



Annual Report and Accounts 2017



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From the CEO

During the past few months, we have started pulling together all the data we've collected on justice needs and experiences in the last four years. Almost 70,000 voices in twelve countries spanning across Africa, the Middle East, and Europe. A new Trend Report in which we use this data will come out in the first half of 2018. Here's a sneak preview:

- An estimated one billion new justice problems come up each year.
- 60% of the justice needs people have involves five problems: family disputes, neighbour disputes, employment disputes, crime, and land disputes.
- 70% is not resolved. Even worse: if you ask people about the justice problems that have the most impact on their lives, 82% is not resolved.
- Almost 30% don't even feel empowered enough to take action.
- Women are less likely to take action.
- We measure severe consequences of each of these problems: from violence and loss of livelihood to seriously damaged relationships and health problems. Women indicate a higher impact of these problems on their lives than men do.

That is a horrific amount of unresolved unfairness. It is clear: justice systems are not delivering enough. What would we say if a health system did not cure 70% of health problems, leaving 700 million people in distress? Or if a school system largely missed 70% of the children? Would we accept that? We have to invest in remedying this system failure. Just as we invested in fighting malaria or HIV.

Each year, 1 billion people have a new justice problem. Of the severest ones, a mere 18% is completely resolved.


The challenge we face needs two things. Firstly: a lot of innovation, because existing mechanisms are not delivering. Secondly: solutions at scale, because a lot of people need to be reached. Without both, meeting Sustainable Development Goal 16.3 – equal access to justice for all – will remain a far away dream. This realization has driven HiIL's work in 2017.

Data and evidence about what works remains the foundation of our work in dealing with this challenge. In 2017 we collected data about the needs and experiences of the users of justice in a record five countries. Based on that, we worked to develop coalitions to develop better justice journeys around the most pressing needs in The Netherlands, Uganda, Tunisia, the UAE, Jordan, and Lebanon. Our annual call for justice innovations led to a record number of submissions and 30 impressive innovations that we will be incubating in 2018. We are learning that dealing with the justice gap requires a completely different way of thinking and organising - one that the justice sector is not used to. It is a teaching and learning process for all involved.

Our work in 2017 was a journey. We describe it in more detail in the pages below. We thank all our clients for the trust they placed in us. Together we are learning how to organise innovation and scale. We also give special thanks to our strategic partners in 2017: the Dutch Ministry of Foreign Affairs, the Swedish Embassy in Uganda, the Ford Foundation, and The Hague Municipality. Finally, we thank our team members for making this journey work through their hard work.

Sam





Why

Approximately 6 billion people in today's global population do not have adequate access to justice.




Mission

By 2030, 150 million people will be able to prevent or resolve their most pressing justice problems.

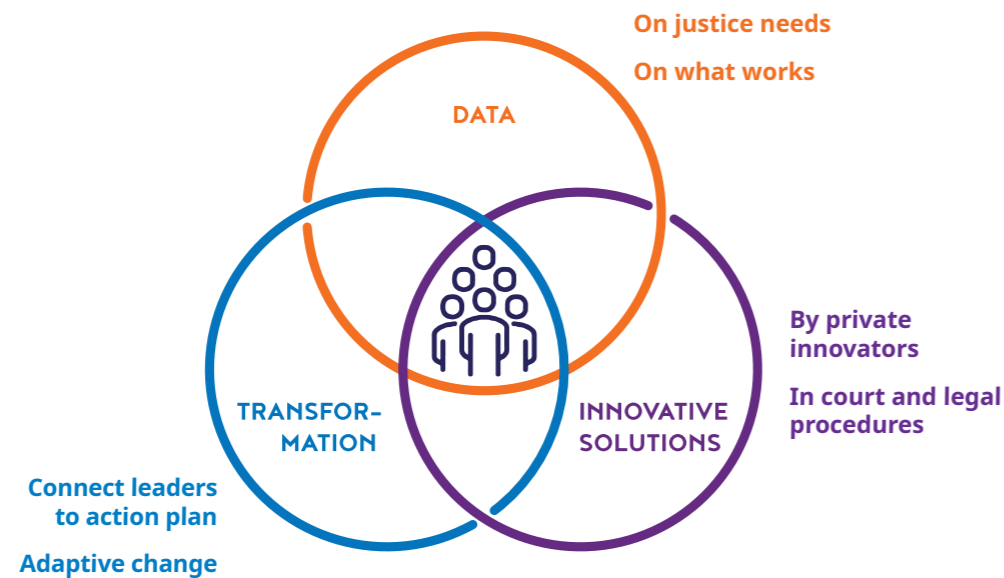
Why Approximately 6 billion people in today's global population do not have adequate access to justice. The consequences of this are very serious: violence, loss of livelihood, damaged relationships, and health problems. Justice must become more user-friendly to change this.

Our mission By 2030, 150 million people will be able to prevent or resolve their most pressing justice problems.

Our values

<p>EVIDENCE-BASED</p>  <p>Research and best practices are the backbone of our work.</p>	<p>NON-JUDGMENTAL</p>  <p>We take a neutral perspective, focusing on what is perceived as more or less fair by the people involved.</p>	<p>CO-CREATION</p>  <p>Our projects are energising, based on collective learning, looking at problems from many perspectives and based on an exchange of solutions from different cultures.</p>
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Strategy data + innovation + transformation = user-friendly justice




Social impact HiiL continuously works to develop and improve its methodology to measure our impact. In 2017 we published a first impact report of the Justice Accelerator. In 2018 we will publish a Take Stock report, based on the data we have collected and the research we have done in the past 5 years.

- Key Indicators**
- We worked in 14 countries: Nigeria, Kenya, Uganda, Jordan, Tunisia, Lebanon, Mali, Bulgaria, Ukraine, Bangladesh, The Netherlands, Canada, Fiji, and the United Arab Emirates.
 - Our team in The Hague was comprised of 20 core team members and 5 interns. We had 8 justice innovation agents in Nairobi, Lagos, Ghana, Kampala, Johannesburg, Kyiv, and Beirut.
 - Our key clients and strategic partners are: The Dutch Ministry of Foreign Affairs, the Swedish Embassy, the Ford Foundation, and The Hague Municipality.
 - HiiL is one of the co-founders of a new peace and justice innovation hub, The Hague Humanity Hub.

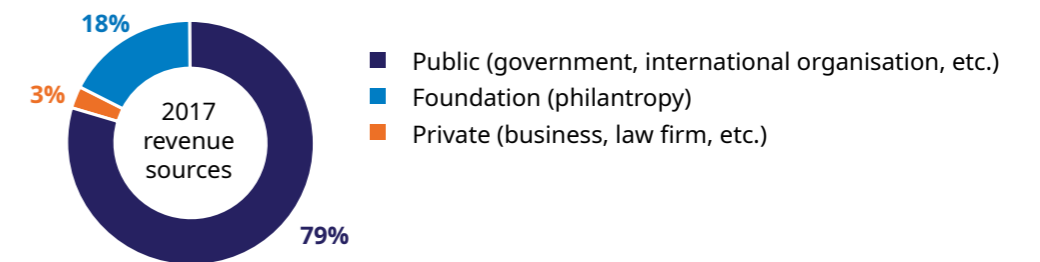
Focus areas in 2017

The five priority areas that emerge from our data:

FAMILY 	EMPLOYMENT 	CRIME 	LAND 	NEIGHBOURS 
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Qualification  ANBI - Qualification from Dutch tax authorities. Fiscal number 816106551

Funding The foundation was in 2017 mainly funded by public money.



Finance

	2017	2016
Revenues (EUR)	3.5 mln	3.4 mln
Solvency ratio (total reserves divided by total liabilities)	34%	37%
Current ratio (current assets divided by total debts)	1.4	1.6
Average number of FTE	17.4	19.7

Strategy

HiiL is a social enterprise. Being a social enterprise means that for HiiL, profit making and generating positive results are a mean to an end: reaching the social goal is where we stand for.

HiiL's social goal by 2030, 150 million people will be able to prevent or resolve their most pressing justice problems.

- We focus on the mass market: the billions of vulnerable people who don't have access to justice. If we were a car maker we would produce affordable Hyundai's, not Jaguars
- We focus on most pressing justice needs.
- We are not focused on the rulemaking part of rule of law such as democracy, adopting laws, etc.
- We link our work on access to justice to the Sustainable Development Agenda. In particular, Sustainable Development Goal (SDG) article 16.3: Promote the rule of law at the national and international levels and ensure access to justice for all.
- We (and many others) see radical change is needed towards user-friendly justice: this means people-oriented design.

Business model data + innovative solutions + transformation = user-friendly justice

Based on the data about user experiences and needs, we have two groups we work for and with:

1. Private organisations and/or individuals that have promising and scalable solutions that prevent or resolve the most pressing justice problems. In this case a justice entrepreneur wants to scale up. For this group we do incubation and acceleration

2. Governmental justice organisations that require scalable solutions that prevent or resolve the most pressing justice problems. In this case a justice ecosystem needs a solution. For this group we do coalition building and designing & developing

The customers for this combination are: ministries, NGOs and social impact investors. We look for multi-year partnerships.

We need to perform these activities at high quality and scale if we want to reach the impact level we aim for.

Four activities are needed to do this



Collecting data about the needs and experiences of users of the justice system and making that data accessible.



Working with justice entrepreneurs: incubation and acceleration of promising justice innovations that provide solutions which help prevent or resolve the most pressing justice problems that emerge from the data.



Working with government actors: evaluating current procedures and building system changing coalitions that design and develop solutions which help prevent or resolve the most pressing justice problems that emerge from the data.



