

ASSER INSTITUTE



Centre for International & European Law



Financial
report **2023**

**Stichting T.M.C. Asser Instituut
The Hague**

Financial Annual Report 2023

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Introduction

In 2023, the Supervisory Board met on 5 occasions, twice in person and on 3 occasions as a digital meeting. This format was chosen to allow as many members of the Board as possible to be present during the regular meetings of the Board.

The Asser Institute faced a series of challenges in 2023. Part two of the modernisation of the building involved higher costs than previously budgeted. The objective of the renovation was to guarantee a sustainable working environment and to create a space where staff can work productively and in a pleasant environment to achieve the institute's mission.

The search for a new Academic Director for the institute was also continued, following the failure of a second recruitment round in mid-2023. The decision was taken to have this process supervised by a professional recruitment agency, in the expectation that this would result in the rapid selection of several sound candidates. This recruitment round was still ongoing at year end 2023.

To temporarily fulfil the position of Academic Director, Dr Christophe Paulussen accepted the request from the Supervisory Board to undertake this task. The Board would like to express its gratitude to Dr Paulussen for his willingness to fulfil this task. At the end of 2023, a new Managing Director was also identified in Dr Kasper Vrolijk, who will succeed the current Managing Director Gert Grift MSc, when he steps down in 2024.

In 2023, Prof. Dr André Nollkaemper (Dean of the Faculty of Law at the University of Amsterdam) and Prof. Dr Ivo Giesen (University of Utrecht, representative for the College of Deans) stepped down from the Supervisory Board. Both held quality seats in the Board, which they no longer occupy. We were delighted to be able to welcome Prof. Dr Mireille van Eechoud (Dean of the Faculty of Law, University of Amsterdam) and Prof. Dr Ronald Janse (Open University, representative of the Board of Deans) as their successors.



Prof. Dr E. Lijnzaad
Chairperson of the Supervisory Board T.M.C. Asser Instituut

Report from the Supervisory Board

Supervision in 2023

In 2023, the Supervisory Board met with the Board on 5 occasions. The most important subjects on the agenda were the recruitment of the Board Chairperson/Academic Director, the implementation of the agreement regarding cooperation between the University of Amsterdam (UvA) and the T.M.C. Asser Instituut, the successor to the Managing Director and the financial state of affairs, together with a number of larger projects (Ukraine and GCTF-AU).

Composition, appointment and selection

The composition and tasks of the Supervisory Board are laid down in the Articles of the Stichting. The Supervisory Board consists of five members who are appointed, suspended and dismissed by the Executive board of the University of Amsterdam, and comprises representatives of the University of Amsterdam, the international community in The Hague, representatives from the broader international work field and the Dutch Faculties of Law, whereby the Deans of the Dutch universities propose the latter representative. The members of the Supervisory Board step down on 31 November of the year in which they have been in office for a period of five years (and may be reappointed on one occasion). The primary task of the Supervisory Board is to supervise the policy of the (Executive) Board, including approving the strategic policy agenda and policy plans (including the budget and an indicative multiyear budget). The Supervisory Board meets on at least four occasions each year.

Remuneration and audit committee

The members of the Board are employees of the University of Amsterdam and seconded to the Stichting. Their remuneration is regulated in accordance with the collective labour agreement for Dutch Universities (VSNU). Each year an evaluation and performance interview are held with members of the Board and the Chairperson of the Supervisory Board. An audit committee has been appointed to assist the Supervisory Board in its auditing task and supervisory role, in particular in respect of financial affairs and risk management. This committee comprises G. Reus-Deelder MSc.

Members of the Supervisory Board in 2023

- Prof. Dr E. Lijnzaad (chairperson)
- Prof. Dr P.A. Nollkaemper (succeeded as from 01/01/2024 by Prof. Dr M. van Eechoud)
- Prof. Dr I. Giesen (succeeded as from 01/09/2023 by Prof. Dr R. Janse)
- G. Reus-Deelder MSc
- Prof. B. Smulders

Schedule for retirement

<u>Member</u>	<u>Joined</u>	<u>End of first period of office</u>	<u>Maximum period of office until</u>
Prof. Dr Lijnzaad	1/4/2021	31/12/2026	31/12/2031
Prof. Dr Van Eechoud	1/1/2024	31/12/2028	31/12/2033
G. Reus-Deelder MSc	1/4/2021	31/12/2026	31/12/2031
Prof. B. Smulders	1/4/2021	31/12/2026	31/12/2031
Prof. Dr R. Janse	1/9/2023	31/12/2028	31/12/2033

Remuneration policy

Members of the Supervisory Board receive no remuneration for Board membership nor for attending the Board meetings. They are entitled to not excessive payment for costs reasonably incurred by them in the fulfilment of their task.

Approval of the financial annual report

The financial annual report includes reports from the Board and the financial statements of the Stichting for 2023. The financial statements drawn up by the Board are audited by Van Ree Accountants. The audit committee discussed the financial statements with the Executive Board, the controller and the external accountant, in detail. In the presence of the external accountant, the Supervisory Board discussed the annual report with the Board. The Supervisory Board determined that this report satisfies all regulations and the requirements of good governance and transparency. Pursuant to these discussions, the audit statement and the accompanying report, the Supervisory Board hereby approves the financial statements. The Supervisory Board further approves the allocation of the operating result, with reference to the proposed profit appropriation. At the meeting of 29 May 2024, the Supervisory Board approved the financial statements for 2023.

Report from the Board

Objective

Established in 1965, the T.M.C. Asser Instituut has been a foundation (stichting) since 1994. It is an interuniversity knowledge and research centre for private and public international law and European law, and is based in The Hague and affiliated to the University of Amsterdam (UvA). Under Article 2 of its articles, the objective of the Stichting is 'to promote and support academic research and education in the field of international law and in the field of European law'. In achieving that objective, the Stichting strives for a 'strong knowledge cycle in the field of international and European law, including international and European law aspects of other areas of law, by maintaining relationships with institutions established in The Hague, the International City of Peace and Justice, in particular international legal institutions and ministries'.

Board

Under its articles, the Board of the Stichting consists of two members, who also function as the management of the institute. The position of Academic Director has been temporarily occupied since 1 December 2023 by Dr C. Paulussen. Ancillary positions: Supervisory Board and Associate Fellow rule of law responses to terrorism, International Centre for Counter-Terrorism (ICCT); Steering Committee, Netherlands Network for Human Rights Research; Managing Director, Koninklijke Nederlandse Vereniging voor Internationaal Recht; Editor-in-chief 'Security and Human Rights (Monitor)', Netherlands Helsinki Committee; Member of the editorial board 'Journal of Human Trafficking, Enslavement and Conflict-Related Sexual Violence' and 'Perspectives on Terrorism'; Board of Advisors to the Editorial Board, Yearbook of International Humanitarian Law; Advisory Board, Fund for Redress for International Crimes, Amsterdam University Fund. G.C. Grift MSc was Managing Director throughout 2023 and stepped down on 1 March 2024. Dr K Vroljik took up the position of Managing Director on 1 February 2024. Ancillary positions: Supervisory Board, International Centre for Counter-Terrorism (ICCT); Member of the Advisory Board, VSBfonds; Consultant, Vreedefonds; Member of the Selection Committee, VSBfonds at the University of Maastricht and University of Amsterdam; Senior Fellow, London School of Economics; Visiting Lecturer, University of Göttingen.

Works Council and meetings

Since 1 March 2023, the Works Council has consisted of the following members:

- Tom Rietmeijer, chair
- Geoff Gordon, vice chair
- Carl Emilio Lewis
- James Sexton
- Maylis Luna

At the end of November, Geoff Gordon stepped down from the Works Council for personal reasons. Due to the short period during which the Works Council remained in office, the decision was taken at the time to not appoint a replacement. Eva Da Costa holds the position of Official Secretary, but is not a member of the Works Council.

In 2023, the Works Council held four meetings with the (Executive) Board and on one occasion held an Article 24 meeting with the Supervisory Board and the Board. Recurring topics were discussed during these meetings such as the annual report and the budget, while attention was above all focused on working conditions. Important topics of discussion in 2023 were: the renovation of the building, the vacancies for Academic and Managing Director and possibilities relating to contact hours with the HR officer.

Values, vision and mission

Values: The Asser community is a socially engaged community which is dedicated to excellence, integrity,

inclusiveness and public values in conducting fundamental and applied research, providing education and training and informing legal practice, policy development and public debate.

Vision: We envisage a world where local, national and transnational public interests are protected and promoted by public and private international and European law. This is supported by critical reflection, conducive to prospects for action to address our global challenges.

