

European Council on Foreign Relations (ECFR)

Registered Number: 07154609
(England and Wales)



ECFR

Report and Financial Statements

Period ended 31 December 2014

Registered Charity Number 1143536

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European Council on Foreign Relations (ECFR)

Legal and Administrative Information

Directors

Martti Ahtisaari

Emma Bonino

Carl Buildt

Lykke Friis

Timothy Garton-Ash

Jean-Marie Guéhenno

Ivan Krastev

Alexander Graf Lambsdorff

Mabel van Oranje

Ana Palacio

Andrew Puddephatt

Daniel Sachs

Aleksander Smolar

Javier Solana

Norbert Röttgen

Resigned 17 March 2015

Re-Appointed 16 March 2015

Appointed 16 March 2015

Resigned 01 February 2015

Appointed 16 March 2015

Joint Chairs

Martti Ahtisaari

Emma Bonino

Carl Buildt

Mabel van Oranje

Resigned 17 March 2015

Appointed 16 March 2015

Appointed 16 March 2015

Secretary

Wendy A Love

Chief Executive

Dick Oosting

Registered Office and Principal Place of Business

Fourth Floor
35 Old Queen Street
Westminster
London SW1H 9JA

Company Number

07154609

Charity Number

1143536

European Council on Foreign Relations (ECFR)

Legal and Administrative Information

Auditors

Wilkins Kennedy LLP
Chartered Accountants
Statutory Auditors
Bridge House
London Bridge
London SE1 9QR

Bankers

Unity Trust Bank Plc
Nine Brindleyplace
Birmingham
B1 2HB

Barclays Bank
2 Victoria Street
Westminster
London SW1

Solicitors

Bates Wells & Braithwaite
2-6 Cannon Street
London EC4M 6YH

Report of Directors for the Year Ended 31 December 2014

Structure, Governance and Management

Constitution

ECFR, a company limited by guarantee incorporated on 11 February 2010, is a not-for-profit organisation which obtained Charitable Status on 24 August 2011. The liability of members is limited to £1. The company is governed by its Memorandum & Articles of Association. On 16 August 2011 a revised Memorandum of Association was adopted by the Company by Special Resolution. This replaced the objects of the organisation with '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'.

Directors Interests

In accordance with the Articles of Association ECFR will hold an Annual Retirement Meeting, which shall be the meeting of the Directors at which the accounts of the organisation are presented. The second Annual Retirement Meeting, held in June 2013, was the meeting of the Directors at which the Organisation's third year of accounts were adopted.

Governance

ECFR is governed by the Board of Directors, which meets regularly throughout the year. Directors are recruited by invitation based on the skills, experience and influence they have in the European political arena. In 2012 ECFR initiated an external governance review, the outcome of which was positive and reported in 2013.

Martti Ahtisaari and Mabel Van Oranje have been appointed joint Chair of ECFR. They are advised by our Council of over 200 learned and experienced members from EU member states and candidate countries. (Appendix 1)

Risk Assessment

ECFR Directors together with senior management have reviewed risk management and updated the risk register to address and monitor all risks identified.

Objectives and Principal Activity

ECFR 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 Martti Ahtisaari and 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.

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Report of Directors for the Year Ended 31 December 2014**

- **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, publication of policy reports, private meetings and public debates, 'friends of ECFR' gatherings in EU capitals and outreach to strategic media outlets.

Statement of Public Benefit

The Directors confirm that they have referred to the guidance contained in the Charity Commission general guidance 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 to conduct go Achievements and performance

Achievements and performance

In 2014 we published 35 policy briefs and longer works and held close to 200 events in 20 different countries in Europe. Furthermore ECFR has distinguished itself as one of the most visible think-tanks in the world – its work was cited in over 2500 articles in the world's most prestigious newspapers in 2014 alone. Below follow just a few highlights from the different areas of our work during 2014.