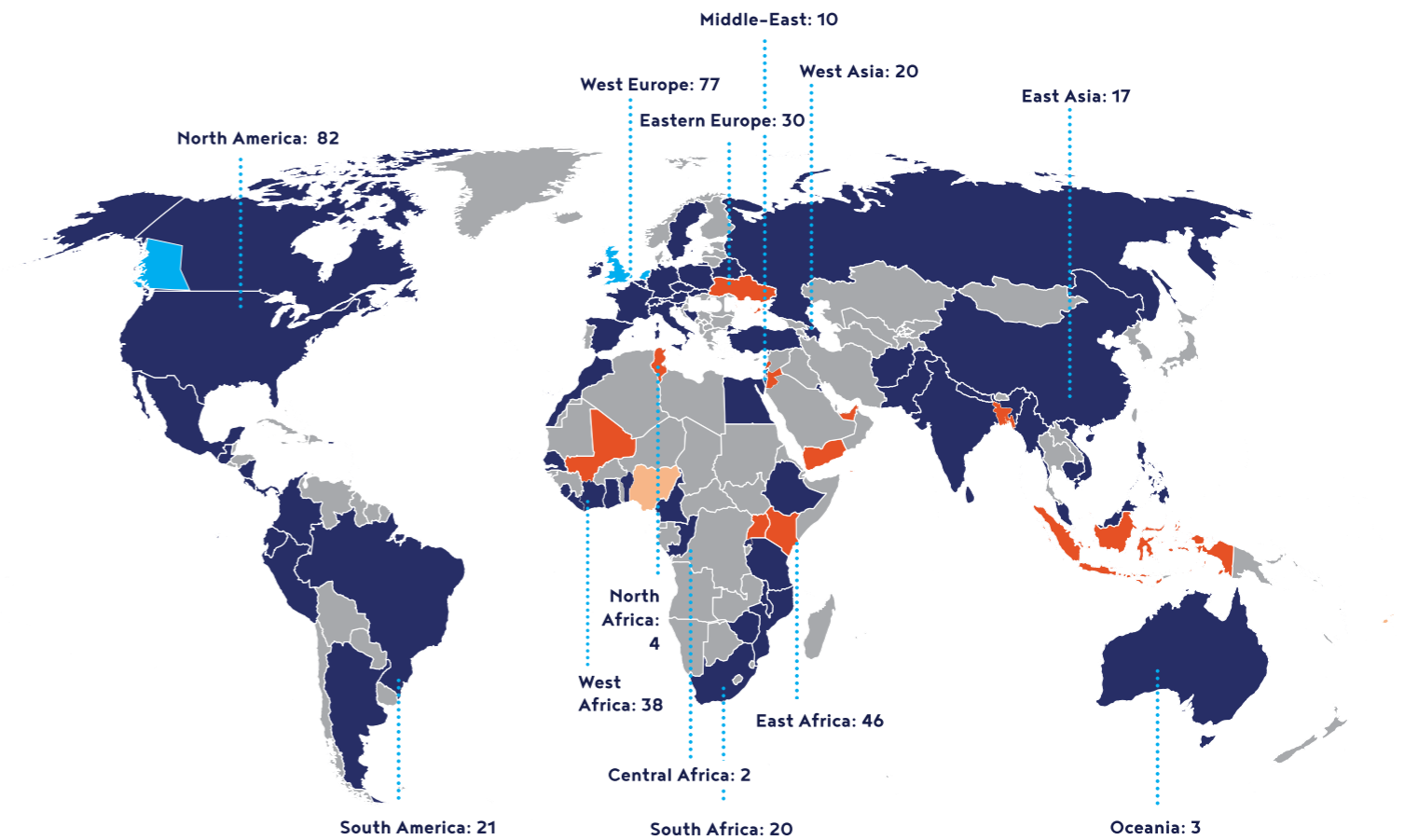
Trend research to keep track of what works, what are barriers and what are 'dead-ends'.

Most pressing justice problems we work on

- The top 5 categories of justice problems in the countries we have surveyed: family, employment, crime, land, neighbours.
- Sometimes another priority emerges, which the government wants us to focus on; for example personal injuries in the UAE.

Where we work

- We currently focus on Africa, the Middle East and North Africa (MENA) region and some European countries. We have done a JNS study in Bangladesh to explore the Asian Market and to have comparable data from Asia.
- Even though we do not only work in low-income countries, they have become our main focus. In terms of numbers, more people have difficulties to prevent or resolve their most pressing justice problems in those countries.
- We focus on countries with large populations.



Impact

In 2017 we defined and quantified our long term goal: By 2030, 150 million people will be able to prevent or resolve their most pressing justice problems. We continue to develop the methodology to measure our social impact. During 2018 we will be able to communicate more details about it.

What we like to share is our current results:



We made it possible to make inferences about the justice needs and experiences of **240 million people**



We mobilized more than **24 organisations** in coalitions for change in family and employment justice in Uganda and Tunisia



In 2017, we enabled the growth of **20 justice innovations** that provided access to justice to **140.000 people.**



The Embassy of Sweden in Kampala is partnering with HiiL to improve access to justice and rule of law in Uganda. This is because HiiL's goals and vision are strongly in line with Swedish priorities for development cooperation in Uganda. HiiL championed reforms in the way access to justice is delivered. The most exciting part is that HiiL works with innovations to address justice challenges thus creating opportunities for justice providers to think beyond the conventional methods that are cumbersome and costly for the poor. HiiL is at the forefront of designing products and services that allow for better delivery of legal services to more poor people in our society

Maureen Nahwera, Senior Governance Advisor at Embassy of Sweden, Kampala



Measuring Justice

Key activities

- We studied people's justice needs and satisfaction in Tunisia, Jordan, Lebanon, Kenya and Bangladesh. In Jordan and Lebanon we interviewed Syrian refugees about their justice needs and experiences.
- Stakeholder workshops to bring together coalitions for change around the most pressing justice needs (such as employment or family). These were held in Tunisia, Jordan, Kenya, Lebanon and Jordan. These brought together judges, civil servants, lawyer, civil society organisations and academics.
- Tunisia and Jordan - data to action workshops were carried out in Tunisia and Jordan. Participants were presented with more in-depth data for the most pressing justice needs. We helped design the outlines for new procedures around employment, one of the most urgent justice needs that emerged from the data we collected.
- Bulgaria -a prototype of an interactive Justice Dashboard was developed and presented to the minister and her immediate team. A next iteration is now being worked on. It gives stakeholders an access to data about justice needs of people from different countries.
- United Arab Emirates - we studied the perceptions of practicing lawyers about justice and the justice journeys of their clients.
- With funding from the Humanity X and together with our partners from the data science startup Landscape, we explored the application of artificial intelligence algorithms for justice delivery. In the next steps this will allow us to extract justice related knowledge from new data sources.
- Uganda - we published a report focusing on Family Justice. Later in the year, Measuring Justice commenced work on a multiannual project in Uganda in partnership with the Swedish International Development Cooperation Agency. The programme aims to collect justice data from innovative sources, to find more ways to measure needs and experiences of users of justice systems. Furthermore, it aims to study in-depth three legal problems and conduct a second Justice Needs and Satisfaction (JNS) study in 2019.
- Mali - Together with Tien Sera and DEME-SO (a paralegal Network in Mali) we developed a dashboard that integrates and visualizes case data as well as perceptions of justice users at the individual level. This tool and website helps legal aid organisations track the progress of their paralegals (the quality of their work and the results achieved). The website increased Tien Sera's capacity and improved their services to citizens. Tien Sera was also able to follow legal issues and disseminate its work in real time. It allows paralegals to link various types of justice data in order to get a better idea about the performance of the existing justice processes.
- UNDP have asked us to study the justice needs of the people of Fiji.



HiiL conducts qualitative interviews in Uganda for the "Family Justice in Uganda 2017" report

Impact

- We collected robust evidence about the justice needs of roughly 240 million people - this is the combined population of Tunisia, Jordan, Lebanon, Kenya and Bangladesh.
- From our interviews with more than 30,000 randomly selected individuals, we heard how many people need justice, what legal problems they encounter in their lives, which mechanisms they use and how fair the processes and outcomes of these journeys to justice are.
- We consistently find that people need protection from the law to secure land, to empower employment relationships, protection against crime and to resolve disputes with neighbours and family.
- Most of these problems are resolved outside of the formal justice sector. This underlines the importance of accessible justice processes and institutions - the informal dispute resolution mechanisms may operate in the shadow of the nationally recognised law. When the formal sector is not accessible or effective (or both) justice becomes a product of power rather than fairness.
- With our survey of Syrian refugees in Jordan and Lebanon we, for the first time, collected specific data on the justice needs of refugees.

The data that we collected is a valuable contribution to the pursuit of actionable indicators of the Sustainable Development Goals (SDG). We actively contributed bottom-up justice data, knowledge and insights into this debate. With our mission HiIL also wants to contribute to the realisation of SDG 16.3. We do that by openly sharing our results and analysis and by co-creating good indicators which measure realisation of SDG 16.3. In 2018 we will continue to partner with global and local players to collect, analyse and visualize access to justice data.

In 2017 we improved our methods for mobile data collection and developed an infrastructure for showing justice data in a dynamic way - a Justice Dashboard.

This makes the process more agile, better focused on the users of justice and guarantees the quality of the data.

Knowledge was transferred through triangulation workshops, public launches and dozens of meetings and interactions with justice stakeholders such as H.E Mr. Mohamed Trabelsi, Tunisian Minister of Social Affairs, H.E. Mr. Ghazi Jeribi, Tunisian Minister of Justice and Judge Naji Zu'bi, Deputy president of the Cassation Court in Jordan.

Learning

Working in various countries provided insights about the role of evidence in the formulation of justice policies and delivery of justice services. Taking ownership of the justice needs of the people is not an intuitive process. Public authorities from the executive, legislative and judiciary branches do not rush to claim ownership. We learnt a lot about obtaining permissions to conduct research in challenging political environments. In 2017 we had to deal with various political crises and learnt how to navigate around them.

Connecting the data with committed innovators from ministries, the judiciary, and donors remains challenging. Not being familiar with data and evidence based working, political expediency, the legacy of decisions taken in the past, and challenges connected with organisational change are all hurdles to overcome. We are slowly learning to be better at facilitating such transformation processes. Firstly, by involving potential stakeholders and change makers right from the start of the data collection process. Secondly, through a participatory workshop process that takes place as the data is analysed. Lastly by involving the political and judicial leadership, especially in areas like land justice, family justice and employment justice.

