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**ANNUAL REPORT**

30 November 2020

ISSUED TO

The Board of Directors of International Association of  
Internet Hotlines - INHOPE  
Bos en Lommerplein 270  
1055 RW Amsterdam

Regarding financial statements 2019

**THE POWER OF BEING UNDERSTOOD**  
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## **1. Auditor's report**

To the Board of Management  
International Association of Internet Hotlines - INHOPE  
Bos en Lommerplein 270  
1055 RW Amsterdam

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Amsterdam, 30 November 2020  
Reference: 32127

Dear Mr. Langford,

### **1.1 Scope of engagement**

In accordance with your instructions we have compiled the 2019 financial statements of International Association of Internet Hotlines - INHOPE, Amsterdam. We performed our engagement in accordance with Dutch law, including Standard 4410 "Engagements to compile financial statements". The nature of our procedures do not enable us to express any assurance on the true and fair view of the financial statements.

The compilation report is included under section 1.4 of this report.

### **1.2 General**

#### ***Comparative figures***

The comparative figures published in this report are derived from the report as prepared on 13 May 2019 by Horlings Accountants & Belastingadviseurs BV but could be presented otherwise, without an impact on equity or net result 2018.

#### ***Adoption of the annual accounts***

The Annual General Meeting had adopted the 2018 financial statements on 26 June 2019 in Malahide, Ireland. Together with the 2019 budget.

### **1.3 Fiscal position**

#### ***General***

On September 13, 2012 the Dutch tax authorities declared that International Association of Internet Hotlines - INHOPE is not subject to corporation tax.

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#### **1.4 Accountant's compilation report**

##### ***To: the Board of Directors of International Association of Internet Hotlines - INHOPE***

The financial statements of International Association of Internet Hotlines - INHOPE, Amsterdam, have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2019 and the statement of income and expenses for the year then ended with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Dutch law, including the Dutch Standard 4410, 'Compilation engagements', which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work, in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding of International Association of Internet Hotlines - INHOPE. We have not performed any audit or review procedures which would enable us to express an opinion or a conclusion as to the fair presentation of the financial statements.

During this engagement we have complied with the relevant ethical requirements prescribed by the 'Verordening Gedrags- en Beroepsregels Accountants' (VGBA). You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

For further information on the nature and scope of a compilation engagement and the VGBA we refer you to [www.nba.nl/uitleg-samenstellingsverklaring](http://www.nba.nl/uitleg-samenstellingsverklaring).

We draw attention to the note in the off-balance-sheet rights, obligations and arrangements to the financial statements, which describes the uncertainty related to the formal opinion from the DTA, on the ruling request for the current VAT treatment.

Amsterdam, 30 November 2020

RSM Netherlands Accountants N.V.



sander.fokker (Nov 30, 2020 17:32 GMT+1)

drs. S.F. Fokker RA

## **2. Management Board's report**

## 2.1 Management Board's report

The Directors report is a summary of INHOPE's main activities and achievements during 2019. INHOPE is the International Association of Internet Hotlines, which is registered in the Netherlands. INHOPE's mission is to support and enhance the work of Hotlines towards strengthening International efforts in combating online Child Sexual Abuse Material. INHOPE's vision is an internet free of Child Sexual Abuse Material.

The organised liquidation of the INHOPE Foundation (Stichting) was completed in 2020 as planned and its assets, liabilities and responsibilities have been transferred to the Association.

Throughout 2019 INHOPE has focused on the regional development of the hotline network with an initial focus on Latin America and Asia Pacific regions. This will continue on into 2020.

In June 2019 in Dublin INHOPE members developed the basics for a new strategic plan for the development of the Association beyond 2020 which will drive new strategy development going forward.

2019 saw the Association stabilise its financial position, improve its governance and organisational performance. INHOPE's income which was overall in-line with expectation, came primarily from three main sources (European Commission projects, Membership fees & INHOPE partner program). Expenditure was carefully controlled in order to improve the core strength of INHOPE. Overall financial performance was in line with expectation.

