



**STICHTING TREASURY INTERNATIONAL
ASSOCIATION OF PROSECUTORS
AT THE HAGUE
ANNUAL REPORT 2017**

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AUDITOR'S REPORT

Auditors



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BERK**

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Stichting Treasury International Association of
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Hartogstraat 13
2514 EP THE HAGUE

Date
3 April 2018

Reference
15298\2017

We hereby offer you the report concerning the annual report 2017 for Stichting Treasury International Association of Prosecutors, The Hague.

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 2017 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.



**BAKER TILLY
BERK**

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

MANAGEMENT BOARD'S REPORT



IAP

International Association of Prosecutors

Financial statements 2017

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 help each other in the fight against crime. The IAP with members in 177 countries and territories is continuously growing and steadily expanding its network and work.

In today's world, the fight against crime is turning more and more into a challenge on expertise. Fast developments in IT, the World Wide Web, migrant cross border traveling, legitimate and criminal world coinciding more and more; all show a very demanding need for better expertise skills, better working together and more sharing of experience and information. Formal institutions like Interpol and Eurojust are also trying to cope with these developments, but more and more informal organizations like the IAP show wider and swifter possibilities to improve international cooperation, not countered by formal requirements. 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), conflict-related sexual violence crime (PSV) and military prosecution (NMP). And new networks are on their way. These professional networks unite in conferences, webinars, trainings, websites, newsletters, etc. But also more organizational topics like effective and efficient prosecution are being discussed.

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

The IAP's financial and organizational vehicle is set up as 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 fulfill the task of treasurer of the IAP. The Board of the Stichting Treasury – consisting 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 current and next financial year. The Board is responsible for the management of the Stichting Treasury and is authorized to enter into agreements. The Stichting Treasury is also the formal employer of IAP's workers.

Since March 2016 the Board consists 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);

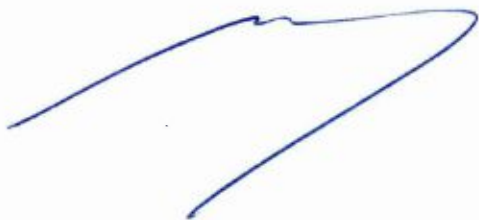
S. Ouellet (IAP Executive Committee Member, Chief Prosecutor Office of the Director of Public Prosecutions, Québec, Canada).

As bookkeeping regulations dictate, the financial statements of the previous year should be ready to be determined and approved the next year at the meeting of the Executive Committee's Northern spring meeting. After some troublesome administrative years the IAP is back on track again with new financial processes launched, together with a new, proper financial system and bookkeeping, a new accounting firm and balanced financial responsibilities.

Other than 2016, which was hardly a normal financial year, considering the substantial expenses of the accountants and the paybacks, 2017 was a more regular year and the first full financial year under the authority of the new Secretary General. 2017 did not turn out to be an easy financial year as the growing number of staff members did ask for much more financial support than expected, mostly travel costs. The 2017 financial statement shows a rise of these travel costs from EUR 54.000 (2016) to EUR 106.000 (2017). Also salary costs rose substantially due to the professionalization of IAP's staff (leaving and hiring of staff members). Luckily, this was partly compensated by a higher income on membership fees: from EUR 429.000 in 2016 to EUR 479.000 in 2017. The overall income did not rise due to lesser income on projects and grants (EUR 7.000 lower than 2016), but with the overall expenses dropping with EUR 20.000, the overall result ended with a deficit of EUR 47.000. The negative result lowered IAP's assets from EUR 326.000 to EUR 297.000. More than expected but IAP's assets are able to absorb this negative result.

In Beijing, China, 10 September 2017, the Executive Committee adopted the budget for 2018 (net result 5.5000 EUR), but the revised 2018 budget will substantially change (proposal to the Executive Committee, April 2018) due to much lower salary costs and more income on membership fees. 2018 should show a net result of EUR 24.500, bringing IAP's assets almost back to the 2016 level.

Despite the 2017 deficit, Stichting Treasury and IAP are looking at a financial healthy future.



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

FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31 DECEMBER 2017

(After distribution of result)

		31-12-2017		31-12-2016	
		€	€	€	€
ASSETS					
CURRENT ASSETS					
Receivables					
Other receivables and accrued assets	1		55,869		62,068
Cash at bank and in hand	2		241,840		264,559
Total assets			<u>297,709</u>		<u>326,627</u>

STICHTING TREASURY INTERNATIONAL ASSOCIATION OF PROSECUTORS
THE HAGUE

		31-12-2017		31-12-2016	
		€	€	€	€
EQUITY AND LIABILITIES					
NET ASSETS					
General reserve	3		240,349		287,414
CURRENT LIABILITIES					
Amounts owed to credit institutions	4		35		-
Accounts payable	5		21,110		15,485
Taxes and social security premiums	6		13,221		735
Other liabilities and accrued expenses	7		22,994		22,993
			57,360		39,213
Total liabilities			297,709		326,627

STATEMENT OF ACTIVITIES FOR THE YEAR 2017

		2017		2016	
		€	€	€	€
Income	8		569,873		576,477
Expenses					
Wages and salaries	9	309,573		247,166	
Other operating expenses	10	301,182		320,766	
Total operating expenses			610,755		567,932
Operating result			-40,882		8,545
Interest and similar expenses	11		-6,183		-749
Net result			-47,065		7,796

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

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

The accounting standards used to prepare the financial statements

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. The budget is not task-based and therefore not included in the annual accounts.

