



European Center for
Not-for-Profit Law

annual report

2024

European Center for
Not-for-Profit Law Stichting
at The Hague

[registration number 73239518 \(Dutch chamber of commerce\)](#)

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BOARD REPORT

1. GENERAL INFORMATION

1.1 Objectives of the Foundation

The foundation "ECNL" was founded on 28 November 2018.

The objectives of the foundation are

- protect human rights, including the freedoms of association, assembly, expression and privacy;
- support the development of civil society and public participation at the local, national, and international levels;
- promote the democratic legal order;
- support the development of appropriate policies and laws affecting civil society, philanthropy, impact investing, social enterprise, international development cooperation, and the impact of new technologies on human rights and civil society;
- provide support to other organisations and to undertake research and educational initiatives to advance the foregoing objects.

1.2 Governance and Organisation

The governance structure of ECNL is set up as follows:

- The Board is entrusted with the day-to-day management of the Foundation to enable the Foundation to carry out its activities, in view of the objectives included in its articles of association, the strategy, the policy and the results thereof;
- The Supervisory Board, which is responsible for supervising the Board and re-appoints members of the Board;
- The Board delegates its representative power and appoints two proxy holders to grant each of them a general and full power of attorney, especially to act on behalf of the Foundation with regard to all legal acts and to represent the Foundation independently towards third parties on all matters for which the board is responsible .

The structure is set out below:

1.2.1. Composition of the Supervisory Board in 2024

- Mr. Emile van der Does de Willebois (The Netherlands)
- Dr. Natasha Gaber-Damjanovska (North Macedonia)
- Ms. Nilda Bullain (Hungary/US)

1.2.2 Composition of the Board in 2024

- Ms. Pia Tornikoski (Finland) - Chairperson
- Mr. John Clark (United Kingdom) - Treasurer
- Ms. Nelleke Hoffs (Netherlands) - Secretary

1.2.3. Proxy Directors

- Katerina Hadzi-Miceva Evans - Executive Director
- Judit Varga - Director of Finance and Operations

2. TAXES

For tax purposes, ECNL operates with fiscal number (RSIN) 859416148. It pays taxes on salaries and VAT on consultancy income. ECNL is not considered an enterprise and as such is not liable for Corporate Income Tax.

ECNL is designated by the Tax Administration as an institution for General Benefit (Algemeen Nut Beogende Instelling or ANBI). Donations to ECNL can therefore be deducted from income tax, as well as from company and inheritance tax.

3. ACTIVITY REPORT 2024

Empowering Civic Action, Enriching Societies

Vision, mission and goals

ECNL vision is of a world where every individual has the freedom, power and possibilities to shape a just, inclusive, and sustainable future through collective action.

In our vision, people flourish in a world and a planet which are thriving, just and safe; people are empowered with the freedoms and resources to unite, express themselves, and shape their societies, institutions and processes are participatory, rooted in justice, human rights, and equity, and a diverse, vibrant ecosystem of advocates protects and expands the ability of people to create a positive change.

For over 20 years, we have remained committed to in our mission to:

empower individuals and groups to take collective action and address societal challenges.

We do so by championing civic freedoms, anticipating and analysing trends that influence collective action, and strengthening legal protections globally and nationally. With partners, we build powerful coalitions and mobilise diverse actors to safeguard spaces for collective action and bring progressive change.

We aim to achieve the following impact:

1. Spaces for Collective Action are Enhanced and Protected

Drive the advancement and protection of freedoms of association, assembly and participation, and people's spaces for action by influencing and shaping laws, policies and systems at national, regional, and multilateral levels.

2. Civil Society is Sustainable and Influential

Reinvigorate the capacity of activists and groups to influence, protect, and create impact by co-developing innovative models, resources, and tools that ensure independence, sustainability and foster the essential conditions for meaningful engagement.

3. Civic Society is Mobilised and Supported

Strengthen connections among civil society working on different issues to benefit from diverse expertise in reaching goals; and build bridges with other sectors by identifying synergies, cultivating partnerships with new actors, and aligning around shared goals to amplify collective impact.

4. Civil society has foresight and tools to anticipate and address trends

Enhance civil society's resilience and adaptability to address ongoing and new issues by anticipating trends, providing forward-looking insights, strategic guidance for preparedness, and expert support to protect collective action and achieve change.

How we drive change:

1. Anticipating and Leading on Emerging Issues

We are curious about the future, so we:

- Proactively monitor signals of change
- Predict, unveil, and connect trends affecting action
- Employ a cross-disciplinary approach to understand intersecting issues
- Envision a range of organising models and collective actions
- Work with partners to engage around new opportunities or challenges

2. Testing Innovative Approaches

In partnership with diverse stakeholders, we:

- Test novel approaches
- Connect with diverse actors and atypical allies
- Launch global advocacy campaigns
- Change and advocate for better laws and policies
- Create practical tools for protection and engagement

3. Cultivating Vibrant Coalitions for Action

Our collaborative approach involves:

- Building equitable and partnerships across sectors
- Rapidly mobilising diverse partners for action
- Co-creating global and national hubs for expertise and action
- Enabling partners to lead change
- Opening pathways for direct participation in global and regional bodies.

4. Providing Cutting-Edge Legal and Strategic Expertise

We contribute to the knowledge base by:

- Conducting research on new and cross-cutting trends
- Documenting lessons learned from various initiatives
- Co-creating practical tools for change-makers
- Developing legal guidance to open spaces for action
- Reforming narratives and trends that limit progress.

Summary of Activities

1. Increasing CSOs' financial sustainability: protecting the space for digital fundraising

Civil society needs long-term and diverse funding to be able to mobilise communities and respond to emerging social and democratic challenges. However, CSOs' access to resources is continuously challenged. The consequences of the US funding cuts are acutely felt among civil society [in the EU](#) as well as its [Eastern Neighbourhood](#) – with organisations facing up to 90% of their funding frozen, scaling back activities, reducing staff or even shutting down completely. Additionally, authoritarian governments adopt laws that [label CSOs as foreign agents](#) if they receive funding from abroad – a legislative move that not only stigmatises and discredits organisations, but also restricts their ability to rely on diverse income.

That is why ECNL supports partners to explore new income sources, including domestic resource mobilisation and raising funds using digital technologies. Our work helps create platforms and the legal environment needed to leverage alternative sources of funding.

