



European Center for  
Not-for-Profit Law

# annual report

# 2025

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

registration number 73239518 (Dutch chamber of commerce)

date 15 June 2026

reference 26-454/MkV

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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

ECNL changed its governance structure in November 2025 in line with Dutch foundations structures, good governance practices, self-certification systems and the Dutch ANBI status. The main rationale for the change was to avoid duplication between management and governance oversight, explore the full potential of its governing bodies to support ECNL's strategic, organizational and fundraising goals and to strengthen possibilities for partners input into its strategies and programming. ECNL established the following structure:

1. Board, in the role of the Executive Director
  - 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.
2. Supervisory Council, supervising the work of the Board
  - The Supervisory Council, is responsible for supervising the Board and appointment of the Board.

The structure is set out below:

### 1.2.1. Composition of Boards between January to November 2025

#### 1. Supervisory Board

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

#### 2. Board

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

#### 3. Proxy Directors

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

### 1.2.2 Composition of Boards after November 2025

#### 1. Supervisory Council

- Ms. Pia Tornikoski (Finland) – Chairperson
- Ms. Nelleke Hoffs (Netherlands)
- Mr. Duncan Wilson (Scotland) (appointed 20-03-2026)

#### 2. Board

- Katerina Hadzi-Miceva Evans – Executive Director

#### 3. Directors with Proxy Powers

- Eszter Hartay – Director of Law and Policy
- Vanja Skoric – Creatives and Development Director
- Andrea Judit Toth – Director of Visibility and Partnership
- 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 2025

### Participatory democracy

#### CSO Meter: lifeline in a moment of real uncertainty

**We built a model that proves that with strategic investment civil society monitors can continue to protect freedoms, even in restrictive environments.**

In 2025, civil society across the Eastern Partnership region faced escalating and interconnected pressures. The ongoing Russian war against Ukraine, rising repression of activists in Georgia or Azerbaijan, the collapse of USAID and with it huge [shifts in the international funding system](#) tested the limits of their resilience.

Our partners of the [CSO Meter](#), a collaboration tracking changes in civic freedoms in the region, were also significantly impacted, but did not stop. They continued to turn evidence into action to protect their space even in the middle of disruption.

Through solidarity, partnership and funding, the CSO Meter became a lifeline. The CSO Meter action fund delivered flexible financial support that allowed organisations to keep working, adapt, and push forward critical reforms even under extreme pressure. In countries facing war, restrictive laws or financial isolation, this meant continuing to provide essential services, defend organisations' access to funding, and engage governments on reforms that would otherwise have stalled. In Armenia, partners increased CSOs' ability to bring [public interest cases to court](#) and engaged with the Prime Minister's Office on early-stage policy reforms on public participation. In Ukraine, they expanded [CSOs' access to wartime funding](#) and financial services by [modernising aid registration](#), embedding CSOs' input in [risk-based AML/CFT assessments](#) and facilitating [strategic dialogue](#) on Ukraine's new National Strategy for Civil Society Development. And in Moldova, partners convened discussions that shaped a [digital rights reform roadmap](#) featured in an Ombudsman study. These targeted interventions ensured that CSO Meter Hub members did not retreat but stayed active, visible, and effective in protecting rights and democratic space.

The CSO Meter model matters because of what it reveals about moments of real uncertainty. With the right kind of support, organisations can stay on their feet, adjust, and keep going when it counts the most. This is not merely emergency support: it is a strategic approach to sustaining civic action in the hardest conditions. Civil society remains a cornerstone of stability and democracy in the region, but it is being asked to do more with less than ever before. With greater investment, the CSO Meter model can expand from sustaining a network to supporting an entire region's democratic resilience.

#### These efforts led to concrete results:

- Dedicated and strategic action fund for civil society monitors.
- Critical democratic voices among our CSO Meter Hub partners remained active and united despite growing pressure in the most challenging year to date.
- Spaces for dialogue and reform were protected and expanded in the countries.
- CSO Meter served as inspiration under the [EU Civil Society Strategy](#), spotlighting the critical EU support for CSO-led civic space monitoring at times of declining trust and commitments to the work of the sector.

*“When we launched the CSO Meter project in Armenia in 2017, we could never have anticipated the importance and continued relevance it would have. What began as a small initiative for Transparency International Anticorruption Center has grown into one of our core strategic directions. CSO Meter has deepened our commitment to advocating for an enabling civic space, which we recognize as vital for promoting good governance, transparency, and anti-corruption—key areas of our work.”* (Transparency International Anticorruption Center, Armenia)

*“CSO Meter brought structure to fragmented efforts. It united CSOs around a common framework, its data provided much needed evidence for advocacy, and opened doors to dialogue with public institutions. CSO Meter became a reference tool for defending the civic environment.”* (Promo-LEX, Moldova)

**Uniting for Change.** Lasting change happens if civil society leads with bold advocacy and builds alliances beyond its traditional sphere. That is why we launched Uniting for Change – a flagship initiative that mobilises diverse actors, including development banks, businesses, security and economic institutions, to expand the base of support for civic action. We do this by bringing people together to anticipate emerging threats, scale strategies that already work, and build a dynamic community committed to learning, collaboration, and systemic change. Through the targeted sub-grants, mentoring and strategic guidance we provide, partners have already begun translating this approach into practice: advancing preparedness and response mechanisms in Serbia, strengthening coalitions and financial sector engagement in Bulgaria, or engaging new actors, such as community connectors in North Macedonia.

Early 2026, we also convened human rights activists, journalists, and representatives from LGBTIQ+, environmental, finance, development, business sectors from 12 countries for visioning and [targeted simulations](#), testing possible strategies to respond to typical arising restrictions. This process challenged conventional advocacy models and catalysed new approaches to take forward, including narrative shifts, business coalition-building, financial sector outreach, and proactive reform agendas.

