

STICHTING P.R.I.M.E. FINANCE DISPUTES CENTER

Rsin/fiscaal nummer: Anbi 850703268. Telefoon: 06-53490451.

Contact: Willem Calkoen, Vredes Paleis, Permanente Hof van Arbitrage, Attentie Camilla Perera-De Wit, Carnegieplein 2, 2517 KJ 's-Gravenhage.

Bestuurssamenstelling:

Voorzitter	Jeffrey Golden
Secretaris	Robert Pickel
Penningmeester:	Willem J.L. Calkoen
Rest van het bestuur:	Gay H. Evans, Duncan Goldie-Morrison, Elizabeth S. Stong, Myron Steele, Jonathan Ross, Rick Grove, Daniel Cunningham
Executive director:	Kristy Tillman

Doel:

1. De stichting heeft ten doel het verschaffen, bevorderen, bewerkstellingen en ondersteunen van alternatieve geschillenbeslechting in de internationale financiële sector en voorts al hetgeen in de ruimste zin met een en ander verband houdt, daartoe behoort en/of daartoe bevorderlijk kan zijn.
2. De stichting tracht haar doel te bereiken door onder meer arbitrage- en mediation-procedures en andere vormen van alternatieve geschillenbeslechting te bieden, een lijst van arbitrage- en mediation-experts en andere experts van alternatieve geschillenbeslechting te bieden voor beslechting van onder 1 genoemde geschillen, opleiding te bieden op het gebied van arbitrage, mediation en andere alternatieve geschillenbeslechting en financiële expertise, congressen te organiseren, te publiceren, bibliotheek- en documentatievoorzieningen te treffen en andere diensten aan te bieden die betrekking hebben op, of samenhangen met, de doelen van de stichting, en voorts al datgene te verrichten dat met het vorenstaande in ruimste zin verband houdt of daartoe bevorderlijk kan zijn.

Verslag 2017

Hierachter is gevoegd de jaarstukken van 2017 van de stichting. Vrijwel alle energie en financiële middelen zijn gericht geweest op het bekendmaken aan de relevante partijen in de hele wereld omtrent de gecompliceerde materie van financiële geschillen. In 2017 hebben experts van de stichting lesgegeven aan rechters in Sydney en Melbourne. Er zijn voorbereidingen getroffen voor het lesgeven aan rechters in vele andere plaatsen over de wereld met name in het Verre Oosten, Latijns America en Oost Europa. Hierbij worden wij financieel ondersteund door de Internationale Bar Association en de European Bank for Reconstruction and Development. Er zijn verder voorbereidingen getroffen voor het opzetten van een documentatiecentrum en er zijn veel activiteiten ontplooid om de faciliteit voor arbitrage en mediation door experts bekend te maken en daar vertrouwen voor te kweken. Op 23 en 24 januari 2017 is de zesde conferentie gehouden in het Vredespaleis. Deze is geopend door de Loco-

burgemeester en wethouder van de gemeente Den Haag, Mevrouw Ingrid van Engelshoven, die onze activiteiten van harte en daadwerkelijk ondersteunt, maar werd die dag, omdat zij griep had vervangen door Elisabeth Minneman, die bij de Gemeente Den Haag de leiding heeft over de afdeling Internationale Zaken. De conferentie werd opgeluisterd door de Key note speaker, Steven Maijor, chairman of the European Securities and Markets Authority, die de toon zette voor een conferentie van unieke kwaliteit. In het jaarverslag is te lezen dat de stichting subsidies heeft ontvangen van de gemeente Den Haag. De conferentie is gefinancierd door sponsoraanbiedingen van vele advocatenkantoren en andere organisaties en registratie gelden. Er zijn overeenkomsten gesloten met de International Bar Association, die bereid zijn de reis- en verblijfkosten van experts voor het lesgeven aan rechters in sommige plaatsen te betalen. De samenwerking met Het Permanente Hof van Arbitrage (PHA), waarbij het PHA alle arbitrages van PRIME Finance zal administreren, verloopt goed. De samenwerking met de Gemeente Den Haag verloopt goed.