Mission: The Stichting aims to further develop public and private international and European law by independently conducting fundamental, policy-oriented and applied legal research, as well as by initiating and facilitating academic and expert meetings, (professional) education and public events intended to disseminate knowledge about international and European law.

Based on the strategic research agenda '[Rethinking public interests in international and European law \(2022-2026\)](#)', the Stichting targets the topic of public interests. Pursuant to this research agenda, the institute aims to promote insights into the way in which public interests are understood, identified, used, (re)formed and how they operate in international and European public and private law and institutions. At the same time, we wish to investigate how public interests contribute to the (re)formation of international and European public and private law and institutions. Research can be both descriptive (the analysis of the use of public interests) and normative (for example questions relating to legitimacy) in nature.

We deploy this mission and research agenda in the form of strategic spearheads, operationalised in four areas for attention. The strategic spearheads and related activities are:

- Independent research (both fundamental and applied),
- Dissemination of knowledge via (professional) education and social engagement, both in legal practice, policy development and public debate.

The four focus areas within the research agenda are:

- In the public interest: accountability of the state and the prosecution of crimes. *Coordinator: Christophe Paulussen*
- Regulation in the public interest: Disruptive technologies in peace and security. *Coordinator: Berenice Boutin*
- Public interests and practices within international and European institutions. *Coordinator: Geoff Gordon*
- Transnational public interests: constituting public interests beyond and below the state *Coordinator: Antoine Duval*

Cooperation with the University of Amsterdam

On 1 September 2020, the current cooperation agreement between the T.M.C. Asser Instituut and the University of Amsterdam became effective. In this agreement, the University of Amsterdam, specifically the Faculty of Law (FdR) and the institute undertook to mutually coordinate the research agendas, based on the strategic policy agenda of the University of Amsterdam and to engage together in valorisation and professional education. The interuniversity duties of the institute shall be continued and are guaranteed in the agreement.

The cooperation agreement guarantees the financial contribution of the University of Amsterdam to the institute through to 2030. The Stichting also has the option to request the output-linked budget components from the University of Amsterdam, such as matching externally financed (research) projects and the PhD budget allocated upon completing a PhD thesis. Because the new agreement gives the University of Amsterdam decisive input regarding the appointment of the Supervisory Board, the Asser Institute has been affiliated with the University of Amsterdam since 2020, and the financial statements of the Stichting are consolidated in the financial statements of the University of Amsterdam.

In 2022, the UvA-FdR and the Stichting reached an agreement, in which the execution and implementation of the collaboration agreement for the next five years is laid down. In that agreement, the central focus is on joint research projects, professional education and valorisation. In 2023, a large number of activities were undertaken and further expanded in collaboration with the University of Amsterdam. Efforts were also heavily focused on establishing structural cooperation in the field of research, education and valorisation. Important cooperation projects in 2023 included:

Research

- DILEMA (Designing International Law and Ethics into Military Artificial Intelligence) research financed by the Dutch Research Council (NWO).
- Professorship on arms control at FdR: The new professorship was established on behalf of the institute, with support from the Dutch Ministry of Foreign Affairs.
- PhD candidates subject to joint supervision by staff of FdR and the institute.

Education

- Education (including Teaching and thesis supervision by researchers at FdR).
- Benchmark study for an Executive Master 'International Peace, Law and Security' in The Hague.

Valorisation

- Involvement of various FdR researchers in the institute series of lectures, seminars, conferences and other public events.

Activities in 2023

In 2023, the institute once again focused on its core mission: expanding its research portfolio and enhancing its academic profile. These tasks were based around the strategic research agenda, adopted in 2021 entitled 'Rethinking public interests in international and European law' (see above for more information). Based on our mandate as a research institute and this more specific research agenda, we continue to follow our ambition of transforming knowledge into education (at various universities), and training and events (for both professionals and policy officers and the general public, and within our interuniversity network).

Against that background, during the year under review, an even larger number of research-related activities (symposia, training sessions, cooperation with civil-society partners, etc.) were organised than in the previous year, largely in face-to-face settings and a number in a hybrid format. The most important of these events included our annual training sessions (for example in the field of international (criminal) law, counterterrorism, artificial intelligence and 'business and human rights') and activities within social debate (such as our collaboration with Movies that Matter and the secondary school project on international law with the Municipality of The Hague). Existing activities at universities in the field of education (and the related supervision of students and theses) were retained, and where possible further expanded for example with the University of Amsterdam and the Universities of Leiden, Utrecht and Brussels. Furthermore, research and capacity building projects commissioned by third parties were conducted. In 2023, our key partners were the Ministry of Foreign Affairs, the European Union (EU), the Dutch Research Council (NWO) and the Global Counterterrorism Forum (GCTF). The research output, (research) projects and events are described in the (substantive) annual report of the institute.

Global Counterterrorism Forum (GCTF)

In 2015, at the request of the then co-chairs of the Global Counterterrorism Forum (GCTF), the Stichting agreed to coordinate the GCTF Administrative Unit based in The Hague, and has thus become responsible for running the unit. In 2022, a new cooperation agreement was reached with the EU, the current co-chair of the GCTF, which will continue to apply through to the end of 2026. In the year under review, the US State Department continued to be the main financier of GCTF-related activities, together with the EU. This will continue to apply through to the end of 2026. Both financiers are in the process of

strengthening their financial support for the GCTF, for the coming years. In addition to being the coordinator of the Administrative Unit, on behalf of the American government, the Asser Institute conducts various substantive projects for the GCTF.

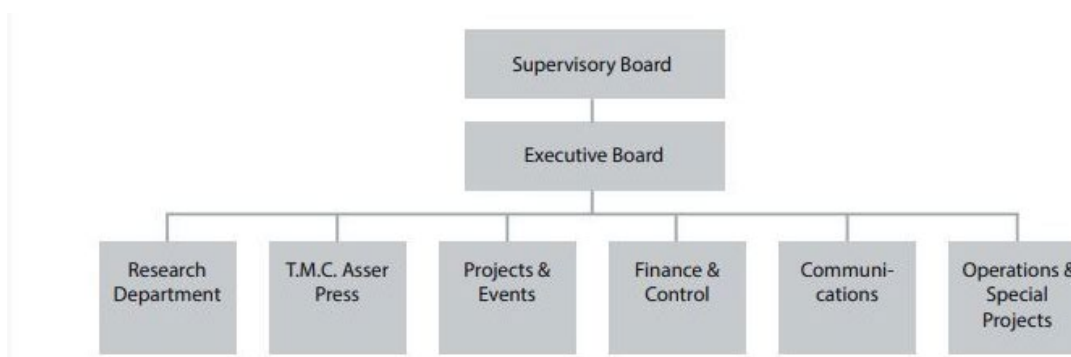
Asser Press

In 2023, the Stichting's publishing house Asser Press issued 18 journals and 17 books. The journals and books serve as important references in their respective work fields. The journals are the Netherlands International Law Review (NILR), the Hague Journal on the Rule of Law (HJRL), the European Business Organization Law Review (EBOR), the International Sports Law Journal (ISLJ), and Nederlands Internationaal Privaatrecht (NIPR). The key recurring themes in the books published by Asser Press are international criminal law, human rights law, European law and international humanitarian law. Absenteeism due to sickness resulted in a lower number of publications which, together with higher staff costs in 2023, led to a lower result.

Organisation

The Stichting actively works to be an open, safe and sustainable organisation that promotes reflection and development, with the aim of maintaining close ties with (and responding to) key topics in academic research and society. On 1 December 2023, Dr Christophe Paulussen accepted the position of temporary Academic Director, with a view to safeguarding the continuity of the institute and its research priorities, following the absence of an Academic Director in 2023.

Organisation chart Asser Instituut



Staff

In 2023, the institute employed an average of 56 salaried staff (50 FTE) of whom 27 academic staff (23.4 FTE), 20 support staff (18 FTE) and 9 employees (8.6 FTE) at the GCTF Administrative Unit. This represented a slight downturn as compared with 2022, when the Stichting maintained an average salaried staff of 57 (51.5 FTE). In addition, in 2023, 35 non-salaried staff were affiliated to the organisation, including consultants (4) and interns (31). In the same year, 4 visiting fellows were also affiliated to the organisation, including one Fullbright and Shelter City Fellow. The absenteeism percentage among salaried staff for 2023 was 4.4% (3.2% in 2022).

The organisation has grown over the past few years in terms of both academic and support staff. The growing number of externally funded projects which in turn entails more events and training sessions, and the increase in external education at universities and activities in the public debate have led to increased demands on researchers within projects and support staff in the projects and events office, and in the events and communication departments. The diversity of the activities undertaken by the organisation and the specialist knowledge the activities require has led to considerable efforts to fill vacancies and remains a permanent point of attention for a relatively small organisation.

