

Stichting Bellingcat

Annual Accounts 2019

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Corporate information

Legal form:	Foundation
Corporate name:	Stichting Bellingcat
Statutory seat:	Amsterdam, The Netherlands
Chamber of Commerce registration nr.:	72136030

Our Vision

A global community that uses the power of digital investigators to amplify transparency and advance justice.

Our Mission

Our mission is to be the leader in the field of digital investigations by conducting groundbreaking research, spreading knowledge, and developing resources for others to speak truth to power and promote accountability.

Our Values

Integrity – we are honest, accountable, and transparent in our work and as individuals

Independence – we avoid external influence and pledge allegiance only to facts and objective evidence

Inclusivity – we care about the community and promote equality, empathy and solidarity

Innovation – we originate and share new ideas and tools, cooperate and improve by empowering others

Inspiration – we believe in collective wisdom and creativity as a force for positive change

Report by the Supervisory Board

Bellingcat's Supervisory Board (SB) supervises (the functioning of) the Management Board (MB) of the Foundation and keeps an eye on the general state of the organisation.

The SB currently consists of:

- **Joseph Peeraer** (Chair, since May 2019): entrepreneur and ex-CEO of utility company 'Nuts Groep'
- **Yoeni Albrecht** (Member, since February 2020, taking the position of Paul Radu): ex-investigative journalist and Director of political/cultural hub 'De Balie' in Amsterdam
- **Marietje Schaake** (Secretary, since October 2019, taking the position of Keith Hiatt): ex-member of the European Parliament and Director of Policy at Stanford's Cyber Policy Center

Paul Radu and Keith Hiatt stepped down from their positions as SB-members due to the personal impracticalities of supervising a Dutch legal entity from abroad. The SB feels that its current composition represents a balanced combination of journalistic, political/societal, IT and organisational experience to be able to adequately supervise the development of the Bellingcat Foundation and its management.

The members of the SB do not receive a remuneration for their work performed for the Foundation, nor are they compensated for any expenses incurred. The SB-members currently do not hold other positions which could potentially lead to conflicts of interest with Bellingcat.

This is the first reporting year for the Bellingcat Foundation. 2019 has been a transition year, in which the activities of Bellingcat Ltd (UK) have gradually been transferred to the Dutch-based Bellingcat Foundation, which was founded in 2018 but remained dormant until Q2 2019. The Ltd will be merged into the Foundation later this year.

In many ways, the Bellingcat Foundation has the characteristics of a scale-up organisation: its staff is rapidly growing, its organisational structure and governance is under constant development and its management needs to master a growing set of skills. At the same time, Bellingcat consistently publishes groundbreaking research on very sensitive topics. Due to the extensive international media attention this generates, the organisation is under continuous public scrutiny. These hectic and rapid developments are very challenging for the foundation's management. For this reason, the SB has been in more frequent (informal) contact with the MB of the Foundation than would be required in a more mature phase of an organisation.

In general, the SB believes that the MB has done a very good job in navigating the organisation through these turbulent developments. Also, significant steps toward professionalisation have been made. At the end of 2019, the SB has asked the MB to prioritise three, in our opinion, key issues:

- A review/update of values, vision, mission and strategy (including formulating high-level strategic ambitions for 2025-2030)
- A review of the IT- and physical security situation
- Teambuilding and the further development of management skills

All three of these areas are currently being addressed by the MB. The SB is kept informed on progress both informally and in joint meetings.

The SB and MB have convened formally once in 2019 (in Q4), whereby the entire MB was present. There have been two joint meetings so far in 2020. The SB and the MB have agreed to hold a joint meeting at least quarterly. Two of these meetings will be physical and two will be by means of video conference (as two of the three MB-members live abroad). The SB convenes at least twice a year preceding the two physical joint SB-MB meetings. Besides these formal meetings, there is regular informal contact of an advisory nature between SB- and MB-members.

On the formal joint SB-MB meetings, the following topics are regular agenda points: vision/mission/strategy, (progress on) long-term plan, budget and cash position, fundraising, IT-security, physical security, organisational structure, media strategy. Additionally, the annual accounts and the evaluation of the MB and the SB will be on the agenda once a year.

