



BAKER TILLY
BERK

**STICHTING TREASURY INTERNATIONAL
ASSOCIATION OF PROSECUTORS
AT THE HAGUE
ANNUAL REPORT 2016**

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AUDITOR'S REPORT

Auditors



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Prosecutors
Hartogstraat 13
2514 EP THE HAGUE

Date
10 May 2017

Reference
15298\2016

Considering the fact that we have not completed the compilation of these financial statements yet, we have not issued a compilation report at this moment. In accordance with professional standards we have mentioned 'unaudited' on each page of these financial statements.

ACCOUNTANT'S COMPILATION REPORT

The financial statements of Stichting Treasury International Association of Prosecutors have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2016 and the statement of activities with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Dutch law, including the Dutch Standard 4410, 'Compilation engagements', which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work, in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding of Stichting Treasury International Association of Prosecutors. We have not performed any audit or review procedures which would enable us to express an opinion or a conclusion as to the fair presentation of the financial statements.

During this engagement we have complied with the relevant ethical requirements prescribed by the 'Verordening Gedrags- en Beroepsregels Accountants' (VGBA). You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

For further information on the nature and scope of a compilation engagement and the VGBA we refer you to www.nba.nl/uitleg-samenstellingsverklaring.

GENERAL

Incorporation foundation

The foundation was founded on October 31st, 1995.

Please do not hesitate to contact us if you require further details.

Yours sincerely,

Baker Tilly Berk N.V.



M.J. Scholtes AA



IAP

International Association of Prosecutors

Financial statements 2016

Director's report

The International Association of Prosecutors (IAP) is the only, worldwide association for prosecutors, aiming to connect prosecutors from all over the world to enable them to cooperate and helping each other in the fight against crime. The IAP with members in over 170 jurisdictions is continuously growing and steadily expanding its network and work.

In today's world, the fight against organized crime has become more challenging and demanding, which requires working together and sharing experience and information. It is evident that the importance of the IAP is increasingly being recognized. IAP's role in this challenging world is based on developing worldwide standards for prosecutors on integrity and human rights, on being a global network on formal mutual legal assistance as well as more informal contacts, and on helping each other with knowledge and best practices on many professional topics, like cybercrime (GPEN), international criminal justice (FICJ), human trafficking (TIPP), counter terrorism (CTPN), financial crime and corruption (NACP) and conflict-related sexual violence crime (PSV). Last year military prosecution (NMP) was added to the many professional topics. Those professional networks might unite in conferences, webinars, trainings, websites, newsletters, etc. But also more organizational topics like effective and efficient prosecution are being discussed.

Beside these networks of specialists, IAP's members join in regional conferences and the Annual Conference, a worldwide gathering of members on several professional topics as well as a General Meeting, IAP's legislative body. The IAP is governed by the Executive Committee, meeting twice a year, while day-to-day organizational and financial business is in the hands of the Secretary-General, assisted by the Executive director and a staff. The professional programme is governed by the General Counsel.

The financial and organizational vehicle, on which the IAP operates, is formed by a foundation, the "Stichting Treasury International Association of Prosecutors" (*Foundation Treasury International Association of Prosecutors*). This foundation is a necessary part of the IAP's structure, as, according to Dutch law, an organization or association can only be established when a financial board is registered with the chamber of commerce.

The Stichting Treasury International Association of Prosecutors is based in The Hague, The Netherlands. The purpose of the Stichting Treasury is to fulfil the task of treasurer of the IAP. The Board of the Stichting Treasury – composed of no less than three members - has the duty to meet twice a year, to get insight in the financial status – as provided by the Secretary-General - and

discusses the figures and the budget for the next financial year. The Board is also responsible for the management of the Stichting Treasury and is authorized to decide to enter into agreements, for instance working agreements.

Since March 2016 the Board is composed of:

H.J. Moraal (Secretary-General IAP, chairman of the Board);

J. Cule (IAP Executive Committee Member, Deputy Attorney General and National Member for Croatia at Eurojust);

S. Ouellet (IAP Executive Committee Member, Chief Prosecutor Office of the Director of Public Prosecutions, Québec, Canada).

As bookkeeping regulations dictate, the financial statements of the previous year should be ready to be determined and approved the next year, preferable in the first half year. Unfortunately the Stichting Treasury was many times far behind in producing its annual financial reports. With the financial statements 2015, produced in August 2016 the Stichting Treasury was almost back on track again.