Following extensive renovation in 2023 and a return to the office following the COVID-19 pandemic, efforts have been focused on strengthening the sense of community among staff. The aim of these efforts is to expand synergetic effects between research departments and between academic and support staff. Ensuring a balanced and diverse staff structure received specific further attention in 2023. Among others, the aim of offering young and talented staff an opportunity in the academic world and staffing the organisation with employees at various stages in their career resulted in the employment of more junior researchers and interns.

Accommodation

2023 saw the conclusion of the second and final phase of the extensive renovation of the premises owned by the Stichting. The overall objective was to guarantee a sustainable and pleasant working environment in which staff work productively to fulfil the organisation's mission. As a result of the investments in heat pump technology, energy-efficient equipment, modern air conditioning and the completion of the transition to LED lighting and light motion sensors initiated in the past, the institute has been awarded energy label A+++ for the building. Thanks to all these energy-saving measures, far-reaching insulation work and the re-establishment of an architecturally sound building, regular maintenance will be sufficient to maintain the building for the next 10 to 20 years. The assessment of and investments in regular maintenance will be carried out according to the Multi-Year Maintenance Plan (MJOP)

Sustainability

The Stichting aims to be a pioneer in sustainability and with that in mind we have established a clear focus on various aspects of sustainability policy. In addition to the recent renovation of the Stichting's premises, in consultation with our travel agency, we compensated for the CO2 emissions of any flight travel undertaken by our staff and speakers and participants in our activities. In addition, wherever possible, staff, speakers and participants are accommodated in hotels that support sustainability principles. As already described, we aim to enhance the sustainability of academic research by focusing on young researchers and offering them opportunities to further develop their academic career. A future ambition is to implement an organisation-wide policy that takes various other aspects of sustainability into account, including catering.

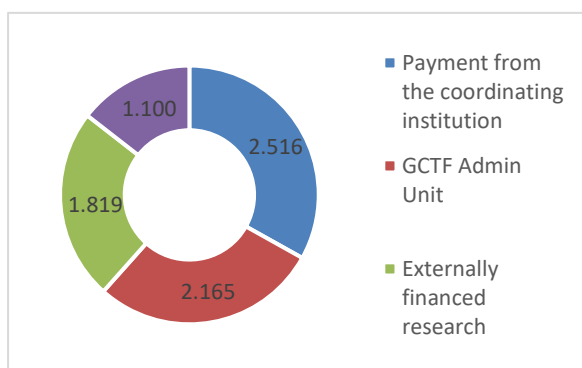
Operating result

The operating result for 2023 was €291,000 negative. This is lower than the result for 2022 (€38,000 positive) and the budgeted result (€73,000 negative).

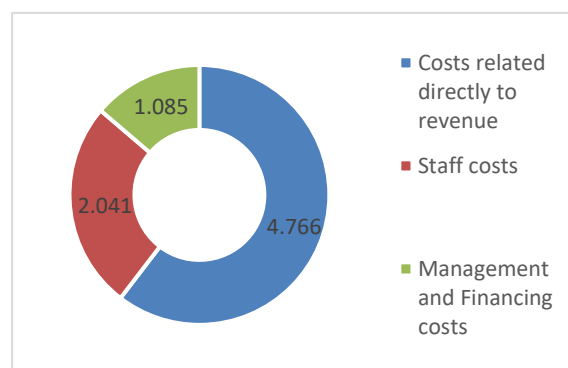
Income and Expenditure

Income and expenditure can be summarised in diagrammatic form, as follows:

Income



Expenditure



Deviation in respect of the budget

Total income was €732,000 lower than budgeted, primarily due to:

- Fewer activities carried out at the GCTF Admin Unit than expected when the budget was drawn up.
- Disappointing contributions from the University of Amsterdam regarding completion of these
- Structurally lower income from education and events

Payment from the coordinating institution

The Stichting receives a basic annual grant of around €2.3 million from the University of Amsterdam. In addition, an amount of €165,000 was received in 2023 from the matching programme and €73,000 PhD contributions from the University of Amsterdam.

Deviation in expenditure as compared with budget

Total costs were €514,000 lower than budgeted, as a result of:

- Fewer activities in the GCTF Admin Unit also resulting in lower costs. However, income was disappointing as compared with the costs, resulting in a lower than budgeted margin. Costs were also incurred as a consequence of negative exchange rate fluctuations.
- General price rises, for example in accommodation and other costs and the printing costs of Asser Press.
- Higher staff costs (see below) due to changes in the collective labour agreement, but eventually lower total staff costs than budgeted due to the later or not filling of certain vacancies.
- Additional renovation costs, resulting in higher accommodation costs than budgeted.

Staff costs

Despite lower than budgeted staff costs, absolute costs for staff rose in 2023. This rise was almost entirely due to a one-off payment and the 9% salary increase that came into force on 1 August 2023 in the collective labour agreement. Only part of this increase in salary costs could be charged on to projects. The number of staff also rose by 2 FTE during the course of 2023 as compared with 2022, resulting in an increase of €97,000 for salaries and premiums. The decline in external recruitment was mainly caused by the additional recruitment that took place within the secretariat, in 2022. Changes in staff costs with respect to 2022 may be summarised as follows:

Analysis of salaries

	2023
(x €1,000)	
Increase in salaries and premiums	501
Higher charges to projects	-189
Decline in external recruitment	-64
Other changes	<u>36</u>
Total increase	285

Adjusted result

The adjusted result - the operating result following correction for incidental income and expenditure - amounts to €338,000 negative, lower than for 2022 (€69,000 negative). The operating result aligns with the adjusted result as follows.

	2023
(x €1,000)	
Result financial year	-291 expenditure
Non-recurring expenditure	
Additional costs for renovation	115
One-off payment to employees	<u>45</u>
	160
Non-recurring income	
Release of reserve GCTF staff costs 2018	<u>-207</u>
Adjusted result financial year	-338 expenditure

The additional costs for the renovation related primarily to the renting of and move to temporary alternative accommodation. As indicated above, the adjusted result reflects the fact that increased staff costs as from 1 August 2023 could not be charged on to all elements of the income. It remains important that we monitor the results from education, training sessions and events (in the interim) and more specifically consider choices between negative results and substantive (academic) interests. The statement of income and expenditure for each activity can be summarised as follows:

	Income	Expenditure	Margin
Externally financed research	1,827	1,654	173
GCTF	2,165	1,840	325
Publications	356	367	10-
Consultants	4	3	1
Rent and services	41	-	41
(Regular) education	82	131	49-
Coordination and management ICCT	-	28	28-
Interuniversity networks	70	109	39-
Education, training sessions and events	529	597	68-
Research support and dissemination	10	29	19-

Financial position

Solvency, financial resilience and current ratio

Solvency of the Stichting as at 31 December 2023 amounted to 43%, representing a slight downturn as compared with last year (2022: 49%). The solvency reflects the ratio between equity and total assets. It is an indication of the extent to which the Stichting is able to meet its debts in the long term. Financial resilience was 43% in 2023 (48% in 2022). Financial resilience is an indicator of equity in respect of total income and reflects the financial resilience of the organisation. The current ratio fell in 2023 to 0.99 (2022: 1.30). The current ratio reflects the ratio between current assets and short-term debts, and is a yardstick for liquidity. A ratio in excess of 1 indicates that short-term debts can be met with current assets available. As laid down in the cooperation agreement with the University of Amsterdam, the organisation aims for a lower limit for solvency and financial resilience of at least 25%, and as such demonstrated good financial health in 2023. In 2023, the current ratio was relatively disappointing due to high incidental expenditure for the large-scale renovation which took place in that year.

The organisation's general reserve is used as a continuity reserve, given that the Stichting depends on projects of restricted duration (between one and a few years). This accommodates the risks that new projects may not be approved or may not be approved in time. One particular risk concerns the contribution of the GCTF towards managing the Administrative Unit and the implemented projects, which account for a substantial share of the income of the Stichting. In the unfortunate event that this income disappears, there would be non-recurring transition costs in addition to a lasting effect on operations. Because equity consists largely of fixed assets, the Stichting aims to have more expansive, solid equity, consisting substantially of working capital available in the near future, thereby safeguarding the liquidity of the organisation.

