

ECFR

Report and Financial Statements

For the Year Ended 31 December 2025

Charity Number: 1143536

Company Registration Number: 07154609

European Council on Foreign Relations
Contents

	Pages
Legal and administrative information	1
Report of the Directors	2 – 6
Independent Auditor's Report	7 - 9
Statement of Financial Activities	10
Balance Sheet	11
Cashflow Statement	12
Note to the Financial Statements	13 - 23

European Council on Foreign Relations
Legal and administrative information

Governing Document:	Memorandum and Articles of Association
Registered Offices:	C/O Sedulo London Office 605 Albert House 250-6 Old St London EC1V 9DD
Trustees/Directors:	Ian Clarkson Lykke Friis Teresa Gouveia (resigned July 2025) Adam Lury
Chair of Board of Trustees/Directors	Lykke Friis
Chair of Executive Committee	Ian Clarkson
Key Management Personnel:	Director Mark Leonard
Auditors:	Azets Audit Services, 2nd Floor, Regis House, 45 King William St, London, EC4R 9AN
Bankers:	Barclays Bank 2 Victoria Street London SW1
Solicitors:	Bates Wells & Braithwaite 2-6 Cannon Street London EC4M 6YH

European Council on Foreign Relations
Report of the Directors
For the year ending 31 December 2025

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 2025. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's memorandum and articles of association, the Charities Act 2011, the Companies Act 2006 and the 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 (FRS102) effective 1 January 2015.

Objectives and Activities

The objective of the European Council on Foreign Relations (also "Charity", "Company") is to conduct research and promote informed debate across Europe on the development of a coherent and effective European values-based foreign policy. First launched in October 2007, the Charity is part of the first pan-European think-tank, comprised of a Group of ECFR entities (also "ECFR") with presence in selected EU member states.

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

- **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, publications of policy reports, private meetings and public debates, 'friends of ECFR' gatherings in EU capitals and outreach to strategic media outlets.

- **A pan-European Council.** ECFR has brought together a distinguished Council of over 330 Members — politicians, decision makers, thinkers and business executives from across Europe — 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.

- **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.

The Directors confirm that they have referred to the guidance provided by the Charity Commission on public benefit when reviewing the Company's aims and objectives and in planning future activities. The Charity, together with its sister organizations and through their combined pan-European research and outreach work supports European governments, foreign policy debate and diplomacy.

Achievements and Performance

For 2025, our work continued to focus on creating a more effective, ambitious, and cooperative European foreign policy. Within our six research programs and one Initiative (Africa, Middle East and North Africa, Asia and China, United States, European Security Programme and European Power plus the Geoeconomics and Technology Initiative), our efforts focused on gaining an analytical understanding of Europe's foreign policy dilemmas, recommending innovative solutions, and promoting those solutions through publications, convening conferences, media appearances, and other forms of advocacy.

In 2025, key highlights of ECFR's work were:

1. Trump and World Order. In March 2025, ECFR convened five rapid-response Council briefings addressing Europe's trade, technology, tariff, China, and defence agendas in a Trumpian world and in May, published a paper examining the global implications of "Make America Great Again" for Europe.
2. Trade and Tech Wars. Two significant papers "Brussels Hold'em" and "No Brain, No Brawn" were published and ECFR organized a conference in Paris of 80 senior policymakers ahead of France's 2026 G7 presidency.
3. European Security and Defence. ECFR's new programme published a number of key papers on European response to the war in Ukraine including "Better Firefighting: Readying Europe for an Age Between War and Peace" and "Preventing the Next War: A European Plan for Ukraine" and later in the year the Africa Programme published the paper "The Bear and the Bot Farm: Countering Russian Hybrid Warfare"

4. Middle East and North Africa. ECFR's Track 1.5 Gaza Contact Group met several times in the year, bringing together Israeli and Palestinian experts – including participants from Gaza. The output of these meetings fed into preparations for the July UN New York conference on the implementation of the two-state solution and helped lay the groundwork for subsequent engagement with the Trump White House
5. Europe of the "Fringes." ECFR has been looking at Europe's changing political landscape culminating in a podcast mini-series ("The New Politics").

