP 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:

Mabel van Oranje
Joint Chair



Date

6 July 2018



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 2017 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 2017 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.



European Council on Foreign Relations

Independent Auditor's Report to the members of ECFR

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.

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.



European Council on Foreign Relations

Independent Auditor's Report to the members of ECFR

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

John Howard (Senior Statutory Auditor)

For and on behalf of Wilkins Kennedy LLP

Statutory Auditor

Chartered Accountants

Bridge House

London Bridge

London SE1 9QR

Date 11 July 2018



European Council on Foreign Relations
Consolidated Statement of Financial Activities (including consolidated
income and expenditure) for the year ended 31 December 2017

| | Note | Unrestricted £ | Restricted £ | Total 2017 £ | Total 2016 £ |
|---------------------------------------|------|-------------------|------------------|------------------|------------------|
| Incoming Resources | | | | | |
| Donations & Legacies | 2,3 | 1,031,123 | - | 1,031,123 | 1,139,423 |
| Charitable activities | 2,3 | 2,345,566 | 3,891,736 | 6,237,302 | 5,139,011 |
| Investment Income | 2,3 | 389 | - | 389 | 618 |
| Other Income | 2,3 | 9,308 | - | 9,308 | 6,532 |
| Total Incoming Resources | | 3,386,386 | 3,891,736 | 7,278,122 | 6,285,584 |
| Resources Expended | | | | | |
| Raising Funds | 4 | 207,956 | 242,016 | 449,972 | 514,824 |
| Charitable activities: | | | | | |
| Asia & China programme | | 432,114 | 502,888 | 935,002 | 895,508 |
| Middle East & North Africa programme | | 631,016 | 734,368 | 1,365,384 | 1,276,741 |
| European Power programme | | 430,172 | 500,629 | 930,801 | 1,051,536 |
| Wider Europe programme | | 362,034 | 421,331 | 783,365 | 745,312 |
| Advocacy & National Offices programme | | 1,280,734 | 1,490,504 | 2,771,238 | 2,305,138 |
| Total Resources Expended | | 3,344,026 | 3,891,736 | 7,235,762 | 6,789,059 |
| Net income/(expenditure) | | 42,360 | - | 42,360 | (503,475) |
| Investments gains/(losses) | | - | - | - | - |
| Net income/(expenditure) | 5 | 42,360 | - | 42,360 | (503,475) |
| Other recognised gains/(losses) | | 846 | - | 846 | 72,730 |
| Net movement in funds | | 43,206 | - | 43,206 | (430,745) |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 670,749 | - | 670,749 | 1,101,494 |
| Total funds carried forward | | 713,955 | - | 713,955 | 670,749 |

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 14-26 form part of these financial statements.



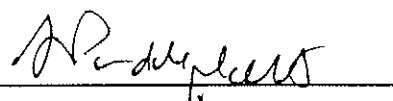
European Council on Foreign Relations Consolidated Balance Sheet as at 31 December 2017

| | Note | Charity | | Group | |
|--|------|------------------|------------------|------------------|--------------------|
| | | 2017 £ | 2016 £ | 2017 £ | 2016 £ |
| Fixed assets | | | | | |
| Tangible assets | 8 | 8,231 | 39,596 | 23,329 | 54,436 |
| Investments | 9 | 22,183 | 21,313 | - | - |
| Total Fixed assets | | 30,414 | 60,909 | 23,329 | 54,436 |
| Current assets | | | | | |
| Debtors and prepayments | 10 | 839,271 | 477,878 | 855,448 | 497,714 |
| Cash at bank and in hand | 11 | 453,950 | 854,750 | 717,004 | 1,346,715 |
| Total Current assets | | 1,293,221 | 1,332,628 | 1,572,450 | 1,844,429 |
| Current Liabilities | | | | | |
| Creditors: amounts falling due within one year | 12 | (633,744) | (738,779) | (881,824) | (1,228,116) |
| Total Current liabilities | | (633,744) | (738,779) | (881,824) | (1,228,116) |
| Net Current Assets | | 659,477 | 593,849 | 690,626 | 616,313 |
| Total assets less current liabilities | | 689,891 | 654,758 | 713,955 | 670,749 |
| Total net assets | | 689,891 | 654,758 | 713,955 | 670,749 |
| Funds of the Charity | | | | | |
| Restricted Funds | 13 | - | - | - | - |
| Unrestricted Funds | | 654,758 | 1,078,285 | 670,749 | 1,101,494 |
| Movement in Funds | | 35,133 | (423,527) | 43,206 | (430,745) |
| Total Funds | | 689,891 | 654,758 | 713,955 | 670,749 |