March 2016 in Helsinki the Executive Committee of the IAP, due to the problems with the financial administration of the Association, appointed a new Secretary-General. In 2016 the newly formed Board of the Stichting Treasury, IAP's officials and staff cleared up the financial issues and developed new, transparent protocols. New financial processes were launched, together with a new, proper financial system and bookkeeping, the role of the new accounting firm and balanced financial responsibilities.

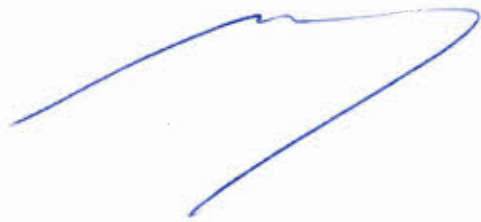
This should allow the IAP to run a proper financial administration and allow the accountant to report annually, before each Executive Committee's northern spring meeting. This had its effects in 2016, IAP's financial statements were adopted 5 April 2017, unfortunately only in a final draft version. The final version of the financial statements was completed soon after the meeting of the Executive Committee meeting. Next year's clear ambition is to finalize the financial statements before the northern spring meeting.

Discussions between the Secretary-General, the Financial Oversight Committee and the accountant resulted in a change in IAP's bookkeeping system and accountancy. IAP's bookkeeping for 2016 was based on the so called invoice-based system (income taken into account in the year it is invoiced). After discussions it was decided that a more cash-based system (incoming and outgoing money in a specific year) better fits with IAP actual financial rights and obligations.

This change in the system also changed IAP's 2015 result: from plus 3,000 EUR to minus 9,000 EUR. 2016 shows on the other hand a net gain of 8,000 EUR. However 2016 can hardly be called a normal financial year, considering the large payments of the former Secretary-General and the substantial expenses of the forensic accountants and accountant.

The Executive Committee in Dublin, Ireland, 11 September 2016, adopted the budget for 2017 (net gain 25,000 EUR), whilst this Committee agreed on 5 April 2017 with a revised budget for 2017. The revised 2017 income is estimated at 595,000 EUR of which 440,000 EUR will be arriving from membership fees. Costs and expenses are estimated at 578,000 EUR, consisting of staff and general expenses (493,000 EUR) and project expenses (85,000 EUR). 2017 is foreseen to close with a net gain of 17,000 EUR.

This estimated surplus of 17,000 EUR would be - not bound to budgetary rules - free for IAP to use. Stichting Treasury and IAP are looking forward to a financial healthy 2017.



Han Moraal
Chair of the Stichting Treasury IAP
Secretary-General IAP

FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31 DECEMBER 2016
(after result appropriation)

		<u>31-12-2016</u>		<u>31-12-2015</u>	
		€	€	€	€
ASSETS					
CURRENT ASSETS					
Receivables					
Other receivables and accrued assets	1		62,068		40,574
Cash at bank and in hand	2		264,559		288,505
Total assets			<u>326,627</u>		<u>329,079</u>

STICHTING TREASURY INTERNATIONAL ASSOCIATION OF PROSECUTORS
THE HAGUE

		31-12-2016		31-12-2015	
		€	€	€	€
EQUITY AND LIABILITIES					
NET ASSETS					
General reserve	3		287,414		279,618
CURRENT LIABILITIES					
Accounts payable	4	15,485		8,461	
Taxes and social security premiums	5	735		700	
Other liabilities and accrued expenses	6	22,993		40,300	
			39,213		49,461
Total liabilities			326,627		329,079

STATEMENT OF ACTIVITIES FOR THE YEAR 2016

		2016	2015
		€	€
Income	7	576,477	417,183
Expenses			
Wages and salaries	8	247,166	237,393
Other operating expenses	9	320,766	190,160
Total operating expenses		<u>567,932</u>	<u>427,553</u>
Operating result		8,545	-10,370
Financial income and expense	10	-749	1,455
Net result		<u><u>7,796</u></u>	<u><u>-8,915</u></u>

NOTES TO THE FINANCIAL STATEMENTS

ENTITY INFORMATION

Registered address and registration number trade register

The registered and actual address of Stichting Treasury International Association of Prosecutors is Hartogstraat 13, 2514 EP in The Hague. Stichting Treasury International Association of Prosecutors is registered at the trade register under number 41013325.