*“The simulations showed me how important it is to anticipate different types of restrictions (legal, financial, and narrative) before they fully materialise. Instead of reacting to crises, I want to incorporate more proactive risk assessment and preparedness strategies into our organisational planning.”* (Participant of the Civic Resilience Simulation training from Kyrgyzstan)

*“Bringing together people from different countries, sectors, and roles enriched the learning experience and allowed us to recognize shared patterns as well as context-specific differences. This comparative perspective was especially valuable for identifying transferable strategies and building a sense of regional solidarity.”* (Participant from Serbia)

**Protecting democratic norms in Hungary.** 2025 saw a sweeping assault on civil society, likely aimed to undermine its power before the elections. The proposed “Transparency Act” would have entrenched authoritarian control by cutting off access to funding for CSOs, independent media and other critical voices. Crucially, its impact would have extended far beyond the civic sphere: by imposing obligations on banks and anti-money laundering authorities, the law exposed how restrictions on civic space are increasingly embedded within broader regulatory and financial systems. In its [analysis](#), ECNL demonstrated that the bill was fundamentally incompatible with both human rights and anti-money laundering frameworks, rendering it legally untenable. By framing the issue not only as a civic space concern but also as a regulatory and financial integrity risk, ECNL broadened the coalition capable of opposing the measures.

This underscores the value of ECNL’s approach. By engaging financial institutions, regulators and other economic actors, civil society can surface the wider systemic risks of such measures and mobilise constituencies with both the leverage and credibility to challenge them. In restrictive contexts, where traditional advocacy space is constrained, such cross-sector alliances become essential to maintain resilience.

The political shift in 2026 now opens a critical window: an opportunity not only to dismantle restrictive measures, but to rebuild durable safeguards for civic space – grounded in stronger cross-sector alignment to prevent future backsliding.

## Protecting financial access and community giving under new EU anti-money laundering rules

**We improved draft technical standards for financial institutions, ensuring that civil society organisations are not cut off from essential banking services.**

In May 2024, the EU adopted a [new legislative package](#) to better align rules on anti-money laundering and countering the financing of terrorism (AML/CFT) across Member States, with implementation planned for July 2027. While the reform aims to address emerging risks, it raised significant concerns for the civil society sector. In particular, stricter due diligence requirements could lead to increased scrutiny of human rights defenders and organisations, making it harder for them to open bank accounts. In addition, bringing crowdfunding platforms under these rules introduces new compliance burdens, which puts [pressure on smaller, donation-based platforms](#). This may discourage donations and reduce fundraising options for non-profits.

We identified an important opening, as the detailed Regulatory Technical Standards and guidelines are still being developed. Because these define the exact scope of the obligations, this has been a crucial stage to get involved. Together with the [Human Security Collective](#), [Philea](#), [Civil Society Europe](#) and the [European Fundraising Association](#), ECNL engaged constructively with the European Banking Authority, and successfully secured key improvements to these technical rules – helping to ensure they better reflect the realities of civil society and vulnerable communities.

The most important change was that having nonprofits as clients no longer increases the risk profile of banks and other financial institutions – an important safeguard against unnecessary refusals of services. Similarly, philanthropic projects are no longer treated as riskier than other types of crowdfunding initiatives. This means that a charity or public-interest campaign trying to raise money – whether for community support or human rights work – should be able to use crowdfunding platforms on the same terms as any other project, without facing unfair barriers, delays, or refusals simply because of the cause it represents.

Another systemic shift is the increased flexibility in identifying groups, such as asylum seekers, refugees or stateless persons, who may not have standard identification documents for legitimate reasons. Financial institutions can now rely on alternative, credible ways to verify a customer’s identity, making this a significant step toward financial inclusion for people who would otherwise struggle to open a bank account.

These changes demonstrate the value of early, cross-sector engagement in shaping technical rules that have far-reaching consequences for civic space. ECNL will continue to engage with the emerging AML Authority and monitor the remaining standards to ensure implementation remains proportionate, risk-based, and supportive of civil society.

### These efforts led to concrete results:

- Improved civil society's access to financial services.
- Philanthropic projects are no longer considered to have higher risk than other types of crowdfunding initiatives.
- People in vulnerable situations, such as those forced to flee and not having standard identification documents, have easier access to financial services.

### Towards an EU framework to monitor civic space

#### ECNL led a 2-year co-design process to develop a robust, systematic approach for monitoring the space for civic action in the EU.

In 2025, several alarming developments shook civil society across the EU. In March, Hungary passed a [law banning Pride events](#) and public support for LGBTQI+ rights, while [expanding the use of facial recognition](#) technology for monitoring peaceful protesters. In the Netherlands, legislative proposals [threatened protest rights and humanitarian aid](#). Meanwhile, in Bulgaria, [amendments to the Criminal Code were fast-tracked](#), restricting freedom of expression and assembly. These incidents show how quickly fundamental freedoms can come under threat and how civil society faces growing risks when defending rights.

European organisations have long called for stronger EU tools to protect freedoms, including a monitoring and alert mechanism across Member States. ECNL brought together civil society organisations to co-design a methodology that makes this possible: the [Monitoring Action for Civic Space \(MACS\)](#). It is the first tool to systematically channel national developments to EU decision-making through country reports and early warning alerts. Rooted in EU law and values, MACS was piloted in 7 countries in 2025. In a short time, it has gained recognition as a key instrument to monitor civic space in the EU— providing the timely, nuanced evidence that helps prevent problems early on and respond when issues or attacks occur at national or EU level.

This approach shows the importance of translating fragmented national developments into actionable, EU-level insight and response. By combining legal expertise, real-time monitoring, and close partnerships with national actors, we not only documented violations and opportunities but elevated them into the European policy arena - where leverage for change is greatest. Through MACS, early warning signals are no longer isolated incidents but part of a structured evidence base that can inform EU institutions, shape policy debates, and trigger timely interventions. This positions civil society monitors as a critical bridge between local realities and EU decision-making, strengthening the EU capacity to detect, prevent, and respond to threats to our spaces for action in a coordinated and systemic way.

The [EU Civil Society Strategy](#) emphasises that effective monitoring is essential for supporting and protecting CSOs in their work. MACS was developed with the vision to fill that call. Now tested and finalised, the methodology is ready for wider use across Europe to strengthen early warning, coordination and response.

