

**JRR Association,  
Geneva**

**Report of the independent auditor on  
the financial statements for the year ended  
December 31, 2018**

**RSM Audit Switzerland SA**

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Report of the independent auditor  
to the Executive Board of  
JRR Association,  
Geneva

We have audited the financial statements of JRR Association, Geneva, which comprise the balance sheet, statement of receipts and expenses and notes for the year-ended December 31, 2018.

***Executive Director's Responsibility***

The Executive Director's is responsible for the preparation of these financial statements prepared in accordance with the accounting principles prescribed by the Swiss Code of Obligations and those disclosed in the accompanying notes, and JRR Association's by-laws. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Executive Director is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

***Auditor's Responsibility***

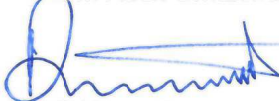
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements for the year ended December 31, 2018 comply with the accounting principles prescribed by the Swiss Code of Obligations and those disclosed in the accompanying notes, and JRR Association's by-laws.

RSM Audit Switzerland SA

A blue ink signature of JR Howarth.

JR Howarth  
Audit expert  
Auditor in charge

A blue ink signature of O Bétrisey.

O Bétrisey  
Audit expert

Carouge, May 8, 2019

Enclosures: Financial statements (balance sheet, statement of receipts and expenses and notes)

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

**JRR Association, Geneva****Balance sheet as at 31 December,  
(in CHF)**

|  | Notes | 2018                | 2017                |
|--|-------|---------------------|---------------------|
| <b>Assets</b>  |       |                     |                     |
| <b>Current assets</b>  |       |                     |                     |
| Cash and cash equivalents and current assets with a stock exchange price | 3.1   | 1'531'374.38        | 1'119'581.31        |
| Prepaid expenses and accrued income                                      | 3.2   | 221'251.68          | 32'121.19           |
| <b>Total current assets</b>  |       | <b>1'752'626.06</b> | <b>1'151'702.50</b> |
| <b>Total assets</b>  |       | <b>1'752'626.06</b> | <b>1'151'702.50</b> |
| <b>Liabilities and funds</b>   |       |                     |                     |
| <b>Current liabilities</b>   |       |                     |                     |
| Trade accounts payable   |       | 110'330.24          | 8'772.81            |
| Deferred income and accrued expenses                                     |       | 23'453.94           | 31'459.76           |
| <i>Accrued expenses</i>  |       | <i>23'453.94</i>    | <i>31'459.76</i>    |
| <b>Total current liabilities</b>   |       | <b>133'784.18</b>   | <b>40'232.57</b>    |
| <b>Total liabilities</b>   |       | <b>133'784.18</b>   | <b>40'232.57</b>    |
| <b>Funds</b>   |       |                     |                     |
| Donor funds  | 3.3   | 706'185.39          | 331'288.56          |
| JRR fund   | 3.4   | 912'656.49          | 780'181.37          |
| <i>JRR fund</i>  |       | <i>715'856.64</i>   | <i>570'579.41</i>   |
| <i>Roster management and deployment coordination fee fund</i>            |       | <i>229'768.73</i>   | <i>221'374.96</i>   |
| <i>Foreign exchange differences</i>                                      |       | <i>(32'968.88)</i>  | <i>(11'773.00)</i>  |
| <b>Total funds</b>   |       | <b>1'618'841.88</b> | <b>1'111'469.93</b> |
| <b>Total liabilities and funds</b>                                       |       | <b>1'752'626.06</b> | <b>1'151'702.50</b> |

The accompanying notes are an integral part of these financial statements.