European Commission projects (LOT1 & LOT2) are a major source of funding for INHOPE. 2019 was the endpoint of both of these projects and both were completed on schedule and on budget. INHOPE successfully tendered for the new EC LOT1 & LOT2 projects and these came into force in the last months of 2019.

The INHOPE partner program has continued to grow in line with plans. A primary part of this was the second INHOPE summit which was held in Facebook Menlo Park in California in June 2019. This was very successful in raising the profile of INHOPE among the internet industry and will be continued in 2020.

Overall 2019 was a productive and successful year for the INHOPE Association. Looking forward into 2020 INHOPE will explore opportunities to expand globally, to increase its funding base, to deliver LOT1 & 2 projects with the European Commission and work towards our vision of an internet free of Child Sexual Abuse Material.

On 30 January 2020, the World Health Organization declared COVID-19 a “Public Health Emergency of International Concern”. The associations business will be materially and adversely affected by the outbreak of COVID-19, particularly in some regions where its members, its suppliers and business partners are located. These events have, and will continue to significantly impact the associations operations. Given the uncertainties surrounding the duration of COVID-19 and its impact, the association cannot reasonably estimate the related financial impact to its full-year 2020 financial results at this time. Despite the uncertainty, COVID-19 will not affect the associations ability regarding going concern.

On behalf of all the Board members I would like to thank the members and the Secretariat for all their efforts throughout 2019.

Amsterdam, 30 November 2020

Fred Langford  
INHOPE President



### **3. Financial statements**

### 3.1 Balance sheet as at 31 December 2019

(After proposal distribution of result)

		<u>31-12-2019</u>	<u>31-12-2018</u>
		€	€
<b>Assets</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>	<b>1</b>	2.998	640
		.....	.....
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables	<b>2</b>	379.637	19.269
Taxes and social security charges	<b>3</b>	5.875	33.888
Other receivables and accrued income	<b>4</b>	13.011	35.311
		.....	.....
		398.523	88.468
		.....	.....
<b>Cash and cash equivalents</b>	<b>5</b>	636.498	602.818
		.....	.....
		1.038.019	691.926
		=====	=====

		<u>31-12-2019</u>	<u>31-12-2018</u>
		€	€
<b>Liabilities</b>			
<b>Equity</b>	<b>6</b>		
Reserves	<b>7</b>	608.033	406.925
Restricted fund reserve	<b>8</b>	-	9.034
		<u>608.033</u>	<u>415.959</u>
<b>Long-term liabilities</b>	<b>9</b>		
Deferred income	<b>10</b>	276.570	-
<b>Short-term liabilities</b>			
Trade payables	<b>11</b>	21.739	6.413
Payables relating to taxes and social security contributions	<b>12</b>	20.488	32.255
Other liabilities and accrued expenses	<b>13</b>	111.189	237.299
		<u>153.416</u>	<u>275.967</u>
		<u>1.038.019</u>	<u>691.926</u>

### 3.2 Statement of income and expenses for the year 2019

		2019	2018
		€	€
Other operating income	14	1.282.023	1.067.016
Other external expenses	15	588.329	323.726
Expenses of employee benefits	16	304.022	286.836
Depreciation of property, plant and equipment		597	144
Housing expenses	17	31.733	26.653
Selling expenses	18	92.538	109.342
Office expenses	19	28.374	23.888
General expenses	20	35.322	158.186
<b>Total expenses</b>		<b>1.080.915</b>	<b>928.775</b>
<b>Total result</b>		<b>201.108</b>	<b>138.241</b>

