

Digital Freedom Fund  
Nieuwezijds Voorburgwal 104  
1012 SG Amsterdam

## 2019 ANNUAL REPORT

### REPORT

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On the 2019 financial statements

Stichting Digital Freedom Fund  
Amsterdam

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## 2019 ANNUAL REPORT

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1. MANAGEMENT REPORT/DIRECTORS' REPORT

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## **1.1 General**

The Digital Freedom Fund is registered as a foundation with the Dutch Chamber of Commerce under number 69525749, at Nieuwezijds Voorburgwal 104-108, 1012 SG in Amsterdam. Its RSIN number is 857905922.

The Digital Freedom Fund is recognised as an Algemeen Nut Beogende Instelling – ANBI (Public Benefit Organisation) by the Dutch tax authority.

### **1.1.1 Introduction**

Digital rights are under threat across Europe. From data protection to surveillance and content regulation, new legislation and emerging practice is having a serious impact on the ability of citizens to exercise their rights to privacy and freedom of expression. Whether under the pretext of national security or of limiting harmful speech, corporate and State practice is invading the privacy of millions and imposing new restrictions on the right to seek and impart information online. Strategic litigation—litigation that has an impact that extends beyond the parties directly involved in the case and can bring about legislative or policy change—brought before national and supranational courts has proven to be a crucial lever to protect human rights in the digital realm. However, this tool has been underutilised by European civil society and litigation efforts have lacked capacity, support, coordination and a coherent strategy to achieve maximum impact.

### **1.1.2 Description of the objective, mission and vision of the Digital Freedom Fund**

The Digital Freedom Fund (DFF) was established in September 2017 to respond to an identified need to strengthen the digital rights litigation field in order to increase the impact of both litigation and advocacy efforts in order to contribute to a society where everyone can fully enjoy their human rights in online and networked spaces. DFF does so by building a stronger and more coordinated field of digital rights litigators that are better equipped to win strategic digital rights cases.

The overall impact objective of DFF, as described in its Theory of Change, is to achieve *a society in which everyone can fully enjoy their human rights in online and networked spaces*. Contributing towards this are two outcomes, the first of which is to achieve *strong litigation leading to more digital rights cases won*. The second outcome is to achieve *strong litigation that contributes to public discussion and action, resulting in positive impact on the cause even if the case is lost*.

DFF's activities are focused in two pillars, which contribute towards the bridging outcome of achieving *a stronger and more sustainable field of digital rights litigators and advocates, better equipped to engage in impactful litigation over a longer period of time*.

The first pillar deals with *litigation support* and has a focus on providing practical assistance, which can take both a financial and substantive form. DFF's financial assistance takes shape in the form of three types of grants to NGOs, individuals and other litigators bringing a strategic case to advance digital rights in Europe: litigation support, pre-litigation research support, and emergency support. DFF also offers assistance in finding pro bono legal support, where DFF pairs the needs of DFF's partners and grantees with appropriate pro bono lawyers. Litigation support enables DFF's partners to

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strengthen their litigation work and increase the likelihood of their cases having a positive impact on digital rights.

The second pillar consists of DFF's *coordination and field building activities*. These activities allow DFF's partners to strengthen their skills, better collaborate and coordinate due to increased information-sharing, and align their strategies on digital rights in Europe.

#### 1.1.2.1 Vision

The work of DFF is two-fold in that it firstly seeks to achieve positive judgments for the protection and promotion of digital rights through grantmaking, and secondly seeks to strengthen the field of European lawyers and others involved in litigating these cases through skills development and facilitating coordination. Together, these two tracks of grantmaking and field building will help ensure the long-term sustainability of the litigation work supported and its impact on the state of digital rights worldwide.

Combined, DFF's work in these two areas will result in its partners engaging in better litigation on digital rights, focusing on priority issues as agreed within the community. By facilitating better coordination, partners are also better able to avoid duplicating work undertaken elsewhere, engage in activities supporting each other's work, such as filing amicus briefs in litigation initiated by others, and strategise collectively on addressing overarching issues, such as challenging EU Directives. This will result in an increased number of cases won which have a positive impact on the enjoyment of digital rights by everyone; for example, good precedent in one country can have a domino-effect for legislative decision-making in other countries in the region. Increased collaboration and coordination will also assist in making smarter choices about forum—which court to file a case with—, allowing litigators to better select the most viable jurisdiction to litigate issues in, taking into account the chance of success as well as the costs involved in the litigation. Finally, by better linking litigation efforts to broader advocacy within the field, cases brought can contribute to wider public discussion and action at a legislative or policy level, even if the case itself is lost in the courts.

The effects of setting strong standards for digital rights in Europe will have an impact across the globe. Not only because European standards are 'exported' from Europe through for example trade agreements, but also because the way in which European governments treat human rights defenders and how courts respond to government overreach sets an important benchmark for human rights practices, including digital rights, worldwide. Ultimately, this will contribute to a society where everyone can fully enjoy their human rights in the digital space.

#### 1.1.2.2 Mission

The Digital Freedom Fund's vision, as stated above, is a society in which everyone can enjoy their human rights in online and networked spaces. DFF's mission is to support civil society in Europe to achieve positive judgments for the protection and promotion of digital rights through grantmaking and by facilitating coordination amongst NGOs and lawyers involved in advancing digital rights.

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## **1.2 Achievement of objectives**

DFF was formally founded on 1 September 2017 and commenced operations in October 2017. After a modest start in 2018, DFF was well positioned to excel towards its operational goals in 2019. DFF accomplished all of its 2019 milestones and exceeded many goals in both grantmaking and field building. Internally, DFF's governance has been further strengthened by expanding the Board. The team has stabilised and expanded. A fourth full-time position (Projects and Operations Assistant) was created in May 2019, and DFF will welcome a fifth full-time staff member in January 2020. DFF formalised policies and procedures by developing and implementing a number of operational policies during 2019. This work will continue in 2020 as new operational needs arise.