In **North Macedonia**, ECNL worked with the [Association Konekt](#) to create a supportive legal environment for philanthropy and introduce new mechanisms to support mobilisation of funding from communities. As a result, Konekt developed and launched a [digital crowdfunding platform “Op-Op”](#). Since the launch in July 2024, the platform hosted 31 civil society campaigns, generating income from 150 individual donations worth a total of 6,000 EUR. 85% of organisations that campaigned on Op-op used digital fundraising as a tool for the first time. Konekt measures the platform's potential social impact: if all the active campaigns achieve their goals, the lives of over 90,000 people will be improved. In parallel, ECNL and Konekt also proposed amendments to the government for reforming philanthropy laws and developed self-regulatory guides: if adopted, these will strengthen the wider philanthropy infrastructure and improve fundraising practices.

Similarly, in **Moldova**, we worked with partners to increase the opportunities for civil society to access domestic funding sources.

This is especially important to mobilise civic engagement, diversify resources and build stronger connections with communities, [assessment](#) with our partners, [CONTACT Center](#), the [Platform for the Development and Promotion of Philanthropy](#) and [ICNL](#) which identified practical challenges for effective fundraising via crowdfunding platforms, SMS donations or fundraising events and opportunities for legal reform. Our [recommendations for philanthropic law reform](#) are expected to be incorporated in the revised laws that regulate the so-called “percentage designation mechanism” which attracts funding from individual donors.

We also monitor, analyse and mobilise civil society around regional and global policies that affect their opportunities to raise resources from communities. For example, the increased focus on countering use of digital payment systems by terrorists has resulted in global and regional policies that impede civil society fundraising efforts. For example, the new EU rules on Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) may potentially impact CSOs’ crowdfunding or raising funds through crypto currencies. We see similar threats at the global level, too. The UN published new principles for member states on preventing the use of new financial technologies for terrorist purposes, pointing to donation-based crowdfunding platforms as most likely to be exploited for such purposes. To [raise awareness of this new trend](#), understand potential impact and proactively prepare, we convened experts to analyse emerging regulations and formulate advocacy recommendations. We organised sessions for civil society, policymakers and reached out to digital platforms to discuss how to resolve this trend. Through our “Learning Center on Philanthropy” (a free online self-learning tool) we promote the importance of and raise broader awareness of the regulatory framework that affects fundraising and empower CSOs globally to monitor developments.

ECNL will continue to coordinate efforts with a diverse network of groups to safeguard the space for digital fundraising. At the EU level, many technical standards and guidelines around this issue are yet to be developed, creating multiple opportunities to engage with institutions and help minimise the harm to the nonprofit sector. ECNL will monitor how these principles are implemented, mobilise civil society and other partners in joint advocacy, and proactively engage to ensure that relevant regulatory bodies do not adopt disproportionate measures that harm civil society sustainability efforts.

2. Integrating civic space safeguards in technology regulation in the EU

In recent years, the European Union, the Council of Europe, the United Nations have been actively developing regulations to govern Artificial Intelligence (AI). These frameworks play a pivotal role in shaping the future of AI development and use. ECNL is committed to ensuring that these emerging regulations prioritise people and society, incorporate safeguards against the misuse of AI and protect fundamental freedoms of association and assembly. To achieve this, ECNL has contributed to policy discussions by bringing expertise and perspectives from organisations focused on civic space, human rights, and marginalised groups. Their insights are essential in holding technology accountable and ensuring it serves the public good.

The European Union adopted the AI Act in 2024 after a 3-year period of legislative development. It is the most comprehensive attempt to regulate AI technologies globally. ECNL engaged in vigorous advocacy towards EU institutions with diverse coalitions throughout the negotiation process and succeeded in securing some significant improvements and strong safeguards.

As a result, the AI Act includes [prohibitions of the most harmful AI systems](#), such as real-time facial recognition by law enforcement authorities or automated predictive policing using algorithms to identify individuals at risk of criminal activity. It also requires public authorities to conduct mandatory assessments of how risky AI systems affect people's fundamental rights before using these systems and to publish information about risky systems being developed or used.

However, the final version of the Act also has [far-reaching exceptions](#), which lower protection standards, especially in law enforcement, migration and national security.

The implementation and enforcement phase that now follows will decide whether the Act can indeed be an effective tool to challenge the harmful impacts of AI on rights and freedoms. Civil society must be an active partner in this process to secure accountability over AI. We, therefore, work with partners to engage effectively by developing [resources to help them shape the outcomes of the implementation process](#), creating [explainer videos](#) and providing guidance on how to [advocate for stronger protections](#) for fundamental freedoms in their countries.

3. Mobilising to reclaim civic freedoms from the security paradigm

Governments frequently misuse laws that were originally aimed at fighting terrorism or financial crimes to target human rights defenders, journalists, activists and broader civil society groups. Authorities frame dissent, human rights work and increasingly, climate activism, as a security threat. To address this trend, ECNL and its partners co-created the [Global Expert Hub](#) as an informal coalition of CSOs and activists from across the world, who are committed to challenge this framework and the harmful narratives. The Hub offers space for knowledge brokering, solidarity and support, collects evidence and builds members' skills to advocate for positive changes in their countries.

In 2024, on the margins of the assembly of the World Movement for Democracy, 70 members of the Global Hub from 41 countries [gathered](#) in Johannesburg, South Africa, to reconnect, exchange knowledge and share their strategies against securitisation-related restrictions on civic freedoms. We discussed how they can strategically use the latest Recommendation 8 of the Financial Action Task Force to counter restrictions from anti-money laundering and terrorism financing rules, financial access challenges, and impact on crowdfunding and fundraising efforts. In addition, we focused on how to build resilience against the most critical challenges that partners identified. This includes, for example, how to respond to the impact of biometric surveillance in their work. Inspired by the recent ECNL [report](#), they increased understanding of and discussed ways to resist the use of biometric surveillance in the public space and avoid amplifying structural discrimination and oppression of marginalised groups.

The meeting also hosted a consultation with the UN Office of Counter Terrorism, allowing partners to engage in consultation and dialogue about the upcoming goFintel software which is used to target financial dealings that could potentially be used to fund terrorism. The Hub presented collected evidence of the harm and financial exclusion from the use of fintech, and provided recommendations on how human rights safeguards should be considered.

4. Improving resilience and financial access for civil society on the move

Civil society organisations and activists in many countries work in hostile environments, under increasing legal pressure or unsafe circumstances because of their human rights work. As a result, many of them develop new strategies for survival and explore alternative ways of operating. This may include registering a branch office in a new country, relocating staff and resources there or working as an unregistered group. ECNL offers [diverse resources](#) that help these groups and human rights defenders at risk navigate different aspects of such scenarios.