Continuity, future expectations and risk management

The Stichting serves the general interest and is mainly financed with public funds. At the same time we are expected to be entrepreneurial, with a view to ensuring maximum revenue from the public investment, and generating sufficient income to be able to fulfil our objectives and mission. Another core task of the Stichting is to conduct excellent research and thus to valorise the resultant knowledge outside the academic framework. Against that background, the Board is constantly searching to achieve a sound balance between its academic, commercial and entrepreneurial objectives, and the risks it considers admissible in achieving these objectives. The objective and risks are accounted for in the multiyear budget. From the point of view of financial health of the Stichting, the Board works to minimise a budget shortfall (see also the budget for 2024 below) according to a risk management policy. The central elements of this policy are:

- Balancing risks is a structural element of the planning and control cycle within the organisation.
- Systems for risk management/governance and internal control are established as necessary. Their purpose is to identify significant risks, to monitor the realisation of objectives and to guarantee compliance with legislation and regulations.
- The (Executive) Board is responsible for the systems of risk management and internal control, and their implementation.
- The Board has final responsibility for risk appetite: determining what is acceptable given the (extent of) risks taken. The Supervisory Board has supervisory task.

Over the coming year, the Stichting will build on its tradition of independent research, and will work to further enhance the academic and societal profile of the institute. An essential element of sound and innovative research is maintaining and further professionalising its interuniversity network and activities. In line with its mission and policy in recent years, the institute will continue to focus attention on the role and added value of the valorisation of knowledge from research in its educational and societal role, for example in training sessions, meetings and as a partner in social initiatives. We will continue to follow the reasoning that these valorisation activities also serve as vital input for (innovative) academic research. Another ambition is staff development and occupying a leading role within the various areas of

research of the institute.

The institute's fixed costs (including management costs and permanent staffing costs) last year were €609,000 above the basic grant received from the University of Amsterdam. This discrepancy must be covered from the gross margin on externally financed projects in the field of research, education, events and training sessions. In the period 2019 to 2022, this required gross margin was generated by attracting (multiyear and highly reputable) externally funded projects, which tie in with the fields of research of the institute. Also in the year under review, externally funded research generated positive financial results. The return on education and events, with disappointing income set against the costs, remains a cause for concern. It remains important that we improve the streamlining and organisation of the processes and success indicators. Another important point for evaluation is matching with the strategic fields of research of the institute and how these can generate added value, together.

Above all given the relatively small scale of the organisation, the overall capacity of academic and management support - including financing, HR, ICT and accommodation - remain permanent points for attention. In the year under review, steps were taken to utilise the capacity and knowledge generated from collaboration with the University of Amsterdam for the benefit of the institute, for example in education (both in terms of teaching and PhD supervision), research (funding) and communication. In addition, in a number of areas, efforts were made to improve the efficiency of processes surrounding projects and activities (for example the introduction of a project management tool). Wherever necessary, specialist external expertise and support will be called in. The extensive renovation of the building in the year under review means that the institute's accommodation is secured for the coming years.

In the framework of the strategic policy plan, a new multiyear budget was drawn up in 2021 for the period 2022-2026. The conclusion of the multiyear budget is that the financial position of the institute is healthy in the near future, but that from 2024 onwards, when a number of major long-term projects (such as Matra, DILEMA, and the professorship in arms control law) draw to a close and the possible ending of the GCTF grants and commissions there could be a risk regarding the covering of overhead costs. Although the loss of income from these projects also means an end to the project-related costs, as previously indicated, external projects remain essential if we are to cover the discrepancy between the basic grants from the University of Amsterdam and the fixed costs for personnel, accommodation and the organisation's other depreciation costs.

Management and control system

Risk management is a permanent and important aspect of the financial and operational planning and control cycle within the Stichting, and is an integral part of our strategic (four-yearly) and annual planning process. According to this process, reports are drawn up at various levels within the organisation each year (annual report), each quarter (management reports) and in real time (budget summaries). The Managing Director is responsible for internal risk management. The Supervisory Board, in particular the audit committee, is responsible for supervision, a process in which they take into account the opinion of the external accountant (each year). External supervision and monitoring are conducted by the University of Amsterdam (in accordance with the agreement) and in the form of visitations via the Standard Evaluation Protocol (SEP) in particular in respect of research output. Based on the above, we are convinced that the systems of risk management and internal control offer a reasonable degree of certainty regarding the financial reporting risks and in ensuring that the financial report contains no materially relevant inaccuracies.

Summary of key risks and risk management measures

Every two years, the Stichting organises an internal assessment of the various risks. This risk inventory is shared and discussed with the Supervisory Board, and appropriate measures are agreed upon. The key risks and measures are listed below.

- **Externally funded projects:** externally funded (research) projects form a vital foundation for the academic and financial activities of the Stichting. Despite a fairly accurate estimate of the awarding of project funding, the approved projects fluctuate year on year. There is also variation in the size of the budget and the duration of the project and variation in other key project characteristics such as the type of financial backer and network. This represents a risk for consistent and sustainable staffing and the funding of activities within the Stichting. In addition, internal and external factors can influence the contractual process and payment, potentially resulting in delays, budget overruns and capacity problems. To mitigate these risks:
 - One relevant measure is a quarterly project acquisition forecast, with as its reference point the proposed receipt of income from projects from the multiyear budget.
 - Interim monitoring and final evaluation (compared with the initial budget and terms of reference) must be carried out at project level.
 - A general financial quarterly analysis and forecast must be undertaken in order to permit an interim risk assessment and possible adjustments.
 - It is important that the process be streamlined during the course of the project (i.e. during acquisition, project implementation and management and reporting).

- **Personnel:** attracting talented staff who match the diverse portfolio of activities of the Stichting is a continuous challenge, in terms of both academic and support staff. The extreme fluctuations on the labour market, above all among academic staff, make retaining expertise a point for concern. It is also important that we continue to develop the competences of staff in order to be able to respond to requests from the academic world and the market, and to enable staff to enjoy permanent professional development in the long term. This also involves recognising and appreciating personal ambitions and qualities, and recognising the challenge of bringing together the diversity within the organisation as a source of added value. Another recurring point for attention is the considerable pressure of work, while the work culture remains a vital asset within the organisation, that must be cherished. These risks can be mitigated by:
 - Focusing attention on annual and interim interviews with employees to identify ambitions, expectations and points for attention, and to ensure interim evaluation of progress achieved.
 - Close cooperation between the Executive Board and the Works Council and confidential advisors within different layers of the organisation, the interim training of Works Council members and the evaluation of important dossiers within the organisation, as well as regular employee satisfaction surveys.
 - A reassessment of the policy for individual remuneration with a view to retaining valuable staff members and rewarding people for their efforts and dedication.

- **Politics:** a proportion of externally funded projects originate from ministries or financial backers linked to ministries or government (e.g. Foreign Affairs MATRA). Additionally, the University of Amsterdam grant is (indirectly) provided by the Dutch Ministry of Education, Culture and Science. Changes in political decision making can as such engender potential risks, including the (topics of) activities to be undertaken, the funding budgets and the conditions imposed on funding applications.
 - Close ties are maintained with the relevant stakeholders and financial backers to make it possible to assess these risks (and their scale).
 - Political changes, on both a national and international level, are closely monitored in order to predict possible policy changes and to ensure that appropriate measures are taken.

- **ICT infrastructure:** the maintenance and further development of the information and communication systems within the organisation are essential to the efficient running of those processes. Delays or failure to invest in this area could have a negative impact on operations, for example in terms of project management, financial control and reporting, and support for the academic tasks of the institute. Additionally, a series of developments in data security demand a response. With this in mind, the organisation is structured according to:
 - National and international standards and measures for IT security.

- Regular updates to software and hardware, including assessment according to existing guidelines and best practices.
- The monitoring of IT systems to gather insights and identify potential risks.

- Regulations and integrity: the management framework is primarily subject to Dutch, European and to a certain extent international regulations, including regulations relating to the Stichting (ANBI foundation status) and GDPR compliance. The organisation also upholds a series of processes aimed at fraud prevention, including the separation of executive and controlling functions within the organisation, the approval of invoices and a system of random checks for projects. We have also established mechanisms for monitoring the personal details and payment details of staff, in a number of different ways.