We learned again that evidence about the prevalence of and response to legal problems is the beginning of a process. Whether this process will lead to improved justice delivery depends on the commitment of the stakeholders to embrace the data and to act. The data to action process which we applied in Tunisia and Jordan (after piloting in 2016 in Uganda and Ukraine) is a solid problem-solving framework. Together with the local stakeholders, we will continue to refine and improve the process.

Innovating Procedures

Key activities

Around the priorities that emerge from the data we help develop evidence-based best practices that help prevent and resolve that particular type of justice problem. The procedures from intake of the problem to final resolution can be improved or redesigned. We worked on the following programs during 2017:

- Co-creating a non-adversarial procedure for family justice (separation) in the Netherlands.
- Mapping and designing a family justice (separation) procedure in Uganda, in the form of a catalogue of best practices.
- An interactive process with Dutch justice sector leaders, together with the Dutch association of judges and prosecutors (NVvR). This process focused on the challenge of delivering user-centred justice processes (access to justice).
- Co-creating an initial design for a one stop shop process for employment disputes for a Ministry of Justice.
- A similar process, with possible innovations, for personal injury matters.
- Design of a Justice Innovation Centre for a Ministry of Justice, focusing on pro-active legislation and on access to justice.
- Workshops and a report on future scenarios for the International Criminal Court for Amnesty International.
- Assisting ACT (Action, Collaboration, Transformation) with setting up the organization and with research. ACT is a ground-breaking agreement between global brands and retailers and trade unions to transform the garment and textile industry and achieve living wages for workers through industry-wide collective bargaining linked to purchasing practices.

Impact

We strengthened our expertise on designing and implementing justice journeys for family justice, employment justice and crime (in particular unintentional crime leading to death or major injury, such as reckless driving). The designs prove to the justice sector that more user-friendly justice procedures are possible. The designs consists of phases, steps, roles and supporting knowledge. User stories specify the functionalities of the designs. Guidelines can specify the process, the possible complications and treatments/interventions, following the example of guidelines also used in the medical sector.

Online Justice

HiiL built the online-based dispute resolution platform called Rechtwijzer in cooperation with Modria and The Dutch Legal Aid Board. The platform was built on the Modria online dispute resolution platform. This was designed for consumer disputes (e-commerce) that are to be resolved quickly, supported by algorithms. It had to be made suitable for separation, where people have to work on their individual solutions and apply them for many years. So HiiL operated a front-end with the online dispute resolution support. The platform was offered to users by the Dutch legal aid board through its website. Modria and HiiL charged a set-up fee and a fee per user to the legal aid board. The platform charged users a fixed fee for mediation, review and adjudication. The legal aid board subsidised fees for those entitled to legal aid.

The challenge, however, was how to make such a platform financially sustainable, and letting it grow. Marketing proved to be a major problem, as well as the technical performance of the IT platform. The English NGO Relate worked with us to test an English version. The Legal Services Society in British Columbia implemented a version supporting only negotiation. But it was hard to gain financial and regulatory support for a full scale launch in England or Canada. Moreover, the platform for consumer disputes was not having the functionalities that are needed for a rapidly improving system for complicated relational disputes such as divorce.

So in June 2017, the platform was closed in cooperation with the Dutch legal aid board, safeguarding the needs of the users of the platform. HiiL owns the IP rights on the design and all steps, texts and interactions

Justice Accelerator

on the Rechtwijzer platform. The IP rights have now been licensed to Justice42, which is an independent social enterprise. Justice42 built the new platform for the Dutch divorce market, www.Uitelkaar.nl and launched the platform in September 2017.

Learnings

In our conversations with justice sector leaders, we learned that the idea of user-centred design is appealing. For them, it is very difficult, however, to see how an innovative procedure can be designed, financed, implemented and regulated. The impact on the finances and organizations of courts are uncertain. The roles of lawyers and judges are changing. Ministries need to implement new ways of reporting and budgeting.

For 2018, we aim to learn how to assist justice leaders with these challenges. At the same time, we have to continue to show the urgency of reform. We also learned, and this is no news, that courts, bar organizations and ministries of justice are monopolies in their trade. They need incentives to be reminded that their task is to deliver fair, speedy and effective solutions for their citizens, using the latest technologies and knowledge about resolving disputes.

Regarding Online Justice, we learned that online supported dispute resolution can be effective. Outcomes can be sustainable; fair, improve relationships; and help undo some of the harm done. The challenge is how to implement this improved way of resolving disputes. The main providers of justice – such as courts, legal aid boards, ministries and law firms – cannot implement online supported dispute resolution under the current regulatory regimes. The demand for better procedures from citizens is huge. But the government institutions to which we entrust adjudication and legal aid do not have processes for implementing and scaling up innovation. Truly opening up to innovation. That should happen and in 2018 we will continue to push for it.

Key activities

- Provided 20 justice startups with funding and business development assistance
- Designed and launched the Innovating Justice Challenge 2017
- Analysed more than 600 candidate justice innovations and shortlisted high potentials
- 40 additional justice startups received guidance and mentorship in Lean Startup experimentation
- 6 local training, coalition building and showcasing events in Uganda, Ghana, Kenya, the Netherlands, South Africa and Ukraine
- Organised the Call for Talents in Justice Innovation 2017 resulting in 10 selected individuals from 9 countries. These individuals are working towards making a difference for justice every day
- 15 Justice innovations invited and coached during the one week Justice Entrepreneurship School in The Hague
- The Innovating Justice Forum 2017 welcomed over 250 guests to the Peace Palace on 7 December
- 30 startups selected to support in 2018
- Developed and provided a two week in-depth training in Uganda for a justice innovation that was previously supported by us and now is moving to scale
- Developed an innovation programme for Uganda, together with the Swedish Embassy



Impact

We delivered some of the most promising justice innovations in the Justice Accelerator's history in 2017. In particular, several innovations that had been at ideation stage (Sauti, J2P) were launched and/or incorporated in formal justice system structures; and several innovations at prototype stage (Legal Advice Middle East, Legal Legends) were brought to scale. One previously supported innovation (Barefoot Law) was provided with an in-depth training to further increase their impact in Uganda and beyond.

Innovation requires a constantly renewed churn of both successful and less successful attempts at creating new visions. It is an iterative process that requires constant learning. All the startups we work with learn about what works and can teach us and others. In 2017 the Accelerator supported 20 startups closely. More than half continue to make good progress. About a third of the initiatives have struggled to find a good path forward leading to valuable lessons learned. Another third of the initiatives on the other hand did remarkably well. Two of the startups were considered highly promising (impact) investment opportunities in justice last year (Sauti, Legal Advice Middle East). An additional four startups of 2017 were selected for extending further financial support in 2018 because of their remarkable progress throughout the year (Citizen Justice Network, Lawyers 4 Farmers, EasyTender, Domjurista).

We delivered these innovations across East, Southern, and West Africa in partnership with the Ford Foundation. We also worked in focus areas in Africa, Ukraine, and the Middle East in partnership with the Dutch Ministry of Foreign Affairs.

There was a significant growth (from 212 in 2016 to 600 in 2017) in terms of responses to the Innovating Justice Challenge call and the quality of selected innovations.

Learning

- We experimented this year with featuring Lean Experimentation as a core feature of our business development support. We learned that this approach is extremely positive and leads to our greater understanding of justice innovations, and better data about the feasibility of those innovations in the real world.

- We continue to learn about the best way to work with local agents and partners and plans to continue delegating work locally based on strong results and impact.
- Working with the Justice Leadership team was extremely helpful in developing the Innovating Justice Forum as a strong international event and in providing support for the potential of justice innovation.
- Further support such as the intensive training provided to Barefoot Law can be essential to help previously supported innovations reach scale.
- Tunisia presented a challenge for the team. Despite local partnerships, different trips by team member(s), and a wide distribution strategy, a limited number of justice innovations were found that could be scaled in the country or internationally this year. This seems to be caused by a relatively immature innovation ecosystem and some resistance to innovation in the system. Some countries in the MENA region may need a different approach and a more long term engagement to bring all stakeholders on board.
- In 2018, we plan to continue strengthening local hubs. In particular, we will emphasize longer term agent engagements with increased responsibilities, clearer assignments and more concrete outcomes.



A two week in-depth training in Uganda for Barefoot Law

Justice Leadership

Impact at scale requires transformation. It needs transformation of people, like justice leaders who take ownership of the problem and open up to new ways to find solutions. It also demands institutional transformation, to bring about systemic change.

Key activities

- Together with the members of the [Justice Leadership Group](#) we worked behind the scenes to empower other justice leaders and to stimulate innovation. A large part of this work was confidential and cannot be reported here.
- A newly designed multi-stakeholder process to develop a justice change agenda was developed and is being piloted in an unspecified country in the MENA region.
- Together with Swedish Embassy in Kampala an innovation programme was developed for Uganda, to which our justice leadership team, together with members of the Justice Leadership Group, contributed assistance and knowledge on more effective leadership. Much of this work was confidential and cannot be reported here.
- In December, HiIL and the Justice Leadership Group convened a Justice Dialogue of high political leaders on barriers to justice innovation. The session particularly focussed on the innovations efforts that will be needed to achieve Sustainable Development Goal 16.3 – equal access to justice for all. The outcomes can be found [here](#) and were widely shared. They are being incorporated into the Pathfinders for Peaceful, Just and Inclusive Societies initiative of the UN.

Learnings

Transformation is a challenging notion for which no single recipe exists. Some elements are becoming more and more clear for us. Firstly, transformation requires innovation processes that are understandable, safe, effective, and inclusive for all concerned: clients of the justice system, the innovators, the funders, the legitimacy givers, the professions, and all others. Secondly, transformation requires ways to connect and embed the outcomes of such process to the wider justice system (which does not have to mean that they become government run). Justice systems, we have learned, are not very good at both.

We also learned that 'leadership' is an important part of the transformation trajectory. Leaders can project vision, inspire, convene, bridge, unplug, give legitimacy, and drive. Therefore, in 2017 we continued to develop our understanding of justice leadership, incorporating it even more actively in the transformations we work on for our clients and stakeholders. The collaboration with the Justice Leadership Group was further strengthened. The shared goal: to develop a kind of justice leadership that is open to innovation and change, that can project a vision for such change around the most pressing justice needs of citizens, and build the necessary coalitions to make it happen.