### These efforts led to concrete results:

- Civil society developed the first EU-level civic space monitoring tool that systematically gathers national data and assesses it against an EU framework.
- Channelled real-time developments affecting civic action to the attention of the EU.
- Enabled 7 European civil society organisations to collectively monitor civic space, this made collaboration between them stronger and opened an avenue to share experiences and best practices.
- Gathered structured EU-wide evidence on civic space conditions.

*“MACS provided us with a great monitoring tool that is civil society-led and grounded in European standards. It gave us with a structured framework for our civic space monitoring work in a time where developments are going so fast that it’s hard to keep track.” (Aicha Chaghrouani, Netherlands Helsinki Committee)*

## Climate

### Defending peaceful protest: Shaping global standards on civil disobedience offline

**and online.** Across the world, people who speak up for their rights or in solidarity with marginalised groups face increasing restrictions, excessive penalties and force, simply for protesting peacefully online or offline. This is the case, for instance, for those campaigning to [protect the environment](#) or act in [solidarity with migrants](#). ECNL provides legal expertise to help shape UN standards that recognise the value of peaceful protest, even when they may be disruptive and technically unlawful. For example, we contributed to the [position paper](#) and [new guidelines](#) from the UN Special Rapporteur on Environmental Defenders, which sets out concrete steps for governments, media outlets and national human rights institutions to better protect the rights of environmental activists and human rights defenders. We are working with national partners to put these safeguards into practice and use them before national and international courts to stand up for those whose voices are being silenced. We bring together activists, lawyers, judges and policymakers to explore how the guidelines can be applied, and also help civil society identify and document disproportionate restrictions on peaceful protests and civil disobedience.

### Global initiative to place environmental defenders at the heart of climate

**decisions: The LEAD Initiative.** At COP30, ECNL and partners launched the [Leaders Action Network for Environmental Activists and Defenders \(LEAD\)](#), a global initiative to protect defenders, secure their formal recognition as key climate actors and strengthen their effective participation in international climate processes. Co-created with more than 300 activists across Latin America, Africa, Asia-Pacific and beyond, LEAD is designed to centre the experiences of those most affected by climate violence. The initiative is supported by a broad coalition of organisations, more than [100 thousand citizens](#) and has been endorsed by government champions, including Brazil's Minister of Indigenous Peoples, alongside other high-level political leaders. After the launch, the priority will be to ensure that grassroots struggles are more directly reflected in international processes.

*“This initiative was not born from a boardroom but from territories and struggles. People like Claudelice Santos, who has lost family members to environmental conflict in the Brazilian Amazon, or young leader Juan Amaya, who defends Indigenous land rights in Colombia. Our stories and resistance are the foundation of LEAD.” (Environmental Defender and Executive Director of IPRI, Joan Carling)*

## Just societies

**Supporting exiled groups that face transnational repression.** An increasing number of human rights and environmental defenders are being forced to find alternative ways to continue their work due to serious threats to their lives. Yet relocation brings new challenges, including how defenders can access banking services, open accounts or transfer funds. That is why ECNL formulated policy recommendations to the EU, national governments and banks to ensure that exiled groups can [have reliable access to funding](#) and sustain their work when seeking safety. We also research emerging threats to these communities: our new study reveals [how artificial intelligence \(AI\) surveillance and platforms amplify transnational repression](#), enabling governments to suppress dissent beyond borders. This trend reveals a widening gap between the speed of technological change and the pace of democratic governance. Tackling these harms and protect the most vulnerable demands coordinated action across civil society, academia, governments, and international organisations – and we provide targeted recommendations on how this can be achieved.

### Challenging facial recognition in Hungary

**We mobilised civil society to advocate against laws that allow the police to use facial recognition during Pride events.**

In March 2025, amendments [criminalising LGBTQI+ demonstrations](#) and increasing biometric surveillance were rushed through the Hungarian Parliament without any public debate. These changes dramatically expand the use of [facial recognition technology](#) during events, such as the Budapest Pride. This risked deterring people from exercising their right to protest: if they know they may be scanned, identified, and punished for participating in a peaceful protest, many may decide to stay away. Yet despite the legal uncertainties and risks, Budapest Pride saw record turnout: an estimated 2-300,000 people marched under the rainbow flags.

We partnered with human and digital rights organisations – the [European Digital Rights, Civil Liberties Union for Europe](#) and [Hungarian Civil Liberties Union](#) – to protect fundamental rights in Hungary. Our joint legal analysis shows that the law likely [violates the recently adopted EU AI Act](#), which prohibits real-time biometric surveillance, making this case the first real test of the EU legislation. We coordinated an [open letter to the European Commission](#), signed by over 40 organisations, urging them to investigate the potential violation. In parallel, we supported Hungarian partners in preparing national interventions to the Hungarian Data Protection Authority, and exploring potential litigation avenues.

One year later, Hungarians' fundamental rights remain at risk and the use of facial recognition in Hungary remains unchallenged. Facial recognition vans were spotted at both the Budapest and Pécs Pride in 2025 events, and criminal procedures were initiated against the organisers. The change in government in 2026 presents a new opportunity to push for the repeal of the law. We will support national partners in their advocacy efforts to reverse the harmful measures. At the same time, if the legislation remains in place, we will continue to back potential litigation and work with the European Commission to ensure that Hungary complies with EU laws.

#### These efforts led to concrete results:

- Mobilised civil society and LGBTQI+ groups to respond to the unlawful use of facial recognition in Hungary.
- Brought attention to the potential violation of the EU Artificial Intelligence Act among civil society and policymakers.
- Increased public pressure on the European Commission to fulfil its role as the guardian of the EU Treaties and protect fundamental rights in Hungary.

## Digital spaces

### Closing the national security gap in AI policy and regulation

As governments increasingly use AI in security and surveillance across Europe and beyond, ECNL worked to ensure that human rights safeguards are applied in practice.

States have carved out broad exemptions for national security purposes in existing regional AI legislation, including the EU AI Act and the Council of Europe (CoE) Framework Convention on AI. ECNL did an extensive review of jurisprudence to better understand how national security is defined legally and mapped the instances where it is used in the context of AI. Our [research](#) shows that the definition of national security is easily stretched and, as a result, states are invoking it to justify AI deployment in ways that evade regulatory scrutiny, particularly in surveillance and counter-terrorism, but also in other areas.