A large part of our work on this issue focuses on finding solutions to improve CSOs' banking conditions. This is why we launched the [Nonprofit Banking Guide](#): a tool focusing on how nonprofits can open and manage an organisational bank account in Europe.

This helps them identify the most benevolent banking practices. A partner that successfully opened a bank account said our publications “*played a key role in inspiring and guiding us toward making this strategic move*”.

We also investigated and published a summary report highlighting the key [banking challenges faced by exiled groups](#), based on insights gathered through an extensive survey. The research raises awareness of the difficulties – including when opening bank accounts, transferring funds or facing account closures – and also identifies how practices can be changed. One of the organisations from South Africa remarked: “[t]his report highlights a critical yet under-discussed issue.” The insights will support our advocacy efforts to improve financial access.

As a next step, ECNL maps out the details of how hybrid models of work and operating from different locations impact CSOs' access to financial services. We are also in dialogue with decision-makers, bank associations and CSOs to find long-term structural solutions to the issues we identified together.

5. Supporting environmental defenders

Environmental human rights defenders are the driving force in advocating for actions to address the climate crisis. Doing so, they often risk their own safety. Despite their vital role, they are often sidelined in decision-making regarding the future of our shared habitats, ecosystems and resources. That is why ECNL joined forces with other civil society organisations, environmental human rights defenders, Indigenous groups, UN bodies, funders and government leaders to co-create a new initiative.

The [Leaders Network for Environmental Activists and Defenders \(LEAD\)](#) is a informal network that aims to serve as a platform to advance the protection of defenders and strengthen their recognition, protection and participation in multilateral climate discussions.

LEAD is co-created through several discussions – for example, during the 2024 New York Climate Week, the LEAD coalition hosted a closed-door session and a high-level convening to highlight what defenders need to safely exercise their rights and participate in the climate discussions that affect them. These events demonstrate how defenders and governments can work collaboratively to understand the impact government measures have on the defenders work and develop progressive solutions to protect them and include defenders in climate negotiations.

The LEAD initiative also had a stage moment at the [2024 Global Citizen Festival](#), calling for the [protection of environmental human rights defenders](#) and [civic space](#) in front of a crowd of 60,000 people in Central Park and 100 million people online.

In parallel, LEAD is also analysing existing practices that expand the space for defenders, seeking to inspire innovation and greater ambition from governments and multilateral institutions. The forthcoming COP30 in Brazil will be a crucial opportunity to strengthen these efforts.

6. From monitoring to shaping laws and policies

Monitoring changes to laws impacting civil society is crucial for responding swiftly and countering restrictive measures. Evidence gathered through such monitoring empowers civil society groups to prioritise and address key challenges strategically.

Early identification of trends, legislative opportunities, or shifts in public attitudes enables civil society to advocate for meaningful law reforms. This is why ECNL has made monitoring the space for civil society a core activity.

In the Eastern Partnership region of the EU, 25 organisations have successfully advanced these efforts under the CSO Meter initiative. This collaboration has led to significant achievements, such as mobilizing global support against [Georgia's](#) Foreign Agents Law and protesting the country's drift toward autocracy. Despite operating from exile, Belarusian partners maintained their monitoring and advocacy efforts at both international and national levels. In Azerbaijan, hub members persevered amid escalating repression, while others continued their work during the war in Ukraine. ECNL bolstered these initiatives by providing advocacy grants for additional financial support.

Even in challenging circumstances, there have been positive developments. For example, partners successfully pushed for the establishment of a new government department in [Armenia](#) to promote public participation and open governance. Additionally, CSO Meter has influenced global and regional bodies, with its data referenced in the [UN High Commissioner for Human Rights'](#) report. The report highlights tools like CSO Meter and calls on states to improve access to relevant data while ensuring that contributors to civic space assessments can operate safely.

We introduced a new tool to address a critical gap by monitoring civic space developments within EU member states. Known as Monitoring Action for Civic Space - [MACS](#), this initiative will offer systematic and detailed evidence to EU institutions, enabling them to take proactive measures before conditions deteriorate further in any country. The first early warning updates from MACS are set to launch in spring 2025, with comprehensive country reports expected in 2026.

7. Addressing critical trends and issues

The narrative that civil society are representing foreign interest if they receive funding from abroad is increasingly impacting the work of organisations and activities. Under the “foreign interference” laws, authorities impose harmful labels, excessive administrative burdens and heavy sanctions for civil society. Most recently such laws are also redrafted to limit advocacy efforts and participation of civil society significantly limiting their ability to influence policies or hold governments to account. ECNL worked with partners to develop counter-arguments, legal expertise, mobilise support, connect groups to share learnings and enhance knowledge on legal avenues to protect their spaces for action and civic freedoms.

For example, **Slovak** organisations face a [larger trend of suppressing civil society](#): the government stigmatised foreign funding, limited access to information and restricted freedom of assembly. ECNL convened a knowledge sharing meeting with key groups on how they can use EU law as a tool to push back against such restrictions. Participants commended the timeliness and content of the session. ECNL delivered [similar training sessions](#) for organisations from **Bulgaria, Croatia, Portugal, Romania and Slovenia**, and will launch a new online learning module to help groups understand how to use the relevant EU law to challenge national laws. We also worked with partners to alert the international community to step up; as a result, the Council of Europe Expert Council on NGO Law published an [opinion on the proposed 'foreign agent law'](#) and [study on the stigmatisation of NGOs in Europe](#) and quoted our expertise and published material in both.

In response to a series of restrictive laws in **Georgia**, ECNL worked with partners to develop legal arguments and mobilise support. Partners found our monitoring findings and legal analyses important tools in advocating against the [foreign agents law](#): *“ECNL has excelled in pinpointing relevant developments in each country, consistently demonstrating a willingness to engage in discussions, organise meetings, share experiences, and provide effective solutions.”*

In **Bosnia**, we supported CSOs, media organisations and human rights defenders to quickly identify risks posed by emerging legal restrictions on their spaces for action. In cooperation with local lawyers, we developed a broad range of materials on legal compliance, civic activism and registration. We also hosted a digital security training for CSOs and activists under the potential risk of surveillance. Our efforts helped CSOs better mitigate risks and strengthen their legal and digital resilience

In **Republika Srpska** the alarming [trend to limit critical voices](#) continued throughout 2024. Although the [Law on the Special Registry of Non-Governmental Organisations](#), a discriminative law [labelling CSOs as agents](#) if they receive foreign funding was withdrawn at the end of 2024, it was adopted early 2025. We co-convened groups to [learn from each other](#)’s successful tactics against similar restrictions in **Hungary, Serbia and Slovakia**. The cases studies shared inspired partners with their own national advocacy actions to design strategies and build coalitions to respond to the emerging limitations.