2020 will be a pivotal year for Bellingcat: on top of the organisational challenges that come with the high-profile and scale-up nature of the Foundation, the Corona crisis has created additional hurdles to overcome. So far, we have seen that the MB responds with agility and creativity to this new situation, which strengthens our confidence in its aptness to handle the tasks ahead.

The Supervisory Board

Joseph Peeraer

Marietje Schaake

Yoeri Albrecht

Management Board Report

These are the first annual accounts of Bellingcat Foundation (Stichting Bellingcat). The foundation was established on 11 July 2018. According to the statutes, the first financial year ended 31 December 2019.

Although the Foundation was established in 2018, the first actual activities took place in the course of 2019. In March, a business director was hired, as well as one senior international researcher & trainer. In June, the team expanded with two more employees - a program manager and a junior researcher and trainer.

Between March and September, a physical office was rented, VAT registration completed, and a financial administration system was set up. Bellingcat also prepared a draft policy plan and took steps to apply for a charity status (ANBI, the latter was granted at the end of November with a backdate of 1 January 2019).

In October, the staff expanded further with the hiring of a senior financial manager and a fundraising and training coordinator. Additionally, two new members joined the Supervisory Board (and one previous member stepped down). Currently, the Supervisory Board and the Management Board (MB) consist of 3 members each. The Supervisory Board is the highest organ, responsible for approving the policy and strategy of the organization and for making sure the management board leads the organization and meets its objectives in a transparent and accountable way.

In the second half of the year, the Foundation was busy with establishing a structure, setting up several important policies and procedures, actively fundraising, and conducting a number of training workshops (paid).

At the end of November, an official public launch of Bellingcat's headquarters in the Netherlands was organized. Immediately following the launch, the whole staff, a number of volunteers, and the Supervisory Board members met for a 3-day retreat to get to know each other, discuss the vision and mission of the organization, plan longer term strategy, and also engage in team building and collaboration with partners and stakeholders.

Bellingcat is very grateful for the support and confidence of all its donors and benefactors.

Forward looking statement

The first financial year ended with a small surplus. In the coming years, we plan to increase the reserve to secure the longer-term financial sustainability of the foundation. In the year ahead, additional policies will be developed, including a HR & Personnel Manual, Financial Procedures Policy, Donor Acceptance Policy, Editorial Standards Policy, Safety & Security Policy, Code of Conduct & Whistleblowing Policy.

At the moment of writing this management letter, all employees are working from home due to lockdown related to the COVID-19 virus. The measures have had a significant impact on the work of Bellingcat, especially regarding the organization of our workshops worldwide. Only a couple of those planned for 2020 were realized so far, and all workshops from March onwards are postponed. In the meantime, Bellingcat trainers and researchers have transformed some of the material into an online form and a number of webinars were organized as of mid April. In that way, we can compensate partially for the temporary gap in income until we are able to return to a regular working schedule as of September.

Management Board (E.Higgins, D.Damianova, A.Toler)

Budget 2020

INCOME		
Income from Dutch Postcode Lottery		250.000
Income from other nonprofit organizations		498.000
Income from companies		430.000
Income from individuals		143.000
Total		1.321.000
Income from workshops		510.000
Income from keynotes / presentations		10.000
Sum of earned income		520.000
Total Income		1.841.000
EXPENDITURE		
Spent on the organization's objectives:		
Research and Investigations		730.800
Training		509.867
Costs of income generation		157.184
Management and accounting costs		248.969
Total expenditure		1.646.820
Operating result		194.180
Financial income and expenditures		-5.000
Balance of income and expenses		189.180

Balance sheet as at 31 December 2019

All amounts are in euro

(after profit appropriation)

For further explanation please see chapter “notes to the balance sheet”

		31 December 2019
ASSETS	notes	
Fixed Assets		
Intangible fixed assets		
Website	1	8.756
Tangible fixed assets	2	
Hard – and software		23.845
Office equipment		4.723
Total fixed assets		37.324
Current Assets		
Deposits	3	27.342
Debtors	4	19.568
Receivable from BellinCAT LTD		16.825
Accounts receivable and advances	5	41.860
Total current assets		105.595
Liquid assets		
Bank	6	488.060
Total assets		630.979