Approved by the board of directors and trustees on 6 July 2018 and signed on its behalf by:



Mabel van Oranje, Chair



Andrew Puddephatt

The notes on pages 14-26 form part of these financial statements.



European Council on Foreign Relations

Cashflow Statement for the year ended 31 December 2017

| | | 2017 | 2016 |
|--|----|-----------------------|-------------------------|
| | | £ | £ |
| Cash flows from operating activities: | | | |
| Net cash provided by operating activities | 16 | (614,645) | (668,361) |
| Cash flows from investing activities: | | | |
| Purchase of assets | | (15,066) | (22,375) |
| Net cash used in investing activities | | <u>(15,066)</u> | <u>(22,375)</u> |
| Change in cash and cash equivalents in the year | | <u>(629,711)</u> | <u>(690,736)</u> |
| Cash and cash equivalents at beginning of the year | | 1,346,715 | 2,037,451 |
| Cash and cash equivalents at end of year | 11 | <u><u>717,004</u></u> | <u><u>1,346,715</u></u> |

The notes on pages 14-26 form part of these financial statements.



European Council on Foreign Relations

Notes to the Financial Statements for the year ended 31 December 2017

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 prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity. 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 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.



European Council on Foreign Relations

Notes to the Financial Statements for the year ended 31 December 2017

(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), National Offices and Advocacy.

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 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

(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.



European Council on Foreign Relations

Notes to the Financial Statements for the year ended 31 December 2017

(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

ECFR's financial statements are presented in sterling which is the functional currency of the organisation. In preparing these financial statements, transactions in the foreign currencies have been recorded in the functional currency using an average exchange rate or the rate prevailing at the time.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling 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 1(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.

European Council on Foreign Relations

Notes to the Financial Statements for the year ended 31 December 2017

2) Analysis of group income

| | Unrestricted £ | Restricted £ | Total 2017 £ | Total 2016 £ |
|---|-------------------|------------------|------------------|------------------|
| Donations and legacies: | | | | |
| Donations and gifts | 161,920 | - | 161,920 | 209,781 |
| Gift Aid | - | - | - | 10,005 |
| Donated goods, facilities and services (Note 3) | 869,203 | - | 869,203 | 919,637 |
| | 1,031,123 | - | 1,031,123 | 1,139,423 |
| Charitable Activities: | | | | |
| Grants | 2,345,566 | 3,891,736 | 6,237,302 | 5,139,011 |
| | 2,345,566 | 3,891,736 | 6,237,302 | 5,139,011 |
| Investment Income: | | | | |
| Interest Income | 389 | - | 389 | 618 |
| | 389 | - | 389 | 618 |
| Other Income | | | | |
| | 9,308 | - | 9,308 | 6,532 |
| | 9,308 | - | 9,308 | 6,532 |
| Total Income | 3,386,386 | 3,891,736 | 7,278,122 | 6,285,584 |

ECFR is very grateful for the continuing support of the Open Society Foundation for their core funds of £2,345,566 (2016: £2,093,539).

In 2016, all of the £1,139,423 income in relation to donations and legacies was attributable to the unrestricted funds.

In 2016, £2,093,539 of income from charitable activities was attributable to the unrestricted fund and the remaining £3,045,472 of the income was attributable to the restricted fund.