Outreach & Convenings

ECFR has catalysed conversations via 200 strategic convenings across our seven national offices, as well as globally from Abu Dhabi, Damascus and Kyiv to Istanbul, Manila and Nairobi. ECFR also informed debates at key conferences in the political calendar by chairing or hosting panels - Munich Security Conference, Paris Peace Forum, Doha Forum, Warsaw Security Forum, Chatham House conference, NATO Public Forum, Lennart Mari Conference, and ISPI MED Dialogues, to name a few

In 2025, ECFR secured 3,500+ media mentions including in top tier media outlets such as BBC, The Guardian, Financial Times, The Economist, Reuters, The Times (UK), Der Spiegel, Frankfurter Allgemeine Zeitung (Germany), Le Monde (France), Politico Europe, El País (Spain), Corriere della Sera, Il Sole 24 Ore (Italy), Bloomberg, The New York Times, The Wall Street Journal, The Washington Post, CNN, and Associated Press (US). The ECFR's website got more than 3 million hits and 40,000 downloads of key policy briefs.

Financial Review

Results for the year

Total incoming resources for the year ending 31st December 2025 were €8.6m and net resources expended were €8.6m, resulting in a deficit for the year of €50k. The Open Society Foundation provided an unrestricted grant of €3.6m to support ECFR. Restricted donations of more than €275k were received from the Stand Together Trust, the Open Society Foundation, the Danish Ministry of Foreign Affairs and the Swedish Ministry of Foreign Affairs The Charity re-granted in total €4.9m to other ECFR entities and received €1.7k from other ECFR entities.

Reserves

The Charity's reserves policy is to build sufficient reserves to meet the identified risks assessed each year. The aim is to invest in reserves until they cover at least four months operational running costs so that organisational liabilities to staff and other stakeholders can be met at all times. The Charity ended 2025 with a deficit of €50k. As a result, reserves as of 31 December 2025 decreased to €2.8m (2024:2.85m) with 2.25 being unrestricted funds, in excess of 10 months of ECFR operational running costs. The Board has approved a break-even budget for 2026 for ECFR to maintain strong reserves. Beyond 2026 the Board is committed to continue break-even to surplus budgets in line with the stated policy.

Plans for the Future

2026 will be a defining year for Europe. Confronted by war on its borders, coercion from rivals, and deep political turbulence, Europe faces a moment of strategic reckoning. At ECFR, we are ready to help Europeans move from reacting to events to shaping their future to equipping them with the ideas, strategies, and confidence needed to act decisively and safeguard European sovereignty in an increasingly fragmented world. At the core of this mission are three pillars that define ECFR's distinctive DNA and have guided our work since the beginning: curiosity, bold ideas, and coalition- building.

We are curious enough to go where others hesitate, because grappling with uncomfortable realities is a prerequisite for effective policy. We generate bold ideas for defending Europe in an era of less America, helping to shape the European policy agenda. And we show how to build the political coalitions needed to turn ideas into

action — through polling, communications, and the mobilisation of our Council network. ECFR aims to be the one-stop shop for ideas that help Europe engage with the world as it is, not as it would like it to be.

Our work will focus on Europe's global role and the forging of new coalitions in an increasingly transactional international system; the weaponisation of interdependence; and Europe's technological sovereignty, including the construction of strategic economic partnerships. European security will remain front and centre — particularly the challenge of the post-war European security order and how to defend Europe with less, or even without, American support. In this context, Europe will need to deepen engagement with new partners, notably in the Indo-Pacific and Africa, and pursue a more assertive agenda in the Middle East, where Israel is assuming a new and consequential role.

The past year has also underscored how inseparable domestic politics and foreign policy have become. America's internal "MAGA-isation" is reshaping its approach to Europe, while the rise of the new right within Europe is redefining debates on migration, climate and security. Ideological struggles within states such as Israel now reverberate across entire regions. Foreign policy is no longer insulated from domestic politics; it is increasingly driven by it. Securing Europe's future therefore requires a deep understanding of the political forces reshaping Europe, the United States, and the wider world. Across its programmes, ECFR seeks to analyse and engage these forces — even as it works to shield Europe from their most damaging effects.