Balance sheet as at 31 December 2019

All amounts are in euro

		31 December 2019
LIABILITIES		
Continuity reserve	7	4.445
Current liabilities		
Payable to staff	8	13.451
Payable to suppliers		18.818
VAT payable		22.045
Other short-term liabilities		31.850
Grants received in advance	9	510.000
Other amounts received in advance	10	30.370
Total current liabilities		626.534
Total liabilities		630.979

Statement of income and expense from 11 July 2018 till 31 December 2019

All amounts are in euro

(for further explanation please see chapter "Notes to the statement of income and expense")

INCOME		
	notes	
Income from Dutch Postcode Lottery	11	250.000
Income from other nonprofit organizations	12	155.403
Income from companies	13	5.000
Income from individuals		4.651
Sum of the proceeds gained		415.054
Income from workshops		499.592
Income from keynotes / presentations		5.604
Sum of earned income		505.196
Total Income		920.250
EXPENDITURE		
Spent on the organization's objectives:		
Research and Investigations		354.197
Training		232.103
Costs of income generation		137.609
Management and accounting costs		182.288
Total expenditure		906.197
Operating result		14.053
Financial income and expenditures		-9.608
Balance of income and expenses		4.445
Financial ratios		
Spent on the organization's objectives / Total generated income		63.7%
Spent on the organization's objective / Total expenses		64,7%
Costs of income generation / Total generated income		15,0%
Management and accounting costs / Total expenditure		20,1%

Cash flow statement

	2019
<i>Operational activities</i>	
Balance of income and expenses in the financial year	4.445
Depreciation	2.110
Gross cash flow on the basis of operational activities	6.555
Changes in current assets	-105.594
Changes in current liabilities	626.534
Net cash flow on the basis of operational activities	520.940
<i>Investments activities</i>	
Changes to fixed assets	-39.435
Changes in liquid assets	488.060
Liquid assets at the start of the financial year	0
Liquid assets at the end of the financial year	488.060
Changes in liquid assets	488.060

Accounting principles

The Annual accounts have been prepared in accordance with Guideline 650 for Fundraising Organizations. These guidelines are in line with international standards and general guidelines.

Intangible fixed assets

The intangible fixed assets are valued at the purchase price minus the depreciation based on the estimated life span. The depreciation period for the website is 5 years (20%).

Tangible fixed assets

The tangible fixed assets are valued at the purchase price minus the depreciation based on the estimated life span. The depreciation period for computers and other hardware and software is 5 years (20%). Office equipment is depreciated above 10 years (10%).

Accounts receivable

Receivables are at face value, less a provision for possible uncollectible amounts. The provision for uncollectible amounts is calculated by using the static method (expected non-payment per debtor).

Cash and cash equivalents

Cash and cash equivalents are at face value and at full disposal for Bellingcat to execute its research and training. It consists of the balance on the ABN-AMRO bank account held in the Netherlands. There is only one non-interest-bearing current account.

Cash flow statement

The cash flow statement has been prepared using the indirect method. The cash flow is derived from the operating result adjusted for non-cash items, for the changes in working capital and the cash generated from investing and financing activities such as purchases of assets, repayments and collection of debts and interest.

The result of the cash flow statement matches the change in the balance of cash and cash equivalents.

Liabilities

On the initial recognition current liabilities are recognized at fair value. After initial recognition current liabilities are recognized at the amortized costs price. This is usually the nominal value. All current liabilities fall due within one year unless mentioned otherwise.

Exchange rate results

The currency used throughout this report is Euro. Transactions denominated in foreign currency are translated into the relevant functional currency of the foundation at the exchange rate applying on the transaction date.

Translations gains and losses are recognized in the income statement.

Accounting principles for the balance of income and expenses

Grant income

Grant income amounts are allocated based on the realized direct and indirect spending on the organization's objective within the guidelines established in the grant decision.