Programmes

In July 2014 ECFR's *Asia and China programme* brought a unique group of European policymakers and influential thinkers, including former European foreign and finance ministers, leading newspaper journalists and influential intellectuals, to Tokyo in order to conduct a series of high-level workshops. This study trip gathered over 50 Asian intellectuals and policymakers to discuss the future trajectory of the region and provided valuable insight on issues such as China's rise and regional implications, history and memory, democracy across Asia as well as economic interdependence.

In March 2014 ECFR's *Middle East and North Africa (MENA) programme* organised a delegation to Iran, combining ECFR policy experts and Council Members. During this trip ECFR was hosted by Iran's Foreign Ministry think-tank for a series of meetings and discussions over the course of three days. This included meetings with Foreign Minister Javad Zarif and other high officials, as well as opinion formers and policy experts. In April the programme undertook a fact-finding mission to Riyadh, hosted by the King Faisal Centre for Research and Islamic Studies and its head HRH Prince Turki bin Faisal Al Saud. During the visit the ECFR delegation met with current and former officials as well as European ambassadors, Saudi business-people, writers and academics.

ECFR's *Wider Europe programme* held the inaugural meeting of the EU-Russia Strategy group on the topic 'After Ukraine: Where do we go from here?'. The meeting looked at key aspects of the EU's relationship with Russia, the future of Europe's common neighbourhood, Russia's pivot to Eurasia and the future of EU-Russia relations. The new forum was attended by members of key European foreign ministries and was aimed at fostering a more fruitful EU relationship with Russia by engaging it in substantive discussion and consolidating the intra-EU debate on Russia. The debates and the papers presented as part of this meeting helped shape the policies of some member states towards Russia, most notably that of Germany.

As part of the launch of ECFR's *2014 European Foreign Policy Scorecard*, ECFR held its most high profile launch event in over four years ahead of the February EU Foreign Affairs Council in Brussels. Speakers were then Italian Foreign Minister Emma Bonino, Polish Foreign Minister Radosław Sikorski and the European External Action Service Secretary General Pierre Vimont. The event was attended by over 60 policymakers, opinion formers and experts of the Brussels foreign policy community.

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At the 2014 Prospect Magazine Think Tank of the Year Awards, ECFR was declared the winner of this year's UK International Affairs category. ECFR "stood out for its excellent work on Russia and Ukraine. Its identification of a Russian "pivot" away from the west and towards Asia was an especially astute observation, codified in a series of essays by Russia experts." ECFR was also praised for the recognition of "the extent of the threat posed by civil war in Syria, and identified the potential for that war to spread to neighbouring countries."

Communications

Over the past year ECFR has expanded its presence on *social media* with the @ECFR twitter account increased its following by over 7,700, to a total of close to 30,000 followers. ECFR has also amassed 7,250 likes on Facebook. According to the NGO Twiplomacy, ECFR is also ranked as the 3rd highest think tank followed by world leaders.

ECFR's regular audio *podcast series*, produced in five languages with high level policymakers, officials, experts and analysts has amassed a total of 262,000 subscribers, an increase of over 100,000 over the past year.

Over the past year ECFR has expanded its *web presence* with the launch of a brand new website and a series of ambitious web based projects, such as our 'Wider Europe Forum', a new platform for experts and analysts on Russia, Ukraine and Eastern Partnership countries to discuss political and economic developments and contribute to recommendations on EU strategy.

Throughout 2014, ECFR's expert analysis has been cited across national and international print and broadcast media across Europe. Total *media mentions* stand at over 2,500 (a 25% increase on 2013). This includes mentions in the Financial Times, Le Monde, El Pais, the Guardian as well as interviews on the BBC and CNN.

The jump in online and print media reach and the requests for special briefings to parliamentarians, foreign ministries in EU member states and senior EU officials in Brussels are further indicators of the growing impact of ECFR.