Our ambition is to combine intellectual daring with clear strategy. ECFR aims to serve as Europe's laboratory for new ideas and its amplifier for collective action. In 2026, our task is to help Europe save itself by understanding the world it faces — through curiosity that challenges the status quo, ideas that catalyse action, and coalitions capable of turning ambition into reality

Structure, Governance and Management

Constitution

The Charity, a UK company limited by guarantee incorporated on 11 February 2010, is a not-for-profit organisation which obtained UK charitable status on 24 August 2011. The liability of members is limited to £1. The Company is governed by its Memorandum & Articles of Association, as last revised and adopted on 16 August 2011. The objects of the Company are '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'.

ECFR is made up of the UK Company and six legal ECFR entities established in Germany, France, Poland, Spain and Italy under the common control and unified management of the German ECFR e.V. Board of Trustees.

Governance

The Charity is governed by a Board of Trustees/Directors, which meets three times a year. Trustees/Directors are recruited by invitation based on the skills, experience and influence they have in the European political arena. At the end of 2025 the Board was composed of Lykke Friis, Ian Clarkson and Adam Lury. The Board is supported by an Executive Committee which meets quarterly and is composed of three or four Board members. This Committee has been delegated responsibility for overseeing the administrative and financial governance of the Charity on behalf of the Board, whilst noting that the Board retains final responsibility for the performance of that delegated authority. Its decisions and recommendations are reported to the Board so as to ensure the full Board can continue to discharge its overall responsibility. ECFR uses external expert support to ensure the Board members are updated with any changes in external compliance responsibilities.

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 14. There are no related party transactions.

Key management personnel

The management of the Charity is delegated to the Director and through him to the members of the senior management team. Remuneration for the Director is reviewed annually and set by the Board. Remuneration for senior management and the rest of the staff team is set by the Director.

Structure, Governance and Management – continued

Principal risks and uncertainties

The Board of Directors is responsible for ensuring that there are effective and adequate risk management and internal control systems in place to manage the major risks to which the Charity is exposed. It discharges this responsibility through its review of the effectiveness of the Charity's risk management framework as part of ECFR's risk management framework.

This is designed to support informed decision-making regarding the risks that affect ECFR's and the Charity's performance and their ability to achieve their objectives. It also provides for a consistent approach to identifying, assessing and dealing with the risks facing ECFR and the Charity so as to ensure that they do not exceed the level of risk ECFR and the Charity are willing to assume. It should be noted that the framework is designed to manage, rather than to eliminate, the risks to ECFR's and the Charity's objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss.

The Charity board together with the senior management team have reviewed the risks faced by the Charity and updated the risk register to capture and monitor all risks identified. The key risks have been assessed as:

- Loss of key Trustees
- Loss of key staff members
- Risks to the organisation arising from cyber-attacks and loss of key data
- Raising insufficient funds to cover costs

Actions taken to mitigate the risks associated with loss of key trustees includes active recruitment of trustees with the right skillset to support the Charity's mission. Loss of key staff members is being mitigated through the annual performance review and objective setting process, transparent staff policies, and active line management combined with regular communication with staff. I.T. security risks are being addressed through related investments in hard- and software, data back-up routines and staff training. Actions taken to mitigate the risks associated with funding include close monitoring of fundraising strategy and progress, diversifying sources of funding to include a wider range of donors, seeking multi-year partnerships, and maintaining good relations with current major funders.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Report of Directors and the financial statements in accordance with applicable law, UK accounting standards and UK GAAP.

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 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 (FRS 102)
- 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 operation.

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.