In addition, the European Commission’s Defence of Democracy package, aimed at countering foreign interference and strengthening democratic resilience, has sparked significant debate over its potential impact on civil society. While the package includes positive measures to enhance civic engagement and electoral security, its proposed directive on foreign-funded organisations has drawn widespread criticism from over 230 civil society organisations across Europe. The proposed registry risks labelling foreign-funded organisations as suspicious actors, mirroring restrictive “foreign agent” laws. It may also deter donations particularly for organisations working on sensitive issues as human rights. ECNL actively worked with a coalition of European and national partners to respond to this initiative providing [legal expertise](#), sharing lessons from the Eastern European context and coordinating with UN Special Rapporteurs to sharpen legal arguments.

8. Advancing standards on freedom of assembly and civil disobedience

Authorities increasingly respond to climate protests and acts of civil disobedience by [repressing](#) those that speak up for the environment. To ensure environmental defenders' rights are protected, the UN Special Rapporteur on Environmental Defenders is preparing new [guidelines on the right to peaceful environmental protest and civil disobedience](#) for governments, but also media outlets and national human rights institutions on the concrete steps they can take. The document aims to respond to situations as in [Italy](#), which proposed a security law to criminalise peaceful human roadblocks, or the [UK](#) and [Slovakia](#), which excessively punish environmental protesters. ECNL provided legal expertise in the drafting process and supported the Rapporteur to convene activists, academics, journalists and human rights experts to bring in their perspectives into the document. The guidelines will be published in 2025; they will be a powerful advocacy tool and offer robust arguments in strategic litigation in national and international courts.

9. Researching cross-cutting trends

In 2024 ECNL also published several research papers to address new trends and open avenues for discussion about new opportunities.

For example, ECNL's researched whether AI tools and platforms can really make engagement in policymaking more inclusive and impactful or if they will cause more divide and harm to already excluded voices. Based on our [research](#) and discussions with EU institutions, platform developers and organisations, we mapped the potential benefits and risks of these technologies, and put forward recommendations on how platform operators can ensure due diligence when using AI systems to enhance public participation.

In recent years, we have seen a surge in algorithmic-driven biometric surveillance, particularly facial and emotion recognition. Yet these systems are fundamentally incompatible with democracy and human rights. Feedback from partners at the Global Expert Hub highlighted a pressing need to better understand the range of tactics and strategies CSOs can use to push back against such technologies. This is especially important for organisations that represent marginalised groups and do not typically engage in digital rights, so that they can take action in their respective context. Our aim is for this [research](#) to serve as an initial blueprint for CSOs worldwide to act against biometric surveillance in their communities.

4. FINANCIAL OVERVIEW

Financial position and liquidity

The financial position of ECNL is healthy. The current ratio (current assets divided by total debts) is 200%. This is sufficient to meet the short- and long-term payment obligations.

The capital management is risk averse and the cash equivalents of ECNL are and will only be held in current accounts. Cash and cash equivalents decreased (from € 2.018.690 in 2023 to € 1.501.441 in 2024). This is mainly due to spending of cash for project activities in 2024 received in advance in 2023. The current liquidity position is sustainable.

Financial result 2024 and allocation

In 2024 ECNL achieved a positive balance of income and expenditure of € 52.177, budgeted was € 70.165 positive.

The income and expenditure balance of € 52.177 is allocated to the designated reserve. The balance of the continuity reserve on 31 December 2024 is € 750.973. The continuity reserve is designed to create a buffer to ensure the stability of the mission, programs, employment, and ongoing operations of the organisation. It is intended to provide an internal source of funds for situations such as sudden increases in expenses, one-time unbudgeted expenses, unanticipated or uninsured losses.

The targeted amount of the reserves is equal to six months of average operating costs. The calculation of average monthly operating costs includes all recurring, predictable expenses such as salaries, occupancy, office, program, and ongoing professional services. Per balance date the continuity reserve is 53% of six months of average operating costs in 2024.

Financial health

The organisation remains in a stable financial position, though not without challenges. While previous years saw steady financial growth and increased capacity, the current global political and economic uncertainty, including the termination of USG funding, has introduced a level of unpredictability and also resulted in a gap in the projected 2025 budget (as seen in the Budget 2025 below). In response, we are closely monitoring the evolving situation and its potential impact on our operations. Although short-term cash flow pressures may require the use of reserves, we are actively pursuing alternative funding sources. At the same time ECNL is reviewing its programming in line with its new Strategy and priority needs, as well as staffing to address the current situation. Several new funding proposals have been submitted recently, and we have engaged a fundraising advisor to strengthen our resource mobilisation efforts. We remain cautiously optimistic that these actions, along with prudent financial management, will support the organisation's sustainability through this period of uncertainty.

Fraud

ECNL is committed to maintaining strong internal controls and transparency in all financial matters. In line with this, we have implemented a system where every expense undergoes a three-tiered approval process to ensure accuracy, legitimacy and compliance. This includes review and approval at the staff, management and board levels, depending on the nature and size of the expense. Additionally, we maintain a well-organised documentation and filing system, allowing for easy traceability and auditability of all financial transactions. Our accounting practices are conducted with diligence and prudence, and we ensure that all supporting documents are properly reviewed and stored.

To date, we have not identified any indicators of fraud, and we believe that the controls currently in place are sufficient for the size and complexity of our organisation.

5. FUTURE PLANS OF ACTIVITIES

In 2024, ECNL undertook a comprehensive strategic development process where it reviewed its strategic goals for the upcoming years, focus areas as well as organisational model. In addition, as part of this process ECNL's Board and team agreed to review its governance structure so to strengthen guidance and support by the governing bodies and further integrate partners' input in programming. ECNL will work with Dutch experts to draft the revised governance documents accordingly. As noted above, ECNL will review its programs and models in light of the geopolitical situation and implications on its work, and make necessary adjustments to ensure it remains sustainable and effective and address the current gap in the budget.