Income from national lotteries

Processing of earmarked income from national lotteries takes place in the year in which the amount is allocated. If on the balance sheet date this is a firm commitment and relates to the current financial year without explicit repayment obligations, it is stated as a receivable and as income.

Contributions and donations

Contributions and donations are accounted for in their year of receipt. Consequently, contributions and donations received in advance are not taken into account.

Allocation of costs

Management and administration costs, the costs of the organization; s fundraising activities and costs of various objectives have been calculated based on an apportionment formula in accordance with the Dutch Accounting Standards for Fundraising Institutions (Richtlijn 650).

Balance of income and expenses

The balance of income and expenses is calculated as the income that can be allocated to the relevant financial year, minus the expenses required to realize this income.

Notes to the balance sheet

All amounts in euro

Assets

Intangible fixed assets

1	Purchase costs website	8.756
	Depreciation	0
	Book value at the end of the financial year	8.756

2	Tangible fixed assets	Total	Hard –and software	Office equipment
	Required for regular operations			
	Purchase costs	30.678	25.955	4.723
	Depreciation	-2.110	-2.110	0
	Book value at the end of the financial year	28.568	23.845	4.723

Current assets

31 December 2019

3	Deposits		
	Deposit creditcard		20.000
	Rent deposit		7.342
	Total deposits		27.342
4	Debtors		
	Debtors		19.568
	Accruals bad debtors		0
	Balance as per 31 December 2019		19.568
	The aging of the outstanding receivables can be specified as follows:		
		Original amount	Provision
	Less than 30 days	17.048	0
	31 – 60 days	420	0
	61 - 90 days	0	0
	More than 90 days	2.100	0
		19.568	0
	The outstanding amount older than 90 days, has been received in 2020.		
5	Accounts receivable and advances		
	Other accounts receivable		16.116
	Advances to external contractors		25.487
	Advances to own staff		248
	Accrued interest		9
	Total accounts receivable and advances		41.860

Notes to the balance sheet continued

All amounts are in euro

6 Liquid assets

The liquid assets are at the free disposal of the organization. The organization does not run any significant currency risks. In most cases grants are received in advance. For those grants where the receipt of the funds is in a different currency, the euro equivalent is adjusted in the budget to the actual amount to be spent.

7 Reserves

At the end of the first financial year there is a small surplus. The Supervisory board and the board have agreed to a reserve policy to ensure the sustainability and continuity of the Foundation. The reserve required for this is set to equal to one year of operating costs. In the coming years the goal is to reach this desired reserve.

8	Payable to staff	31 December 2019
	Provision for statutory leave entitlements	10.254
	Other payables to staff	3.197
	Total payable to staff	13.451

9	Grants received in advance	31 December 2019
	Dutch Postcode Lottery	250.000
	Porticus Auxilium	100.000
	Adessium	90.000
	Zandstorm CV	70.000
	Total grants received in advance	510.000

10	Other amounts received in advance	31 December 2019
	Prepaid workshops 2020	25.172
	Registration fees workshops	4.018
	Prepaid keynotes	1.000
	Other amounts received in advance	180
	Total other amounts received in advance	30.370

Financial obligations that are not included on the balance sheet.

Stichting Bellingcat entered into a rental agreement for an office- and parking space at J.P. Coenstraat 7 in The Hague. The agreement ends at 30 April 2020. The rental obligation amounts EUR 16.996.

New office space is rented from 1 January 2020 till the end of the year. The rental obligation is EUR 9.360.

The rent for the office at Vijzelstraat 20 in Amsterdam, came to an end at 31 December 2019.

Notes to the statement of income and expenses

All amounts are in euro

11 Dutch Postcode Lottery

The income from the Dutch Postcode Lottery is meant to set up the office of Stichting Bellingcat in The Netherlands. A total amount of EUR 500.000 was received for the years 2019 and 2020.