Budget 2024

The budget for 2024 shows a positive result of €7,000. On the income side, the University of Amsterdam grant is due to rise. This will partially compensate for the considerable rise in staff costs in 2023, in addition to which more projects will satisfy the conditions of the matching budget. Elsewhere, stricter internal agreements and tighter procedures for teaching and targets for events should result in a higher margin. On the cost side, the further development of the website has been taken into account, and periodic corrections made for inflation. Staffing levels are expected to remain unchanged. The budget for 2024 was adopted in November 2023 by the Executive Board, and approved by the Supervisory Board. The simplified format of the budget is as follows:

		Budget 2024
(x € 1,000)		
Income		
Payment from the coordinating institution	2.835	
Other income	<u>6.518</u>	
Total income		9.353
Direct costs		<u>6.049-</u>
Gross margin		3.304
Expenditure		
Staff costs	2.175	
Depreciation costs	355	
Office accommodation costs	267	
Other costs	<u>389</u>	
		3.186
Financing costs		111
?		<u> </u>
Operating result		<u><u>7</u></u>

Financial statements for 2023

Balance sheet on 31 December 2023 (after profit appropriation)

Assets	31 december 2023	31 december 2022
(x € 1,000)		
Fixed assets		
<i>Tangible fixed assets</i>		
Buildings and sites	4.926	3.817
Installations	575	2
Computer equipment	49	55
Inventory	87	64
Assets in development	-	120
	5.637	4.058
Current assets		
<i>Receivables</i>		
Debtors	219	37
Other receivables and prepayments and accrued in	1.429	1.403
	1.648	1.440
<i>Liquid assets</i>	388	1.745
Total current assets	2.036	3.185
TOTAL ASSETS	7.673	7.243

Liabilities	31 december 2023	31 december 2022
(x € 1,000)		
Equity	3.276	3.443
Provisions	97	226
Long-term liabilities	2.233	1.125
Current liabilities		
Creditors	81	31
Current account University of Amsterdam	348	118
Other payables and accruals and deferred income	1.638	2.300
Total current liabilities	2.067	2.449
TOTAL LIABILITIES	7.673	7.243

Statement of income and expenditure for 2023

	2023	Budget 2023	2022
(x € 1,000)			
Income			
Payment from the coordinating institution	2.516	2.593	2.319
<i>Other income</i>			
Externally funded research	1.819	1.691	1.781
GCTF	2.165	2.928	2.219
Publications	365	347	420
Other revenue	735	773	681
	<u>5.084</u>	<u>5.739</u>	<u>5.101</u>
Total income	7.600	8.332	7.420
Direct costs	4.766-	5.158-	4.739-
Gross margin	2.834	3.174	2.681
Expenditure			
Staff costs	2.041	2.304	1.756
Depreciation costs	252	272	282
Office accommodation costs	379	301	257
Other costs	353	300	302
	<u>3.025</u>	<u>3.177</u>	<u>2.598</u>
Financing costs	100	70	46
Operating result	291-	73-	38
Appropriation of result			
Charged to earmarked reserve substantive development	57-	-	48-
	234-	73-	86
Charged to general reserve			
Total appropriated result	291-	73-	38

Cash flow chart for 2023

(x € 1,000)	2023	2022
Operating result	291-	38
Adjustments for:		
- Changes in provisions	7-	3-
- Depreciations	<u>252</u>	<u>282</u>
	45-	317
Change in working capital:		
- Receivables	208-	193-
- Creditors	50	8-
- Current account University of Amsterdam	231	118
- Other payables and accruals and deferred income	<u>661-</u>	<u>358</u>
	<u>588-</u>	<u>275</u>
Cash flow from operating activities	633-	592
Investments in:		
- Tangible fixed assets	<u>1.832-</u>	<u>182-</u>
Cash flow from investment activities	1.832-	182-
Repayment/withdrawal loan from UvA	<u>1.108</u>	<u>75-</u>
Cash flow from financing activities	1.108	75-
Total cash flow	1.357-	335
Change liquid assets		
- Balance liquid assets on 31 December	388	1.745
- Balance liquid assets on 1 January	<u>1.745</u>	<u>1.410</u>
	1.357-	335

Notes pertaining to the financial statements for 2023

General

Stichting T.M.C. Asser Instituut (hereafter: the Stichting) is dedicated to operating and maintaining an academic institute that promotes and supports academic research and education on international law – comprising private international law, law on international commercial arbitration and law of nations – and on European law

The Stichting pursues this mission inter alia by launching operations and activities at the academic institute to promote the (international) rule of law.

Academic research is valorised in part by publishing books, journals and other works at the internal publishing company under the trademarks T.M.C. Asser Press.

The financial statements have been drafted in accordance with the Richtlijn voor de Jaarverslaggeving 'Kleine organisaties zonder winststreven' [Dutch Accounting Standards Board Guidelines for Annual Reporting for small not-for-profit organisations] (RJK C.1).

All amounts are listed in thousands of euros except where indicated otherwise.

Principles for valuation and determination of results

System change

Following completion of the renovation in 2023, the multiyear maintenance plan (MJOP) was revised together with the way in which the Stichting wishes to fund its multiyear maintenance. In response, the decision was taken to capitalise maintenance instead of forming a provision for major repairs. This change to the treatment of major repairs is seen as a system change. The system change will result in the release of the provision for major repairs. Depreciation will be applied over future major repairs. The effect of the system change is as follows:

	Before correction	Correction	Following correction
(x € 1,000)			
Equity on 1 January 2023	3.443	124	3.567
Provisions on 1 January 2023	226	124-	102

The effect of the system change has been accounted for in accordance with the Guidelines for Annual Reporting as a direct change to equity on 1 January 2023.

Use of estimates

Drafting the financial statements requires the management to form opinions and make estimates and assumptions influencing the application of principles and the reported value of assets and liabilities and of income and expenditures. The actual outcomes may differ from these estimates. The estimates and underlying assumptions are assessed continuously. Revisions of estimates shall be included in the period for which the estimate is revised and in future periods affected by the revision.

Estimate change

Following completion of the renovation, the system of depreciation on the building was reassessed. This assessment revealed that depreciation to a residual value of the original building will result in a better representation of the value of the building. Up to and including financial year 2022, the depreciation on the building was based on a residual value of zero. The adjusted appreciation has been accounted for in the depreciation burden for financial year 2023.

Presentation correction

To ensure net presentation of own income, income from externally funded research relating to fellow grant recipients (for which the Stichting is coordinator) and accompanying direct costs are not accounted for in the statement of income and expenditure for 2023. This presentation correction will have no effect on the equity or operating result. The comparative figure has been duly adjusted.

Tangible fixed assets

Tangible fixed assets are valued at acquisition value less amortisations or lower market value. Depending on the probable economic life, depreciation shall be based on a fixed percentage of the acquisition value.

Extraordinary impairments of tangible fixed assets

On each balance sheet date, the institute determines whether there are indications that a tangible fixed asset may be subject to an extraordinary impairment. If such indications are present, the fair value of the asset is determined. An impairment is extraordinary when the book value of an asset exceeds the fair value; the fair value is the higher of the realisable value and the value-in-use. The realisable value is determined based on the active market. An extraordinary impairment is reported as a direct expenditure on the statement of income and expenditures. If an extraordinary impairment declared in the past proves no longer to apply or has diminished, then the increased book value of the assets concerned shall not exceed the book value that would have been determined if no extraordinary impairment had been declared for the asset.

Stocks

Ongoing projects

Ongoing projects are declared whenever a project extends beyond the balance sheet date. Declaring the item is based on:

- The terms of the grant for the project concerned
- Changes? in funded costs during the term of the project.

If an asset arising from an ongoing project is based on an interim settlement submitted to the grant provider, this item is declared as 'Still receivable on projects' at the other receivables, including prepayments and accrued income.

In the notes to the balance sheet, the procedure for declaring the tangible projects is explained.

Receivables

Receivables are initially assessed at the fair value of the consideration. These receivables are subsequently valued at the amortised cost. A provision for non-recoverability is subtracted from the receivables. The amount of this provision is based on an individual assessment of the receivables.

Liquid assets

Liquid assets are assessed at face value. If liquid assets are not freely disposable, this will be taken into account in the valuation.

Liquid assets in foreign currency, as of balance sheet date, are converted to the functional currency according to the exchange rate applicable on that date.

Provisions

A provision shall be listed on the balance sheet, if:

- It is a legally enforceable or an actual liability that arises from an event in the past;
- A reliable estimate may be given for it, and
- Settling the liability is likely to require an outflow of funds.

Provisions are valued at the face value of the expenditures expected to be necessary to cover the liabilities and losses.

Long-term and current liabilities

Long-term and current liabilities are initially assessed at fair value. After the initial declaration they are valued at the amortised cost.

Other assets and liabilities

Other assets and liabilities are assessed at face value.

Income and expenditure

Income is obtained largely through:

- a. Payment from the coordinating Institution (including annual grant, matching and PhD contribution);
- b. Revenues from awarded applied and fundamental research and advice provided;
- c. Revenues from programmes, training sessions and events;
- d. Earmarked grants from the different government ministries to support specific activities relating to research, education and documentation; and
- e. Revenues from publications.

Income and expenditure are declared in the year they concern.

Employee remuneration

Employee remuneration is depicted as an expenditure on the income statement for the period in which the work was performed and, if not yet paid, is listed on the balance sheet as a liability.

Pension costs

Staff members are employed not by the Stichting but by the University of Amsterdam. Pension rights are insured with the ABP by the University of Amsterdam. In the event of shortfalls in the pension fund, the Stichting shall not be liable for additional payments, except to cover future premium increases.