ECFR Council

In the past year, ECFR's Council has grown to 225 distinguished members, including serving and former Presidents, Prime Ministers, Foreign Ministers and other lawmakers, as well as journalists, scholars, diplomats and business leaders from many countries and most EU Member States. In the run up to and after our annual Council meeting in Rome in June 2014, our Council members took an active role in ECFR's advocacy at the highest levels of national and EU institutions, and promoted our programmes and issues in their particular countries.

Funding for ECFR in 2014

ECFR remains grateful to all its donors for their generous support in 2014, which has yielded concrete results in promoting Europe's values and interests in the world. Some £5.6 million have been received in 2014 to fund ECFR operations, national offices and programmes. ECFR is most thankful for its anchor funding for our core operations generously provided by Open Society Foundations and would like to acknowledge UniCredit SpA, the Stefan Batory Foundation, Communitas Foundation and Diego Hidalgo for supporting ECFR's Rome, Warsaw, Sofia and Madrid offices respectively. For his core support to the Reinvention of Europe programme we would like to thank Steven Heinz. We would also like to thank for their financial support the European Commission and Austrian, Belgian, Danish, Dutch, Finnish, Norwegian, Slovak, Spanish, Swedish and UK governments, plus corporate partners including, BBVA, Edison, Enel, Enagás, FCC, Repsol and Santander.

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Foundations supporting ECFR in 2014 included Alcoa Foundation, Calouste Gulbenkian Foundation, Compagnia di San Paolo, Foundation for Open Society, Fritt Ord, Korea Foundation, Körber Stiftung, Oriente Foundation, Skoll Global Threats Fund, Stiftung Mercator, Zennström Philanthropies and the Robert Bosch Stiftung.

Financial Review

Reserves Policy

ECFR has developed a reserves policy that will ensure building sufficient reserves to meet the identified risks assessed each year. The aim is to invest in developing our 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. As at the end of 2014 the unrestricted reserves of ECFR amounted to £805,288.

Cost Effectiveness

As a newly independent organisation in 2010, we have continued in 2014 to refine our systems, monitoring performance and streamlining operating costs to further improve our financial effectiveness.

Results for the year

The net incoming resources for the year ending 31st December 2014 were £5,458k and the net outgoing resources amounted to £5,566k resulting in a net deficit for the year of £108k. This included £193k of restricted reserve expenditure. It is therefore worth noting that the result on unrestricted funding for the year was a surplus of £85k increasing our unrestricted reserves from £720k to £805k.

Future developments

In the 8th year since its creation, ECFR will build on its steadily expanded capabilities as a pan-European think tank in order to:

- explore the assumptions of European foreign policy that are increasingly being challenged in each of the regions on which ECFR works;
- help the EU to build coalitions in defence of the European vision of international order;
- sharpen its focus on how the persistent crisis of political representation within Europe affects the EU's capacity to act on the world stage;
- strengthen the use of advocacy and communications tools towards greater impact;
- further expand and engage the strategic community of Council members;
- consolidate the administrative and programme infrastructure as the staff capacity grows beyond 50;
- broaden the funding base accordingly.

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Report of Directors for the Year Ended 31 December 2014

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law, United Kingdom Accounting Standards and United Kingdom Generally Accepted Accounting Practice.

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 the 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;
- 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 business.

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.

Statement as to disclosure of information to Auditors

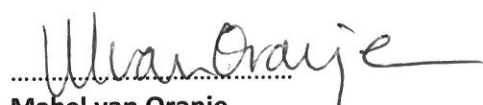
So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant 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 by:



Mabel van Oranje
Chair

Date 10th June 2015

Report of the Independent Auditor to the Members of European Council on Foreign Relations (ECFR)

We have audited the financial statements of ECFR for the year ended 31 December 2014, which comprises of the Statement of Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable 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 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 company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 8, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2014, and of its surplus, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Report of the Independent Auditor to the Members of European Council on Foreign Relations (ECFR) (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' 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.