12	Income from other nonprofit organizations	2019
	Auxilium Foundation	100.000
	Human rights foundation	22.149
	Charity Aid Foundation America	12.622
	Open Society Foundation	10.632
	Stichting QOSB	10.000
	Total	155.403

13 Income from companies

The foundation received a donation of ZINC Network for the launch event of EUR 5.000

Specification and allocation of costs according to category

All amounts are I euro

	Research and investigations	Training and presentations	Fundraising	Management and accounting	Total 2019
Direct training costs		61.336			61.336
Freelance researchers	35.159				35.159
Podcasts	80.731				80.731
Staff costs	237.254	158.999	71.826	92.259	560.338
Housing	0	9.891	20.961	14.517	45.369
Office and general expenses	1.054	1.877	44.822	42.959	90.712
Launch costs				32.552	32.552
Total	354.198	232.103	137.609	182.287	906.197

All amounts are in euro

Staff costs as above can be subdivided into:

	Total 2019
Salary costs	300.216
Holiday allowance	23.857
Social security premiums	54.795
Pension premiums	0
Net salary foreign staff	126.634
Other staff costs	54.836
	560.338

At the end of 2019 Stichting Bellingcat had in total 13 employees (FTE 10,9) Of the 13 employees 8 are in The Netherlands.

Remuneration of the members of the Board of Directors

Details of position			
Start –and end date	01/01 – 31/12	01/03 – 31/12	01/06 – 31/12
Part-time factor in FTE	30,0%	100%	42,7%
Remuneration	Eliot Higgins	Dessi Damianova	Aric Toler
Gross salary	36.291	69.444	17.841
Holiday allowance		5.556	
Gross employee income	36.291	75.000	17.841
Employee social security costs	4.596	9.163	
Employers pension contribution	408	0	
Total remuneration	41.295	84.163	17.841

Eliot Higgins is for 30% seconded to the foundation. The other 70% he is employed by Bellingcat Ltd. Registered in the United Kingdom. Aric is paid for 42,7% by the Foundation and the remaining salary is paid by Bellingcat Ltd.

In the United Kingdom employers are obliged to contribute to the pension of their employees. The foundation does not have a pension scheme for the employees.

Aric Toler is employed in the United States and he receives a gross salary and he is self-responsible for all tax issues.

The supervisory board members are not reimbursed for their activities.

Overview of the supervisory board

Name	Start date	End date
Mr. K.D.Hiatt	11-07-2018	01-10-2019
Mr. P.C. Radu	11-07-2018	
Mr. J.C. Peeraer	15-06-2019	
Mrs. M.R. Schaake	01-10-2019	

INDEPENDENT AUDITOR'S REPORT

To: the board of stichting Bellingcat

A. Report on the audit of the financial statements 2019 included in the annual report

Our opinion

We have audited the financial statements 2019 of stichting Bellingcat based in Amsterdam.

In our opinion, the accompanying financial statements of the foundation give a true and fair view of the financial position of stichting Bellingcat as at 31 December 2019, and of its result for the year 2019 in accordance with the 'RJ-Richtlijn 650 Fondsenwervende instellingen' (Fundraising institutions) of the Dutch Accounting Standards Board.

The financial statements of the foundation comprise:

- The balance sheet as at 31 December 2019;
- The profit & loss account for 2019;
- The notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of stichting Bellingcat in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- Report by the Supervisory Board;
- Management Board Report;
- Other information as required by the 'RJ-Richtlijn 650 Fondsenwervende instellingen' of the Dutch Accounting Standards Board.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by the 'RJ-Richtlijn 650 Fondsenwervende instellingen' of the Dutch Accounting Standards Board.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the 'RJ-Richtlijn 650 Fondsenwervende instellingen' and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the board report and other information as required by the 'RJ-Richtlijn 650 Fondsenwervende instellingen'

C. Description of responsibilities regarding the financial statements

Responsibilities of the management and the supervisory board for the financial statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with 'RJ-Richtlijn 650 Fondsenwervende instellingen'. Furthermore, the Management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, Management should prepare the financial statements using the going concern basis of accounting, unless Management either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so.

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

The supervisory board is responsible for overseeing the foundation's financial reporting process

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors;
- Concluding on the appropriateness of Board of Directors' use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a foundation to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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

Nijmegen, 30 April 2020

Konings & Meeuwissen Accountants en Belastingadviseurs

w.s. drs. C.F. Weisz RA