

European Evaluation Society

Annual report 2020

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Financial statements

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Balance sheet as at 31 December 2020

(Before profit appropriation)

	Note	EUR	2020 EUR	EUR	2019 EUR	EUR
Current assets						
Other receivables	1	109.594			33.714	
Cash and cash equivalents	2	70.031			177.907	
				179.625		211.621
				179.625		211.621
Equity	3					
Other reserves		150.390			150.390	
Unappropriated result		(36.319)			2.987	
				114.071		153.377
Current liabilities	4			65.554		58.244
				179.625		211.621

The notes on pages 6 to 16 are an integral part of these financial statements.

Profit and loss account 2020

		2020		2019	
	Note	EUR	EUR	EUR	EUR
Membership income	6	41.400		61.994	
Other income	4	-		3.460	
			41.400		65.454
Total operating income			41.400		65.454
Operating expenses	7	(78.529)		(62.259)	
Total operating expenses			(78.529)		(62.259)
Operating result			(37.129)		3.195
Interest income and similar income	8	-		572	
Interest expenses and similar charges	9	(2.177)		(780)	
			(2.177)		(208)
Net result			(39.306)		2.987

The notes on pages 6 to 16 are an integral part of these financial statements.

Notes to the 2020 financial statements

General

Reporting entity

The European Evaluation Society ('EES' or the 'association'), having its legal address in Amsterdam, is an association under Dutch law. The objective of the European Evaluation Society is to stimulate and promote theory, practice, and utilization of high quality evaluation especially, but not exclusively, within Europe. This goal is obtained by bringing together academics and practitioners from all over Europe and from different professional sectors, thus creating a forum where all participants can benefit from the co-operation and bridge building opportunities of the EES. The main vehicle for this knowledge exchange is the biennial conference. Membership in the European Evaluation Society gives evaluators and organizations/institutions access to a body of knowledge and network of professionals, involved in evaluation in Europe and elsewhere. Membership fee includes subscription to Evaluation, The International Journal of Theory, Research, and Practice, as well as other benefits such as reduced fees for conferences, access to membership area, and events.

The activities of the association are carried out both inland and abroad, with the countries of the European Union.

Financial reporting period

These financial statements cover the year 2020, which ended at the balance sheet date of 31 December 2020.

Basis of preparation

The financial statements of the association have been prepared in accordance with the association's accounting principles.

The accounting policies applied for measurement of assets and liabilities and determination of results are based on the historical cost convention, unless otherwise stated in the further accounting principles.

Going concern

The financial statements of the Company have been prepared on the basis of the going concern assumption.

Although the impact on the results of COVID-19 is currently uncertain, the Board consider that there is no uncertainty regarding the association ability to continue as a going concern for at least twelve months after signing of these financial statements. The association has developed and continues to refine multiple scenarios to address varying levels of impact, to include financial impacts to the remainder of fiscal year 2020 and in planning for fiscal year 2021. This includes postponement of the EES Biennial

Conference in 2020 to 2021 and consequently another postponement of the EES Biennial Conference from 2021 to June 2022 due to the persistent spread of the pandemic and the restrictions imposed by European governments to travel and to avoid huge assemblies of people in 2021.

Given the unprecedented nature of this outbreak and the fact that circumstances are changing rapidly, there is still uncertainty surrounding future developments. Based on these expectations the association has sufficient cash on hand to finance the operation for at least the next twelve months.

Accounting policies for the measurement of assets and liabilities and the determination of the result

General

Assets and liabilities are measured at historical cost, unless stated otherwise in the further principles.

An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the asset has a cost price or value of which the amount can be measured reliably. Assets that are not recognised in the balance sheet are considered as off-balance sheet assets.

A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Provisions are included in the liabilities of the Company. Liabilities that are not recognised in the balance sheet are considered as off-balance sheet liabilities.

An asset or liability that is recognised in the balance sheet, remains recognised on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken into account in this assessment.

