

Stichting P.R.I.M.E. Finance Disputes Center

The Hague

Report 2021

Founded: 21-06-2011 in The Hague
Registered in Chamber of Commerce
Filenumber 52998614

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In this annual report the negative figures are shown in brackets



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INDEPENDENT AUDITOR'S REVIEW REPORT

To: The Board of Stichting P.R.I.M.E. Finance Disputes Center
Ref: MB/26660/2022-B07.001

We have reviewed the accompanying financial statements 2021 of Stichting P.R.I.M.E. Finance Disputes Center based in The Hague.

These financial statements comprise:

1. the balance sheet as at 31 December 2021;
2. the profit and loss account for the year then ended; and
3. the notes comprising of a summary of the accounting policies and other explanatory information.

Management 's responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for Annual Reporting 640, "Not-for-profit organizations" ("RJ 640"). Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the financial statements. We conducted our review in accordance with Dutch law, including the Dutch Standard 2400, 'Oprachten tot het beoordelen van financiële overzichten' (Engagements to review financial statements). This requires that we comply with ethical requirements and that we plan and perform the review to be able to conclude whether anything has come to our attention that causes us to believe that the financial statements are not free from material misstatement.

A review in accordance with the Dutch Standard 2400 is a limited assurance engagement. The performed procedures consisted primarily of making inquiries of management and others within the entity, as appropriate, applying analytical procedures and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not give a true and fair view of the financial position of Stichting P.R.I.M.E. Finance Disputes Center as at 31 December 2021 and of its result for the year then ended in accordance with the Guideline for Annual Reporting 640, "Not-for-profit organizations" ("RJ 640").

The Hague, July 15, 2022

GBA Accountants

M. Broekman RA AA

1. General Comments

1.1 Objective of P.R.I.M.E. Finance

Stichting P.R.I.M.E. Finance Disputes Center ("P.R.I.M.E. Finance") was established on 21 June 2011 to assist judicial systems in the resolution of disputes about complex financial transactions. P.R.I.M.E. Finance's core activities include education and judicial training, providing expert opinions, determinations and risk assessments and both arbitration and mediation services. P.R.I.M.E. Finance oversees and is supported by a Panel of Experts, which currently includes some of the most senior legal and business talent in the financial markets with collectively more than 7,000 years of experience in these markets.

2. Annual Accounts

2.1 Balance sheet as at 31 December 2020 and 2021
(after appropriation of the result)

<u>ASSETS</u>		<u>31-12-2021</u>	<u>31-12-2020</u>
		€	€
Current assets	<u>Explanatory notes</u>		
<i>Receivables</i>			
Accounts receivables	1.	<u>-</u>	<u>-</u>
		-	-
<i>Cash at bank</i>	2.	<u>5.604</u>	<u>235</u>
		5.604	235
Total assets		<u><u>5.604</u></u>	<u><u>235</u></u>

LIABILITIES		31-12-2021	31-12-2020
		€	€
Equity	<u>Explanatory notes</u>		
Capital	3.	-	-
Other reserves	4.	1.489	(620)
Total equity		1.489	(620)
Current liabilities	5.	4.115	855
Total equity and liabilities		5.604	235

2.2 Statement of income and expense for 2020 and 2021

		<u>2021</u> €	<u>2020</u> €
	<i><u>Explanatory notes</u></i>		
Revenues	6.	100.835	151.605
Costs of contracted work and direct expenses	7.	0	(47.458)
Employee costs	8.	(84.409)	(83.576)
Other operating expenses	9.	(14.316)	(15.070)
Total operating expenses		<u>(98.725)</u>	<u>(146.104)</u>
Result from ordinary activities		<u>2.109</u>	<u>5.501</u>
Result for the period		<u>2.109</u>	<u>5.501</u>

Proposed profit appropriation

Based on the profit appropriation proposal made by the board, an amount of € 5.501 of the result for 2020 of € 5.501 will be added to the other reserves.

2.3 **Explanatory notes**

Activities

P.R.I.M.E. Finance was established on 21 June 2011.