The pension costs to be declared for the pension rights equal the pension premiums payable to the pension fund for that period. The pension premiums due are booked to the current account with the University of Amsterdam.

Taxes

The Stichting was granted an exemption from corporation tax upon its establishment and since then has performed activities relating to the mission and vision as resolved. The sources of funding of the Stichting are in part exempt from and in part subject to value added tax. As a result, the Stichting cannot deduct all advance levies.

Cash flow chart

The cash flow chart has been compiled according to the indirect method.

Fixed assets

Tangible fixed assets

Changes in tangible fixed assets are depicted in the chart below:

	Buildings and sites	Installations	Computer equipment	Inventory	Assets under development	Total
(x € 1,000)						
Balance on 1 January 2023						
Purchase price	6.643	157	167	553	120	7.640
Cumulative depreciations	2.826	155	112	489	-	3.582
	3.817	2	55	64	120	4.058
Changes in book value						
Investments	1.269	604	26	53	-	1.952
Divestments purchase value	-	-	-	-	120-	120-
Divestments depreciation	-	-	-	-	-	-
Depreciations	160-	31-	32-	29-	-	252-
	1.109	573	6-	24	120-	1.580
Balance on 31 December 2023						
Purchase price	7.912	761	193	606	-	9.472
Cumulative depreciations	2.986	186	144	518	-	3.835
	4.926	575	49	87	-	5.637
Depreciation percentage	3,33%	20,00%	33,33%	20,00%	0,00%	
		10,00%				

Depreciation on buildings and sites will be carried out to a residual value of €512,000. The air conditioning system (part of the installations) will be written off over a 10-year period.

The fair value of the premises at 20-22 R.J. Schimmelpennincklaan in The Hague was issued on 26 January 2024 and amounts to €5,250,000. This means that the fair value gives no indication for special downward value adjustment of the premises.

On 30 January 2018, a €1.5 million loan was agreed with the University of Amsterdam (term 20 years, interest rate 3.75%) to fund the renovation work carried out in 2017-2018. The University of Amsterdam negotiated a first right of first mortgage on the premises to secure the loan.

The second phase of the renovation carried out in 2023 was also financed by the University of Amsterdam. On 9 May 2023, an annuity loan in the amount of €1.25 million was received (term 20 years, interest rate 5.5%). Also for this loan, the University of Amsterdam negotiated a first right of first mortgage on the premises.

Current assets

Inventory

Ongoing projects

	Start date	End date	Total grant	Balance on 1 January 2023			Annual income 2023	Received less forwarded in 2023	Balance on 31 December 2023		
				Work in progress	Still to be received/ prepaid	Received in advance/ Still payable			Work in progress	Still to be received / prepaid	Received in advance / Still payable
Accountability Ukraine	1-09-23	31-12-24	1.870	-	-	-	91	10	-	80	-
Inland shipping	1-12-22	30-06-23	39	-	-	-	37	-	-	37	-
CT Programme	1-01-23	31-12-23	-	-	-	-	63	79	-	-	16
Dilema (NWO)	2-06-20	31-03-24	616	-	44	-	131	154	-	20	-
ECSCCE	1-01-21	31-12-23	29	-	18	-	-	-	-	18	-
Elsa Lab	1-01-23	31-12-26	304	-	-	-	44	122	-	-	78
GCTF AU VS	5-05-15	31-12-22	9.216	-	469	-	1.800	1.620	-	648	-
GCTF AU Canada '19/ '21	1-10-19	31-10-22	1.591	-	252	-	-	252	-	-	-
GCTF AU EU '20	1-01-20	31-12-23	390	-	158	-	145	5-	-	298	-
GCTF AU EU '23	1-01-23	31-12-23	1.180	-	-	1.180	759	5	-	-	417
Municipality of The Hague Arms control	1-01-22	31-12-22	36	-	-	16	27	32	-	-	22
Municipality of The Hague Feasibility study	1-01-22	31-12-22	26	-	-	26	26	-	-	-	-
Municipality of The Hague Knowledge and educat	1-08-20	31-12-22	81	-	-	3	-	3-	-	-	-
GS Fund	1-01-16	1-09-20	1.130	-	-	6	-	-	-	-	6
Hera	1-09-16	30-08-19	333	-	-	2	-	-	-	-	2
ICL-TCL	1-01-24	31-12-24	-	-	-	82	137	179	-	-	124
Judgtrust	1-11-18	31-10-21	463	-	30	-	-	30	-	-	-
Law & journalists	22-01-20	31-12-22	160	-	59	-	-	114	-	-	55
Professorship arms control	1-04-20	1-04-25	372	-	-	33	77	70	-	-	27
Matra Ukraine	1-07-20	30-06-24	1.897	-	-	176	536	541	-	-	181
Pax	1-11-20	31-10-22	99	-	13	-	-	13	-	-	-
Pax2	1-11-22	31-10-24	108	-	-	-	53	71	-	-	18
Phoenix	-	-	-	-	36	-	-	36	-	-	-
Quantum Delta	1-09-23	31-08-25	161	-	-	-	9	-	-	9	-
RAMP	1-09-21	31-08-24	263	-	-	66	102	-	-	35	-
Research safety journalists	21-11-23	21-05-24	83	-	-	-	12	66	-	-	55
Tepsa	1-10-23	-	-	-	-	-	3	-	-	3	-
Unitar	1-11-22	31-10-23	16	-	-	-	17	12	-	4	-
US Aid	1-01-23	31-12-23	-	-	-	-	33	-	-	33	-
US State Arms Export	1-11-23	31-03-25	264	-	-	-	14	-	-	14	-
VW Democracy	1-10-21	30-09-24	300	-	-	148	127	-	-	-	21
WMD Contribution Ministry Foreign Affairs	1-01-22	31-12-22	-	-	19	-	21	43	-	-	3
				-	1.098	1.739	4.259	3.442	-	1.199	1.023

The balance sheet items 'Still to be received' and 'Received in advance/Still payable' have been declared at the other receivables, including prepayments and accrued income ('Still to be received on projects') and other payables and accruals and deferred income ('Received in advance/ Still payable on projects') respectively.

Receivables

Debtors

	31 December 2023	31 December 2022
(x € 1,000)		
Debtors	219	41
Less: provision for bad debts	-	4-
	219	37

The development of the provision for bad debts is as follows:

	2023	2022
(x € 1,000)		
Position on 1 January	4-	-
Less: withdrawals	4	-
Less: release	-	-
Added: allocations	-	4-
Position on 31 December	-	4-

Other receivables including prepayments and accrued income

	31 December 2023	31 December 2022
(x € 1,000)		
Still to be received on projects	1.199	1.098
Paid in advance to partners	28	50
Prepayments and accrued income	176	202
Value added tax	-	35
Deposits	26	18
	<u>1.429</u>	<u>1.403</u>

For the numerical specification of the item 'Still to be received on projects', see the notes to work in progress on ongoing projects.

Liquid assets

	31 December 2023	31 December 2022
(x € 1,000)		
Bank accounts	<u>388</u>	<u>1.745</u>

The entire bank balance is due on call free of charge as of 31 December 2023.

Equity

Equity may be itemised as follows:

	31 December 2023	31 December 2022
(x € 1,000)		
General reserve	2.946	3.056
Earmarked reserves	<u>330</u>	<u>387</u>
	<u>3.276</u>	<u>3.443</u>

Changes to equity are depicted in the chart below:

	General reserve	Earmarked reserve Substantive development	Total
(x € 1,000)			
Balance on 1 January 2023	3.056	387	3.443
System change from 1 January 2023	124	-	124
Balance on 1 January 2023 following system change	3.180	387	3.567
Result appropriation financial year	234-	57-	291-
Allocations	-	-	-
Withdrawals	-	-	-
Release	-	-	-
Balance on 31 December 2023	2.946	330	3.276

General reserve

The general reserve is used as a continuity reserve, given that the Stichting depends on projects of limited/restricted duration (up to a few years). This accommodates the risks that new projects may not be approved or may not be approved in time.

The release of the provision for major repairs as a consequence of the system change is accounted for in the general reserve on 1 January 2023.

Earmarked reserve for 'Substantive development'

Funds from this earmarked reserve may be used only to supplement funds already available in the normal operations of the Stichting and intended to promote:

- Developing and innovating educational activities;
- Elaborating and encouraging academic events and congresses, provided they are compatible with the mission and strategy, if no other funds are available or can be found;
- Promoting publications on what are known as open access forums;
- Making payments towards accommodation for visiting fellows;
- Promoting PhD research through occasions (pre-)financing of PhD positions and co-financing guidance of PhD candidates

Profit appropriate from the financial year consists of a withdrawal of €57,000 to cover the salary from September 2021 of a staff member awarded a PhD. This helps further PhD research.