Beleidsplan 2017-2018

1. Lesgeven aan rechters

Experts van de stichting hebben lesgegeven in 8 landen in 5 continenten.

De International Bar Association heeft toegezegd te zullen betalen voor de reiskosten betreffende de het lesgeven in China, Italië, Delaware en India. Er worden plannen ontwikkeld om en deze plaatsen trainingen te geven. Wellicht zal met de hulp van de International Bar Association, die per jaar £20.000,- hiervoor betaalt, ook in andere steden lesgegeven kunnen worden. De European Bank for Reconstruction and Development heeft in 2016 de training in Boekarest vergoed. Wij maken plannen voor trainingen van rechters uit alle EU landen tezamen in Den Haag en we vragen daarvoor een EU subsidie aan.

2. Documentatiecentrum

Er is een overeenkomst met LexisNexis, een van de grootste uitgeverij van juridische publicaties, om een documentatiecentrum op te zetten, geheel gratis. De kosten bij LexisNexis worden geraamd op £ 200.000,-. Het plan is om alle jurisprudentie van rechtbanken en in de toekomst van arbitrage op het gebied van gecompliceerde financiële geschillen in dit documentatiecentrum op te slaan. Er wordt al door een student gewerkt aan een zgn. "glossary," dat wil zeggen een lijst van gebruikelijke termen, met steeds de jurisprudentie erbij.

3. Arbitrage, mediation en geschillenbeslechting

In 2013 is een succes behaald in die zin dat de International Swaps and Derivatives Association een publicatie heeft uitgegeven: een arbitration guide, waarin deze vereniging naast andere grote arbitragecentra ook P.R.I.M.E. Finance genoemd heeft en ook de mogelijke arbitrageplaats Den Haag. Er zijn nog geen arbitrages of mediations aangemeld, wel 2 voorlopige verzoeken, maar er zijn wel diverse verzoeken ingediend voor expert witnesses in procedures. Dit betekent dat de juridische wereld de expertise van de lijst van P.R.I.M.E. Finance hoog aanslaat.

Nu de International Swaps and Derivatives Association het advies heeft gegeven om ook naar P.R.I.M.E. Finance te gaan voor arbitrages en haar clause op te nemen in contracten is de verwachting dat partijen de arbitrageclause van P.R.I.M.E. Finance in hun contract nu zullen opnemen en dat er na verloop van tijd ook arbitrages aangemeld zullen worden conform die clause. Er zijn al enige partijen, die de clause gebruiken. 90% van de arbitrages worden aangevangen op basis van een clause in een contract. Mediations worden in veel gevallen ad hoc aangevangen, maar toch meestal op instructie van rechters en de verwachting is dat in de toekomst rechters heel veel meer instructies zullen geven. Er is op dit gebied een Mediation wet aangenomen in Nederland.

4. Fondsenwerving

De stichting heeft subsidie ontvangen voor de opstartfase van de gemeente Den Haag, Ministerie van Economische Zaken en Ministerie van Buitenlandse Zaken. De stichting heeft in het verleden gratis

huisvesting gekregen van de Nederlandse Orde van Advocaten. Thans is de stichting feitelijk gevestigd in het Vredes Paleis, Carnegieplein 2 Den Haag in de kantoren van Het PHA, alwaar de parttime medewerkster van P.R.I.M.E. Finance nu werkt.

