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
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<td>Auditor’s report 1.3</td>
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<td>Auditor’s report 1.4</td>
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<td>17</td>
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<td>Financial statements 3.6</td>
<td>22</td>
</tr>
<tr>
<td>Annexes 1</td>
<td>28</td>
</tr>
</tbody>
</table>
1. Auditor's report
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.
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.

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.

[Signature]

Sander 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 were 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 reasonable estimate the related financial impact to its full-year 2020 financial results at this time. Despite the uncertainly, 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)

<table>
<thead>
<tr>
<th></th>
<th>31-12-2019</th>
<th>31-12-2018</th>
</tr>
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<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
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<tr>
<td>Fixed assets</td>
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<tr>
<td>Property, plant and equipment</td>
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<td>2,998</td>
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<tr>
<td><strong>Current assets</strong></td>
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<td>Receivables</td>
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<td>Trade receivables</td>
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<tr>
<td>Taxes and social security charges</td>
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<td>Other receivables and accrued income</td>
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<td>13,011</td>
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<td>398,523</td>
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<tr>
<td></td>
<td></td>
<td>1,038,019</td>
</tr>
<tr>
<td></td>
<td>31-12-2019</td>
<td>31-12-2018</td>
</tr>
<tr>
<td>---------------------</td>
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<td>------------</td>
</tr>
<tr>
<td></td>
<td>€</td>
<td>€</td>
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<tr>
<td><strong>Liabilities</strong></td>
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<tr>
<td><strong>Equity</strong></td>
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<td>Reserves</td>
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<td>Restricted fund reserve</td>
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<td>608,033</td>
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<td><strong>Long-term liabilities</strong></td>
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<td></td>
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<tr>
<td>Deferred income</td>
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<td>276,570</td>
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<td></td>
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<tr>
<td><strong>Short-term liabilities</strong></td>
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<td>21,739</td>
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<td>Trade payables</td>
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<td>Payables relating to taxes and social security contributions</td>
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<td>111,189</td>
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<td>Other liabilities and accrued expenses</td>
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<td>153,416</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,038,019</td>
<td>691,926</td>
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</table>
### 3.2 Statement of income and expenses for the year 2019

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other operating income</td>
<td>14</td>
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<tr>
<td>Other external expenses</td>
<td>15</td>
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<tr>
<td>Expenses of employee benefits</td>
<td>16</td>
<td>304,022</td>
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<tr>
<td>Depreciation of property, plant and equipment</td>
<td>597</td>
<td>144</td>
</tr>
<tr>
<td>Housing expenses</td>
<td>17</td>
<td>31,733</td>
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<tr>
<td>Selling expenses</td>
<td>18</td>
<td>92,538</td>
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<td>Office expenses</td>
<td>19</td>
<td>28,374</td>
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<td>General expenses</td>
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<td><strong>Total expenses</strong></td>
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<td><strong>Total result</strong></td>
<td></td>
<td>201,108</td>
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</table>
3.3 Cash flow statement for the year 2019

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total of cash flows from (used in) operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating result</td>
<td>201.108</td>
<td>138.241</td>
</tr>
<tr>
<td><strong>Adjustments for</strong></td>
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<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>597</td>
<td>144</td>
</tr>
<tr>
<td>Decrease of restricted reserves</td>
<td>-9.034</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-8.437</td>
<td>144</td>
</tr>
<tr>
<td><strong>Changes in working capital</strong></td>
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<tr>
<td>Movements accounts receivable</td>
<td>-310.055</td>
<td>-12.269</td>
</tr>
<tr>
<td>Increase (decrease) in other payables</td>
<td>-122.551</td>
<td>144.791</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-432.606</td>
<td>132.522</td>
</tr>
<tr>
<td><strong>Total of cash flows from (used in) operating activities</strong></td>
<td>-239.935</td>
<td>270.907</td>
</tr>
</tbody>
</table>

**Total of cash flows from (used in) investment activities**

| Purchase of property, plant and equipment | -2.955 | - |

**Total of cash flows from (used in) financing activities**

| Deferred income                       | 9 | 276.570 | -109.617 |
| Increase (decrease) in payables to credit institutions | - | - | 5.919 |
| **Total of cash flows from (used in) financing activities** | 276.570 | -103.698 |

**Total of increase (decrease) in cash and cash equivalents**

| 33.680 | 167.209 |
## Movement in cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents at the beginning</td>
<td>602,818</td>
<td>435,609</td>
</tr>
<tr>
<td>Increase (decrease) cash and cash equivalents</td>
<td>33,680</td>
<td>167,209</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end</td>
<td>636,498</td>
<td>602,818</td>
</tr>
</tbody>
</table>
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 realised 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 realised value is initially based on a binding sale agreement; if there is no such agreement, the realised 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 realised 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