Bridge House
London Bridge
London SE1 9QR



J Howard (Senior Statutory Auditor)

For and on behalf of
Wilkins Kennedy LLP, Statutory Auditor

Date: 16 June 2015

European Council on Foreign Relations (ECFR)

Statement of Financial Activities
(Including Income & Expenditure Account)
for the year ended 31 December 2014

	Notes	Unrestricted Funds £	Restricted Funds £	Total 31 December 2014 £	Year ended 31 December 2013 £
Incoming Resources					
Incoming resources from charitable activities					
Grants received	2	2,451,931	1,688,278	4,140,209	4,188,892
Incoming resources from generated funds					
Donations	3	252,241	1,055,100	1,307,341	1,237,783
Other incoming resources					
Bank Interest		10,178	-	10,178	1,054
Total Incoming resources		<u>2,714,350</u>	<u>2,743,378</u>	<u>5,457,728</u>	<u>5,427,729</u>
Resources Expended					
Charitable activities					
Direct Project Expenditure	4	1,489,427	2,735,213	4,224,640	3,896,357
Charitable activities' costs	5	995,186	175,621	1,171,807	871,355
Governance costs					
	6	144,588	25,516	170,104	169,121
Total resources expended		<u>2,629,201</u>	<u>2,936,350</u>	<u>5,565,551</u>	<u>4,936,833</u>
Net incoming resources	7	<u>85,149</u>	<u>(192,972)</u>	<u>(107,823)</u>	<u>490,896</u>
Reconciliation of Funds					
Net income for the year		85,149	(192,972)	(107,823)	490,896
B/Fwd 01 January 2014		720,139	192,972	913,111	422,215
C/Fwd 31 December 2014		<u>805,288</u>	<u>-</u>	<u>805,288</u>	<u>913,111</u>

There were no gains or losses other than those included in the statement of financial activities.

The notes on pages 13 to 21 form part of these financial statements.

European Council on Foreign Relations (ECFR)

Balance Sheet as at 31 December 2014

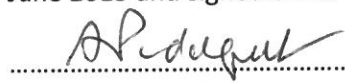
	Notes	Unrestricted Funds	Restricted Funds	Total 31 December 2014	Year ended 31 December 2013
		£	£	£	£
Fixed assets					
Tangible assets	9	28,132	-	28,132	30,205
Investments	11	21,435	-	21,435	21,435
		<u>49,567</u>	<u>-</u>	<u>49,567</u>	<u>51,640</u>
Current assets					
Debtors	12	225,568	-	225,568	102,090
Cash at bank		<u>951,794</u>	<u>405,855</u>	<u>1,357,649</u>	<u>1,673,597</u>
Total current assets		<u>1,177,362</u>	<u>405,855</u>	<u>1,583,217</u>	<u>1,775,687</u>
Liabilities					
Creditors: amounts falling due within one year	13	<u>421,641</u>	<u>405,855</u>	<u>827,496</u>	<u>914,216</u>
Net current assets		<u>755,722</u>	<u>-</u>	<u>755,722</u>	<u>861,471</u>
Total assets less current liabilities		<u>805,288</u>	<u>-</u>	<u>805,288</u>	<u>913,111</u>
Reserves	15	Unrestricted Funds	Restricted Funds	Total 31 December 2014	Year ended 31 December 2013
		£	£	£	
Accumulated funds					
Balance b/fwd 01 January 2014		720,139	192,972	913,111	422,215
Movement in funds		85,149	(192,972)	(107,823)	490,896
		<u>805,288</u>	<u>-</u>	<u>805,288</u>	<u>913,111</u>
Balance c/fwd 31 December 2014		<u>805,288</u>	<u>-</u>	<u>805,288</u>	<u>913,111</u>

The notes on pages 13 to 21 form part of these financial statements.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for smaller Entities (effective April 2008).

