



ECFR

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

Company Number: 07154609

Registered Charity Number: 1143536

ECFR (EUROPEAN COUNCIL ON FOREIGN RELATIONS)

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ECFR (EUROPEAN COUNCIL ON FOREIGN RELATIONS)

REPORT OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2015

Reference and Administrative Details

Governing Document: Memorandum and Articles of Association

Charity number: 1143536

Company number: 07154609

Registered Office and Principal Place of Business: 7th Floor Kings Buildings
16 Smith Square
Westminster
London SW1P 3HQ

Trustees/Directors:

Martti Ahtisaari - resigned 17 March 2015
Emma Bonino - appointed 16 March 2015
Carl Bildt - appointed 16 March 2015
Ian Clarkson - appointed 27 November 2015
Lykke Friis
Timothy Garton-Ash
Jean-Marie Guéhenno - resigned 27 November 2015
Ivan Krastev
Alexander Graf Lambsdorff - resigned 27 November 2015
Mabel van Oranje
Ana Palacio - resigned 27 November 2015
Andrew Puddephatt
Norbert Röttgen - appointed 16 March 2015
Daniel Sachs - resigned 01 February 2015
Aleksander Smolar - resigned 27 November 2015
Javier Solana

Joint Chairs:

Martti Ahtisaari - resigned 17 March 2015
Emma Bonino – appointed 16 March 2015
Carl Bildt – appointed 16 March 2015
Mabel van Oranje

Secretary:

Wendy A Love

Key management personnel:

Chief Executive:

Dick Oosting

Senior Management:

Director:

Mark Leonard

Senior Director for Advocacy:

Alba C Lamberti

Senior Director for Finance & Operations:

Wendy A Love

Research Director:

Jeremy Shapiro — appointed 22 December 2015

ECFR (EUROPEAN COUNCIL ON FOREIGN RELATIONS)

REPORT OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2015

Reference and Administrative Details - continued

Auditors:	Wilkins Kennedy LLP Chartered Accountants Statutory Auditors Bridge House London Bridge House London SE1 9QR
Bankers:	Unity Trust Bank Plc Nine Brindleyplace Birmingham B1 2HB Barclays Bank 2 Victoria Street Westminster London SW1
Solicitors:	Bates Wells & Braithwaite 2-6 Cannon Street London EC4M 6YH

ECFR (EUROPEAN COUNCIL ON FOREIGN RELATIONS)

REPORT OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2015

The Directors, who are also Trustees for the purposes of company law, present their report, together with the financial statements for the year ended 31 December 2015.

The financial statements comply with the Charities Act 2011, the Companies Act 2016, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

ECFR is the first pan-European think-tank. First launched in October 2007, its objective is to conduct research and promote informed debate across Europe on the development of a coherent and effective European values-based foreign policy.

ECFR has developed a strategy with three distinctive elements that define its activities:

- **A pan-European Council.** ECFR has brought together a distinguished Council of nearly two hundred Members - politicians, decision makers, thinkers and business people from the EU's member states and candidate countries - which meets once a year as a full body. Through geographical and thematic task forces, members provide ECFR staff with advice and feedback on policy ideas and help with ECFR's activities within their own countries. The Council is chaired by Mabel van Oranje.
- **A physical presence in the main EU member states.** ECFR, uniquely among European think-tanks, has offices in Berlin, London, Madrid, Paris, Rome, Sofia and Warsaw. The offices are platforms for research, debate, advocacy and communications.
- **A distinctive research and policy development process.** ECFR has brought together a team of distinguished researchers and practitioners from all over Europe to advance its objectives through innovative projects with a pan-European focus. ECFR's activities include primary research, publication of policy reports, private meetings and public debates, 'friends of ECFR' gatherings in EU capitals and outreach to strategic media outlets.

Statement of Public Benefit

The Directors confirm that they have referred to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the company's aims and objectives and in planning future activities. ECFR is a unique organisation that with its Council representatives and offices in seven countries together with its pan-European research and outreach work supports the EU and European governments.

ACHIEVEMENTS AND PERFORMANCE

In 2015 we published 36 policy briefs and held close to 250 events in over 15 different countries. Furthermore ECFR has distinguished itself as one of the most visible think-tanks in the world – its work and its experts were cited in over 2,300 articles in the world's most prestigious newspapers in 2015 alone. Below follow just a few highlights from the different areas of our work during 2015.

Activity highlights

In October 2015 ECFR's *Asia and China programme* brought a unique group of European policymakers and influential thinkers, including former European foreign and finance ministers, leading journalists and influential intellectuals to New Delhi and Mumbai. This group met over 50 Indian intellectuals and policymakers during high-level workshops to discuss India's complexity, fragmentation, and changing rules. ECFR's private briefings led High Representative of the EU Federica Mogherini's cabinet to request a private note compiling ECFR's policy recommendations towards India.