P.R.I.M.E. Finance was established to assist judicial systems in the resolution of disputes about complex financial transactions. Substantial financial support was originally provided by the Municipality of The Hague through 2018. P.R.I.M.E. Finance's core activities include education and judicial training, providing

P.R.I.M.E. Finance's core activities include education and judicial training, providing expert opinions, determinations and risk assessments, and arbitration and mediation services. P.R.I.M.E. Finance oversees and is supported by a Panel of Experts, which currently includes some of the most senior legal and business talent in the financial markets with collectively more than 7,000 years of experience in these markets.

Registered office

P.R.I.M.E. Finance 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. As required 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 below.

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 P.R.I.M.E. Finance, the financial statements are prepared in accordance with the Guideline for Annual Reporting 640, "Not-for-profit organizations" ("RJ 640") and may differ from the standard models in some respects.

Assets and liabilities are stated 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.

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 and 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

Subsidies are recognized in the income statement in the year in which they were received. Grants are recognized in the period in which they were received and P.R.I.M.E. Finance has complied with all attached conditions.

Employee benefits

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

Taxation on the result

The activities of P.R.I.M.E. Finance are not subject to corporation tax as P.R.I.M.E. Finance is not assumed to be profit-oriented and profit-realizing in the normal course of business.

General and other operating expenses

Expenses 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.

2.4 Explanatory notes to the balance sheet

	<u>31-12-2021</u>	<u>31-12-2020</u>
	€	€
Receivables		
1. <u>Accounts receivable</u>		
Accounts receivable	-	2.766
Allowance for doubtful accounts	-	(2.766)
	<u>-</u>	<u>-</u>
Cash at bank and in hand		
2. <u>Cash at bank</u>		
ABN AMRO Bank, Current account	5.604	235
ABN AMRO Bank, Deposit account	-	-
	<u>5.604</u>	<u>235</u>
Equity		
3. <u>Capital</u>		
Position as at 1 January	-	-
Revaluation	-	-
Position as at 31 December	<u>-</u>	<u>-</u>
4. <u>Other reserves</u>		
Balance as at 1 January	(620)	(6.121)
From result appropriation	2.109	5.501
Position as at 31 December	<u>1.489</u>	<u>(620)</u>
5. Current liabilities		
Audit fees	-	-
Administration fee	176	855
Prepaid donation Friends of PRIME	1.000	-
IT fees payable	1.683	-
Zoom invoices payable	404	-
Wage taxes and social security contributions	852	-
	<u>4.115</u>	<u>855</u>

Liabilities not recognised in balance sheet

An amount of € 7.500 regarding audit fees payable was not yet recognised under the current liabilities, since the actual engagement to review the 2020 and 2021 Financial Statements was agreed upon in the beginning of 2022.

2.5 Explanatory notes to the statement of income and expense

	<u>2021</u> €	<u>2020</u> €
6. <u>Revenues</u>		
Sponsoring and attendance fees conference The Hague	-	95.335
Program support from DREF	82.300	26.500
Sponsorship fees for PRIMETIME events	11.000	15.550
Contributions from Friends of PRIME	7.535	14.220
	<u>100.835</u>	<u>151.605</u>
7. <u>Costs of contracted work and direct expenses</u>		
The Hague conference costs	-	(46.463)
Reimbursed travel costs of experts	-	(995)
	<u>-</u>	<u>(47.458)</u>
8. <u>Employee costs</u>		
Salaries	(2.272)	(6.428)
Social security contributions	(472)	-
Contribution PCA 2021	(76.930)	(65.699)
Contribution PCA 2020 and 2019, excess	-	1.625
Rent PCA	(3.842)	(7.000)
Travel costs - employee	(77)	(1.013)
Other employee costs	(816)	(5.061)
	<u>(84.409)</u>	<u>(83.576)</u>

Average number of employees

During 2021, on average 1.0 employee (0.20 FTE) was employed (2020: 1.0) of which 0.02 employee was working outside the Netherlands (2020: 0.0).

The Board of the Foundation does not receive any remuneration for its activities.

	<u>2021</u> €	<u>2020</u> €
9. <u>Other operating expenses</u>		
Administration costs	(2.117)	(5.983)
IT costs and zoom costs	(8.974)	(4.263)
Book Design	(1.331)	-
Audit Fees excess for 2019	-	(2.665)
Renewal Law Society Practicing Certificate	(358)	-
Dotation allowance for doubtful accounts	-	-
Other operating expenses	(1.536)	(2.159)
	<u>(14.316)</u>	<u>(15.070)</u>