

**JRR Association,
Geneva**

**Report of the independent auditor on
the financial statements for the year ended
December 31, 2020**

RSM Audit Switzerland SA

Boulevard du Pont-d'Arve 28
1205 Geneva
Switzerland

T: +41 22 888 50 50
F: +41 22 300 53 47
www.rsmch.ch

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, 2020.

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, 2020 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

JR Howarth
Audit expert
Auditor in charge

M Kulak

Geneve, May 19, 2021

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

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

	Notes	2020	2019
Assets			
Current assets			
Cash and cash equivalents and current assets with a stock exchange price	3.1	1'339'135.53	1'959'596.19
Prepaid expenses and accrued income	3.2	121'260.79	78'820.24
Total current assets		1'460'396.32	2'038'416.43
Financial assets	3.3	21'423.40	21'423.40
Non-current assets		21'423.40	21'423.40
Total assets		1'481'819.72	2'059'839.83
Liabilities and funds			
Current liabilities			
Other short-term liabilities		116'401.30	194'294.95
Total current liabilities		116'401.30	194'294.95
Total liabilities		116'401.30	194'294.95
Funds			
Donor funds	3.4	526'418.08	959'532.25
JRR funds	3.5	839'000.34	906'012.63
<i>JRR fund</i>		805'177.92	708'599.91
<i>Roster management & deployment coordination fee fund</i>		119'608.23	264'114.71
<i>Foreign exchange differences</i>		(85'785.81)	(66'701.99)
Total funds		1'365'418.42	1'865'544.88
Total liabilities and funds		1'481'819.72	2'059'839.83

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

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

	Notes	2020	2019
Receipts			
Revenue from donors	3.6 & 3.8	3'000'873.29	4'359'193.31
Total operating income		3'000'873.29	4'359'193.31
Operating expenses			
Personnel expenses	2	1'306'154.04	1'235'884.44
Rent and utilities		124'784.38	110'500.00
General and Administration expenses		197'695.72	183'387.27
Consultant fees		168'060.63	173'441.28
Outreach expenses		8'050.97	41'341.35
Professional fees		49'015.95	54'032.59
Executive Board and Assembly / Committee expenses		1'518.29	24'359.73
Other operating expenses		1'578'593.80	2'208'656.31
<i>Deployments</i>	3.9	1'020'997.18	1'419'505.79
<i>Recruitment expenses, including sponsorships</i>	3.10	108'295.01	246'892.84
<i>JRR USA</i>	3.11	449'301.61	542'257.68
Total operating expenses		3'433'873.78	4'031'602.97
Operating result		(433'000.49)	327'590.34
Financial expenses		(50'026.51)	(47'919.43)
<i>Interest expense</i>		(709.05)	(953.22)
<i>Other financial expenses</i>		(8'671.65)	(5'317.94)
<i>Foreign exchange gain / loss - net</i>		(40'645.81)	(41'648.27)
Financial income		-	765.09
<i>Interest income</i>		-	765.09
Total non-operating income / (expenses)		(50'026.51)	(47'154.34)
Excess / (shortage) of receipts over expenses		(483'027.00)	280'436.00
Total release of funds	3.6-3.7	1'354'297.00	1'242'831.00
Total allocation to funds	3.7	(871'270.00)	(1'523'267.00)
Net surplus or (deficit) for the period		-	-

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.

JRR Association,

**Notes to the financial statements as at 31 December, 2020
(in CHF)**

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

Personnel and consultant costs

The Association has an annual average of over 15 full-time positions (2019 - 13 full-time positions).

In 2020, 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, Head of International Justice Program / Senior Gender & Child Rights Advisor, 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 Civil Society Program/MC, one 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 personnel 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 price

	2020	2019
of which in CHF	891'650	361'531
of which in USD	112'798	101'548
of which in EUR	185'893	896'941
of which in GBP	28'356	79'179
of which in CAD	120'438	520'397
Total	1'339'136	1'959'596

3.2 Prepaid expenses and accrued income

	2020	2019
Accrued income - UN Women	91'491	22'460
Accrued income - Caritas	-	10'113
Accrued income - UK Fund	-	4'074
Prepaid expenses	29'770	42'173
Total	121'261	78'820

JRR Association,**Notes to the financial statements as at 31 December, 2020****(in CHF)****Note 3 - Information on balance sheet and income statement items (cont'd)****3.3 Financial assets**

	<u>2020</u>	<u>2019</u>
Rental deposits	21'423	21'423
Total	<u>21'423</u>	<u>21'423</u>

3.4 Donor funds

JRR released the following in 2020 and in 2019 from the funds carried over from prior year:

	<u>2020</u>	<u>2019</u>
Canada Fund	498'477	6'974
Denmark Fund	266'866	-
International Media Support Fund	26'883	-
Ireland (DFAT) 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 Fund	45'330	-
	<u>959'532</u>	<u>706'186</u>

The following revenues received in 2020 and in 2019 were deferred to the relevant funds for use as in 2021 and in 2020 respectively:

	<u>2020</u>	<u>2019</u>
Belgium Fund	58'033	-
Canada Fund	3'184	498'477
Denmark Fund	-	266'866
International Media Support Fund	-	26'883
Ireland (DFAT) Fund	53'266	53'446
Liechtenstein Fund	70'000	43'060
Switzerland Fund	300'000	25'470
UN Women Fund	41'935	45'330
	<u>526'418</u>	<u>959'532</u>

JRR Association,**Notes to the financial statements as at 31 December, 2020
(in CHF)****Note 3 - Information on balance sheet and income statement items (cont'd)****3.5 JRR fund**

	<u>2020</u>	<u>2019</u>
JRR Fund accumulated as of Jan 1,	906'013	912'656
Allocated from donor funds	344'852	563'735
Funds used	(394'765)	(536'645)
Realized foreign exchange (gains)/ losses during the year - net	40'637	41'625
Unrealized foreign exchange (loss) / gain end of the year - net	(57'736)	(75'358)
JRR fund accumulated as of Dec 31,	839'000	906'013

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 2020 FX rate set by European Commission.