Approved by the board of directors and trustees on 11th June 2015 and signed on its behalf by:


.....
Mabel van Oranje, Chair


.....
Andrew Puddephatt

European Council on Foreign Relations (ECFR)

Notes Forming Part of the Financial Statements for the Year ended 31 December 2014

1. Principal Accounting Policies

(a) Accounting Convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The company has utilised the provisions of the Companies Act 2006 and adapted the Companies Act formats to reflect the special nature of the company's activities.

(b) Basis of Consolidation

The company has opted not to prepare consolidated accounts, under Section 398 of the Companies Act 2006, as it is a small group.

(c) Incoming Resources

Income is included on a receivable basis. Grants received are recognised in the period to which they relate and to the extent that certainty to their entitlement can be measured.

Donated Services and gifts in kind

The value of donated services and gifts in kind provided to ECFR 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.

(d) Resources Expended

Expenditure is included on a payable basis.

Charitable activities' costs comprise costs for providing charitable activities. Governance costs comprise costs for the running of the charity itself as an organisation. Where costs cannot be directly attributed to these categories, it is estimated based on activity levels that 90% of staffing and other costs are attributed to charitable activities with the balance attributable to governance.

(e) Tangible Fixed Assets and Depreciation

All assets costing more than £500 are capitalised, and are included at cost value.

Depreciation is provided using the Straight Line method at the following annual rates in order to write off each asset over its estimated useful life of 3 or 4 years.

Computer Equipment	- 33% on cost
Furniture, Fixtures & Fittings	- 25% on cost
Office Equipment	- 33% on cost

European Council on Foreign Relations (ECFR)

Notes Forming Part of the Financial Statements for the Year ended 31 December 2014

(f) Investments

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

(g) 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.

(h) VAT

Irrecoverable VAT is included as part of the gross costs of the entity.

(i) Operating Lease

Operating lease rentals are charged to the Statement of Financial Activities as incurred.

(j) Fund Accounting

Unrestricted funds comprise those funds, which the trustees are free to use in accordance with the charitable objects.

Restricted Funds are funds, which have been given for particular purposes and/or projects. The restricted fund must be used wholly to provide services in accordance with the terms of the grant.

(k) Foreign Currencies

ECFR's financial statements are presented in sterling which is the functional currency of the organisation.

In preparing these financial statements, transactions in currencies other than the functional currency 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.

(l) Taxation

The charitable company has passed the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore meets the definition of a charitable company for UK Corporation tax purposes with effect from 11 February 2010, reference number XT 38384. Accordingly, the charitable company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

European Council on Foreign Relations (ECFR)

Notes Forming Part of the Financial Statements for the Year ended 31 December 2014

2. Grants Received

Restricted	Year Ended 31 December 2014 £	Year ended 31 December 2013 £
AEDID Broken Links	-	16,236
Alcoa Foundation	23,419	-
Austrian MFA	49,190	-
British Council	-	25,210
Calouste Gulbenkian Foundation	-	2,573
Communitas Foundation - Sofia	42,017	42,017
Compagnia di San Paolo - Turin	82,496	124,850
Danish Ministry of Foreign Affairs	19,695	-
Department for International Development (DFID)	162,627	250,368
Dutch MFA	15,441	-
European Commission	8,337	21,701
Finnish MFA	10,795	-
Foundation for Open Society (FOSI)	14,689	31,627
Fritt Ord	10,005	-
Humanity United	-	14,790
Kammarkollegiet	74,537	97,919
Korea Foundation	10,858	-
Körber-Stiftung	1,988	-
Norwegian Ministry of Foreign Affairs	333,470	360,680
OSI Europe Foundation	-	7,822
Repsol	-	36,189
Robert Bosch Stiftung	144,479	-
Royal Norwegian Embassy in Beijing	56,576	2,785
Santander	42,017	-
Skoll Global Threats Fund	72,225	36,152
Slovak MFA	6,254	-
Statoil (UK) Ltd	20,240	-
Stiftung Mercator - Berlin	27,966	60,225
Swedish International Development Cooperation Agency (Sida)	353,711	341,177
Swiss Federal Dept of Foreign Affairs	-	13,655
UniCredit SpA – Rome	105,246	109,244
	<hr/> 1,688,278	<hr/> 1,595,220
Unrestricted		
Open Society Foundations	2,423,965	2,556,132
OSI RoL	-	9,529
Stiftung Mercator	27,966	28,011
	<hr/> 2,451,931	<hr/> 2,593,672
Total Grants received	<hr/> <hr/> 4,140,209	<hr/> <hr/> 4,188,892