An asset or liability is no longer recognised in the balance sheet, and thus derecognised, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability are transferred to a third party. In such cases, the results of the transaction are directly recognised in the profit and loss account, taking into account any provisions related to the transaction.

If assets are recognised of which the Company does not have the legal ownership, this fact is being disclosed.

Income is recognised in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability arises of which the size can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability arises of which the size can be measured with sufficient reliability.

Revenues and expenses are allocated to the respective period to which they relate. Revenues are recognised when the association has transferred the significant risks and rewards of ownership of the goods to the buyer.

Functional and presentation currency

The financial statements are presented in euros ('EUR'), which is the association functional currency.

The association used the exchange rate of EUR = 1,22824 USD as per year end 2020.

Use of estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the accounting principles and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Principles for the translation of foreign currencies

Transactions in foreign currencies

At initial recognition, transactions denominated in a foreign currency are translated into the functional currency of the Company at the exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date into the functional currency at the exchange rate applying on that date. Exchange differences resulting from the settlement of monetary items, or resulting from the translation of monetary items denominated in foreign currency, are recognised in profit and loss in the period in which the exchange difference arise.

Non-monetary assets and liabilities denominated in foreign currency that are measured based on historical cost, are translated into the functional currency at the exchange rates at the date of the transactions.

Financial instruments

Financial instruments include other receivables, cash items and other amounts payable. The association does not have any derivatives.

Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate.

Financial instruments are derecognised if a transaction results in a considerable part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party.

Financial instruments (and individual components of financial instruments) are presented in the financial statements in accordance with the economic substance of the contractual terms. Presentation of the financial instruments is based on the individual components of financial instruments as a financial asset, financial liability or equity instrument.

Financial instruments are initially measured at fair value, including discount or premium and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through profit and loss, then directly attributable transaction costs are directly recognised in the profit and loss account at the initial recognition.

After initial recognition, financial instruments are valued in the manner described below.

Other receivables

Other receivables are carried at amortised cost on the basis of the effective interest method, less impairment losses. The effective interest and impairment losses, if any, are directly recognised in the profit and loss account. Purchases and sales of financial assets that belong to the category loans granted and other receivables are accounted for at the transaction date.

Receivables and securities

The accounting policies applied for the valuation of other receivables are described under the heading 'Financial instruments'.

Cash and cash equivalents

Cash and cash equivalents are measured at nominal value. If cash and cash equivalents are not readily available, this fact is taken into account in the measurement.

Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date in the functional currency at the exchange rate ruling at that date. Reference is made to the accounting policies for foreign currencies.

Equity

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under equity. Payments to holders of these instruments are deducted from the equity as part of the profit distribution.

Financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognised in the profit and loss as financial income or expense.

Current liabilities

The valuation of current liabilities is explained under the heading 'Financial instruments'.

Revenue recognition

Income is measured at the fair value of the consideration received or receivable. Contribution fees are recognized over the membership period, and the recovery of the fee is probable. Conference related income is recognized when the service has been delivered, the associated costs can be estimated reliably, and the recovery of the consideration is probable.

Interest income and similar income and interest expenses and similar charges

Interest income is recognised in the profit and loss account on an accrual basis, using the effective interest rate method. Interest expenses and similar charges are recognised in the period to which they belong.

Premium, discount and redemption premiums are recognised as interest expense in the period to which they belong. The allocation of these interest expenses and the interest income on the loan is the effective interest rate that is recognised in the profit and loss account. On the balance sheet, the amortised value of the debt(s) is recognised (on balance). The amounts of the premium that are not yet recognised in the profit and loss account and the redemption premiums already recognised in the profit and loss account, are recognised as an increase in debt(s) to which they relate. Amounts of the discount that are not yet recognised in the profit and loss account are recognised as a reduction of the debt(s) to which they relate.

Additional costs associated with the use of more than customary supplier credit are recognised as interest expense.

Interest on debts associated with an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (qualifying assets) is included in the production cost of an asset, if the future benefits related to that asset are expected to be large enough to cover the carrying amount of that item, including the allocated interest, and the economic benefits can be determined sufficiently reliable.

