

**JRR Association,  
Geneva**

**Report of the independent auditor on  
the financial statements for the year ended  
December 31, 2019**

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, 2019.

#### *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.

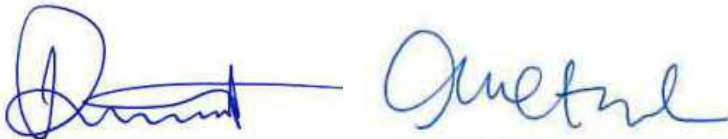
#### *Opinion*

In our opinion, the financial statements for the year ended December 31, 2019 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.

*Emphasis of Matter*

Without qualifying our audit opinion, we draw your attention to note 4.3 to the financial statements which refers to important events occurring after December 31, 2019 and the Covid-19 disease.

RSM Audit Switzerland SA

Two handwritten signatures in blue ink. The signature on the left is for JR Howarth, and the signature on the right is for M Kulak.

JR Howarth  
Audit expert  
Auditor in charge

M Kulak

Carouge, May 14, 2020

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

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

	Notes	2019	2018
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents and current assets with a stock exchange price	3.1	1'959'596.19	1'531'374.38
Prepaid expenses and accrued income	3.2	78'820.24	221'251.68
<b>Total current assets</b>		<b>2'038'416.43</b>	<b>1'752'626.06</b>
Financial assets	3.3	21'423.40	-
<b>Non-current assets</b>		<b>21'423.40</b>	<b>-</b>
<b>Total assets</b>		<b>2'059'839.83</b>	<b>1'752'626.06</b>
<b>Liabilities and funds</b>			
<b>Current liabilities</b>			
Other short-term liabilities		194'294.95	110'330.24
Deferred income and accrued expenses		-	23'453.94
<i>Accrued expenses</i>		-	23'453.94
<b>Total current liabilities</b>		<b>194'294.95</b>	<b>133'784.18</b>
<b>Total liabilities</b>		<b>194'294.95</b>	<b>133'784.18</b>
<b>Funds</b>			
Donor funds	3.4	959'532.25	706'185.39
JRR funds	3.5	906'012.63	912'656.49
<i>JRR fund</i>		708'599.91	715'856.64
<i>Roster management &amp; deployment coordination fee fund</i>		264'114.71	229'768.73
<i>Foreign exchange differences</i>		(66'701.99)	(32'968.88)
<b>Total funds</b>		<b>1'865'544.88</b>	<b>1'618'841.88</b>
<b>Total liabilities and funds</b>		<b>2'059'839.83</b>	<b>1'752'626.06</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	2019	2018
<b>Receipts</b>			
Revenue from donors	3.6 & 3.8	4'359'193.31	3'638'557.82
<b>Total operating income</b>		<b>4'359'193.31</b>	<b>3'638'557.82</b>
<b>Operating expenses</b>			
Personnel expenses	2	1'235'884.44	1'022'466.96
Rent and utilities		110'500.00	110'500.00
General and Administration expenses		183'387.27	197'517.59
Consultant fees		173'441.28	160'238.06
Outreach expenses		41'341.35	69'787.71
Professional fees		54'032.59	35'458.80
Executive Board and Assembly / Committee expenses		24'359.73	21'945.32
Other operating expenses		2'208'656.31	1'443'649.23
<i>Deployments</i>	3.9	1'419'505.79	675'491.07
<i>Recruitment expenses, including sponsorships</i>	3.10	246'892.84	320'717.63
<i>JRR USA</i>	3.11	542'257.68	447'440.53
<b>Total operating expenses</b>		<b>4'031'602.97</b>	<b>3'061'563.67</b>
<b>Operating result</b>		<b>327'590.34</b>	<b>576'994.15</b>
<b>Financial expenses</b>			
<i>Interest expense</i>		(47'919.43)	(48'501.68)
<i>Other financial expenses</i>		(953.22)	(503.24)
<i>Foreign exchange gain / loss - net</i>		(5'317.94)	(4'326.40)
<i>Foreign exchange gain / loss - net</i>		(41'648.27)	(43'672.04)
Financial income		765.09	75.53
<i>Interest income</i>		765.09	75.53
<b>Total non-operating income / (expenses)</b>		<b>(47'154.34)</b>	<b>(48'426.15)</b>
<b>Excess / (shortage) of receipts over expenses</b>		<b>280'436.00</b>	<b>528'568.00</b>
<b>Total release of funds</b>	3.6-3.7	1'242'831.00	641'164.00
<b>Total allocation to funds</b>	3.7	(1'523'267.00)	(1'169'732.00)
<b>Net surplus or (deficit) for the period</b>		<b>-</b>	<b>-</b>