In August the *Middle East and North Africa programme* organised a study trip to Jeddah, Saudi Arabia, at the invitation of the King Faisal Center for Research and Islamic Studies. ECFR has established ties with the Center given our collaboration with Prince Turki Al-Faisal, who spoke at our Annual Council Meeting in 2014. The visit included a two hour meeting with the recently appointed Saudi Foreign Minister Adel Al-Jubier. The ECFR delegation included former Italian Prime Minister Massimo D'Alema and former French Ambassador to the United States Jean-David Lévitte, who both commended ECFR for the organisation of the trip.

ACHIEVEMENTS AND PERFORMANCE - continued

Activity highlights - continued

In March and April 2015 the *Wider Europe programme* sent a high-level visit to Kyiv and Minsk. The delegation met President Petro Poroshenko, Maidan activists who are now members of the Ukrainian Parliament, think tanks, ministers, and representatives of the Crimean Tatars and civil society. The big challenges discussed were how to keep Ukraine together (as friction develops in various spheres: between the president and prime minister, between various factions in Ukrainian politics, and within civil society itself) and how to maintain European unity (something not taken for granted in Kyiv).

In 2015 ECFR published *The road back to European power*, after the European Council's green-light for stage two of EU High Representative Federica Mogherini's global strategy review, a review that ECFR experts support and had long called for. They assert that the EU can still act effectively in protection of its interests and values – provided that it is very realistic in its approach. The paper also recommends a number of key structural and political changes including a prioritised human rights/rule of law agenda for each regional strategy, and a new division of labour in transatlantic relations.

In our new website series *Views from the Capitals* we regularly examine the attitudes of the governments and publics in key capitals towards major issues in European foreign policy, to offer a pan-European point of view on the most pressing debates. Topics have included the refugee crisis, elections in Poland, the Russian intervention in Syria and sanctions.

As part of a new work strand on geo-economics ECFR published a collection of 23 essays exploring how the world's powers are weaponising the interconnectedness of the global economic system in order to hit out at each other. The report *Connectivity Wars: why migration, finance and trade are the geo-economic battlegrounds of the future* edited by Mark Leonard, set out how sanctions, currency manipulation, boycotts and public divestment campaigns, controlling migrant flows, digital and physical infrastructure, and more are all being used by countries around the world.

For the fifth year in a row, the *European Foreign Policy Scorecard* was the most downloaded report from the ECFR website, with approximately 20 per cent of the total downloads. The dedicated Scorecard pages have received over 29,000 unique page views since the launch of the Scorecard in January 2015, an increase of 19.4 per cent from 2014. ECFR's communications team organised a concerted campaign to spread the findings of the publication through social media, illustrating the growing number of people engaging with the findings online. ECFR has also made use of audio-visual communications in the dissemination of the Scorecard 2015, with a series of podcasts and YouTube videos analysing the findings of the report.

Outreach and impact

Since its launch in 2007 ECFR has built a reputation for developing ground-breaking formats for its research and ideas. We are dedicated to finding new perspectives on difficult questions, and communicating what we find to different audiences in new ways. ECFR's output is not the typical think tank production line of dense reports, but an engagement with the European public as much as the foreign policy elites on the big debates over Europe's changing place in the 21st century world. The jump in our online and print media reach and the requests for special briefings to parliamentarians, foreign ministries and senior EU officials are indicators of the growing impact of ECFR.

Convening

Providing a platform for informed and engaged debate is a key part of ECFR's outreach. It allows for ideas to be tested and helps to build a strategic community that reaches across different countries and disciplines. In 2015 we convened some 250 events in 20 countries.

Social Media

Over the past year ECFR has expanded its presence on social media with the @ECFR twitter account increased its following by over 10,000, to a total of nearly 41,000 followers. ECFR has also amassed 9,800 likes on Facebook. According to the NGO Twiplomacy, ECFR is also ranked as the 3rd highest think tank followed by world leaders.

ACHIEVEMENTS AND PERFORMANCE - continued

Outreach and impact - continued

ECFR Podcast Series

ECFR's regular audio podcast series, produced in five languages with high level policymakers, officials, experts and analysts has amassed a total of 100,000 subscribers.

ECFR.EU

ECFR has continue to expand its presence online into 2015, using the ecfr.eu webpage as the main source of dissemination for ECFR's publications and commentaries. From January to December 2015, the ECFR webpages received over 1,400,000 views. During this period ECFR has continue to create ambitious web based projects, such as infographic [*mapping the Yemen conflict*](#).