The Justice Dialogue is a specially developed format that provides for an informal, closed-door conversation between a diversity of justice leaders.

A Justice Dialogue has the following five components:

1. It focuses on justice leadership challenges
2. It is a conversation about what really matters: the strategic and the personal
3. It focuses on better understanding, connecting, supporting and sharing
4. It is result driven and leads to concrete action
5. It is confidential and safe: what is shared between the participants remains between the participants

Trend Research

We conduct trend research to keep track of what works, what are barriers and what are 'dead ends'.

In May 2017, we launched a report on how the rule of law serves citizens in the Netherlands. This report, [Menselijk en Rechtvaardig: Is de rechtsstaat er voor de burger?](#), investigates how Dutch citizens solve urgent justice problems. It caused a major debate in the Dutch justice sector. The report showed that the ability of the Dutch legal sector to resolve disputes is decreasing, and trust in problem-solving abilities of lawyers and courts being low. Politicians seem to have taken up this message. The coalition agreement, marking the birth of the new Dutch government in October 2017, has a paragraph on the need for innovation of court procedures and access to justice. The coalition promises to deliver a new procedure for divorce (separation), for neighbour disputes, for crime (restorative justice) and for debts.

We are currently preparing the Take Stock report which provides an insight into the state of access to justice in the world, based on our experience with justice sector innovation and user data gathered through surveys. It will be published in 2018.



I am writing, on behalf of BarefootLaw, to express our heartfelt appreciation for all your assistance and guidance to BarefootLaw, right from the mSME Garage (in which we learnt for the very first time what the "hell" a Theory of Change is), during the SME Empowerment Challenge, to the recently concluded NUFFIC training (where we learnt so many things, including finally starting to understand what the "hell" a BHAG is, the magnitude of the task necessary in order to us to achieve our BHAG).

At BarefootLaw, we believe strongly in access to justice as a foundation for peace and sustainable development, moreso for developing countries like Uganda. That is why our work is providing access to legal support to the public for free using all the innovative and creative means available to us.

We are confident that the skills imparted in us will go a long way in contributing towards the achievement of our Big Hairy Audacious Goal (B.H.A.G), which is to "Make access to Justice and the Law readily available to 50 million people across Africa by 2030".

Asante Sana is a phrase in Swahili meaning "Thank you very much". For some unknown reason, Asante Sana became our tagline during the Hiil-BarefootLaw NUFFIC training. So, we felt that there's no better way for us at BarefootLaw to express our most heartfelt appreciation than to say "Asante Sana".

We look forward to more knowledge exchanges and collaborations in future.

Gerald Abila, Founder of BarefootLaw



Human Resources

The diversity in the team increased in 2017 in terms of age, country and gender. That made us even stronger to work on our social goal. We maintained a stable workforce and has managed well with acceptable rates of employee turnover. Turnover has largely been due to the strategic decision to end the Online Justice/Rechtwijzer activities as described earlier.

Key activities

- We work in a dynamic and deadline-oriented environment. Our employees have multi-disciplinary interests and orientation. HiiL, and therefore HR's goal, is to create a workplace that encourages innovation, collaboration, and partnership at all levels. There are regular lunch talks on interesting topics and employees are able to work on interesting projects that allow for a high level of independence and responsibility.
- Increased diversity: Our focus is to attract and retain people from different backgrounds. In 2017 employees and interns of 20 nationalities worked for HiiL.
- Age diversity is also important. In 2016 the majority of the employees were between the ages of 19 and 30 years old. By filling in vacancies in 2017 we worked on a better spread of age.
- We concluded 2017 with a core team of 20 employees on the payroll and 8 agents across the globe that work closely with us.
- The average duration of a recruitment process is approximately 3 months.
- Two international vacancies arose due to the project in Uganda with the Swedish Embassy in Kampala.
- Internships: HiiL continues to have an active and successful internship program for students. Approximately every 6 months, 4-6 internship positions within various teams are filled. Throughout 2017, 10 interns worked side by side with HiiL colleagues. The average internship duration is 6 months.

Workforce diversity

The following charts do not include interns, unless mentioned. Also, we do not differentiate between employees on a regular employment contract and consultants based in The Hague who are part of the core team. Our agents in the field are mentioned separately.

STAFF TURNOVER



NATIONALITIES

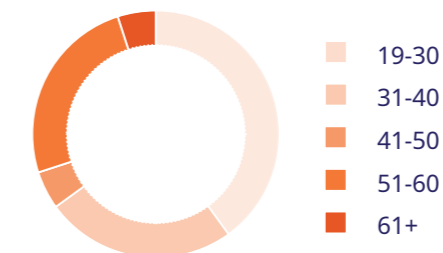
In 2017 employees on the payroll, consultants and interns of various backgrounds have worked for HiiL.

Dutch	13	Colombian	1
German	2	Norwegian	1
Bulgarian	1	Chilean	1
Polish	1	Ghanaian	1
American	3	Kenyan	1
Belgian	1	Ukrainian	1
Israeli	1	Lebanese	1
Lithuanian	2	South African	2
Slovakian	2	Ugandan	1
Italian	1	Nigerian	1
British	2	Irish	1

GENDER OF THE CORE TEAM



AGE



Goal and action points for HR 2018

- Implement HR software.
- Update HiiL policies that need to be brought in line with the user-friendly philosophy.
- Define policy for employee development.

Communications

Key activities

- 11 newsletters
- 5 times HiIL in a major news outlet, more than 50 media mentions in total
- 36 blogs written by HiILers
- 150,000 website visitors
- followers growth on social media by 28% on Facebook, 30% on LinkedIn and 34% on Twitter

In 2017

Our focus was to directly and indirectly highlight HiIL's social goal. We talked less about our activities and more about what we deliver to people.

In 2017 we launched online campaigns for the variety of [reports](#) published by HiIL, the six [Innovating Justice Boostcamps](#) and the [Innovating Justice Forum](#).

Publications

- Justice Needs in Lebanon: Legal Problems in Daily Life
- Justice Needs in Jordan: Legal Problems in Daily Life
- Family Justice in Uganda 2017: Learning from Justice Needs
- Justice Needs in Tunisia: Legal Problems in Daily Life
- De uitdaging: rechtszorg in plaats van rechtsstrijd bij scheiding
- Menselijk en rechtvaardig: Is de rechtsstaat er voor de burger?
- HiIL Justice Accelerator Impact Report 2012-2016
- Talents in Justice Innovation - Persons to Watch in 2018

Publicity

- The report "Menselijk en rechtvaardig: Is de rechtsstaat er voor de burger?" appeared on the front page of [NRC Handelsblad](#) and was quoted by major Dutch newspapers: [Volkskrant](#) and [Financieele Dagblad](#)
- Chief Justice Bart Katureebe mentioned findings from the "Justice Needs in Uganda" report in his speech, quoted by Ugandan outlet [New Vision](#)
- Major TV station in Lebanon [LBC International](#) covered the report "Justice Needs in Lebanon: Legal Problems in Daily Life"
- [The Jordan Times](#) summarised findings of the "Justice Needs in Jordan" report
- HiIL's agent in Ukraine spoke in the [Voice of the Capital Radio](#) about justice entrepreneurs

Action points in 2018

We aim to make a responsive website (we have not reached that goal in 2017). Moreover, as of January 2018, we change our tagline from "innovating justice" to "user friendly justice", because we believe our branding should reflect our mission.



Launch of the Justice Needs and Satisfaction in Jordan report

Highlights



April 2017

Video recording of “Towards a Just(ice) Economy: A Short Documentary”, which is telling the story of two justice innovations.



May 2017

Launch of the “Justice Needs in Tunisia” report



December 2016

HiiL conducts qualitative interviews in Uganda for “Family Justice in Uganda 2017” (December 2016), of which the report was launched in May 2017.



May 2017

Launch of the “Menselijk en rechtvaardig” report.



August 2017

Training data collection company in Bangladesh



September-October 2017

Organising **Innovating Justice Boostcamps** in Kampala, Accra, Nairobi, The Hague Johannesburg, and Kyiv



October 2017

HiiL presents Jordanian stakeholders with the data about justice needs of citizens at launch of the “Justice Needs in Jordan” report.



December 2017

HiiL, as a strategic partner for the UAE Ministry of Justice, was awarded during the Ministry of Justice 2017 stakeholder awarding ceremony.



October 2017

Stakeholder workshops to develop coalitions for change around employment justice was held in Tunis.



December 2017

Innovating Justice Forum - the theme this year was “Breaking Barriers to Justice Innovation”.

Partners, donors and clients



Dutch Ministry of Foreign Affairs

With the support of the Dutch MFA in the form of a multi year partnership, HiiL completed justice needs and satisfaction projects in Tunisia, Jordan and Lebanon. Furthermore, HiiL published a Family Justice in Uganda report and started measuring the justice needs of citizens in Bangladesh.

We also scouted and trained selected justice entrepreneurs from Ukraine, Ghana, Kenya, Uganda and South Africa.



Swedish Embassy in Kampala

In partnership with the Swedish Embassy HiiL started a 3-year programme called 'Justice Innovation Uganda'. This programme uses existing justice data as a foundation to develop solutions and strengthen the justice system as a whole. The design is based on collaboration: we are constantly informed by what we have learned from the users of the justice system and for every outcome we work closely with the experts and entrepreneurs of Uganda that deliver justice solutions.



Ministry of Justice, United Arab Emirates

HiiL delivered comprehensive guidelines for improving employment justice and injury justice procedures. The plans sets goals, identifies possible innovations and provides suggestions for how to organize the necessary innovation.

Moreover, the Justice Innovation Plan was devised with the aim to highlight an innovation process that can deliver more innovations at a quicker pace, and linked with existing needs.



Ford Foundation

HiiL accelerates selected young justice entrepreneurs in East and West Africa around topics like SME empowerment, family justice and criminal justice. It builds innovating justice communities in Kenya, Nigeria and South Africa and initiates the Innovating Justice Challenges in East, West and Southern Africa.