### 3.3 Cash flow statement for the year 2019

	2019		2018	
	€	€	€	€
<b>Total of cash flows from (used in) operating activities</b>				
Operating result		201.108		138.241
<b>Adjustments for</b>				
Depreciation	597		144	
Decrease of restricted reserves	-9.034		-	
		-8.437		144
<b>Changes in working capital</b>				
Movements accounts receivable	-310.055		-12.269	
Increase (decrease) in other payables	-122.551		144.791	
		-432.606		132.522
<b>Total of cash flows from (used in) operating activities</b>		-239.935		270.907
<b>Total of cash flows from (used in) investment activities</b>				
Purchase of property, plant and equipment		-2.955		-
<b>Total of cash flows from (used in) financing activities</b>				
Deferred income	9	276.570		-109.617
Increase (decrease) in payables to credit institutions		-		5.919
<b>Total of cash flows from (used in) financing activities</b>		276.570		-103.698
<b>Total of increase (decrease) in cash and cash equivalents</b>		33.680		167.209

	2019	2018
	€	€
<b>Movement in cash and cash equivalents</b>		
Cash and cash equivalents at the beginning	602.818	435.609
Increase (decrease) cash and cash equivalents	33.680	167.209
Cash and cash equivalents at the end	<u>636.498</u>	<u>602.818</u>

### 3.4 Notes to the financial statements

#### Entity information

##### *Registered address and registration number trade register*

The registered and actual address of International Association of Internet Hotlines - INHOPE is Bos en Lommerplein 270, 1055 RW in Amsterdam. International Association of Internet Hotlines - INHOPE is registered at the Chamber of Commerce under number 34124277.

#### General notes

##### *The most important activities of the entity*

INHOPE is the International Association of Internet Hotlines, which is registered in the Netherlands. INHOPE's mission is to support and enhance the work of Hotlines towards strengthening International efforts in combating online Child Sexual Abuse Material. INHOPE's vision is an internet free of Child Sexual Abuse Material.

##### *Disclosure of estimates*

In applying the principles and policies for drawing up the financial statements, the directors of International Association of Internet Hotlines - INHOPE make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

#### General accounting principles

##### *The accounting standards used to prepare the financial statements*

The financial statement is drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving') in accordance with RJK C1 'small non profit organisations'

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

##### *Conversion of amounts denominated in foreign currency*

Items included in the financial statements of International Association of Internet Hotlines - INHOPE are valued with due regard for the currency in the economic environment in which the corporation carries out most of its activities (the functional currency). The financial statements are denominated in euros; this is both the functional currency and presentation currency of International Association of Internet Hotlines - INHOPE.

##### *Pension arrangements*

International Association of Internet Hotlines - INHOPE has a number of pension schemes to which the provisions of the Dutch Pension Act ('Pensioenwet') are applicable. International Association of Internet Hotlines - INHOPE pays net amounts based on (legal) requirements, a contractual or voluntary basis to employees. Gross amounts are recognised as employee cost when they are due. Net payments that are due but have not yet been paid are presented as liabilities.

## Accounting principles

### *Machinery*

Fixed assets are valued at historical cost or production cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments.

### *Impairment of non-current assets*

On each balance sheet date, International Association of Internet Hotlines - INHOPE assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the recoverable amount of the asset is determined. If it is not possible to determine the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. An impairment occurs when the carrying amount of an asset is higher than the recoverable amount; the recoverable amount is the higher of the realisable value and the value in use. An impairment loss is directly recognised in the profit and loss account while the carrying amount of the asset concerned is concurrently reduced.

The realisable value is initially based on a binding sale agreement; if there is no such agreement, the realisable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price. For the determination of the value in use, an estimate is made of the future net cash flows in the event of continued use of the asset / cash-generating unit; these cash flows are discounted.

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported. An impairment of goodwill is not reversed.

### *Receivables*

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. Provisions for bad debts are deducted from the carrying amount of the receivable.