3. Donations Received

European Council on Foreign Relations (ECFR)

Notes Forming Part of the Financial Statements for the Year ended 31 December 2014

	Year ended 31 December 2014	Year ended 31 December 2013
	£	£
Unrestricted Voluntary donations	242,172	195,760
Gift Aid	10,070	2,101
Restricted donations	193,635	92,437
Gifts In Kind	861,464	947,485
	<u>1,307,341</u>	<u>1,237,783</u>

Gifts In Kind

Consists of 17% donated office services and 83% events provision mainly in Europe for the following programmes:

	Year ended 31 December 2014	Year ended 31 December 2013
	£	£
China & Asia Programme	21,817	65,500
Wider Europe Programme	43,108	64,104
Middle East & North Africa Programme	130,438	83,725
Re-Invention of Europe	36,711	27,346
Special Initiatives	43,638	11,843
National Offices of which 27% is for office costs in European the capitals	544,326	574,471
Advocacy	41,426	120,496
	<u>861,464</u>	<u>947,485</u>

4. Direct Project Expenditure

	Staff costs	Activity Costs	Year ended 31 December 2014	Year ended 31 December 2013
	£	£	£	£
China & Asia Programme	179,931	227,017	406,948	338,635
Wider Europe Programme	171,456	135,429	306,885	301,422
Middle East & North Africa Programme	542,628	628,050	1,170,678	771,066
Re-Invention of Europe	104,005	68,246	172,251	253,472
Special Initiatives	177,803	176,213	354,016	258,527
National Offices	516,521	771,482	1,287,917	1,315,693
Advocacy	278,189	247,756	525,945	657,542
	<u>1,970,533</u>	<u>2,254,193</u>	<u>4,224,640</u>	<u>3,896,357</u>

European Council on Foreign Relations (ECFR)

**Notes Forming Part of the Financial Statements
for the Year ended 31 December 2014**

5. Charitable Activities' Costs

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Staff Costs (including consultants)	417,954	224,293
Staff & volunteer support costs	18,101	11,871
Fundraising Costs	170,565	73,284
Office Rental and Costs	284,660	272,836
Communication Costs	50,969	76,455
Direct Activity Costs	120,924	44,577
Professional Costs	28,784	36,821
Computing Costs	36,795	79,330
Maintenance costs	30,433	42,924
Bank Charges	11,622	8,965
	<u>1,170,807</u>	<u>871,355</u>

6. Governance Costs

	Year Ended 31 December 2014 £	Year ended 31 December 2013 £
Staff Costs (including consultants)	121,405	119,884
Staff & volunteer support costs	5,257	12,647
Fundraising Costs	233	-
Office Rental and Costs	21,897	3,638
Communication Costs	4,634	8,495
Direct Activity Costs	-	5,788
Computing Costs	5,257	8,814
Maintenance costs	1,790	4,769
Professional Costs	5,757	4,090
Bank Charges	3,874	996
	<u>170,104</u>	<u>169,121</u>

7. Net Incoming Resources

	Year Ended 31 December 2014 £	Year ended 31 December 20s13 £
Net incoming resources is arrived at after charging:		
Depreciation	27,228	40,289
Auditors' Fees for audit services	9,480	9,480
Auditor's Fees for non-audit services	3,000	1,800
Operating lease rental	<u>138,780</u>	<u>142,914</u>

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8. Staff Costs and Directors Remuneration

	Year Ended 31 December 2014 £	Year ended 31 December 2013 £
Wages and Salaries	1,945,510	1,809,194
Social Security Costs	259,677	277,134
Pension	140,843	127,390
	<u>2,346,030</u>	<u>2,213,718</u>
Average monthly number of employees during the year calculated on a full time equivalent basis, was	33.0	30.6

In 2014 seven employees received remuneration at the rates shown below:

1 above £130,000 p.a.	1 above £120,000 p.a.
2 above £80,000 p.a.	1 above £70,000 p.a.
2 above £60,000 p.a.	