Provisions

The provisions may be itemised as follows:

	31 December 2023	31 December 2022
(x € 1,000)		
Unemployment benefits provision	-	18
Major repairs provision	-	124
Other provisions	97	84
	97	226

Unemployment benefits provision

With regard to envisaged future expenditure, a provision for unemployment benefits has been included on the balance sheet. The amount of the provision is based on the accrued rights of the employees using the provision at this time and on an estimate of their chances on the job market. During the course of 2023, these accrued rights for the employees in question came to an end. At year end 2023, there are no employees with accrued rights for which a provision must be made.

Major repairs provision

As a consequence of the system change, the major repairs provision was released on 1 January 2023.

Other provisions

The other provisions include a provision to cover anniversary benefits paid to employees and a provision for transition payments likely to be paid to employees with temporary contracts.

The changes in the provisions are as follows:

	Unemployment benefits provision	Major repairs provision	Other provisions	Total provisions
(x € 1,000)				
Balance on 1 januari 2023	18	124	84	226
System change on 1 January 2023	-	124-	-	124-
Balance on 1 January 2023 following system change	18	-	84	102
Less: withdrawals	11-	-	16-	27-
Less: release	7-	-	6-	13-
Added: allocations	-	-	35	35
Balance on 31 December 2023	-	-	97	97

Long-term liabilities

The long-term liabilities relate to two loans from the University of Amsterdam to finance the renovation of the premises at 20-22 R.J. Schimmelpennincklaan in The Hague.

	Long-term portion	Short-term portion	Term longer than 5 years
(x € 1,000)			
Loan 1	1.050	75	750
Loan 2	1.183	37	1.057
Total	2.233	112	1.807

Loan 1

The term is 20 years, and the annual payment covered €75,000 of the principal. The interest rate on the loan is 3.75% per annum. The loan is secured according to the following conditions:

- First right of first mortgage, to be established on the premises.
- The lender shares in all non-subordinated securities issued or to be issued by the Stichting.
- The institute will not sell the building or involve it in sale-and-leaseback arrangements without written permission from the University of Amsterdam.

Loan 2

This is an annuity loan with a term of 20 years and an annual annuity of €104,599. The interest rate on the loan is 5.50% per annum. The loan is secured according to the following conditions:

- First right of first mortgage, to be established on the premises.
- The lender shares in all non-subordinated securities issued or to be issued by the Stichting.
- The Stichting will not sell the building or involve it in sale-and-leaseback arrangements without written permission from the University of Amsterdam.

In 18 July 2023, a mortgage deed for both loans was executed before the civil-law notary.

Current liabilities

Current account University of Amsterdam

In the current account, the following changes are accounted for during the financial year:

- Income regarding the payment from the University of Amsterdam to the Stichting
- The expenditure regarding the charging on of personnel from the University of Amsterdam to the Stichting

The current account will be settled in 2024 in accordance with the Covenant.

Other payables and accruals and deferred income

	31 December 2023	31 December 2022
(x € 1,000)		
Received in advance/ still payable on projects	1.023	1.738
Staff commitments	167	199
Current portion long-term liabilities	112	75
Value added taks	76	-
Accruals and deferred income	260	288
	<u>1.638</u>	<u>2.300</u>

For the numerical specification of 'Received in advance/Still payable on projects,' see the notes to work in progress on ongoing projects. At 'Staff commitments' a reservation has been included for payments to those on leave.

Rights and commitments not listed on the balance sheet

At the end of 2023, the Stichting is subject to the following commitments:

- Rent on premises 183 Parkstraat in The Hague of €100,000 per annum through to 31 October 2026.
- Leasing printing and photocopying equipment at € 10,000 through June 2024.

Income

Payment from the coordinating institution

According to the report from the University of Amsterdam, the payment for 2023 was €2,516,000 (2022: €2,319,000). This payment includes the amounts from the matching programme (€165,000) and PhD bonuses (€73,000).

Other income

The other income comes from externally funded research, GCTF, publications and other income, after deducting the attributable direct costs for these activities.

Externally funded research

	2023	2022
(x € 1,000)		
Gross revenue	1.819	1.781
Direct costs	<u>1.661-</u>	<u>1.780-</u>
	159	1

The scale of the externally funded research fell slightly, while a sound margin was achieved from management fees, a raise on rates and overhead payments. The larger projects such as Matra, Dilema and the GCTF projects have continued at full pace, and projects such as RAMP and VW Memocracy enjoyed their first full years in 2023. In addition, Accountability Ukraine started as an important new project in 2023. The most important research income was generated via the following projects:

- Matra
- GCTF (Watchlisting, Maritime, REMVE)
- Dilema
- Professorship arms control
- RAMP
- VW Memocracy
- Accountability Ukraine

All income from externally funded research may be qualified entirely as grants and is non-recurring since it is issued for individual projects. The grant provider approved the grants, with the exception of €413,400.

GCTF

	2023	2022
(x € 1,000)		
Gross revenue	2.165	2.219
Direct costs	<u>1.840-</u>	<u>1.879-</u>
	325	340

This relates exclusively to the income from coordinating the Global Counterterrorism Forum Administrative Unit (GCTF AU). This contract was initially entered into for the period June 2015-December 2019 and has since been extended until the end of 2026. The margin is comparable to that for 2022. On the one hand this is caused by the one-off release of the reserve for staff costs in 2018, and on the other due to fewer activities in the Administrative Unit and negative exchange rate differences.

Publications

	2023	2022
(x € 1,000)		
Gross revenue	365	420
Direct costs	<u>367-</u>	<u>367-</u>
	2-	53

Absenteeism due to sickness at Asser Press led to a lower number of publications, which in combination with higher staff costs in 2023 led to a lower result.

Other revenues

	2023	2022
(x € 1,000)		
Gross revenue	735	681
Direct costs	<u>898-</u>	<u>713-</u>
	164-	32-

The worsening of the result under 'other income' (including interuniversity networks, education, training sessions) is due to the non-awarding of expected grants for a number of events and disappointing results from teaching.

Grants of €407,000 are reported under 'Other revenue'. These grants are non-recurring, since they are issued for individual projects, and except for €85,000 have been approved by the grant provider.

Expenditure

Staff costs				
(x € 1,000)	2023		2022	
<i>Wages and salaries</i>				
Gross salaries	3.891		3.442	
Social insurance contributions	469		419	
Pension costs	532		530	
		4.892		4.391
Less: employees specifically attributed to projects		2.924-		2.735-
		1.968		1.656
<i>Other staff costs</i>				
External recruitment	36		100	
Other staff costs	37		-	
		73		100
		2.041		1.756

On 31 December 2023, 56 employees (2022: 57 employees) worked full-time and part-time for the Stichting (see also previous heading 'Staff').

Employee pension rights are ensured with ABP. In the event of pension fund shortfalls, the Stichting is not liable for supplementary contributions other than future premium increases.

The reduction for 'employees specifically attributed to projects' relates to staff costs of employees assigned entirely to one specific project with hours attributed to projects.

Depreciation costs

(x € 1,000)	2023	2022
Tangible fixed assets	<u>252</u>	<u>282</u>

Office accommodation costs

(x € 1,000)	2023	2022
Insurance	6	13
Maintenance	156	56
Utilities and water	44	39
Cleaning costs	135	120
Levies	21	17
Security costs	<u>17</u>	<u>12</u>
	379	257

Maintenance costs in 2023 were high on this occasion, due to additional costs for the renovation work carried out in 2023.

Other expenditures

(x € 1,000)	2023	2022
Automation costs	135	99
Office expenses	163	143
Administrative and consultancy expenses	25	29
Other expenditure	<u>30</u>	<u>31</u>
	353	302

Administrative costs include the costs of the audit, outsourcing the payroll to the University of Amsterdam and tax advice.

Gebeurtenissen na balansdatum

Er hebben zich geen gebeurtenissen na balansdatum voorgedaan.

Voorstel tot resultaatbestemming

Het bestuur wordt voorgesteld het exploitatieresultaat over 2023 van €291.000 (last) als volgt te bestemmen:

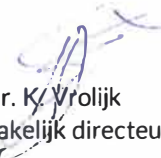
- Ten laste van de algemene reserve: €234.000;
- Ten laste van de bestemmingsreserve Inhoudelijke ontwikkeling: €57.000;

Dit voorstel is reeds in de balans verwerkt.

