

Annual Report 2022

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1. Introduction – André Wilkens

2022. What a year. Again! After the last two challenging years, we had hoped these 12 months would be a bit calmer – less of a state of emergency. Instead, 2022 became even more extreme with the war in Ukraine, an energy and food crisis, high inflation and an accelerating climate meltdown. We had to come to terms with the new normal of constant crises.

The European Cultural Foundation has proven surprisingly resilient. We have become more flexible, quicker, more focused. The external shocks we faced have pushed us to modernise the way we work. They have accelerated developments that may otherwise have taken longer. In response to Covid and then the Ukraine war, we created the flexible **Culture of Solidarity Fund**; and we accelerated our sustainable funding strategy.

The Ukraine edition of our **Culture of Solidarity Fund** was the biggest so far with a budget of €1.7 million and over 100 European projects, with the support of 15 important European partners. The **Europe Challenge** – our programme for communities and their libraries – has developed an exciting body of case studies and a growing network of libraries across Europe. The EU has highlighted libraries in Europe as important public spaces for sharing, interaction and doing, and we will use this momentum to scale our libraries initiative in 2023/24. We launched the first **European Sentiment Compass** study and hosted a hybrid **Europe Day** event. And there is increased interest in our initiative for a **European Public Space**, in particular with a focus on **Migrants in the Media**.

What did we learn in 2022?

First, our vision, mission and programmatic focus remain as relevant today as ever, and we should maintain a healthy degree of flexibility in dealing with uncertainty, which we've achieved through our above-mentioned Culture of Solidarity Fund.

Second, we've successfully advocated with many strong partners from the sector for a **Cultural Deal for Europe**, which has resulted in a historic €12 billion investment in the European cultural

sector. We now need to monitor how these funds are spent and how they affect the European sentiment. The investment of governments and the EU to mitigate the Covid-19 crisis has provided an opportunity for public-philanthropic partnerships, although it is complicated, excessively bureaucratic and needs dedicated and skilled human resources.

Third, we learned that we need a more standardised design and evaluation process for internal cohesion and external understanding. Evaluation is part of our learning, to improve our initiatives and our impact. For this reason, we have developed a clearly defined Theory of Change and a set of five success indicators.

Fourth, for most of 2022 we have worked together in a hybrid digital-analogue office. In-person management and team meetings are important and productive, while desk work can be carried out remotely. There are also advantages to remote working for a pan-European organisation like ours with staff present in other European locations. We are working towards a productive balance between remote and on-site work as well as travel and digital participation, to integrate our climate commitments.

Fifth, changing attitudes towards philanthropy in general and new Dutch draft regulations on cross-border financing in particular can have big implications for the foundation's core business model. We consider this an opportunity to further define European philanthropy that can improve its transparency and accountability along the lines of our climate commitments. We launched a Task Force on Sustainable Finance, which develops new and innovative funding sources for European foundations like ours. We've also learned that partnership building remains a core operational principle, and we should focus on strengthening partnerships that contribute to our mission and impact.

Finally, we've faced challenges with our office space in Amsterdam, which prompted us to explore alternative spaces and this allowed us to think afresh and develop the office of the European foundation of the future. Moving our office will fast-track a new culture of work.

Looking to the future

How can we respond to a cycle of never-ending crises? Over the summer of 2022, we carried out a mid-point review of our five-year strategic plan. At the same time as confirming our mission and overall strategy, we have updated our programmes, advocacy, communication and operations in order to remain relevant, agile yet ambitious.

The Culture of Solidarity Fund remains our flexible instrument to enable cross-border European activities in times of war, climate transition and uncertainty. We will continue to advocate for the full integration of culture into EU policies and actions. After a successful review, we will be scaling up two of our most innovative programmes, Europe Challenge and European Pavilion – which uses arts and culture as a platform to investigate, explore and discuss Europe’s burning questions.

As part of our long-term commitment for empowering a European Public Space, we will pilot a European platform of independent media actors. We will continue our campaign to make Europe Day an occasion to celebrate European unity, solidarity and purpose. The second edition of the European Sentiment Compass will be published on Europe Day – 9 May 2023. Operationally, our priority is to mainstream our climate pledge across our operations.

These challenging times are a reminder that the founding narrative of modern Europe – peace through exchange and sharing – is as relevant now as it was in the 1950s. In this spirit, we will continue to do what we do best – working together with all of our brilliant partners to imagine and build a better Europe.

André Wilkens, Director, European Cultural Foundation

2. Report by the Supervisory Board

Four meetings of the Supervisory Board took place in 2022, recurring points on the agenda concerned the financial reporting, development and implementation of the multi-annual strategic plan 2022-2025, as well as trends in the related areas of work, such as fundraising and the relationships with our funding partners.

The precarious situation of the cultural sector in 2022 due to Covid-19 continued to be a significant topic and this was compounded by the outbreak of war in Ukraine. ECF's immediate response was to set up the Culture of Solidarity Fund Ukraine.

Other matters the Supervisory Board dealt with included: diversity and inclusion, risk management, cooperation with partners in the Netherlands and across Europe and HR policy, investment principles, Theory of Change, endowment-raising strategies and office location.

The European Cultural Foundation makes a clear distinction between supervision and management in its day-to-day operations, but we are committed to ensure reciprocity and joint deliberation on the main issues and challenges facing the organization.

The Supervisory Board oversees the proper execution of the Director's managerial responsibilities. The Supervisory Board's main responsibilities can be summarised as follows:

- Deciding upon and evaluating the Foundation's strategy as drafted by the Director, and prioritising its activities
- Evaluating the efficient use of the Foundation's resources (approval of budget and Annual Report)
- Appointing the Foundation's Director, members of the Supervisory Board and the President.

The four meetings took place respectively on 9 March (online), 10 May and 22 June (online) and 1 December 2022. The topics discussed focused on a number of items, including:

- Approval of 2021 financial report and Annual Report
- Approval of the updated 2022 budget
- Decisions on Supervisory Board development and Audit Committee membership
- Relationship with Prins Bernhard Cultuurfonds
- Exchange with the staff representation group ('Personeelsvertegenwoordiging'/'PVT')
- Self-assessment by the Supervisory Board

Supervisory Board development

This year the Supervisory Board welcomed two new active and committed members. Mr Igno van Waesberghe joined on 9 March as Vice-Chair. Ms Esra Küçük joined on 10 May. We also sadly bid farewell to Rien van Gendt who served as Vice-Chair and Chair ad interim on the ECF Supervisory Board. We are most indebted to him for his many years of inspired work and insights for the benefit of the Foundation.

Annual self-assessment and confidential exchange with the Staff Representation Group ('Personeelsvertegenwoordiging'/'PVT')

At the 10 May meeting, the Supervisory Board carried out a self-assessment and they met with the Foundation's staff representation group in a confidential and informal exchange.

For **2023**, the Supervisory Board will specifically monitor housing location matters and issues related to sustainable finance and risk management.

Gerry Salole, Chair of Supervisory Board, European Cultural Foundation

List of Supervisory Board members (as at 31 December 2022)**President**

HRH Princess Laurentien of the Netherlands (NL)

Chair

Gerry Salole (UK)

Vice-Chair

Rien van Gendt (NL) (until 9 March 2022)

Igno van Waesberghe (NL) (from 9 March 2022)

Treasurer

Rob Defares (NL)

Members

Florian Dautil (F)

Esra Küçük (D) (from 10 May 2022)

Andrea Silvestri (I)

Catarina Vaz Pinto (PT)

Rana Zincir Celal (TR/CY)

3. Purpose, Mission and Vision

Status

The European Cultural Foundation has the ANBI 'Algemeen Nut Beogende Instelling' status, which means that our objective is to improve the wellbeing of the public. This status comes with tax benefits for our donors. Since our objectives are specifically related to culture, we were granted Cultural ANBI status, which comes with additional tax benefits for donors.

The European Cultural Foundation itself is not tax exempt. Our RSIN 'Rechtspersonen en Samenwerkingsverbanden Informatienummer' / Fiscal number is 002967327. Our Chamber of Commerce number is 41199699.

Purpose, Articles of Association

The European Cultural Foundation adheres to Articles of Association and their By-Laws. The current versions of both were approved by our Supervisory Board, on 17 December 2015 and 28 May 2019 respectively. We regularly assess whether these documents are still accurate; if necessary, they are reviewed and updated. The latest version of our Articles of Association is deposited at the Dutch Chamber of Commerce. These are published online <https://culturalfoundation.eu/wp-content/uploads/2020/11/SworntranslationECFArticlesofAssociation20September2016.pdf>.

According to the Articles of Association (Article 2):

“The objective of the ECF, an organisation in the public interest, is to support and promote cultural activities of a European nature. The ECF does not aim to make a profit.”

In our current context, this means that we develop and support initiatives with a focus on culture, education, climate and civil society that let people share, experience and imagine Europe.

ECF is able to achieve our goals by using means for activities on these different areas, by developing forward-looking connections

that may be beneficial, in the broadest sense of the word, all for the purpose of fitting with the Foundation's objectives. We run our own programmes and initiatives and participate, cooperate with and support, as well as provide grants to other organisations that help us to carry out our objectives.

In order to further our aims the Foundation acquires funds, support and contributions from the Prins Bernhard Cultuurfonds (through which we receive lottery money), subsidies, contracts with the European Commission, donations as well as through the return on our investments.

Mission

The European Cultural Foundation is committed to promoting a European sentiment through culture and common experience. Our founding fathers formulated this mission in 1954:

“The European Cultural Foundation was created for the stimulation of the European sentiment, [...], to promote the development and preservation of a feeling of mutual comprehension and democratic solidarity between the peoples of Europe by encouraging cultural and educational activities of common interest.”

Vision

Our vision is a united Europe that makes a positive contribution to solving the most pressing problems of our times. We are primarily a foundation for Europe that is guided by the European common good. Culture is the space where we in Europe understand how we can live together, understand our identities and feel at home. Culture is key to building European identities. European identities are not exclusive but are made of many belongings, inclusive of national, regional and migrant belongings and identities. Culture is an ongoing social process that deals with what people and communities believe they have in common. Culture, cultural work, artistic expression and production are all about 'assigning meaning' and experiencing and living our values on a daily basis.