Media

Throughout 2015, ECFR's expert analysis has been cited across national and international print and broadcast media across Europe. Total mentions in recognized international media stand at over 2,300, including mentions in the *Financial Times*, *Le Monde*, *El País*, *The Guardian* as well as interviews on the *BBC* and *CNN*.

Recognition

At the 2015 Prospect Magazine Think Tank of the Year Awards, ECFR was declared the winner of the year's EU International Affairs category. ECFR received its award for "an early and bold stand on Russia and Ukraine, saying that it understood Russia's actions marked the end of post-Cold War Europe. Its analysis explored ways to keep dialogue open with Moscow and, as a result, it stood out for its clear analysis and recommendations, and its influence on Europe's leaders".

ECFR Council

In the past year, ECFR's Council has grown to over 250 distinguished members, including serving and former presidents, prime ministers, foreign ministers and other lawmakers, as well as journalists, scholars, diplomats and business leaders from many countries and most EU member states. The Annual Council Meeting in Brussels in June 2015 was the largest gathering of Council Members to date with over 200 participants attending in total. Two days of intense debates underlined a clear sense amongst our members that Europe is faced with an extraordinary set of challenges, and that ECFR is well-placed to help shape Europe's future.

FINANCIAL REVIEW

Results for the year

The net incoming resources for the year ending 31st December 2015 were £5,339k and the net outgoing resources amounted to £5,066k resulting in a net unrestricted surplus for the year of £273k.

Reserves Policy

ECFR has developed a reserves policy that will ensure building sufficient reserves to meet the identified risks assessed each year. The aim is to invest in developing our reserves until they cover at least three months operational running costs so that we improve our ability to meet organisational liabilities to staff and other stakeholders. As at the end of 2015 the unrestricted reserves of ECFR amounted to £1.078m.

Cost Effectiveness

We have continued in 2015 to refine our systems, monitoring performance and streamlining operating costs to further improve our financial effectiveness.

PLANS FOR THE FUTURE

In the ninth year since its creation, ECFR will continue to explore the assumptions of European foreign policy that are increasingly being challenged in the regions where ECFR works. The EU's impotence in the face of instability and conflict outside its borders, epitomized by the non-abating refugee crisis, has provided a reminder of the necessity – and the difficulty – of shaping a long-term, coherent, and strategic foreign policy that can limit the impact of this turbulence at home.

To exert effective and positive influence in pursuit of ECFR's mission requires building the organization with the right mix of extending its reach and consolidating its support structures. To that end, we will:

- further develop systems to maintain intellectual excellence and ensure consistent quality of outputs;
- strengthen the use of advocacy and communications tools towards greater impact;
- further expand and engage the strategic community of ECFR Council members;
- as the staff capacity grows beyond 60, consolidate the administrative and programme infrastructure and increase the focus on staff and management development;
- continue to broaden the funding base accordingly;
- ensure that accountability mechanisms evolve to allow effective governance

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

ECFR, a company limited by guarantee incorporated on 11 February 2010, is a not-for-profit organisation which obtained Charitable Status on 24 August 2011. The liability of members is limited to £1. The company is governed by its Memorandum & Articles of Association. On 16 August 2011 a revised Memorandum of Association was adopted by the Company by Special Resolution. This replaced the objects of the organisation with 'the advancement of education in the field of foreign policy and related areas by undertaking and promoting research for the public benefit and publishing the useful results thereof'.

Directors Interests

In accordance with the Articles of Association ECFR will hold an Annual Retirement Meeting, which shall be the meeting of the Directors at which the accounts of the organisation are presented. The fourth Annual Retirement Meeting, held in June 2015, was the meeting of the Directors at which the Organisation's fifth year of accounts were adopted.

Governance

ECFR is governed by the Board of Directors, which meets regularly throughout the year. Directors are recruited by invitation based on the skills, experience and influence they have in the European political arena.

Mabel Van Oranje, Carl Bildt and Emma Bonino have been appointed joint Chairs of ECFR. They are advised by our Council of over 250 learned and experienced members from EU member states and candidate countries.

Key management personnel

The Key management personnel of the charitable company are the Board of Trustees/Directors, the Chief Executive, the Director and the three members of senior management team as disclosed on page 1 of the Directors Report. All members of the board give their time freely and no board members received remuneration in the year. Details of expenses reimbursed to trustees are disclosed in note 9. There are no related party transactions.

Remuneration for the Chief Executive and the Director is reviewed annually and set by the Board of Trustees/Directors. The remuneration for the remaining senior management team is set by the Chief Executive.

Staff

In 2015 we commenced the selection process for a new Chief Executive for ECFR, in the light of Dick Oosting announcing his wish to retire in June 2016. Also, in December 2015 the board agreed to appoint a new member of the senior management team Jeremy Shapiro as Research Director.