In 2016, all of the £618 income from Investments and £6,532 income from other income was attributable to the unrestricted fund.

3) Donated goods, facilities and services of the group

| | Total 2017 £ | Total 2016 £ |
|--------------------------------------|-----------------|-----------------|
| Asia & China programme | 93,062 | 87,562 |
| Middle East & North Africa programme | 78,347 | 75,441 |
| European Power programme | 22,354 | 64,760 |
| Wider Europe programme | 25,986 | 25,655 |
| Advocacy & National Offices | 649,454 | 666,219 |
| Total Gifts in Kind | 869,203 | 919,637 |

Gifts In Kind consist of 8% (2016: 8%) of donated office services and 92% (2016: 92%) of event services. It includes contributions to office space, speakers time, provision of venue space and support to public events.

European Council on Foreign Relations
Notes to the Financial Statements for the year ended 31 December 2017

4) Analysis of group expenditure

| | Direct Staff Costs £ | Activity Costs £ | Support Costs £ | Total 2017 £ | Total 2016 £ |
|--------------------------------------|----------------------------|------------------------|-----------------------|------------------|------------------|
| Fundraising | 297,235 | 34,677 | 118,060 | 449,972 | 514,824 |
| Asia & China programme | 366,712 | 350,238 | 218,052 | 935,002 | 895,508 |
| Middle East & North Africa programme | 554,673 | 441,088 | 369,623 | 1,365,384 | 1,276,741 |
| European Power programme | 426,824 | 208,479 | 295,498 | 930,801 | 1,051,536 |
| Wider Europe programme | 321,863 | 259,693 | 201,809 | 783,365 | 745,312 |
| Advocacy & National Offices | 1,247,478 | 803,975 | 719,785 | 2,771,238 | 2,305,138 |
| | 3,214,785 | 2,098,150 | 1,922,827 | 7,235,762 | 6,789,059 |

| | Total 2017 £ | Total 2016 £ |
|---|------------------|------------------|
| Support Costs | | |
| Staff Costs | 752,508 | 623,020 |
| Office Rental | 486,911 | 455,812 |
| Communications | 80,328 | 97,207 |
| Board Activity costs | 10,920 | 7,922 |
| Professional costs | 313,865 | 90,828 |
| Computing costs | 159,307 | 76,004 |
| Depreciation, equipment hire & asset impairment | 50,255 | 139,353 |
| Bank charges | 10,499 | 5,453 |
| Governance costs | 58,234 | 57,711 |
| | 1,922,827 | 1,553,310 |

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

| | Total 2017 £ | Total 2016 £ |
|---|-----------------|-----------------|
| Auditors remuneration for the charity: | | |
| Audit fees for the audit of group accounts (charity: £10,800) | 18,200 | 16,800 |
| Under provision of prior years' audit fee | 1,440 | - |
| Other services | 3,060 | - |
| | 22,700 | 16,800 |
| For group: | | |
| Depreciation | 43,909 | 62,633 |
| Impairment of fixed assets | - | 74,207 |
| Operating lease office rentals | 328,203 | 369,151 |

European Council on Foreign Relations

Notes to the Financial Statements for the year ended 31 December 2017

6) Staff costs and employee benefits for the group

| Staff Costs | Total 2017 | Total 2016 |
|---|------------------|------------------|
| | £ | £ |
| Salaries & wages | 3,291,384 | 3,149,087 |
| Social security costs, incl pension arrangements for non-UK Staff | 465,797 | 428,253 |
| Pension costs (defined contribution scheme for UK staff) | 118,625 | 146,383 |
| Other employee benefits | 91,487 | 87,473 |
| | 3,967,293 | 3,811,196 |

Staff costs consists of support costs of £752,508 (2016: £623,020) and direct activities staff costs of £3,214,785 (2016: £3,188,176). Please see note 4.