ACCOUNTING PRINCIPLES

Receivables

Receivables are initially valued at the fair value of the consideration to be received. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. 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 principles for determining the result

Net turnover represents amounts received 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>31-12-2017</u>	<u>31-12-2016</u>
	€	€
1 Other receivables and accrued income		
Other amounts receivable	55,869	62,068
	<u>55,869</u>	<u>62,068</u>
Other amounts receivable		
Annual conference	45,000	43,144
Other prepaid costs	10,869	18,924
	<u>55,869</u>	<u>62,068</u>
2 Cash at bank and in hand		
Cash in hand	125	168
ABN AMRO Bank N.V.	241,715	264,370
Third party account ABN AMRO Bank N.V.	-	21
	<u>241,840</u>	<u>264,559</u>
	<u>2017</u>	<u>2016</u>
	€	€
3 General reserve		
Balance as at 1 January	287,414	279,618
Appropriated of result	-47,065	7,796
Balance as at 31 December	<u>240,349</u>	<u>287,414</u>

CURRENT LIABILITIES

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
4 Amounts owed to credit institutions		
Third party account ABN AMRO Bank N.V.	35	-
	<u>35</u>	<u>-</u>
5 Accounts payable		
Trade creditors	21,110	15,485
	<u>21,110</u>	<u>15,485</u>
6 Taxes and social security premiums		
Wage tax	13,221	735
	<u>13,221</u>	<u>735</u>

This concerns the Dutch wage tax for the period of December, which is due to be paid in January of the following year. The amount in December 2017 includes the wage tax calculated on the severance pay of the former Office Manager The Hague.

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
7 Other liabilities and accrued expenses		
Leave days and vacation fee	13,994	13,993
Compilation and advisory fee, other financial services	9,000	9,000
	<u>22,994</u>	<u>22,993</u>
	<u><u>22,994</u></u>	<u><u>22,993</u></u>

Off-balance-sheet rights and arrangements

In 2017 an amount totalling € 13.300 was invoiced to organisational members but not received yet.

NOTES TO THE STATEMENT OF ACTIVITIES

	<u>2017</u>	<u>2016</u>
	€	€
8 Income		
Annual conference levy	45,000	46,565
Individual membership fees	41,304	34,910
Organizational membership fees	437,343	394,051
Merchandise	263	690
Grants FCO	31,615	82,765
Grants Granting Program	13,168	17,496
Other	1,180	-
	<u>569,873</u>	<u>576,477</u>

The grants are received from the Foreign Commonwealth Office for the Gpen project and from individual members for the granting program. 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, 2015/2016 and 2016/2017 have been completed.

	<u>2017</u>	<u>2016</u>
	€	€
9 Wages and salaries		
Salary Office Manager The Hague	29,612	29,948
Severance pay Office Manager The Hague	25,500	-
Salary General Counsel & Executive Director	235,136	230,897
Advisory fees	36,253	36,276
Reservation holiday allowance and vacation days	1,876	45
Hiring staff	16,196	-
	<u>344,573</u>	<u>297,166</u>
Reimbursement of salaries and wages Denmark	-35,000	-50,000
	<u>309,573</u>	<u>247,166</u>

The advisory consists of freelance workers for IT and the newsletter

Average number of employees

During 2017 3 employees were employed by Stichting Treasury International Association of Prosecutors (2016: 3).

2017

Average number of employees
2016

Number
3.00

Average number of employees

Number
3.00

	2017	2016
	€	€
10 Other operating expenses		
Other personnel expenses	7,437	5,765
Housing expenses	24,662	20,079
Project expenses	105,734	126,326
Travel and representation costs	108,587	56,230
Office expenses	17,723	16,954
General expenses	37,039	95,412
	<u>301,182</u>	<u>320,766</u>
Other personnel expenses		
Canteen expenses	542	274
Sick pay insurance	607	893
Danish salary administration costs	5,441	4,142
Dutch salary administration costs	464	456
Other personnel costs	383	-
	<u>7,437</u>	<u>5,765</u>
Housing expenses		
Office The Hague	15,582	15,444
Maintenance buildings	4,112	1,646
Cleaning expenses	2,689	692
Gas, water and electricity	1,910	1,924
Property tax	369	373
	<u>24,662</u>	<u>20,079</u>
Project expenses		
Granting program	13,104	27,531
Open project	92,630	98,795
	<u>105,734</u>	<u>126,326</u>
Travel and representation costs		
Representation expenses	1,661	1,322
Travelling and hotel expenses	106,926	54,908
	<u>108,587</u>	<u>56,230</u>
Office expenses		
Automation expenses	7,002	9,824
Office supplies	4,392	3,599
Telephone and fax expenses	2,952	1,917
Printed matters	1,898	1,481
Postage expenses	1,479	133
	<u>17,723</u>	<u>16,954</u>

	<u>2017</u>	<u>2016</u>
	€	€
General expenses		
Membership fee AIPPF 2017	11,000	-
Membership fee AIPPF 2016	6,175	9,000
Advisory and other financial services	14,862	31,148
Compilation fee	9,000	9,000
Legal expenses	3,091	58,671
Other costs	2,223	5,416
Bank costs	1,749	2,111
Insurance premiums	1,439	2,010
Translation costs	-	21,862
	<u>49,539</u>	<u>139,218</u>
Reimbursement of legal and accounting expenses	-12,500	-43,806
	<u>37,039</u>	<u>95,412</u>
	<u><u>37,039</u></u>	<u><u>95,412</u></u>
 11 Interest and similar expenses		
Exchange differences	6,183	749
	<u><u>6,183</u></u>	<u><u>749</u></u>

The Hague,
Stichting Treasury International Association of Prosecutors

H. Moraal
Secretary General

J. Cule
Board member

S. Quellet
Board member