HiiL is a highly valued partner of the Dutch Ministry for Foreign Affairs. We have a shared vision on how to improve people's lives through identifying and meeting their legal needs. What we like about HiiL is its strong focus on ordinary people, as well as its willingness to employ out-of-the-box, creative thinking. HiiL transcends disciplinary boundaries and thrives on innovative ways to identify justice goals and find concrete solutions. This is a close match with our own priorities. HiiL dares to be ahead of the curve, to forge unusual but highly productive partnerships, and to develop groundbreaking methods. For these reasons, HiiL's impact is far beyond what one may expect from its modest size. Its achievements make us genuinely proud.

Marieke Wierda, Rule of Law Policy Coordinator, Ministry of Foreign Affairs, The Netherlands



Judiciary of Kenya and The World Bank

HiiL conducted a Justice Needs and Satisfaction survey in Kenya.



ACT (Action, Collaboration, Transformation)

HiiL worked together with leading brands & retailers to achieve living wages in textile and garment supply chains. ACT ("Action, Collaboration, Transformation") is an initiative between international brands & retailers, manufacturers, and trade unions to address the issue of living wages in the textile and garment supply chain.



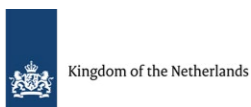
UNDP

HiiL started working on the Justice Needs and Satisfaction project in Fiji and the Data2Action project in Ukraine.



Fonds Conjoint, Ministry of Justice of Mali and the Dutch Embassy Mali

In December HiiL was contracted by the Dutch Embassy in Bamako to conduct a second justice needs and satisfaction survey in Mali, as a follow-up to the 2014 study.



Municipality of The Hague

Together with the City of the Hague, HiiL develops and supports Dutch justice entrepreneurs through issuing an innovation challenge. In addition, HiiL connected the global justice entrepreneur ecosystem to The Hague through a series of networking and training events like Impact Startup Fest participation and the Justice Entrepreneurship School. HiiL supported innovations like Ligo and Fastportal.



Amnesty International

HiiL conducted a foresight study about the International Criminal Court.

Raad voor Rechtsbijstand

Raad van Rechtsbijstand

HiiL collaborated with the RvR on the development of user-friendly online dispute resolution platforms for divorce, debts and landlord/tenant issues.



Legal Aid Board British Columbia

Legal Aid Board British Columbia is an organisation that provides legal aid to citizens of British Columbia, Canada. HiiL and the Legal Aid Board British Columbia developed MyLawBC.



Nederlandse Vereniging voor Rechtspraak (NVvR)

The NVvR and HiiL organized sessions where a group of various professionals discussed the challenges of adaptive change: a way to create legal care which connects instead of divides. The group created a draft of a new procedure for avoidable accidents with fatal consequences.



Nuffic

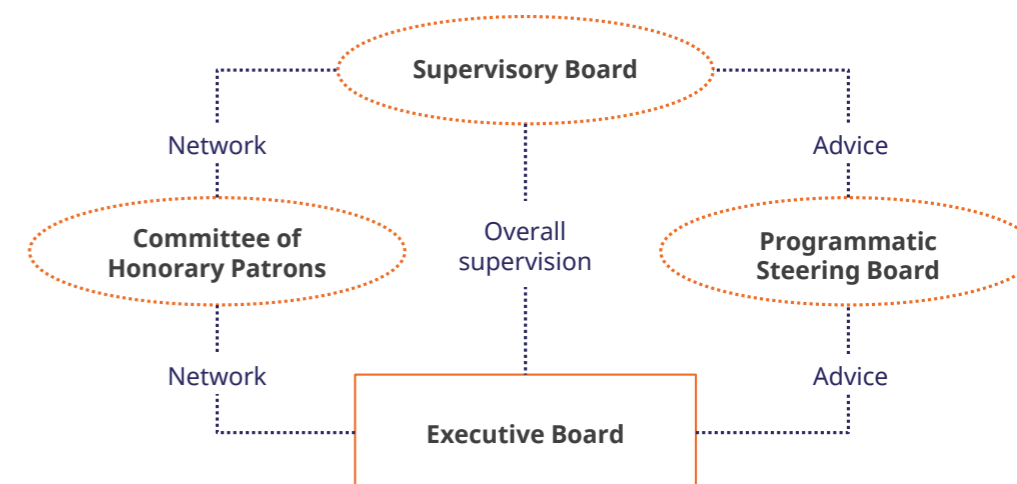
HiiL in partnership with Nuffic conducted a two-week Tailor-Made Training (TMT) programme in Uganda to help Barefoot Law in defining, executing, and scaling up their social mission.

Organization and governance

Governance and management

The institutional structure of HiiL continues to be set up as follows:

- The Supervisory Board, which provides overall strategic supervision
- The Executive Board, which is responsible for the running and management
- The Programmatic Steering Board consisting of recognised experts in the substantive areas that are relevant for the work of HiiL, which also advises the Supervisory and the Executive Board on issues of substance
- The Committee of Honorary Patrons, composed of eminent international experts, which renders assistance to the organisation in more general terms



The composition of each of these organs is based on a careful balance to ensure participation of the various stakeholders relevant for HiiL and to reflect its international ambitions: private - public sector, international - national level, academics - practitioners, and the various relevant disciplines (law, social and behavioural sciences).

Supervisory Board

Jacques Schraven (Chair) 4-year term	19 July 2012 - 19 July 2016 (1 st term) 19 July 2016 - 19 July 2020 (2 nd term)
Peter Jurgens 4-year term	19 July 2012 - 19 July 2016 (1 st term) 19 July 2016 - 19 July 2020 (2 nd term)
Klaus Rackwitz 4-year term	15 March 2013 - 15 March 2017 (1 st term) 15 March 2017 - 15 March 2021 (2 nd term)
Michiel Scheltema 4-year term	15 March 2013 - 15 March 2017 (1 st term) 15 March 2017 - 15 March 2021 (2 nd term)
Haro Schultz van Haegen 4-year term	2 July 2015 - 2 July 2019 (1 st term)
Philip Hennemann 4-year term	2 July 2015 - 2 July 2019 (1 st term)
Edmond Wellenstein 4-year term	2 July 2015 - 2 July 2019 (1 st term)

The Supervisory Board meets at least three times per year to discuss the progress of the organisational activities. Detailed information about the Supervisory Board members can be found on the HiiL website.

In 2017 the Supervisory Board held a regular meeting on 19 April, on 11 July and on 12 December. On 11 October held the annual strategic session, including a short regular meeting.

Executive Board and Management Team

The Executive Board consists of Sam Muller (Chair) and Maurits Barendrecht (Research).

In 2017 the management team had the following members:
Sam Muller (CEO),
Maurits Barendrecht (Director of Research and Innovating Procedures),
Ellen Tacoma (Director of Operations),
Martin Gramatikov (Director - Measuring Justice),
Wilfried de Wever (Director - Justice Accelerator),
Tobijn de Graauw (Director - Justice Leadership).

The management team meets every two weeks.

Programmatic Steering Board

Geert Corstens 3-year term (Chair)	1 July 2015- July 2018 (1 st term) Mr. Corstens stepped down per 1 January 2018
Gillian Hadfield 3-year term	1 January 2013 - 1 January 2016 (1 st term) 1 January 2016 - 1 January 2019 (2 nd term)
Beth Simmons 3-year term	15 October 2013 - 15 October 2016 (1 st term) 15 October 2016 - 15 October 2019 (2 nd term)
Rebecca Sandefur 3-year term	26 March 2014 - 26 March 2017 (1 st term)
Juan Botero 3-year term	31 august 2016 - 31 August 2019 (1 st term)

Detailed information about the Programmatic Steering Board members can be found on the HiiL website. The PSB physically met on 12 July 2017.

At the Supervisory Board meeting of 19 April we discussed a possible restructuring of the Programmatic Steering Board. The Chair of the Programmatic Steering Board set out why it might be necessary to make some changes to the structure of the body. This is driven, firstly, by the transformation of the past years from a research-driven institution in the field of rule of law to an organisation that is more focussed on practical implementation of improvement and strengthening rule of law. Secondly, experience has shown us that the meetings consist mostly of reports from the executive board without much room for contributions from the Programmatic Steering Board. Thirdly, we have encountered that it is not all that easy to assemble the full Programmatic Steering Board, which is formally supposed to happen at least 3 times a year, according to the HiiL Articles of Association. It is also noted that meetings also mean considerable expenses.

The PSB was reorganised in 2017. The knowledge needs of HiiL have changed and require more flexibility in terms of the expertise needed. The Supervisory Board, the Programmatic Steering Board, and the Executive Board decided to remove the Articles of association of HiiL the requirement to meet 3 times a year; to create a core membership with a flexible shell around it of expertise needed in connection with the needs of ongoing projects.

Committee of Honorary Patrons

We have a distinguished list of the Honorary Patrons, the details can be found on the HiiL [website](#).

Finance and administration

Risk policy and management

HiiL is, like all organisations, exposed to risk. Our internal organisation is dynamic in an innovative environment and we operate regularly in fragile states. HiiL has a number of instruments to safeguard the risks. The organisation's transparency depends heavily in the prevention of all potential conflicts of interest and therefore strict controls are necessary. The description of these controlling guidelines and controlling moments are integrated in the Code of Conduct, PSB rules of procedure and the description of the internal organisation.

HiiL has an ambitious strategic plan and committed staff working to implement the plan. This could lead to excessive work pressure on staff. To avoid overburden we strive for a work environment in which staff members can excel, where progress towards goals is reviewed regularly and where plans are modified if needed if they prove to be unrealistic in practice.

We monitor on a monthly bases our budget, forecast and cash flow forecast for 18 months. We manage our sales funnel actively to assure longterm continuity in order to achieve our goal. The more structured financial planning resulted in an healthy operating result.

The program and project related risks of HiiL can also be significant. We take all risks into account before committing to a program or project. However, the threat does not deter us from pursuing our commitment to build and create user friendly justice solutions . We although are very aware of the risks and discuss it frequently with the responsible officials and employees involved.

The currency risk largely concerns transactions in US dollars. Management decided that the cost of hedging these currency risks does not outweigh the benefits.

HiiL does not have a significant credit risk. Receivables are mainly related to grants from solid public or private institutions.

