



**BAKER TILLY
BERK**

**STICHTING TREASURY INTERNATIONAL
ASSOCIATION OF PROSECUTORS
AT THE HAGUE**

ANNUAL REPORT 2015

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AUDITORS' REPORT

Auditors



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To the board of directors
Stichting Treasury International Association of
Prosecutors
Hartogstraat 13
2514 EP THE HAGUE

Date
5 August 2016

Reference
15298\2015

We hereby offer you the report concerning the annual report 2015 for Stichting Treasury International Association of Prosecutors, The Hague.

ACCOUNTANT'S COMPILATIONREPORT

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 2015 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

Comparative figures

The comparative figures published in this report are derived from the report from EY as prepared on May 20th, 2015. These figures have been adjusted as described in the notes to the financial statements.

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.A.P. van der Helm AA

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 in the fight against crime. The IAP with members in over 170 jurisdictions is continuously growing and so, steadily expanding its network.

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. The role of the IAP in this challenging world is based on developing worldwide standards for prosecutors on integrity and human rights, on being a worldwide 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). Those professional networks unite in conferences, webinars, trainings, websites, newsletters, etc. Beside these networks of specialists, the members of the IAP join in regional conferences and the Annual Conference, a worldwide gathering of members on several professional topics as well as the annual General Meeting, the 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 a staff (Executive director, Secretariat). 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 fundament of our Association, as, according to Dutch law, an organization or association can only be established when a financial board is registered with the chamber of commerce.

This Stichting Treasury International Association of Prosecutors is based in The Hague, The Netherlands. The purpose of the Foundation is to fulfil the task of treasurer of the IAP. The board of the Stichting – 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 responsible for the management of the foundation and is authorized to decide to enter into agreements, for instance working agreements.

Prior to the Executive Committee meeting last March in Helsinki, the board was composed of:

D.J.A. Kuipers (IAP Secretary-General, chairman of the board);
H.A. Marquart Scholtz (former IAP Secretary-General, IAP Senate member and Honorary Member);
W.D.A.M. Kemperink (Tax Consultant);
C.S. Pissuise (Legal Director at GasUnie, regulatory and public affairs).

Since 16 March 2016 the board is composed of:

H.J. Moraal (acting 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).

The main activities of the board were and are, to meet twice a year, in order to adopt the budget for the coming year, gain insight in, and discuss the figures of the previous year(s), gain insight in the minutes of the Executive Committee meeting, gain insight in the minutes of the General Meeting and to approve new employee contracts.

The members of the previous board of the Stichting (Treasury) repeatedly urged the (then) Secretary-General to forward – well in advance - the necessary documents (those needed to determine the annual figures of the previous year(s) as well as for the estimation of the budget for the coming year), and to plan their biannual meetings. Despite these encouragements, the board only met once a year while the Secretary-General failed to provide the proper documents on time. This was caused by the lack of properly administered figures, thus resulted in not having annual reports completed. As bookkeeping regulations prescribe, the financial statements of the previous year must be ready to be determined and approved the next year. Unfortunately, the Stichting was far behind in producing its annual financial reports many times. The previous accounting firm finalized the financial report 2014 early this year. With this report on 2015, the Stichting is back on track again.

Last March in Helsinki, as a consequence of the problems with the financial administration of our Association, the Executive Committee of the IAP appointed me, Han Moraal, as the acting Secretary-General. It will be my task, together with the newly formed board of the Stichting Treasury, to clear up the financial issues and develop new, transparent protocols.

In April this year, new financial processes were launched. The first one being the setup of a new, proper financial system and bookkeeping, the role of the new accounting firm and balanced financial responsibilities. The new financial procedures will be working this summer, covering the whole financial year 2016 and, in the future, will allow the accountant to report annually, before each Executive Committee's spring meeting. The bookkeeping will also be more in detail, giving insight in the various parts of the IAP's work, for instance the income and expenses of GPEN, one of the IAP's largest projects.

During the meeting in Zurich, Switzerland, on 12 September 2015, the Executive Committee adopted the budget for 2016. The income was estimated on € 500.000,- of which € 400.000,- will be from membership fees. Costs and expenses are estimated on € 475.000,-, consisting of the staff costs (€ 315.000,-) and general expenses (€ 160.000,-).

The estimated surplus of € 25.000,- would be - not bound to budgetary rules - free for the IAP to use. However, the setup of a new financial system and procedures, will have to be covered by this surplus. Nevertheless, the Stichting and the IAP are looking forward to a financially healthy 2016.