BUDGET 2025

€

Income

Project income	2.588.829
Other	0
Total income	<u>2.588.829</u>

Expenditure

Personnel and staff related costs	1.677.493
Operation costs	141.922
Housing costs	42.000
Office costs	28.364
General expenses	963.148
Depreciation	0
Total expenditure	<u>2.852.927</u>

Balance of income and expenditure before financial income and expenditure	-264.098
Financial income and expenditure	-3.633
Extraordinary expenses	0
Balance of income and expenditure	<u>-267.731</u>

Allocation of balance from income and expenditure	
- Continuity reserves	<u>-267.731</u>
Total	<u>-267.731</u>

At the time the 2025 budget was prepared, ECNL was managing the impact of the termination of the US government funded grants, along with reductions from other key partners. This resulted in a projected shortfall of € 267.731. The gap reflects not only activity costs but also core expenses such as staff salaries and overhead. While this represents a one-year deficit, it does not reflect the overall health of the organisation. ECNL remains financially sound, with sufficient reserves to cover the shortfall if needed. More importantly, we are actively pursuing new funding opportunities to close the gap in 2025. Discussions with several potential donors are already underway, and we are optimistic about securing additional support.

The Hague, 27 May 2025

Board

Ms. Pia Tornikoski (Chairperson)

Mr. John Clark (Treasurer)

Ms. Nelleke Hoffs (Secretary)

Supervisory Board

Mr. Emile van der Does de Willebois

Dr. Natasha Gaber-Damjanovska

Ms. Nilda Bullain

A. Balance sheet as at 31 December 2024

	<u>31-12-2024</u>	<u>31-12-2023</u>
	€	€
ASSETS		
Fixed assets		
- Intangible fixed assets	48.335	61.410
- Tangible fixed assets	<u>1.788</u>	<u>4.663</u>
Total fixed assets	<u>50.123</u>	<u>66.073</u>
Current assets		
- Receivables	579.978	107.174
- Cash and cash equivalents	<u>1.501.441</u>	<u>2.018.690</u>
Total current assets	<u>2.081.419</u>	<u>2.125.864</u>
Total assets	<u><u>2.131.542</u></u>	<u><u>2.191.937</u></u>
LIABILITIES		
Reserves and funds		
- Continuity reserve	750.973	750.973
- Designated reserve	<u>608.155</u>	<u>555.978</u>
Total reserves and funds	<u>1.359.128</u>	<u>1.306.951</u>
Short-term liabilities	<u>772.414</u>	<u>884.986</u>
Total liabilities	<u><u>2.131.542</u></u>	<u><u>2.191.937</u></u>

B. Statement of income and expenditure 2024

	Actual 2024	Budget 2024	Actual 2023
	€	€	€
<u>Income</u>			
Project income	2.814.703	3.098.198	2.882.054
Total income	2.814.703	3.098.198	2.882.054
<u>Expenditure</u>			
Personnel and staff related costs	1.636.442	1.709.090	1.200.030
Operation costs	190.166	180.775	86.596
Housing costs	37.951	42.129	33.386
Office costs	39.780	23.584	41.196
General expenses	894.703	1.062.895	1.193.536
Depreciation	15.950	0	7.166
Total expenditure	2.814.992	3.018.473	2.561.910
Balance of income and expenditure before financial income and expenditure	-289	79.725	320.144
Financial income and expenditure	52.466	-9.560	-13.110
Balance of income and expenditure	52.177	70.165	307.034
Allocation balance of income and expenditure			
- Continuity reserve	0	70.165	270.301
- Designated reserve	52.177	0	36.733
Total	52.177	70.165	307.034

C. Cash flow statement

	<u>2024</u>		<u>2023</u>	
	€	€	€	€
<u>Cash flow from operating activities</u>				
Balance of income and expenditure	52.177		307.034	
Depreciation	<u>15.950</u>		<u>7.166</u>	
		68.127		314.200
Mutations in work capital:				
- Receivables	-472.804		58.229	
- Short-term liabilities	<u>-112.572</u>		<u>334.447</u>	
Total mutations in work capital		<u>-585.376</u>		<u>392.676</u>
Total cash flow from operating activities		-517.249		706.876
<u>Cash flows used in investing activities</u>				
Purchases	0		-65.395	
Desinvestments	0		0	
Depreciations desinvestments	<u>0</u>		<u>0</u>	
Total cash flows used in investing activities		<u>0</u>		<u>-65.395</u>
Net increase in cash and cash equivalents		<u>-517.249</u>		<u>641.481</u>
Cash and cash equivalents 1 January	2.018.690		1.377.209	
Cash and cash equivalents 31 December	<u>1.501.441</u>		<u>2.018.690</u>	
Changes in cash and cash equivalents		<u>-517.249</u>		<u>641.481</u>

Notes to the cash flow statement

The cash flow statement analyses the changes in cash and cash equivalents between 1 January 2024 and 31 December 2024 and is prepared according to the indirect method.

D. Accounting policies

The principal accounting policies applied in the preparation of these annual accounts are set out below.

General information

The reporting entity, the European Center for Not-for-Profit Law Stichting (ECNL), was founded on 28 November 2018. It has its registered office in The Hague, and is registered at the Dutch chamber of commerce under registration number 73239518.

The objectives of the Foundation, under its Articles of Association reads as follows: To protect human rights, including the freedoms of association, assembly, expression and privacy.

Assets and liabilities are stated at face value unless a different valuation principle is mentioned.

These financial statements are prepared in accordance with Dutch Accounting Standard Board's Guideline for Annual Reporting C1 for small not-for-profit organisations. Unless otherwise indicated, assets and liabilities are entered at nominal value under the historical cost convention and are used for the Foundation's objectives.

Going concern

The accounting policies within the financial statements are based on the assumption that ECNL will be able to continue as a going concern.

Comparative figures

The accounting policies are consistent with those used in the previous year.

Currency

The reporting currency is Euro (EUR). Transactions denominated in other currencies conducted during the reporting period are recognised in the annual accounts at the rate of exchange on the transaction date. Any resulting exchange differences are recognised through income and expenditure. Amounts denominated in other currency have been converted into Euro (EUR) using the exchange rate valid on the transaction date. Exchange differences are accounted for in the statement of income and expenditure unless a different rate is mentioned.

Fixed assets

These are shown at historical cost. Depreciation and amortisation are calculated based upon these assets according to the straight-line method on the expected useful life of the class of asset concerned. If there is deemed to be a permanent diminution in the value of an asset, the appropriate value adjustment is made. Depreciation percentages are 20% for both applications and equipment.