Risk Assessment

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

1. Insufficient Funds raised
2. Dependency upon income sources
3. Loss of key staff.

The action taken in mitigation of points 1 and 2 was to review and monitor the fundraising strategy, build the fundraising team and diversify the sources of funding. With regard to point 3 the board have successfully appointed a new CEO who will commence employment with ECFR on 1st June 2016.

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to Auditors

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

Auditors

Wilkins Kennedy LLP have expressed their willingness to act as auditors in accordance with Section 419(2) of the Companies Act 2006.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the trustees and signed on their behalf by:


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Mabel van Oranje
Chair

Date 27th June 2016

We have audited the financial statements of European Council on Foreign Relations for the year ended 31 December 2015, which comprises of the Statement of Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015, and of its surplus, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

ECFR (EUROPEAN COUNCIL ON FOREIGN RELATIONS)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ECFR (EUROPEAN COUNCIL ON FOREIGN RELATIONS)

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime.

Bridge House
London Bridge
London SE1 9QR



J Howard (Senior Statutory Auditor)

For and on behalf of
Wilkins Kennedy LLP, Statutory Auditor

Date: 30 June 2016

ECFR (EUROPEAN COUNCIL ON FOREIGN RELATIONS)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Unrestricted Funds	Restricted Funds	Total 2015 £	Total 2014 £
		£	£		
Income:					
Donations and legacies	3	872,803	-	872,803	1,307,341
Charitable activities	4	2,722,475	1,735,401	4,457,876	4,140,209
Bank Interest		8,450	-	8,450	10,178
Total Income		3,603,728	1,735,401	5,339,129	5,457,728
Expenditure:					
Charitable activities' costs	5	3,330,731	1,735,401	5,066,132	5,565,551
Total expenditure		3,330,731	1,735,401	5,066,132	5,565,551
Net incoming resources	8	272,997	-	272,997	(107,823)
Reconciliation of Funds:					
Total funds brought forward		805,288	-	805,288	913,111
		-	-	-	
Total funds carried forward		1,078,285	-	1,078,285	805,288

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

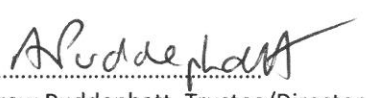
The notes on pages 13 to 28 form part of these financial statements.

AS AT 31 DECEMBER 2015

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Fixed assets					
Tangible assets	10	153,434	-	153,434	28,132
Investments	11	21,435	-	21,435	21,435
		<u>174,869</u>	<u>-</u>	<u>174,869</u>	<u>49,567</u>
Current assets					
Debtors	12	296,437	3,065	299,502	225,568
Cash at bank		<u>1,099,952</u>	<u>299,027</u>	<u>1,398,979</u>	<u>1,357,649</u>
Total current assets		<u>1,396,389</u>	<u>302,092</u>	<u>1,698,481</u>	<u>1,583,217</u>
Liabilities					
Creditors: amounts falling due within one year	13	<u>492,973</u>	<u>302,092</u>	<u>795,065</u>	<u>827,496</u>
Net Current assets		<u>903,416</u>	<u>-</u>	<u>903,416</u>	<u>755,721</u>
Total assets less current liabilities		<u>1,078,285</u>	<u>-</u>	<u>1,078,285</u>	<u>805,288</u>
Reserves	14				
Accumulated funds					
Balance at 1 January 2015		805,288	-	805,288	913,111
Movement in funds		<u>272,997</u>	<u>-</u>	<u>272,997</u>	<u>(107,823)</u>
Balance at 31 December 2015		<u>1,078,285</u>	<u>-</u>	<u>1,078,285</u>	<u>805,288</u>

Approved by the board of directors and trustees on 27th June 2016 and signed on its behalf by:


 Mabel van Oranje, Chair


 Andrew Puddephatt, Trustee/Director

The notes on pages 13 to 28 form part of these financial statements.

ECFR (EUROPEAN COUNCIL ON FOREIGN RELATIONS)**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	2015	2014
		£	£
Net Cash (used in)/provided by Operating Activities	18	(220,832)	(290,793)
Cash Flow from Investing Activities		-	-
Proceeds from sale of assets		6,907	-
Purchase of Assets		(186,409)	(25,155)
Net Cash Provided by investing activities		(179,502)	(25,155)
Change in Cash and cash equivalents in the year		41,330	(315,948)
Cash & Cash Equivalents Brought Forward		1,357,649	1,673,597
Cash & Cash Equivalents Carried Forward	19	1,398,979	1,357,649

1. ACCOUNTING POLICIES

(a) General information and basis of preparation

ECFR (The European Council on Foreign Relations) is a company limited by guarantee in England and Wales. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charitable company's operations and principal activities are set out on page 3.