Overall risks are frequently discussed within the management team meetings that take place bi-weekly. Quick action to mitigate the risks is taken if needed.

Organisational and administrative support

At the end of 2016 HiiL decided to change the organisational and administrative support. HiiL appointed a controller in house for day-to-day monitoring of the operations. The outsourcing of the administrative support is changed by January 1, 2017. This lead to cost savings and better control of the monthly financial dashboard.

In 2017 we concluded that an investment in the current IT infrastructure is needed. Currently the organization has a number of tools who are not linked with each other. Costs for changing and strengthening the IT infrastructure are included in the budget 2018.

By the end of 2017 we moved to another address. We have our office in The Hague Humanity Hub, an initiative from the Municipality of The Hague to create a space where organizations active in the peace and justice domain can work together. An inspiring environment which will also led to a decrease in housing costs.

Financial position and liquidity

The financial position of HiiL is healthy. The solvency ratio (total reserves divided by total liabilities) per 31 December 2017 is 34%. The current ratio (current assets divided by total debts) is 1.4%. This is sufficient to meet the short and long term payment obligations.

The capital management is risk adverse and the cash and cash equivalents of HiiL are and will only be held on current accounts and savings. Cash and cash equivalents increased (2016 € 1,421,500 - 2017 € 2,974,400). This is mainly caused by amounts received in advance in 2017 for projects that has to be partially executed in 2018. The current liquidity position is sustainable.

Due to the dynamic environment HiiL operates in, it is not easy to predict the financial position and the liquidity position in the long run. After 3 years with a negative operating result we broke the trend and show a positive operating result in 2017, due to measures we took to manage our operations more conservative from a financial perspective.

Contingency reserve and revolving fund

The contingency reserve is designed to create a solid buffer to ensure that HiiL can go without a few months of income, without being forced to stop the activities of the organisation. A second purpose of this reserve is to cover the costs in case the organisation would have to be dissolved. Based on a 2015 assessment, the desired size of the reserve is set at € 1,400,000. At balance date the reserve amounts to € 1,089,000. This is 78% of the desired size. The reserve still consists enough buffer to ensure that HiiL will continue as a going concern in 2018 and onwards. However, some costs have been reduced in 2017, so a new assessment will be made in 2018, which is likely to come with a lower reserve.

Designated reserve

In 2017 HiiL participated in the company J42 and a designated reserve of € 242,933 was the result. For more information see page 53.

Financial overview

Budget

The 2017 budget was realistic. During the year we saw a trend that the revenues were behind budget, but since we managed our cost of sales, material costs and indirect costs very consciously we were able to realize a good net operating result of € 291,000 positive.

Revenues

The revenues increased with 2,4 % from (2017: € 3,498,648 – 2016: € 3,415,372). See for a detailed overview per product group below:

	Realisation 2017	Budget 2017	Realisation 2016
	€	€	€
<u>Revenues</u>			
Measuring Justice	1.324.930	1.651.000	1.082.399
Innovating Procedures	495.351	478.000	607.805
Justice Accelerator	1.609.513	1.821.000	1.153.303
Online Justice	68.854	37.000	569.093
Other revenues	0	0	2.772
Total revenues	3.498.648	3.987.000	3.415.372

Main differences related to the budget

Measuring Justice lower than budget since a large contract for a Justice Needs and Satisfaction Survey in Mali is postponed to 2018. Innovating Procedure in line with budget. Justice Accelerator lower and influenced by expected activities in Mali and in the Middle East. Online Justice higher than budget. Unwinding of the activities developed rather smooth.

Net revenues (revenues minus cost of sales)

The realization of the net revenues in 2017, covers the personnel cost and material costs. The net revenues were 13% higher than 2016. The increase of net revenues is due to carefully managing our overall cost level.

	Realisation 2017	Budget 2017	Realisation 2016
	€	€	€
<u>Net Revenues</u>			
Measuring Justice	854,520	851,000	697,309
Innovating Procedures	378,056	366,000	454,588
Justice Accelerator	915,211	795,000	555,848
Online Justice	-/-25,378	-117,000	169,804
Other revenues	0	0	-/- 2,743
Total Net revenues	2,122,410	1,896,000	1,874,806

	Realisation 2017	Budget 2017	Realisation 2016
	€	€	€
<u>Other costs</u>			
Measuring Justice	661,000	778,000	616,000
Innovating Procedures	207,000	242,000	399,000
Justice Accelerator	878,000	780,000	601,000
Online Justice	86,000	92,000	596,000
Total Cost of Sales	1,832,000	1,892,000	2,212,000

The other costs decreased in 2017 with 17% compared to 2016. A significant saving was achieved by having the Research Director on the payroll of HiiL instead of a secondment agreement with Tilburg University. We decided to postpone the development of a new website (marketing costs) towards 2018. We also decreased the costs of the financial organization by having a financial controller in house, combined with an external financial administration office. Since HiiL's inception we had all the financial activities outsourced.

Operating result

The operating result we realized in 2017 is in total € 294,000 positive. A significant improvement compared to 2016 when our operating result was € 337,000 negative.

Long range overview 2016-2018

Amounts x € 1,000	Realisation 2016	Budget 2017	Realisation 2017	Budget 2018
<u>Income</u>				
Revenues	3.415	3.987	3.499	4.660
Costs of sales	-1.541	-2.091	-1.376	-2.512
Net revenues	1.875	1.896	2.122	2.148
<u>Costs</u>				
Personnel costs	1.664	1.425	1.356	1.682
Material costs	550	467	476	367
Various income and costs	-2	0	-3	0
Total costs	2.212	1.892	1.829	2.049
Operating result	-337	4	294	99
Participation result	0	0	-88	0
Financial income and expenses	-2	0	-3	0
Net result	-339	4	203	99
<u>Allocation</u>				
Revolving fund	-331	0	0	0
Designated reserve	0	0	-88	0
Contingency reserve	-8	4	291	99
Net result	-339	4	203	99

The long range overview shows a cautious growth in gross revenue and after a couple of years a positive operating result. Our foundation today is strong enough to manage future growth in a responsible way.



Grand Opening of The Hague Humanity Hub

A. Balance sheet

Ref.	31-12-2017		31-12-2016	
	€	€	€	€
ASSETS				
1. Non-current assets				
Housing	0		32.008	
Automation	11.752		18.875	
		11.752		50.883
2. Financial fixed assets		243.183		0
Current assets				
3. Receivables	704.077		659.022	
4. Cash and cash equivalents	2.974.447		1.421.543	
		3.678.524		2.080.565
Total assets		3.933.459		2.131.448
LIABILITIES				
Reserves				
5. Revolving fund	0		0	
6a. Designated reserve	242.933		0	
6b. Contingency reserve	1.089.335		798.679	
		1.332.268		798.679
7. Debts				
Short term debts	2.601.191		1.332.769	
		2.601.191		1.332.769
Total liabilities		3.933.459		2.131.448

B. Income statement

Ref.	Realisation	Budget	Realisation
	2017	2017	2016
	€	€	€
<u>Income</u>			
8. Revenues	3.498.648	3.987.000	3.415.372
9. Costs of sales	-1.376.238	-2.091.000	-1.540.566
10. Net revenues	2.122.410	1.896.000	1.874.806
<u>Costs</u>			
11. Personnel costs	1.355.584	1.425.000	1.663.539
12. Material costs	475.544	467.000	549.567
13. Various income and costs	-2.588	0	-1.772
Total costs	1.828.540	1.892.000	2.211.334
Operating result	293.870	4.000	-336.528
14. Financial income and expenses	-3.214	0	-2.537
Net result for result of participation	290.656	4.000	-339.065
Participation result	-88.035	0	0
Net result	202.621	4.000	-339.065
<u>Allocation</u>			
Revolving fund	0	0	-330.578
Designated reserve	-88.035	0	0
Contingency reserve	290.656	4.000	-8.487
Net result	202.621	4.000	-339.065

C. Total overview income and costs per product group

The following results have been obtained.

Amounts x € 1,000	Measuring Justice		Innovating Procedures		Justice Accelerator		Online Justice		Total						
	Realisation	Budget	Realisation	Budget	Realisation	Budget	Realisation	Budget	Realisation	Budget					
Revenues	1.325		495		1.609		69		3.498						
Costs of sales	471		117		694		94		1.376						
Net revenues	854	851	100%	378	367	103%	915	795	115%	-25	-117	21%	2.122	1.896	112%
Personnel costs	309		76		452		68		905						
Gross margin	545		302		463		-93		1.217						
Overhead	349		131		425		18		923						
Operating result	196		171		38		-111		294						

The operating result for Measuring Justice, Innovating Procedures and the Justice Accelerator are positive. Although the revenues increased slightly compared to last year (2,4% overall) the cost of sales in combination with the personnel costs and overhead are lower than budgetted and therefor contributing to a positive result. Online Justice shows a negative result. This was forecasted since we decided late 2016 to fade out the activities of this product group in close collaboration with our partners Raad voor de Rechtsbijstand, Modria and LSS in Canada. We still had to deliver services in 2017 and to dissolve the running contracts.

The overhead is allocated to the different product groups based on a percentage of the revenues that are realised in 2017 per product group in comparison with the total revenue of 2017. The overhead of € 923,000 consists of indirect personnel costs of HiiL of € 450,000 (personnel costs that are not directly allocated to the product groups such as personnel costs for Human Resources, Communications, Finance and Administration) and the material costs of € 473,000 (travel, housing, depreciation, sales & marketing, office and general costs).

D. Explanatory notes for the annual accounts

HiiL

HiiL was established in 2005 as the Hague Institute for the Internationalisation of Law. A foundation with financial support from the Dutch Government and The Netherlands Organisation for Scientific Research. The goal: to better understand the profound changes that are occurring in the environment in which legal systems operate and, on that basis, to concretely contribute to adapting them to today's world. One of the key trends we focused on from the start was internationalization: the increased transnational connectedness between legal systems, either directly or through international organisations.