### *Cash and cash equivalents*

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

### *Current liabilities*

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

### *Accounting principles for determining the result*

The result is the difference between the realisable value of the services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Grants are given to cover specific and overhead expenses. Grant income is recorded in the year that the



related expenses occur. For grants received for which the expenses have not yet occurred, a deferred income (grants received in advance) is accounted for.

Regarding the recording of the LOT 1 and 2, income is recognized based on the total result of the project. If a project is expected to result in a loss, this loss will be accounted for as soon as this loss is foreseeable. If a project is expected to result in a profit, this profit will be amortized during the project term.

#### *Expenses of employee benefits*

The benefits payable to personnel are recorded in the statement of income and expenses on the basis of the employment conditions.

#### *Applied policy of pension costs*

International Association of Internet Hotlines - INHOPE applies the liability approach to account for all pension schemes. The gross amounts payable during the reporting year is recorded as an expense. They are recorded as personnel costs from the date that they become payable. Net amounts that are not yet paid are included as a liability in the balance sheet.

#### *Depreciation of property, plant and equipment*

Tangible fixed assets are depreciated from the date of initial use over the expected future economic life of the asset, while taking into account any applicable restrictions with respect to tangible fixed assets.

Future depreciation is adjusted if there is a change in estimated future useful life.

Gains and losses from the occasional sale of equipment are included in depreciation.

#### *Other operating expenses*

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

#### *Cash flow statement*

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognised as cash used in financing activities. Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognised in the cash flow statement. Payments of finance lease instalments qualify as repayments of borrowings under cash used in financing activities and as interest paid under cash generated from operating activities.

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

#### Assets

#### Fixed assets

#### 1 Property, plant and equipment

##### Machinery

31-12-2019	31-12-2018
€	€
2.998	640

#### Property, plant and equipment

##### Machinery

##### Balance as at 1 January 2019

Cost or manufacturing price

Accumulated depreciation

Book value as at 1 January 2019

784

-144

640

##### Movements

Additions

Depreciation

Balance movements

2.955

-597

2.358

##### Balance as at

31 December 2019

Cost or manufacturing price

Accumulated depreciation

Book value as at

31 December 2019

Depreciation percentages

3.739

-741

2.998

20%

## Current assets

### Receivables

	31-12-2019	31-12-2018
	€	€
<b>2 Trade receivables</b>		
Trade debtors	379.637	19.269
<b>Under trade debtors</b>		
Receivables from EC	371.137	-
Received early 2020.		
<b>3 Taxes and social security charges</b>		
Value added tax	5.875	33.888
<b>4 Other receivables and accrued income</b>		
Accruals and prepaid expenses	13.011	35.311
<b>5 Cash and cash equivalents</b>		
ABN AMRO Bank N.V.	195.692	223.634
Rabobank	439.826	378.137
Other banks	980	1.047
	636.498	602.818

## Liabilities

### 6 Equity

Movements in equity were as follows:

	Reserves	Restricted fund reserve	Total
	€	€	€
Balance as at 1 January 2019	406.925	9.034	415.959
Addition in financial year	-	-9.034	-9.034
Allocation reserves	201.108	-	201.108
Balance as at 31 December 2019	608.033	-	608.033

### 7 Reserves

Reserves

Balance as at 1 January

Allocation reserves

Balance as at 31 December

2019	2018
€	€

406.925	268.684
201.108	138.241
608.033	406.925

### 8 Restricted fund reserve

Balance as at 1 January

Restricted fund mutation

Balance as at 31 December

9.034	9.864
-9.034	-830
-	9.034

### Disclosure of other legal reserves, distinguished by their nature

A restricted fund reserve had been recognized for funds that have been donated that are to be spent on a specific matter.

A company had donated money for the annual report production. In 2019 the full amount has been withdrawal for all formally prepared annual reports.