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

## **JRR Association, Geneva**

### **Notes to the financial statements as at 31 December, 2019**

(in CHF)

#### **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.

## **JRR Association, Geneva**

### **Notes to the financial statements as at 31 December, 2019**

(in CHF)

#### **Note 2 - Key accounting and valuation principles (cont'd)**

##### *Personnel and consultant costs*

The Association has an annual average of over 13 full-time positions (2018 - 12 full-time positions)

In 2019, JRR personnel fell into following categories:

First are personnel seconded by their governments (i.e. The JRR Executive Director by Finland; the Public Partnerships and Monitoring & Evaluation Manager by Canada.)

Second are salaried employees in Geneva, Switzerland: Director of Operations, Finance Director, Recruitment & Certification Manager, Roster Manager, Public Partnerships and M&E Officer, Accounting & Finance Officer, Finance & Deployment Associate, Public Communications Officer, three Program Officers, Programme Associate, Roster Management Unit Associate, Operations Assistant.

Third are salaried employees in JRR USA: Head of International Justice Program / Senior Gender & Child Rights Advisor, Head of Civil Society Program/MC, Program Officer, two Program Associates, and a part-time administrative/finance assistant.

Finally, JRR used two consultants, one based in Dublin, Ireland who provided management as the Head of the National Justice Program and Public Partnership Unit Support and a second one based in Nairobi, Kenya as Program Officer.

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>2019</b>	<b>2018</b>
of which in CHF	361'531	470'577
of which in USD	101'548	11'206
of which in EUR	896'941	1'010'926
of which in GBP	79'179	38'665
of which in CAD	520'397	-
<b>Total</b>	<b>1'959'596</b>	<b>1'531'374</b>

##### **3.2 Prepaid expenses and accrued income**

	<b>2019</b>	<b>2018</b>
Accrued income - Canada	-	162'070
Accrued income - UN Women	22'460	29'664
Accrued income - Caritas	10'113	-
Accrued income - UK Fund	4'074	-
Prepaid expenses	42'173	29'518
<b>Total</b>	<b>78'820</b>	<b>221'252</b>

**JRR Association, Geneva****Notes to the financial statements as at 31 December, 2019**

(in CHF)

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

	<b>2019</b>	<b>2018</b>
Rental deposits	21'423	-
<b>Total</b>	<b>21'423</b>	<b>-</b>

**3.4 Donor funds**

JRR released the following in 2019 and in 2018 from the funds carried over from prior year:

	<b>2019</b>	<b>2018</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 Fund	231	-
UNDP Guatemala Fund	-	6'181
UN Women	-	201'343
	<b>706'186</b>	<b>331'289</b>

The following revenues received in 2019 and in 2018 were deferred to the relevant funds for use as in 2020 and in 2019 respectively:

	<b>2019</b>	<b>2018</b>
Canada Fund	498'477	6'974
Denmark Fund	266'866	-
International Media Support Fund	26'883	-
Ireland (Irish Aid) Fund	53'446	55'533
Liechtenstein Fund	43'060	-
Netherlands Fund	-	247'900
Switzerland Fund	25'470	395'548
United Kingdom Fund	-	231
UN Women	45'330	-
	<b>959'532</b>	<b>706'186</b>



**JRR Association, Geneva****Notes to the financial statements as at 31 December, 2019**

(in CHF)

**Note 3 - Information on balance sheet and income statement items (cont'd)****3.5 JRR fund**

	<u>2019</u>	<u>2018</u>
<b>JRR Fund accumulated as of Jan 1,</b>	<b>912'656</b>	<b>780'181</b>
Allocated from donor funds	563'735	463'546
Funds used	(536'645)	(309'875)
Realized foreign exchange (gains)/ losses during the year - net	41'625	43'672
Unrealized foreign exchange (loss) / gain end of the year - net	(75'358)	(64'868)
<b>JRR fund accumulated as of Dec 31,</b>	<b><u>906'013</u></b>	<b><u>912'656</u></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 2019 FX rate set by European Commission.