### **1.2.1 Coordination and field building**

DFF began the year with its second annual strategy meeting. The meeting brought together 48 participants from the digital rights field. DFF expanded its outreach by engaging a broader spectrum of human rights organisations, working on issues ranging from children's rights to prisoners' rights, and from outside North-West Europe. It was an opportunity for participants to network, learn what others in the field are working on and identify areas for more collaboration. Participants discussed strategies for wider litigation impact, such as linking it with advocacy and campaigning. Deep thematic discussions also took place, particularly about artificial intelligence, online advertising technology, net neutrality, copyright and the GDPR. The third day of the event was dedicated to hosting the UN Special Rapporteur on extreme poverty and human rights, Professor Philip Alston, for a one-day consultation with 30 digital rights organisations on the rise of the digital welfare state.

The discussions at these strategy-oriented meetings, as well as the ongoing strategic consultations in 2017 and 2018 provided DFF with further insights on the existing needs within the digital rights field. For example, network partners clearly articulated they want DFF to facilitate more collaboration, training, and content discussion on specific digital rights topics for litigation skill building. In 2019, DFF developed the events and field activities described below based on this feedback from digital rights partners.

One important area where the digital rights field has asked for more support is strategic litigation pursuant to the GDPR. Therefore, DFF dedicated two partner meetings for 2019 to GDPR strategy and case building. One meeting was held in Vienna by network partners Access Now and noyb with DFF support, whereas the follow-up meeting was organised by DFF in Berlin. Both meetings discussed a wide range of issues from a framework for setting GDPR litigation priorities, to the practical challenges of representing individuals under the GDPR. Participants formulated concrete case ideas and a number of potential areas for follow-up were identified, which DFF is looking forward to supporting.

Besides the two initially planned partner meetings, DFF raised funding to support three additional meetings in 2019. The first meeting was co-organised with the Amsterdam Legal Practice (University of Amsterdam) and the Cyberlaw Clinic at the Berkman Klein Center (Harvard University) to explore how the digital rights field can better connect with academia and law clinics. The meeting brought together 18 participants made up of digital rights litigators, academics, researchers, and law clinic supervisors from the US and Europe for a two-day workshop. For the second meeting, DFF partnered



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with the AI Now Institute to build on their “Litigating Algorithms” series. The meeting, which was hosted at Mozilla’s Berlin office, brought together US, Latin American and European litigators with experience in challenging algorithmic decision making through the courts as well as those with an interest in doing so. Besides sharing best practices, participants brainstormed new case ideas and identified concrete plans for next steps. The fifth and final partner meeting in 2019 was a Competition Law Training Workshop. This workshop, supported by a project grant from Netgain/Media Democracy Fund/New Venture Fund, brought together litigators and experts from Europe, Latin America and the US to discuss the opportunities for litigating competition law issues where they concern the design, application, use or deployment of new technologies. Due to the high interest in this topic, DFF will host a follow-up workshop in 2020.

DFF also presented itself and its work to a wider audience at a number of notable events and through media interviews. DFF’s Director spoke at several events and participated in interviews on digital rights topics. Alongside meetings and events, DFF continues to use its Twitter feed and website as the main day-to-day communications tools for outreach to the digital rights community. DFF’s Twitter following increased to 1,900 followers, and DFF published 37 blogs to its sites, including 15 guest blog posts. DFF further expanded outreach in 2019 through on-line discussions in the form of “virtual strategy design jams” and a transatlantic knowledge exchange call series. Along with its regular outreach, DFF will further expand experimentation with on-line discussion methods in 2020.

### **1.2.2 Litigation Support - Grantmaking and pro bono legal support**

Grantmaking surged in 2019 after a modest start in 2018, putting DFF well on track to achieve its pilot phase grantmaking goals. In 2019 DFF approved 18 new applications worth EUR 510,267 (2018: 3 applications, EUR 67,595). This means that DFF has not only achieved the milestone of supporting eight new cases in 2019 but also the year 3 milestone of 20 cases supported. The 21 applications approved so far provide support to 17 different organisations and one individual, and include research or litigation taking place across 15 different jurisdictions.

None of the concept notes, applications under consideration, or grants made during 2019 required pro bono support facilitated by DFF. DFF systematically asks new applicants whether pro bono support is needed. DFF expects to receive requests from applicants over the coming months for help in obtaining pro bono support. DFF has, however, facilitated pro-bono support for partner organisations indirectly related to applications. This has included facilitating pro bono legal research and advisory.

### **1.3 Financial policy and financial results**

DFF began as a three-year pilot with commitments from three core funders: Open Society Foundations, Luminate (formerly Omidyar Network) and the Adessium Foundation. A three-year initial budget for EUR 1 million per year was drafted before beginning DFF activities in October 2017. This budget has been adapted as funding becomes available.

Total expenses more than doubled in 2019, totalling EUR 1,096,476 or 90.3% of the originally approved budget (2017-2018: EUR 493,674; 47%). The drastic increase in spending was expected as DFF stabilised its regular operations, particularly grant making. The variation between budgeted and

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actual spending was planned and reflected additional project funding raised throughout 2019 and an adjustment made to the budget internally in September 2019. This adjustment acknowledged the actual amount of funding received in the first two years of operation and recalibrated the usage of the commitments from core donors. The adjustment factored in additional funds received from other sources and the desired operational ratios laid out in DFF's budgeting guidelines while ensuring all original pilot phase goals are still met. The result was an adjustment in the grant making target to EUR 532,600 in 2019 with no budget roll-over. In line with the adjusted budget, DFF allocated 95.8% of the available 2019 budget among 18 grants. This increased grantmaking participation in spending before financial gains from 13.7% in 2017-2018 to 46.5% in 2019. This is a great achievement for DFF since it brings spending in line with the operational target for grantmaking to constitute 35-50% of spending in overall operations.

Field building also varied substantially from original budget, but again, this was planned and desired. Originally, the annual strategy meeting plus two partner meetings were budgeted for in 2019. Due to high demand for meetings on topics such as competition law and algorithmic decision making, additional funds and resources were secured to hold three additional partner meetings. This brought total field building spending up to EUR 170,379 or 165.4% of budget (2017-2018: EUR 66,733), an increase in field building spending of more than 150%. Field building and other activities accounted for 15.5% of total spending before financial gains and reserve allocations in 2019 (2018: 13.5%), and the increase in field building activities largely off-set the reduction in the grant making budget. The operational target is for field building to consume between 15% and 30% of the total budget, subject to the field's needs.