The charitable company constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

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

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. There were no restatements to note.

(c) Basis of Consolidation

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

(d) Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(e) Funds

Unrestricted funds - represent funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES - continued

(f) Income

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Donations and legacies are recognised in the financial statements when the trustees are convinced that there is entitlement to the income, there is certainty of receipt and the amount in question is measurable. Any administration fee is charged is recognised as unrestricted income.

Donated Services and Gifts in Kind are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Charity can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities.

Grant income is recognised in the period the grant relates to and to the extent that certainty to their entitlement can be measured.

(g) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes: China & Asia Programme, Wider Europe Programme, Middle East & North Africa Programme, European Power Programme, National Offices and Advocacy.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Staff costs are allocated between cost headings according to the function of each employee.

(h) Allocation of support and governance costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include governance costs, administrative office function costs, and depreciation, HR and recruitment, and premises costs. They are incurred directly in support of expenditure on the objects of the charitable company.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to the statutory audit, legal fees, as well as staff and consultancy costs in relation to senior management.

Support and Governance costs have been allocated across the charitable activities using various percentage allocations.

1. ACCOUNTING POLICIES - continued

(i) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

All assets costing more than £500 are capitalised.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset on a straight line basis over the asset's estimated useful lives as follows:

Leasehold property	Over the lease lift 7 years
Computer equipment	33% - straight line
Furniture, Fixtures and fittings	25% - straight line
Computer equipment	33% - straight line

(j) Investments

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

(k) Debtors

Other debtors including amounts owed from European Entities are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Accrued income including gift aid is measured at the amount due to be received.

(l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(m) Creditors and provisions

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Other creditors and accruals are recognised at their settlement amount due.

(n) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(o) Operating Leases

The charity classifies the lease of the building as an operating lease; the title to the building remains with the lessor.

Rental charges are charged on a straight line basis over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES - continued

(p) Pensions

The company subscribes to a defined contribution pension scheme provided by Standard Life. Contributions payable for the period are charged in the Statement of Financial Activities.

(q) Foreign currency

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

In preparing these financial statements, transactions in currencies other than the functional currency have been recorded in the functional currency using an average exchange rate or the rate prevailing at the time.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Foreign exchange differences arising on translation are reported in the Statement of Financial Activities.

(r) Tax

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

(s) Judgements and key sources of estimation uncertainty

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the fixtures and equipment and computer equipment, and note (1h) for the useful economic lives for each class of assets.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

2. LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3. DONATIONS AND LEGACIES

	Unrestricted 2015 £	Restricted 2015 £	Total 2015 £	Total 2014 £
Donations	189,649	-	189,649	435,807
Gift Aid	10,000	-	10,000	10,070
Gifts in Kind	673,154	-	673,154	861,464
	<u>872,803</u>	<u>-</u>	<u>872,803</u>	<u>1,307,341</u>

In 2014, £1,055,100 of donations and legacies income was attributable to the restricted funds and the remaining £252,241 was attributable to unrestricted funds.

Gifts In Kind

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

	Total 2015 £	Total 2014 £
China & Asia Programme	97,023	21,817
Wider Europe Programme	30,579	43,108
Middle East & North Africa Programme	57,815	130,438
European Power Programme	22,778	80,349
National Offices of which 27% is for office costs in the European capitals	349,409	544,326
Advocacy	115,550	41,426
	<u>673,154</u>	<u>861,464</u>

ECFR (EUROPEAN COUNCIL ON FOREIGN RELATIONS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

4.	INCOME FROM CHARITABLE ACTIVITIES	Unrestricted 2015 £	Restricted 2015 £	Total 2015 £	Total 2014 £
	Alcoa Foundation		6,691	6,691	23,419
	Austrian MFA		14,161	14,161	49,190
	BBVA		6,039	6,039	-
	Calouste Gulbenkian Foundation		8,696	8,696	-
	Communitas Foundation - Sofia		40,000	40,000	42,017
	Compagnia di San Paolo - Turin		72,751	72,751	82,496
	Daimler – Fonds via ECFR GmbH		22,602	22,602	-
	Danish Ministry of Foreign Affairs		98,373	98,373	19,695
	Department for International Development (DFID)		-	-	162,627
	Dutch MFA		45,558	45,558	15,441
	EC Representation in the UK		10,491	10,491	-
	Edison		18,116	18,116	-
	EDO – Energias de Portugal		7,299	7,299	-
	Enagas		15,050	15,050	-
	ENI		25,131	25,131	-
	European Commission		-	-	8,337
	FCO		49,754	49,754	-
	Finnair		7,353	7,353	-
	Finnish MFA		-	-	10,795
	Fomento de Costa		5,995	5,995	-
	Foundation for Open Society (FOSI)		-	-	14,689
	Fritt Ord		-	-	10,005
	German MFA		44,444	44,444	-
	Hotung Foundation		25,000	25,000	-
	Kammarkollegiet		57,533	57,533	74,537
	Kikkoman Corporation		28,683	28,683	-
	Korea Foundation		987	987	10,858
	Körber-Stiftung		-	-	1,988
	Norwegian Ministry of Foreign Affairs		313,183	313,183	333,470
	Permanent Representative of Latvia to the EU		14,286	14,286	-
	Portuguese MFA		3,623	3,623	-
	Robert Bosch Stiftung		156,067	156,067	144,479
	Royal Norwegian Embassy in Beijing		30,118	30,118	56,576
	Santander		-	-	42,017
	Sasakawa		21,429	21,429	-
	Skoll Global Threats Fund		-	-	72,225
	Slovak MFA		18,091	18,091	6,254
	Statoil (UK) Ltd		74,015	74,015	20,240
	Stiftung Mercator		106,667	106,667	27,966
	Carried Forward:	-	1,348,186	1,348,186	1,229,321