The Trustees were reimbursed £10,194 (£14,809 in 2013) for expenses in the year but received no remuneration for their services as Trustees.

9. Tangible Fixed Assets

	Computer Equipment £	Office Equipment £	Furniture & Fittings £	Total £
Costs				
At 01 January 2014	76,073	10,441	66,602	153,116
Additions	18,075	4,326	2,754	25,155
Disposals	(10,460)	-	-	(10,460)
At 31 December 2014	<u>83,688</u>	<u>14,767</u>	<u>69,356</u>	<u>167,811</u>
Depreciation				
At 01 January 2014	60,544	4,745	57,622	122,911
Disposals	(10,460)	-	-	(10,460)
Charge for the period	15,193	4,723	7,312	27,228
At 31 December 2014	<u>65,277</u>	<u>9,468</u>	<u>64,934</u>	<u>139,679</u>
Net Book Value				
At 31 December 2014	<u>18,411</u>	<u>5,299</u>	<u>4,422</u>	<u>28,132</u>
At 01 January 2014	<u>15,529</u>	<u>5,696</u>	<u>8,980</u>	<u>30,205</u>

10. Operating Lease

The Company has one annual operating lease commitment.

Rent payable for the sum of £104,085 expiring within one year.

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11. Investments

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

	Year Ended 31 December 2014 £	Year ended 31 December 2013 £
Income	575,326	417,154
Expenditure	(572,334)	(432,344)
Net Surplus (Deficit)	2,992	(15,190)
Net Assets	31,542	29,989

12. Debtors

	31 December 2014 £	31 December 2013 £
Gift Aid	10,070	-
Other Debtors	15,983	32,474
Prepayments and Accrued Income	199,515	69,616
	225,568	102,090

13. Creditors: Amounts falling due within one year

	31 December 2014 £	31 December 2013 £
ECFR GmbH	71,620	20,322
Trade Creditors	159,888	120,311
Income & Social Taxes	105,790	85,889
Pension contributions	28,715	17,615
Sundry Creditors	1,720	34,260
Accruals	146,526	121,222
Provision for unpaid leave due	21,270	-
Deferred Income	291,967	514,597
	827,496	914,216

14. Pensions

The Standard Life Group Personal Pension Flex is available to all UK employees in line with current statutory requirements. The company makes a 10% contribution to employees with more than twelve months service. Pension costs for the year amounted to £124,511. There was £18,033 (£11,211 prior year) outstanding at the year end.

ECFR contributed £20,465 to B2V in Paris as required by French Legislation. There was £10,682 (£6,423 prior year) outstanding at the year end.

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Notes Forming Part of the Financial Statements for the Year ended 31 December 2014