In so far as the directors are aware:

- there is no relevant audit information of which the charitable Company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Statement of Directors' responsibilities - continued

Disclosure of information to the auditors

We, the directors of the Company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the Company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Azets Audit Service 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:

Lykke Friis

Lykke Friis
6/21/2026
Chair of the Board of Trustees/Directors

Date 21 June 2026

European Council on Foreign Relations
Independent Auditor's Report to the members of ECFR

Opinion
We have audited the financial statements of ECFR (the 'charitable company') for the year 31 December 2025 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Aud*itor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information
The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which 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 and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees
As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 ISAs (UK) 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 financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the charitable company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. 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.

European Council on Foreign Relations
Independent Auditor's Report to the members of ECFR

Use of our report

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

J Howard FCA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Statutory Auditor, Chartered Accountants
2nd Floor, Regis House,
45 King William St,
London, EC4R 9AN

Date 01 September 2026

European Council on Foreign Relations
Statement of Financial Activities for the year ended 31 December 2025

	Note	Unrestricted €	Restricted €	Total 2025 €	Total 2024 €
Incoming Resources					
Donations & Legacies	2,3	118,763	-	118,763	171,250
Charitable activities	2	4,641,491	3,793,157	8,434,648	8,529,717
Investment Income	2	1	-	1	2
Other Income	2	6,441	-	6,441	2,275
Total Incoming Resources		4,766,696	3,793,157	8,559,853	8,703,244
Resources Expended	4				
Charitable activities:					
Asia & China programme		28,779	27,049	55,828	74,756
Middle East & North Africa programme		56,899	955,451	1,012,350	1,179,294
European Power programme		1,250,522	1,404,876	2,655,398	3,275,543
Wider Europe programme		130,696	50,000	180,696	560,753
Africa programme		58,424	383,681	442,105	330,828
European Security Programme		(137,887)	192,260	54,373	-
US Programme		(86,588)	828,485	741,897	318,296
Advocacy & National offices		358,554	-	358,554	355,883
Regrant		3,108,570	-	3,108,570	2,963,057
Total Resources Expended		4,767,969	3,841,802	8,609,771	9,058,410
Net income/(expenditure)	5	(1,273)	(48,645)	(49,918)	(355,166)
Other recognised gains/(losses)		-	-	-	248,952
Net income/(expenditure) before transfers		(1,273)	(48,645)	(49,918)	(106,214)
Transfers between funds		-	-	-	-
Net movement in funds		(1,273)	(48,645)	(49,918)	(106,214)
Reconciliation of funds					
Total funds brought forward		2,251,518	600,850	2,852,368	2,958,582
Total funds carried forward		2,250,245	552,205	2,802,450	2,852,368

The statement of financial activities includes all gains and losses in the year. All income and expenditure derive from continuing activities.

The notes on pages 13-23 form part of these financial statements.

European Council on Foreign Relations
Balance Sheet as at 31 December 2025
(Company number: 07154609)

	Note	2025 €	2024 €
Fixed assets			
Intangible assets	8	**67,858**	56,725
Tangible assets	9	**747**	1,494
Total Fixed assets		**68,605**	58,219
Current assets			
Debtors	10	**14,643,105**	10,327,463
Cash at bank and in hand	11	**3,372,348**	3,248,572
Total Current assets		**18,015,453**	13,576,035
Current Liabilities			
Creditors: amounts falling due within one year	12	**(15,281,608)**	(10,781,886)
Total Current liabilities		**(15,281,608)**	(10,781,886)
Net Current Assets		**2,735,845**	2,794,149
Total assets less current liabilities		**2,802,450**	2,852,368
Total net assets		**2,802,450**	2,852,368
Funds of the Charity			
Restricted Funds	**13**	**552,205**	600,850
Unrestricted Funds		**2,250,245**	2,251,518
Total Funds		**2,802,450**	2,852,368

Approved by the board of directors and trustees on 18th June 2026 and signed on its behalf by:

Lykke Friis

Lykke Friis, Chair of the Board of Trustees/Directors

The notes on pages 13-23 form part of these financial statements.