We used these research findings in our policy advocacy work, helping to address the gap on AI-specific regulation. We took part in the work of the CoE Steering Committee on Human Rights (CDDH) on a new [Handbook on AI and Human Rights](#), a practical guide for European policymakers and public authorities. This is currently the first and only policy framework that clarifies how the existing human rights protections should apply in sensitive areas, such as developing and using AI for national security, where oversight is often weakest. Acting as civil society representatives through the Conference of INGOs, we contributed to shaping the chapter on law enforcement and public security, ensuring that real-world AI uses – such as intelligence and identification services, crime prevention and investigation, counter-terrorism and other measures entailing surveillance of people and communications – are assessed against existing human rights standards.

Looking ahead, ECNL will work with civil society organisations, national human rights institutions, local authorities and tech actors to help them embed the Handbook's guidance in the lifecycle and implementation of AI for national security.

#### These efforts led to concrete results:

- The adopted CDDH Handbook on AI and Human Rights was shaped by civil society expertise and included the recommendations put forward by ECNL.
- The first policy framework is created that addresses the “national security loophole” in AI governance. This helps ensuring that European governments remain accountable to human rights obligations when deploying AI for national security purposes.
- European governments, national human rights institutions and civil society organisations are better equipped in embedding human rights safeguards across the lifecycle of AI systems used for security purposes.

### Building connections between civil society and investigative journalists: the Civic Journalism Coalition

Together with European Digital Rights and Lighthouse Reports, we launched and facilitated a space to protect people's digital rights and strengthen investigative reporting.

As governments increasingly close the space for civil society's work, expand surveillance, and use algorithms that reinforce discrimination, the need for investigative journalism has never been greater. Journalists committed to exposing human rights violations tied to AI or spyware are often at great personal risk, facing harassment or even legal threats for their efforts. Similarly, civil society organisations also play a vital role in resisting democratic backsliding: they provide legal expertise, shape policy discussions and build advocacy networks. They amplify investigative findings and push for meaningful systemic change. However, despite their shared goals, the collaborations between CSOs and journalists are often cut short or limited due to short-term funding.

In response, ECNL together with [EDRi](#) and [Lighthouse Reports](#) created the Civic Journalism Coalition – a space where journalists, researchers and digital rights defenders can work together, reveal tech's impact on society and learn from each other.

Our activities focused on three pillars:

- Learning: Throughout 2025 we hosted [workshops and training sessions](#) to exchange knowledge, tools and strategies between journalists and CSOs.
- Investigations: We provided seed funding for [six investigative collaborations](#), exposing digital rights violations, state and corporate surveillance, and threats to media freedom.
- Advocacy: We coordinated efforts to ensure investigations have a lasting impact by influencing EU policies and public debates.

As a result, we [published a practical guide](#) on how media and civil society can work together on investigations, hoping to inspire and support future efforts, extending beyond digital rights. We will also continue coordination with this network, as the relationships forged over the last year remain active.

**These efforts led to concrete results:**

- Built a community of 50+ professionals from media and civil society organisations, forging partnerships which led to impactful investigations.
- Built knowledge on issues of spyware, investigating big tech and using journalistic evidence in strategic litigation.
- Equipped CSOs and investigative journalists with best practices on how to collaborate, share evidence and coordinate investigations, enabling stronger reporting and more impactful joint advocacy.

## Meaningful involvement of civil society in the AI lifecycle

**Civil society, especially marginalised groups, continues to be excluded from shaping how AI is designed and deployed. ECNL developed and tested a practical framework to ensure their genuine engagement.**

Decisions about how AI systems are built are among the most consequential of our time. What values do they encode, whose concerns do they prioritise, what safeguards do they implement and which ones do they overlook? The people most affected by these systems are rarely present when those decisions are made, and typically consulted only once products are already built. As a result, power imbalances are reinforced rather than challenged. And AI developers, deprived of meaningful external input, produce systems that reflect a narrow set of perspectives.

The challenge ECNL set out to address was structural: there was no practical guidance on how to involve affected people in the design, development and deployment of AI systems in a way that produces real change. ECNL was determined to fill that gap.

The [Framework for Meaningful Engagement \(FME\)](#) was developed from 2022 to 2025. It is a practical tool co-created with [SocietyInside](#), and over 300 individuals and groups from civil society, industry and the public sector across the globe.

The approach is built around three conditions for meaningful engagement:

1. There needs to be a shared purpose that goes beyond the interests of the AI developer and reflects the needs of affected communities and the wider public.
2. The process should be inclusive and fair, bringing in a diverse range of stakeholders early enough that they can genuinely influence decisions.
3. Engagement should lead to visible impact, meaning that input is taken seriously, feedback is shared with participants, and contributions clearly shape outcomes.

ECNL did not leave the FME as a theoretical resource, and ran two real-world pilot projects to test the framework in practice, each in a distinct context and sector:

- The first pilot was a [partnership with Discord](#), a leading social media platform. ECNL worked with multiple teams within Discord to test whether the FME could guide the development of algorithmic tools for [online safety](#), with a focus on teens.
- The second pilot [partnered with the City of Amsterdam](#) as it developed “scan bikes,” an AI-powered image recognition service for public spaces. With ECNL’s support, Amsterdam designed a public engagement process that brought citizens into product design, leading to concrete system changes and increasing trust in the municipality’s willingness to act on feedback.

Both pilots confirmed the central insight that drives the FME: involving stakeholders early, from the stage when ideas are first being developed, rather than after a system is already built increases the chance that their core values are built directly into AI systems. Lessons from the pilots fed directly into the [FME 2.0](#), published in November 2025.

ECNL is building an ecosystem of rights-based AI development: we actively connect AI developers and platforms with civil society organisations ready to engage meaningfully. Going forward, ECNL might conduct future pilots, focused on advanced AI systems such as agentic AI.

#### **These efforts led to concrete results:**

- Established the first practical, rights-based framework for meaningful engagement in AI development, providing structured guidance for how developers, public institutions and civil society can involve affected communities throughout the AI lifecycle.
- Validated through two real-world pilots that meaningful engagement is possible in both corporate and public-sector AI development, and can lead to concrete changes in AI design.
- Contributed to shifting expectations in the AI field towards more structured and earlier involvement of affected communities.