Besides these activities, DFF has two ongoing M&E projects. First, work continued on the case study series started in 2018. Under this project, DFF has earmarked funds to develop 10 case studies during the pilot phase. EUR 13,982 or 66.0% of the 2019 budget was utilised (2018: EUR 6,396; 53%). Of the goal of 10 case studies, three have been published and two others are nearing completion. Since the funding is earmarked, all remaining funding will roll over for utilisation in 2020. Therefore, five case studies will be developed with the remaining funding in 2020 to complete the project. Secondly, DFF completed development of a M&E impact measurement framework. The aim of the project was not only to develop a framework for implementation at DFF, but to develop a framework that could be easily adopted by partner organisations. The final framework was shared with DFF's partners and further adapted in preparation of internal implementation. The operationalisation of the framework at DFF will take place in 2020 with the support of the M&E expert. The project was slightly under budget at 92.4%. The two M&E projects combined constitute approximately 2.2% of organisational spending.

Thanks to a detailed budget exercise, operating expenses were very close to budget projections. Operational spending totalling EUR 388,144 or 104.8% of the available budget (2018: EUR 324,748; 86.5%). Although it appears at first glance that operational spending was above target, this is not the case. Operational spending was controlled, with underspending in all cost categories except staff costs. This was due to the securing of an additional grant during the course of 2019 destined to increase the team's capacity to organise events and operations. If the additional staff expense is excluded, operational spending was 96.9% against budget, meaning prudent cost management amounted to a savings of over EUR 10,000. Savings was achieved in all categories, led by financial administration and general costs. Although the number of transactions increased substantially, costs



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for financial administration reduced by nearly half. This cost savings was achieved by bringing some processes in-house and increasing the efficiency of processes with the external accountant. Some other cost savings were achieved in other categories by switching to low cost, higher quality service providers. Overall, DFF is pleased that operating expenses remain under control and amount to 35.4% of spending before financial expenses and reserve allocation in 2019 (2018: 64.5%), below the 42% internal limit established in DFF's guidelines.

Operational spending increased by 21.9% over the previous extended financial year. The increase in operational costs in 2019 was de facto even larger since operating expenses since financial year 2018-2019 was an extended financial year of 15 months and included one-off expenses such as start-up costs. The increase in spending was fully expected since 2019 was the first year of full-fledged operations and two additional full-time staff joined the team.

Due to the closing of open foreign currency positions, financial expenses were not as significant as they were in 2018. More than half of DFF's funding is received in foreign currency, primarily USD. The USD appreciated throughout 2019, leading to an appreciation of the position still existing in DFF's USD account. With no service contracts to be paid in USD, the USD position was further reduced to in November 2019 to minimise exposure to the USD-EUR exchange rate. This led to only a small financial expense of EUR 917 (2018:- 33,674). In 2020, DFF will keep its USD position minimal, as high exchange rate volatility is expected leading up to the US presidential election.

At the close of 2019, all of DFF's balance sheet positions were satisfactory. As of 31.12.2019, DFF's total balance sheet stood at EUR 1,326,528 in assets (31.12.2018: 1,325,301). The balance sheet is currently composed primarily of cash and cash equivalents which stand at EUR 1,303,581 (31.12.2018: 1,262,376). Although liquid assets remain high, DFF will strengthen cashflow monitoring in Q1 2020 by developing a cashflow management plan. This plan will set preliminary thresholds for monitoring and managing cashflow to be tested throughout 2020. As more experience is gained, the appropriate cashflow management parameters will become clear and be further formalised into policy and procedure.

Liquid assets are largely off-set on the balance sheet by deferred grants at EUR 925,382 (31.12.2018: 1,229,950) and grants to be paid at EUR 328,470 (31.12.2018: 62,687). Liabilities have been redistributed between deferred grants and grants to be paid due to the large increase in grantmaking activity in 2019. Fixed assets remain minimal, with all office space and furniture included in the office rental fees. Other liabilities were minimal at the close of 2019.

At the end of 2018, equity was zero. The creation of reserves was not in the original DFF pilot budget. However, as it became apparent that the organisation would continue beyond the pilot phase, DFF opened up discussion with its donors about the potential for creating operating reserves based on the recommendation from the accountant. This discussion was well received by donors who acknowledged the important role operating reserves will play in stabilising DFF as it exits the pilot phase. DFF developed its Operating Reserves Policy and was able to begin building its first reserves in 2019. DFF core funders and Board agreed to allocate the foreign currency gain from 2018 and other extraordinary income to create initial reserves. Therefore, reserves which appear as freely disposable assets now stand at EUR 42,535. For 2020, there is a concrete plan in place to reach the minimum reserve target of three months operating expenses or EUR 136,107.

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With the addition of a financial specialist to the team in January 2019, DFF was able to take several steps towards improving internal systems and controls. First, the financial policy was reviewed to update to current procedure and ensure proper systematic controls are in place in all financial processes. Second, several other policies and guidelines were developed to formalise internal procedure, namely:

- Expense Claim Guideline
- Director's Discretionary Fund Procedure and Guideline
- Operating Reserve Policy
- Procurement Policy and Procedure
- Budgeting Guidelines

In 2020, DFF will continue to formalise practice and carry out controls to ensure staff adhere to internal policies. Periodic review of policies will also begin, to adapt policies and practice to take into consideration changes in operations, such as creation of new roles.

Grantmaking processes were also tightened through internal review and consultation with applicants. Due diligence requirements were revised, and the due diligence, contracting and payments processes were revised to create clear responsibility for verifications internally. Grant application risk assessments are also currently under revision, with the newly developed grantmaking risk assessment tool being piloted in Q1 2020.

#### **1.4 Financial Activities**

DFF raised funding from several new partners in 2019, diversifying its funding base beyond its original seed funders (Adessium, Luminate and Open Society Foundations). DFF secured three types of funding throughout the year:

- core support - unrestricted funding to be allocated by DFF as it deems fit (structural),
- organisational support - funding for core and programmatic costs to be spent according to the approved budgets submitted to the respective donor (structural), and
- project support - funding earmarked for a particular project (incidental); usually a particular event or a series of activities related to a single topic.

Core and organisational support were secured from Ford Foundation and la Fondation Nicolas Puech. Additionally, six project grants were received in 2019. Project grants were supplemented by in-kind contributions by partner meeting co-organisers, allowing DFF to leverage funding. This brought total available funding for 2019 above the originally projected EUR 1 million, with additional multi-year funding raised to expand the annual budget significantly in 2020 as well. Newly sourced funding (i.e. not from the original core donors) accounted for 7.7% of spending in 2019. This proportion is expected to increase to 35% in 2020.