15. Reserves

	01 January Bal B'Fwd	Incoming Resources	Outgoing Resources	31 December Bal C'Fwd
	£	£	£	£
Restricted Funds				
Alcoa Foundation	-	23,419	(23,419)	-
Austrian MFA	-	49,190	(49,190)	-
Communitas Foundation - Sofia	-	42,017	(42,017)	-
Compagnia di San Paolo - Turin	-	82,496	(82,496)	-
Danish Ministry of Foreign Affairs	-	19,695	(19,695)	-
Department for International Development (DFID)	-	162,627	(162,627)	-
Dutch MFA	-	15,441	(15,441)	-
European Commission	-	8,337	(8,337)	-
Finnish MFA	-	10,795	(10,795)	-
Foundation for Open Society (FOSI)	-	14,689	(14,689)	-
Fritt Ord	-	10,005	(10,005)	-
Kammarkollegiet	25,246	74,537	(99,783)	-
Korea Foundation	-	10,858	(10,858)	-
Körber-Stiftung	-	1,988	(1,988)	-
Norwegian Ministry of Foreign Affairs	26,592	333,470	(360,062)	-
Robert Bosch Stiftung	-	144,479	(144,479)	-
Royal Norwegian Embassy in Beijing	-	56,576	(56,576)	-
Santander	-	42,017	(42,017)	-
Skoll Global Threats Fund	36,152	72,225	(108,377)	-
Slovak MFA	-	6,254	(6,254)	-
Statoil (UK) Ltd	-	20,240	(20,240)	-
Stiftung Mercator - Berlin	-	27,966	(27,966)	-
Swedish International Development Cooperation Agency (Sida)	104,982	353,711	(458,693)	--
UniCredit SpA – Rome	-	105,246	(105,246)	-
	192,972	1,688,278	(1,881,250)	-

ECFR contributed to the work supported by these restricted funds as the restricted funds were fully expensed. There were no restricted reserves at the year end.

Restricted income and expenditure are both enhanced by an additional £861,464 of goods and services received In Kind.

ECFR remains grateful to all its funders for the generous support provided in 2014, especially our core funder the Open Society Foundations.

Restricted Funds

More detail on the restricted funds which we received in 2014 is stated below.

Alcoa Foundation; a grant to support our project on 'Political Economy of getting Europe to pass a meaningful TTIP'.

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Notes Forming Part of the Financial Statements for the Year ended 31 December 2014

Austrian MFA; a grant to support ECFR's Global Strategy initiative.

Communitas Foundation; a grant to support our Sofia office and our activities in Bulgaria.

Compagnia di San Paolo; a grant towards the research and production of the European Foreign Policy Scorecard.

Danish Ministry of Foreign Affairs; a grant for to support the MENA programmes Middle East Peace Process project.

The **Department for International Development (DFID)** in the UK supported us with a grant for development and dissemination of evidence and policy tools to support the Middle East Peace Process.

Dutch Ministry of Foreign Affairs; a grant to support ECFR's MENA and Wider Europe programmes.

European Commission Representation in the UK; a grant for a series of events in the 'Europe and its citizens: Bridging the Gap' project.

Finnish Ministry of Foreign Affairs; a grant to support the Wider Europe programme's CARE initiative.

Foundation for Open Society (FOSI); support for our Human Rights initiative

Fritt Ord; a grant to support ECFR's project on 'Surveillance, privacy and security: Europe's confused response to Snowden'

Kammarkollegiet; supported our work in the Middle East and North Africa (MENA)

Korea Foundation; supported the China & Asia programme's project 'China's Rise, Asia's Response'

Körber-Stiftung; support for our MENA programme.

The **Norwegian Ministry of Foreign Affairs;** support for our MENA programme in 2014.

Robert Bosch Stiftung; grants to support our China and Asia programme's project on 'China's Rise, Asia's Response' and the Wider Europe programme's EU-Russia Strategy Group.

Royal Norwegian Embassy in Beijing; support for our China and Asia programme

Santander; a grant to support ECFR's project on Banking Union

Skoll Global Threats Fund supported the MENA programme in their research into Options for De-escalation of the Syrian Civil War and Regional Conflict.

Slovak Ministry of Foreign Affairs; a grant to support the Wider Europe programme's CARE project.

Statoil (UK) Ltd; a grant to support the Wider Europe programme's CARE initiative.

Stiftung Mercator gave funding support to ECFR's China programme and the London Office as well as providing significant support for the Berlin Office through ECFR Deutschland GmbH.

Swedish International Development Cooperation Agency (Sida) supported our MENA programme and the Wider Europe programme's CARE project.

UniCredit Spa; a grant providing office space in Rome and provision of ECFR activities in Rome and the rest of Europe.