The interest is calculated on the basis of the interest payable on borrowings specifically for the production, less investment income on temporary investment of the borrowings. If the production is financed by loans that cannot be attributed specifically to the production of certain assets, the interest to be capitalized is calculated by multiplying the cost of production with the weighted interest rate on those loans, taking into account the period of production.

The amount of expenditure on production comprises amounts allocated to the production, net of instalments received from purchasers and government grants and similar facilities received relating to the investment in the relevant asset. The amount of interest to be capitalized is not higher than the interest due for that period.

If the amount of the expected ultimately to be capitalized cost of the qualifying asset exceeds the recoverable amount, an impairment loss is recognised.

Determination of fair value

The fair value of a financial instrument is the amount for which an asset can be sold or a liability settled, involving parties who are well informed regarding the matter, willing to enter into a transaction and are independent from each other.

Related parties

Transactions with related parties are disclosed if they have not been entered into at arm's length. Disclosed are the nature and amounts involved with such transactions, and other information that is deemed necessary for an insight into the transactions.

Subsequent events

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognised in the financial statements.

Events that provide no information on the actual situation at the balance sheet date are not recognised in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

1 Other receivables

	2020 EUR	2019 EUR
C-IN Granted Loan for deposit Conference	106.894	-
C-IN Thessaloniki Conference result 2018	1.500	32.540
UNDP Prepaid membership	1.200	-
C-IN Grant Maastricht 2016	-	1.174
	109.594	33.714

All other receivables have an estimated maturity shorter than one year.

C-IN Granted Loan for deposit Conference

In January 2020 the association and C-IN have signed a contract concerning the preparation and organisation of the Conference initially preparing to hold the 14th EES Biennial Conference Evaluation on 21-25 September 2020 in Copenhagen ('Conference'). This loan was provided for deposits to be made to the premises where the Conference will be held, with initial due date of June 30, 2021.

As a result of the worldwide outbreak of Covid-19 in March 2020 the Board of the association decided in 2020 to postpone the Conference to June 2021 and subsequently postponed the Conference further from June 2021 to June 2022 a result of Covid-19. There have been no terms agreed concerning the payment terms and any guarantees regarding the repayment of the loan. Subject to the outcome of the ongoing 2022 conference organization discussions between EES and C-in no interest has been charged on the loan granted.

2 Cash and cash equivalents

Cash and cash equivalents are available free on demand.

3 Equity

	Other reserves EUR	Unappropriated result EUR	Total EUR
Balance as at 1 January 2019	113.581	36.809	150.390
Changes in financial year 2019:			
• Appropriation of result	36.809	(36.809)	-
• Result for the year	-	2.987	2.987
Balance as at 1 January 2020	150.390	2.987	153.377
Changes in financial year 2020			
• Result for the year	-	(39.306)	(39.306)
Balance as at 31 December 2020	150.390	(36.319)	114.071

Other reserves

The other reserves relates to accumulated results of the results of previous years.

Unappropriated result

Proposal for profit appropriation 2019

The Board of EES proposes to appropriate the profit as follows: the result for the year 2019 in the amount of EUR 2.987 will be added to the other reserves. The proposal needs to be approved by the General Board Meeting. Awaiting for this proposition the result is included under unappropriated result in equity.

Proposal for result appropriation 2020

The Board of EES proposes to appropriate the result as follows: the result for the year 2020 in the amount of EUR 39.306 will be deducted from the other reserves. The proposal needs to be approved by the General Board Meeting. Awaiting for this proposition the result is included under unappropriated result in equity.

4 Current liabilities

	2020 EUR	2019 EUR
Contributions received related to future years	32.573	25.865
Other and accrued liabilities	32.981	32.379
	<u>65.554</u>	<u>58.244</u>

All other current liabilities have an estimated maturity shorter than one year, except for the items mentioned below.

Contributions received related to future years

The contributions received related to future years has a maturity date between 1 and 2 years.