All project (incidental) grants were received in full upon signature of the contract. The following amounts of core / organisational (structural) support from both seed and new funders are still yet to be received in 2020 and 2021:

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- a final instalment of EUR 150,000 will be received by 31 March 2020,
- a final instalment of USD 237,559 will be received in March 2020, and
- EUR 80.000 is to be received in 2020 and EUR 100,000 in 2021.

DFF is scheduled to receive each of the outstanding instalments after the acceptance of the corresponding period progress report by the respective donor.

### **1.5 Governance**

DFF's managing Director is Nani Jansen Reventlow. She is supported in DFF's activities by a team of three permanent staff and a part-time legal adviser. DFF's Advisory Group, which supported the development of the original plans to set up DFF, was charged with selecting and appointing a diverse and gender balanced Board to oversee and support DFF's activities and development. In the initial phase, the Board played an important role in supporting the Director to establish DFF as a respected organisation in the field. Board members were selected based on identified needs for expertise in the areas of:

- Financial management,
- Management and organisation-building.
- Legal (general, human rights and digital rights, preferably litigation),
- Communication and advocacy,
- Fundraising, and
- Grantmaking.

Five members were originally appointed to the Board of Directors, joined by a sixth member in February 2018. With the standing down of one member in 2019 and the on-boarding of three more, the current number of Board members stands at eight. Costs related to carrying out Board duties, such as travel and accommodation, are covered by DFF. The Board receives no compensation for its duties.

Board of directors :

Chairman	: Raegan MacDonald, Senior EU Policy Manager at Mozilla
Vice Chair	: Atanas Politov, Europe Director of Pro Bono at Dentons
Treasurer	: Nicole Rose Nieman, Development Consultant
Secretary	: Simone Peek, Lawyer and Partner at bureau Brandeis
Member	: Fieke Jansen, PhD candidate at Cardiff University and independent consultant
Member	: Rupert Skilbeck, Director at Redress
Member	: Karmen Turk, Litigation Attorney and Partner at Pan-Baltic TRINITI

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Member : Jiefan Hsu, Independent Finance Consultant

The Board operates with a tiered term system to avoid a complete Board turnover at any time. The general term for Board membership is four years, which can be extended once with another four-year term. A Board member will automatically resign after serving two terms. For the initial Board, two members were appointed for a shortened period of two years, after which they can opt to have their term extended by a regular four-year term or a selection process can be conducted to replace them. This guarantees sufficient stability in the initial phase, while allowing flexibility for some Board members to initially make a more limited time commitment. Upon fulfilling their duties, the Board will recruit and appoint its own successors in accordance with DFF's statutes.

The Chair is responsible for ensuring that the Board meets its obligations in a timely fashion, i.e. responding to grant recommendations, signing off on budgets and accounts, approving minutes, and any other tasks that may be required, and is the main point of contact for the Director. The Chair position is taken on by a Board member for the duration of two years on a rotating basis. In light of increasing Board efficiency, committees are currently being considered for implementation.

## **1.6 Communication with stakeholders**

As an organisation with a clear objective to facilitate coordination amongst actors in the digital rights field, all of DFF's activities revolve around continually engaging digital rights stakeholders. All field building activities explicitly involve bringing actors in the field of digital rights together for dialogue and strategic cooperation. DFF's ongoing strategy process is a systematic exercise in communication with the European digital rights field. DFF invests considerable resources in strategic activities to ensure maximum effectiveness of its activities. Besides the annual strategy meeting, other activities have offered a forum for dialogue with DFF and to connect actors in the field, such as thematic litigation events and workshops. These activities have been closely linked to the strategy and grantmaking activities to improve communication and transparency between DFF and its network. In 2019, DFF also introduced a number of virtual meetings and call series. Virtual meetings can potentially be an effective tool for further connecting the field if used strategically. DFF will continue experimentation with virtual meetings into 2020 to determine how to most effectively use this tool and balance it with its other modes of communication.

In order to ensure open communication with potential grantees, DFF has developed internal guidelines for application processing and correspondence with potential grantees. To further facilitate the grantmaking process, DFF consulted the field and developed application guides and FAQ pages. DFF also hosted a number of "ask us anything" calls to clarify any doubts applicants may have about the process. After applications are received, applications are systematically followed up on to ensure that applicants receive timely responses and know the status of their applications. DFF recognises the importance of this communication to build its reputation as a trustworthy organisation and has included communication with grantees in its communication strategy and plan, discussed below.

On the donor side, DFF cooperates closely with its donors while establishing its own identity. DFF maintains open communication and a high level of transparency with its donors. Besides supplying



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regular reports on DFF's activities, DFF voluntarily provides additional information and notifies donors of potential changes beforehand.

In order to ensure that all stakeholders are reached, DFF has developed a comprehensive communication strategy which sets out DFF's main objectives of communicating about the organisation and its work. The document defines DFF's audiences as well as potential platforms and mediums of communicating with these audiences. The communication strategy details DFF's strategy to ensure that its existence, mission and effectiveness are made known beyond its close partner stakeholders to the digital rights field as a whole. This strategy has been formalised into a communication plan which outlines potential topics and a timeline for disseminating information across communication channels to reach digital rights stakeholders in the field. In 2020 DFF will improve communication strategy implementation by hiring a part-time communications consultant to support with social media and other communication topics.

### 1.7 Expected course of events in 2020

In 2019, DFF operationalised the plans laid out in the initial pilot concept note. The focus in 2020 as the pilot phase ends, will be on stabilising operations and leveraging operational resources. This means a substantial increase in both field building and grantmaking activities with only slower growth in operational costs. The team is set to expand by only one member in 2020, with the hiring of a Junior Legal Officer in January 2020. Although the team is expected to stay at five and a half full-time members, some additional expertise will be needed. Both communications and M&E expertise will be sourced externally to allow for more focus and high-quality results in these areas of operation.