De stichting is actief in fondsenwerving, hetgeen nodig is. Het lijkt erop dat het mogelijk is om fondsen te werven voor de kosten van experts die reizen naar rechters om ze les te geven. Het is ook bepaald nodig om fondsen te werven voor de service van het documentatiecentrum om ge- kwalificeerde personen te betalen om voor de input te zorgen . Het lijkt mogelijk om deze fondsen te werven op basis van het feit dat zo'n documentatie- centrum en arbitrage-/mediation-faciliteit voor de hele wereld tegen de achtergrond van de financiële crisis en de onduidelijkheid omtrent ingewikkelde financiële producten naast alle nieuwe regulatory regelingen op dat gebied invulling geeft aan het gat die al die regelingen openlaten voor de geschillenbeslechting. Dit is van groot belang voor de financiële wereld en wij zijn dan ook doende om fondsen te werven bij de wereldorganisaties die die financiële wereld ondersteunen, zoals de Wereldbank, IMF, EBRD en andere vergelijkbare organisaties. Wij trachten ook fondsen te werven bij grote Amerikaanse fondsen met Rule of Law-doelstellingen. Op 4 en 5 februari 2019 zal er weer een conferentie gehouden worden, vergelijkbaar met de conferentie van 22 en 23 januari 2018. De jaarlijkse conferentie wordt gefinancierd door specifieke sponsoring en inschrijfgelden. Het saldo van de conferentie komt ten goede aan een deel van het salaris van de Head of the Secretariat die nu in de kantoren van Het PHA werkt, maar door P.R.I.M.E. Finance betaald wordt.

Tijdens deze conferenties wordt wederom duidelijk gemaakt hoe belangrijk arbitrage voor financiële geschillen is tegenover rechtbankprocedures in Londen en New York, met als belangrijkste reden de expertise van de lijst van P.R.I.M.E. Finance en tevens de uitvoerbaarheid van arbitrage- vonnissen in bijna alle landen van de wereld, hetgeen niet geldt voor vonnissen van rechters.

Beloningsbeleid

Aan de bestuursleden worden geen enkele beloningen vergoed.

Jaarstukken 2017 met accountantsverklaring: zie bijlage

Independent auditor's report

To: the Management Board of Stichting P.R.I.M.E. Finance Disputes Center

A. Report on the audit of the financial statements 2017

Our opinion

We have audited the financial statements 2017 as enclosed from page 1 till 11 (excluding page 12, paragraph 3, named: "Appendix Subsidy Municipality The Hague") of Stichting P.R.I.M.E. Finance Disputes Center, based in The Hague.

In our opinion, the enclosed financial statements (from page 1 till 11, excluding page 12, paragraph 3, named: "Appendix Subsidy Municipality The Hague") give a true and fair view of the financial position of Stichting P.R.I.M.E. Finance Disputes Center as at 31 December 2017 and of its result for 2017 in accordance with Guideline for annual reporting 640 Not-for-profit organizations (RJK 640) of the Dutch Accounting Standards Board.

The financial statements comprise:

1. the balance sheet as at 31 December 2017;
2. the profit and loss account for 2017; and
3. the notes comprising a summary of the applicable accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting P.R.I.M.E. Finance Disputes Center in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA).

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

B. Report on other information included in the annual report

Next to the financial statements and our opinion thereon, the annual report consists of other information, including:

- the other information on page 11
- Appendix Subsidy Municipality The Hague on page 12

Based on the procedures as mentioned below, we are of the opinion that the other information:

- is consistent with the financial statements and contains no material deficiencies;
- includes all information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information and based on our knowledge and understanding obtained from the audit of the financial statements or otherwise, we have considered if the other information contains material deficiencies.

With these procedures, we have complied with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Auditing Standard 720. These procedures do not have the same scope as our audit procedures on the financial statements.

Management is responsible for the preparation of the management board report and the other information on page 11 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

C. Description of responsibilities for the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Rjk 640. Furthermore management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment 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 have detected all material errors and fraud.

Misstatements can arise from errors or fraud 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 judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:
- Identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, 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 errors, 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 the company ceasing 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 the management board 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

Tilburg, 18 January 2018

For and on behalf of BDO Audit & Assurance B.V.,



J.M. Melissant RA

P.R.I.M.E. Finance Disputes Center
The Hague

Report 2017

Founded: 21 June 2011 in The Hague
Registered in Chamber of Commerce
Filenummer 52998614

FOR IDENTIFICATION PURPOSES

BDO Audit & Assurance B.V.