## Long-term liabilities

	2019
	€
<b>Deferred income</b>	
Balance as at 1 January	-
Addition to deferred income	276.570
Balance as at 31 December	276.570

	2019
	€
<b>Deferred income</b>	
AviaTor	37.910
LOT 1 BIK Phase 3	38.127
LOT 2 Renewed service contract	200.533
Total	276.570

## Short-term liabilities

	31-12-2019	31-12-2018
	€	€
<b>11 Trade payables</b>		
Trade creditor	21.739	6.413
<b>12 Payables relating to taxes and social security contributions</b>		
Wage tax	14.529	15.508
Pension	5.959	16.747
	20.488	32.255
<b>13 Other liabilities and accrued expenses</b>		
Other current accounts INHOPE foundation	20.193	-
Net wages	46	-
Deferred income LOT 1 and LOT 2 (phase 2)	-	222.063
Holiday allowance	10.569	3.416
Accruals and deferred income	80.381	11.820
	111.189	237.299

Under the accruals and deferred income is an amount of € 74,700 for 2019, in relation to the members results reporting on ICCAM.

## **Off-balance-sheet rights, obligations and arrangements**

### **Disclosure of off-balance sheet commitments**

The Association has entered into an ICT Maintenance agreement, there is a fixed monthly obligation for € 330 (excluding VAT)

The agreement is initially for one year (starting as of August 2019), but will automatically be extended with a year. Unless the agreement is cancelled, one month before the end of the agreement.

The Association has entered into an office space rental agreement, there is a fixed monthly obligation for € 3,035 (excluding VAT)

The agreement is initially for one year (starting as of June 2019), but will automatically be extended with a year. Unless the agreement is cancelled, one month before the end of the agreement.

### **Off-balance sheet commitments relating to liability claims**

During 2020 our fiscal advisor contacted the Dutch Tax Authority (DTA), on our behalf, to discuss the VAT recovery position of Inhope, where we asked for a ruling request for the current VAT treatment. At time of writing this report we have not received a formal opinion from the DTA as this process has just begun. If the DTA does not agree with the current VAT treatment of recent years, this could have significant financial consequences for INHOPE.

### **Subsequent events**

On 30 January 2020, the World Health Organization declared COVID-19 a "Public Health Emergency of International Concern". The association's business will be materially and adversely affected by the outbreak of COVID-19, particularly in some regions where its members, its suppliers and business partners are located. These events have, and will continue to significantly impact the association's operations. Given the uncertainties surrounding the duration of COVID-19 and its impact, the association cannot reasonably estimate the related financial impact to its full-year 2020 financial results at this time. Despite the uncertainty, COVID-19 will not affect the association's ability regarding going concern.

### **Proposal appropriation of result**

The board of Association proposes to appropriate the result as follows:

The appropriation of profit for the period 2019 in the amount of € 201.108 will be fully added to the other reserves.

This proposal needs to be determined by the General Meeting, but has already been processed in anticipation in the annual accounts 2019 for the Association.

### 3.6 Notes to the profit and loss account for the year 2019

	2019	2018
	€	€
<b>14 Other operating income</b>		
Membership fees	260.400	264.204
Donations and Funding partnerships	248.860	269.634
Income LOT 1 and LOT 2	767.401	533.123
Income Aviator	5.423	-
Other income	-61	55
	<u>1.282.023</u>	<u>1.067.016</u>

For the year 2019 there were 42 members (€ 6,300) and 4 provisional members (€ 2,100).  
During 2019, 2 members were revoked therefore a correction of € 12,600 has been made.

In 2019 we received several donations from our Funding partnerships:  
- Facebook, Twitter, Mindgeek, Google, Trend Micro and Crisp Thinking.

#### LOT 1 and 2 (second phase)

These projects concern Digital Service Infrastructure for making a better and safer internet for kids. The main aim of this second phase is to continue improving the platform and services delivered in the first phase of both LOT 1 and LOT 2 projects. International Association of Internet Hotlines - INHOPE is the leading partner of LOT 2 and the subcontractor of EUN for LOT 1.