DFF has planned several skill-building activities as well as additional activities related to the strategic "Digital Welfare State" and "Decolonising the Digital Rights Field" projects. With the grantmaking pipeline currently at 80% of the 2020 secured funding for grantmaking, DFF is confident that 2020 will be another strong year for supporting the field through grants. Due to the apparent high demand for grants, DFF will seek additional funding for regranting in 2020 to expand to approximately EUR 700,000 in grants to digital rights organisations. These increases in activity will increase the total annual budget for 2020 to EUR 1,672,818 (2019 budget: 1,275,625), subject to the ability to raise additional funding. Currently, DFF has secured over 80% of the funds needed for 2020 and has concrete plans to raise additional funding to carry out all foreseen activities.

#### Budget Summary

	<u>2020</u> <u>Budget</u>	<u>2019</u> <u>actual spending</u>	<u>2019</u> <u>budget</u>
Grantmaking	€ 718,000	€ 510,267	€ 708,975 <sup>1</sup>
Fieldbuilding activities	€ 239,421	€ 170,379	€ 102,995
Other activities	€ 153,560	€ 27,686	€ 11,240
Operational costs	€ 542,325	€ 388,144	€ 391,670

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<sup>1</sup> The grantmaking budget was later adjusted down to EUR 532,600 to protect 2020 cashflow while fieldbuilding activities were added to the budget and financed through project grants. Actually spending was thus 94% of adjusted budget.



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<b><u>Sub-total</u></b>	<b><u>€1,653,306</u></b>	<b><u>€1,096,476</u></b>	<b><u>€1,214,880</u></b>
<b>Contingency</b>	<b>€ 17,410</b>	<b>€ -</b>	<b>€ 49,682</b>
<b>Financial gains/losses</b>	<b>€ 2,102</b>	<b>€ 917</b>	<b>€ -</b>
<b><u>Total</u></b>	<b><u>€1,672,818</u></b>	<b><u>€1,097,393</u></b>	<b><u>€1,264,562</u></b>
<b><u>Allocation to reserves</u></b>	<b><u>€ 86,930</u></b>	<b><u>€ 42,535</u></b>	<b><u>€ -</u></b>

Besides extending field building activities and grantmaking, DFF will also invest significantly in M&E activities throughout 2020. The grant case studies will continue and be concluded in 2020 with the completion of at least six more case studies. Further, the M&E consultant that developed the M&E Impact Assessment Framework will assist DFF in the internal implementation of the framework. Then finally, the pilot evaluation will be carried out in the first half of 2020. Although a formal requirement from core funders, DFF sees the external evaluation as an excellent opportunity to get valuable input to orient DFF as it exits the pilot phase. Therefore, DFF has planned a strong engagement during the evaluation and a workshop to help the team understand and better adopt recommendations.

### **1.8 Social aspects**

As a non-for-profit human rights organisation, DFF is an organisation strongly grounded in social responsibility. With no profit motive, DFF is focused on protecting all of our digital rights in the European region. DFF strives to put social concerns first in all its activities and to ensure that all its work is ethically grounded.

DFF also takes care of its employees by being an employer of choice and providing additional social benefits, such as voluntary private pension contributions and other allowances.

On behalf of the Board of Digital Freedom Fund,

DocuSigned by:  
  
81E6D2FFAD344C6...  
Y.O Jansen  
Director

DocuSigned by:  
  
78AFEE60F8D9423...  
R. MacDonald  
Chairman

Amsterdam, 18 March 2020

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## 2. 2019 FINANCIAL STATEMENTS

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**2.1 Balance sheet as at 31 December (after appropriation of result)**

<b>ASSETS</b>		<b>31-12-2019</b>	<b>31-12-2018</b>
		<b>€</b>	<b>€</b>
<b><u>Non-current assets</u></b>			
<b>Equipment</b>	<b>2.5.1</b>		
Equipment		3,787	2,710
		<u>3,787</u>	<u>2,710</u>
		-----	-----
<b><u>Current assets</u></b>			
<b>Receivables</b>	<b>2.5.2</b>		
Accrued assets		15,190	54,164
Other current assets		3,970	6,051
		<u>19,160</u>	<u>60,215</u>
		-----	-----
<b>Cash and cash equivalents</b>	<b>2.5.3</b>	<u>1,303,581</u>	<u>1,262,376</u>
		-----	-----
<b>Total assets</b>		<u><u>1,326,528</u></u>	<u><u>1,325,301</u></u>

Stichting Digital Freedom Fund  
Amsterdam

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**2.1 Balance sheet as at 31 December (after appropriation of result)**

<b>LIABILITIES</b>		<b>31-12-2019</b>	<b>31-12-2018</b>
		<b>€</b>	<b>€</b>
<b><u>Reserves and funds</u></b>	<b>2.5.4</b>		
<b>Reserves</b>			
Continuity reserve		42,535	0
		<u>42,535</u>	<u>0</u>
		-----	-----
<b><u>Current liabilities</u></b>	<b>2.5.5</b>		
Accounts payable		3,710	2,384
Taxes and social securities		844	0
Other current liabilities		1,253,852	1,292,637
Other accruals and deferred income		25,587	30,280
		<u>1,283,993</u>	<u>1,325,301</u>
		-----	-----
<b>Total liabilities</b>		<u><u>1,326,528</u></u>	<u><u>1,325,301</u></u>

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Amsterdam

## 2.2.1 Statement of income and expenditure

		Actual 2019	Budget 2019	Actual 2018
		€	€	€
<b><u>INCOME GRANT GIVERS</u></b>				
Income from other non-profit organisations	2.6.1	1,139,927	1,275,625	460,000
<b>Total income</b>		<b>1,139,927</b>	<b>1,275,625</b>	<b>460,000</b>
<b><u>EXPENSES</u></b>				
<b>Direct external project costs</b>	<b>2.7.1</b>			
Field building		170,379	102,995	66,733
Grantmaking		510,267	708,975	67,595
Future-proofing Our Digital Rights		0	0	29,798
M&E and impact measurement framework		24,370	32,440	6,396
Digital Welfare State		3,316	0	0
Strategic litigation toolkit		0	0	4,800
		<b>708,332</b>	<b>844,410</b>	<b>175,322</b>
<b>Operating expenses</b>	<b>2.7.2 - 2.7.9</b>			
Office costs		21,453	22,544	13,867
Finance, legal and administration		33,640	36,390	54,912
Staff costs		301,868	274,265	206,999
Travel and accommodation		15,538	17,357	15,319
Governance		4,385	4,780	3,872
Other operational costs		4,624	5,129	621
General costs		6,636	10,005	4,361
Startup costs		0	0	18,401
		<b>388,144</b>	<b>370,470</b>	<b>318,352</b>
<b>Total expenses</b>		<b>1,096,476</b>	<b>1,214,880</b>	<b>493,674</b>
<b>Balance before financial income and expense</b>		<b>43,451</b>	<b>60,745</b>	<b>-33,674</b>