**JRR Association, Geneva****Statement of receipts and expenses for the year ended 31 December,  
(in CHF)**

|  | Notes     | 2018                | 2017                |
|--|-----------|---------------------|---------------------|
| <b>Receipts</b>                                      |           |                     |                     |
| Revenue from donors                                  | 3.5 & 3.7 | 3'638'557.82        | 2'288'810.96        |
| <b>Total operating income</b>                        |           | <b>3'638'557.82</b> | <b>2'288'810.96</b> |
| <b>Operating expenses</b>                            |           |                     |                     |
| Personnel expenses                                   | 2         | 1'022'466.96        | 761'576.85          |
| Rent and utilities                                   |           | 110'500.00          | 110'500.00          |
| General and administration expenses                  |           | 197'517.59          | 103'379.17          |
| Consultant fees                                      |           | 160'238.06          | 118'458.10          |
| Outreach expenses                                    |           | 69'787.71           | 54'133.29           |
| Professional fees                                    |           | 35'458.80           | 28'230.80           |
| Executive Board and Group expenses                   |           | 21'945.32           | 17'885.40           |
| Other operating expenses                             |           | 1'443'649.23        | 925'207.30          |
| <i>Deployments</i>                                   | 3.8       | 675'491.07          | 380'334.27          |
| <i>Recruitment expenses, including sponsorships</i>  | 3.9       | 320'717.63          | 295'133.95          |
| <i>JRR USA</i>                                       | 3.10      | 447'440.53          | 249'739.08          |
| <b>Total operating expenses</b>                      |           | <b>3'061'563.67</b> | <b>2'119'370.91</b> |
| <b>Operating result</b>                              |           | <b>576'994.15</b>   | <b>169'440.05</b>   |
| Financial expenses                                   |           | (48'501.68)         | (5'418.30)          |
| <i>Interest expense</i>                              |           | (503.24)            | (467.69)            |
| <i>Other financial expenses</i>                      |           | (4'326.40)          | (4'950.61)          |
| <i>Foreign exchange loss - net</i>                   |           | (43'672.04)         | -                   |
| Financial income                                     |           | 75.53               | 5'659.25            |
| <i>Foreign exchange gain - net</i>                   |           | -                   | 5'425.90            |
| <i>Interest income</i>                               |           | 75.53               | 233.35              |
| <b>Total non-operating income / (expenses)</b>       |           | <b>(48'426.15)</b>  | <b>240.95</b>       |
| <b>Excess / (shortage) of receipts over expenses</b> |           | <b>528'568.00</b>   | <b>169'681.00</b>   |
| <b>Total release of funds</b>                        | 3.5-3.6   | 641'164.00          | 517'510.00          |
| <b>Total allocation to funds</b>                     | 3.6       | (1'169'732.00)      | (687'191.00)        |
| <b>Net surplus or (deficit) for the period</b>       |           | <b>-</b>            | <b>-</b>            |

The accompanying notes are an integral part of these financial statements.

**Note 1 - General Information**

JRR Association, Geneva ("JRR" or the "Association") is a non-profit international association established under Swiss law on 11 December 2012. In accordance with its authority under Part VI of the by-laws of JRR, the JRR General Assembly has, through the Executive Board, appointed RSM Audit Switzerland SA as its external auditor.

Under its mandate pursuant to the 'Organizational Structure and Guidelines for Participation – Justice Rapid Response' the Executive Board exercises oversight and provides strategic direction to the JRR Secretariat through the JRR Executive Director. The accompanying audit report is therefore provided to the Executive Board acting on behalf of the JRR General Assembly pursuant to Part VI Article 19 of the JRR by-laws.

**Note 2 - Key accounting and valuation principles**

*Principles of financial reporting*

The present annual financial statements have been established in compliance with the principles of Swiss law, particularly with the articles on the commercial accounting and the financial statements presentation (Art. 957 to 962 CO).

*Foreign currency translation*

Assets and liabilities recorded in foreign currencies are converted into Swiss francs at the exchange rate prevailing at the date of the financial statements. Income and expenses recorded in foreign currencies are converted in Swiss francs at the exchange rate prevailing at the date of the transaction.

Any realized foreign exchange ("FX") gains and losses are included in the statement of receipts and expenses for the year. Unrealized foreign exchange gains and losses, that are created by JRR receiving donor funds not denominated in CHF, are provided for in the JRR Fund.

*Donor revenues and expenses recognition*

Donor revenues concerning the year under review are recorded as income only upon their receipt.

Receipts from donors can concern different accounting periods. Unused donor revenues that concern subsequent accounting periods are credited to the relevant donor fund and used in the applicable subsequent years.

