

**JRR Association,
Geneva**

**Report of the independent auditor on
the financial statements for the year
ended December 31, 2014**

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, 2014.

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

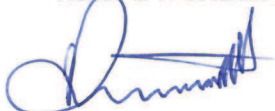
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are 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, 2014 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 GVA Audit SA



JR Howarth
Audit expert



D Rochat
Audit expert

Carouge, June 15, 2015

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

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

| | Note | 2014 | 2013 |
|------------------------------------|------|---------------------|-------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 1 819 289.06 | 571 311.16 |
| Other receivables | | 4 716.98 | 109 896.98 |
| Prepayments and accrued income | | 43 588.50 | 98 704.31 |
| Total current assets | | 1 867 594.54 | 779 912.45 |
| Non-current assets | | | |
| Guarantee deposits | 3 | - | 10 410.00 |
| Total non-current assets | | - | 10 410.00 |
| Total assets | | 1 867 594.54 | 790 322.45 |
| Liabilities and funds | | | |
| Current liabilities | | | |
| Accounts payable | | 247 713.60 | 21 671.63 |
| Accrued liabilities | | 48 302.61 | 4 212.00 |
| Total current liabilities | | 296 016.21 | 25 883.63 |
| Long term liabilities | | | |
| Other long-term payables | 3 | - | 10 410.00 |
| Total long term liabilities | | - | 10 410.00 |
| Total liabilities | | 296 016.21 | 36 293.63 |
| Funds | | | |
| Donor Funds | 5 | 1 339 054.33 | 736 392.27 |
| JRR Fund | 5 | 232 524.00 | 17 636.55 |
| Total funds | | 1 571 578.33 | 754 028.82 |
| Total liabilities and funds | | 1 867 594.54 | 790 322.45 |

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

Statement of receipts and expenses for the year ended December 31,

(in CHF)

| | Note | 2014 | 2013 |
|--|-------------|-----------------------|----------------------|
| Receipts | | | |
| Revenue from donors | 4 | 2 443 338.10 | 1 399 076.66 |
| Financial income | | 26 375.83 | 193.18 |
| Total receipts | | 2 469 713.93 | 1 399 269.84 |
| Operating expenses | | | |
| Salaries | | 218 887.00 | 62 362.65 |
| Social charges | | 62 021.15 | 14 248.55 |
| Consultant fees | | 140 303.93 | 96 592.11 |
| Outreach expenses | | 34 003.05 | 32 338.82 |
| Rent and utilities | | 76 500.71 | 61 940.32 |
| Executive Board and Group of Participants meetings | | 19 510.51 | 23 462.64 |
| General and administration expenses | | 60 884.60 | 47 002.89 |
| Professional fees | | 31 823.96 | 29 350.30 |
| Financial expenses | | 22 898.03 | 979.22 |
| Total operating expenses | | 666 832.94 | 368 277.50 |
| Project and deployment expenses | | | |
| Deployment fees | 7 | 591 084.22 | 116 734.51 |
| Training expenses | 7 | 313 712.87 | 341 914.10 |
| Sponsorship expenses | 7 | 62 678.11 | 92 565.20 |
| Total project and deployment expenses | | 967 475.20 | 551 213.81 |
| Excess / (shortage) of receipts over expenses | | 835 405.79 | 479 778.53 |
| Total allocation to funds | 5 | (1 571 578.33) | (754 028.82) |
| Total release of funds | 5 | 736 172.54 | 274 250.29 |
| Net surplus or (deficit) for the period | | - | - |

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

Notes to the financial statements as at December 31, 2014
(in CHF)

NOTE 1 - Organisation

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 Statutes of JRR, the JRR General Assembly has, through the Executive Board, appointed RSM GVA Audit 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 Statutes.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements are prepared on an accrual basis and under the historical cost convention, unless stated otherwise. These financial statements have been prepared for the period starting January 1, 2014 to December 31, 2014.

These financial statements have been prepared in accordance with the provisions of the Code of Obligations applicable prior to the changes introduced on 1 January 2013, in accordance with the transitional provisions of the new accounting law.

Foreign currency translation

Foreign currencies – 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 gains, as well as realized and unrealized foreign exchange losses are included in the statement of receipts and expenses for the year. Unrealized foreign exchange gains are deferred.

Donor revenues and expenses recognition

Donor revenues concerning the year under review are recorded as income only upon their receipt. Donor reimbursement requests related to the expenses for the year under review are recorded as Current Assets – Other receivables. These reimbursement requests are based on guaranteed grant commitments, where all costs have been incurred during the year under review and the payment is being processed by donor.

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 and any other minor unplanned contingencies. It is funded exclusively through a JRR 12% administrative fee or donors who have given unrestricted funding, after all other JRR core costs are expensed.