ECFR (EUROPEAN COUNCIL ON FOREIGN RELATIONS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

4. INCOME FROM CHARITABLE ACTIVITIES - continued

	Unrestricted 2015 £	Restricted 2015 £	Total 2015 £	Total 2014 £
Brought Forward:	-	1,348,186	1,348,186	1,229,321
Swedish International Development Cooperation Agency (Sida)		304,866	304,866	353,711
Telefonica		18,519	18,519	-
UniCredit SpA – Rome		63,830	63,830	105,246
Open Society Foundations	2,659,840	-	2,659,840	2,423,965
Stiftung Mercator	62,635	-	62,635	27,966
	<u>2,722,475</u>	<u>1,735,401</u>	<u>4,457,876</u>	<u>4,140,209</u>

In 2014 £1,688,278 of the income from charitable activities was attributable to the restricted funds, £2,451,931 was attributable to the unrestricted funds.

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct Costs £	Support Costs (note 6) £	Total 2015 £	Total 2014 £
China & Asia Programme	331,776	121,191	452,967	541,039
Wider Europe Programme	418,812	148,122	566,934	414,158
Middle East & North Africa Programme	1,014,466	363,572	1,378,038	1,546,133
European Power Programme	801,187	296,244	1,097,431	687,176
National Offices	540,513	201,984	742,497	1,690,190
Advocacy	612,815	215,450	828,265	686,854
	<u>3,719,569</u>	<u>1,346,563</u>	<u>5,066,132</u>	<u>5,565,551</u>

ECFR (EUROPEAN COUNCIL ON FOREIGN RELATIONS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

6. SUPPORT COSTS

	Total 2015 £	Total 2014 £
Governance costs (note 7)	169,899	170,104
Staff Costs (including consultants)	595,364	417,954
Staff & volunteer support costs	3,794	18,101
Fundraising Costs	23,412	170,565
Office Rental and Costs	254,164	284,660
Communication Costs	31,540	50,969
Direct Activity Costs	181,224	120,924
Board Activity Costs	1,256	-
Professional Costs	21,185	28,784
Computing Costs	25,430	36,795
Maintenance Costs	37,998	30,433
Bank Charges	1,297	11,622
	1,346,563	1,340,911

7. GOVERNANCE COSTS

	Total 2015 £	Total 2014 £
Staff Costs (including consultants)	122,248	121,405
Staff & volunteer support costs	3,794	5,257
Fundraising Costs	2,601	233
Office Rental and Costs	19,551	21,897
Communication Costs	4,506	4,634
Board Activity Costs	5,023	-
Professional Costs	5,296	5,757
Computing Costs	3,633	5,257
Maintenance Costs	2,923	1,790
Bank Charges	324	3,879
	169,899	170,104

ECFR (EUROPEAN COUNCIL ON FOREIGN RELATIONS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

8. NET INCOME/ (EXPENDITURE) FOR THE YEAR

	2015	2014
	£	£
This is stated after charging:		
Depreciation	54,009	27,228
Auditors' Fee for audit services	9,320	9,480
Auditors' Fee for non-audit services	1,000	3,000
Operating lease rentals	186,973	138,780

9. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

	2015	2014
	£	£
Salaries and wages	1,812,525	1,945,510
Social security costs	231,228	259,677
Pension costs	127,265	140,843
	2,171,018	2,346,030

Average monthly number of employees during the year calculated on a full time equivalent basis, was:

31.2	33
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Employee time has been allocated to direct costs allocated on a percentage basis over all the costs.