### **Algorithmic gatekeepers: exposing the human rights risks of LLM content moderation**

**As platforms turn to AI to moderate content online, ECNL published groundbreaking research on the human rights risks of large language models in shaping digital discourse and our democracies.**

Content moderation determines what billions of people can say and see online. For years, platforms relied on human moderators to enforce their rules, and increasingly, on automated moderation. With the rise of LLMs, powerful generative AI systems are now used for tasks ranging from automated content removal to behaviour detection and user notification. Yet this shift has been happening largely without scrutiny, transparency, and without any known systematic assessment of what it means for human rights.

For civil society, activists, journalists, and marginalised communities, the promises of LLM moderation are appealing, but the risks are also alarming: content related to protests and dissident discourse is often underrepresented in the datasets LLMs are trained on. At the same time, the moderation power is concentrated in a small number of foundational AI models. Most platforms use pre-built LLMs rather than building their own. As a result, a handful of foundational models shape the public discourse at scale, with almost no democratic accountability.

ECNL responded to this challenge with a comprehensive, interdisciplinary research effort. We reviewed over 200 computer science and related academic papers and conducted in-depth legal analysis under international human rights law.

Our [Algorithmic Gatekeepers research](#) is structured around the specific rights at stake and the real-world harms LLM moderation poses to them. ECNL's analysis finds that the most promising uses of LLMs in moderation are in procedural safeguards: assisting human moderators, triaging complex cases, generating clearer explanations of moderation decisions, powering faster appeals, and identifying systemic errors. Used well, these systems could make content governance more transparent and fair; but used as blunt removal tools, they pose serious threats to civic freedoms.

The research has since been used by industry leaders and civil society, thereby informing both practice and policy. On the policy side, ECNL continues to advance regulation of advanced AI systems through its work on the EU AI Act implementation, the General-Purpose AI Code of Practice, and broader international standard-setting processes at the Council of Europe, the United Nations, and OECD working groups. The research directly informs these advocacy efforts, helping policymakers with rights-grounded understanding of how LLMs work.

#### **These efforts led to concrete results:**

- Established the first comprehensive human rights analysis of LLM-based content moderation, helping define how these systems should be understood from a rights perspective across policy, industry, and civil society.
- Shifted the debate on AI-driven content moderation away from efficiency narratives towards rights-based concerns.
- Strengthened the case for using these systems to support human decision-making rather than replace it.
- Informed ongoing policy and standard-setting discussions at EU, Council of Europe, UN, and OECD level, ensuring that emerging regulation reflects the specific risks of LLM-driven moderation systems on civic freedoms.

## **4. Financial overview**

### **Financial position and liquidity**

The financial position of ECNL is healthy. The current ratio (current assets divided by total debts) is 343%. 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 to € 1.501.441 in 2024 to € 1.476.344 in 2025). This is mainly due to spending of cash for project activities in 2025 received in advance in 2024. The current liquidity position is sustainable.

### **Financial result 2025 and allocation**

In 2025 ECNL achieved a positive balance of income and expenditure of € 209.167 budget was € 267.731 negative.

The income and expenditure balance of € 209.167 is allocated to the designated reserve. The balance of the continuity reserve on 31 December 2025 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 60% of six months of average operating costs in 2025.

## Financial health

The organization demonstrated strong resilience in 2025 amid global geopolitical and economic volatility. Broad-scale sector cuts and the termination of US Government (USG) funding created an initial deficit of up to 10% of our annual budget. We countered these sector-wide cuts by executing strict cost-recovery models and efficiency measures aligned with our new Strategy. This proactive management reversed initial negative forecasts, allowing us to close the year on a positive trajectory.

To strengthen our long-term sustainability, we engaged a pro-bono fundraising advisor, to help strengthen our resource mobilisation efforts. We also pursued several new funding opportunities which we are seeing yielding positive outcomes as we get into 2026. The outlook for 2026 looks positive as the projected figures have been showing an upward trend after the uncertainty of 2025. We are confident that broadening our revenue base while managing costs efficiently will ensure the financial health of ECNL.

## 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 line with the 2025 Strategy and the strategic development process that preceded it, ECNL undertook a comprehensive reform of its internal organisational model and governance structure. This reform was a deliberate and forward-looking response to the evolving needs and challenges inherent to ECNL's mission.

The restructured model is designed to enable more agile and effective programme planning, allowing ECNL to respond with greater flexibility to shifting operational contexts and emerging civil society needs.

It also strengthens the organisation's capacity to capture and integrate new learning across its work, ensuring that insights gained through practice are systematically reflected in future programming and strategic direction. By embedding partner engagement more meaningfully into its processes, ECNL aims to ensure that its work remains grounded in the realities and priorities of the communities and organisations it serves.

Alongside these structural changes, ECNL is actively investing in its long-term sustainability and adaptive capacity. The organisation is collaborating with specialists in the areas of foresight, fundraising, and organisational modelling to strengthen its institutional resilience and ensure it remains well-positioned to navigate an increasingly complex and uncertain operating environment. This includes a concerted effort to diversify resource mobilisation strategies, reducing dependence on any single funding stream and building a more robust and flexible financial foundation for the years ahead.

Together, these reforms reflect ECNL's commitment to continuous institutional learning and its determination to remain a relevant, effective, and sustainable force in advancing civil society across the region.

## 6. Budget 2026

<u>Income</u>	€
Project income	2.835.121
Other	<u>0</u>
Total income	<u>2.835.121</u>
<u>Expenditure</u>	
Personnel and staff related costs	1.583.000
Operation costs	52.330
Housing costs	46.600
Office costs	18.000
General expenses	1.098.342
Depreciation	<u>13.900</u>
Total expenditure	<u>2.812.172</u>
Balance of income and expenditure before financial income and expenditure	22.949
Financial income and expenditure	0
Extraordinary expenses	<u>0</u>
<b>Balance of income and expenditure</b>	<b><u><u>22.949</u></u></b>
Allocation of balance from income and expenditure	
- Continuity reserves	<u>22.949</u>
Total	<u><u>22.949</u></u>

**Budget 2026**

Following funding reductions in 2025, our financial outlook for 2026 is cautiously optimistic. Budget projections indicate recovery, with annual income expected to return to 2024 levels of approximately € 2,8 million.