We transitioned as of 2012 into the social enterprise we now are. We recently decided to change one word in our name: the Hague Institute for Innovation of Law. This decision is effectuated formally. Using the knowledge base that had been built the focus is on impact, and helping clients design and implement justice journeys that work in the 21st century and that are user-centred, accessible, effective, and founded on sustainable funding models.

Our office was located at Bezuidenhoutseweg 16a in The Hague. As from December 27th 2017 we moved to Fluwelen Burgwal 58 in The Hague. We are registered with the Chamber of Commerce in The Hague under number 27290536.

The Dutch Tax and Customs Administration has designated us as an 'Public Benefit Organisation' (Algemeen Nut Beogende Instelling, ANBI) which means that donations to us are exempt from gift tax and inheritance tax (within legal limits).

Reporting entity

The consolidated financial statements 2017 of the entity comprise HiiL and its subsidiaries (together referred to as 'Rechtwijzer entities'). The Rechtwijzer entities consists of:

- HiiL Rechtwijzer Holding
- HiiL Rechtwijzer Intellectual Property and Knowledge
- HiiL Rechtwijzer Technology

All activities take place under HiiL Rechtwijzer Technology. In 2017 the activities in Rechtwijzer Technology stopped. The intellectual knowledge is licensed to Justice42 (J42). This company runs an online dispute platform for divorce and HiiL is in-kind shareholder in the company. That means no cash but the transfer of knowledge. See further under "Participation".

Affiliated foundation

The Justice Leadership Group is an independent non-profit organisation that was founded in The Hague (the Netherlands) in 2015, with support of the Dutch Ministry of Foreign Affairs and the Municipality of The Hague. We were part of setting up this important body. It does not seek to make profit and has organised its work in a networked, agile way. The objective of the foundation is to promote and support justice leadership, to bring about positive, tangible change in legal systems and strengthen the rule of law, by engaging with governments and justice leaders, by developing knowledge and organising workshops and conferences. In 2017 we experienced that a number of programs are executed best in close collaboration. Therefore we decided to integrate the operational activities within HiiL. This creates clarity towards our partners and efficiency in our way of working.

The Justice Leadership Foundation remains as an independent foundation, Sam Muller CEO of HiiL resigned from the board of the foundation as per 31 December 2017.

Participation

HiiL is participating in J42 via 250 ordinary shares against payment by HiiL of the nominal value of such shares, a share premium, the consideration in kind by HiiL of making available to J42 certain IP, know how and related IPR that is either necessary or otherwise useful for the platform of J42 in the broadest sense of the word. In addition to the shares, for divorces in the Netherlands, J42 will pay HiiL a 3 % case fee on his margin (intake + review fee less related external costs), when J42 has a profitable year.

It has been agreed that HiiL grants to J42 a perpetual worldwide, royalty free license – with the right to sublicense to J42 subsidiaries and/or affiliates – to use, market, exploit, further develop, augment and other otherwise amend the concepts and any and all other work results that have been developed related to the platform or will develop after the closing date related thereto (collectively 'IP') and related IPR, which J42 has accepted. The license is exclusive for the Netherlands and divorce.

HiiL is not obliged to participate in future rounds raising capital or to fund losses of J42, if any, HiiL is aware that this may have consequences for the % of the shares HiiL holds.

As mentioned HiiL obtains as per 8 June 2017 250 shares from 850 shares placed, being 29,41% of the placed shares. In future this percentage could become lower due to 250 shares still not been placed, or as mentioned in the above paragraph.

Over 2017 J42 realized a loss of € 299,319. The shareholder's equity as per 31 December 2017 of J42 was € 825,971 and this amount multiplied by the 29,41 % stake that HiiL obtains results in a value in the participation of J42 being € 242,933.

The € 242,933 is shown as part of the shareholder's equity being reflected as " Destination reserve " (in Dutch : " Bestemmingsreserve "). The Destination reserve is only related to the participation in J42.

Approval and adoption of the financial statements 2017

The Supervisory Board approved the annual report and the financial statements 2017 of the Institution in the meeting of the Supervisory Board, held on 18 april 2018, including the allocation of the result, as presented on page 49 income statement. The Executive Board adopted the annual report and the financial statements 2017.

Post balance sheet events

There have been no significant events post balance date which would materially affect the financial statements.

Accounting Principles

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

General information

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the Netherlands (Guideline 640 of the Dutch Accounting Standards Board, the guideline for non-profit organisations).

The balance sheet, income statement and cash flow statement include references to the notes.

Going concern

The accounting policies within the financial statements are based on the assumption that we will be able to continue as a going concern.

Comparative figures

For comparison reasons and practically some figures have been re-allocated in the realisation of the previous year. the accounting policies are consistent with those used in the previous year.

Accounting policies for the balance sheet

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or at current value. If not specifically stated otherwise, they are recognized at the amounts at which they were acquired or incurred.

The financial assets are valued at Net Asset Value against the participation rate in a company.

The non-current assets are valued against purchase price with a deduction for straight-line depreciation based on the estimated economic lifespan. Investments of less than € 500 are not capitalised. The estimated economic lifespan of housing, automation and other equipment and furniture is set at five years. The depreciation of the investments is pro rata.

Receivables are recognized at fair value. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of discounted value of the expected revenues. Interest gains are recognised using the effective interest method. When a receivable is uncollectible, it is written off against the provision for bad debts.

Cash and cash equivalents include cash in hand and bank balances. Cash and cash equivalents are stated at face value.

The continuity reserve is to ensure that we can continue its activities and to meet its obligations. The continuity reserve per balance date is sufficient for these purposes.

The designated reserve is related to the participation in J42 only.

The short terms debts, accruals and deferred income concerns categories with a remaining term of less than one year.

We use the billable hours spent and the billable costs of sales to determine the appropriate amount to be recognised in a certain period. If the result recognised exceeds the received installments, projects are presented in the balance sheet as amounts to be received. If the result recognised is less than the received amounts or received amounts it is presented as short term debts (still to be spent on the objective).

Accounting policies for the income statement

Income and expenditures are recognized as they are earned or incurred and are accounted for in the financial statements in the year to which they relate. Profit or loss is determined as the difference between the realisable value of the services delivered and the costs and other charges for the year.

Transactions denominated in foreign currencies conducted during the reporting period are recognised in the annual accounts at the rate of exchange on the transaction date. Any resulting exchange differences are recognised through income and expenditure.

Non-current assets are carried at cost less straight-line-depreciation over their estimated useful lives. The estimated economic life is set at five years. Gains and losses on the sale of non-current assets are included in the income statement.

Salaries, wages and social security contributions are taken to the income statement based on the terms of employment, where they are due to employees.

Interest paid and received is recognized on a time-weighted base, taken account of the effective interest rate concerned.



E. Cash flow statement

The cash flow statement analyses the changes in cash and cash equivalents between 1 January 2017 and 31 December 2017 and is prepared according to the indirect method. Cash flows in foreign currency have been converted into Euro using the exchange rate valid on the transaction date. In 2017, the cash and cash equivalents increased by € 1,552,904. Main reason for the increase is through amounts received in advance in 2017 for projects that has to be partially executed in 2018.

Ref.	Realisation 2017	Realisation 2016
Amounts x € 1,000		
<u>Cash flows from operating activities</u>		
Net result	290,7	-339,1
Depreciation	43,7	45,3
	334,4	-293,8
Mutations in working capital:		
3. Receivables	-45,1	185,8
7. Debts	1.268,4	409,4
	1.223,3	595,2
Total cash flows from operating activities	1.557,7	301,4
<u>Cash flows from investing activities</u>		
1. Investments non-current assets	-4,5	-7,4
2. Investments financial fixed assets	-0,3	0,0
Receivable landlord	0,0	20,0
Total cash flows from investing activities	-4,8	12,6
3. Net changes in cash and cash equivalents	1.552,9	314,0
Cash and cash equivalents 1 January	1.421,5	1.107,5
Cash and cash equivalents 31 December	2.974,4	1.421,5
Net changes in cash and cash equivalents	1.552,9	314,0

F. Notes to the balance sheet

1. Non-current assets

	Housing €	Automation €	Total €
Balance 1 January	32.008	18.875	50.883
Mutations 2017:			
Investments	4.531	0	4.531
Desinvestments	62.791	0	62.791
Depreciation desinvestments	-62.791	0	-62.791
Depreciation	-36.539	-7.123	-43.662
Balance 31 December	0	11.752	11.752
Purchase value	182.166	193.037	375.203
Cumulative desinvestments	62.791	0	62.791
Cumulative depreciation desinvestments	-62.791	0	-62.791
Cumulative depreciation	-182.166	-181.285	-363.451
Balance 31 December	0	11.752	11.752

	31-12-2017	31-12-2016
	€	€
2. Financial fixed assets		
Participation Justice42	243.183	0
3. Receivables		
Debtors	453.345	283.443
Amounts to be invoiced	233.204	282.669
Advanced payments	14.251	59.650
VAT receivable	0	27.213
Interest receivable	3.277	1.374
Other receivables	0	4.673
Total receivables	704.077	659.022
Debtors		
Debtors before provision	453.345	286.443
Minus provision for bad debts	0	-3.000
Net debtors	453.345	283.443

At the end of 2017 all the other debtors are considered as collectible.

	31-12-2017	31-12-2016
	€	€
4. Cash and cash equivalents		
ABN AMRO Savings Accounts	1.561.082	1.310.968
ABN AMRO Bank Guarantee Account	59.709	59.709
ABN AMRO Cashmanagement Account	1.345.029	32.539
Triodos Bank Cashmanagement Account	8.188	18.059
Cash in hand	439	268
Total cash and cash equivalents	2.974.447	1.421.543
5. Revolving fund		
Balance 1 January	0	330.578
Allocation net result	0	-330.578
Balance 31 December	0	0

The revolving fund was created in 2011 and would serve to sponsor the research and development section. The revolving fund was not used and it is expected that it will not be used in the future. Therefore the revolving fund of € 330,578 is ultimo 2016 released and added to the contingency reserve.

6a. Designated reserve		
Balance 1 January	0	0
Participation J42	330.968	0
Allocation net result	-88.035	0
Balance 31 December	242.933	0

The designated reserve was created in 2017 and serves the participation in J42 (see page 53). This reserve is solely meant for this participation. The balance as per 31 December reflects the Net Asset Value of J42 against the participation rate of 29,41%.