4. Activities

1. ECF programmes

Three thematic clusters define the European Cultural Foundation's programmes, which inspire people and communities to SHARE Europe, EXPERIENCE Europe and IMAGINE Europe. Within these three strands, our programmes focus on Europe as a cultural community. They engage Europeans from many backgrounds to experience the common space they share. They stimulate citizens to imagine their futures freely and with an open-mind, and to support the co-creation of Europe as a shared public space for everybody. With this in mind, our flagship programmes in 2022 were the Culture of Solidarity Fund, the Europe Challenge, the European Pavilion and a cluster of initiatives focusing on European public space and media representation.

SHARE Europe

Under SHARE Europe, we design, develop and fund a portfolio of projects that promote a functioning and safe European public space. These projects highlight the importance of Europe as a shared public sphere in which people with different cultural and national backgrounds and views are connected, providing an alternative to looking at Europe through national lenses.

In 2022, a consortium of five partners – with ECF as coordinator – started the EU-funded project **Re:Framing Migrants in the European Media**, which aimed to change current media narratives by assuring appropriate media representation of migrant and refugee communities across Europe. A number of grants were provided to media platforms to strengthen the European public space. We also finalised the EU-funded multi-annual project **MediActivism**, a research and advocacy project to create a safe European digital public space.

EXPERIENCE Europe

EXPERIENCE Europe is designed to provide citizens and cultural professionals with

opportunities for direct people-to-people contacts. These programmes aim to nurture a European sense of belonging building on long-term cultural and educational exchanges of people and common practices.

In 2022, we continued to support **Generation Europe**, a multi-annual programme for young Europeans from 14 countries, which we co-fund with Stiftung Mercator and regional ministries in Germany. Together with Kultura Nova Foundation and MitOst, we concluded the **i-Portunus Houses** EU pilot project, which encourages cross-border mobility for artists and cultural professionals. The **Vaha** programme – which supported 50 cultural organisations in Turkey and neighbouring European countries to act as civil spaces for open debate and exchange – concluded with a European networking meeting in Antakya.

IMAGINE Europe

Through IMAGINE Europe, we are committed to designing, developing and funding a portfolio of initiatives that tell the stories of Europe and imagine the future of Europe. The **European Pavilion** programme supports artists and cultural projects to work as experimental studios to stimulate critical debate on the future of Europe. The IMAGINE programmes also include the **Europe Challenge**, which encourages libraries and their communities to design, test and deliver solutions to local problems that can benefit all of Europe. We also continued our co-financing of the **Life in Europe** programme within the International Documentary Festival Amsterdam and the bi-annual **Forum on European Culture** at De Balie.

2. Public Policy

We strive to create a central position for culture in public opinion and in policies from the local to the European level. We do this by running campaigns, organising policy events, commissioning research and collaborating with European stakeholders.

In Covid-19 times, the **Cultural Deal for Europe**, initiated and managed by ECF, Culture Action Europe and Europa Nostra, campaigned for 2% from the Recovery Plan for Europe to be dedicated to culture. It resulted, together with other efforts, in the mobilisation of a historic €12 billion for culture. The campaign advocates to anchor culture at the heart of the European project and also calls for a 'European Cultural Deal for Ukraine' to help Ukraine's immediate cultural needs and future cultural recovery.

The Europe Day 2022 on 9 May saw the launch of the first **European Sentiment Compass** – a research project assessing the state of the European Sentiment in the 27 EU countries. We commissioned the European Council of Foreign Relations (ECFR) to produce the Compass as an annual survey of citizens' and EU governments' attitudes towards Europe.

May 2022 also saw the launch of **CrAFT** (Creating Actionable Futures), a three-year EU Horizon-funded project. It is a support action of the New Bauhaus initiative bringing together cities and their citizens, policymakers, arts and academia to jointly shape the transition to climate neutrality. On 23 June, the European Institute of Innovation and Technology (**EIT**) announced the winning consortium to lead Europe's biggest innovation community for the cultural and creative sectors and industries. ECF is part of the pan-European partnership.

3. Communications

Communications are an essential part of ECF's work, since what we communicate informs, inspires and activates our audiences. Our communications highlight projects, stories and organisations that we support. They create awareness, recognition and trust, drives engagement with our communities and serves our strategy, mission and programmatic goals.

In 2022, we started assembling a new community engagement plan, aiming to strengthen ECF's ties with the various communities and stakeholders that we work with, materialising mutual benefits and increasing the outreach of our messaging.

Reach and engagement

We continued to develop our website to showcase our programmes, to share and curate content about our Culture of Solidarity grantees and partners, and to contribute to the discourse on the role of culture in Europe.

- The ECF website attracted over 100,000 unique users in 2022 (+9% compared to 2021).
- The additional, newly launched programme-specific websites attracted 10,000 visitors.
- Our social media activities (LinkedIn, Facebook, Instagram and Twitter) reached a record of nearly 100,000 followers.
- We sent out our monthly digital newsletters to 20,000 subscribers in 2022.
- Our annual magazine Common Ground appeared in a printed and a digital format. In total, it was distributed to over 1,200 readers.

Europe Day

The celebration of Europe Day on 9 May was our third edition of the event. It was a hybrid offline and online programme bringing together artists, creatives, policymakers and opinion makers, journalists, partners and grantees for a day of conversations, films and talk shows in which culture and solidarity played a central role.

Communications campaigns

Alongside the Europe Day campaign, we ran a communications campaign for the Cultural Deal for Europe. In November of last year, we started a campaign across both ECF's own platforms as well as in Dutch (philanthropic) media around #GivingTuesday to raise awareness and gather learnings from donation dynamics.

4. Grants and donations

In 2022, ECF ran grant calls for several key programmes.

The Culture of Solidarity Fund – Ukraine edition 2022

Drawing on more than 15 years of working with local cultural initiatives from all over Ukraine, in late February 2022 we launched the first specifically cultural and European rapid response mechanism for Ukraine. With pooled resources from a group of co-funders, we supported 12 cultural emergency relief initiatives and on-the-ground actions with donations totaling €278,000.

By mid-June, more than 400 submissions had been received and we disbursed 78 small- and medium-sized cultural emergency grants (in total: €1,151,184) with co-financing from the following partners (in order of contributions):

ECF, Allianz Foundation, Sigrid Rausing Trust, Fondazione Cariplo, Fondazione CRT, Fondazione CSP, Deutsche Postcode Lotterie (through GLS Treuhand), Zeit Stiftung (through Haus des Stiftens), Bucerius Kunstforum solidarity ticket, Moleskine Foundation and Haus des Stiftens donation campaign.

In September, a special edition was launched in partnership with EUNIC (the network of EU National Institutes for Culture), with core financing led by the Goethe-Institut, Institut Français and Instituto Cervantes. This edition targeted EUNIC cluster members and their local partners looking to promote the visibility and embeddedness of Ukrainian Culture across Europe. Fifteen grants were awarded, amounting to a total of €269,565.

Other grants in the different programmatic areas are listed on the next page.

SHARE Europe	€
<i>Re:framing Migrants in European Media (EU pilot):</i>	
Stichting Here to Support	109,340
Assoc. Eticas Research and Innovation	92,288
Asociacion Cultural Comenzemos Empezemos Zemos98	109,853
Agora SA	107,431
Co Culture – Khaled Barakeh	59,240
<i>European Media Platform:</i>	
Eurozine – The Netmagazine	50,000
Stichting Bellingcat	40,000
Movies that Matter	10,000
Schuman Show	50,000
Fees paid to the cultural/creative sector	96,601
Total SHARE:	724,753

EXPERIENCE Europe	
<i>Generation Europe Next:</i>	
IBB Internationales Bildungs und Begegnungswerk	100,000
MitOst Tandem Regions 2020-2022, phase 1	4,376
Fees paid to the cultural/creative sector	55,420
Total EXPERIENCE:	159,796

IMAGINE Europe	
<i>Culture for Climate Fund:</i>	
Valiz publisher (part 2022 of total of €20,884)	18,800
<i>The Europe Challenge:</i>	
32 Europe Challenge libraries	264,812
OBA	21,225
OBA (The Europe Challenge Live Event)	26,000
<i>Culture of Solidarity Fund Ukraine:</i>	
Culture of Solidarity – Ukraine edition and donations	1,698,749
<i>European storytelling:</i>	
IDFA	30,000
Forum on European Culture 2023	90,000
Fees paid to the cultural/creative sector	130,083
Total IMAGINE:	2,279,669

PUBLIC POLICY	
<i>POLICY ADVICE – Leverage EU policy and funding:</i>	
Culture Action Europe (2022 part, total €35,000)	28,000
Thyssen-Bornemisza Art Contemporary Privat Stiftung	10,000
European Council on Foreign Relations (ECFR) (2022 part, total €63,000)	19,875
Fees paid to the cultural/creative sector	46,172
Memberships	28,695
Total PUBLIC POLICY:	132,742

COMMUNICATIONS	
Stichting Prospektor	13,550
Association the Europeans	17,100
Fees paid to the cultural/creative sector	79,768
Memberships	787
Total COMMUNICATIONS:	111,205

TOTAL GRANTS, PARTNERSHIPS & DONATIONS:	3,408,165
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5. Interaction with Stakeholders

Donors, funders and partner organisations

The European Cultural Foundation receives funding from a number of different sources, ranging from public organisations, governments and not-for-profit organisations to Dutch lotteries. The contributions by the Dutch lotteries are distributed through the Prins Bernhard Cultuurfonds. An overview of all amounts received per source is included in the Foundation's annual accounts.

The European Cultural Foundation maintains good and regular contact with all of these organisations at a director and programme level. Our communications are ongoing, with regular updates on new developments and potential for collaboration. For all partnerships, a contract

is agreed and evaluation mechanisms are in place. In 2022, we filled a new position for a Fund Development Manager, who develops strategies to expand and diversify our financial resources.

Grantees

By supporting grantees across Europe, the European Cultural Foundation not only enables the recipients to fulfill their plans, but also strengthens our mission to support the European sentiment. We maintain contact with a large number of grantees through our network and social media channels. Additionally, some grantees may become partners or participants in other ECF projects, or they may become contributors to one of our publications, or (successfully) apply for another grant.