GENERAL NOTES

Description of the most important activities of the entity

The activities of Stichting Treasury International Association of Prosecutors consist mainly of functioning as the treasury of the International Association of Prosecutors.

GENERAL ACCOUNTING PRINCIPLES

Changes in accounting policies

Disclosure of change in accounting policies

Description of the change in accounting policies

Up to the 2015 annual accounts the income of the membership fees for organisations was based on the amounts invoiced for the year they were allocated to. Starting 2016 it is decided to base the income of the membership fees on the actual received income from the organisations during the year.

Description of the effects on equity and result of the change in accounting policies

The effect of the change in accounting policy concerning the income from membership fees from organisational members on equity and results are:

The to be received membership fees for organisational members per December 31st of 2015 of € 10,746 is not taken into account as income of 2015. This means the change in accounting policy lowers the result of 2015 and the equity per December 31st with € 10,746 compared to the previous accounting policy.

In 2016 an amount of € 77,737 has been invoiced for organisational membership fees which hasn't been received yet by December 31st of 2016. This amount has not been taken into account as income for the year 2016 as per the change in accounting policy.

These effects have been processed in this report.

Description of the effect of the change in accounting policies on individual items

The effect of the change in accounting policy concerning the income from membership fees from organisational members compared to the annual accounts of 2015 on individual items are as follows:

A decrease of the to be received membership fees per December 31st 2015 of € 10,746.
A decrease of the income from membership fees from organisational members over 2015 of € 10,746.
A decrease of the net result of € 10,746.

These effects have been processed in the comparable figures of 2015 in this report.

ACCOUNTING POLICIES FOR THE BALANCE SHEET

Receivables

Receivables are initially valued at the fair value of the consideration to be received. Trade receivables are subsequently valued at the amortised cost price. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

ACCOUNTING POLICIES FOR THE INCOME STATEMENT

Accounting principles for determining the result

Net turnover represents amounts received payments for membership fees and conferences organized during the year.

Revenues from memberships are recognized for the year the payment was received in. Revenues from conferences are allocated to the year in which the conference was held. The cost price of these services is allocated to the same period.

NOTES TO THE BALANCE SHEET

CURRENT ASSETS

Receivables

	<u>31-12-2016</u>	<u>31-12-2015</u>
	€	€
1 Other receivables and accrued income		
Other amounts receivable	62,068	40,574

Other amounts receivable

Annual conference	43,144	34,000
Granting program	-	3,450
Current account Secretary-General	-	3,124
Other prepaid costs	18,924	-
	<u>62,068</u>	<u>40,574</u>

2 Cash at bank and in hand

Cash in hand	168	60,304
ABN AMRO Bank N.V.	264,391	226,115
F. van Lanschot Bankiers	-	2,086
	<u>264,559</u>	<u>288,505</u>

	<u>2016</u>	<u>2015</u>
	€	€

3 General reserve

Balance as at 1 January	279,618	288,533
Appropriated of result	7,796	-8,915
Balance as at 31 December	<u>287,414</u>	<u>279,618</u>

CURRENT LIABILITIES

	<u>31-12-2016</u>	<u>31-12-2015</u>
	€	€

4 Accounts payable

Trade creditors	15,485	8,461
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5 Taxes and social security premiums

Wage tax	735	700
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6 Other liabilities and accrued expenses

Leave days and vacation fee	13,993	13,937
Compilation and advisory fee, other financial services	9,000	9,000
Prepaid grants FCO	-	17,363
	<u>22,993</u>	<u>40,300</u>

Off-balance-sheet rights, obligations and arrangements

Granted guarantees

Stichting Treasury International Association of Prosecutors has committed itself to a bank guarantee for the rent for the amount of € 2,804.

Rental obligations

Stichting Treasury International Association of Prosecutors is renting office space for an amount of € 15,444. The lease runs up to July 1st 2018 and is extended automatically for periods of 1 year, unless it is cancelled at least 12 months in advance.

PROPOSAL APPROPRIATION OF RESULT

The management of the entity proposes to appropriate the result as follows:

The appropriation of profit for the year 2016 in the amount of € 7,796 will be added to the other reserves in full.