European Council on Foreign Relations
Cashflow Statement for the year ended 31 December 2025

	Note	2025 €	2024 €
Cash flows from operating activities:			
Net cash provided by operating activities	16	**158,047**	(4,758,522)
Cash flows from investing activities:			
Purchase of tangible fixed assets		-	-
Purchase of intangible fixed assets		(34,272)	(63,816)
Net cash used in investing activities		(34,272)	(63,816)
Change in cash and cash equivalents in the year		(3,248,572)	(4,822,338)
Cash and cash equivalents at beginning of the year		3,248,572	8,070,910
Cash and cash equivalents at end of year	11	**3,372,348**	3,248,572

The notes on pages 13-23 form part of these financial statements.

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. 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. ECFR meets the definition of a public benefit entity under 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 in October 2019, 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.

The financial statements are presented in Euro (EUR), which is the presentational currency of the charity from 1 January 2018.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). 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) 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.

(c) Funds

Unrestricted funds - represent funds which are free to be spent in accordance with the charitable objects at the discretion of the trustees.

Designated reserves are set aside out of unrestricted reserves by the trustees, for particular purposes.

Restricted funds - represent funds that have been given for particular purposes and/or projects, which have legal restrictions on their use and must be spent wholly to undertake activities in accordance with donor requirements.

(d) Income

Income is recognised in line with the Charity SOPR requirements for entitlement, probability and measurement.

Core funding
The Charity receives Core funding in the form of annual grants. These grants are recognised on an annual basis

Research funding
This funding falls largely into two categories: paid on a reimbursed expenditure basis or on research milestones.

Income on reimbursed expenditure grants is recognised in line with the relevant expenditure being incurred. Income on research milestones is recognised upon successful completion of the milestone.

The reimbursed expenditure and research milestone represent donor-imposed conditions that otherwise limit the recognition of income.

Other funding

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.

Donations and legacies are recognised in the financial statements when the trustees are convinced that there is entitlement to the income, it is probable that the income will be received and the amount in question is measurable. Any administration fee that is charged is recognised as unrestricted income.

1) Accounting Policies – continued

(e) 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.

Expenditure on charitable activities includes spending on ECFR's 6 Programmes (Asia & China, Middle East & North Africa, European Power, Wider Europe, Africa, US) and the National Offices.

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.

(f) 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 ECFR's charitable objects.

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 charitable activities using percentage allocations.

(g) Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation. Assets are amortised once the asset is ready for use. Amortisation is provided at rates calculated to write off the cost of each asset on a straight-line basis over the assets estimated useful lives as follows:

Software – 33% straight line

(h) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. All assets costing more than £500 (€555) are capitalised. Assets are depreciated once the asset is ready for use. 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 assets estimated useful lives as follows:

Computer equipment — 33% straight line
Office equipment — 33% straight line

(i) Debtors

Other debtors including amounts owed from ECFR Group 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.

(j) 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.

(k) Creditors and provisions

Creditors and accruals are recognised at their known or reliably estimated settlement amount due. Sundry creditors including provisions 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.

1) Accounting Policies – continued

(l) Financial instruments

Derivatives, including foreign forward exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised as other gains/losses on the face of the Statement of Financial Activities.

(m) Operating Leases

The charity classifies the lease on the London office 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.

(n) 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.

(o) Foreign Currency

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

Monetary assets and liabilities denominated in foreign currencies are translated 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.

(p) Taxation

No charge to taxation arises on the result for the year because the company is able to take advantage of the tax exemptions available to charities.

(q) 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 intangible assets

The annual amortisation charge for intangible 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 8 for the carrying amount of the fixtures and equipment and computer equipment, and note l(g) for the useful economic lives for each class of assets.

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 9 for the carrying amount of the fixtures and equipment and computer equipment, and note l(h) for the useful economic lives for each class of assets.

There are no other 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.

2) Analysis of income

	Unrestricted	Restricted	Total 2025	Total 2024
	€	€	€	€
Donations and legacies:				
Donated goods, facilities and services (Note 3)	**118,763**	-	**118,763**	171,250
Charitable Activities:				
Grants	**4,641,491**	**3,793,157**	**8,434,648**	8,529,717
Investment Income:				
Interest Income	**1**	-	**1**	2
Other Income	**6,441**	-	**6,441**	2,275
Total Income	**4,7,66,696**	**3,793,157**	**8,559,853**	8,703,244

ECFR is very grateful for the continuing support of the Open Society Foundation for their core funds of €3,578,929 (2024: €2,497,698).