<table>
<thead>
<tr>
<th></th>
<th>31-12-2019</th>
<th>31-12-2018</th>
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</thead>
<tbody>
<tr>
<td>1 Property, plant and equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Machinery</td>
<td>2,998</td>
<td>640</td>
</tr>
</tbody>
</table>

Property, plant and equipment

Balance as at 1 January 2019
Cost or manufacturing price 784
Accumulated depreciation -144
Book value as at 1 January 2019 640

Movements
Additions 2,955
Depreciation -597
Balance movements 2,358

Balance as at 31 December 2019
Cost or manufacturing price 3,739
Accumulated depreciation -741
Book value as at 31 December 2019 2,998

Depreciation percentages 20%
### Current assets

#### Receivables

<table>
<thead>
<tr>
<th>2 Trade receivables</th>
<th>31-12-2019</th>
<th>31-12-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>379,637</td>
<td>19,269</td>
</tr>
</tbody>
</table>

#### Under trade debtors

- Receivables from EC: 371,137
- Received early 2020.

#### 3 Taxes and social security charges

- Value added tax: 5,875

#### 4 Other receivables and accrued income

- Accruals and prepaid expenses: 13,011

#### 5 Cash and cash equivalents

- ABN AMRO Bank N.V.: 195,692
- Rabobank: 439,826
- Other banks: 980

<table>
<thead>
<tr>
<th></th>
<th>31-12-2019</th>
<th>31-12-2018</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>636,498</td>
<td>602,818</td>
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</tbody>
</table>
6 Equity
Movements in equity were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Reserves</th>
<th>Restricted fund reserve</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance as at 1 January 2019</strong></td>
<td>406,925</td>
<td>9,034</td>
<td>415,959</td>
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<tr>
<td><strong>Addition in financial year</strong></td>
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<td>-9,034</td>
<td>-9,034</td>
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<tr>
<td><strong>Allocation reserves</strong></td>
<td>201,108</td>
<td>-</td>
<td>201,108</td>
</tr>
<tr>
<td><strong>Balance as at 31 December 2019</strong></td>
<td>608,033</td>
<td>-</td>
<td>608,033</td>
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<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
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<tbody>
<tr>
<td><strong>€</strong></td>
<td><strong>€</strong></td>
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</tbody>
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7 Reserves
Reserves
**Balance as at 1 January**
Allocation reserves
**Balance as at 31 December**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reserves</strong></td>
<td>406,925</td>
<td>268,684</td>
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<tr>
<td><strong>Allocation reserves</strong></td>
<td>201,108</td>
<td>138,241</td>
</tr>
<tr>
<td><strong>Balance as at 31 December</strong></td>
<td>608,033</td>
<td>406,925</td>
</tr>
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8 Restricted fund reserve
**Balance as at 1 January**
Restricted fund mutation
**Balance as at 31 December**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
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<tr>
<td><strong>Balance as at 1 January</strong></td>
<td>9,034</td>
<td>9,864</td>
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<td><strong>Restricted fund mutation</strong></td>
<td>-9,034</td>
<td>-830</td>
</tr>
<tr>
<td><strong>Balance as at 31 December</strong></td>
<td>-</td>
<td>9,034</td>
</tr>
</tbody>
</table>

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

Deferred income
Balance as at 1 January
Addition to deferred income 276,570
Balance as at 31 December 276,570

Deferred income
AviaTor 37,910
LOT 1 BIK Phase 3 38,127
LOT 2 Renewed service contract 200,533
Total 276,570

Short-term liabilities

11 Trade payables
Trade creditor 21,739 6,413

12 Payables relating to taxes and social security contributions
Wage tax 14,529 15,508
Pension 5,959 16,747
Total 20,488 32,255

13 Other liabilities and accrued expenses
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
Total 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 Maintance 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 extend 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 extend 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 associations business will be materially and adversely affected by the outbreak of COVID-19, particularly in some regions were 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 reasonable estimate the related financial impact to its full-year 2020 financial results at this time. Despite the uncertainly, COVID-19 will not affect the associations 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

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>14 Other operating income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership fees</td>
<td>260,400</td>
<td>264,204</td>
</tr>
<tr>
<td>Donations and Funding partnerships</td>
<td>248,860</td>
<td>269,634</td>
</tr>
<tr>
<td>Income LOT 1 and LOT 2</td>
<td>767,401</td>
<td>533,123</td>
</tr>
<tr>
<td>Income Aviator</td>
<td>5,423</td>
<td>-</td>
</tr>
<tr>
<td>Other income</td>
<td>-61</td>
<td>55</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,282,023</td>
<td>1,067,016</td>
</tr>
</tbody>
</table>

For the year 2019 there were 42 members (€ 6,300) and 4 provisional members (€ 2,100). During 2019, 2 members where 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.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Received 2019</td>
<td></td>
<td>299,998</td>
</tr>
<tr>
<td>Direct costs 2019</td>
<td></td>
<td>-95,778</td>
</tr>
<tr>
<td>Salary costs 2019</td>
<td></td>
<td>-3,687</td>
</tr>
<tr>
<td>Deferred income</td>
<td></td>
<td>200,533</td>
</tr>
</tbody>
</table>