The direct costs consist of material costs and employee costs. For the allocation of employee costs the Association does not use a time registration system. The employee costs are allocated to LOT 1 and 2 based on approved rates by the grant giver and number of months employed of the employees in relation to budgeted months per specific phase of the project.

#### LOT 1 and 2 (third phase)

During 2019, the project continued into the third phase. For LOT 1 as subcontractor and for LOT 2 as leading partner of EUN, to continue improving the platform and services delivered in the first two phases until 2021.

	2019
	€
<b>LOT 2 Phase 3 2019-2021</b>	
Received 2019	299.998
Direct costs 2019	-95.778
Salary costs 2019	-3.687
Deferred income	<u>200.533</u>
The total grant amounts to € 999,992.	

	2019
	€
<b>LOT 2 Phase 2 2016-2019</b>	
Received 2019	311.138
Direct costs 2019	-302.431
Salary costs 2019	-97.580
Release deferred income	190.356
Release due to finalization	-101.483
Total	-

The total grant amounts to € 1,271,134.

#### **LOT 1 Phase 3 2019-2021**

Received 2019	93.662
Direct costs 2019	-41.960
Salary costs 2019	-13.575
Deferred income	38.127

The total grant amounts to € 312,208.

#### **LOT 1 Phase 2 2016-2019**

Received 2019	79.200
Direct costs 2019	-4.671
Salary costs 2019	-23.224
Release deferred income	31.707
Release due to finalization	-83.012
Total	-

The total grant amounts to € 395,999.



	2019	2018
	€	€
<b>15 Other external expenses</b>		
Other external expenses	588.329	323.726

#### Other external expenses

LOT 2 Phase 3 Direct costs	95.778
LOT 2 Phase 3 Salary costs	3.687
LOT 2 Phase 2 Direct costs	302.431
LOT 2 Phase 2 Salary costs	97.580
LOT 1 Phase 3 Direct costs	41.960
LOT 1 Phase 3 Salary costs	13.575
LOT 1 Phase 2 Direct costs	4.671
LOT 1 Phase 2 Salary costs	23.224
AviaTor Direct costs	2.246
AviaTor Salary costs	3.177
<b>Total</b>	<b>588.329</b>

	2019	2018
	€	€
<b>16 Expenses of employee benefits</b>		
Wages and salaries	226.922	216.752
Social security charges	38.097	11.362
Pension contributions	2.117	1.883
Other expenses of employee benefits	36.886	56.839
	<b>304.022</b>	<b>286.836</b>

<i>Wages and salaries</i>		
Salaries and wages	368.165	216.752
LOT 1 Phase 2 Salary costs	-23.224	-
LOT 1 Phase 3 Salary costs	-13.575	-
LOT 2 Phase 2 Salary costs	-97.580	-
LOT 2 Phase 3 Salary costs	-3.687	-
AviaTor Salary costs	-3.177	-
	<b>226.922</b>	<b>216.752</b>

### Average number of employees

The average number of employees of the company during the year, converted to full-time equivalents and broken down by activity, was as follows:

2019

Average number of employees  
2018

Number  
7,00

Average number of employees

Number  
3,90

### Employees

Active within The Netherlands  
Active outside The Netherlands  
Total

	2019	2018
	fte	fte
Active within The Netherlands	5,0	1,9
Active outside The Netherlands	2,0	2,0
Total	7,0	3,9

*Other expenses of employee benefits*  
Recruitment expenses  
Staff outsourcing expenses  
Other staff expenses

	2019	2018
	€	€
Recruitment expenses	794	55.779
Staff outsourcing expenses	35.868	-
Other staff expenses	224	1.060
	36.886	56.839

### 17 Housing expenses

Rent expenses  
AviaTor Direct costs

	2019	2018
Rent expenses	32.094	26.653
AviaTor Direct costs	-361	-
	31.733	26.653

### 18 Selling expenses

Travelling and hotel expenses  
Write off doubtful debtor

	2019	2018
Travelling and hotel expenses	92.588	109.342
Write off doubtful debtor	-50	-
	92.538	109.342

Under the travel, hotel and meeting expenses includes expenses of staff, meetings and travel costs.