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
6b. <u>Contingency reserve</u>		
Balance 1 January	798.679	807.166
Allocation net result	<u>290.656</u>	<u>-8.487</u>
Balance 31 December	<u>1.089.335</u>	<u>798.679</u>

In 2007 the Supervisory Board decided to build up a contingency reserve. The Supervisory Board decided to extend this reserve to create a solid buffer to ensure the continuity of the daily operations for a few months without being forced to stop the activities of the organisation. A second purpose of this reserve is to cover the costs in case the organisation would discontinue.

The desired size of the contingency reserve is € 1,400,000. This amount consists of six months of office costs for closing the office of € 150,000, 3 FTE of support HiiL staff for closing down the office of € 130,000 depreciation costs of € 130,000 housing costs of € 390,000 and € 600,000 for bridging a period of a few months without income. In 2018 we will recalculate the level of the contingency reserve since our cost structure decreased over the last year.

7. Short term debts

Still to be spent on the objective *	2.001.385	558.619
Balance leave hours and holiday pay	91.646	86.855
Taxes and premiums	67.481	100.469
VAT payable	15.351	0
Accounts payable	161.169	63.950
Pension	14.300	11.987
Payable personnel costs	45.000	11.212
Project liabilities **	35.000	195.984
Other liabilities and accruals	<u>169.859</u>	<u>303.693</u>
Total short term debts	<u>2.601.191</u>	<u>1.332.769</u>

* Still to be spent on the objective represents deferred income or invoiced amounts in 2017 for work that still has to be executed in 2018.

** Project liabilities are mainly amounts to be given as grants for seed-funding to support the most promising justice innovations as part of the work of the HiiL Justice Accelerator as well as audit costs for the projects SIDA and Municipality of The Hague. Accrual costs are for audit annual accounts and staff redundancy costs.

RIGHTS AND COMMITMENTS NOT APPEARING IN THE BALANCE SHEET

Rights

In 2016 we were awarded a grant for € 4,498,846 from the ministry of Foreign Affairs for the period 1 January 2016 until 31 December 2018 for 'the Program Innovating Justice Strategic Program 2016 - 2018'. In 2016 and 2017 an amount of € 3,102,289 (€1,703,771 for Measuring Justice and €1,398,518 for Justice Accelerator) of the grant was realised. Expected is that ± € 1,400,000 of the grant will be used in 2018.

Commitments

Guarantee liabilities

The guarantee liability for the corporate credit cards undertaken by ABN AMRO Bank for our account is € 20,000. The guarantee liability for the housing contract undertaken by ABN AMRO Bank for our account is € 37,800. This guarantee ended as per 31 December 2017, because as per 1 January 2018 we have entered a new housing contract. We moved to a new address in The Hague being Fluwelen Burgwal 58.

Housing

The renting period of the office space at the Fluwelen Burgwal 58 is almost three years from January 1, 2018 till 30 November 2021, and can be annually extended. Yearly an indexation of the rent will take place on basis of the CPI. The estimation for 2018 is that approx. annually € 96,000 will be paid for the rent of the office space, desks, chairs and service costs.

Leasing

In June 2014 a Xerox copier was leased. The duration of the contract is 60 months and after the expiry date the contract will be extended annually. The monthly fee is € 692 including VAT.

Loan Rechtwijzer Technology

We decided to provide a Loan to Rechtwijzer Technology to support the latter with cash flow and bridging the initial period where no additional financial provision has been secured. The amount of the loan per balance date is € 351,000. The interest rate is fixed at 5%. The loan is not presented in the balance sheet due to the fact that HiiL and the Rechtwijzer entities are consolidated.

G. Notes to the income statement

	Realisation 2017	Budget 2017	Realisation 2016
	€	€	€
8. Revenues			
Measuring Justice	1.324.930	1.651.000	1.082.399
Innovating Procedures	495.351	478.000	607.805
Justice Accelerator	1.609.513	1.821.000	1.153.303
Online Justice	68.854	37.000	569.093
Other revenues	0	0	2.772
Total revenues	3.498.648	3.987.000	3.415.372
9. Costs of sales			
Measuring Justice	470.410	800.000	385.090
Innovating Procedures	117.295	111.000	153.217
Justice Accelerator	694.301	1.026.000	597.455
Online Justice	94.232	154.000	399.289
Other costs of sales	0	0	5.515
Total costs of sales	1.376.238	2.091.000	1.540.566
10. Net revenues			
Measuring Justice	854.520	851.000	697.309
Innovating Procedures	378.056	367.000	454.588
Justice Accelerator	915.212	795.000	555.848
Online Justice	-25.378	-117.000	169.804
Other	0	0	-2.743
Total net revenues	2.122.410	1.896.000	1.874.806

	Realisation 2017	Budget 2017	Realisation 2016
	€	€	€
11. Personnel costs			
Gross wages, including holiday pay and year-end bonus Hiil personnel	924.929		1.042.565
Social costs	114.722		138.558
Pension costs	112.863		93.913
Travel expenses commuter traffic	14.179		17.540
Personnel TiU	0		232.320
Indirect personnel costs	188.891		138.643
Total personnel costs	1.355.584	1.425.000	1.663.539
<i>FTE Hiil</i>	15,4	16,7	12,9
<i>FTE Rechtwijzer Technology</i>	2,0	1,9	6,8
Total FTE (interns excluded)	17,4	18,6	19,7

**Report for
'Wet normering
topinkomens'
(WNT)**

Due to the fact that more than 50% of the total gross revenue in 2017 is granted by the Dutch government the Dutch Act 'Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector (WNT)' applies in 2017 for Hiil. The report below is prepared in line with the applicable regulation for Hiil. The maximum remuneration according to the WNT for Hiil in 2017 is € 181.000 for executives. The following executives fall under the requirements of the WNT. The reported maximum amount per person and function is calculated based on the full time equivalent in the labor agreement or the contract of the executive involved.

	S. Muller	M. Barendrecht	E. Tacoma
Function	<i>Chief Executive Officer</i>	<i>Research Director</i>	<i>Chief Operating Officer</i>
Period in function	01/01 - 31/12	01/01 - 31/12	01/07 - 31/12
Full time equivalent during the year	1,00 FTE	0,80 FTE	0,60 FTE
Former top official	no	no	no
Real (or fictive) employment	yes	yes	no
Remuneration 2017	€ 133.609	€ 109.280	€ 37.775
Provisions remuneration due	€ 17.136	€ 14.265	-
Total remuneration 2017 for WNT	€ 150.745	€ 123.544	€ 37.775
Applicable maximum in 2017	€ 181.000	€ 144.800	€ 54.300

Specification of the non-employed executive member of the management team

	2017	2016
	E. Tacoma	
Function	<i>Chief Operating Officer</i>	
Period in function	01/01 - 30/06	26/07 - 31/12
Maximum remuneration	€ 111.000	€ 144.000
Maximum calendar month 1 t/m 12	€ 228.451	
Paid remuneration	€ 38.018	€ 36.722
Total amount paid in the period	€ 74.740	

Supervisory Board

The Supervisory Board receives no remuneration.

	Realisation 2017	Budget 2017	Realisation 2016
	€	€	€
12. Material costs			
Travel costs	3.736	5.000	12.246
Housing costs	202.004	195.000	152.772
Costs Supervisory Board*	0	2.000	230
Office costs	67.350	70.000	60.951
Depreciation costs	43.662	50.000	45.328
Sales & Marketing	32.696	35.000	82.531
General costs **	126.096	110.000	195.509
Total material costs	475.544	467.000	549.567

* Costs of meetings.

** The general costs consists mainly of costs for outsourcing administrative support, auditor 2016 and 2017, subscriptions and insurances.

13. Various income and costs

Mutation provision bad debts	-2.588	0	-1.772
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14. Financial income and expenses

Financial income	3.357	0	1.953
Financial expenses	6.571	0	4.490
Total financial income and expenses	-3.214	0	-2.537

INDEPENDENT AUDITOR'S REPORT

To: the Supervisory Board of Stichting The Hague Institute for the Innovation of Law in The Hague, The Netherlands.

A. Report on the audit of the financial statements 2017 included in the annual report

Our opinion

We have audited the financial statements 2017 of Stichting The Hague Institute for the Innovation of Law based in The Hague.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting The Hague Institute for the Innovation of Law as at 31 December 2017 and of its result for 2017 in accordance with the Guidelines for annual reporting 640 "Not-for-profit organizations" of the Dutch Accounting Standards Board and the Policy rules implementation of the Public and Semi-public Sector Senior Officials (Standard Remuneration) Act (WNT).

The financial statements comprise:

1. the balance sheet as at 31 December 2017;
2. the Income statement for 2017; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing as well as the Policy rules implementation WNT, including the Audit Protocol WNT. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting The Hague Institute for the Innovation of Law in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of the Executive Board's report.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements. Management is responsible for the preparation of the other information, including the Executive Board's report, in accordance with the Guidelines for annual reporting 640 "Not-for-profit organizations" of the Dutch Accounting Standards Board.

C. Description of responsibilities regarding the financial statements

Responsibilities of the executive board and the Supervisory Board for the financial statements

The Executive Board is responsible for the preparation and fair presentation of the financial statements, in accordance with the Guidelines for annual reporting 640 "Not-for-profit organizations" of the Dutch Accounting Standards Board and the Policy rules implementation of the Public and Semi-public Sector Senior Officials (Standard Remuneration) Act (WNT). Furthermore, the Executive Board is responsible for such internal control as the Executive Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Executive Board is responsible for assessing the organisation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Executive Board should prepare the financial statements using the going concern basis of accounting unless management either intends to dissolve the foundation or to cease operations, or has no realistic alternative but to do so.

The Executive Board should disclose events and circumstances that may cast significant doubt on the organisation's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for monitoring the financial reporting process of the organisation.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing as well as the Policy rules implementation WNT, including the Audit Protocol WNT, ethical requirements and independence requirements.

Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an organisation to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 24 April 2018

Dubois & Co. Registeraccountants

Signed on original by:
A.P. Buteijn RA



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