

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

The Hague

Report 2023

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

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 facilitates the exchange of ideas that enables it to pursue its mission of promoting certainty and reducing risk in the global financial markets.

P.R.I.M.E. Finance seeks to achieve its goal by, among other things, (a) building capacity in developed and developing countries, (b) providing judicial training and participating in law reform initiatives, (c) offering dispute resolution services and maintaining the P.R.I.M.E. Finance Arbitration Rules administered by the Permanent Court of Arbitration, (d) providing continuing education through conferences and webinars; and (e) creating, in collaboration with LexisNexis, content relevant to financial market disputes.

P.R.I.M.E. Finance oversees and is supported by a Panel of Experts, which currently includes approximately 300 of the most senior legal and business talent in the financial markets with collectively more than 8,000 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
C.J. Ross	- Member

1.3 Staff

During 2023 P.R.I.M.E. Finance had 1 employee (1.0 FTE). It also had a Head of Secretariat working for P.R.I.M.E. Finance via a contractual relationship.

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 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, its schedule for judicial education and in-person conferences continued to be impacted by the pandemic in 2023, and is likely to impact its activities in 2024. P.R.I.M.E. Finance has therefore sought to diversify income streams including by its continued law reform work for the IFC and by increasing efforts to raise money through donations.

2.1 Annual Accounts

Balance sheet as at 31 December 2022 and 2023
(after profit appropriation)

<u>ASSETS</u>		<u>31/12/2023</u>	<u>31/12/2022</u>
		€	€
Current assets	<i>Explanatory notes</i>		
<i>Receivables</i>			
Accounts receivables	1	<u>-</u>	<u>-</u>
		-	-
<i>Cash at bank</i>	2	<u>1.073</u>	<u>3.301</u>
		1.073	3.301
Total assets		<u><u>1.073</u></u>	<u><u>3.301</u></u>

<u>LIABILITIES</u>		<u>31/12/2023</u>	<u>31/12/2022</u>
		€	€
Equity	<i>Explanatory notes</i>		
Capital	3	-	-
Other reserves	4	(1.763)	2.030
Total equity		<u>(1.763)</u>	<u>2.030</u>
Current liabilities	5	2.836	1.271
Total equity and liabilities		<u><u>1.073</u></u>	<u><u>3.301</u></u>

2.2 Statement of income and expense for 2022 and 2023

		<u>2023</u>	<u>2022</u>
		€	€
	<i>Explanatory notes</i>		
Revenues	6	101.370	142.212
Costs of contracted work and direct expenses	7 (46.825)	-	
Employee costs	8 (32.114)	(84.409)	
Other operating expenses	9 <u>(26.224)</u>	<u>(14.316)</u>	
Total operating expenses		<u>(105.163)</u>	<u>(141.670)</u>
Result from ordinary activities		<u>(3.793)</u>	<u>541</u>
Result for the period		<u>(3.793)</u>	<u>541</u>

Proposed profit appropriation

Based on the loss appropriation proposal made by the board, an amount of €3.793 of the result for 2023 of € 3.723 will be deducted from 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 now include education, 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 8,000 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.

2.3 Explanatory notes

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>31/12/2023</u>	<u>31/12/2022</u>
	€	€
1 Receivables		
<i>Accounts receivable</i>		
Accounts receivable	-	-
Allowance for doubtful accounts	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
2 Cash at bank and in hand		
<i>Cash at bank</i>		
ABN AMRO Bank, Current account	1.073	3.301
ABN AMRO Bank, Deposit account	-	-
	<u>1.073</u>	<u>3.301</u>
	<u>1.073</u>	<u>3.301</u>
Equity		
3 Capital		
Position as at 1 January	-	-
Revaluation	-	-
Position as at 31 December	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
4 Other reserves		
Balance as at 1 January	2.030	1.489
From result appropriation	(3.793)	541
Position as at 31 December	<u>(1.763)</u>	<u>2.030</u>
	<u>(1.763)</u>	<u>2.030</u>
5 Current liabilities		
Lawyer fee	810	280
Prepaid donation Friends of PRIME	-	500
Wage taxes and social security contributions	2.026	491
	<u>2.836</u>	<u>1.271</u>
	<u>2.836</u>	<u>1.271</u>

2.5 Explanatory notes to the statement of income and expense

	<u>2023</u>	<u>2022</u>
	€	€
6 <u>Revenues</u>		
Conference attendance fees	32.331	16.360
Conference and webinar sponsorship fees	45.825	29.002
Program support from DREF	19.338	96.000
Donations from Friends of PRIME	3.875	850
	<u>101.370</u>	<u>142.212</u>
7 <u>Costs of contracted work and direct expenses</u>		
Conference costs	(46.825)	(2.544)
	<u>(46.825)</u>	<u>(2.544)</u>
8 <u>Employee costs</u>		
Salaries	(22.464)	(32.441)
Social security contributions	(4.852)	(7.001)
Payment to PCA	-	(55.897)
Rent paid for temporary office space	(2.216)	(5.626)
Travel costs - employee	(2.421)	(4.170)
Other employee costs	(161)	(2.853)
	<u>(32.114)</u>	<u>(107.989)</u>

Average number of employees

During 2023, on average 1.0 employee (1.0 FTE) was employed (2022: 1.0).

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

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

	<u>2023</u>	<u>2022</u>
	€	€
9 <u>Other operating expenses</u>		
Administration costs	(2.806)	(2.620)
IT costs and zoom costs	(7.269)	(11.212)
Audit fees for 2020	-	(5.293)
Audit fees for 2021	-	(2.830)
Audit fees for 2022	(3.025)	-
Legal expenses	(6.916)	(3.012)
Other operating expenses	(6.208)	(6.171)
	<u>(26.224)</u>	<u>(31.137)</u>

The Hague, June 26, 2024

R.G. Pickel
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I.L. Levine
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