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Amsterdam

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		Actual 2019	Budget 2019	Actual 2018
		€	€	€
Contingency		-	-60,745	0
Financial income and expense	2.7.10	-916	0	33,674
<b>Balance of income and expenses</b>		<u>42,535</u>	<u>0</u>	<u>0</u>

## 2.2.2 Result appropriation

### Additions to:

Continuity reserve	42,535	0	0
<b>Total</b>	<u>42,535</u>	<u>0</u>	<u>0</u>

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Amsterdam

## 2.3 Cash Flow Statement

	2019	2018
	€	€
<b>Cash flow from operational activities</b>		
Total income	1,139,927	460,000
Total expenses	1,096,476	493,674
Income less expenses	43,451	-33,674
Depreciation	684	587
<b>Cash flow</b>	<b>44,135</b>	<b>-33,087</b>
	-----	-----
<b>Movements in:</b>		
Receivables	41,055	-60,215
Accounts payable	1,326	2,384
Other current liabilities	-42,634	1,322,917
	43,882	1,231,999
	-----	-----
<b>Total cash flow from operational activities</b>	<b>43,882</b>	<b>1,231,999</b>
	=====	=====
<b>Cash flow from investing activities</b>		
Investments in equipment	-2,860	-3,297
Divestments in equipment	1,099	0
	-----	-----
<b>Total cash flow from investing activities</b>	<b>-1,761</b>	<b>-3,297</b>
	=====	=====
<b>Cash flow from financing activities</b>		
Exchange differences	-916	33,674
	-----	-----
<b>Total cash flow from investment activities</b>	<b>-916</b>	<b>33,674</b>
	=====	=====
<b>Total cash flow</b>	<b>41,205</b>	<b>1,262,376</b>
	=====	=====

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Amsterdam

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	2019	2018
	€	€
Balance of Cash and cash equivalents as at beginning of	1,262,376	0
Total cash flow	41,205	1,262,376
Balance of Cash and cash equivalents as at year-end	1,303,581	1,262,376

Stichting Digital Freedom Fund  
Amsterdam

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## **2.4 Principles of valuation and determination of the result**

### **2.4.1 General principles**

The financial statements have been drawn up on the basis of Guideline C1 for 'Small Non-profit Organisations' of the Council for Annual Reporting. The purpose of this Guideline is to provide insight into the costs of organising and spending the funds in relation to the purpose for which they were raised. The financial statements are presented in euros. The cash flow statement has been prepared using the indirect method. The previous financial year is an extended financial year from 1 October 2017 till 31 December 2018, this financial year relates to the dates from 1 January 2019 to 31 December 2019.

#### **Principles of valuation**

### **2.4.2 General principles of valuation**

Assets and liabilities are included at amortised cost, unless stated otherwise.

Foreign currency transactions during the reporting period are incorporated in the financial statements at the exchange rate on transaction date. Monetary assets and liabilities in foreign currency at balance sheet date are converted into the functional currency (euros) at the exchange rate. The resulting exchange differences from the conversion are charged to the profit and loss account, unless hedge accounting is applied.

### **2.4.3 Equipment**

Equipment required to achieve the objectives and to carry out business operations are carried at historical cost less depreciation based on the estimated useful lives of the assets, taking into account any residual value. Depreciation is determined as a percentage of historical cost.

### **2.4.4 Cash and cash equivalents**

Cash and cash equivalents consist of bank balances with a term of less than twelve months. Cash and cash equivalents are carried at nominal value.

### **2.4.5 Reserves and funds**

Reserves are funds that can be spent at the foundation's discretion. The board may hold target reserves that may be used for a specific purpose.

Funds concern money to be spent within the framework of the objective for which they have been made available. This relates to the unused portion of donations granted and other funds, as well as and funds that are fixed in fixed assets.

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#### **2.4.6 General principles of recognition and measurement of income and expenses**

The result is determined as the balance of income and all related expenses and other charges attributable to the reporting year, in accordance with the valuation principles referred to above.

#### **2.4.7 Income**

Income consists of all income attributable to the year under review.  
Advances are recognised in the financial year in which they are received.

#### **2.4.8 Costs**

The grantmaking costs are attributed to the financial year of the approved board decision, in the moment DFF becomes committed to the third party. Other costs are allocated to the related period.



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Amsterdam

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## 2.5 Notes to the balance sheet as at 31 December 2019

### ASSETS

#### NON-CURRENT ASSETS

##### 2.5.1 Equipment

The movements in equipment assets are summarised in the following table:

	Equipment 2019	Equipment 2018
	€	€
Balance at 1 January		
Historical cost	3,297	0
Cumulative depreciation	-587	0
	<u>2,710</u>	<u>0</u>
Movements in financial year		
Investments	2,860	3,297
Disinvestments	-1,099	0
Depreciation	-684	-587
	<u>1,077</u>	<u>2,710</u>
Balance at 31 December		
Historical cost	5,058	3,297
Cumulative depreciation	-1,271	-587
	<u>3,787</u>	<u>2,710</u>

Depreciation is calculated on the basis of the following annual depreciation rates:

Equipment	20 %
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Stichting Digital Freedom Fund  
Amsterdam

## 2.5 Notes to the balance sheet (continued)

	31-12-2019	31-12-2018
	€	€
<b>CURRENT ASSETS</b>		
<b><u>2.5.2 Receivables</u></b>		
<b>Accrued assets</b>		
Prepaid accommodation costs	1,995	1,047
Prepaid office expenses	1,497	158
Prepaid general expenses	4,570	1,130
Prepaid direct costs	7,128	37,545
Amounts to be received	0	12,179
Vacation days' reserve	0	2,105
Balance as at 31 December	15,190	54,164
<b>Other current assets</b>		
Deposit	3,970	2,470
Deferred grants	0	3,581
Balance as at 31 December	3,970	6,051
<b><u>2.5.3 Cash and cash equivalents</u></b>		
Current account ABN AMRO .053	17,996	58,456
Savings account ABN AMRO bank .088	610,139	600,000
Current account ABN AMRO bank .096	670,039	300,000
Dollar account ABN AMRO .867	5,426	303,920
Balance as at 31 December	1,303,600	1,262,376
Cash	72	0
Creditcard	-91	0
Balance as at 31 December	1,303,581	1,262,376

Cash balances are directly available.

