

Stichting European Lawyers Foundation
The Hague

Financial report 2014/2015

March 22, 2016

TAX & ADMINISTRATION

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1. FINANCIAL REPORT

Stichting European Lawyers Foundation
Attn: the Board of Directors
Neuhuyskade 94
2596 XM THE HAGUE

Date

March 22, 2016

Reference

0085ADJ-2016.1501

Subject

Financial report 2014/2015

Dear Board of Directors,

Herewith we send you the financial accounts 2014/2015 of Stichting European Lawyers Foundation.

Introduction

Stichting European Lawyers Foundation was established on August 27, 2014. The foundation's first financial year ends on December 31, 2015. The financial report 2014/2015 must be prepared within six months after the financial year (so before June 30, 2016). The financial report contains at least a balance sheet, a statement of income and expenditure and notes to the financial statements.

In accordance with our engagement letter and your instructions we have compiled the financial statements of Stichting European Lawyers Foundation, The Hague, based on the information provided by the foundation's management.

The balance sheet as of December 31, 2015, the statement of income and expenditure 2014/2015 and the notes are components of this report.

Scope

We have compiled the financial statements in accordance with Dutch law. Our procedures were limited primarily to gathering, processing, classifying and summarising financial information.

Should you have any questions, please feel free to contact us.

Yours sincerely,



Mr. M.C. Ruitenbeek MSc

1.1 Financial position

Below we provide an analysis of the foundation's financial position, based on the balance sheet.

	<u>31.12.2015</u>	
	€	€
In short term available:		
Receivables	15.773	
Cash and cash equivalents	<u>169.533</u>	
Total current assets		185.306
Less: current liabilities		<u>16.872</u>
Working capital		168.434
Fixed on long term:		
Tangible fixed assets	<u>5.322</u>	
		<u>5.322</u>
Funded with on long term available assets		<u><u>173.756</u></u>
Funding occurred as follows:		
Reserve and funds		23.756
Long-term liabilities		<u>150.000</u>
		<u><u>173.756</u></u>

2. FINANCIAL STATEMENTS

2.1 Balance sheet as of December 31, 2015
(After result appropriation)

	<u>31.12.2015</u>	
ASSETS	€	€
Fixed assets		
<i>Tangible fixed assets</i>		
Office equipment	<u>5.322</u>	5.322
Current assets		
<i>Receivables</i>		
Trade receivables	<u>15.773</u>	15.773
<i>Cash and cash equivalents</i>		169.533
Total assets		<u><u>190.628</u></u>

2.1 Balance sheet as of December 31, 2015
(After result appropriation)

	<u>31.12.2015</u>	
	€	€
LIABILITIES		
Reserves and funds		
Continuity and development reserve	<u>23.756</u>	23.756
Long-term liabilities		
Other debts	<u>150.000</u>	150.000
Current liabilities		
Accounts payable	2.165	
Taxes and premiums social insurance	2.742	
Other debts	8.965	
Accrued liabilities	<u>3.000</u>	16.872
Total liabilities		<u><u>190.628</u></u>

2.2 Statement of income and expenditure 2014/2015

	2014/2015
	€
Projects	100.549
Other income	145.921
Income	<u>246.470</u>
Total income	<u>246.470</u>
Expenses	
Wages and salaries	118.394
Social insurances	11.719
Other personnel costs	39.568
Depreciation tangible fixed assets	605
Selling costs	15.261
Office costs	7.867
General costs	26.416
Total expenses	<u>219.830</u>
Operating result	<u>26.640</u>
Interest and similar income	116
Interest and similar expenditure	<u>(3.000)</u>
Total financial income and expenditure	<u>(2.884)</u>
Result	<u><u>23.756</u></u>
Destination of the result	
Addition to continuity and development reserve	<u><u>23.756</u></u>

2.3 Notes to the financial statements

GENERAL

Stichting European Lawyers Foundation was established on August 27, 2014. The foundation's first financial year ends on December 31, 2015.

Activities

The activities of Stichting European Lawyers Foundation, having its registered office at Neuhuyskade 94, The Hague primarily consist of:

- activities that relate to the exercise of the profession of lawyers, the development of the law and practice pertaining to the rule of law and administration of justice and substantive developments in the law itself, both at a European and international level as well as issues of justice policies in Europe;
- activities to monitor actively the defence of the rule of law, the protection of fundamental and human rights and freedoms, including the right of access to justice and protection of the client, and the protection of democratic values inextricably associated with such rights.

The actual activities are carried out at Neuhuyskade 94, The Hague.

BALANCE SHEET VALUATION POLICIES

General

Valuation of assets and liabilities and determination of the result take place under the historical cost convention. Unless mentioned otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at face value.

Tangible fixed assets

The tangible fixed assets are valued at acquisition price or manufacturing costs, less the accumulated depreciation and any impairments. The depreciation is based on the expected useful life and is calculated on the basis of a fixed percentage of the acquisition price or manufacturing costs, taking into account any residual value. Depreciation is applied as from the moment the asset is put to use.

Depreciation percentages:

Office equipment 20 %

Receivables

Upon initial recognition the receivables are recorded at the fair value and subsequently valued at the amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for doubtful accounts are deducted. These provisions are determined by individual assessment of the receivables.

Cash and cash equivalents

Cash and cash equivalents are valued at nominal value and, insofar as not stated otherwise, are at the free disposal of the foundation. Cash and cash equivalents relate to immediately due and payable withdrawal claims against credit institutions and cash resources.

2.3 Notes to the financial statements

Reserve and funds

Continuity and development reserve

Stichting European Lawyers Foundation wants to develop the organisation and ensure sustainability. Therefore the foundation wants to create a continuity and development reserve to cover operational and program costs.