In 2024, all of the €171,250 income in relation to donations and legacies was attributable to the unrestricted funds.

In 2024, €3,687,744 of income from charitable activities was attributable to the unrestricted, fund and the remaining €4,841,973 of the income was attributable to the restricted fund.

In 2024, all of the €2,275 income from other income was attributable to the unrestricted fund.

3) Donated goods, facilities and services

	Total 2025	Total 2024
	€	€
Asia & China programme	-	2,000
Middle East & North Africa programme	**56,486**	108,929
European Power programme	-	-
Wider Europe programme	**1,000**	26,750
Africa programme	**2,000**	-
Advocacy & National Offices	**54,887**	18,656
Warsaw	**4,390**	14,915
Total Gifts in Kind	**118,763**	171,250

Gifts in Kind consist of 17% (2024: 42%) of donated office services and 83% (2024: 58%) of event services. It includes contributions to office space, speakers time, provision of venue space and support to public events.

4) Analysis of expenditure

	Direct Staff Costs €	Activity Costs €	Support Costs €	Total 2025 €	Total 2024 €
Asia & China programme	-	35,240	20,588	**55,828**	74,756
Middle East & North Africa programme	1,232	288,268	722,850	**1,012,350**	1,179,294
European Power programme	-	1,458,040	1,197,358	**2,655,398**	3,275,543
Wider Europe programme	-	105,251	75,445	**180,696**	560,753
Africa programme	17	149,341	292,747	**442,105**	330,828
US programme	-	153,441	588,456	**741,897**	318,296
Advocacy & National Offices	-	358,554	-	**358,554**	355,883
European Security Programme	-	33,588	20,785	**54,373**	-
Regrant	-	3,108,570	-	**3,108,570**	2,963,057
	1,249	**5,960,294**	**2,918,229**	**8,609,771**	9,058,410

Support Costs	Total 2025 €	Total 2024 €
Staff Costs	**2,119,110**	2,073,032
Activity costs	**240,829**	199,076
Office Rental	**209,479**	204,425
Communications	**19,489**	22,162
Professional costs	**129,693**	143,673
IT costs	**46,844**	96,871
Depreciation, equipment hire & asset impairment	**28,339**	12,568
Bank charges & loss on exchange	**119,072**	171,471
Governance costs	**3,545**	3,491
Insurance, fees and charges	**1,829**	9,129
	2,918,229	2,935,898

5) Net Income/(Expenditure) for the year is stated after charging:

	Total 2025 €	Total 2024 €
Auditors remuneration for the charity:		
Audit fees for the audit of charity	**17,202**	18,094
Other services	**12,041**	12,666
Under provision of prior year fees	**-**	5,512
	29,243	36,272
Depreciation	**746**	746
Amortisation	**23,139**	7,091
Operating lease office rentals	**193,921**	176,933

6) Staff costs and employee benefits

Staff Costs	Total 2025	Total 2024
	€	€
Salaries & wages	**1,721,438**	1,629,981
Social security costs, incl. pension arrangements for non-UK staff	**238,424**	202,599
Pension costs (defined contribution scheme for UK staff)	**94,356**	91,819
Redundancy costs	**-**	93,397
Other employee benefits	**66,141**	84,545
	2,120,359	2,102,341

Staff costs consists of support staff costs of €2,119,110 (2024: €2,073,032) and direct activities staff costs of €1,249 (2024: €29,309). Please see note 4.

Average monthly number of employees during the year calculated on a headcount basis was 19 (2024: 19).