In response to the volatility of the past year, ECNL proactively implemented rigorous cost-cutting measures and full cost-recovery models. These strategic methods allowed us to navigate the year's challenges while maintaining organizational stability. Looking to the future, we intend to develop these methods into capacities in order to attain long-term sustainability.

The Hague, 15 June 2026

**Board**

Katerina Hadzi-Miceva Evans

**Supervisory Council**

Ms. Pia Tornikoski (Chairperson)

Ms. Nelleke Hoffs (Secretary)

Mr. Duncan Wilson

## A. Balance sheet as at 31 December 2025

	<u>31-12-2025</u>	<u>31-12-2024</u>
	€	€
<b>ASSETS</b>		
Fixed assets		
- Intangible fixed assets	35.256	48.335
- Tangible fixed assets	<u>769</u>	<u>1.788</u>
Total fixed assets	<u>36.025</u>	<u>50.123</u>
Current assets		
- Receivables	687.547	579.978
- Cash and cash equivalents	<u>1.476.344</u>	<u>1.501.441</u>
Total current assets	<u>2.163.891</u>	<u>2.081.419</u>
<b>Total assets</b>	<b><u><u>2.199.916</u></u></b>	<b><u><u>2.131.542</u></u></b>
<b>LIABILITIES</b>		
Reserves and funds		
- Continuity reserve	750.973	750.973
- Designated reserve	<u>817.322</u>	<u>608.155</u>
Total reserves and funds	<u>1.568.295</u>	<u>1.359.128</u>
Short-term liabilities	<u>631.621</u>	<u>772.414</u>
<b>Total liabilities</b>	<b><u><u>2.199.916</u></u></b>	<b><u><u>2.131.542</u></u></b>

## B. Statement of income and expenditure 2025

	Actual 2025	Budget 2025	Actual 2024
	€	€	€
<u>Income</u>			
Project income	2.739.730	2.588.829	2.814.703
Total income	<u>2.739.730</u>	<u>2.588.829</u>	<u>2.814.703</u>
<u>Expenditure</u>			
Personnel and staff related costs	1.634.783	1.677.493	1.636.442
Operation costs	39.736	141.922	190.166
Housing costs	29.123	42.000	37.951
Office costs	38.443	28.364	39.780
General expenses	757.506	963.148	894.703
Depreciation	14.907	0	15.950
Total expenditure	<u>2.514.498</u>	<u>2.852.927</u>	<u>2.814.992</u>
Balance of income and expenditure before financial income and expenditure	225.232	-264.098	-289
Financial income and expenditure	<u>-16.065</u>	<u>-3.633</u>	<u>52.466</u>
<b>Balance of income and expenditure</b>	<b><u>209.167</u></b>	<b><u>-267.731</u></b>	<b><u>52.177</u></b>
Allocation balance of income and expenditure			
- Continuity reserve	0	-267.731	0
- Designated reserve	<u>209.167</u>	<u>0</u>	<u>52.177</u>
Total	<b><u>209.167</u></b>	<b><u>-267.731</u></b>	<b><u>52.177</u></b>

## C. Cash flow statement

	2025		2024	
	€	€	€	€
<u>Cash flow from operating activities</u>				
Balance of income and expenditure	209.167		52.177	
Depreciation	<u>14.907</u>		<u>15.950</u>	
		224.074		68.127
Mutations in work capital:				
- Receivables	-107.569		-472.804	
- Short-term liabilities	<u>-140.793</u>		<u>-112.572</u>	
Total mutations in work capital		<u>-248.362</u>		<u>-585.376</u>
Total cash flow from operating activities		-24.288		-517.249
<u>Cash flows used in investing activities</u>				
Purchases	-809		0	
Desinvestments	0		0	
Depreciations desinvestments	<u>0</u>		<u>0</u>	
Total cash flows used in investing activities		<u>-809</u>		<u>0</u>
<b>Net increase in cash and cash equivalents</b>		<b><u>-25.097</u></b>		<b><u>-517.249</u></b>
Cash and cash equivalents 1 January		1.501.441		2.018.690
Cash and cash equivalents 31 December		<u>1.476.344</u>		<u>1.501.441</u>
Changes in cash and cash equivalents		<u>-25.097</u>		<u>-517.249</u>

### Notes to the cash flow statement

The cash flow statement analyses the changes in cash and cash equivalents between 1 January 2025 and 31 December 2025 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 17, the statement of income and expenditure.

## E. Notes to the balance sheet

	<u>31-12-2025</u>	<u>31-12-2024</u>
	€	€
<b>ASSETS</b>		
<u>Intangible fixed assets</u>		
- Applications		
Net book value per opening balance	48.335	61.410
Investments	0	0
Minus: depreciations	<u>-13.079</u>	<u>-13.075</u>
Net book value per 31 December	<u><u>35.256</u></u>	<u><u>48.335</u></u>
Accumulated investments per 31 December	65.395	65.395
Minus: accumulated depreciations per 31 December	<u>-30.139</u>	<u>-17.060</u>
Net book value per 31 December	<u><u>35.256</u></u>	<u><u>48.335</u></u>
All investments concern development of the ECNL budget application.		
<u>Tangible fixed assets</u>		
- Equipment		
Net book value per opening balance	1.788	4.663
Investments	809	0
Minus: depreciations	<u>-1.828</u>	<u>-2.875</u>
Net book value per 31 December	<u><u>769</u></u>	<u><u>1.788</u></u>
Accumulated investments per 31 December	16.779	15.970
Minus: accumulated depreciations per 31 December	<u>-16.010</u>	<u>-14.182</u>
Net book value per 31 December	<u><u>769</u></u>	<u><u>1.788</u></u>

	<u>31-12-2025</u>	<u>31-12-2024</u>
	€	€
<u>Receivables</u>		
Project receivables	334.325	169.187
Advanced partner grants	320.549	341.878
Interest	3.239	6.540
Prepayments	0	2.614
Debtors	0	368
Other receivables	<u>29.434</u>	<u>59.391</u>
Total receivables	<u><u>687.547</u></u>	<u><u>579.978</u></u>

All debtors are considered as collectible.