Average monthly number of employees during the year calculated on a full time equivalent basis was 56 (2016: 52). A further 7 (2016: 6) staff were employed by partner organisations in Poland and Bulgaria.

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

| Band | 2017 | 2016 |
|----------------------|------|------|
| £60,000 to £69,999 | 4 | 6 |
| £70,000 to £79,999 | 2 | 4 |
| £80,000 to £89,999 | 2 | 2 |
| £90,000 to £99,999 | 4 | 3 |
| £100,000 to £109,999 | 2 | - |
| £110,000 to £119,999 | - | 1 |
| £120,000 to £129,999 | - | - |
| £130,000 to £139,999 | - | 1 |
| £140,000 to £149,999 | 1 | - |

Key management comprise the Chief Executive, Director and 5 members of the senior management team. The total cost to company of key management for the group were £744,965 (2016: £896,929).

A staff redundancy provision of £10,136 has been provided for the UK and further £52,623 has been provided on the basis of a "end of tenure" provision for Italy (2016: £42,204) included in group creditors.

Redundancy payments made during the year were £nil (2016: £60,000).

Accrued annual leave of £57,194 (2016: £55,864) 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 a 10% contribution to employees with more than two years' service and 5% to all others. The charity complied with the requirements of auto-enrolment in the UK in July 2015. Pension related costs for the year amounted to £118,625 (2016: £146,383). Pension contribution payments of £19,933 (2016: £11,390) 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.

European Council on Foreign Relations

Notes to the Financial Statements for the year ended 31 December 2017

8) Tangible Fixed Assets

| Charity | Other land & buildings £ | Computer Equipment £ | Office Equipment £ | Fixtures, fittings & equipment £ | Total £ |
|-----------------------|-----------------------------|-------------------------|-----------------------|-------------------------------------|------------|
| Costs | | | | | |
| At 1st January 2017 | 104,821 | 79,055 | 56,750 | 29,067 | 269,693 |
| Additions | - | 6,075 | - | - | 6,075 |
| Disposals | (104,821) | (44,772) | (5,287) | (9,794) | (164,674) |
| Transfers | - | 1,137 | (7,990) | - | (6,853) |
| At 31st December 2017 | - | 41,495 | 43,473 | 19,273 | 104,241 |
| Depreciation | | | | | |
| At 1st January 2017 | 96,190 | 60,642 | 47,606 | 25,659 | 230,097 |
| Charge for the year | 8,631 | 15,122 | 8,973 | 2,001 | 34,727 |
| Disposals | (104,821) | (42,688) | (5,287) | (9,165) | (161,961) |
| Transfers | - | 1,137 | (7,990) | - | (6,853) |
| At 31st December 2017 | - | 34,213 | 43,302 | 18,495 | 96,010 |
| Net Book Value | | | | | |
| At 31st December 2017 | - | 7,282 | 171 | 778 | 8,231 |
| At 31st December 2016 | 8,631 | 18,413 | 9,144 | 3,408 | 39,596 |

| Group | Other land & buildings £ | Computer Equipment £ | Office Equipment £ | Fixtures, fittings & equipment £ | Total £ |
|----------------------------|-----------------------------|-------------------------|-----------------------|-------------------------------------|------------|
| Costs | | | | | |
| At 1st January 2017 | 104,821 | 108,564 | 60,756 | 50,112 | 324,253 |
| Additions | - | 15,060 | 6 | - | 15,066 |
| Disposals | (104,821) | (48,148) | (5,287) | (9,794) | (168,050) |
| Foreign Exchange loss/gain | - | 1,065 | 189 | 859 | 2,113 |
| At 31st December 2017 | - | 76,541 | 55,664 | 41,177 | 173,382 |
| Depreciation | | | | | |
| At 1st January 2017 | 96,190 | 82,825 | 51,612 | 39,190 | 269,817 |
| Charge for the year | 8,631 | 21,883 | 8,973 | 4,422 | 43,909 |
| Disposals | (104,821) | (46,065) | (5,287) | (9,165) | (165,338) |
| Foreign Exchange loss/gain | - | 882 | 189 | 594 | 1,665 |
| At 31st December 2017 | - | 59,525 | 55,487 | 35,041 | 150,053 |
| Net Book Value | | | | | |
| At 31st December 2017 | - | 17,016 | 177 | 6,136 | 23,329 |
| At 31st December 2016 | 8,631 | 25,739 | 9,144 | 10,922 | 54,436 |