The following number of employees received a gross salary between the below bands during the year:

Band	2025	2024
€60,000 to €69,999	**3**	-
€70,000 to €79,999	**2**	2
€80,000 to €89,999	1	1
€90,000 to €99,999	1	1
€100,000 to €109,999	1	-
€110,000 to €119,999	1	1
€120,000 to €129,999	-	-
€130,000 to €139,999	-	1
€140,000 to €149,999	-	-
€150,000 to €159,999	-	-
€160,000 to €169,999	-	-
€170,000 to €179,999	**1**	-
€180,000 to €189,999	**-**	2
€300,000 to €309,999	1	-
€360,000 to €369,999	-	1

Key management comprise the senior management team (noted on page 1). The total cost to company of key management for the group were €578,961 (2024: €726,135).

Redundancy payments made during the year were €nil. (2024: €93,397).

Accrued annual leave of €32,347 (2024: €30,512) has been provided for.

7) Defined Contribution

The Standard Life Group Self Invested Personal Pension is available to all UK employees in line with current statutory requirements. The company makes 5% contribution to employees, in exceptional cases up to 10% contribution. The charity complied with the requirements of auto-enrolment in the UK in July 2015 and re-enrolment by September 2019. Pension related costs for the year amounted to €94,356 (2024: €91,819). Pension contributions of €10,551 (2024: €422) were outstanding at year end.

Pension contributions for non-UK staff are paid in line with the social security arrangements in place in each country.

8) Intangible Fixed Assets

	Software	Total
	€	€
Costs		
At 1st January 2025	63,816	63,816
Additions	34,274	**37,274**
At 31st December 2025	**98,090**	**98,090**
Amortisation		
At 1st January 2025	7,091	7,091
Charge for the year	23,141	**23,139**
At 31st December 2025	**30,232**	**30,230**
Net Book Value		
At 31st December 2025	**67,858**	**67,860**
At 31st December 2024	56,725	56,725

9) Tangible Fixed Assets

	Computer Equipment	Office Equipment	Total
	€	€	€
Costs			
At 1st January 2025	28,518	602	**29,120**
Additions	-	-	**-**
Disposals	-	-	**-**
At 31st December 2025	**28,518**	**602**	**29,120**
Depreciation			
At 1st January 2025	27,024	602	27,626
Charge for the year	746	-	**746**
Disposals	-	-	**-**
At 31st December 2025	**27,771**	**602**	**28,373**
Net Book Value			
At 31st December 2025	**747**	**-**	**747**
At 31st December 2024	1,494	-	1,494

10) Debtors

	2025	2024
	€	€
Trade Debtors	-	-
Property Deposit	30,528	30,168
ECFR Group Debtors	14,507,998	9,437,182
Other Debtors	324	422
Prepayments	27,445	15,861
Accrued income	76,810	610,960
Financial instrument	-	232,870
	14,643,105	10,327,463

11) Cash at bank and in hand

	2025	2024
	€	€
Cash at bank and in hand	3,372,348	3,248,572
	3,372,348	3,248,572

12) Creditors: amounts falling due within one year

	2025	2024
Analysis of creditors	€	€
ECFR Group Creditors	13,971,324	9,185,065
Trade Creditors	85,056	64,459
Other Tax and Social Security Costs	59,775	57,630
Sundry Creditors	33,546	31,809
Accruals	18,587	74,301
Deferred Grant income	1,102,769	1,368,622
Pension Contributions	10,551	-
	15,281,608	10,781,886

Deferred Income	2025	2024
Movement in deferred income account:	€	€
Balance at 1 January	1,075,203	6,190,937
Amounts added in current period	1,102,769	1,075,203
Amounts released to income from previous periods	1,075,203	(6,190,937)
Balance at 31 December	1,102,769	1,075,203

Deferred income relates to income received during the year for projects taking place after the year end.

13) Restricted Funds

	01 January 2025	Income	Expenditure	Transfers	31 December 2025
	€	€	€	€	€
Asia & China programme	15,630	27,049	(27,049)	-	**15,630**
Middle East & North Africa programme	262,361	949,736	(955,451)	-	**256,646**
European Power programme	134,617	1,402,031	(1,404,876)	-	**131,772**
European Security programme	-	192,260	(192,260)	-	**-**
Wider Europe programme	3,174	50,000	(50,000)	-	**3,174**
Africa programme	143,595	343,596	(383,681)	-	**103,510**
US programme	41,473	828,485	(828,485)	-	**41,473**
Advocacy & National Offices	-	-	-	-	
	600,850	**3,793,157**	**(3,841,802)**	-	**552,205**

Asia & China
The Asia programme seeks to help Europe recalibrate its relationship with China and its Asian partners. The programme analyses China's domestic situation, its role in the region and its increasing influence around the world and put a renewed emphasis on fostering Europe's relationships with India and Japan.