6. Income

The European Cultural Foundation has three main sources of income:

1. Income from the lotteries

Through a long-standing agreement with the Prins Bernhard Cultuurfonds (PCBF), renewed most recently on 2 February 2012, the Foundation receives 25% of the Prins Bernhard Cultuurfonds' non-earmarked lottery income.

2. Fundraised income

The European Cultural Foundation receives funding from commercial, non-profit and government institutions. We actively pursue these opportunities and have managed to diversify our income sources. Not all income received from the above-mentioned parties is considered fundraised income, according to the definition of the Centraal Bureau Fondsenwerving (CBF, Central Bureau for Fundraising organisations) that issued its 'Erkenning' (Recognition hallmark) to ECF in 2014.

3. Income from ECF's securities portfolio

The European Cultural Foundation has a reserve in the form of a securities portfolio, which is managed externally by an asset manager. Our ambition is to cover our overhead expenses with the income generated through this securities portfolio. Furthermore, this securities portfolio acts as a buffer, allowing the organisation to continue to operate for a limited period in case there is a drop in income.

Income in 2022*

Income in 2022 consisted of lottery funding** through the Prins Bernhard Cultuurfonds (PBCF), fundraising (contributions from profit/non-profit and government sources) and of income on ECF's securities portfolio. ECF's total income in 2022 was €3,762,391 compared to €8,545,352 in 2021. The total income in 2022 was €3,258,126 below the total budgeted income (€7,020,517), which is mainly due to a particularly low return of -/- €2,447,924 on ECF's securities portfolio.

Third-party income

The total third-party income for 2022 was €5,360,804 compared to €5,023,477 in 2021. This amount includes income from the Prins Bernhard Cultuurfonds and other non-profit organisations. It excludes income from governments and interest and income from investments.

Income from the Prins Bernhard Cultuurfonds for 2022 was €4,808,133 compared to the budgeted amount of €4,674,204.

For 2022, income from the remaining third parties was €552,671 compared to €349,274 in 2021. Income from remaining third parties was €597,329 lower than budgeted, due to the fact that underlying programme activities did not materialise. The remaining third-party contributions were received from various foundations. All contributions were related to specific project activities. The major donors were trustees of the Sigrid Rausing Trust (€117,756), Allianz Foundation (€100,000) and GLS Treuhand (€70,000) for the Culture of Solidarity Fund and Fondazione Cariplo (€70,000) for the Europe Challenge.

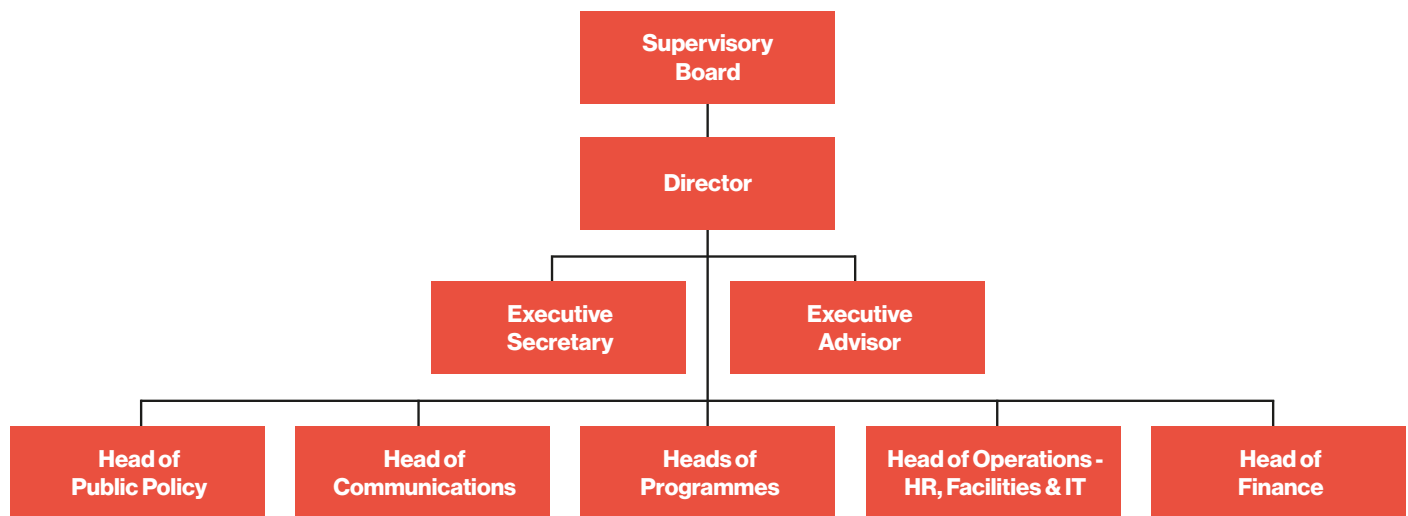
Income from government subsidies

Income from various governments in 2022 was €844,715 compared to €1,516,933 in 2021. The budgeted amount was €671,313. This increase to budget (€173,402) is mainly due to a contribution issued by European Commission of €500,000 for Directorate-General Connect – Re:framing Migrants in the European Media, exceeding budget by €166,667.

**Income here includes interest and income from investments.*

*** In line with RJ650 regulations regarding the recognition of lottery income (received by ECF through the Prins Bernhard Cultuurfonds), the recording of income has to be in line with the period in which the actual lottery proceeds were generated. See for additional information note on page 30.*

7. Codes, Rules and Guidelines of the Organisation



Since July 2014, the European Cultural Foundation has held the CBF's (Central Bureau for Fundraising organisations) Recognition hallmark for fundraising organisations. Since then, as a member of Goede Doelen Nederland, the European Cultural Foundation complies with all the necessary codes and guidelines, including the annually reviewed code for good governance (issued by the FIN, the Dutch Alliance of Philanthropic organisations).

In line with this, we adhere to the following principles:

Management, supervision and execution

The European Cultural Foundation makes a clear distinction between management, supervision and execution. The Supervisory Board appoints and supervises the Director. While the Director has managerial responsibilities, the Supervisory Board oversees the proper execution of these responsibilities. The Foundation's employees carry out the day-to-day tasks.

- a. Management (ECF's Director)
- b. Supervision (ECF's Supervisory Board)
- c. Execution (ECF's employees)

A. Management

Director's responsibilities

The European Cultural Foundation's management consists of one Director. The Director is responsible for representing the Foundation, and carries the responsibility for overall management, strategic development, execution of the Foundation's strategy, management of the Foundation's resources (human and monetary) and fund development.

At least twice a year, the Director formally reports to the Supervisory Board in a meeting in which the Director, the Supervisory Board and the Head of Finance are present. More regular and informal contact is maintained outside these meetings with individual members of the Supervisory Board.

Every week, the Director meets with the Management Team (MT) to discuss strategic matters as well as to monitor activities and operational matters. The MT consists of the Head of Finance, Heads of Programmes, Head of Public Policy, Head of Communications and Head of Operations.

B. Supervision

Supervisory Board's responsibilities

The Supervisory Board is the European Cultural Foundation's supervisory body. The Foundation's Articles of Association and By-Laws state the roles and responsibilities of the Supervisory Board members.

The main responsibilities can be summarised as follows:

- deciding upon and evaluating the Foundation's strategy, and prioritising the Foundation's activities
- evaluating the efficient use of the Foundation's resources (approval of budget and annual reporting of the Director and the Chair of the Supervisory Board in the ECF Annual Report)
- appointing the Foundation's Director, members of the Supervisory Board and the President.

Recruitment

Appointments for the European Cultural Foundation's Supervisory Board are based on a number of core criteria, including expertise, international perspective, cultural, regional and demographic diversity, and access to a European network. Additional functions should be of value and should not lead to conflicting interests. In case of upcoming vacancies, candidates are put forward by the Supervisory Board, the Director and the staff of the Foundation from their extended network.

Evaluation

In 2014, the Supervisory Board started self-evaluating, in line with #8 of Article 11 of the Foundation's Articles of Association. The annual evaluation is performed based on a list of questions that were developed by the Supervisory Board members.

Remuneration

The Supervisory Board members do not receive remuneration for their work for the European Cultural Foundation. However, expenses incurred for travel etc. are reimbursed on request.

The Executive Committee and the Audit Committee

The Executive Committee consists of the Chair, Vice-Chair, Treasurer and Director. The Executive Committee meets at least twice a year. Their mandate is to help prepare Supervisory Board meetings, lay the groundwork for making decisions and offer guidance to the Director.

The Audit Committee consists of the Director, the Vice-Chair, the Treasurer and one more Supervisory Board member.

The President

The President holds an extraordinary, non-voting membership of the Supervisory Board and plays an active and visible role as specified in the Articles of Association.

Since 12 May 2007, the President of the European Cultural Foundation is HRH Princess Laurentien of the Netherlands.

Term

The term for Supervisory Board members is four years, renewable once (maximum 8 years), and for Executive Committee members renewable twice (maximum 12 years).

Conflicts of interest

Supervisory Board members are required to inform the Chair immediately of any activities, contracts/grants, etc. that could lead to a potential conflict of interest. Potential conflicts of interest are declared at each Supervisory Board meeting. The Chair will decide whether the Supervisory Board member will need to leave the room during particular discussions, or while a decision is being taken on a specific matter. In addition, all Supervisory Board members are required to sign a statement to declare their endorsement of the principles stated at the beginning of this document and confirming that there is no conflict of interest between the responsibilities they fulfil for the European Cultural Foundation and other relationships/positions they hold. This declaration is a requirement of the CBF Recognition hallmark.

C. Execution

Employees' responsibilities

The Management Team, together with their respective teams, is responsible for the implementation of the Foundation's strategy. Employees develop and execute the Foundation's activities, procedures and policies as outlined in the annual work plan and five-year strategy. The employees' tasks and responsibilities are defined according to structured job profiles that are assessed during regular annual performance reviews.

Impact and Evaluation

Growing a European sentiment, a European sense of belonging, remains our mission and relates to all our activities. We know that this is ambitious and ultimately never completely achievable. It is a promise.

While it is hardly possible to attribute the impact of ECF's work to the development of the European sentiment, we need to understand how the European sentiment is developing, what are the key drivers and what this means for ECF's current and future initiatives. For this reason, we have started the **European Sentiment Compass** – a multi-annual research project with the European Council on Foreign Relations, which published its first edition in 2022. The second edition is planned for May 2023. Insights from the research were used to update our strategy and work plan 2023.