#### Cash and cash equivalents

ABN AMRO EUR account	1.261.493	1.156.360
ABN AMRO USD account	203.921	337.684
Payhawk account	<u>10.930</u>	<u>7.397</u>
Total cash and cash equivalents	<u><u>1.476.344</u></u>	<u><u>1.501.441</u></u>

The cash and cash equivalents can be withdrawn upon demand.

#### LIABILITIES

##### Continuity reserve

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

The continuity reserve is used to ensure continuity of the organisation. It is at free disposal of the board. 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 60% of six months of average operating costs in 2025.

	<u>31-12-2025</u>	<u>31-12-2024</u>
	€	€
<u>Designated reserve</u>		
Balance 1 January	608.155	555.978
Allocation balance of income and expenditure	<u>209.167</u>	<u>52.177</u>
Balance designated reserve 31 December	<u><u>817.322</u></u>	<u><u>608.155</u></u>

The board decided to designate some of its resources to a separate 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 discretionary funds for organisational priorities such as cash flow gaps, co-funding and program opportunities, and developments needs. Reserves do not include restricted funds and designated project funds.

The amounts in the designated reserve funds are continuously monitored and adjusted in response to internal and external changes. Periodically, when assessment are made that designated funds achieved purpose, leftover funding may be moved to the continuity reserve fund.

#### Short-term liabilities

Grants received in advance	457.944	624.689
Creditors	83.648	84.141
Holiday payment accrual	44.714	31.699
Pension premiums	26.764	14.396
Audit fee	12.000	12.000
Payable VAT	3.470	5.489
Salary taxes	<u>3.081</u>	<u>0</u>
Total short-term liabilities	<u><u>631.621</u></u>	<u><u>772.414</u></u>

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

	<u>31-12-2025</u>	<u>31-12-2024</u>
	€	€
- Grants received in advance		
European Union	367.244	520.229
National Endowment for Democracy	90.700	0
Omydiar	0	51.598
Sigrid Rausing Trust	0	49.006
Allianz Foundation	0	3.856
	<u>          </u>	<u>          </u>
Total grants received in advance	<u><u>457.944</u></u>	<u><u>624.689</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 European Union has granted ECNL € 163.761 for the period of 1 January 2023 up to 31 December 2026. € 114.098 has been recognised as grant income up to the reporting period. The grant income recognised is comparable to the direct grant expenditure. The remaining € 49.663 will be recognised in the period as it is received from the grantor and expenses are made. € 16.910 has been received in advance for the period up to 31 December 2026.

The European Union has granted ECNL € 1.499.959 for the period of 1 January 2024 up to 31 December 2027. € 725.934 has been recognised as grant income up to the reporting period. The grant income recognised is comparable to the direct grant expenditure. The remaining € 774.025 will be recognised in the period as it is received from the grantor and expenses are made. € 66.646 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. € 332.188 has been recognised as grant income up to the reporting period. The grant income recognised is comparable to the direct grant expenditure. The remaining € 319.634 will be recognised in the period as it is received from the grantor and expenses are made. € 189.270 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. € 131.056 has been recognised as grant income up to the reporting period. The grant income recognised is comparable to the direct grant expenditure. The remaining € 179.272 will be recognised in the period as it is received from the grantor and expenses are made. € 42.853 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. € 101.621 has been recognised as grant income up to the reporting period. The grant income recognised is comparable to the direct grant expenditure. The remaining € 33.006 will be recognised in the period as it is received from the grantor and expenses are made. € 6.081 has been received in advance for the period up to 15 February 2026.

The National Endowment for Democracy has granted ECNL \$ 440.000 (€ 381.580) for the period of 1 May 2023 up to 31 March 2026. € 312.589 has been recognised as grant income up to the reporting period. The grant income recognised is comparable to the direct grant expenditure. The remaining € 68.991 will be recognised in the period as it is received from the grantor and expenses are made. € 90.700 has been received in advance for the period up to 31 March 2026.

The Civil Liberties Union for Europe has granted ECNL € 43.039 for the period of 1 August 2025 up to 31 December 2026. € 6.723 has been recognised as grant income up to the reporting period. The grant income recognised is comparable to the direct grant expenditure. The remaining € 36.316 will be recognised in the period as it is received from the grantor and expenses are made. € 6.723 is still to be received from the donor.

### 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 € 17.601 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 2025	Budget 2025	Actual 2024
	€	€	€
INCOME			
<u>Project income</u>			
European Union	979.597	1.231.962	692.604
Ford Foundation	604.431	640.817	649.167
Sigrid Rausing Trust	393.442	83.520	117.074
OAK Foundation	237.500	0	0
Packard Foundation	182.409	113.744	189.972
Allianz Foundation	86.733	73.278	2.644
Open Society Foundation (OSF)	60.398	170.407	0
Omydiar	51.598	49.877	49.253
Danish Institute for Human Rights	36.421	0	0
National Endowment for Democracy	30.388	67.843	260.282
Consultancy income	26.997	0	81.300
Partners Global	21.827	10.529	146.076
European Digital Rights	17.013	0	0
Civil Liberties	6.723	0	0
International Center for Not-for-Profit Law	2.482	7.868	282.205
Association Konekt	1.771	1.658	20.778
MOTT Foundation	0	137.326	296.186
German Embassy	0	0	27.162
<b>Total project income *</b>	<b><u>2.739.730</u></b>	<b><u>2.588.829</u></b>	<b><u>2.814.703</u></b>

\* An overview of the total expenditure per grant is found in 'G. Summary of the grants 2025' (page 31).

From the total income 37% comes from government organisations, 1% comes from businesses and 62% 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, OAK Foundation and the Ford Foundation. Other funding is project funding and has a repayment obligation when the funding is not fully spent.