European Council on Foreign Relations

Notes to the Financial Statements for the year ended 31 December 2017

9) Interests in Subsidiaries

The subsidiary undertaking, ECFR Deutschland GmbH, is a registered charity and company no 128129 limited by shares in Germany. The entity is deemed to be a subsidiary by virtue of common control. The shares are held by two directors of the UK charity on behalf of ECFR.

| | Year ended 31 December 2017 | Year ended 31 December 2017 | Year ended 31 December 2016 |
|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | € | £ | £ |
| ECFR - Deutschland GmbH | | | |
| Income | 1,344,225 | 1,172,971 | 1,105,523 |
| Expenses | 1,341,605 | 1,170,685 | 1,105,442 |
| Net surplus/(deficit) | 2,620 | 2,286 | 81 |
| Net assets | 42,846 | 38,018 | 34,293 |

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

| | Year ended 31 December 2017 | Year ended 31 December 2017 | Year ended 31 December 2016 |
|-----------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | € | £ | £ |
| ECFR - Le Conseil Europeen | | | |
| Income | 816,294 | 712,299 | 645,457 |
| Expenses | 815,244 | 711,383 | 544,332 |
| Net surplus/(deficit) | 1,050 | 916 | 1,125 |
| Net assets | 12,218 | 10,840 | 9,520 |

The subsidiary undertaking, Asociacion Consejo Europeo de Relaciones Exteriores ECFR – Espana is a Spanish registered not-for-profit association CIF G-87276515. The entity is deemed to be a subsidiary by virtue of common control.

| | Year ended 31 December 2017 | Year ended 31 December 2017 | Year ended 31 December 2016 |
|---|--------------------------------|--------------------------------|--------------------------------|
| | € | £ | £ |
| ECFR - Asociacion Consejo Europeo de Relaciones Exteriores | | | |
| Income | 362,921 | 316,685 | 240,409 |
| Expenses | 359,602 | 313,789 | 248,833 |
| Net surplus/(deficit) | 3,319 | 2,896 | (8,424) |
| Net assets | (4,237) | (3,759) | (6,442) |

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 2017 | Year ended 31 December 2017 | Year ended 31 December 2016 |
|-----------------------|--------------------------------|--------------------------------|--------------------------------|
| | € | £ | £ |
| ECFR - Italy | | | |
| Income | 341,302 | 297,820 | - |
| Expenses | 340,008 | 296,691 | - |
| Net surplus/(deficit) | 1,294 | 1,129 | - |
| Net assets | 1,294 | 1,148 | - |

All the above subsidiary accounts have been translated into sterling for the purposes of this disclosure note at the exchange rate prevailing on 31 December 2017.



European Council on Foreign Relations
Notes to the Financial Statements for the year ended 31 December 2017

10) Debtors and prepayments

| | Charity | | Group | |
|-----------------------|----------------|----------------|----------------|----------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Trade Debtors | - | 592 | 2,845 | 592 |
| Accrued Income | 497,392 | 252,936 | 670,112 | 252,937 |
| Property Deposit | 36,319 | 87,395 | 43,240 | 94,045 |
| European Subsidiaries | 180,866 | 7,975 | - | - |
| Other Debtors | 51,297 | - | 51,301 | - |
| Prepayments | 73,397 | 128,980 | 87,948 | 150,140 |
| | 839,271 | 477,878 | 855,446 | 497,714 |

