

**JRR Association
Geneva**

**Report of the independent auditor on
the financial statements for the year ended
December 31, 2015**

RSM Audit Switzerland SA

Chemin du Faubourg-de-Cruseilles 11
1227 Carouge/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, 2015.

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, 2015 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 - in charge

A blue ink signature of O Bétrisey.

O Bétrisey
Audit expert

Carouge, June 24 2016

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

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

	Notes	2015	2014
Assets			
Current assets			
Cash and cash equivalents and current assets with a stock exchange price	3.1	1'783'507.59	1'819'289.06
Other current receivables		-	4'716.98
Prepaid expenses and accrued income		30'953.80	43'588.51
<i>Accrued income</i>		30'953.80	40'188.35
<i>Prepayments</i>		-	3'400.16
Total current assets		1'814'461.39	1'867'594.55
Total assets		1'814'461.39	1'867'594.55
Liabilities and funds			
Current liabilities			
Trade accounts payable		7'099.19	247'713.60
Deferred income and accrued expenses	3.2	145'080.41	48'302.61
Total current liabilities		152'179.60	296'016.21
Total liabilities		152'179.60	296'016.21
Funds			
Donor funds		1'175'167.09	1'339'054.34
JRR fund	2	487'114.70	232'524.00
Total funds	3.3	1'662'281.79	1'571'578.34
Total liabilities and funds		1'814'461.39	1'867'594.55

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	2015	2014
Receipts			
Revenue from donors	3.4	2'461'375.96	2'443'338.10
Total operating income		2'461'375.96	2'443'338.10
Operating expenses			
Personnel expenses	2	581'381.71	280'908.15
Consultant fees		164'466.11	140'303.93
Rent and utilities		105'172.81	76'500.71
General and administration expenses		95'543.97	60'884.60
Outreach expenses		63'176.21	34'003.05
Professional fees		44'778.12	31'823.96
Executive Board and Group expenses		19'115.92	19'510.51
Other operating expenses		1'219'611.86	967'475.20
<i>Deployment</i>	3.5	586'640.68	591'084.22
<i>Training and sponsorship expenses</i>	3.6	436'438.61	376'390.98
<i>JRR USA</i>	3.7	196'532.57	-
Total operating expenses		2'293'246.71	1'611'410.11
Operating result		168'129.25	831'927.99
Financial expenses		(79'049.63)	(1'632.55)
<i>Interest expense</i>		(905.25)	-
<i>Other financial expenses</i>		(3'876.61)	(1'632.55)
<i>Foreign exchange loss - net</i>		(74'267.77)	-
Financial income		1'623.83	5'110.35
<i>Interest income</i>		1'623.83	-
<i>Foreign exchange gain - net</i>		-	5'110.35
Total non-operating expenses		(77'425.80)	3'477.80
Excess / (shortage) of receipts over expenses		90'703.45	835'405.79
Total allocation to funds		(1'662'281.79)	(1'571'578.33)
Total release of funds		1'571'578.34	736'172.54
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 financials statements presentation (Art. 957 to 962 CO).

The executive board have decided to apply the new accounting law from the fiscal year which started the 1 January 2015. To facilitate the comparison, the figures of the previous year were adapted in conformity with the new accounting law. Only the annual accounts approved by the general assembly have a legal enforcement.

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 gains, as well as realized and unrealized foreign exchange losses are included in the statement of receipts and expenses for the year. Long-term 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. 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.

JRR Association, Geneva**Notes to the financial statements as at 31 December, 2015****(en CHF)****Note 2 - Key accounting and valuation principles (cont'd)***Personnel and consultant costs*

The Association has an annual average of over 10 full-time positions (2014 - 8 full-time positions)

In 2015, JRR personnel fell into following categories.

First, personnel seconded by their governments (ie: the JRR Executive Director by Canada, and the Director of Operations and the Roster & Deployment Manager by Switzerland).

Second are salaried employees such as Finance Director, Training Coordinator, Administrator, Monitoring, Evaluation and Research Officer, Accounting / Finance Associate and two Programme Associates.

Employees funded in JRR USA, as Sexual and Gender Based Violence ("SGBV") and Mena project manager, outreach and communications manager and part time administrative assistant.

Finally, JRR used two consultants, one based in Dublin, Ireland who provided project management and outreach support, and a consultant based in New York who provided liaison support and coordinated projects. The costs of the consultants and the salaried employees are included in the present financial statements but the cost of the seconded personnel is not.

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

	2015	2014
of which in CHF	32'355	123'706
of which in USD	29'766	232'034
of which in EUR	1'721'387	1'463'549
Total	1'783'508	1'819'289

3.2 Deferred income and accrued expenses

	2015	2014
Accrued deployment expenses	116'200	24'835
Accrued general and admin expenses	6'049	2'635
Other accrued expenses	5'255	-
Accrued social charges	4'994	-
Accrued outreach expenses	3'951	-
Accrued pension liabilities	3'537	5'863
Accrued audit fees	3'500	1'500
Accrued consultant expenses	1'594	4'144
Provision for unrealized foreign exchange gains	-	9'325
Total	145'080	48'302

JRR Association, Geneva**Notes to the financial statements as at 31 December, 2015**

(en CHF)

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

The following revenues received in 2015 and 2014, were deferred to the relevant funds for use as of 2016 and 2015 (in CHF):

	2015	2014
Denmark Fund	712'316	1'032'009
Canada Fund	286'144	-
Switzerland Fund	60'248	11'550
Finland Fund	54'450	-
Ireland Fund	51'263	-
Sweden Fund	10'747	-
Netherlands Fund	-	240'440
Luxembourg Fund	-	30'055
Liechtenstein Fund	-	25'000
JRR Fund	487'115	232'524
Total	1'662'282	1'571'578

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

Denmark Fund	1'032'009	-
Netherlands Fund	240'440	200'598
Luxembourg Fund	30'055	-
Liechtenstein Fund	25'000	1'391
Switzerland Fund	11'550	1'709
Canada Fund	-	379'065
Sweden Fund	-	61'973
Reimbursement of Swedish grant	-	(17'856)
UN Woman Fund	-	91'657
JRR Fund	232'524	17'637
Total	1'571'578	736'173

JRR Association, Geneva**Notes to the financial statements as at 31 December, 2015**

(en CHF)

Note 3 - Information on balance sheet and income statement items (cont'd)**3.4 Revenue from donors**

JRR received the following donor funding in 2015 and 2014 (in CHF):

	2015	2014
<i>State & International Institutions</i>		
Australia	71'160	62'963
Canada	1'277'117	87'962
Denmark	205'800	1'194'513
Finland	211'240	218'358
Ireland - Irish aid	54'500	
Liechtenstein	25'000	25'000
Luxembourg	25'940	30'413
Netherlands	218'000	241'180
Sweden	67'739	-
Switzerland	215'559	81'250
USA	-	337'466
ICTY	-	20'215
Organisation internationale de la francophonie	-	12'154
UN Women	41'859	87'641
<i>Philanthropic Sector</i>		
Greenbaum Foundation	47'462	44'222
TOTAL	2'461'376	2'443'338

3.5 Deployment

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.

3.6 Training and sponsorship expenses

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.

3.7 JRR USA

JRR USA was incorporated in December 2014 and retroactively received USA 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 & other New York office costs such as rent, insurance and outreach. These costs were previously paid directly by JRR Association.

JRR Association, Geneva**Notes to the financial statements as at 31 December, 2015**

(en CHF)

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

	2015	2014
Up to 1 year	110'500	8'739
1-5 years	23'021	-
Total	133'521	8'739

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.