NOTES TO THE STATEMENT OF ACTIVITIES

	2016	2015
	€	€
7 Income		
Annual conference levy	46,565	35,948
Individual membership fees	34,910	31,379
Organizational membership fees	394,051	289,029
Merchandise	690	250
Grants FCO	100,261	60,577
	<u>576,477</u>	<u>417,183</u>

The grants are received from the Foreign Commonwealth Office for the Gpen project. This project is ment to raise the effectiveness of global cybercrime prosecution. The funding is provided for the period of April 1st to March 31st of the years 2013-2018. The years 2013/2014, 2014/2015 and 2015/2016 have been completed.

In 2016 an amount of € 77,737 has been invoiced for organisational membership fees which hasn't been received yet by December 31st of 2016. This amount has not been taken into account as income for the year 2016 as per the change in accounting policy as described in the notes to the financial statements.

	2016	2015
	€	€
8 Wages and salaries		
Salary Office Manager The Hague	29,948	28,464
Salary General Counsel & Executive Director	230,897	184,091
Contractor fees	36,276	67,586
Reservation holiday allowance and vacation days	45	-7,748
	<u>297,166</u>	<u>272,393</u>
Reimbursement of salaries and wages Denmark	-50,000	-35,000
	<u>247,166</u>	<u>237,393</u>

The advisory consists of freelance workers for IT and FEDJ.

The salary for General Counsel & Executive Director and the reimbursement has increased in 2016, due to the fact they were engaged for the full year of 2016, while for 2015 they were engaged for part of the year.

Average number of employees

During 2016 3 employees were employed by Stichting Treasury International Association of Prosecutors (2015: 3).

	2016	2015
	€	€
9 Other operating expenses		
Other staff expenses	4,872	5,724
Housing expenses	20,079	18,327
Project expenses	126,326	85,752
Travel and representation costs	56,230	52,954
Office expenses	14,855	16,076
General expenses	98,404	11,327
	<u>320,766</u>	<u>190,160</u>

	2016	2015
	€	€
Other staff expenses		
Canteen expenses	274	524
Other personnel costs	4,598	5,200
	<u>4,872</u>	<u>5,724</u>
Housing expenses		
Office The Hague	<u>20,079</u>	<u>18,327</u>
Project expenses		
Granting program	27,531	11,497
Gpen project	98,795	72,545
Prosecutor of the Year award (travel expenses)	-	1,710
	<u>126,326</u>	<u>85,752</u>
Travel and representation costs		
Representation expenses	1,322	3,518
Travelling and hotel expenses	54,908	49,436
	<u>56,230</u>	<u>52,954</u>
Office expenses		
Automation expenses	7,725	991
Office supplies	3,599	4,254
Telephone and fax expenses	1,917	3,351
Printed matters	1,481	6,704
Postage expenses	133	776
	<u>14,855</u>	<u>16,076</u>
General expenses		
Legal expenses	58,671	4,204
Compilation and advisory fee, other financial services	40,148	13,789
Translation costs annual conference Dublin	21,862	-
Memberships and subscriptions	11,099	715
Other costs	5,416	-303
Insurance premiums	2,903	938
Bank costs	2,111	1,609
Regional conference	-	2,000
Annual conference	-	41
Differences previous years	-	-11,666
	<u>142,210</u>	<u>11,327</u>
Reimbursement of legal and accounting expenses	-43,806	-
	<u>98,404</u>	<u>11,327</u>

	<u>2016</u>	<u>2015</u>
	€	€
10 Financial income and expense		
Interest and similar income	-	1,455
Interest and similar expenses	-749	-
	<u>-749</u>	<u>1,455</u>
Interest and similar income		
Exchange differences	-	1,455
	<u>-</u>	<u>1,455</u>
Interest and similar expenses		
Exchange differences	749	-
	<u>749</u>	<u>-</u>

The Hague, 10 May 2017
Stichting Treasury International Association of Prosecutors

H. Moraal
Secretary General

J. Cule
Board member

S. Quellet
Board member

OTHER INFORMATION

STATEMENT REGARDING THE ABSENCE OF THE AUDITOR'S REPORT

No audit has been performed in accordance with the statutory size exemption under article 2:396, chapter 9 of the Netherlands Civil Code.