Date: 18 January 2018

Enclosure to: 1805035

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In this annual report the negative figures are put between brackets

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1. General comments

1.1 Object of the foundation

The foundation was established on 21 June 2011. This was possible thanks to substantial support of the Municipality of the Hague in the preparation stages.

Stichting P.R.I.M.E. Finance Disputes Center (P.R.I.M.E. Finance) has been established both to help resolve, and to assist judicial systems in the resolution of, disputes about complex financial transactions. The organization's core activities include education and judicial training, providing experts opinions, determinations and risk assesment and both arbitration and mediation. P.R.I.M.E. Finance will oversee and be supported by a Panel of Experts, which currently includes some of the most senior people in the financial markets with collectively more than 4.000 years of experience in these markets.

1.2 Composition of the board

J.B. Golden	- Chairman
R.G. Pickel	- Secretary
W.J.L. Calkoen	- Treasurer
D.P. Cunningham	- Member
D.D. Enix-Ross	- Member
G.H. Evans	- Member
D.E. Goldie-Morrison	- Member
R.E. Grove jr.	- Member
C.J. Ross	- Member
M.T. Steele	- Member
E.S. Stong	- Member

1.3 Staff

Kristy Tillman	- Executive Director
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P.R.I.M.E. Finance has 1,8 full time employees, including the Executive Director, and also a 0,75 person, the Head of Secretariat Camilla Perera - de Wit, working for P.R.I.M.E. Finance via a contractual relationship with the PCA.

1.4 Co-financing

The Friends of PRIME through the years have, from the foundation up to the end of 2017, contributed € 116.500 (although this is valued at 0 in the accounts, it is co-financing).

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2 Annual Accounts2.1 BALANCE SHEET AS AT DECEMBER 31, 2017
(after profit appropriation)

<u>ASSETS</u>		<u>31-12-2017</u>	<u>31-12-2016</u>
		€	€
Current assets	<u>Explanatory notes</u>		
<i>Receivables</i>			
Accounts receivables	1.	42.899	48.038
Other receivables	2.	32.716	27.810
		<u>75.616</u>	<u>75.849</u>
 <i>Cash at bank</i>	 3.	 147.330	 195.134
		<u>147.330</u>	<u>195.134</u>
 Total assets		 <u>222.945</u>	 <u>270.982</u>

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<u>LIABILITIES</u>		<u>31-12-2017</u>	<u>31-12-2016</u>
		€	€
Capital	<i>Explanatory notes</i>		
Capital	4.	-	-
Other reserves	5.	<u>122.927</u>	<u>175.435</u>
		122.927	175.435
Current liabilities	6.	100.018	95.547
Total equity and liabilities		<u><u>222.945</u></u>	<u><u>270.982</u></u>

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2.2 PROFIT AND LOSS ACCOUNT FOR THE YEAR 2017

		<u>2017</u> €	<u>2016</u> €
Revenues	<i>Explanatory notes</i> 7.	304.059	376.881
Costs of contracted work and direct expenses	8.	(104.290)	(80.169)
Employee costs	9.	(204.535)	(89.696)
Other operating expenses	10.	(47.744)	(42.697)
Total operating expenses		<u>(356.568)</u>	<u>(212.562)</u>
Result from activities		<u>(52.509)</u>	<u>164.319</u>
Financial income and expenses	11.	<u>1</u>	<u>63</u>
Result for the period		<u>(52.507)</u>	<u>164.382</u>

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2.3 EXPLANATORY NOTES

Activities

The foundation was established on 21 June 2011.

Stichting P.R.I.M.E. Finance Disputes Center (P.R.I.M.E. Finance) has been established both to help resolve, and to assist judicial systems in the resolution of, disputes about complex financial transactions. This was possible thanks to substantial support of the Municipality of The Hague in the preparation stages. The organization's core activities include education and judicial training, providing experts opinions, determinations and risk assesment and both arbitration and mediation. P.R.I.M.E. Finance will oversee and be supported by a Panel of Experts, which currently includes some of the most senior people in the financial markets with collectively more than 4.000 years of experience in these markets.

