



FINANCIAL REPORT

Financial Statements

Consolidated Statement of Activities

Year ended 31 December 2019

	2019	2018
Income	€ 1 172 196,39	€ 840 862,60
Donations	316 296,35	471 060,00
Grants	286 038,79	90 341,35
Research	569 861,25	279 461,25
Expenditure	€ 1 325 728,27	€ 1 214 632,77
Office	323 681,44	275 977,53
Administration	847 078,44	812 976,66
Travel	21 978,47	30 910,91
Events	85 045,51	46 495,80
Publications	39 427,13	22 953,10
Depreciation	8 517,28	25 318,77
Surplus/deficit (reserves)	- € 150 043,63	- € 375 086,01
Surplus/deficit brought forward	317 061,34	692 147,35
Surplus deficit to be carried forward	167 017,71	317 061,34

Consolidated Statement of Financial Position

As on 31 December 2019

	2019	2018
Assets	€ 635 479,38	€ 440 789,23
Fixed Assets	€ 57 366,76	€ 59 896,36
Net equipment	57 366,76	59 896,36
Net furniture	0,00	0,00
Current Assets	€ 578 112,62	€ 380 892,87
Accounts receivable	120 863,53	141 418,48
Cash or equivalent	153 277,43	173 288,75
Deferrals and accruals	303 971,66	66 185,64
Liabilities	€ 635 479,38	€ 440 789,23
Retained Earnings (Reserves)	€ 219 897,34	€ 369 940,97
Current Liabilities	€ 415 582,04	€ 70 848,26
Accounts payable	236 411,13	39 341,71
Salaries payable	23 795,91	22 375,36
Deferred charges	155 375,00	8 566,75
Current account	0,00	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 second year.

Report on the audit of the annual accounts

Unqualified opinion

We have audited the annual accounts of the organisation, which comprise the balance sheet as at 31 December 2019, the profit and loss account of the year then ended and the notes to the annual accounts, characterized by a balance sheet total of €635 479,38 and a profit and loss account showing a loss for the year of -€150 043,63.

In our opinion, the annual accounts give a true and fair view of the organisation's net equity and financial position as at 31 December 2019 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 unqualified opinion

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.

Emphasis of matter

The association had a loss during two consecutive years. This is due to the fact that the two largest projects (“Understanding Value Co-Creation in Public Services for Transformation of European Public Administrations (Co-VAL)” and “Big Policy Canvas”) were executed mostly in 2018 and 2019 but received the majority of the funding (70%) in 2017. Under existing rules, that funding was entirely attributed to 2017, while under current rules, it should be spread between 2018 and 2019. This is the reason for the sizeable cash reserve of the organisation. In accordance with Article 23 of the Economic Law and Article 2.52 of the Company and Associations Law, the Board of Directors should motivate the going concern measures. The Board of Directors specifies that the realistic budget for 2020-2021-2022 is positive and that there are enough financial commitments to deliver an operating profit for the following years.

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, 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, 08 October 2020



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 the executive board, University of Applied Sciences Leiden

Managers and Research Fellows

- **Mike Bracken**, senior fellow digital government, the Lisbon Council; partner, Public Digital
- **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
- **Alessandro Leipold**, chief economist, the Lisbon Council
- **James Lewis**, research associate, the Lisbon Council
- **Tom Loosemore**, senior fellow digital government, the Lisbon Council; partner, Public Digital
- **Chrysoula Mitta**, associate director, operations and community management, the Lisbon Council
- **Cristina Moise**, senior researcher and head of statistical analysis, the Lisbon Council
- **Francesco Mureddu**, director, the Lisbon Council
- **Sarah Myers**, research associate, the Lisbon Council
- **David Osimo**, director of research, the Lisbon Council
- **Viorica Spac**, project manager and research associate, the Lisbon Council
- **Marcello Verona**, associate director, information technology and knowledge platforms, 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 the executive board, University of Applied Sciences Leiden

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think tank for the 21st century

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.

The Lisbon Council asbl
IPC-Résidence Palace
155 Rue de la Loi
1040 Brussels, Belgium
T +32 2 647 9575
www.lisboncouncil.net
info@lisboncouncil.net