	2019	2018
	€	€
<b>19 Office expenses</b>		
Office supplies	1.624	2.417
Postage expenses	380	842
Telephone and fax expenses	3.530	2.105
Automation expenses	14.741	11.843
Insurance premium	7.247	6.348
Other office expenses	852	333
	<u>28.374</u>	<u>23.888</u>
<b>20 General expenses</b>		
Subscriptions	235	30
Accounting costs	-3.909	16.488
Payroll administration costs	5.069	5.601
Litigation expenses	5.731	15.974
Levies	223	315
Payment differences	393	-190
Consultancy expenses	9.296	108.000
Bank expenses	908	1.013
Other general expenses	487	338
Advertisement costs	1.122	150
Marketing expenses	15.767	10.467
	<u>35.322</u>	<u>158.186</u>

On the accounting costs there has been the release of the restricted reserve of € 9,034

Amsterdam, 30 November 2020  
International Association of Internet Hotlines - INHOPE

President  
Fred Langford

Vice President  
Ana Niculescu

Treasurer  
Meltini Christodoulaki

Board member  
Carolina Pineros

Board member  
Peter Paul Uralub

Board member  
Sean Lyons

## **Annexes**

1. Realisation income and expenses against budget

**STATEMENT OF INCOME AND EXPENSES 2019**

	<b>Budget 2019</b>	<b>2019</b>	<b>2018</b>
	€	€	€
<b>Income</b>			
LOT 1 Phase 2 2016-2019	79,199	<b>110,907</b>	
LOT 1 Phase 3 2019-2021	93,662	<b>55,535</b>	
LOT 2 Phase 2 2016-2019	415,748	<b>501,494</b>	533,123
LOT 2 Phase 3 2019-2021	299,997	<b>99,465</b>	
Membership fees	275,400	<b>260,400</b>	264,204
AviaTor project	32,449	<b>5,423</b>	
Donations and Funding partnerships	270,000	<b>248,860</b>	245,600
Other income		<b>-61</b>	60
<b>Operating income</b>	<b>1,466,455</b>	<b>1,282,023</b>	<b>1,042,987</b>
<b>Expenses</b>			
Personnel cost	429,797		
Wages		<b>226,922</b>	217,143
Social contributions, taxes and pensions		<b>40,214</b>	12,856
Staff outsourcing		<b>35,868</b>	91,421
Other personnel expenses		<b>1,018</b>	5,736
Subcontractor costs LOT 2	440,087	<b>400,011</b>	188,503
Subcontractor costs General	39,515	<b>88,853</b>	
Lump sum payments LOT 2	128,500	<b>99,465</b>	135,000
Travel costs	116,890	<b>92,588</b>	109,737
Meeting costs	66,000		
Premises	32,000	<b>31,733</b>	33,001
Doubtful dept provision	24,900	<b>-50</b>	-15,000
General office costs	39,300	<b>28,374</b>	22,136
General expenses		<b>3,368</b>	7,153
Audit	7,000	<b>-3,909</b>	13,089
Legal fees	16,000	<b>5,731</b>	
Board governance	5,000		
Advise / consultancy	64,000	<b>9,296</b>	83,971
Payroll services	7,000	<b>5,069</b>	
Website redevelopment	30,000	<b>15,767</b>	
statistical report development on the global CSAM and INHOPE's impact	15,000		
<b>Total of sum of expenses</b>	<b>1,460,989</b>	<b>1,080,915</b>	<b>904,746</b>
<b>Total result</b>	<b>5,466</b>	<b>201,108</b>	<b>138,241</b>
<b>Result allocation reserves</b>		<b>201,108</b>	<b>138,241</b>