Receivables

Receivables are stated at face value with a net of provisions for doubtful debts where necessary.

Grants receivable/grants received in advance

The surplus of cash received by the donor/grantor in the reporting period in comparison to the recorded grant income is accounted for in the balance sheet as 'Grants received in advance'. If the recorded grant income exceeds the received cash advance, the difference is accounted for as 'Grants receivable' on the balance sheet.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank balances. Cash and cash equivalents are stated at face value.

Liabilities

Liabilities are initially recognised at fair value. Transaction costs directly attributable to the incurrence of the liabilities are included in the measurement on initial recognition. Liabilities are subsequently measured at amortised costs; this is the amount received plus or less any premium or discount and net of transaction costs.

Income and expenditure

Income and expenditure are recognised as they are earned or incurred and are recorded in the financial statements of the period to which they relate. Losses are taken into account if they originate in the financial year and as soon as these are anticipated. Profit or loss is determined as the difference between realisable value of the services delivered and the costs and other charges for the year.

Grants are recorded as income in the financial statements of the period to which they relate. If a grant requires repayment of any unused funds within the grant period, income is recorded by matching it to the allocated expenditure of the grant. If no repayment is required, income is recorded in the period the grants relate to. Income recognition includes agreed upon coverage for indirect expenditure.

Salaries, wages and social security contributions are taken to the income statement based on the terms of employment, where they are due to employees.

Accounting policies for the appropriation

The balance of income and expenditure is processed as presented on page 15, the statement of income and expenditure.

E. Notes to the balance sheet

	<u>31-12-2024</u>	<u>31-12-2023</u>
	€	€
ASSETS		
<u>Intangible fixed assets</u>		
- Applications		
Net book value per opening balance	61.410	0
Investments	0	65.395
Minus: depreciations	<u>-13.075</u>	<u>-3.985</u>
Net book value per 31 December	<u><u>48.335</u></u>	<u><u>61.410</u></u>
Accumulated investments per 31 December	65.395	65.395
Minus: accumulated depreciations per 31 December	<u>-17.060</u>	<u>-3.985</u>
Net book value per 31 December	<u><u>48.335</u></u>	<u><u>61.410</u></u>
All investments concern development of the ECNL budget application.		
<u>Tangible fixed assets</u>		
- Equipment		
Net book value per opening balance	4.663	7.844
Investments	0	0
Minus: depreciations	<u>-2.875</u>	<u>-3.181</u>
Net book value per 31 December	<u><u>1.788</u></u>	<u><u>4.663</u></u>
Accumulated investments per 31 December	15.970	15.970
Minus: accumulated depreciations per 31 December	<u>-14.182</u>	<u>-11.307</u>
Net book value per 31 December	<u><u>1.788</u></u>	<u><u>4.663</u></u>

	<u>31-12-2024</u>	<u>31-12-2023</u>
	€	€
<u>Receivables</u>		
Project receivables	169.187	54.818
Advanced partner grants	341.878	0
Interest	6.540	7.267
Prepayments	2.614	3.039
Debtors	368	13.133
Other receivables	<u>59.391</u>	<u>28.917</u>
Total receivables	<u>579.978</u>	<u>107.174</u>

All debtors are considered as collectible.

Cash and cash equivalents

ABN AMRO EUR account	1.156.360	1.413.379
ABN AMRO USD account	337.684	605.311
Payhawk account	<u>7.397</u>	<u>0</u>
Total cash and cash equivalents	<u>1.501.441</u>	<u>2.018.690</u>

The cash and cash equivalents can be withdrawn upon demand.

LIABILITIES

Continuity reserve

Balance 1 January	750.973	480.672
Allocation balance income and expenditure	<u>0</u>	<u>270.301</u>
Balance continuity reserve 31 December	<u>750.973</u>	<u>750.973</u>

The continuity reserve is used to ensure continuity of the organisation. It is at free disposal of the board.

	<u>31-12-2024</u>	<u>31-12-2023</u>
	€	€
<u>Designated reserve</u>		
Balance 1 January	555.978	519.245
Allocation balance of income and expenditure	<u>52.177</u>	<u>36.733</u>
Balance designated reserve 31 December	<u><u>608.155</u></u>	<u><u>555.978</u></u>

The board decided to establish a reserve fund. The purpose of this is to ensure the stability of the mission, programs, employment, and ongoing operations of the organisation and to provide a source of unearmarked, discretionary funds for organisational priorities such as program opportunity and capacity building. Funds that are available for such organisational purposes are not subject to commitments, planned expenditure and spending limits. Reserves do not include restricted funds and designated project funds. The minimum amount to be designated will be established in an amount sufficient to maintain ongoing operations for a set period of time, measured in months, and if necessary, will be reviewed and adjusted in response to internal and external changes. Currently the target minimum of the reserve fund is equal to six months of average operating costs. The calculation of average monthly operating costs includes all recurring, predictable expenses such as salaries, occupancy, office supply, travel, program, and ongoing professional services.

Short-term liabilities

Grants received in advance	624.689	763.687
Creditors	84.141	44.711
Holiday payment accrual	31.699	54.195
Pension premiums	14.396	10.393
Audit fee	12.000	12.000
Payable VAT	<u>5.489</u>	<u>0</u>
Total short-term liabilities	<u><u>772.414</u></u>	<u><u>884.986</u></u>

All short-term liabilities have a maturity shorter than one year.

	<u>31-12-2024</u>	<u>31-12-2023</u>
	€	€
- Grants received in advance		
European Union	520.229	370.319
Omydiar	51.598	0
Sigrid Rausing Trust	49.006	48.468
Allianz Foundation	3.856	0
Packard Foundation	0	189.972
MOTT Foundation	0	10.791
National Endowment for Democracy	0	92.440
International Center for Not-for-Profit Law	0	40.552
German Embassy	<u>0</u>	<u>11.145</u>
Total grants received in advance	<u><u>624.689</u></u>	<u><u>763.687</u></u>

RIGHTS AND OBLIGATIONS NOT INCLUDED IN THE BALANCE SHEET

Rights

ECNL has several multiyear grant contracts with organisations. This involves the following contracts:

The Sigrid Rausing Trust has granted ECNL £ 300.000 (€ 350.805) for the period of 1 June 2022 up to 31 May 2025. This is an unrestricted grant. € 301.800 has been recognised as grant income up to the reporting period. The grant income recognised is comparable to the received grant proportionally to the project period. The remaining € 49.005 will be recognised in the period as it is received from the grantor. € 49.005 has been received in advance for the period up to 31 May 2025.