The total grant amounts to € 999,992.
2019

€

**LOT 2 Phase 2 2016-2019**

- 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: 93,862
- 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.
### 15 Other external expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other external expenses</td>
<td>588,329</td>
<td>323,726</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>588,329</strong></td>
<td></td>
</tr>
</tbody>
</table>

### 16 Expenses of employee benefits

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>226,922</td>
<td>216,752</td>
</tr>
<tr>
<td>Social security charges</td>
<td>38,097</td>
<td>11,362</td>
</tr>
<tr>
<td>Pension contributions</td>
<td>2,117</td>
<td>1,883</td>
</tr>
<tr>
<td>Other expenses of employee benefits</td>
<td>36,886</td>
<td>56,839</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>304,022</strong></td>
<td><strong>286,836</strong></td>
</tr>
</tbody>
</table>

Wages and salaries

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>368,165</td>
<td>216,752</td>
</tr>
<tr>
<td>LOT 1 Phase 2 Salary costs</td>
<td>-23,224</td>
<td>-</td>
</tr>
<tr>
<td>LOT 1 Phase 3 Salary costs</td>
<td>-13,575</td>
<td>-</td>
</tr>
<tr>
<td>LOT 2 Phase 2 Salary costs</td>
<td>-97,580</td>
<td>-</td>
</tr>
<tr>
<td>LOT 2 Phase 3 Salary costs</td>
<td>-3,687</td>
<td>-</td>
</tr>
<tr>
<td>AviaTor Salary costs</td>
<td>-3,177</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>226,922</strong></td>
<td><strong>216,752</strong></td>
</tr>
</tbody>
</table>
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 7.00
Number
2018
Average number of employees 3.90

<table>
<thead>
<tr>
<th>Activity</th>
<th>2019 fte</th>
<th>2018 fte</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active within The Netherlands</td>
<td>5.0</td>
<td>1.9</td>
</tr>
<tr>
<td>Active outside The Netherlands</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7.0</strong></td>
<td><strong>3.9</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other expenses of employee benefits</th>
<th>2019 €</th>
<th>2018 €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment expenses</td>
<td>794</td>
<td>55.779</td>
</tr>
<tr>
<td>Staff outsourcing expenses</td>
<td>35.868</td>
<td>-</td>
</tr>
<tr>
<td>Other staff expenses</td>
<td>224</td>
<td>1.060</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>36.886</strong></td>
<td><strong>56.839</strong></td>
</tr>
</tbody>
</table>

17 Housing expenses
Rent expenses 32.094 26.653
AviaTor Direct costs -361 -
31.733 26.653

18 Selling expenses
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.
19 Office expenses

<table>
<thead>
<tr>
<th>Expense</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office supplies</td>
<td>1,624</td>
<td>2,417</td>
</tr>
<tr>
<td>Postage expenses</td>
<td>380</td>
<td>842</td>
</tr>
<tr>
<td>Telephone and fax expenses</td>
<td>3,530</td>
<td>2,105</td>
</tr>
<tr>
<td>Automation expenses</td>
<td>14,741</td>
<td>11,843</td>
</tr>
<tr>
<td>Insurance premium</td>
<td>7,247</td>
<td>6,348</td>
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<tr>
<td>Other office expenses</td>
<td>852</td>
<td>333</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>28,374</td>
<td>23,888</td>
</tr>
</tbody>
</table>

20 General expenses

<table>
<thead>
<tr>
<th>Expense</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscriptions</td>
<td>235</td>
<td>30</td>
</tr>
<tr>
<td>Accounting costs</td>
<td>-3,909</td>
<td>16,488</td>
</tr>
<tr>
<td>Payroll administration costs</td>
<td>5,069</td>
<td>5,601</td>
</tr>
<tr>
<td>Litigation expenses</td>
<td>5,731</td>
<td>15,974</td>
</tr>
<tr>
<td>Levies</td>
<td>223</td>
<td>315</td>
</tr>
<tr>
<td>Payment differences</td>
<td>393</td>
<td>-190</td>
</tr>
<tr>
<td>Consultancy expenses</td>
<td>9,296</td>
<td>108,000</td>
</tr>
<tr>
<td>Bank expenses</td>
<td>908</td>
<td>1,013</td>
</tr>
<tr>
<td>Other general expenses</td>
<td>487</td>
<td>338</td>
</tr>
<tr>
<td>Advertisement costs</td>
<td>1,122</td>
<td>150</td>
</tr>
<tr>
<td>Marketing expenses</td>
<td>15,767</td>
<td>10,467</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>35,322</td>
<td>158,186</td>
</tr>
</tbody>
</table>

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