

FINANCIAL REPORT



Financial Statements

Consolidated Statement of Activities

Year ended 31 December 2018

	2018	2017
Income	€ 840 862,60	€ 1 364 572,91
Donations	471 060,00	524 220,81
Grants	90 341,35	840 352,10
Research	279 461,25	0,00
Expenditure	€ 1 214 632,77	€ 769 733,61
Office	275 977,53	152 120,52
Administration	812 976,66	504 537,62
Travel	30 910,91	14 585,04
Events	46 495,80	28 062,70
Publications	22 953,10	48 056,84
Depreciation	25 318,77	22 370,89
Surplus/deficit (reserves)	- € 375 086,01	€ 592 846,93
Surplus/deficit brought forward	692 147,35	99 300,42
Surplus deficit to be carried forward	317 061,34	692 147,35

Consolidated Statement of Financial Position

As on 31 December 2018

	2018	2017
Assets	€ 440 789,23	€ 772 984,23
Fixed Assets	€ 59 896,36	€ 44 710,68
Net equipment	59 896,36	44 710,68
Net furniture	0,00	0,00
Current Assets	€ 380 892,87	€ 728 273,55
Accounts receivable	141 418,48	98 800,58
Cash or equivalent	173 288,75	628 808,97
Deferrals and accruals	66 185,64	664
Liabilities	€ 440 789,23	€ 772 984,23
Retained Earnings (Reserves)	€ 369 940,97	€ 745 026,98
Current Liabilities	€ 70 848,26	€ 27 957,25
Accounts payable	39 341,71	18 867,20
Salaries payable	22 375,36	8 525,61
Deferred charges	8 566,75	0,00
Current account	564,44	564,44

Statutory Auditor's Report

In the context of the statutory audit of the annual accounts of The Lisbon Council for Economic Competitiveness and Social Renewal association, we hereby present our statutory auditor's report. It includes our opinion on the audit of the annual accounts as well as on the legal and regulatory requirements. This forms an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting of members of 28 June 2018 following the proposal by the Board of Directors. Our statutory auditor's mandate will expire on the date of the general meeting of members which will deliberate on the annual accounts closed on 31 December 2020. We have performed the statutory audit of the annual accounts of the association for the first year.

Report on the audit of the annual accounts

Qualified opinion

We have audited the annual accounts of the organisation, which comprise the balance sheet as at 31 December 2018, the profit and loss account of the year then ended and the notes to the annual accounts, characterized by a balance sheet total of € 440 789,23 and a profit and loss account showing a loss for the year of € -375 086,01. With exception of the effects of the elements as described in the section "Basis for Qualified Opinion," the annual accounts give a true and fair view of the organisation's net equity and financial position as at 31 December 2018, as well as of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

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Basis for qualified opinion

Given the fact that this is our first year of audit, we were not able to control the opening balance of the bookkeeping year 2018. The bookkeeping year 2017 ended with a profit of € 592 846,93. This positive result was due to the fact that the bookkeeping was done on a cash basis. The carry forward of the income of an important project that continued during 2018 was not accounted for in 2017. The negative 2018 result of € 375 086,01 is impacted by this element. At the end of the bookkeeping year 2018, the matching principle was introduced in the accounting. Because we cannot independently verify the opening balance from 2017, we cannot certify the profit and loss accounts of 2018 and the comparative results.

We conducted our audit in accordance with International Standards on Auditing (ISA) as applicable in Belgium. Our responsibilities under those standards are further described in the “Statutory Auditor’s Responsibilities for the Audit of the Annual Accounts” section in this report. We have complied with all the ethical requirements that are relevant to the audit of annual accounts in Belgium, including those concerning independence. We have obtained from the Board of Directors and the officials of the organisation the explanations and information necessary for performing our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the annual accounts

The Board of Directors is responsible for the preparation of annual accounts that give a true and fair view in accordance with the financial reporting framework applicable in Belgium and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error. In preparing the annual accounts, the Board of Directors is responsible for assessing the organisation’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going-concern basis of accounting unless the Board of Directors either intends to liquidate the organisation or to cease operations or has no realistic alternative but to do so.