11) Cash at bank and in hand

| | Charity | | Group | |
|--------------------------|----------------|----------------|----------------|------------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Cash at bank and in hand | 453,950 | 854,750 | 717,004 | 1,346,715 |
| | 453,950 | 854,750 | 717,004 | 1,346,715 |

12) Creditors and accruals

| | Charity | | Group | |
|-------------------------------------|----------------|----------------|----------------|------------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Analysis of creditors | | | | |
| European Subsidiaries | 24,478 | 73,362 | - | - |
| Trade Creditors | 280,127 | 199,284 | 317,376 | 246,695 |
| Other tax and social security costs | 43,447 | 151,527 | 188,961 | 217,819 |
| Pension Contributions | 19,933 | 11,390 | 19,933 | 11,390 |
| Sundry Creditors | 65,799 | 47,875 | 74,786 | 57,146 |
| Accruals | 87,308 | 50,666 | 117,594 | 72,796 |
| Deferred Grant income | 112,652 | 204,675 | 163,174 | 622,270 |
| | 633,744 | 738,779 | 881,824 | 1,228,116 |

| | 2017 | 2016 | 2017 | 2016 |
|--|----------------|----------------|----------------|----------------|
| | £ | £ | £ | £ |
| Deferred Income | | | | |
| Movement in deferred income account: | | | | |
| Balance at 1 January 2017 | 204,675 | 217,205 | 622,270 | 686,166 |
| Amounts added in current period | 112,652 | 204,675 | 163,174 | 622,270 |
| Amounts released to income from previous periods | (204,675) | (217,205) | (622,270) | (686,166) |
| Balance at 31 December 2017 | 112,652 | 204,675 | 163,174 | 622,270 |



European Council on Foreign Relations

Notes to the Financial Statements for the year ended 31 December 2017

13) Restricted Funds

| Donor | Restricted Purpose - a grant to support | 01 January 2017 | Income | Expenditure | 31 December 2017 |
|-------------------------|---|-----------------|---------|-------------|------------------|
| Allianz | Wider Europe Turkey Project | - | 21,720 | 21,720 | - |
| Atlantic Council | MENA Iran Strategy Group | - | 15,178 | 15,178 | - |
| Aydin Dogan | Wider Europe Turkey Project | - | 30,462 | 30,462 | - |
| BBVA | Madrid Office Core Support | - | 21,613 | 21,613 | - |
| Bertelsmann | European China Forum | - | 4,058 | 4,058 | - |
| Bertelsmann Stiftung | Asia & China Event Support | - | 13,821 | 13,821 | - |
| CAPS | European China Forum | - | 21,960 | 21,960 | - |
| CEA | Asia & China Korea project | - | 20,731 | 20,731 | - |
| CEA | European Power European Perceptions on Nuclear Deterrence | - | 12,296 | 12,296 | - |
| Compagnia di San Paolo | ECFR Strategic Partnership | - | 347,853 | 347,853 | - |
| CSFRS | Asia & China Maritime Project | - | 50,106 | 50,106 | - |
| CSFRS | MENA Sahel project | - | 59,465 | 59,465 | - |
| Daimler Fonds | Europea China Forum | - | 30,541 | 30,541 | - |
| DANISH MFA | MENA Core | - | 10,967 | 10,967 | - |
| Danish MFA | European Power Odense Cybersecurity Conference | - | 40,179 | 40,179 | - |
| DGRIS | Asia & China Europe - China Power Audit | - | 13,032 | 13,032 | - |
| Dutch Embassy in Berlin | Berlin Office Strategic Partnership | - | 1,942 | 1,942 | - |
| DUTCH MFA | MENA Project Progress | - | 28,088 | 28,088 | - |
| DUTCH MFA | European Power UN-Brexit Project | - | 9,105 | 9,105 | - |
| Dutch MFA | Wider Europe Project Progress | - | 36,522 | 36,522 | - |
| Dutch MFA & MoD | MENA & Wider Europe Project Progress | - | 16,071 | 16,071 | - |
| EC Outreach Network | EC Outreach network project | - | 30,192 | 30,192 | - |
| ECRG | EU-Japan Forum | - | 3,452 | 3,452 | - |
| Edison | Rome Office Core Support | - | 21,739 | 21,739 | - |
| EMI Japanese Warsaw | Warsaw Office Challenges for the International Order | - | 20,210 | 20,210 | - |
| Enagas | Madrid Office Core Support | - | 21,628 | 21,628 | - |
| Eni Spa | Rome Office Core Support | - | 8,929 | 8,929 | - |
| ES Global | Madrid Office Event Support | - | 3,108 | 3,108 | - |