Defining our expected impact is an important and ongoing process. It is not about perfection or being right. It is about making assumptions and imagining a process where impact is achieved. It will always be imperfect and a work in progress. We are committed to evaluation, to improving our initiatives, gaining in tangibility and increasing our impact. We are keen to learn from our programmes and partnerships and to share the results with our community and the broader European context.

An example of an evaluation mechanism is the narrative and financial reporting provided by the grantee at the end of a project. We apply a variety of internal and external evaluation methods and tools to our programmes to take stock of our achievements, to learn from our experience, to share knowledge within and beyond the European Cultural Foundation, and to inform our decisions and strategies going forward.

Evaluation results demonstrate to our donors and partners how we achieve our goals. Ongoing monitoring and evaluation help us to adjust our multiannual programmes and tools towards stronger outcomes and impact.

Theory of Change

As part of our mid-strategy review, we have revised, updated and sharpened our Theory of Change (TOC) and sketched a graphic presentation of it (rather than putting it into a box). This helps to clarify the relationship between our Public Policy, Communication and Programme initiatives. Together with our Success Criteria, the updated TOC is part of our annual work plan cycle and, in 2024, the basis for evaluation of our five-year strategy 'Challenge 2025'.

We have developed a set of five Success Criteria: Relevance, Ambition, Creativity, Accessibility, and Sustainability. These criteria create transparency about what we regard as successful initiatives, become a point of reference for management decisions, create a certain level of standardisation in how we look at our initiatives, design new initiatives, and improve the steering of running projects.

8. HR, IT and Facilities

Our Operations Department (Human Resources, IT and Facilities) ensures that the appropriate strategies, plans and tools are in place to enable the internal organisation to function effectively. The Operations Team advises and supports the Director, managers and staff accordingly.

Premises and digital facilities

In 2022, we conducted a sustainability audit of our office, which resulted in a negative assessment of the energy consumption of the building. In view of the costs of necessary renovations, our management and Supervisory Board decided to undertake to move to a new location. The Operations Team will try to find a suitable new location in 2023.

In terms of digital safety, alongside our standard safety procedures, we conducted an ethical hacking of our systems, updating our riskmanagement processes and taking measures accordingly. We also took out a digital security insurance.

Energy consumption and carbon offsetting

Since last year, we have had a 'Train First' policy in place and we started to carbon offset our limited air travel. This year, we expanded our carbon offsetting to include train, car and hotel emissions. The CO₂ emissions of all of our travel and hotel use were 71 kg and compensated with an amount of €1,646 through *Atmosfair*, a certified non-profit organisation that supports climate mitigation technologies in developing countries. *Atmosfair* plans, finances and carries out these projects with local partners according to the rules and procedures outlined in the Clean Development Mechanism (CDM) of the Kyoto Protocol and the 'Gold Standard' established by the international environmental NGO community.

As well as making a conscious effort to save energy on heating our office building, we have also offset our carbon emissions related to the energy consumption of our premises by using only CO₂-compensated gas. The compensation is carried out by our energy provider, which makes a related donation to *Trees for All*, a recognised non-profit foundation with a CBF Recognition

hallmark and ANBI status, planting forests in the Netherlands and abroad. In 2022, we used 12,790 CO₂ on heating our premises and thereby achieved a reduction of 16.5% compared to the 15,320 CO₂ we used in 2021.

Human Resources

Our hybrid office policy was formalised and the hybrid work agreements with members of staff were renewed. We complied with tax regulations and other relevant legislation in the event of regular remote work.

At year-end, we employed 23.5 Full-Time Equivalent employees (FTE). The turnover was 4% and we welcomed three interns. Employees' absence numbers were at 5.28%, which is comparable to the national average and to the year before.

Integrity policy

Our integrity policy, including code of conduct and grievance procedure, is available on our [website](#). In 2022, no official integrity complaint was submitted. Our external trust colleague reported one confidential consultation.

9. Positions and Functions of Supervisory Board Members

Below are the relevant honorary/paid positions of ECF's Supervisory Board.

President

HRH Princess Laurentien of the Netherlands (NL)

Number 5 Foundation, The Hague – Co-founder and Director

Missing Chapter Foundation, The Hague – Founder and Director

Reading Unlimited (Vereniging Onbeperkt Lezen), The Hague – Patron

Dutch Language Society (Genootschap Onze Taal), The Hague – Patron

Centre of Expertise inclusive education (Expertisecentrum inclusief onderwijs), 's Hertogenbosch (NL) – Patron

Association of Public Libraries, The Hague – Honorary Chair

Fauna & Flora International, Cambridge, – President

European Climate Foundation, The Hague – Fellow

Rewilding Europe, Nijmegen (NL) – Special Advisor

Yidan Prize Foundation, Hong Kong – Member of the Board of Directors

FutureNL, The Hague – Member of the Board

Better Time Stories, The Hague – Patron

Chair

Gerry Salole (UK)

Evens Foundation, Antwerp – Board Member

UniCredit Foundation, Milan – Board Member

Impact Trust, Cape Town and London – Board Member of both SA and UK Board

Center of African Philanthropy and Social Investment, Business School, University of the Witwatersrand, Johannesburg – Member of the Advisory Board

Africa Europe Foundation, Friends of Europe, Brussels – Strategic Advisor

AfroBarometer, Pan African based in Accra (GH) – Member of the International Advisory Council

Vice-Chair

Igno van Waesberghe (NL) (from 9 March 2022)

Honorary Consul of the Republic of Poland (until 20 May 2022), Amsterdam

Various investment entities managed by Cerberus Capital Management, New York – Independent Director

Edgerston Trading (2006) Limited, Kelso, Scotland – Director

Van den Berch van Heemstede Foundation, The Hague – Board Treasurer

Learning 4 Life Foundation, The Hague – Board Member

Polish Culture NL Foundation, Amsterdam – Chair of the Supervisory Board

Rien van Gendt (NL) (until 9 March 2022)

Rockefeller Philanthropy Advisors, New York – Board Member

IMC Weekend School, Amsterdam – Board Member

EDLI Foundation, The Hague – Board Member

PTTEP BV, Amsterdam – Managing Director

Calouste Gulbenkian Foundation, Lisbon – Senior Advisor, Board

Netherlands Dance Theatre, The Hague – Advisor

Buzinezz Club, Rotterdam – Advisor

Movies that Matter, Amsterdam – Advisor

Rockefeller Philanthropy Advisors Europe, London – Board Member

Double Dividend, Amsterdam – Advisor
 Compagnia di San Paolo, Turin – Advisor
 LTIinvestors / Unito, Turin – Member Scientific Committee
 Collegio Carlo Alberto, Turin – Lecturer

Treasurer

Rob Defares (NL)
 IMC B.V., Amsterdam – CEO
 IMC Weekendschool, Amsterdam – Board of Trustees Chair
 MCA Museum of Contemporary Art Chicago, Chicago – Board of Trustees Member
 Hartwig Medical Foundation, Amsterdam – Supervisory Board Member
 Stichting Hartwig Foundation, The Hague – Supervisory Board Member
 Manifesta, Amsterdam – Supervisory Board Member

Members

Florian Dautil (F)
 Advisor to the French minister in charge of youth and universal national service (from 22 August 2022), Paris
 Bayes Impact (until 19 August 2022), Paris – Chief Operating Officer
 City of Saint-Ouen, Saint-Ouen – City Councillor
 Ecole Polytechnique, Palaiseau (F) – Lecturer
 La Miel, Saint-Denis (F) – Board Member

Esra Küçük (D) (from 10 May 2022)
 Allianz Foundation, Berlin – Chief Executive Officer
 Pro Helvetia, Zürich – Member of the Board of Trustees
 Hessische Kulturstiftung (Hessian Cultural Foundation), Wiesbaden – Member of the Board of Trustees
 Thalia Theater, Hamburg – Member of the Supervisory Board
 Stiftung Genshagen (Genshagen Foundation), Genshagen (D) – Member of the Advisory Board
 Deutsche Postcode Lotterie (German Post Code Lottery), Düsseldorf – Member of the Advisory Board
 Thomas Mann House, Berlin – Member of the Jury
 Tarabya Cultural Academy, Istanbul – Member of the Jury
 German Commission for UNESCO, Bonn – Member

Andrea Silvestri (I)
 University of Turin, Italy – General Director
 Ashoka Italy, Rome – Member of the Advisory Board
 COINFO – Italian Universities Consortium for Education, Scientific Committee – Member
 CODAU – Italian Association of University Directors, Education Commission – Member

Catarina Vaz Pinto (PT)
 AMEC – Associação Música – Educação e Cultura (Association Music – Education and Culture), Lisbon – President of the Advisory Board
 Artemrede – Teatros Associados (Artemrede – Associated Theatres), Santarém (PT) – Member of the Advisory Board
 Fundação Arpad Szenes – Vieira da Silva Foundation, Lisbon – Member of the Board of Trustees
 Fundação de Arte Moderna e Contemporânea – Coleção Berardo (Modern and Contemporary Art Foundation, Berardo Collection), Lisbon – Member of the Board

Rana Zincir Celal (TR/CY)
 Robert Bosch Stiftung GmbH, Stuttgart – Advisor (Inequality)
 The Ubele Initiative, London – Advisor
 The Social Investment Business, London, Equality Impact Investing Project
 Global Dialogue, London – Advisor
 Greenpeace Mediterranean, Istanbul – Board Member
 Greenpeace International, Amsterdam – Trustee

10. Annual Accounts

Budget 2023

Income	Budget 2023	Actual 2022
Income third party activities*	4,984,804	4,812,930
Income non-profit organisations	575,000	552,671
Income from government subsidies	2,009,834	844,715
Total income	7,569,637	6,210,316
Expenses		
<u>Expenditure Committed To Purpose</u>		
Share Europe	1,259,331	1,125,019
Experience Europe	227,146	388,479
Imagine Europe	4,503,450	3,313,547
	5,989,927	4,827,044
Public Policy	818,190	726,984
Communication	715,720	621,396
<u>Costs of Generating Income</u>	156,616	138,647
<u>Management and Administration</u>		
Finance	334,184	273,849
Operations	337,000	281,566
Operations (redistribution of costs)**	(337,000)	(281,566)
Governance	30,000	28,243
	364,184	302,092
Total expenditure	8,044,637	6,616,163
Result before Interest and income from investments	<u>(475,000)</u>	<u>(405,847)</u>
Interest and income from investments	475,000	(2,447,924)
Result	<u>-0</u>	<u>(2,853,772)</u>
Allocation of result: (Withdrawal from) / Addition to reserve	<u>-0</u>	<u>(2,853,772)</u>

* This is the contribution, through the Prins Bernhard Cultuurfonds, from the Vriendenloterij (formerly BankGiro Loterij) and the Nederlandse Loterij Organisatie (Lotto/Staatsloterij).