The Hague, 8 August 2016

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

FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31 DECEMBER 2015

(after result appropriation)

	31-12-2015		31-12-2014	
	€	€	€	€
ASSETS				
CURRENT ASSETS				
Receivables				
Other receivables and accrued assets	1	51,320		61,480
Cash at bank and in hand	2	288,505		263,796
Total assets		<u>339,825</u>		<u>325,276</u>

STICHTING TREASURY INTERNATIONAL ASSOCIATION OF PROSECUTORS
THE HAGUE

		31-12-2015		31-12-2014	
		€	€	€	€
EQUITY AND LIABILITIES					
NET ASSETS					
General reserve	3		290,364		288,533
CURRENT LIABILITIES					
Accounts payable	4	8,461		-	
Taxes and social security premiums	5	700		690	
Other liabilities and accrued expenses	6	40,300		36,053	
			49,461		36,743
Total liabilities			339,825		325,276

STATEMENT OF ACTIVITIES FOR THE YEAR 2015

		2015		2014	
		€	€	€	€
Income	7		427,929		342,452
Expenses					
Wages and salaries	8	237,393		113,014	
Other operating expenses	9	190,160		233,558	
Total operating expenses			427,553		346,572
Operating result			376		-4,120
Financial income and expense	10		1,455		-876
Net result			1,831		-4,996
Appropriation of result					
General reserve			1,831		-4,996

NOTES TO THE FINANCIAL STATEMENTS

GENERAL

The financial statements have been prepared in accordance with the guidelines according to RJK-C1 of the Dutch Accounting Standard Board for small non-profit organizations. Valuation of assets and liabilities and determination of the result takes place under the historical cost convention, unless presented otherwise.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Activities

The activities of Stichting Treasury International Association of Prosecutors, having its legal seat at The Hague, primarily consist of functioning as the treasury of the International Association of Prosecutors.

Error correction

During the compilation of the financial report 2015 the following omission regarding previous years were discovered:

A bankaccount in GBP regarding the Gpen-program was not stated in the annual accounts up to 2014. Also the income and costs regarding this program were not accounted for. This has been corrected in the annual accounts of 2015 and the comparative figures 2014.

The corrections to the balance sheet 2014 are as follows:

- Increase of Cash at bank and in hand of € 15,687
- Increase of General reserve of € 5,867
- Increase of Current liabilities of € 9,820

The corrections to the Profit and Loss account for the year ended 2014:

- Increase of Income of € 91,079
- Increase of operating expenses of € 83,721
- Decrease of Financial income and expenses of € 95
- Increase of result of € 7,263

The difference between the increase of the result (€ 7,263) of 2014 and the increase of the General reserve (€ 5,867) amounts to € 1,396 and is caused by errors in previous years. This amount is corrected directly in the General reserve as stated in the Notes to the Balance Sheet, item 3.

Translation of foreign currency

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing as at balance sheet date.

Transactions in foreign currency during the financial year are recognized in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as at balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

ACCOUNTING POLICIES IN RESPECT OF THE VALUATION OF ASSETS AND LIABILITIES

Accounts receivable

Upon initial recognition the receivables are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

Cash at bank

Cash and cash equivalents are valued at face value. If cash is not freely available this is taken into account for the valuation.

ACCOUNTING POLICIES IN RESPECT OF RESULT DETERMINATION

Net turnover

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

Revenues from memberships are recognized for the year they are allocated to. 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.

Expenses

Expenses are determined in accordance with the accounting policies described above and allocated to the financial year to which they relate. Profits are accounted for in the year in which they are foreseen.

Financial result

Interest income and interest expense represent interest received and paid on account of loans granted and taken out respectively relating to the financial year.

NOTES TO THE BALANCE SHEET

CURRENT ASSETS

Receivables

	<u>31-12-2015</u>	<u>31-12-2014</u>
	€	€
1 Other receivables and accrued income		
Other amounts receivable	51,320	61,480
	<u>51,320</u>	<u>61,480</u>
<i>Other amounts receivable</i>		
Annual conference	34,000	31,160
Organizational membership fees	10,746	25,895
Granting program	3,450	-
Current account Secretary-General	3,124	4,025
Interest	-	400
	<u>51,320</u>	<u>61,480</u>
	<u>51,320</u>	<u>61,480</u>
2 Cash at bank and in hand		
Cash in hand	60,304	72,125
Cash in transit	-	7,537
ABN AMRO Bank N.V.	226,115	174,246
F. van Lanschot Bankiers	2,086	9,888
	<u>288,505</u>	<u>263,796</u>
	<u>288,505</u>	<u>263,796</u>

The amount stated as cash in hand was transferred into the ABN AMRO Bankaccount of Stichting Treasury International Association of Prosecutors in March 2016.