The JRR Reserve Fund has been established in 2013, the purpose is to provide a mechanism to manage cash flow. It is funded through the JRR 12% administrative fee, the roster management and deployment coordination fee or by donors who have given unrestricted funding, after all other JRR core costs are expensed.

The deployment coordination fee has been established in 2016, the purpose is to be able to reflect partial recuperation of the costs born by JRR for the deployment services provided internally by JRR.

Expenses are recognized when they are incurred and are included in the accounts of the period to which they relate.

**Note 2 - Key accounting and valuation principles (cont'd)***Personnel and consultant costs*

The Association has an annual average of over 12 full-time positions (2017 - 11 full-time positions)

In 2018, JRR personnel fell into following categories:

First are personnel seconded by their governments (ie: The JRR Executive Director by Finland as of May 2018; the Public Partnerships and Monitoring & Evaluation Manager by Canada for all 2018; the Director of Operations until April 2018 by Switzerland and the Roster & Deployment Manager until May 2018 by Switzerland).

Second are salaried employees in Geneva, Switzerland: Executive Director (until May 2018), Director of Operations (per May 2018), Finance Director, Recruitment Officer, Head of Roster Management & Deployments (per June 2018), Public Partnership / Monitoring & Evaluation Officer, Accounting & Finance Officer, three Programme Associates, an Operations Assistant.

Third are salaried employees in JRR USA: Head of Office /Sexual and Gender Based Violence (SGBV) and MENA Region Program Manager, External Relations & Communication Officer, Mentoring Humanitarian Responders Program Officer/MC, Sexual and Gender Based Violence (SGBV) Program Associate, Mentoring Humanitarian Responders Program Associate, and a part-time administrative/finance assistant.

Finally, JRR used three consultants, one based in Dublin, Ireland who provided management of the Complementarity program and public partnerships, a second one based in Nairobi, Kenya as a SGBV Program Associate, and a third, based in the U.S. as a part-time Sales Force Administrator.

The costs of the salaried employees and consultants are included in the present financial statements. Seconded personal costs are covered by the respective governments and are not expensed to JRR.

**Note 3 - Information on balance sheet and income statement items****3.1 Cash and cash equivalents and current assets with a stock exchange**

|                 | <b>2018</b>      | <b>2017</b>      |
|-----------------|------------------|------------------|
| of which in CHF | 470'577          | 672'055          |
| of which in USD | 11'206           | 28'918           |
| of which in EUR | 1'010'926        | 418'608          |
| of which in GBP | 38'665           | -                |
| <b>Total</b>    | <b>1'531'374</b> | <b>1'119'581</b> |

**3.2 Prepaid expenses and accrued income**

|                                 | <b>2018</b>    | <b>2017</b>   |
|---------------------------------|----------------|---------------|
| Accrued income - Canada         | 162'070        | -             |
| Accrued income - UN Women       | 29'664         | -             |
| Accrued income - UNDP Guatemala | -              | 14'670        |
| Other accrued income            | -              | 5'550         |
| Prepaid expenses                | 29'518         | 11'901        |
| <b>Total</b>                    | <b>221'252</b> | <b>32'121</b> |

**Note 3 - Information on balance sheet and income statement items (cont'd)****3.3 Donor funds**

JRR released the following in 2018 and in 2017 from the funds carried over from prior year:

|                          | <b>2018</b>    | <b>2017</b>    |
|--------------------------|----------------|----------------|
| Ireland (Irish Aid) Fund | 57'712         | 52'980         |
| Liechtenstein Fund       | -              | 63'224         |
| Netherlands Fund         | -              | 52'945         |
| Switzerland Fund         | 66'053         | 59'815         |
| UNDP Guatemala Fund      | 6'181          | -              |
| UN Women                 | 201'343        | -              |
|                          | <b>331'289</b> | <b>228'964</b> |

The following revenues received in 2018 and in 2017 were deferred to the relevant funds for use as in 2019 and in 2018 respectively:

|                          | <b>2018</b>    | <b>2017</b>    |
|--------------------------|----------------|----------------|
| Canada Fund              | 6'974          | -              |
| Ireland (Irish Aid) Fund | 55'533         | 57'712         |
| Netherlands Fund         | 247'900        | -              |
| Switzerland Fund         | 395'548        | 66'053         |
| United Kingdom           | 231            | -              |
| UNDP Guatemala Fund      | -              | 6'181          |
| UN Women                 | -              | 201'343        |
|                          | <b>706'186</b> | <b>331'289</b> |