** See also page 40 and 43 on redistribution of costs under Operation.

Balance sheet

As per 31 December 2022:	Ref	2022	2021
Assets			
Tangible fixed assets	1		
Premises		28,948	29,843
Refurbishment		14,436	11,193
Furniture and equipment		28,265	35,538
		71,649	76,574
Financial fixed assets	2		
Fixed Income Investments		8,530,503	9,230,657
Equity Investments		7,161,546	8,840,899
		15,692,049	18,071,555
Currents assets			
Accounts receivable	3	1,848,248	2,400,700
Deposits, cash			
Cash and bank balances	4	1,565,269	1,646,676
Total		<u>19,177,215</u>	<u>22,195,505</u>
Liabilities			
Reserve	5		
General reserve		17,092,148	19,945,920
Current liabilities	6		
Received in advance		320,000	
Grants payable		744,512	1,692,373
Other accounts payable		1,020,555	557,212
		2,085,067	2,249,585
Total		<u>19,177,215</u>	<u>22,195,505</u>

Statement of income and expenditure

Income	Ref	Actual 2022	Budget 2022	Actual 2021
Income from related non-profit organisations		4,808,133	4,674,204	4,674,203
Income non-profit organisations	7	552,671	1,150,000	349,274
Income from government subsidies	8	844,715	671,313	1,516,933
Income from individuals		4,797	-	1,210
Total income		6,210,316	6,495,517	6,541,621
Extraordinary income		-	-	-
Total income		6,210,316	6,495,517	6,541,621
Expenses				
Expenditure Committed to Purpose				
Share Europe		1,125,019	1,682,362	1,089,409
Experience Europe		388,479	792,029	1,801,336
Imagine Europe		3,313,547	2,974,210	2,514,687
		4,827,044	5,448,600	5,405,432
Public Policy		726,984	597,413	603,380
Communications		621,396	589,157	499,068
Total Committed to Purpose	9	6,175,425	6,500,588	6,507,879
Costs of Generating Income	10	273,849	313,731	180,670
Management and Administration				
Finance	11	138,647	156,616	131,918
Operations	12	-	-	-
Governance	13	28,243	15,000	10,511
		440,739	485,347	323,099
Total expenses		6,616,163	7,120,517	6,830,978
Result before Interest and income from investments		<u>(405,848)</u>	<u>(625,000)</u>	<u>(289,357)</u>
Interest and income from investments	14	(2,447,924)	525,000	2,003,730
Result		<u>(2,853,772)</u>	<u>(100,000)</u>	<u>1,714,373</u>

The result of €2,853,772 will be deducted from the general reserve.

Cash flow overview

	Actual 2022	Actual 2021
Cash flow from operating activities		
Result	(2,853,772)	1,714,373
Depreciation tangible fixed assets	27,106	29,713
Movements in accounts receivable	552,452	671,646
Movements in short-term liabilities	(164,518)	(558,007)
Cash flow from operating activities	(2,438,731)	1,857,726
Cash flow from investment activities		
Additions to tangible fixed assets	(22,181)	(9,956)
Movements in financial fixed assets	2,379,506	(2,047,841)
Cash flow from investment activities	2,357,325	(2,057,798)
Movements in liquid assets	<u>(81,406)</u>	<u>(200,072)</u>

Opening balance liquid assets	1,646,676	1,846,748
Closing balance liquid assets	1,565,269	1,646,676
Movements in liquid assets	<u>(81,406)</u>	<u>(200,072)</u>

Financial Policy

General

ECF is an operating and grant-giving foundation. Its core income is received from the Prins Bernhard Cultuurfonds (PBCF). Other income is derived from grants, subsidies, donations and ECF's securities portfolio.

Grants are awarded to third parties on the basis of projects submitted through grant applications, either through open calls or by invitation. Programmes are run by ECF alone or in partnership with other organisations in line with ECF's strategic plan 2021-2025 and the annual work plan.

Result and developments 2022

In 2022, ECF continued to invest in a European culture of solidarity with a two-pronged approach: focus and flexibility. The Work Plan 2022 was the third plan within the current five-year strategic cycle and we believe the overall lines of our strategy, 'Challenge 2025' are still very relevant. Some of our strategic goals have been further amplified, like the need for an open and safe European public (digital) space: 'Share Europe'. The second is the cross-border cultural initiative 'Experience Europe'. The third is the need to 'Imagine Europe' and to rebuild a better Europe.

The total budget of 2022 was €7,120,517, of which an essential part (€1,716,582) was spent on ECF's Culture of Solidarity Fund (CoS Fund). Due to a negative result on ECF's securities portfolio of €2,447,924 ECF reported a total deficit for 2022 of €2,853,772. The result before securities and interest was a deficit of €447,411, compared to a budgeted deficit (before securities and interest) of €625,000 at year-end 2022. ECF budgeted a gain of €525,000 on the securities portfolio for 2022.

The negative result of €2,447,924 on the portfolio is for the main part an unrealised loss on the revaluation of fixed income investments (€1,142,608) and equity investments (loss of €1,238,479). These results do not affect ongoing and planned activities of ECF.

Overhead costs

Expenses are incurred for the costs of Generating Income (fundraising) and Management and Administrations costs (Finance, Operations and Governance) in order to execute ECF's objectives. ECF aims to cover all overhead expenses from returns on our invested reserve (income from securities). This allows ECF to use all other income for purpose-related activities.

Detailed overview of overhead costs

In 2022, ECF's overhead expenditure included fundraising costs, finance costs and operations and governance expenses. All expenditure under Operations is redistributed to Programmes or recharged to Stichting Praemium Erasmianum. See also page 40 and 43 on the redistribution- and recharges of costs.

The total overhead expenditure in 2022 was €440,739 compared to €323,099 in 2021. The increase was due to higher Fundraising expenditure in 2022. Overhead expenses comprised 6.66% of the total expenditure in 2022.

	Actual 2022	Budget 2022	Actual 2021
Overhead expenses	440,739	485,347	323,099
Total expenses	6,616,163	6,985,932	6,830,978
Overhead as % of total expenses	6.66%	6.95%	4.73%

Over the last three years ECF limited our overhead expenditure to a maximum of 8% of total expenditure. In 2022, ECF budgeted a percentage of 6.95% on a budget of €6,985,932. Due to lower fundraising costs recorded in 2022, the actual percentage of overhead costs represented 6.66%.

Allocation of Management and Administration costs to Expenditure Committed to Purpose

In order to allocate Management and Administration costs to expenditure Committed to Purpose, ECF uses time writing as an allocation key. Time spent on activities is tracked and allocated using a software and time-writing system.

Costs of Generating Income

The net costs for Costs of Generating Income (fundraising costs) in 2022 were €103,090 compared to €75,115 in 2021.

	Actual 2022	Budget 2022	Actual 2021
Costs fundraising (internal)	32,965	103,731	52,888
Costs fundraising third parties	37,162	100,000	22,227
Costs fundraising before PBCF charge	70,127	203,731	75,115
Costs fundraising contribution PBCF	105,510	110,000	105,554
Costs fundraising	175,637	313,731	180,669

Fundraised income *includes* income from other foundations and governments but *excludes* income from PBCF and securities. As per our longstanding agreement, ECF contributed €105,510 to PBCF's fundraising costs in 2022, compared to €105,554 in 2021. The table above shows fundraised income against fundraising costs.

For 2022, ECF realised a total sum of external contributions by profit/non-profit and from government subsidies of €1.4 million, while ECF fundraising costs remained low: €70,127 (or 5% of ECF's actual external income) compared to €203,731 (or 11% of the budgeted total of external contributions) for 2022. Since ECF aims to diversify our sources of income and increase the volume of external income, ECF has set our fundraising investment costs for 2023 to 8% of the income from external funders.

In 2014, ECF received the CBF Hallmark (Central Bureau for Fundraising – Centraal Bureau Fondsenwerving) certifying that the organisation's fundraising activities are considered trustworthy. The CBF states that income can only be recognised as fundraised once. This means that if a donor, who in ECF's case is PBCF, reports its own funds as fundraised and then passes those funds on to another organisation, the latter organisation may not also report those funds as fundraised.

As a result, the total amount of fundraised income does not include income from the PBCF. Therefore, according to the CBF's definition, income gained through fundraising in 2022 was €1,397,386 compared to €1,866,208 in 2021.

Managing fees securities.

The costs associated with managing the assets that ECF reported for 2022 were €62,158 compared to €62,033 in 2021. As of 2021, these costs were deducted from ECF's income from securities and interest. See also pages 30 and 40.

Liquidity

Current assets, deposits and cash decreased in 2022 compared to 2021. The balance of liquid funds represented €1,565,269 at year-end 2022. At year-end 2021, this balance was €1,646,676.

Reserve

ECF's reserve is available for use, if needed, and is used as a buffer in case of financial emergency as well as to ensure financial stability. The reserve ensures the continuity of ECF, allowing the organisation to continue operating for a limited period of time in the event of an unexpected drop in income, and serves as a safeguard against income fluctuations. Through investment in low-risk securities, the reserve also functions as a source of income.

At year-end 2022, ECF's total reserve amounted to €17,092,148 compared to €19,945,920 at 31 December 2021. This major decrease was a result of the negative return on the ECF's Securities portfolio. See specific information on the adjustment of the reserve page 34 ref 5.

Reporting period

The financial statements contained in this report are based on the reporting period of one year, where the financial year equals the calendar year.

Basis for valuation and determining the result

Unless specified, both the assets and liabilities are valued nominally. Income and expenses are attributed to the year to which they are related.

Cash flow – indirect method

The cash flow analysis is based on the indirect method. It connects the result of statement of income and expenditure with the incoming and outgoing cash flows of the balance sheet.

