

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

The Hague

Report 2022

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

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In this annual report the negative figures are shown in brackets

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 approximately 250 of the most senior legal and busir talent in the financial markets with collectively more than 7,000 years of experience in these markets.

1.2 Composition of the board

R.G. Pickel	- Chairman
R.E. Grove Jr.	- Secretary
J.P. Bauman	- Treasurer
S. Brown-Hruska	- Member
D.D. Enix-Ross	- Member
I.L. Levine	- Member
C. Okongwu	- Member
W.A.K. Rank	- Member
C.J. Ross	- Member

1.3 Staff

During 2022 P.R.I.M.E. Finance had 1 employee (0.8 FTE). It also had a Head of Secretariat working for P.R.I.M.E. Finance via a contractual relationship with the Permanent Court of Arbitration ("PCA").

1.4 Contributions

P.R.I.M.E. Finance has received over €150,000 in individual contributions since its formation.

1.5 Subsequent Events

The activities and financial performance of P.R.I.M.E. Finance have been affected by the recent coronavirus pandemic which has adversely affected economic conditions throughout the world. P.R.I.M.E. Finance has experienced disruptions in its planned conferences and ability to achieve its fundraising targets. P.R.I.M.E. Finance has taken a variety of initiatives including commencement of a series of virtual seminars and conferences under the PRIMETIME brand that have attracted new program sponsors. While P.R.I.M.E. Finance reinstated in-person conferences in 2022, the Board anticipates the potential continued disruption to its judicial seminar and in-person conference activities through 2023 and possibly beyond.



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INDEPENDENT AUDITOR'S REVIEW REPORT

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

Ref: MB/26660/2023-B07.001

Our conclusion

We have reviewed the financial statements 2022 of Stichting P.R.I.M.E. Finance Disputes Center based in The Hague.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 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 2022 and of its result for the year then ended in accordance with 'RJ-Richtlijn C1 "Kleine organisaties zonder winststreven' (Guideline for annual reporting C1 'Small Not-for-profit organisations' of the Dutch Accounting Standards Board).

The financial statements comprise:

- the balance sheet as at 31 December 2022;
- the profit and loss account for 2022; and
- the notes comprising of a summary of the accounting policies and other explanatory information.

Basis for our conclusion

We conducted our review in accordance with Dutch law, including the Dutch Standard 2400 'Opdrachten tot het beoordelen van financiële overzichten' (engagements to review financial statements). A review of financial statements in accordance with the Dutch Standard 2400 is a limited assurance engagement.

Our responsibilities under this standard are further described in the 'Our responsibilities for the review 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, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 'RJ-Richtlijn C1 "Kleine organisaties zonder winststreven' (Guideline for annual reporting C1 'Small Not-for-profit

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organisations' of the Dutch Accounting Standards Board). 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.

Our responsibilities for the review of the financial statements

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a limited assurance engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with Dutch Standard 2400.

Our review included among others:

- Obtaining an understanding in the entity and its environment and the applicable financial reporting framework, in order to identify areas in the financial statements where material misstatements are likely to arise due to fraud or error, designing and performing procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion;
- Obtaining an understanding of the entity's accounting systems and accounting records and consider whether these generate data that is adequate for the purpose of performing the analytical procedures;
- Making inquiries of management and others within the entity;
- Applying analytical procedures with respect to information included in the financial statements;
- Obtaining assurance evidence that the financial statements agree with, or reconcile to, the entity's underlying accounting records;
- Evaluating the assurance evidence obtained;
- Considering the appropriateness of accounting policies used and considering whether the accounting estimates and related disclosures made by management appear reasonable;
- Considering the overall presentation, structure and content of the financial statements, including the disclosures; and



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- Considering whether the financial statements and the related disclosures represent the underlying transactions and events in a manner that appears to give a true and fair view.