**3.4 JRR fund**

|   | <b>2018</b>    | <b>2017</b>    |
|---|----------------|----------------|
| <b>JRR Fund accumulated as of Jan 1,</b>                        | <b>780'181</b> | <b>701'567</b> |
| Allocated from donor funds                                      | 463'546        | 355'902        |
| Funds used  | (309'875)      | (288'546)      |
| Realized foreign exchange (gains)/ losses during the year - net | 43'672         | (5'426)        |
| Unrealized foreign exchange (loss) / gain end of the year - net | (64'868)       | 16'684         |
| <b>JRR fund accumulated as of Dec 31,</b>                       | <b>912'656</b> | <b>780'181</b> |

The realized foreign exchange difference is due to foreign currency donor funding received at the rate of the actual bank transfer versus the project expenditures which are incurred at the actual rates as of date of the expense.

The unrealized foreign exchange difference is due to the mandatory end-of-year revaluation of all balance sheet accounts held in foreign currencies at the 31 December 2018 FX rate set by European Commission.

**JRR Association, Geneva****Notes to the financial statements as at 31 December, 2018****(in CHF)****Note 3 - Information on balance sheet and income statement items (cont'd)****3.5 Fund movements**

A summary of Donor funds and JRR fund movements during the year 2018 is shown below:

|   | <b>Funds carried<br/>from 2017</b><br><i>Note 3.3 - 3.4</i> | <b>Additional<br/>funds received<br/>during 2018</b><br><i>Note 3.7</i> | <b>Allocated to<br/>JRR Fund</b><br><i>Note 3.6</i> | <b>Funds used</b>  | <b>Funds carried<br/>to 2019</b><br><i>Note 3.3</i> |
|---|---|---|---|--------------------|---|
| Australia   | -   | 72'317  | -   | (72'317)           | -   |
| Canada  | -   | 1'244'474   | (128'162)   | (1'109'338)        | 6'974   |
| Denmark   | -   | 153'396   | -   | (153'396)          | -   |
| Finland   | -   | 229'315   | -   | (229'315)          | -   |
| Institute for International Criminal<br>Investigations (IICI) | -   | 32'361  | (2'182)   | (30'179)           | -   |
| Ireland (Irish Aid) Fund                                      | 57'712  | 56'620  | (21'760)  | (37'039)           | 55'533  |
| Liechtenstein Fund  | -   | 50'000  | (5'356)   | (44'644)           | -   |
| Luxembourg  | -   | 28'465  | -   | (28'465)           | -   |
| Netherlands Fund  | -   | 546'739   | (58)  | (298'781)          | 247'900   |
| Switzerland Fund  | 66'053  | 824'142   | (26'504)  | (468'143)          | 395'548   |
| United Kingdom  | -   | 132'521   | (12'010)  | (120'280)          | 231   |
| UN Women Fund   | 201'343   | 213'438   | (229'270)   | (185'511)          | -   |
| UNDP Guatemala Fund   | 6'181   | -   | (633)   | (5'548)            | -   |
| UNICEF Bangladesh   | -   | 53'009  | (24'326)  | (28'683)           | -   |
| JRR Fund used   | 309'875   | 13'285  | (13'285)  | (309'875)          | -   |
| <i>FX revaluation impact on donor<br/>funding</i>             | -   | (11'524)  | -   | 11'524             | -   |
|   | <b>641'164</b>  | <b>3'638'558</b>  | <b>(463'546)</b>                                    | <b>(3'109'990)</b> | <b>706'186</b>                                      |