Middle East & North Africa
The Middle East and North Africa programme follows political upheaval and sectarian conflict in the region, aiming to identify political solutions and help Europe develop coherent responses to North Africa's transitions and the Middle East peace process.

European Power
The European Power programme was created in 2015 to help Europeans develop policy responses to the issues affecting the EU's capacity to act on the global scene. The programme explores the obstacles to sustainable unity on current and future foreign policy challenges and seeks to develop solutions for overcoming them.

Wider Europe
To remain relevant in the region, the European Union needs a coherent and consistent strategy to promote its interests and values together with the political will to follow this through. The Wider Europe programme was launched in 2007 with the aim of fostering this process.

Africa
The Africa programme analyses the geopolitics of the Africa-Europe relationship. This includes relations between the African Union and the European Union; foreign policy tools and strategies; and opportunities to find creative policy solutions.

US Programme
The US programme helps Europeans create policy responses to developments in US domestic politics and foreign policy. The programme seeks to strengthen transatlantic relations by exploring the obstacles to a more balanced partnership and developing ideas to overcome them.

Advocacy and National Offices
ECFR's National Offices are a vital component of our pan-European outreach. They help us understand and influence the debate in the EU's key national capitals, building networks amongst policy makers and journalists, and making sense of the big policy questions facing Europe in the 21st century from the differing perspectives of EU members.

13) Restricted Funds – Prior Year (2024)

	01 January 2024	Income	Expenditure	Transfers	31 December 2024
	€	€	€	€	€
Asia & China programme	25,322	65,009	(49,379)	(25,322)	15,630
Middle East & North Africa programme	318,316	950,223	(687,862)	(318,316)	262,361
European Power programme	113,156	2,622,240	(2,487,623)	(113,156)	134,617
Wider Europe programme	83,682	170,439	(167,265)	(83,682)	3,174
Africa programme	(31,247)	500,644	(357,049)	31,247	143,595
US programme	-	533,418	(491,945)	-	41,473
Advocacy & National Offices	116,561	-	-	(116,561)	-
	625,790	4,841,973	(4,241,123)	(625,790)	600,850

14) Transactions with trustees

During the year, no trustees (2024: nil) were paid or received any other benefit from employment with the charitable company. 4 trustees (2024: 2) were reimbursed for travel and meeting expenses amounting to € 3,545 (2024: €12,303).

15) Transactions with related parties

The charity has taken advantage of the exemption not to disclose transactions with entities that are part of the Group by virtue of its status as a subsidiary of the parent whose financial statements are consolidated and are made publicly available.

16) Reconciliation of net income/(expenditure) to net cashflow from operating activities

	2025	2024
	€	€
Net income/(expenditure) for the reporting period	49.918	(355,166)
Adjustments for:		
Depreciation	746	746
Amortisation	23,139	7,091
(Increase)/Decrease in debtors	(4,315,642)	(4,081,791)
Increase/(Decrease) in creditors	4,499,722	(578,354)
FX movement on financial instrument	-	248,952
	158,047	(4,758,522)

17) Operating lease commitments

	2025	2024
	€	€
The charity had total commitments under an operating lease as follows:		
Not later than one year	118,588	107,809
Later than one and not later than five years	-	118,588
Later than five years	-	-

18) Ultimate Controlling Party

The ultimate parent entity is European Council on Foreign Relations (ECFR) e.V, a not-for-profit association registered in Germany, No. VR 37797 B. The consolidated accounts may be obtained from the registered address of the parent entity, which is Unter den Linden 17, 10117 Berlin, Germany.