	Actual 2025	Budget 2025	Actual 2024
	€	€	€
<b>EXPENDITURE</b>			
<u>Personnel and staff related costs</u>			
Salaries	1.308.909		1.313.710
Social security	211.297		206.538
Pension premiums	111.450		115.275
Other staff costs	3.127		919
<b>Total personnel and staff related costs</b>	<b><u>1.634.783</u></b>	<b><u>1.677.493</u></b>	<b><u>1.636.442</u></b>
<i>FTE (average over the reporting period)</i>	18,00	18,47	20,00
<i>Number of employees (FTE) per December 31st</i>	16,76	17,40	20,40

No remuneration has been awarded to supervisory board members.

#### Operation costs

Website, public relations, marketing expenses	25.012	31.997	50.898
Conference and events	14.411	97.875	128.821
Translation services	313	12.050	10.447
<b>Total operation costs</b>	<b><u>39.736</u></b>	<b><u>141.922</u></b>	<b><u>190.166</u></b>

Due to a change in funded projects early 2025 a strategic shift in budget was necessary. ECNL had to reassess its remaining activities, such as conferences and events. We transitioned toward lower-cost, high-impact initiatives that maintain our core objectives.

#### Housing costs

Office rent	29.123	42.000	37.951
<b>Total housing costs</b>	<b><u>29.123</u></b>	<b><u>42.000</u></b>	<b><u>37.951</u></b>

Since 2025 VAT is no longer calculated over the service advances and the fiber optic connection, which has led to a decrease of the costs for office rent.

	Actual 2025	Budget 2025	Actual 2024
	€	€	€
<u>Office costs</u>			
Office supplies	37.518	26.064	37.467
Telecommunication costs	813	2.300	2.188
Postage	112	0	125
Total office costs	<u>38.443</u>	<u>28.364</u>	<u>39.780</u>

General expenses

Sub Grantee ECNL - professional fees	262.300	483.045	92.445
Professional fees other	242.476	188.403	387.215
Accounting and fiscal fees	100.587	92.407	110.128
Travel expenses	99.144	139.293	256.406
Insurances	52.681	50.000	48.509
Other general costs	318	10.000	0
Total general expenses	<u>757.506</u>	<u>963.148</u>	<u>894.703</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 lower than budgeted.

Depreciation

Depreciation intangible assets	13.079		13.075
Depreciation tangible assets	1.828		2.875
Total depreciation	<u>14.907</u>	<u>0</u>	<u>15.950</u>

	Actual 2025	Budget 2025	Actual 2024
	€	€	€
<u>Financial income and expenditure</u>			
Interest	14.092		28.872
Bank charges	-5.131		-8.464
Currency exchange rate differences	<u>-25.026</u>		<u>32.058</u>
Total financial income and expenditure	<u><u>-16.065</u></u>	<u><u>-3.633</u></u>	<u><u>52.466</u></u>

Due to a fall of the dollar rate in the reporting period a currency loss has occurred.

## G. Summary of the grants 2025

	Balance of liabilities and receivables 31-12-2024	Receivables (Grants to be received) 31-12-2024	Liabilities (Grants received in advance) 31-12-2024	Project expenditure	Grant income recognised	Grant received in cash	Balance of liabilities and receivables	Receivables (Grants to be received) 31-12-2025	Liabilities (Grants received in advance) 31-12-2025
	€	€	€	€	€	€	€	€	€
		A	B		C	D	A - B + C - D		
European Union	-520.229	0	520.229	984.215	979.597	826.612	-367.244	0	367.244
Ford Foundation	0	0	0	591.020	604.431	604.431	0	0	0
Sigrid Rausing Trust	-49.006	0	49.006	183.271	393.442	344.436	0	0	0
Packard Foundation	0	0	0	147.654	182.409	182.409	0	0	0
Allianz Foundation	-3.856	0	3.856	86.733	86.733	71.783	11.094	11.094	0
Open Society Foundation	0	0	0	177.256	60.398	60.398	0	0	0
Omydiar	-51.598	0	51.598	50.981	51.598	0	0	0	0
Oak Foundation	0	0	0	17.351	237.500	47.949	189.551	189.551	0
Danish Inst. for Human Rights	0	0	0	34.799	36.421	36.421	0	0	0
National Endowment for Democracy	21.439	21.439	0	28.732	30.388	142.527	-90.700	0	90.700
Consultancy income	0	0	0	0	26.997	26.997	0	0	0
Partners Global	0	0	0	13.641	21.827	21.827	0	0	0
European Digital Rights Civil Liberties	0	0	0	16.984	17.013	17.013	0	0	0
International Center for Not-for-Profit Law	20.791	20.791	0	7.933	2.482	23.273	0	0	0
Association Konekt	0	0	0	0	1.771	1.771	0	0	0
MOTT Foundation	126.957	126.957	0	147.186	0	0	126.957	126.957	0
<b>Total</b>	<b>-455.502</b>	<b>169.187</b>	<b>624.689</b>	<b>2.492.413</b>	<b>2.739.730</b>	<b>2.407.847</b>	<b>-123.619</b>	<b>334.325</b>	<b>457.944</b>

## H. Annual indirect expense rate

Description	As of Dec 31, 2025 €	% to Total costs of project and operating expenses
Total costs of project and operating expenses	2.514.498	
Total ECNL direct expenses	2.035.922	
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	452.978	22,2%
Board related expenses	4.290	0,2%
Website and Program development	21.308	1,0%
<b>Total ECNL operational expenses in FY 2025</b>	<b>478.576</b>	<b>23,5%</b>

The indirect rate is calculated as an all-inclusive rate that reflects the full share of administrative costs in relation to total expenses. This is part of the methodology outlined in the recovery manual.

## Other information

### Independent auditor's report

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

Tot the board of  
European Center for Not-for-Profit Law Stichting  
Riviermarkt 5  
2513 AM The Hague

## **INDEPENDENT AUDITOR'S REPORT**

### **A. Report on the audit of the financial statements 2025 included in the annual report**

#### **Our opinion**

We have audited the financial statements 2025 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 2025, and of its result for 2025 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 2025;
2. the statement of income and expenses 2025;
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 2025.



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 23, 2026

Versluis Accountancy B.V.  
J. Versluis RA