**3.6 Fund allocations**

|  | <b>2018</b>      | <b>2017</b>    |
|--|------------------|----------------|
| Release of JRR fund  | 309'875          | 288'546        |
| Release of donor funds   | 331'289          | 228'964        |
| <b>Total releases - Note 3.5</b>                                 | <b>641'164</b>   | <b>517'510</b> |
| Allocation to JRR fund - Note 3.5                                | 463'546          | 355'902        |
| <i>to JRR fund</i>   | 233'777          | 134'527        |
| <i>to roster management and deployment coordination fee fund</i> | 229'769          | 221'375        |
| Allocation to donor fund - Note 3.3                              | 706'186          | 331'289        |
| <b>Total allocations</b>   | <b>1'169'732</b> | <b>687'191</b> |



**Note 3 - Information on balance sheet and income statement items (cont'd)****3.7 Revenue from donors**

JRR received the following donor funding in 2018 and 2017 (in CHF):

|  | <b>2018</b>      | <b>2017</b>      |
|--|------------------|------------------|
| <i>State &amp; International Institutions</i>              |                  |                  |
| Australia  | 72'317           | 72'575           |
| Canada   | 1'244'474        | -                |
| Denmark  | 153'396          | 145'299          |
| Finland  | 229'315          | 187'760          |
| International Humanitarian Fact Finding Commission         | -                | 7'407            |
| Institute for International Criminal Investigations (IICI) | 32'361           | 88'468           |
| Ireland - Irish aid  | 56'620           | 58'320           |
| Liechtenstein  | 50'000           | -                |
| Luxembourg   | 28'465           | 27'088           |
| Netherlands  | 546'739          | 204'147          |
| Republic of Korea (KOICA)                                  | -                | 304'836          |
| Switzerland  | 824'142          | 317'889          |
| United Kingdom   | 132'521          | -                |
| UNICEF Bangladesh  | 53'009           |                  |
| UNDP Guatemala Fund  | -                | 143'099          |
| UN Women   | 213'438          | 736'661          |
| JRR Fund   | 13'285           |                  |
| <i>FX revaluation impact on donor funding</i>              | (11'524)         | (4'737)          |
| <b>TOTAL</b>   | <b>3'638'558</b> | <b>2'288'811</b> |

In 2018, contributions from Draper Richards Kaplan Foundation were given directly to the JRR USA 501c3 organization and they are not reflected in the JRR Association donor income overview.

FX revaluation impact is caused by the revaluation of non-CHF denominated donor funding. This can occur either when foreign currency funding carries over financial years, or when the foreign currency accounts are re-valued at year-end rate. This year-end rate varies from the FX rate used on the date of actual receipt of the funds, causing the gains and losses.

**3.8 Deployments**

JRR Association receives ear-marked contributions to finance the expenses incurred by JRR Association for deployments that are facilitated either through JRR or via second or third parties. This represents the expenses for all such deployments incurred in the respective year.

**3.9 Recruitment expenses, including sponsorships**

The costs of the training staff are recorded in personnel expenses, and are therefore not reflected here. Sponsorships to Global South participants to attend the training course are included in this caption, as they are integral to the total cost of a training course.

**Note 3 - Information on balance sheet and income statement items (cont'd)****3.10 JRR USA**

JRR USA was incorporated in December 2014 and received retroactive IRS 501c3 status in July 2015. This has allowed JRR USA to hire staff directly in the USA, thus reducing the need for JRR Association to offer consulting contracts to our North American based team. JRR Association, via unrestricted donor funding, continues to finance these positions and other New York office costs such as rent, insurance and outreach. These costs were previously paid directly by JRR Association.

**Note 4 - Other information****4.1 Residual amount of leasing liabilities**

Leasing liabilities, which will not expire and may not be terminated within twelve months, are subject to the following repayment structure

|              | <b>2018</b>    | <b>2017</b>    |
|--------------|----------------|----------------|
| Up to 1 year | 110'500        | 110'500        |
| 1-5 years    | 23'021         | 23'021         |
| <b>Total</b> | <b>133'521</b> | <b>133'521</b> |

These amounts include payments related to rental or leasing contracts up to the end of their (a) contract period or (b) notice period, as applicable.

**4.2 Tax exempt status**

JRR Association has received a tax-exempt status from the Swiss Department of Finance on September 2, 2013 and as such is exempt from federal, cantonal and communal taxes for a minimum duration of 10 years.