Statutory auditor’s responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. 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 annual accounts.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain 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;
- Obtain 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 organisation’s internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

- Conclude on the appropriateness of the Board of Directors’ use of the ongoing 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 organisation’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw the attention in our statutory auditor’s report to the related disclosures in the annual accounts 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 statutory auditor’s report. However, future events or conditions may cause the organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the compliance with the legal and regulatory requirements regarding bookkeeping, as well as for compliance with the Law of 27 June 1921 on non-profit organisations, foundations, European political parties and European political foundations with the organisation’s bylaws.

Responsibility of the statutory auditor

In the context of our mandate and in accordance with the Belgian standard (revised in 2018) which is complementary to the International Standards on Auditing as applicable in Belgium, it is our responsibility to verify, in all material aspects, compliance with certain provisions of the Law of 27 June 1921 on non-profit organisations, foundations, European political parties and European political foundations and with the bylaws as well as to report on these elements.

Statement related to independence

Our audit firm did not provide services which are incompatible with the statutory audit of annual accounts and we remained independent of the organisation throughout the course of our mandate. No additional work services which implicated fees and which are compatible with the statutory audit of annual accounts as referred to in Article 17 of the Law of 27 June 1921 on non-profit organisations, foundations, European political parties and European political foundations, which refers to Article 134 of the Company Code, has been carried out.

Other statements

- Without prejudice to certain formal aspects of minor importance and with the exception of the elements as described in the “Basis for Qualified Opinion” section, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- There are no transactions undertaken or decisions taken in breach of the bylaws or of the Law of 27 June 1921 on non-profit organisations, foundations, European political parties and European political foundations that we have to report to you.

Grimbergen, 27 June 2019



Geert Van Goolen
Statutory Auditor

Leadership and Acknowledgements

Board of Directors

- **Paul Hofheinz**, president and co-founder, the Lisbon Council
- **Tjark de Lange**, treasurer and co-founder, the Lisbon Council; CEO, Kapp Nederland
- **Joeri van den Steenhoven**, member of the board, the Lisbon Council; vice-president of systems innovation and director, MaRS Solutions Lab

Managers and Research Fellows

- **Ian Hargreaves**, senior fellow, the Lisbon Council; professor of digital economy, University of Cardiff
- **Luukas K. Ilves**, deputy director and senior research fellow, the Lisbon Council
- **Katarzyna Jakimowicz**, associate director, the Lisbon Council
- **Alessandro Leipold**, chief economist, the Lisbon Council
- **Stéphanie Lepczynski**, associate director, the Lisbon Council
- **Chrysoula Mitta**, digital engagement manager, the Lisbon Council
- **Cristina Moise**, senior researcher and head of statistical analysis, the Lisbon Council
- **Francesco Mureddu**, associate director, the Lisbon Council
- **David Osimo**, director of research, the Lisbon Council
- **Kriss-Elin Rokk**, project manager and research fellow, the Lisbon Council
- **Jon Switters**, senior research associate, the Lisbon Council
- **Marcello Verona**, associate director, information technology and knowledge platforms, the Lisbon Council
- **Ilaria Vigo**, research associate, the Lisbon Council

General Assembly

- **Paul Hofheinz**, president and co-founder, the Lisbon Council
- **Tjark de Lange**, treasurer and co-founder, the Lisbon Council; CEO, Kapp Nederland
- **Sören Stamer**, CEO and co-founder, CoreMedia
- **Joeri van den Steenhoven**, member of the board, the Lisbon Council; vice-president of systems innovation and director, MaRS Solutions Lab

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The Lisbon Council for Economic Competitiveness and Social Renewal asbl is a Brussels-based think tank and policy network. Established in 2003 in Belgium as a non-profit, non-partisan association, the group is dedicated to making a positive contribution through cutting-edge research and by engaging political leaders and the public at large in a constructive exchange about the economic and social challenges of the 21st century.

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