	<u>2015</u>	<u>2014</u>
	€	€
3 General reserve		
Balance as at 1 January	288,533	294,925
Appropriated of result	1,831	-4,996
Error corrections	-	-1,396
Balance as at 31 December	<u>290,364</u>	<u>288,533</u>
	<u>290,364</u>	<u>288,533</u>

CURRENT LIABILITIES

4 Accounts payable

Trade creditors	8,461	-
	<u>8,461</u>	<u>-</u>

5 Taxes and social security premiums

Wage tax	700	690
	<u>700</u>	<u>690</u>

	<u>31-12-2015</u>	<u>31-12-2014</u>
	€	€
6 Other liabilities and accrued expenses		
Leave days and vacation fee	13,937	8,795
Compilation and advisory fee, other financial services	9,000	13,956
American Express	-	3,483
Prepaid grants FCO	17,363	9,819
	<u>40,300</u>	<u>36,053</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.

Investigation

In 2016 an investigation was started regarding irregularities in the administration of Stichting Treasury International Association of Prosecutors. The conclusion of this investigation is that an amount of approximately € 29,000, mainly consisting of cash membership fees, has not been properly processed into the financial administration.

The board plans to ask the former secretary general to refund this amount as well as the costs of the investigation itself. As the discussion about this is still underway and therefore no certainty exists about the amounts that will be received, the claim has not been included in the financial statements of 2015.

NOTES TO THE STATEMENT OF ACTIVITIES

	2015	2014
	€	€
7 Income		
Organizational membership fees	299,775	193,626
Individual membership fees	31,379	22,787
Annual conference surplus	35,948	31,160
Grants FCO	60,577	94,879
Merchandise	250	-
	<u>427,929</u>	<u>342,452</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 2013/2014, 2014/2015 and 2015/2016. The years 2013/2014 and 2014/2015 have been completed.

	2015	2014
	€	€
8 Wages and salaries		
Salary Office Manager The Hague	28,464	28,748
Salary General Counsel	47,121	-
Salary Executive Director	61,970	-
Salary Secretary General	-	2,400
General counsel fees (former GC)	40,000	25,000
Advisory fees	67,586	56,866
Reservation holiday allowance and vacation days	-7,748	-
	<u>237,393</u>	<u>113,014</u>

The advisory consists of freelance workers for IT and FECJ and communication manager up to June.

Average number of employees

During 2015 3 employees were employed by Stichting Treasury International Association of Prosecutors (2014: 1).

	2015	2014
	€	€
9 Other operating expenses		
Other staff expenses	5,724	921
Housing expenses	18,327	19,724
Project expenses	85,752	104,692
Travel and representation costs	52,954	54,835
Office expenses	16,076	23,297
General expenses	11,327	30,089
	<u>190,160</u>	<u>233,558</u>
Other staff expenses		
Canteen expenses	524	-
Other personnel costs	5,200	921
	<u>5,724</u>	<u>921</u>

	2015	2014
	€	€
Housing expenses		
Office The Hague	18,327	19,724
Project expenses		
Granting program	11,497	21,386
Gpen project	72,545	83,306
Prosecutor of the Year award (travel expenses)	1,710	-
	85,752	104,692
Travel and representation costs		
Representation expenses	3,518	4,349
Expenses reception	1,316	-
Executive committee meeting expenses (travel expenses)	4,121	5,563
Travelling and hotel expenses	3,928	-
Travel costs - Secretary General	16,831	15,489
Travel costs - General Counsel	14,482	25,561
Travel costs - Communications Manager/Executive Director	8,758	3,873
	52,954	54,835
Office expenses		
Office supplies	4,254	378
Postage expenses	776	810
Telephone and fax expenses	3,351	1,574
Printed matters	6,704	20,535
Automation expenses	991	-
	16,076	23,297
General expenses		
Memberships and subscriptions	715	1,284
Insurance premiums	938	1,096
Compilation and advisory fee, other financial services	13,789	13,471
Legal expenses	4,204	-
Differences previous years	-11,666	-
Annual conference	41	-
Regional conference	2,000	-
Bank costs	1,609	1,772
Equipment and utilities	-	9,298
Merchandising	-	2,043
Other costs	-303	1,125
	11,327	30,089

The differences previous years are caused by posts on the balance sheet which were either not, or for a wrong amount, included on the balance sheet 2014.

	2015	2014
	€	€
10 Financial income and expense		
Interest and similar income	1,455	-
Interest and similar expenses	-	-876
	1,455	-876

	2015	2014
	€	€
Interest and similar income		
Exchange differences	1,455	-
Interest and similar expenses		
Exchange differences	-	876

The Hague, 8 August 2016
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.

PROPOSAL APPROPRIATION OF RESULT

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

The appropriation of profit for the year 2015 in the amount of €1,831 will be added to the other reserves in full.