Stichting Digital Freedom Fund  
Amsterdam

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**2.5 Notes to the balance sheet (continued)**

	31-12-2019	31-12-2018
	€	€
<b><u>2.5.4 Reserves and funds</u></b>		
<b><u>Reserves</u></b>		
<b>Continuity reserves</b>		
Balance as at 1 January	0	0
Increase due to appropriation of result	42,535	0
Balance as at 31 December	<u>42,535</u>	<u>0</u>

The continuity reserve is formed to cover short-term risks and to ensure that obligations can continue to be met in the future.

Stichting Digital Freedom Fund  
Amsterdam

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## 2.5 Notes to the balance sheet (continued)

### 2.5.5 Current liabilities

	31-12-2019	31-12-2018
	€	€
Accounts payables	3,710	2,384
Balance as at 31 December	<u>3,710</u>	<u>2,384</u>
Taxes and social securities	844	0
Balance as at 31 December	<u>844</u>	<u>0</u>
Other current liabilities		
Deferred grants	925,382	1,229,950
Grants to be paid	328,470	62,687
Balance as at 31 December	<u>1,253,852</u>	<u>1,292,637</u>
Other accruals and deferred income		
Vacation days' reserve	1,804	0
Accrued personnel expenses	1,151	0
Accrued office expenses	10	34
Accrued general expenses	20,122	25,446
Accrued direct costs	2,500	4,800
Balance as at 31 December	<u>25,587</u>	<u>30,280</u>

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Amsterdam

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## 2.5 Notes to the balance sheet (continued)

### 2.5.6 Assets, liabilities and commitments not included in the balance sheet

#### Grants

Funds still to be received in 2020 and 2021:

A grant of EUR 750,000 was made available for the purpose of the project, of which EUR 150,000 will be received in 2020:

- The fifth payment of EUR 150,000 will be received by 31 March 2020.

A grant of USD 475,118 was awarded, of which USD 237,559 will be received in March 2020, fixed and transferred in USD.

An amount of EUR 240.000 was granted. EUR 180.000 is to be received in 2020 and 2021:

- The second payment of EUR 80,000 will be received in 2020 after reception of satisfactory progress report.
- The third payment of EUR 80,000 will be received in 2021 after reception of satisfactory progress report.
- The last payment of EUR 20,000 will be received in 2021 after reception of the final report.

#### Rental obligation

Digital Freedom Fund has a contract for the rental of the property located at Oranienstraße 183 in Berlin. The rental obligation of the office space 2020 amounts to approximately EUR 22,531 per year, including service costs.



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Amsterdam

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## 2.6 Notes to income

Actual 2019	Budget 2019	Actual 2018
€	€	€

### INCOME GRANT GIVERS

#### 2.6.1 Income from other non-profit organisations

Core funder organisations	1,079,663	0	424,593
Project funder organisations	60,264	0	35,407
Funder organisations		1,275,625	
	<u>1,139,927</u>	<u>1,275,625</u>	<u>460,000</u>

In 2019, five grants were received for the purpose of core and organisational support and are largely structural. Three of the contracts are for a period of three years and are not for one specific project. Three of the grants are largely unconditional with basic requirements for timely and transparent reporting on the usage of funds and financial procedure. Another core funder contract is for 1 year. All contracts require (financial) reports.

Six grants have been granted for specific projects. Two of these grants come from a core funder organisation. Four other grants are other specific projects. Two of these contracts have already ended. The other two contracts will end in 2020.

All income have been matched with the costs, except for a part of extra income of funders that has been used for building a continuity reserve.

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Amsterdam

## 2.7 Notes to expenses

	Actual 2019	Budget 2019	Actual 2018
	€	€	€
<b><u>2.7.1 Direct external project costs</u></b>			
<b>Field building</b>			
Strategy process	71,686	65,375	34,557
Partners' meetings	98,693	37,620	32,176
	<u>170,379</u>	<u>102,995</u>	<u>66,733</u>
<b>Grantmaking</b>			
Grantmaking	510,267	708,975	67,595
	<u>510,267</u>	<u>708,975</u>	<u>67,595</u>
<b>Future-proofing our digital rights</b>			
Mapping report and essay curation	0	0	8,793
Workshop	0	0	19,505
Essay publication	0	0	1,500
	<u>0</u>	<u>0</u>	<u>29,798</u>
<b>M&amp;E impact measurement framework</b>			
M&E impact measurement framework	10,388	11,240	0
M&E Case studies	13,982	21,200	6,396
	<u>24,370</u>	<u>32,440</u>	<u>6,396</u>

The costs for M&E impact measurement framework are reclassified to activity costs as M&E impact measurement framework, since these costs are project costs. It has also been classified to activity costs for the figures of 2018.

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Amsterdam

## 2.7 Notes to expenses (continued)

	Actual 2019	Budget 2019	Actual 2018
	€	€	€
<b>Digital Welfare State</b>			
The Digital Welfare State consultation	3,316	0	0
	<u>3,316</u>	<u>0</u>	<u>0</u>

### Strategic litigation toolkit

Strategic litigation toolkit	0	0	4,800
	<u>0</u>	<u>0</u>	<u>4,800</u>

## Operating expenses

### 2.7.2 Office costs

Office	16,015	16,844	11,513
IT	3,245	4,500	1,771
Communications	2,193	1,200	583
	<u>21,453</u>	<u>22,544</u>	<u>13,867</u>

### 2.7.3 Finance, legal and administration

Administration	21,470	23,500	39,325
Payroll	878	1,000	1,167
Banking	482	1,000	790
Accountant	10,810	10,890	13,630
	<u>33,640</u>	<u>36,390</u>	<u>54,912</u>

Stichting Digital Freedom Fund  
Amsterdam

## 2.7 Notes to expenses (continued)

	Actual 2019	Budget 2019	Actual 2018
	€	€	€

### 2.7.4 Staff costs

The average number of employees, expressed in full-time employees, was as follows during the financial year 2019: 3.4, last year this was 1.3.