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2015	2014
	No	No
£60,000 - £69,999	2	2
£70,000 - £79,999	-	1
£80,000 - £89,999	3	2
£100,000 - £109,999	1	-
£120,000 - £129,999	-	1
£130,000 - £139,999	1	1

In addition to these employees of ECFR UK, a further number of staff were employed by ECFR entities in Germany, France, Italy and Spain, and by partner organisations in Bulgaria and Poland.

During 2015, no trustees (2014: £Nil) were paid or received any other benefits from employment with the charitable company.

6 trustees (2014: 5) were reimbursed for travel and meeting expenses amounting to £6,108 (2014: £10,194).

The key management of the charitable company comprise the Trustees, the Chief Executive Officer, the 3 (2014: 3) members of the Senior Management team. The Trustees do not receive any remuneration for this role.

The total employee benefits of the key management personnel of the charitable company were £543,006 (2014: £495,567).

ECFR (EUROPEAN COUNCIL ON FOREIGN RELATIONS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

10. TANGIBLE FIXED ASSETS

	Leasehold Property £	Computer Equipment £	Office Equipment £	Furniture & Fittings £	Total £
Cost					
At 1 January 2015	-	83,688	14,767	69,356	167,811
Additions	104,821	28,933	47,024	5,631	186,409
Disposals	-	46,821	5,556	45,920	98,297
At 31 December 2015	104,821	65,800	56,235	29,067	255,923
Depreciation					
At 1 January 2015	-	65,277	9,468	64,934	139,679
Charge for the year	13,879	19,269	18,090	2,771	54,009
Disposals	-	43,798	2,673	44,728	91,199
At 31 December 2015	13,879	40,748	24,885	22,977	102,489
Net Book Value					
At 31 December 2015	90,942	25,052	31,350	6,090	153,434
At 31 December 2014	-	18,411	5,299	4,422	28,132

11. INVESTMENTS

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

	Year Ended 31 December 2015 €	Year Ended 31 December 2015 £	Year Ended 31 December 2014 £
Income	1,259,656	933,079	575,327
Expenditure	1,258,953	932,558	572,335
Net Surplus/(Deficit)	703	521	2,992
Net Assets	45,384	33,618	31,542

ECFR (EUROPEAN COUNCIL ON FOREIGN RELATIONS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

12. DEBTORS

	2015	2014
	£	£
Gift Aid	10,000	10,070
Property Lease Deposit	87,395	-
Trade Debtors	462	-
Other Debtors	21,291	15,983
European Entities	97,194	-
Prepayments	83,160	199,515
	299,502	225,568

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
European Subsidiaries	25,182	71,620
Trade Creditors	176,488	159,888
Income & Social Taxes	63,973	105,790
Pension Contributions	17,207	28,715
Sundry Creditors	33,126	1,720
Accruals	261,884	167,796
Deferred Income (note 13.1)	217,205	291,967
	795,065	827,496

13.1 DEFERRED INCOME

Deferred income comprises grant income relating to periods post 31 December 2015.

	2015	2014
	£	£
Balance as at 1 December 2014	291,967	514,597
Amounts released to income earned from charitable activities	(291,967)	(514,597)
Amounts deferred in the year	217,205	291,967
Balance as at 31 December 2015	217,205	291,967

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

14. RESERVES

14.1 RESTRICTED FUNDS

	1 January 2015 £	Incoming Resources £	Outgoing Resources £	31 December 2015 £
Alcoa Foundation	-	6,691	(6,691)	-
Austrian MFA	-	14,161	(14,161)	-
BBVA	-	6,039	(6,039)	-
Calouste Gulbenkian Foundation	-	8,696	(8,696)	-
Communitas Foundation - Sofia	-	40,000	(40,000)	-
Compagnia di San Paolo - Turin	-	72,751	(72,751)	-
Danish Ministry of Foreign Affairs	-	98,373	(98,373)	-
Daimler – Fonds via ECFR GmbH	-	22,602	(22,602)	-
Dutch MFA	-	45,558	(45,558)	-
EC Representation in the UK	-	10,491	(10,491)	-
Edison	-	18,116	(18,116)	-
EDO – Energias de Portugal	-	7,299	(7,299)	-
Enagas	-	15,050	(15,050)	-
ENI	-	25,131	(25,131)	-
FCO	-	49,754	(49,754)	-
Finnair	-	7,353	(7,353)	-
Fomento de Costa	-	5,995	(5,995)	-
German MFA	-	44,444	(44,444)	-
Hotung Foundation	-	25,000	(25,000)	-
Kammarkollegiet	-	57,533	(57,533)	-
Kikkoman Corporation	-	28,683	(28,683)	-
Korea Foundation	-	987	(987)	-
Norwegian Ministry of Foreign Affairs	-	313,183	(313,183)	-
Permanent Representative of Latvia to the EU	-	14,286	(14,286)	-
Portuguese MFA	-	3,623	(3,623)	-
Robert Bosch Stiftung	-	156,067	(156,067)	-
Royal Norwegian Embassy in Beijing	-	30,118	(30,118)	-
Sasakawa	-	21,429	(21,429)	-
Slovak MFA	-	18,091	(18,091)	-
Statoil (UK) Ltd	-	74,015	(74,015)	-
Stiftung Mercator	-	106,667	(106,667)	-
Swedish International Development Cooperation Agency (Sida)	-	304,866	(304,866)	-
Telefonica	-	18,519	(18,519)	-
UniCredit SpA – Rome	-	63,830	(63,830)	-
	-	-	(1,735,401)	-