European Council on Foreign Relations
Notes to the Financial Statements for the year ended 31 December 2017

| | | | | | |
|---|---|---|---------|---------|---|
| Estudios de Política Exterior | Madrid Office Core Support | - | 1,747 | 1,747 | - |
| EU Japan Centre | Side Event Japan in Europe | - | 62,649 | 62,649 | - |
| European Commission | EC Outreach network project | - | 29,085 | 29,085 | - |
| FCO | Wider Europe Staying the Course Project | - | 136,875 | 136,875 | - |
| FCO | Wider Europe Western Balkans Project | - | 48,864 | 48,864 | - |
| FEPS | MENA Has the Middle East Peace Process Failed Project | - | 9,248 | 9,248 | - |
| Finish MFA | MENA & European Power Liberal International Order Project | - | 14,439 | 14,439 | - |
| Finnair | China Strategy Group | - | 13,286 | 13,286 | - |
| FINNISH MFA | MENA & European Power Liberal International Order Project | - | 14,603 | 14,603 | - |
| Fomento de Construcciones y Contratas | Madrid Office Core Support | - | 4,921 | 4,921 | - |
| French MFA | UN-China Research | - | 8,726 | 8,726 | - |
| Fundacao Oriente | China Strategy Group | - | 3,550 | 3,550 | - |
| German MFA | European Power Flexible Union Project | - | 47,944 | 47,944 | - |
| German MFA | China Strategy Group | - | 8,726 | 8,726 | - |
| German MFA | Wider Europe EU-Russia Strategy Group | - | 36,588 | 36,588 | - |
| Giampiero Auletta Armenise | Rome Office Core Support | - | 8,734 | 8,734 | - |
| Italian MFA | Rome Office Tunisia Project | - | 3,229 | 3,229 | - |
| Italian MFA | MENA -Libya Project | - | 57,695 | 57,695 | - |
| Japan Institute | Workshop March 2017 | - | 12,430 | 12,430 | - |
| Japan Machinery Center for Trade and Investment | Europe-China Power Audit | - | 8,662 | 8,662 | - |
| Japanese Embassy Warsaw | Warsaw Office Challenges for the International Order | - | 30,991 | 30,991 | - |
| JAPANESE MFA | Europe-Japan Forum | - | 106,026 | 106,026 | - |
| KAMMARKOLLEGIET | MENA Core | - | 75,920 | 75,920 | - |
| Kandiyoti, Claude | MENA Core | - | 13,393 | 13,393 | - |
| KAS | Warsaw Office project on Polish German Cooperation | - | 4,363 | 4,363 | - |
| Kikkoman Corporation | Europe-Japan Forum | - | 17,748 | 17,748 | - |
| Media Consulta International Holding AG | EC Outreach network project | - | 11,036 | 11,036 | - |
| Microsoft | European Power Cybersecurity Project | - | 30,769 | 30,769 | - |
| Norwegian MFA | Afghanistan research project | - | 25,326 | 25,326 | - |