The Hague, June 9, 2023

GBA Accountants

M. Broekman RA AA

3.1 Annual Accounts

Balance sheet as at 31 December 2021 and 2022
(after profit appropriation)

<u>ASSETS</u>		<u>31-12-2022</u>	<u>31-12-2021</u>
		€	€
Current assets	<u>Explanatory notes</u>		
<i>Receivables</i>			
Accounts receivables	1	<u>-</u>	<u>-</u>
		-	-
<i>Cash at bank</i>	2	<u>3.301</u>	<u>5.604</u>
		3.301	5.604
Total assets		<u><u>3.301</u></u>	<u><u>5.604</u></u>

<u>LIABILITIES</u>		<u>31-12-2022</u>	<u>31-12-2021</u>
		€	€
Equity	<i>Explanatory notes</i>		
Capital	3	-	-
Other reserves	4	2.030	1.489
Total equity		<u>2.030</u>	<u>1.489</u>
Current liabilities	5	1.271	4.115
Total equity and liabilities		<u><u>3.301</u></u>	<u><u>5.604</u></u>

3.2 Statement of income and expense for 2021 and 2022

		<u>2022</u> €	<u>2021</u> €
Revenues	<i>Explanatory notes</i> 6	142.212	100.835
Costs of contracted work and direct expenses	7 (2.544)		0
Employee costs	8 (107.989)		(84.409)
Other operating expenses	9 (31.137)		(14.316)
Total operating expenses		<u>(141.670)</u>	<u>(98.725)</u>
Result from ordinary activities		<u>541</u>	<u>2.109</u>
Result for the period		<u>541</u>	<u>2.109</u>

Proposed profit appropriation

Based on the profit appropriation proposal made by the board, an amount of €541 of the result for 2022 of € 541 will be added to the other reserves.

3.3 **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 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 C1, "Small not-for-profit organizations" ("RJK C1") 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.

3.4 **Explanatory notes to the balance sheet**

	<u>31-12-2022</u> €	<u>31-12-2021</u> €
1 Receivables		
<i>Accounts receivable</i>		
Accounts receivable	-	-
Allowance for doubtful accounts	-	-
	<u>-</u>	<u>-</u>
2 Cash at bank and in hand		
<i>Cash at bank</i>		
ABN AMRO Bank, Current account	3.301	5.604
ABN AMRO Bank, Deposit account	-	-
	<u>3.301</u>	<u>5.604</u>
Equity		
3 Capital		
Position as at 1 January	-	-
Revaluation	-	-
Position as at 31 December	<u>-</u>	<u>-</u>
4 Other reserves		
Balance as at 1 January	1.489	(620)
From result appropriation	541	2.109
Position as at 31 December	<u>2.030</u>	<u>1.489</u>
5 Current liabilities		
Administration fee	-	176
Lawyer fee	280	-
Prepaid donation Friends of PRIME	500	1.000
IT fees payable	-	1.683
Zoom invoices payable	-	404
Wage taxes and social security contributions	491	852
	<u>1.271</u>	<u>4.115</u>

3.5 **Explanatory notes to the statement of income and expense**

	<u>2022</u>	<u>2021</u>
	€	€
6 <u>Revenues</u>		
Conference attendance fees	16.360	-
Conference and webinar sponsorship fees	29.002	11.000
Program support from DREF	96.000	82.300
Donations from Friends of PRIME	850	7.535
	<u>142.212</u>	<u>100.835</u>
7 <u>Costs of contracted work and direct expenses</u>		
London conference costs	(2.544)	-
	<u>(2.544)</u>	<u>-</u>
8 <u>Employee costs</u>		
Salaries	(32.441)	(2.272)
Social security contributions	(7.001)	(472)
Payment to PCA	(55.897)	(80.772)
Rent paid for temporary office space	(5.626)	-
Travel costs - employee	(4.170)	(77)
Other employee costs	(2.853)	(816)
	<u>(107.989)</u>	<u>(84.409)</u>

Average number of employees

During 2022, on average 1.0 employee (0.80 FTE) was employed (2021: 1.0) of which 0.2

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

Explanatory notes to the statement of income and expense (continued)

	<u>2022</u>	<u>2021</u>
	€	€
9 <i>Other operating expenses</i>		
Administration costs	(2.620)	(2.117)
IT costs and zoom costs	(11.212)	(8.974)
Book Design	-	(1.331)
Audit Fees 2020	(5.293)	-
Audit Fees 2021	(2.830)	-
Legal expenses	(3.012)	-
Renewal Law Society Practicing Certificate	-	(358)
Other operating expenses	(4.891)	(1.536)
Bank charges	(619)	(322)
Management Liability Insurance	(661)	(661)
	<u>(31.137)</u>	<u>(14.316)</u>

The Hague, June 7, 2023

R.G. Pickel
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