The European Union has granted ECNL € 163.761 for the period of 1 January 2023 up to 31 December 2026. € 55.378 has been recognised as grant income up to the reporting period. The grant income recognised is comparable to the direct grant expenditure. The remaining € 108.383 will be recognised in the period as it is received from the grantor and expenses are made. € 10.126 has been received in advance for the period up to 31 December 2026.

The European Union has granted ECNL € 145.424 for the period of 1 January 2024 up to 31 December 2024. € 107.967 has been recognised as grant income up to the reporting period. The grant income recognised is comparable to the direct grant expenditure. The remaining € 37.457 will be recognised in the period as it is received from the grantor and expenses are made. € 3.285 has been received in advance for the period up to 31 December 2025.

The European Union has granted ECNL € 1.499.959 for the period of 1 January 2024 up to 31 December 2027. € 308.066 has been recognised as grant income up to the reporting period. The grant income recognised is comparable to the direct grant expenditure. The remaining € 1.191.893 will be recognised in the period as it is received from the grantor and expenses are made. € 85.881 has been received in advance for the period up to 31 December 2027.

The European Union has granted ECNL € 651.822 for the period of 1 March 2024 up to 28 February 2026. € 114.562 has been recognised as grant income up to the reporting period. The grant income recognised is comparable to the direct grant expenditure. The remaining € 537.260 will be recognised in the period as it is received from the grantor and expenses are made. € 406.896 has been received in advance for the period up to 28 February 2026.

The European Union has granted ECNL € 310.328 for the period of 1 January 2024 up to 30 September 2027. € 67.002 has been recognised as grant income up to the reporting period. The grant income recognised is comparable to the direct grant expenditure. The remaining € 243.326 will be recognised in the period as it is received from the grantor and expenses are made. € 49.604 is still to be received from the donor.

The European Union has granted ECNL € 134.627 for the period of 15 February 2024 up to 15 February 2026. € 44.057 has been recognised as grant income up to the reporting period. The grant income recognised is comparable to the direct grant expenditure. The remaining € 90.570 will be recognised in the period as it is received from the grantor and expenses are made. € 63.645 has been received in advance for the period up to 15 February 2026.

ICNL had granted ECNL \$ 126.726 (€ 118.012) for the period of 1 January up to 30 November 2024. The grant has been fully recognised as grant income up to the reporting period. € 20.791 is still to be received from the donor.

The Omidyar Network has granted ECNL \$ 109.008 (€ 100.851) for the period of 15 March 2024 up to 14 March 2025. € 49.253 has been recognised as grant income up to the reporting period. The grant income recognised is comparable to the direct grant expenditure. The remaining € 51.598 will be recognised in the period as it is received from the grantor and expenses are made and has already been received in advance for the period up to 14 March 2025.

The National Endowment for Democracy has granted ECNL \$ 440.000 (€ 422.378) for the period of 1 May 2023 up to 30 September 2025. € 282.201 has been recognised as grant income up to the reporting period. The grant income recognised is comparable to the direct grant expenditure. The remaining € 140.177 will be recognised in the period as it is received from the grantor and expenses are made. € 21.439 is still to be received from the donor.

The Allianz Foundation has granted ECNL \$ 200.000 (€ 191.990) for the period of 1 September 2024 up to 31 December 2025. € 2.644 has been recognised as grant income up to the reporting period. The grant income recognised is comparable to the direct grant expenditure. The remaining € 189.346 will be recognised in the period as it is received from the grantor and expenses are made. € 3.856 has been received in advance for the period up to 31 December 2025.

Obligations

Rental contract

ECNL has signed a rental contract with Stichting Fonds 1818 on 23 September 2020 for the use of office space, located on Riviervismarkt 5 in The Hague. The contract started on 1 April 2021, with the end date of 31 March 2027, which can be renewed every three years. The rental price is € 17.039 excluding VAT per year. The contract can be terminated with a minimum of one year's written notice.

Post balance sheet events

There have been no significant events post balance date which would materially affect the annual accounts.

F. Notes to the statement of income and expenditure

	Actual 2024	Budget 2024	Actual 2023
	€	€	€
INCOME			
<u>Project income</u>			
European Union	692.604	1.238.562	539.410
Ford Foundation	649.167	592.860	643.685
International Center for Not-for-Profit Law	282.205	293.621	47.607
National Endowment for Democracy	260.282	173.488	114.165
Partners Global	146.076	255.098	142.977
Sigrid Rausing Trust	117.074	136.115	116.550
Consultancy income	81.300	0	56.420
Packard Foundation	189.972	108.240	0
MOTT Foundation	296.186	53.020	125.829
Omydiar	49.253	99.680	0
German Embassy	27.162	15.625	64.920
Association Konekt	20.778	26.289	17.088
Allianz Foundation	2.644	0	0
Open Society Foundation (OSF)	0	92.821	703.019
Inspires Project	0	0	111.630
OAK Foundation	0	0	96.576
SIDA	0	0	102.178
USAID	0	12.779	0
Other project income	0	0	0
Total project income *	<u>2.814.703</u>	<u>3.098.198</u>	<u>2.882.054</u>

* An overview of the total expenditure per grant is found in 'G. Summary of the grants 2024' (page 28).

From the total income 27% comes from government organisations, 3% comes from businesses and 70% comes from other non-profit organisations.

Core funding is funding for the organisation as a whole and concerns part of the funding of OSF, Sigrid Rausing Trust, MOTT Foundation and the Ford Foundation. Other funding is project funding and has a repayment obligation when the funding is not fully spent.