European Council on Foreign Relations
Notes to the Financial Statements for the year ended 31 December 2017

| | | | | | |
|----------------------------|--|---|------------------|------------------|---|
| NORWEGIAN MFA | MENA Core | - | 376,886 | 376,886 | - |
| OSF | MENA Israel / Palestine Project | - | 51,331 | 51,331 | - |
| Rasmussen Global | Wider Europe Eastern Partnership Project | - | 2,214 | 2,214 | - |
| Rasmussen Global | Wider Europe Transatlantic Dialogue | - | 17,857 | 17,857 | - |
| Repsol | Madrid Office Core Support | - | 22,727 | 22,727 | - |
| Robert Bosch Stiftung | Warsaw Office Re-engaging Poland project | - | 21,889 | 21,889 | - |
| Robert Bosch Stiftung | Wider Europe Turkey Project | - | 47,382 | 47,382 | - |
| Robert Bosch Stiftung | China im Gespräch | - | 10,618 | 10,618 | - |
| Rockefeller Brothers Fund | MENA Iran Strategy Group | - | 40,323 | 40,323 | - |
| Santander | Madrid Office Core Support | - | 21,515 | 21,515 | - |
| SAP Deutschland SE & Co.KG | European China Forum | - | 2,618 | 2,618 | - |
| SGDSN | Wider Europe Turkey Project & Paris Office | - | 27,225 | 27,225 | - |
| SIDA | MENA Core | - | 303,680 | 303,680 | - |
| SLOVAKIAN MFA | Wider Europe Eastern Partnership Project | - | 11,364 | 11,364 | - |
| Spanish MFA | Madrid Office Event Support | - | 6,006 | 6,006 | - |
| STATOIL | Wider Europe Core Support | - | 39,218 | 39,218 | - |
| Steven Heinz | ECFR Core Support | - | 133,452 | 133,452 | - |
| Stiftung Mercator | Berlin Office Core Support | - | 211,470 | 211,470 | - |
| Stiftung Mercator | Rethink Europe | - | 436,457 | 436,457 | - |
| Stiftung Mercator | The Annual Council Meeting | - | 43,630 | 43,630 | - |
| Stiftung Mercator | Wider Europe EU-Russia Strategy Group | - | 19,196 | 19,196 | - |
| Swedish MFA | Wider Europe CARE Project & Transatlantic Dialogue Project | - | 158,961 | 158,961 | - |
| Swedish MOD | Wider Europe Russia Project | - | 24,378 | 24,378 | - |
| Terna | Rome Office Core Support | - | 4,363 | 4,363 | - |
| Thales | ECFR Core Support | - | 34,820 | 34,820 | - |
| Unicredit | Rome Office Core Support | - | 52,356 | 52,356 | - |
| Unicredit | Wider Europe Turkey Project | - | 7,259 | 7,259 | - |
| | | | 3,891,736 | 3,891,736 | |

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 2017, especially from our core funder, the Open Society Foundation. No transfer of funds was made during the year.



European Council on Foreign Relations

Notes to the Financial Statements for the year ended 31 December 2017

14) Transactions with trustees

During the year, no trustees (2016: nil) were paid or received any other benefit from employment with the charitable company. 8 trustees (2016; 3) were reimbursed for travel and meeting expenses amounting to £7,070 (2016: £6,251).

15) Transaction(s) with related parties

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

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

| | 2017 | 2016 |
|---|------------------|------------------|
| | £ | £ |
| Net income/(expenditure) for the reporting period | 42,360 | (503,475) |
| Adjustments for: | | |
| Depreciation | 43,909 | 62,633 |
| Loss/(profit) on sale of fixed assets | 2,712 | - |
| impairment | - | 74,207 |
| (Increase)/decrease in debtors | (357,732) | (251,762) |
| Increase/(decrease) in creditors | (346,292) | (122,694) |
| Foreign Currency Translation reserve | 846 | 72,730 |
| FX movement on fixed assets | (448) | - |
| | (614,645) | (668,361) |

17) Operating lease commitments

| | 2017 | 2016 |
|--|---------|--------|
| | £ | £ |
| The charity had total commitments under an operating lease as follows: | | |
| Not later than one year | 103,284 | 97,212 |
| Later than one and not later than five years | 111,891 | - |
| Later than five years | - | - |
| | - | - |