**3.6 Fund movements**

A summary of Donor funds and JRR fund movements during the year 2019 is shown below:

	<b>Funds carried from 2018</b> <i>Note 3.4 - 3.5</i>	<b>Additional funds received during 2019</b> <i>Note 3.8</i>	<b>Allocated to JRR Fund</b> <i>Note 3.7</i>	<b>Funds used</b>	<b>Funds carried to 2020</b> <i>Note 3.4</i>
Australia	-	68'310	(532)	(67'778)	-
Canada	6'974	1'673'739	(126'307)	(1'055'928)	498'478
Caritas	-	21'095	(8'754)	(12'341)	-
Denmark	-	293'400	(1'736)	(24'798)	266'866
Finland	-	506'430	(35'102)	(471'328)	-
International Media Support	-	34'490	(715)	(6'892)	26'883
Ireland (Irish Aid) Fund	55'533	54'955	(13'030)	(44'012)	53'446
Liechtenstein Fund	-	50'000	(744)	(6'196)	43'060
Luxembourg	-	27'150	-	(27'150)	-
Netherlands Fund	247'900	249'995	(13'880)	(484'015)	-
Republic of Korea Fund	-	164'763	(17'808)	(146'955)	-
Switzerland Fund	395'548	609'550	(116'764)	(862'864)	25'470
United Kingdom	231	205'945	(17'902)	(188'274)	-
UN High Commissioner for Refugees	-	10'850	(5'478)	(5'372)	-
UN Women Fund	-	375'887	(204'983)	(125'574)	45'330
JRR Fund used	536'645	-	-	(536'645)	-
<i>FX revaluation impact on donor funding</i>	-	12'634		(12'634)	-
	<b><u>1'242'831</u></b>	<b><u>4'359'193</u></b>	<b><u>(563'735)</u></b>	<b><u>(4'078'756)</u></b>	<b><u>959'533</u></b>

**JRR Association, Geneva****Notes to the financial statements as at 31 December, 2019**

(in CHF)

**Note 3 - Information on balance sheet and income statement items (cont'd)****3.7 Fund allocations**

	<u>2019</u>	<u>2018</u>
Release of JRR fund	536'645	309'875
Release of donor funds	706'186	331'289
<b>Total releases - Note 3.6</b>	<b><u>1'242'831</u></b>	<b><u>641'164</u></b>
Allocation to JRR fund - Note 3.6	563'735	463'546
<i>to JRR fund</i>	299'620	233'777
<i>to roster management and deployment coordination fee fund</i>	264'115	229'769
Allocation to donor fund - Note 3.4	959'532	706'186
<b>Total allocations</b>	<b><u>1'523'267</u></b>	<b><u>1'169'732</u></b>

**3.8 Revenue from donors**

JRR received the following donor funding in 2019 and 2018 (in CHF):

	<u>2019</u>	<u>2018</u>
<i>State &amp; International Institutions</i>		
Australia	68'310	72'317
Canada	1'673'739	1'244'474
Caritas	21'095	-
Denmark	293'400	153'396
Finland	506'430	229'315
Institute for International Criminal Investigations (IICI)	-	32'361
International Media Support Fund	34'490	-
Ireland - Irish aid	54'955	56'620
Liechtenstein	50'000	50'000
Luxembourg	27'150	28'465
Netherlands	249'995	546'739
Republic of Korea (KOICA)	164'763	-
Switzerland	609'550	824'142
United Kingdom Fund	205'945	132'521
UNICEF Bangladesh	-	53'009
UN High Commissioner for Refugees	10'850	-
UN Women	375'887	213'438
JRR Fund		13'285
<i>FX revaluation impact on donor funding</i>	12'634	(11'524)
<b>TOTAL</b>	<b><u>4'359'193</u></b>	<b><u>3'638'558</u></b>

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.

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

**3.9 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.

**3.10 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.

**3.11 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

	<u>2019</u>	<u>2018</u>
Up to 1 year	118'541	110'500
1-5 years	160'867	23'021
<b>Total</b>	<b><u>279'408</u></b>	<b><u>133'521</u></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.

**4.3 Subsequent events**

At December 31, 2019, a limited number of cases of an unknown virus had been reported to the World Health Organisation. There was no explicit evidence of human-to-human transmission at that date. Subsequent to the year-end, a rife spread of the virus and its identification as a new coronavirus took place.

This could adversely affect the Organization's donors, and vendors as a result of quarantines, closures, and travel and logistics restrictions in connection with the outbreak. More broadly, the outbreak could affect workforces, economies and financial markets globally, potentially leading to an economic downturn. This could decrease spending, adversely affect demand for the Organization's services and harm the Organization's business and results of operations. Management continues to monitor the outbreak, however as of the date of these financial statements, the potential impact of such on the Organization's business cannot be quantified. Taking into account the measures taken and the resources of the Association, the Executive Director does not anticipate any problems for the continuity of the Association's activities for the foreseeable future.