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

Notes to the financial statements as at December 31, 2014
(in CHF)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Personnel and consultant costs

In 2014, JRR personnel fell into three categories. First, personnel seconded by their governments (ie: the JRR Executive Director & Senior Development Officer by Canada, the Director of Operations and the Program Associate by Switzerland, and the Complementarity Coordinator/EU Liaison Officer by the Netherlands). Second are salaried employees such as the part-time Finance Director, Roster/Deployments Manager, Training Coordinator, Office Administrator & Programme Associate. Finally, JRR used two consultants, one based in Dublin, Ireland who provided project management & outreach support, and a consultant based in New York who provided liaison support and coordinated projects & training courses. The cost of the consultants and the salaried employees is included in the present financial statements but the cost of the seconded personnel is not.

Inventories and fixed assets

Given the nature of its operations, JRR does not maintain any merchandise or equipment inventory. IT and communication equipment is expensed in the year acquisition. The Association's office furniture is included in the office rental agreement.

NOTE 3 - RENT GUARANTEE DEPOSIT

In 2013, the amount of CHF 10,410 reflected funding provided by a donor that JRR utilized for a rent guarantee relating to the lease of the JRR office in Geneva. In 2014, following the relocation of JRR, the funds were released and will be used as a donor contribution towards rental expenses in 2015. Accordingly, this balance is in the Switzerland funds as at December 31, 2014.

NOTE 4 – DONORS REVENUES

JRR received the following donor funding in 2014 (in CHF):

| <i>State & International Institutions</i> | 2014 | 2013 |
|--|------------------|------------------|
| Australia | 62'963 | - |
| Canada | 87'962 | 513'909 |
| Denmark | 1'194'513 | - |
| Finland | 218'358 | 98'368 |
| Liechtenstein | 25'000 | 25'000 |
| Luxembourg | 30'413 | 31'218 |
| Netherlands | 241'180 | 246'021 |
| Sweden | - | 80'809 |
| Switzerland | 81'250 | 93'070 |
| USA | 337'466 | - |
| ICTY | 20'215 | - |
| Organisation internationale de la francophonie | 12'154 | - |
| UN Women | 87'641 | 310'681 |
| <i>Philanthropic Sector</i> | | |
| Greenbaum Foundation | 44'222 | - |
| | 2'443'338 | 1'399'077 |

Notes to the financial statements as at December 31, 2014
(in CHF)**NOTE 5 – FUNDS**

The following revenues received in 2014 were deferred to the relevant funds for use as of 2015 (in CHF):

| | 2014 | 2013 |
|--------------------|------------------|----------------|
| Canada Fund | - | 379'065 |
| Denmark Fund | 1'032'009 | - |
| Liechtenstein Fund | 25'000 | 1'391 |
| Luxembourg Fund | 30'055 | - |
| Netherlands Fund | 240'440 | 200'598 |
| Sweden Fund | - | 61'973 |
| Switzerland Fund | 11'550 | 1'709 |
| UN Women Fund | - | 91'657 |
| JRR Fund | 232'524 | 17'637 |
| | 1'571'578 | 754'029 |

In 2014 JRR released the following from the funds carried over from prior years :

| | 2014 | 2013 |
|--------------------------------|----------------|----------------|
| Canada Fund | 379'065 | - |
| Denmark Fund | - | 124'794 |
| Liechtenstein Fund | 1'391 | - |
| Netherlands Fund | 200'598 | - |
| Sweden Fund | 61'973 | 10'881 |
| Reimbursement of Swedish grant | (17'856) | - |
| Switzerland Fund | 1'709 | - |
| UN Women Fund | 91'657 | 138'575 |
| JRR Fund | 17'637 | - |
| | 736'173 | 274'250 |

NOTE 6 - 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 & communal taxes for a minimum duration of 10 years.

NOTE 7 - DEPLOYMENTS

JRR Association receives ear-marked contributions to finance the expenses of 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.

NOTE 8 - OTHER NOTE DISCLOSURES

| | 2014 | 2013 |
|---|-------------|-------------|
| - Guarantees, indemnity liabilities and pledges in favor of third parties | - | - |
| - Assets pledged or assigned for the securing of own liabilities | - | - |
| - Lease commitments not recorded in the balance sheet | 8'739 | 163'380 |
| - Fire insurance value of tangible fixed assets | 80'000 | 80'000 |
| - Amounts due to pension funds | 5'863 | 2'218 |
| - Net dissolution of hidden reserves | - | - |

Notes to the financial statements as at December 31, 2014
(in CHF)

| NOTE 8 - OTHER NOTE DISCLOSURES (CONT.) | 2014 | 2013 |
|---|-------------|-------------|
| - Significant investments | - | - |
| - Revaluations | - | - |
| - Indications of the performance of a risk evaluation | | |
| The last risk assessment was performed by management on June 4, 2015 | | |
| - Reasons that led to the premature resignation of the auditors | - | - |
| - Other disclosures required by the law | - | - |