Wages and salaries	201,020	180,704	142,564
Social security charges	21,930	36,141	13,303
Employers contribution to pension costs (voluntary)	18,270	18,070	13,569
Employers contribution to pension costs (mandatory)	17,339	0	11,408
Reservation holidays	3,187	0	- 2,213
Employers contribution to reservation holidays	722	0	- 421
Other personnel costs	39,400	39,350	28,789
	<u>301,868</u>	<u>274,265</u>	<u>206,999</u>

### 2.7.5 Travel

Staff travel & travel insurance	15,538	17,357	15,319
	<u>15,538</u>	<u>17,357</u>	<u>15,319</u>

### 2.7.6 Governance

Annual board meeting	4,385	4,780	3,872
	<u>4,385</u>	<u>4,780</u>	<u>3,872</u>

### 2.7.7 Other operational

Insurance	4,624	5,129	621
	<u>4,624</u>	<u>5,129</u>	<u>621</u>

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Amsterdam

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**2.7 Notes to expenses (continued)**

	Actual 2019	Budget 2019	Actual 2018
	€	€	€
<b><u>2.7.8 General costs</u></b>			
Business relations	2,501	4,625	2,721
Professional literature	498	500	470
Depreciation inventory	955	880	587
Book loss inventory	828	0	0
Other office costs	1,854	4,000	583
	<u>6,636</u>	<u>10,005</u>	<u>4,361</u>

**2.7.9 Start-up costs**


Start-up costs	0	0	18,401
	<u>0</u>	<u>0</u>	<u>18,401</u>


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Amsterdam

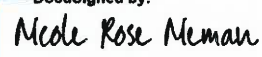
## 2.7 Notes to expenses (continued)

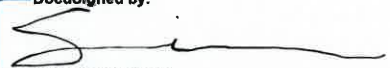
	Actual 2019	Budget 2019	Actual 2018
	€	€	€
<b>2.7.11 Financial income &amp; expense</b>			
Currency differences	916	0	-33,674
	<u>916</u>	<u>0</u>	<u>-33,674</u>


Adopted and approved at Amsterdam on 18 March 2020.

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Raegan MacDonald  
Chairman

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Atanas Politov  
Vice Chair

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Nicole Rose Nieman  
Treasurer

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Simone Peek  
Secretary

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Fieke Jansen  
Member

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Amsterdam

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Rupert Skilbeck  
Member

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Karmen Turk  
Member

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*Jiefan Hsu*

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Jiefan Hsu  
Member



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Rupert Skilbeck  
Member



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Karmen Turk  
Member

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Jiefan Hsu  
Member

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Amsterdam

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### 3. OTHER INFORMATION

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Stichting Digital Freedom Fund  
Nieuwezijds Voorburgwal 104-108  
1012 SG AMSTERDAM

## INDEPENDENT AUDITOR'S REPORT

To: The Board of Stichting Digital Freedom Fund

### 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 Digital Freedom Fund, based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Digital Freedom Fund as at 31 December 2019, and of its result for 2019 in accordance with Directive RJK C1 Small organisations-without-profit.

The financial statements comprise:

- the balance sheet as at 31 December 2019, with a balance total of € 1,326,528;
- the profit and loss account for 2019, with € 1,139,927 income and a result of positive € 42,535; and
- the notes comprising a summary of the 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 Digital Freedom Fund in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), 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:

- the management report/directors' report;
- appendix budget 2020.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements, is in accordance with Directive RJK C1 Small organisations-without-profit and does not contain material misstatements.

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 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 management report and other information in accordance with Directive Rijk C1 Small organisations-without-profit.

### **C. Description of responsibilities regarding the financial statements**

#### **Responsibilities of the board and management for the financial statements**

The board and management is responsible for the preparation and fair presentation of the financial statements in accordance with Directive Rijk C1 Small organisations-without-profit. Furthermore, the board and management is responsible for such internal control as the board and 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, the board and management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

#### **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.

A more detailed description of our responsibilities is written down in the annex of this opinion.

Amersfoort, 18 March 2020.

With accountants B.V.



Drs. J. Snoei RA

Annex

**Annex by our report on the audit of the financial statements 2019 of Stichting Digital Freedom Fund**

In addition to our opinion we herewith describe our responsibilities for the audit on the financial statements.

We have exercised professional judgement and have maintained professional skepticism 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 company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's 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 company'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 company 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.

We communicate with those charged with governance 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.

Stichting Digital Freedom Fund  
Amsterdam

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#### 4. APPENDIX

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Stichting Digital Freedom Fund  
Amsterdam

#### 4.1 2020 Budget

	Budget 2020	Actual 2019	Budget 2019
	€	€	€
<b><u>INCOME</u></b>			
Income grant givers	1,759,746	1,139,927	1,275,625
Total income	1,759,746	1,139,927	1,275,625
<b><u>EXPENSES</u></b>			
<b>Direct external project costs</b>			
Field building	201,400	170,379	102,995
Grantmaking	718,000	510,267	708,975
Future-proofing our digital rights	0	0	0
M&E and impact measurement framework	86,640	24,370	32,440
Digital Welfare State	38,021	3,316	0
Decolonising Digital Rights	66,920	0	0
Strategic litigation toolkit	0	0	0
Spent on objectives	1,110,981	708,332	844,410
<b>Operating expenses</b>			
Office costs	45,234	21,453	22,544
Finance, legal and administration	34,910	33,640	36,390
Staff costs	394,356	301,868	274,265
Travel and accommodation	27,500	15,538	17,357
Governance	7,900	4,385	4,780
Other operational costs	5,300	4,624	5,129
Monitoring & Evaluation	18,000	0	0
General costs	9,125	6,636	10,005
Startup costs	0	0	0
	542,325	388,144	370,470
Total expenses	1,653,306	1,096,476	1,214,880
Balance before financial income and expense	106,440	43,451	60,745

Stichting Digital Freedom Fund  
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Contingency	-17,410	-	-60,745
Balance of financial income and expense	-2,102	-916	0
<b>Balance of income and expenses</b>	<u><b>86.928</b></u>	<u><b>42.535</b></u>	<u><b>0</b></u>