Tangible fixed assets

Tangible fixed assets are valued at cost price less the accumulated depreciation. Depreciations commence from the moment the investment is put into use. Investments of less than €500 are fully expensed in the year of purchase.

Depreciation is calculated on a cost basis against the following rates per annum:

- Premises: 2%-7%
- Refurbishment: 10%-20%
- Furniture: 10%-20%
- Equipment: 20%-33%

Financial fixed assets

Shares and bonds are stated at market value at year-end. Realised and unrealised gains and losses are accounted for in the statement of income and expenditure.

Amounts in foreign currencies are converted into Euro at year-end rates. Transactions in foreign currencies are recorded using the exchange rates on the transaction date. Gains and losses on transactions are included in the statement of income and expenditure.

Recognition of income

ECF's main source of income is from the Prins Bernhard Cultuurfonds (PBCF). Every quarter we receive a confirmation letter from the PBCF, indicating the amount from the Vriendenloterij and the Nederlandse Loterij Organisatie (Lotto/Staatsloterij). In line with RJ650 regulations regarding the recognition of lottery income (received by ECF through PBCF), the recording of income has to be in line with the period in which the actual lottery proceeds were generated.

According to a longstanding agreement between the two foundations, 25% of the non-designated income received from the Lotteries is passed on to ECF by the PBCF.

Recognition of expenses

In general, expenses are charged to cost centres based on actual expenses per project. Operational expenses are recognised as soon as they can be estimated and are legally enforceable by third parties, because of contracts or communicated commitments. A large proportion of staff and administration costs are allocated to ECF's activities using time writing as the allocation key.

Costs of Generating Income (fundraising costs) consist of salary costs and consultancy costs, and include, as agreed between the Prins Bernhard Cultuurfonds and ECF, the allocation of 25% of the fundraising costs incurred by the Prins Bernhard Cultuurfonds.

Operations

All costs recorded under Operations are redistributed to 'Expenditure Committed to Purpose', or are recharged to Stichting Praemium Erasmianum (SPE).

90% spending rule

ECF is committed to spending (expenses minus fundraising income) at least 90% of our total lottery income on our purposes. Based on the average lottery income of the previous three years, ECF complied with this in 2022.

	Actual 2022	Budget 2022	Budget 2023
Total expenditure	6,616,163	6,985,932	8,044,637
Expenditure Committed to Purpose	6,175,425	6,500,585	7,523,837
Expenditure Committed to Purpose as % of total expenditure	93.34%	93.05%	93.53%

Reporting guidelines

The financial statements are prepared in accordance with Guideline RJ650 ('Richtlijnen Voor De Jaarverslaggeving' – 'Guidelines for Annual Reporting', and 'Guidelines for fundraising Organisations'), which provides accounting principles widely accepted in the Netherlands for fundraising institutions. In this method of reporting, expenses are allocated to objectives, to costs for Fund Development and to costs for Operations.

Composition of ECF's securities portfolio and liquid funds

Interest and income from investments

In 2022, the total loss on securities and interest was €2,447,924 compared to an income of €2,003,730 in 2021. At year-end 2022, approximately 54% of ECF's portfolio represented investments in fixed income investments and 46% in equity investments. At 31 December 2022, the portfolio represented a value of € 15,692,049.

Since 2011, ECF has outsourced our asset management activities to a third-party asset manager, Wealth Management Partners. See page 40 for more details. As of 2017, the reported income from securities and interest is net of fees charged by ECF's asset manager. These fees were €62,158 in 2022 compared to €62,033 in 2021.

	31 Dec 2022		31 Dec 2021	
Equity investments	7,161,546	41.50%	8,840,899	44.84%
Fixed income investments	8,530,503	49.43%	9,230,657	46.81%
Liquid funds: saving accounts	62,158	0.36%	138,628	0.70%
Liquid funds: other accounts	1,503,111	8.71%	1,508,048	7.65%
Total	17,257,318	100%	19,718,231	100%

The composition of ECF's portfolio is in line with ECF's 'Statement of Investment Principles'. ECF assumes an investment mix of 52.5% fixed income investments and 47.5% equity investments. In that connection, the Treasurer is permitted to maintain a bandwidth of 20% between both investment categories, i.e. fixed income may vary between 42.5% and 62.5% of the portfolio whereas equities may vary between 37.5% and 57.5% of the portfolio.

At year-end 2022, 41.50% of the portfolio consists of investments in equity investments and is 58.50% of fixed income investments and liquid funds.

The investment policy standards maintained for environment, society and corporate governance (ESG) are compliant with standards indicated by United Nations Global Compact (UNGC), Goede Doelen Nederland (GDN) and take into account ESG-analyses provided by Dow Jones, EIRIS, MSCI, Sustainalytics and RobecoSAM.

Management of ECF's securities portfolio

Since 2011, ECF has outsourced the day-to-day management of our securities portfolio to Wealth Management Partners N.V. (WMP). Regular meetings between ECF's Treasurer, ECF's Manager Finance and WMP are held throughout the year. The investment of securities is based on the conservative investment strategy as outlined in the Supervisory Board-approved 'Statement of Investment Principles'. The investment strategy is reviewed every three years.

External auditor – Annual Accounts

After performing the annual audit, the external auditor, Dubois & Co reports its findings to the Audit Committee. The auditor prepares the auditor's report and a management letter, which reflects their findings. Both documents are shared with the Supervisory Board, which approves the Annual Report. Following ECF's Articles of Association, the Supervisory Board approves the auditor that is in charge of auditing the annual accounts. The European Cultural Foundation follows guideline RJ650 for the reporting of our annual accounts. As a fundraising organisation, ECF needs to adhere to these guidelines .

Appointment of auditors

The ECF annual accounts have been audited by Dubois & Co since 2013. The auditor is appointed by, and reports to, the ECF Supervisory Board, through the Audit Committee. After having issued a Request for Proposal for Auditing Services in 2020, with the goal to select an auditor for the years 2021–2023, it was decided to continue with Dubois & Co, taking into account there has been a responsible signing partner change in the audit team.

External auditor – Donor reporting

Several organisations that fund the European Cultural Foundation's activities require an audit report as part of the final project report. We work with several auditors to comply with these requirements. The choice of auditor depends on the specific requirements of the funder, location of the project, location of the main partner (generally responsible for administration) and expertise of the auditor. Budget is a consideration, but the quality of the audit exceeds this consideration in importance.

Notes to the Balance Sheet (Refs 1-6)

Tangible Fixed Assets (Ref 1)	Premises	Refurbishment	Furniture & equipment	Total
Historical cost				
Balance at 31 Dec 2021	179,069	354,100	714,538	1,247,707
Items no longer in use			(1,162)	(1,162)
Additions in 2022	-	8,345	14,997	23,343
Balance at 31 Dec 2022	179,069	362,446	728,374	1,269,888
Depreciation				
Balance at 31 Dec 2021	149,225	342,908	679,000	1,171,133
Depreciation in 2022	896	5,102	21,109	27,106
Balance at 31 Dec 2022	150,121	348,010	700,109	1,198,240
Book value at 31 Dec 2021	<u>29,843</u>	<u>11,193</u>	<u>35,538</u>	<u>76,574</u>
Book value at 31 Dec 2022	<u>28,948</u>	<u>14,436</u>	<u>28,265</u>	<u>71,649</u>

Note: A silent reserve of €3,187,000 can be labelled under 'Premises'. This is an assessed market value of ECF's building at Jan van Goyenkade 5, Amsterdam, according to issued 'WOZ-beschikking' of 1 January 2022. ECF reports this amount in this way is due to the fact the ECF records its premises at the initial purchase price and not at the current (higher) market value. Further it must be taken into account that the premises are part of a dual proprietorship between the ECF (75%) and Stichting Praemium Erasmianum (25%).

Financial Fixed Assets (Ref 2)	Fixed Income Investments	Equity Investments	Total
Balance at 31 Dec 2021	<u>9,230,657</u>	<u>8,840,899</u>	<u>18,071,555</u>
Acquisitions	823,456	673,607	1,497,064
Sales	(381,002)	(975,640)	(1,356,641)
Revaluations realised	-	(138,841)	(138,841)
Revaluations unrealised	(1,142,608)	(1,238,479)	(2,381,088)
Balance at 31 Dec 2022	<u>8,530,503</u>	<u>7,161,546</u>	<u>15,692,049</u>

Note: The total balance of €15,692,049 of the Financial Fixed Assets is included in ECF's portfolio overview below. The total balance of liquid funds of €1,565,269 reported separately as 'cash and bank balances' on the balance sheet (see page 23), has also been included. This resulted in a total portfolio sum of €17,257,318.

The overall result of ECF's securities portfolio, including interest income, throughout 2022 showed a deficit of €2,447,924.

	Assets	Result	Result %
ECF 2022 securities	15,692,049	(2,444,131)	(13.50%)
ECF 2022 interest (saving accounts)	62,158	(3,793)	
ECF 2022 portfolio total	<u>15,754,207</u>	<u>(2,447,924)</u>	<u>(13.50%)</u>
ECF 2021 securities	18,071,555	2,003,611	12.40%
ECF 2021 interest (saving accounts)	138,628	119	0.00%
ECF 2021 portfolio total	<u>18,210,183</u>	<u>2,003,730</u>	<u>12.40%</u>

Current Assets (Ref 3)	31 Dec 22	31 Dec 21
Prins Bernard Cultuurfonds	1,172,510	1,264,787
Commitments by funders	527,570	1,077,951
Deferred expenses	-	15,907
Prepaid expenses	21,044	27,875
Prepaid expenses pension	-	-
Other accounts receivable	98,352	3,608
Others	28,772	10,571
	<u>1,848,248</u>	<u>2,400,700</u>

Commitments by funders 31 Dec 2021	1,077,951
New commitments 2022	2,116,832
Released 2022	(2,133,623)
Commitments by funders balance 31 Dec 2022	1,061,151

The current assets have a duration of less than one year.

Deposits and cash (Ref 4)

Cash and bank balances are at the disposal of ECF for operational purposes.