Long-term liabilities

Long-term liabilities concern loans with a term of longer than one year. The part of the loans that is repaid in the coming financial year, has been included under the short-term liabilities.

Current liabilities

Current liabilities concern debts with a term of less than one year. Upon initial recognition the current liabilities are recorded at the fair value and subsequently valued at the amortized cost.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

The result is determined as the difference between income generated by contributions, subsidies, gifts and others, and the costs and other charges for the year. Income is recognised in the year in which it is realised.

Income

Income is recognised in the period it has been received or by contract agreed. Income that has a specific allocation are accounted for in the notes to the statement of income and expenditure.

Expenses

Expenses are recognised at the historical cost convention and are allocated to the reporting year in which they occurred. As the result of the aforementioned, in instance, income might not match with expenses and are in these cases processed via destination fund and/or reserves.

Employee benefits

Wages, salaries and social security contributions are recognized in the statement of income and expenditure on the basis of the conditions of employment to the extent that they are owed to employees.

Amortisation / depreciation

Amortisation / depreciation is calculated by means of fixed percentages of the purchase price, based on the expected useful life.

Financial income and expenditure

The financial income and expenditure consists of interest earned and paid on granted and received loans.

2.4 Notes to the balance sheet

ASSETS

FIXED ASSETS

Tangible fixed assets

A summary of the movements of tangible fixed assets is given below:

	Office equipment <u>€</u>	Total 2014/2015 <u>€</u>
Investments	5.927	5.927
Depreciations	(605)	(605)
Movements 2014/2015	<u>5.322</u>	<u>5.322</u>
Acquisition value	5.927	5.927
Accumulated depreciations	(605)	(605)
Book value as of 31.12.2015	<u>5.322</u>	<u>5.322</u>

CURRENT ASSETS

Receivables

	<u>31.12.2015</u>
	€
Receivables	
Receivables	<u>15.773</u>

A provision for doubtful accounts is not considered to be necessary.

	<u>31.12.2015</u>
	€
Cash and cash equivalents	
ING, current account	14.417
ING, saving account	155.116
	<u>169.533</u>

2.4 Notes to the balance sheet

LIABILITIES

RESERVE AND FUNDS

	<u>2014/2015</u>
	€
Continuity and development reserve	
Value as of 27.08.2014	-
From result 2014/2015	<u>23.756</u>
Value as of 31.12.2015	<u><u>23.756</u></u>

LONG-TERM LIABILITIES

	<u>31.12.2015</u>
	€
Other debts	
Loan CCBE	<u>150.000</u>
	<u><u>150.000</u></u>

The part of the other debts with a duration of longer than 5 years is € 150.000.

	<u>2014/2015</u>
	€
<i>Loan CCBE</i>	
Value as of 27.08.2014	-
Raised	<u>150.000</u>
Value as of 31.12.2015	<u><u>150.000</u></u>

The loan has a duration of thirty years. The interest rate is 2% in the period 2015 to 2017. The first repayment is due in October, 2021.

CURRENT LIABILITIES

	<u>31.12.2015</u>
	€
Accounts payable	
Trade debts	<u><u>2.165</u></u>

2.4 Notes to the balance sheet

	<u>31.12.2015</u>
	€
Taxes and premiums social insurance	
Wage tax	<u>2.742</u>
	<u>31.12.2015</u>
	€
Other debts	
Deferred income	<u>8.965</u>
	<u>31.12.2015</u>
	€
Accrued liabilities	
Amounts to be paid	<u>3.000</u>

2.5 Notes to the statement of income and expenditure

	<u>2014/2015</u>
	€
Income Projects	
Project FAL2	40.967
Project TRAINAC	17.061
Project e-Codex	13.115
Project Ukraine	10.718
Project FAL3	10.161
Project ETP	6.812
Project EAW-Rights	3.445
Project Evidence	1.228
Project Venezuela	(935)
Project Zimbabwe	(2.023)
	<u>100.549</u>
Other income	
Municipality of The Hague	50.000
French Bars contribution	33.333
Bars contribution other countries	31.485
Conference Baton	22.222
CCBE	8.258
Other income	623
	<u>145.921</u>
Personnel costs	
Wages and salaries	118.394
Social insurances	11.719
Other personnel costs	39.568
	<u>169.681</u>
Wages and salaries	
Wages and salaries 2014	23.699
Wages and salaries 2015	90.000
Foreign allowance 2015	4.695
	<u>118.394</u>
Social insurances	
Social insurances 2014	2.436
Social insurances 2015	9.283
	<u>11.719</u>
Other personnel costs	
Freelancers	39.201
Education- and training costs	317
Other personnel costs	50
	<u>39.568</u>

2.5 Notes to the statement of income and expenditure

	<u>2014/2015</u>
	€
Depreciation tangible fixed assets	
Office equipment	605
	<u>605</u>
Selling costs	
Travel- and subsistence expenses	7.146
Publicity - and advertisement costs	4.953
Costs of representation	3.162
	<u>15.261</u>
Office costs	
Telecommunication	2.711
Automation costs	2.216
Office equipment	1.424
Small assets	1.076
Costs of postage	269
Other office costs	171
	<u>7.867</u>
General costs	
VAT not claimed	11.600
Administrative costs	6.853
Business insurance	2.644
Consulting fee	2.559
Website costs	1.100
Bank costs	115
Other general costs	1.545
	<u>26.416</u>
Financial income and expenditure	
Interest and similar income	
Interest account bank	116
	<u>116</u>
Interest and similar expenditure	
Interest loan CCBE	3.000
	<u>3.000</u>