3.6 Fund movements

A summary of Donor funds and JRR fund movements during the year 2020 is shown below:

	Funds carried from 2019 <i>Note 3.4 - 3.5</i>	Additional funds received during 2020 <i>Note 3.8</i>	Allocated to JRR Fund <i>Note 3.7</i>	Funds used	Funds carried to 2021 <i>Note 3.4</i>
Australia	-	64'429	-	(64'429)	-
Belgium	-	158'828	(9'395)	(91'400)	58'033
Canada	498'477	626'760	(116'231)	(1'005'822)	3'184
Denmark	266'866	-	(17'459)	(249'407)	-
Finland	-	480'105	(34'501)	(445'604)	-
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	-	8'650	(919)	(7'731)	-
International Media Support	26'883	23'662	(22'478)	(28'067)	-
Ireland (DFAT)	53'446	53'420	(4'828)	(48'772)	53'266
Liechtenstein	43'060	70'000	(4'614)	(38'446)	70'000
Luxembourg	-	26'988	-	(26'988)	-
Netherlands	-	271'775	-	(271'775)	-
OHCHR	-	43'318	-	(43'318)	-
Republic of Korea	-	78'490	(8'356)	(70'134)	-
Switzerland	25'470	900'000	(9'102)	(616'368)	300'000
United Kingdom (FCO)	-	7'503	(685)	(6'818)	-
UN Women	45'330	187'518	(116'284)	(74'629)	41'935
JRR Fund used	394'765	-	-	(394'765)	-
<i>FX revaluation impact on donor funding</i>	-	(573)		573	-
	1'354'297	3'000'873	(344'852)	(3'483'900)	526'418

JRR Association,**Notes to the financial statements as at 31 December, 2020****(in CHF)****Note 3 - Information on balance sheet and income statement items (cont'd)****3.7 Fund allocations**

	<u>2020</u>	<u>2019</u>
Release of JRR fund	394'765	536'645
Release of donor funds	959'532	706'186
Total releases - Note 3.6	<u>1'354'297</u>	<u>1'242'831</u>
Allocation to JRR fund - Note 3.6	344'852	563'735
<i>to JRR fund</i>	225'243	299'620
<i>to roster management and deployment coordination fee fund</i>	119'609	264'115
Allocation to donor fund - Note 3.4	526'418	959'532
Total allocations	<u>871'270</u>	<u>1'523'267</u>

3.8 Revenue from donors

JRR received the following donor funding in 2020 and 2019 (in CHF):

	<u>2020</u>	<u>2019</u>
<i>State & International Institutions</i>		
Australia	64'429	68'310
Belgium	158'828	-
Canada	626'760	1'673'739
Caritas	-	21'095
Denmark	-	293'400
Finland	480'105	506'430
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	8'650	-
International Media Support	23'662	34'490
Ireland (DFAT)	53'420	54'955
Liechtenstein	70'000	50'000
Luxembourg	26'988	27'150
Netherlands	271'775	249'995
OHCHR	43'318	-
Republic of Korea (KOICA)	78'490	164'763
Switzerland	900'000	609'550
United Kingdom (FCO)	7'503	205'945
UN High Commissioner for Refugees	-	10'850
UN Women	187'518	375'887
<i>FX revaluation impact on donor funding</i>	(573)	12'634
TOTAL	<u>3'000'873</u>	<u>4'359'193</u>

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>2020</u>	<u>2019</u>
Up to 1 year	125'537	118'541
1-5 years	149'968	160'867
Total	<u>275'505</u>	<u>279'408</u>

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 Covid 19

Since 2019, the COVID-19 virus has spread worldwide. Measures taken by governments to prevent the transmission of the virus include limiting the movement of people, restricting flights and travel, temporarily closing businesses and schools and cancelling events. These measures have an immediate effect on sectors such as tourism, transport and retail, and have begun to affect the Organization's donors and vendors as a result of quarantines, closures, and travel and logistics restrictions in connection with the outbreak. At present it is not known for how long the measures taken shall remain in effect and given the rapid propagation of the virus it is possible that further restrictive measures shall be implemented.

Management has considered, as at the date of its approval of these financial statements, the possible impact of the COVID- 19 virus crisis on the Organisation's operations, and upon the ability of the Organisation to continue as a going concern. In particular, management has reviewed how it affects demand for the Organization's services and potential to harm the Organization's operations. Management continues to monitor the outbreak, however as of the date of these financial statements, the potential continued impact of such on the Organization's operations cannot be quantified.

The financial statements do not include, at December 31, 2020, any allowances or provisions relating to matters arising as a result of the COVID-19 virus crisis.