Reserve (Ref 5)	General reserve	Revaluation reserve	Total
Balance as per 31 Dec 2021*	<u>18,779,196</u>	-	<u>18,779,196</u>
Adjustment balance 2020*	1,166,724	-	1,166,724
New balance as per 31 Dec 2021	<u>19,945,920</u>	-	<u>19,945,920</u>
Additions	-	-	-
Withdrawals	(2,853,772)	-	(2,853,772)
Balance as per 31 Dec 2022	<u>17,092,148</u>		<u>17,092,148</u>

ECF's reserve is available, if needed, as a buffer in case of financial emergency, as well as to ensure financial stability. The reserve ensures the continuity of ECF, allowing the organisation to continue operating for a limited period of time in the event of an unexpected drop in income and serves as a safeguard against income fluctuations.

At year end, ECF booked a negative result of €2,447,924, which was for the main part an unrealised loss on the revaluation of the securities portfolio. The ECF portfolio, consisting of fixed income- and equity investments, followed the negative trend of the market in 2022. Over a period of 12 years the securities portfolio increased from €11,175,987 at year-end 2011 to €15,692,049 in 2022. The negative result has been withdrawn from the general reserve, which has decreased in total with €2,853,772.

** In line with RJ650 regulations regarding the recognition of lottery income (received by ECF through Prins Bernhard Cultuurfonds), the recording of income has to be in line with the period in which the actual lottery proceeds were generated. ECF had been recording the contributions - from the moment ECF had been receiving the contributions through the PBCF - in line with the timing of the confirmations by letter from PBCF.*

Current liabilities (Ref 6)

Grants payable

According to ECF's procedures, projects supported by an ECF grant should be finalised within two years of the grant award date. In specific cases, this term may be extended with the approval of ECF's Director.

The grants payable as per the balance sheet consist of:

	31 Dec 22	31 Dec 21
Grants awarded in 2018	2,000	3,959
Grants awarded in 2019	-	31,541
Grants awarded in 2020	16,797	250,455
Grants awarded in 2021	286,828	1,406,417
Grants awarded in 2022	438,887	
	<u>744,512</u>	<u>1,692,373</u>

Other current liabilities

	31 Dec 22	31 Dec 21
Taxes and social premiums	7,630	699
Pension Premiums	52,217	-
Payroll Tax	111,658	-
Other personnel costs	102,149	84,073
Received in advance	320,000	-
Contractual obligations	130,313	71,778
Contributions to spend	212,850	26,500
Accounts payable	351,541	296,815
Others	52,196	77,347
	<u>1,340,555</u>	<u>557,212</u>

Contractual obligations balance 31 Dec 2021	71,778
New contracts 2022	228,984
Released 2022	(170,449)
Contractual obligations balance 31 Dec 2022	130,313

The ground lease term ('erfpachttermijn') of the ECF building on the Jan van Goyenkade 5, Amsterdam, which expires at 31 of August 2042, is to be categorised as an off balance sheet obligation. The annual obligation of ECF represents €8,645.

Notes to the Statement of Income & Expenditure (Refs 7-14)

ECF has a longstanding partnership with the Prins Bernhard Cultuurfonds through which it receives a quarterly financial contribution from the Vriendenloterij (formerly BankGiro Loterij) and the Nederlandse Loterij Organisatie (Lotto/Staatsloterij). In 2022, the contribution from the Prins Bernhard Cultuurfonds was €4,808,133, representing 77.42%* of ECF's income. Compared to the actual income received from Prins Bernhard Cultuurfonds reported in 2021 (€4,674,203), there was an increase of €133,930 in 2022.

* The percentage of 77.42% of ECF's income is the percentage of ECF income 2022 excluding the result on interest and income from investments.

Income non-profit organisations (Ref 7)	Actual 2022	Budget 2022	Actual 2021
Cos Ukraine (various partners)		450,000	
Allianz Foundation	100,000		-
The Sigrid Rausing Trust	117,756	-	-
GLS Treuhand*	70,000	-	-
Moleskin Foundation	10,000	-	-
Haus des Stiftens/Bucerius Kunst Forum**	34,195	-	-
Fondazione Cariplo	50,000	-	-
Compagnia di San Paolo	50,000	-	100,000
Fondazione CRT	50,000	100,000	-
Open Society Foundation Europe (CoS Fund)	-	-	86,645
Other programmes (various partners)			
Fondazione Cariplo (Tandem Regions)	-	-	150,000
Open Society Foundation Europe (Tandem Western Balkans)	-	-	13,000
Robert Bosch Stiftung (Underspending contract Tandem Europe II)	-	-	(371)
Culture for Climate Action Fund (Various partners)	-	50,000	-
Scottish Library & Information Council (Europe Challenge)	20,000	-	-
Fondazione Cariplo (Europe Challenge)	50,000	100,000	-
OSF London (VAHA - Cultural oasis Turkey)	-	100,000	-
Network European Media	-	150,000	-
Shared Digital European Public Space	-	200,000	-
	<u>552,671</u>	<u>1,150,000</u>	<u>349,274</u>

* contribution from Deutsche Postcode Lotterie through GLS Treuhand

** contribution from Zeit Stiftung through Haus des Stiftens

Income from government subsidies (Ref 8)	Actual 2022	Budget 2022	Actual 2021
Bundeszentrale für politische Bildung (CoS Fund)	-	-	500,000
EUNIC Global (CoS Ukraine)			
Goethe Institut	250,000	-	-
Contribution Instituto Cervantes	20,000	-	-
Institut Français	5,000	-	-
European Commission (CrAFt-creating actionable futures)	69,000	-	-
European Commission (European Media Platform)	-	-	204,244
European Commission (Cultural Creative Places and Cities)	-	-	38,609
European Commission (Directorate-General Connect – Re:framing Migrants in European Media)	500,000	333,333	-
European Commission (Creative Europe/i-Portunus)	(13,685)	-	749,900
European Commission (FPI / Cultural Relations platform)	14,400	15	24,100
European Commission (Creative Europe - European Pavilion)	-	322,98	-
Income from government subsidies	<u>844,715</u>	<u>671,313</u>	<u>1,516,933</u>

Expenditure Committed to Purpose (Ref 9)	Actual 2022	Budget 2022	Actual 2021
European Public Space	804,749	1,135,333	675,584
Cities of Change	-	-	-
Development costs	1,810	7,840	14,420
Allocated salary and admin costs	318,416	539,189	399,405
Total costs Share Europe	1,125,019	1,682,362	1,089,409
Citizens Experience	100,000	150,000	166,288
Cultural Professional Experience	70,678	95,000	1,127,238
Development costs	5,929	7,840	3,994
Cancelled STEP grants	-	-	
Allocated salary and admin costs	211,872	539,189	503,816
Total costs Experience Europe	388,479	792,029	1,801,336
The Europe Challenge	424,960	410,000	174,059
European Pavilion	138,223	572,980	207,009
Stories of Europe	121,442	75,000	-
Culture for Climate Fund	19,625	150,000	-
Grants not taken up	-68,543	-	-14,392
Culture of Solidarity fund (CoS fund)	1,716,582	1,218,619	1,483,265
Development costs	3,103	7,84	221
Allocated salary and admin costs	958,154	539,189	664,525
Total costs Imagine Europe	3,313,547	2,973,628	2,514,687
Public Policy	194,039	160,000	138,077
Allocated salary and admin costs	532,945	437,413	403,649
Public Policy	726,984	597,413	603,380
Corporate communications	80,804	50,000	66,320
Europe Day; 9 May Event	64,740	75,000	-
Digital & Analogue Publishing	54,764	60,000	48,669
Strategic media partnerships	18,008	30,000	29,432
Allocated salary and admin costs	403,080	374,157	354,646
Communications	621,396	589,157	499,068
Expenditure Committed to Purpose	<u>6,175,425</u>	<u>6,634,589</u>	<u>6,507,880</u>

Costs of Generating Income (Ref 10)

Costs of Generating Income (fundraising costs) include staff costs, consultancy costs and costs allocated to ECF by Prins Bernhard Cultuurfonds (PBCF). In the table below, the contribution by PBCF to ECF has been included in the total income, which shows that the ratio for 2022 has increased. This is mainly due to a loss on investments.

	Actual 2022	Budget 2022	Actual 2021
Total income* <i>incl. PBCF</i>	3,762,391	7,020,517	8,545,352
Fundraising costs <i>incl. costs PBCF</i>	175,635	210,000	180,669
% fundraising income costs	4.67%	2.99%	2.11%

* *The total income is including interest and income from investments.*

If income received from the PBCF is excluded from ECF's total fundraising income, it results in the table below.

	Actual 2022	Budget 2022	Actual 2021
Total fundraising income	1,397,386	1,821,313	1,866,208
Fundraising costs <i>incl. costs PBCF</i>	175,635	210,000	180,669
Fundraising costs <i>excl. costs PBCF</i>	70,125	100,000	75,115
% fundraising income <i>excl. PBCF</i>	5.02%	5.49%	4.03%

Included in the €175,635 of *fundraising costs incl. costs PBCF* are costs allocated to ECF from PBCF. These costs were €105,510, and were PBCF's costs related to charges incurred by the Lotteries. This left €70,125 in fundraising costs and a fundraising ratio of 5.02%.