	Actual 2024	Budget 2024	Actual 2023
	€	€	€
EXPENDITURE			
<u>Personnel and staff related costs</u>			
Salaries	1.313.710		1.020.120
Social security	206.538		133.799
Pension premiums	115.275		92.170
Health insurance pay out	0		-46.059
Other staff costs	919		0
Total personnel and staff related costs	<u>1.636.442</u>	<u>1.709.090</u>	<u>1.200.030</u>
<i>FTE (average over the reporting period)</i>	20,00	19,10	15,10
<i>Number of employees (FTE) per December 31st</i>	20,40	19,40	16,60
No remuneration has been awarded to supervisory board members.			
<u>Operation costs</u>			
Website, public relations, marketing expenses	50.898	13.396	10.857
Translation services	10.447	32.191	7.671
Conference and events	128.821	135.188	68.068
Total operation costs	<u>190.166</u>	<u>180.775</u>	<u>86.596</u>
<u>Housing costs</u>			
Office rent	37.951	42.129	33.386
Total housing costs	<u>37.951</u>	<u>42.129</u>	<u>33.386</u>
<u>Office costs</u>			
Telecommunication costs	2.188	0	8.569
Office supplies	37.467	23.584	32.558
Postage	125	0	69
Total office costs	<u>39.780</u>	<u>23.584</u>	<u>41.196</u>

	Actual 2024	Budget 2024	Actual 2023
	€	€	€
<u>General expenses</u>			
Accounting and fiscal fees	110.128	112.610	90.125
Professional fees other	387.215	277.806	415.972
Sub Grantee ECNL - professional fees	92.445	392.598	365.144
Travel expenses	256.406	203.189	255.463
Insurances	48.509	50.000	48.979
Other general costs	0	26.692	17.853
Total general expenses	<u>894.703</u>	<u>1.062.895</u>	<u>1.193.536</u>

Because of the nature of our work, our actions are always planned rather than certain. We either work in unstable political and economic environments or on subjects that require more/less engagement due to their evolving nature. It is impossible to foretell what will occur in any particular year for which we must prepare, and workplans can alter as the circumstances on the ground changes. Therefore the realised amount for sub grantee is higher than budgeted.

Depreciation

Depreciation intangible assets	13.075		3.985
Depreciation tangible assets	<u>2.875</u>		<u>3.181</u>
Total depreciation	<u>15.950</u>	<u>0</u>	<u>7.166</u>

Financial income and expenditure

Bank charges	-8.464		-5.201
Interest	28.872		20.069
Currency exchange rate differences	<u>32.058</u>		<u>-27.978</u>
Total financial income and expenditure	<u>52.466</u>	<u>-9.560</u>	<u>-13.110</u>

Due to a rise of the dollar rate in the last months of the reporting period a currency profit has occurred.

G. Summary of the grants 2024

	Balance of liabilities and receivables 31-12-2023	Receivables (Grants to be received) 31-12-2023	Liabilities (Grants received in advance) 31-12-2023	Project expenditure	Grant income recognised	Grant received in cash	Balance of liabilities and receivables	Receivables (Grants to be received) 31-12-2024	Liabilities (Grants received in advance) 31-12-2024
	€	€	€	€	€	€	€	€	€
		A	B		C	D	A - B + C - D		
European Union	-370.319	0	370.319	727.234	692.604	842.514	-520.229	0	520.229
Ford Foundation	0	0	0	619.044	649.167	649.167	0	0	0
International Center for Not-for-Profit Law	-40.552	0	40.552	267.011	282.205	220.862	20.791	20.791	0
National Endowment for Democracy	-92.440	0	92.440	255.100	260.282	146.403	21.439	21.439	0
Oak Foundation	16	16	0	0	0	16	0	0	0
Partners Global	51.530	51.530	0	159.396	146.076	197.606	0	0	0
Sigrid Rausing Trust	-48.468	0	48.468	80.291	117.074	117.612	-49.006	0	49.006
Consultancy income	0	0	0	17.177	81.300	81.300	0	0	0
Packard Foundation	-189.972	0	189.972	56.786	189.972	0	0	0	0
MOTT Foundation	-10.791	0	10.791	53.977	296.186	158.438	126.957	126.957	0
Omydiar	0	0	0	49.253	49.253	100.851	-51.598	0	51.598
German Embassy	-11.145	0	11.145	25.352	27.162	16.017	0	0	0
Association Konekt	3.271	3.271	0	21.236	20.778	24.049	0	0	0
Allianz Foundation	0	0	0	2.644	2.644	6.500	-3.856	0	3.856
Packard Foundation	0	0	0	0	0	0	0	0	0
Open Society Foundation	0	0	0	93.413	0	0	0	0	0
Total	-708.870	54.817	763.687	2.427.914	2.814.703	2.561.335	-455.502	169.187	624.689

H. Annual indirect expense rate

Description	As of Dec 31, 2024	% to Total costs of project and operating expenses
	€	%
Total costs of project and operating expenses	2.814.992	
Total ECNL direct expenses	2.254.347	
Administrative expenses including management and general administration, public holidays, vacation and sick leaves, occupancy, postage, communications, legal and financial fees, bank charges, office supplies, equipment purchase computer services, general translations, insurances and dues and subscriptions.	528.525	23,4%
Board related expenses	8.476	0,4%
Website and Program development	23.644	1,0%
Total ECNL operational expenses in FY 2024	560.645	24,9%

There is a key difference in how the indirect rate was calculated. In FY2023, the portion of indirect expenses recovered through projects have been deducted, which significantly reduced the overall rate shown in the report. After reviewing this approach, we have corrected the methodology for FY2024 and now use an all-inclusive rate that reflects the full share of administrative costs in relation to total expenses. This change is part of the revised methodology outlined in the new cost recovery manual.

Other information

Independent auditor's report

The independent auditor's report is included at the next page of the annual accounts.

European Center for Not-for-Profit Law Stichting
Riviermark 5
2513 AM The Hague

INDEPENDENT AUDITOR'S REPORT

A. Report on the audit of the financial statements 2024 included in the annual report

Our opinion

We have audited the financial statements 2024 of European Center for Not-for-Profit Law Stichting at The Hague.

In our opinion the accompanying financial statements give a true and fair view of the financial position of European Center for Not-for-Profit Law Stichting as at 31 December 2024, and of its result for 2024 in accordance with the 'RJK C1 kleine organisaties zonder winststreven' (Guideline for annual reporting RJK C1 'for small not-for-profit organisations' of the Dutch Accounting Standards Board).

The financial statements comprise:

1. the balance sheet as at 31 December 2024;
2. the statement of income and expenses 2024;
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of European Center for Not-for-Profit Law Stichting in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- Board report;
- Activity report 2024.



Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information in accordance with the 'RJK C1 kleine organisaties zonder winststreven' (Guideline for annual reporting RJK C1 'for small not-for-profit organisations' of the Dutch Accounting Standards Board).

C. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 'RJK C1 kleine organisaties zonder winststreven' (Guideline for annual reporting RJK C1 'for small not-for-profit organisations' of the Dutch Accounting Standards Board). Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.



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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Schoonhoven, June 13, 2025

Versluis Accountancy B.V.
J. Versluis RA