Other liabilities

Other and accrued liabilities primarily relate to services charges by Sage Publications Ltd amounting to EUR 11.056 (2019: EUR 10.340) and accrued secretary amounting to EUR - (2019: 7.630) and accrued audit costs amounting to EUR 21.175 (2019: EUR 13.915).

5 Off-balance sheet assets and liabilities

The association does not have any off balance sheets assets and liabilities.

6 Net turnover

The annual contribution fees can be categorized as follows:

- Individual membership fees:
 - EUR 150,00 per 12 months (including hardcopy subscription);
 - EUR 140,00 per 12 months (excluding hardcopy subscription);
 - EUR 250,00 per 24 months (including hardcopy subscription);
 - EUR 220,00 per 24 months (excluding hardcopy subscription),
- Student membership fees at EUR 62,50 per 12 months;
- Institutional membership fees at EUR 1.200,00 per annum.

There are in total 302 members at 31 December 2020 (2019: 275 members):

- 265 individual members (2019: 249 members);
 - 40 individual members – 1-year fee (2019: 25 members);
 - 46 individual members - 1-year fee including hardcopy subs (2019: 38 members);
 - 61 individual members – 2-year free (2019: 56 members);
 - 118 individual members – 2-year fee including hardcopy subs (2019: 128 members);
 - 2 individual members – lifetime membership (2019: 2 members);
- 12 student members(2019: 9 members), and
- 23 institutional members (2019: 17 members).

7 Other operating expenses

	2020 EUR	2019 EUR
Secretariat expenses	30.817	26.620
Audit expenses	13.334	12.705
IT expenses	15.401	11.031
Administration expenses	8.690	-
Reimbursements	5.401	2.942
Legal expenses	1.096	2.323
Contributions	2.000	2.000
Travelling expenses	-	3.032
Other general expenses	1.790	1.606
Total other operating expenses	78.529	62.259

8 Interest income and similar income

	2020 EUR	2019 EUR
Exchange differences	-	572
	-	572

9 Interest expenses and similar charges

	2020 EUR	2019 EUR
Bank charges	650	780
Exchange differences	1.527	-
	2.177	780

10 Transactions with related parties

Transactions with related parties are assumed when a relationship exists between the association and a natural person or entity that is affiliated with the association.

There have been no transactions with related parties that were not on a commercial basis.

11 Subsequent events

The effects of COVID-19 on the associations business is that the association experienced is limited. The currently known impact of COVID-19 on the operations are the postponement of the EES Biennial Conference in Copenhagen in 2020 to 2021 and subsequently another postponement from 2021 to June 2022.

There have been no other subsequent events.

Prague, July 7, 2021

D. Lamarque
EES President

Laura Fantini
EES Treasurer

Other information

Auditor's report

Refer to next page.

Provisions in the Articles of Association governing the appropriation of profit

Under article 18 of the association's Articles of Association, the profit is at the disposal of the General Meeting, which can allocate said profit either wholly or partly to the formation of – or addition to – one or more general or special reserve funds.

INDEPENDENT AUDITOR'S REPORT

To: the Board of European Evaluation Society

A. Report on the audit of the financial statements 2020 included in the annual report

Our opinion

We have audited the financial statements report 2020 of European Evaluation Society, based in 's-Gravenhage.

In our opinion the accompanying financial statements give a true and fair view of the financial position of European Evaluation Society as at 31 December 2020, and of its result for 2020 in accordance with the European Evaluation Society accounting principles.

The financial statements comprise:

- 1 the balance sheet as at 31 December 2020;
- 2 the profit and loss account for 2020; and
- 3 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 European Evaluation Society in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

B. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

The board members are responsible for the preparation and fair presentation of the financial statements in accordance with the European Evaluation Society accounting principles. Furthermore, the board members are responsible for such internal control as the board 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 members are responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board should prepare the financial statements using the going concern basis of accounting unless the board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The board members 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.

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

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Utrecht, July 7, 2021

NielenVanDeLaar accountants B.V.

Signed by G. van de Laar RA