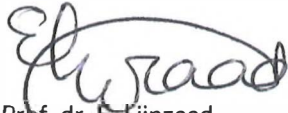
's-Gravenhage, 29 mei 2024



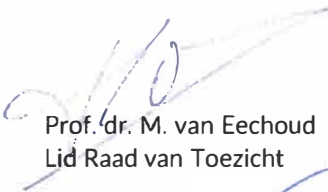
Dr. C. Paulussen
Waarnemend wetenschappelijk directeur en bestuurder



Dr. K. Vrolijk
Zakelijk directeur en bestuurder



Prof. dr. E. Lijnzaad
Voorzitter Raad van Toezicht



Prof. dr. M. van Eechoud
Lid Raad van Toezicht



Prof. dr. R. Janse
Lid Raad van Toezicht



Drs. G. Reus-Deelder
Lid Raad van Toezicht



Prof. Mr. B. Smulders
Lid Raad van Toezicht

Controleverklaring van de onafhankelijke accountant

Aan: de raad van toezicht en het bestuur van Stichting T.M.C. Asser Instituut

Verklaring over de in het jaarverslag opgenomen jaarrekening 2023

Ons oordeel

Wij hebben de jaarrekening 2023 van Stichting T.M.C. Asser Instituut gecontroleerd. Naar ons oordeel geeft de in dit jaarverslag opgenomen jaarrekening een getrouw beeld van de grootte en de samenstelling van het vermogen van Stichting T.M.C. Asser Instituut op 31 december 2023 en van het resultaat over 2023 in overeenstemming met de in Nederland geldende RJ-Richtlijn C1 Kleine organisaties zonder winststreven.

De jaarrekening bestaat uit:

1. de balans per 31 december 2023;
2. de staat van baten en lasten over 2023; en
3. de toelichting met een overzicht van de gehanteerde grondslagen voor financiële verslaggeving en andere toelichtingen.

De basis voor ons oordeel

Wij hebben onze controle uitgevoerd volgens het Nederlands recht, waaronder ook de Nederlandse controlestandaarden vallen. Onze verantwoordelijkheden op grond hiervan zijn beschreven in de sectie 'Onze verantwoordelijkheden voor de controle van de jaarrekening'.

Wij zijn onafhankelijk van Stichting T.M.C. Asser Instituut zoals vereist in de Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO) en andere voor de opdracht relevante onafhankelijkheidsregels in Nederland. Verder hebben wij voldaan aan de Verordening gedrags- en beroepsregels accountants (VGBA).

Wij vinden dat de door ons verkregen controle-informatie voldoende en geschikt is als basis voor ons oordeel.

Verklaring over de in het jaarverslag opgenomen andere informatie

Het jaarverslag omvat andere informatie, naast de jaarrekening en onze controleverklaring daarbij. Op grond van onderstaande werkzaamheden zijn wij van mening dat de andere informatie met de jaarrekening verenigbaar is en geen materiële afwijkingen bevat. Wij hebben de andere informatie gelezen en hebben op basis van onze kennis en ons begrip, verkregen vanuit de jaarrekeningcontrole of anderszins, overwogen of de andere informatie materiële afwijkingen bevat. Met onze werkzaamheden hebben wij voldaan aan de vereisten in de Nederlandse Standaard 720. Deze werkzaamheden hebben niet dezelfde diepgang als onze controlewerkzaamheden bij de jaarrekening.

Het bestuur is verantwoordelijk voor het opstellen van de andere informatie, waaronder het bestuursverslag in overeenstemming met RJ-Richtlijn C1 Kleine organisaties zonder winststreven.

Beschrijving van verantwoordelijkheden met betrekking tot de jaarrekening

Verantwoordelijkheden van het bestuur en de raad van toezicht voor de jaarrekening

Het bestuur is verantwoordelijk voor het opmaken en getrouw weergeven van de jaarrekening in overeenstemming met de in Nederland geldende RJ-Richtlijn C1 Kleine organisaties zonder winststreven. In dit kader is het bestuur verantwoordelijk voor een zodanige interne beheersing die het bestuur noodzakelijk acht om het opmaken van de jaarrekening mogelijk te maken zonder afwijkingen van materieel belang als gevolg van fouten of fraude.

Bij het opmaken van de jaarrekening moet het bestuur afwegen of de stichting in staat is om haar werkzaamheden in continuïteit voort te zetten. Op grond van genoemd verslaggevingsstelsel moet het bestuur de jaarrekening opmaken op basis van de continuïteitsveronderstelling, tenzij het bestuur het voornemen heeft om de stichting te liquideren of de activiteiten te beëindigen of als beëindiging het enige realistische alternatief is.

Het bestuur moet gebeurtenissen en omstandigheden waardoor gerede twijfel zou kunnen bestaan of de stichting haar activiteiten in continuïteit kan voortzetten, toelichten in de jaarrekening.

De raad van toezicht is verantwoordelijk voor het uitoefenen van toezicht op het proces van financiële verslaggeving van de stichting.

Onze verantwoordelijkheden voor de controle van de jaarrekening

Onze verantwoordelijkheid is het zodanig plannen en uitvoeren van een controleopdracht dat wij daarmee voldoende en geschikte controle-informatie verkrijgen voor het door ons af te geven oordeel.

Onze controle is uitgevoerd met een hoge mate maar geen absolute mate van zekerheid waardoor het mogelijk is dat wij tijdens onze controle niet alle materiële fouten en fraude ontdekken.

Afwijkingen kunnen ontstaan als gevolg van fraude of fouten en zijn materieel indien redelijkerwijs kan worden verwacht dat deze, afzonderlijk of gezamenlijk, van invloed kunnen zijn op de economische beslissingen die gebruikers op basis van deze jaarrekening nemen. De materialiteit beïnvloedt de aard, timing en omvang van onze controlewerkzaamheden en de evaluatie van het effect van onderkende afwijkingen op ons oordeel.

Wij hebben deze accountantscontrole professioneel kritisch uitgevoerd en hebben waar relevant professionele oordeelsvorming toegepast in overeenstemming met de Nederlandse controlestandaarden, ethische voorschriften en de onafhankelijkheidseisen. Onze controle bestond onder andere uit:

- het identificeren en inschatten van de risico's dat de jaarrekening afwijkingen van materieel belang bevat als gevolg van fouten of fraude, het in reactie op deze risico's bepalen en uitvoeren van controlewerkzaamheden en het verkrijgen van

controle-informatie die voldoende en geschikt is als basis voor ons oordeel. Bij fraude is het risico dat een afwijking van materieel belang niet ontdekt wordt groter dan bij fouten. Bij fraude kan sprake zijn van samenspanning, valsheid in geschrifte, het opzettelijk nalaten transacties vast te leggen, het opzettelijk verkeerd voorstellen van zaken of het doorbreken van de interne beheersing;

- het verkrijgen van inzicht in de interne beheersing die relevant is voor de controle met als doel controlewerkzaamheden te selecteren die passend zijn in de omstandigheden. Deze werkzaamheden hebben niet als doel om een oordeel uit te spreken over de effectiviteit van de interne beheersing van de stichting;
- het evalueren van de geschiktheid van de gebruikte grondslagen voor financiële verslaggeving en het evalueren van de redelijkheid van schattingen door het bestuur en de toelichtingen die daarover in de jaarrekening staan;
- het vaststellen dat de door het bestuur gehanteerde continuïteitsveronderstelling aanvaardbaar is. Tevens het op basis van de verkregen controle-informatie vaststellen of er gebeurtenissen en omstandigheden zijn waardoor gereede twijfel zou kunnen bestaan of de stichting haar bedrijfsactiviteiten in continuïteit kan voortzetten. Als wij concluderen dat er een onzekerheid van materieel belang bestaat, zijn wij verplicht om aandacht in onze controleverklaring te vestigen op de relevante gerelateerde toelichtingen in de jaarrekening. Als de toelichtingen inadequaat zijn, moeten wij onze verklaring aanpassen. Onze conclusies zijn gebaseerd op de controle-informatie die verkregen is tot de datum van onze controleverklaring. Toekomstige gebeurtenissen of omstandigheden kunnen er echter toe leiden dat een stichting haar continuïteit niet langer kan handhaven;
- het evalueren van de presentatie, structuur en inhoud van de jaarrekening en de daarin opgenomen toelichtingen; en
- het evalueren of de jaarrekening een getrouw beeld geeft van de onderliggende transacties en gebeurtenissen.

Wij communiceren met de raad van toezicht onder andere over de geplande reikwijdte en timing van de controle en over de significante bevindingen die uit onze controle naar voren zijn gekomen, waaronder eventuele significante tekortkomingen in de interne beheersing.

Alphen aan den Rijn, 3 juni 2024

Van Ree Accountants

mr.drs. G.J. de Jong RA



ASSER
INSTITUTE

Centre for International & European Law



Visiting address

R.J. Schimmelpennincklaan 20-22
2517 JN Den Haag

Postal address

P.O. box 30461
2500 GL Den Haag

T +31 (0)70 342 03 00

E info@asser.nl
www.asser.nl

X @TMCAsser