Finance (Ref 11)	Actual 2022	Budget 2022	Actual 2021
Finance	48,088	93,418	40,861
Allocated salary and admin costs	90,559	102,342	91,057
	<u>138,647</u>	<u>195,760</u>	<u>131,918</u>

Operations* (Ref 12)	Actual 2022	Budget 2022	Actual 2021
Computerisation	101,249	110,000	88,526
Depreciation	27,106	35,000	29,713
Premises, utilities, other expenses	135,777	129,000	115,298
Representation	17,434	10,000	7,285
	<u>281,566</u>	<u>284,000</u>	<u>240,823</u>
Recharged costs Stichting Praemium Erasmianum	(20,834)	(22,000)	(16,850)
Distribution of costs	(260,733)	(262,000)	(223,973)
	<u>0</u>	<u>0</u>	<u>0</u>

** All costs recorded under Operations are re-distributed to Expenditure Committed to Purpose, or are recharged to Stichting Praemium Erasmianum (SPE). As a result of a co-ownership of the building with ECF, SPE entered into an agreement between the two foundations that confirms costs related to Operations will be recharged to SPE on an annual basis. The recharge is based on an agreed fixed key. All remaining expenditure recorded under Operations is re-distributed to Expenditure Committed to Purpose. In order to allocate these expenses, ECF uses the same allocation key as applied for the redistribution of HR costs. By using a software and time-writing system, time spent by staff on activities is tracked and properly allocated.*

Governance (Ref 13)	Actual 2022	Budget 2022	Actual 2021
Board related operational expenses	28,243	15,000	10,511
	<u>28,243</u>	<u>15,000</u>	<u>10,511</u>

Interest and income from investments (Ref 14)	Actual 2022	Actual 2021
Interest from bank accounts	(3,793)	(7,438)
Realised result fixed income investments	(3,436)	(9,741)
Unrealised result fixed income investments*	(1,142,608)	(247,324)
	(1,149,837)	(264,503)
Dividends	143,997	156,396
Realised result equity investments	(138,841)	336,195
Unrealised result equity investments*	(1,238,479)	1,837,676
	(1,233,323)	2,330,267
Management fees securities	(64,764)	(62,033)

** The total unrealised results (loss) on the revaluation of fixed income investments (€1,142,608) and equity investments (loss of €1,238,479) are recorded as reported by Wealth Management Partners N.V., ECF's fund manager.*

Staff costs*	Actual 2022	Budget 2022	Actual 2021
Salaries	1,562,488	1,642,750	1,529,716
Social charges	246,678	246,470	243,273
Pension costs	287,771	276,990	276,232
Internships	5,275	10,000	-
Travel allowance	38,536	32,888	38,784
Other staff costs (including training)	174,169	149,110	184,261
	<u>2,314,917</u>	<u>2,358,208</u>	<u>2,272,267</u>
Interim staff	37,635	15,000	35,400
Total**	<u>2,352,552</u>	<u>2,373,208</u>	<u>2,307,667</u>

* In the financial reporting staff expenses are being distributed to all ECF activities, based on a pro rata writing system that's aligned with figures in the financial reporting.

** Overall staff costs were slightly lower (1.27%) in 2022 than budgeted. Due to illness ECF had to hire extra interim staff during 2022.

Employees

Taking into account the percentage of part-time employees at 31 December 2022 (87.2%), Full-Time Equivalents (FTEs) for 2022 was 23.5. In 2021, the amount of FTEs was 23.7.

Remuneration for Director

ECF is managed by one Director. In 2022, the remuneration for this role was €124,016. Goede Doelen Nederland (GDN), the umbrella organisation for fundraising charities in the Netherlands, has laid out guidelines for determining the remuneration of charity directors ('Regeling beloning directeuren van Goede Doelen' or 'Remuneration Guidelines for Directors of Not-For-Profits'). For 2022, ECF applies the BSD rating (Basis Score voor Directie-functies normering) of 455 points as categorized under function group I.

In 2022, the ECF's Director's relevant annual income was €124,016, which is within the maximum of €141,765 as specified under function group I.

Name: A. Wilkens
Position: Director
Contract: Indefinite
Full time/37.5 hours
Period: 1 Jan-31 Dec 2022

Remuneration:	Annual Income	2022	2021	2020
	Gross salary	106,604	102,504	101,089
	Holiday allowance	8,528	8,200	8,087
	Year-end bonus	8,884	8,542	8,424
	Variable components	-	-	-
	Total	124,016	119,246	117,600
	Other taxable compensation	28,672	27,388	26,083
	Pension	18,691	17,680	16,349
	Other regular compensation	-	-	-
	Severance pay	-	-	-
	Total 2021	<u>171,379</u>	<u>164,314</u>	<u>160,032</u>

Cost allocation table

	Share Europe	Experience Europe	Imagine Europe	Public Policy	Communications	Costs Fundraising	Finance & Administration	Governance	Operations	Total costs 2022
Grants 2022	632,528	100,000	1,824,145	-	-	-	-	-	-	2,556,673
Grants not taken up	-	-	(68,543)	-	-	-	-	-	-	(68,543)
Partnerships, donations and outsourced activities	96,601	55,420	130,083	74,867	80,554	-	-	-	-	437,526
Other activity costs	77,429	21,187	469,708	119,172	-	175,635	48,088	-	-	911,218
Communication costs	-	-	-	-	137,762	-	-	-	-	137,762
Personnel costs	286,988	190,934	863,031	478,236	363,245	88,508	81,610	-	-	2,352,552
Other general costs (Operations)	-	-	-	-	-	-	-	-	(281,566)	(281,566)
Operations costs re-distributed	-	-	-	-	-	-	-	-	281,566	281,566
Allocation of costs Operations	31,472	20,938	95,123	54,709	39,835	9,706	8,950	-	-	260,733
Governance	-	-	-	-	-	-	-	28,243	-	28,243
Total	1,125,018	388,479	3,313,547	726,984	621,396	273,849	138,647	28,243	-	6,616,163

Annex A

Valuation principles guideline 650

	31/Dec/22	31/Dec/21
Bonds stated at par value or lower market value (guideline 640)	6,958,394	8,983,333
Revaluation	1,572,109	247,324
Bonds stated at market value (guideline 650)	<u>8,530,503</u>	<u>9,230,657</u>
Reserves in accordance with guideline 640	17,092,148	19,945,920
Revaluation reserve	-	-
Reserves in accordance with guideline 650	17,092,148	19,945,920

Annex B

Specification 90% rule

ECF is committed to spend at least 90% of its total Lottery income on our activities, based on the average Lottery income of the previous three years.

Average Lottery income previous three years	4,622,223	actual	(a)
Minimum to spend (90% limit of Lottery income)	4,160,001	actual	(b)
Net expenditure	5,218,777	actual	(c)
	1,058,776	spending ABOVE limit (required)	

ECF complies with the 90% rule in 2022

Calculations

	4,674,204	Lottery Income 2021	
	4,535,300	Lottery income 2020	
	4,657,165	Lottery income 2019	
(a) Lottery income previous years	4,622,223	Lottery income average	(a)
(b) Minimum to spend (90% limit of Lottery income)	4,160,001	90% limit	(b)
	6,616,163	Total expenditures 2022	
	-552,671	minus third party income	
	-844,715	minus government income	
(c) Net expenditure	5,218,777	Net exp 2022	
	4,160,001	minimum to spend excl third party income	

12. Acknowledgements

The European Cultural Foundation has a long-standing partnership with the Prins Bernhard Cultuurfonds. We acknowledge the annual financial contribution – through the Cultuurfonds – from VriendenLoterij and Nederlandse Loterij.



The European Cultural Foundation would also like to thank all our partners who have supported us so generously in 2022:

- Allianz Foundation
- Bucerius Kunstforum solidarity ticket (through a direct contribution as well as through Haus des Stiftens)
- Deutsche Postcode Lotterie (through GLS Treuhand)
- EUNIC (Network of European National Institutes for Culture): Goethe Institut, Institut Français and Instituto Cervantes
- European Commission
- Fondazione Cariplo
- Fondazione CRT
- Fondazione Compagnia di San Paolo
- GLS Treuhand
- Haus des Stiftens donation campaign
- Moleskin Foundation
- Scottish Library & Information Council
- Sigrid Rausing Trust
- Zeit Stiftung (through Haus des Stiftens)

Please visit culturalfoundation.eu/partners for a full list of our current partners and funders.

Memberships

We are a member of the Dutch Vereniging Fondsen in Nederland (FIN) and Goede Doelen Nederland that represent foundations and fundraising charities in the Netherlands. We are also a member of the Brussels based Philanthropy Europe Association, Philea.

CBF- Recognition hallmark, SBF-Good Governance code, Goede Doelen Nederland codes, rules and guidelines, FIN Code Good Governance.

As a member of Goede Doelen Nederland and FIN, the European Cultural Foundation complies with all the necessary codes and guidelines, including the Code for Good Governance issued by SBF (Samenwerkende Brancheorganisaties Filantropie), the FIN Code Good Governance as well as the Erkenningsregeling Goede Doelen issued by the CBF (Centraal Bureau Fondsenwerving/Central Bureau for Fundraising Organisations).

Principles of Good Practice, ANBI status

We endorse Philea's Principles of Good Practice.

We have the ANBI ('Algemeen Nut Beogende Instelling') status, which means that the Foundation's objectives have been deemed to improve the well-being of the general public.

Colophon

Coordination	Lise Mathol
Financial Report	Hans-Peter Christen
Editing	Vicky Anning
Design	Studio Takken

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The European Cultural Foundation promotes a European sentiment through developing and supporting cultural initiatives that let us share, experience and imagine Europe.

Jan van Goyenkade 5
NL-1075 HN Amsterdam
The Netherlands

INDEPENDENT AUDITOR'S REPORT

To: the Supervisory Board of European Cultural Foundation based in Amsterdam.

A. Report on the audit of the financial statements 2022 included in the annual report.

Our opinion

We have audited the financial statements 2022 of European Cultural Foundation based in Amsterdam, the Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of European Cultural Foundation as at 31 December 2022 and of its result for 2022 in accordance with the Guidelines for annual reporting 650 "Fundraising Organisations" of the Dutch Accounting Standards Board.

The financial statements comprise:

1. the balance sheet as at 31 December 2022;
2. the statement of income and expenditure for 2022; and
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 Cultural Foundation 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:

- Report by the Supervisory Board;
- Annex A and B

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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. The Director is responsible for the preparation of the other information, including the Director's Report, in accordance with the Guidelines for annual reporting 650 "Fundraising Organisations" of the Dutch Accounting Standards Board.

C. Description of responsibilities regarding the financial statements

Responsibilities of the Director/Supervisory Board for the financial statements

The Director is responsible for the preparation and fair presentation of the financial statements, in accordance with the Guidelines for annual reporting 650 "Fundraising Organisations" of the Dutch Accounting Standards Board is responsible for such internal control as the Director 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, the Director is responsible for assessing the organization's ability to continue as a going concern. Based on the financial reporting framework mentioned, Director should prepare the financial statements using the going concern basis of accounting unless the Director either intends to dissolve the foundation or to cease operations, or has no realistic alternative but to do so.

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

The Supervisory Board is responsible for monitoring the financial reporting process of the organization.

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 scepticism 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 organization's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director;
- concluding on the appropriateness of Director'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 organization'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 organization 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.

Amsterdam, 8 June 2023

Dubois & Co. Registeraccountants

A.P. Buteijn RA