Registered office

The Foundation has its registered office at Carnegieplein 2, 2517 KJ, The Hague.

Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the organisation's accounting policies. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Netherlands Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.

Principles for the valuation of assets and liabilities

General

These Financial Statements are prepared where possible in accordance with the models as specified in Book 2, Title 9 of the Dutch Civil Code. Because of the special character of the Foundation, the Financial Statements are prepared in accordance with Guideline for annual reporting 640 "Not-for-profit organizations"(RJK 640) and may differ from the standard models in some respects.

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or current value. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred. The balance sheet and income statement include references to the notes.

Principles for the translation of foreign currencies

Foreign currencies have been translated at the rates of exchange applicable at the end of the financial period. With respect to transactions during the year currencies have been translated at the rates of exchange applicable at the time of receipt or payment of the transaction.

Current assets

Receivables

Accounts receivable are valued at face value less a provision for possibly uncollectable accounts.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value.

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Current liabilities

Current liabilities are stated at face value.

Principles for the determination of result

General

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

Contributions

Grants and subsidies are recognised in the income statement in the year in which the subsidised costs were incurred, income was lost or a subsidised operating deficit occurred. The grants are recognised where it is probable that they will be received and the Foundation will comply with all attached conditions.

Employee benefits

Salaries, wages and social security contributions are taken to the income statement based on the terms of employment, where they are due to employees.

Taxation on the result

The activities of the Foundation are not subject to corporation tax as the Foundation is not assumed to be profit-oriented and profit-realizing in the normal course of business.

General and other operating expenses

Costs are recognised based on the historical cost convention and are allocated to the reporting year to which they relate. These expenses relate to the general management fees and other expenses.

Interest paid and received

Interest paid and received is recognised on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned.

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2.4 EXPLANATORY NOTES TO THE 2017 BALANCE SHEET

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
Receivables		
1. <u>Accounts receivable</u>		
Accounts receivable	52.173	50.204
Allowance for doubtful accounts	(9.274)	(2.166)
	<u>42.899</u>	<u>48.038</u>
2. <u>Other receivables</u>		
Subsidies receivable	20.000	16.000
Prepaid costs Hotel des Indes	935	880
Prepaid costs Permanent Court of Arbitration	5.800	5.800
Prepaid costs ICCA 2018 Breakfast session	5.981	-
Prepaid travel expenses	-	5.130
	<u>32.716</u>	<u>27.810</u>
Cash at bank and in hand		
3. <u>Cash at bank</u>		
Abn Amro, Currentaccount	6.213	21.517
Abn Amro, Depositaccount	141.117	173.617
	<u>147.330</u>	<u>195.134</u>
Capital		
4. <u>Capital</u>		
Balance as at 1 January	-	-
Revaluation	-	-
Position as at 31 December	<u>-</u>	<u>-</u>
5. <u>Other reserves</u>		
Balance as at 1 January	175.435	11.054
From result appropriation	(52.507)	164.382
Position as at 31 December	<u>122.927</u>	<u>175.435</u>
6. Current liabilities		
Deferred conference revenues (to be received)	40.233	35.422
Deferred conference revenues (received)	43.742	42.679
Audit fees	7.500	5.000
Administration fee	400	2.919
Businessplan	-	5.000
IT fee payable	-	4.350
Wage taxes and social security contributions	9.000	2.323
VAT to pay (receive)	(856)	(2.146)
	<u>100.018</u>	<u>95.547</u>