14.1 RESTRICTED FUNDS - continued

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

Restricted income and expenditure are both enhanced by an additional £673,154 of goods and services received In Kind.

ECFR remains grateful to all its funders for the generous support provided in 2015, especially our core funder the Open Society Foundations.

Restricted Funds

More detail on the restricted funds which we received in 2015 is stated below.

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

Austrian Ministry of Defence and Sport; a grant to support ECFR's Global Strategy initiative.

BBVA; a grant to support ECFR's Madrid office activities

Calouste Gulbenkian Foundation; a grant to support the China and Asia programme's 'China Analysis' project.

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

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

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

Daimler-Fonds; a grant to support the China and Asia programme's 'China Analysis' project.

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

EC Representation in the UK; a grant to support ECFR's project 'Europe and its neighbours: Towards a stronger relationship'.

Edison; a grant to support ECFR's Rome office activities.

EDO – Energias de Portugal; A grant to support the China & Asia programme's 'China Strategy Group' project.

Enagas; a grant to support ECFR's Madrid office activities.

ENI; a grant support ECFR's Rome office activities.

FCO; a grant to support ECFR's project on 'Energy Diplomacy'.

Finnair; A grant to support the China & Asia programme's 'China Strategy Group' project.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

14.1 RESTRICTED FUNDS - continued

Fomento de Construcciones y Contratas; A grant to support ECFR's Madrid office activities.

German Ministry of Foreign Affairs; a grant to support the Wider Europe programme's 'EU-Russia Strategy Group'.

Sir Joseph Hotung Charitable Settlement; a grant to support the activities of ECFR's MENA Programme.

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

Kikkoman Corporation; a grant to support the China and Asia programme's 'Japan-EU Forum' project.

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

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

Permanent Representative of Latvia to the EU; A grant to support the Wider Europe programme's project on the 'Riga Paper Series'.

Portuguese Ministry of Foreign Affairs; a grant to support ECFR's 'China Strategy Group'.

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

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

Sasakawa; a grant to support the China and Asia programme's 'Japan-EU Forum'

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

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

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

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

Telefonica; a grant to support ECFR's Madrid office activities and ECFR's project on 'Europe's Digital Power'

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

ECFR (EUROPEAN COUNCIL ON FOREIGN RELATIONS)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2015****15. OPERATING LEASE COMMITMENTS**

The charity had total commitments under an operating lease as follows:

	2015	2014
	£	£
Not later than one year	-	104,085
Later than one and not later than five years	-	-
Later than five years	1,136,135	-
	<u>1,136,135</u>	<u>-</u>

At 31 December 2015 the charity had annual commitments under an operating lease as follows:

	2015	2014
	£	£
Not later than one year	-	104,085
Later than one and not later than five years	-	-
Later than five years	174,790	-
	<u>174,790</u>	<u>-</u>

ECFR can terminate the lease at the break date which is the 22 July 2017.

16. PENSIONS

The Standard Life Group Self Invested Personal Pension is available to all UK employees in line with current statutory requirements. The company makes a 10% contribution to employees with more than two years' service and 5% to all others. The company auto-enrolled in July 2015. Pension costs for the year amounted to £127,265. There was £17,207 (£18,033 prior year) outstanding at the year end.

17. RELATED PARTY TRANSACTIONS

There are no related party transactions in the year (2014: none)

18. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2015	2014
	£	£
Net income/(expenditure) for the reporting period (as per the financial statements)	272,997	(107,823)
Adjustments for:		
Depreciation for the year	54,009	27,228
Loss/(profit) on sale of fixed assets	192	-
(Increase)/decrease in debtors	(73,934)	(123,478)
Increase/(decrease) in creditors	(32,432)	(86,720)
	<u>220,832</u>	<u>(290,793)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2015	2014	2014
	£	£	£
Cash at bank	1,357,649	41,330	1,398,979
Total cash and cash equivalents	<u>1,357,649</u>	<u>41,330</u>	<u>1,398,979</u>