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2.5 EXPLANATORY NOTES TO THE PROFIT AND LOSS ACCOUNT

	<u>2017</u> €	<u>2016</u> €
7. <u>Revenues</u>		
Subsidies Municipality The Hague	200.000	160.000
Sponsoring and attendency fees of conference	101.784	134.477
Sponsoring Fees "Founding Friends of P.R.I.M.E."	2.275	39.300
Contributions for training judges	-	35.104
Fees assisting expert advice	-	8.000
	<u>304.059</u>	<u>376.881</u>
Final settlement of the subsidy 2016 with the value of €160.000 is still open. Final settlement of the subsidy 2017 with the value of €200.000 is still open. € 20.000 is to be received.		
8. <u>Costs of contracted work and direct expenses</u>		
Conference costs	(47.605)	(48.826)
Travel costs expert	(56.685)	(15.502)
Nias Fellowship	-	(15.841)
	<u>(104.290)</u>	<u>(80.169)</u>
9. <u>Employee costs</u>		
Salaries	(92.831)	(10.810)
Social security contributions	(15.166)	(1.918)
Contribution Permanent Court of Arbitration	(68.614)	(61.892)
Expense allowance	(500)	-
Travel costs employee	(6.943)	-
Contractor financial advice	(12.038)	(13.500)
Working permits	(5.415)	-
Participation costs Dutch Arbitration Association employee	(300)	-
Telephone employee	(2.445)	(1.511)
Payroll administration	(284)	(65)
	<u>(204.535)</u>	<u>(89.696)</u>
<u>Average number of employees</u>		
During 2017, on average 2,0 employees (1,80 FTE) were employed (2016: 1.0; 0,25 FTE) of which 0,0 employee was working outside the Netherlands (2016: 0.0).		
10. <u>Other operating expenses</u>		
Bank charges	(539)	(1.239)
Business cards	(627)	(295)
Compliance costs	(750)	(1.033)
Rent Permanent Court of Arbitration	(7.000)	(7.000)
Administration costs	(10.791)	(7.924)
IT costs and improvement website	(8.964)	(16.564)
Audit fees	(11.390)	(6.477)
Management liability insurance costs	(575)	-
Dotation allowance for doubtful accounts	(7.108)	(2.166)
	<u>(47.744)</u>	<u>(42.697)</u>

FOR IDENTIFICATION PURPOSES

BDO Audit & Assurance B.V.

Date: 18 January 2018

Enclosure to: 1805035

Initial MB

11. Financial income and expenses

Bankinterest income	1	63
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2.6 Other information

Proposed profit appropriation

Based on the profit appropriation proposal made by the board, an amount of € 52.507 of the result for 2017 of € 52.507 will be deducted from the other reserves.

FOR IDENTIFICATION PURPOSES

BDO Audit & Assurance B.V.

Date: 18 January 2018

Enclosure to: 1805035

Initial MB

3 Appendix Subsidy Municipality The Hague

In 2017, P.R.I.M.E. Finance and the Municipality of The Hague agreed a contribution in the activities of P.R.I.M.E. by means of a subsidy with an amount of € 200.000. Below, an overview of the realized costs in relation to the subsidy budget, is presented.

	<u>Subsidy budget (a)</u>	<u>Realization</u>
Personnel costs and contribution Permanent Court of Arbitration	233.000	202.090
Travel costs experts and marketing & fundraising costs	90.000	111.398
Insurance costs	3.000	575
Rental costs	5.000	7.000
Telephone costs	3.000	2.445
Website Costs	5.000	8.964
Administration and accountant costs	15.000	23.468
Costs branding folders and film	4.000	627
	<u>358.000</u>	<u>356.566</u>
Revenues from conference, Friends of P.R.I.M.E. and training	168.000	104.059
Subsidy amount	200.000	200.000
Remaining balance	<u>10.000</u>	<u>-52.507</u>

As far as there are differences between the subsidy amounts and the realized costs, this will be further explained in the management report of P.R.I.M.E. that will be issued with the Municipality of The Hague.

(a) Amounts are retrieved from the letter with the proposed budget for the subsidy 2017, and as sent by the P.R.I.M.E. Finance Foundation (represented by Dr. W.J.L. Calkoen) to the Municipality of The Hague (represented by Ms E. Minneman), dated 31 January 2017.