

Legal Action Worldwide

Geneva

Report of the independent auditor
to the General Meeting

on the consolidated financial statements 2023



Report of the independent auditor to the General Meeting of Legal Action Worldwide

Geneva

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Legal Action Worldwide and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, and the consolidated income statement, the consolidated cash flow statement and the consolidated statement of changes in restricted funds and general funds for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Association Board's responsibilities for the consolidated financial statements

The Association Board is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Association Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Association Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Association Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

PricewaterhouseCoopers SA, avenue Giuseppe-Motta 50, case postale, 1211 Geneva 2, Switzerland
Téléphone: +41 58 792 91 00, www.pwc.ch

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Association Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Association Board or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Marc Secretan
Licensed audit expert
Auditor in charge

Alessandra Baumann

Geneva, 19 July 2024

Enclosure:

- Consolidated financial statements (consolidated balance sheet, consolidated income statement, the consolidated cash flow statement, consolidated statement of changes in restricted funds and general funds, and notes)



Legal Action Worldwide

Geneva, Switzerland

Consolidated annual financial
statements for the year ended
31 December 2023

Consolidated financial statements for the year ended 31 December 2023

Consolidated Income Statement

INCOME	Note	<u>2023</u> USD	<u>2022</u> USD
Donations received	3.1	1'264'362	62'981
<i>of which restricted</i>		<i>1'264'362</i>	<i>62'981</i>
Contributions from public authorities	3.1	4'779'784	3'497'029
Other income		10'425	28'959
TOTAL INCOME		6'054'571	3'588'969
EXPENDITURE	3.2		
Salaries		(3'626'862)	(2'251'045)
Travel		(592'401)	(284'222)
Premises expenses		(202'620)	(162'947)
Office expenses		(295'918)	(170'472)
Professional and consultant fees		(1'752'790)	(1'011'300)
Workshop and training		(181'642)	(350'436)
Other expenses		(9'185)	(11'153)
TOTAL EXPENDITURE		(6'661'419)	(4'241'573)
OPERATING RESULT		(606'848)	(652'604)
FINANCIAL RESULT	3.3	(64'450)	(122'791)
EXTRAORDINARY RESULT	3.4	(12'436)	(5'860)
RESULT BEFORE CHANGE IN FUND CAPITAL		(683'734)	(781'255)
Change in fund capital		680'807	797'888
ANNUAL RESULT		(2'927)	16'633

Consolidated financial statements for the year ended 31 December 2023

Consolidated Balance Sheet

ASSETS	Note	<u>2023</u> USD	<u>2022</u> USD
Current assets			
Cash and cash equivalents	3.5	1'709'184	2'148'193
Other short-term receivables		41'765	62'741
Accounts receivables	3.6	1'601'200	843'184
Prepaid expenses		30'152	27'161
		<u>3'382'302</u>	<u>3'081'279</u>
Non-current assets			
Financial assets		36'943	36'643
TOTAL ASSETS		<u>3'419'245</u>	<u>3'117'922</u>
FUNDS AND LIABILITIES			
Current liabilities			
Trade payables and other liabilities	3.7	72'366	106'734
Accrued expenses	3.8	609'841	443'316
Restricted funds		2'533'851	2'361'758
		<u>3'216'057</u>	<u>2'911'808</u>
Funds			
Capital fund		206'114	189'481
Result of the current year		(2'927)	16'633
Total funds		<u>203'187</u>	<u>206'114</u>
TOTAL FUNDS AND LIABILITIES		<u>3'419'245</u>	<u>3'117'922</u>

McNamara Dennis Reginald
President

Consolidated financial statements for the year ended 31 December 2023

Consolidated Cash Flow Statement

	<u>2023</u> USD	<u>2022</u> USD
OPERATING ACTIVITIES		
Annual result	(2'927)	16'633
Change in fund capital	(680'807)	(797'888)
Grant revaluation and closing impact	94'884	73'665
	<hr/>	<hr/>
Operating result before working capital changes	(588'850)	(707'590)
(Increase)/decrease in other receivables and prepaids	17'984	37'484
(Decrease)/Increase in trade payables and other liabilities	(34'369)	(150'780)
(Decrease)/Increase in accrued expenses	166'525	399'200
	<hr/>	<hr/>
Net cash used in operating activities	(438'709)	(421'686)
	<hr/>	<hr/>
INVESTING ACTIVITIES		
Investment in financial assets	(300)	(23'899)
	<hr/>	<hr/>
Net cash generated from investing activities	(300)	(23'899)
	<hr/>	<hr/>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(439'009)	(445'585)
Balance at beginning of the year	2'148'193	2'593'778
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>1'709'184</u>	<u>2'148'193</u>

Consolidated financial statements for the year ended 31 December 2023

Consolidated Statement of changes in Restricted Funds and General Funds

2023 in USD	Balance 01.01.2023	Allocations	Internal transfers	Appropriation	Total Change	Revaluation	Total 31.12.2023	Restricted funds 31.12.2023	Grants receivable 31.12.2023
Fund capital									
Restricted funds									
Action contre la faim	0	0		139	-139	0	-139		-139
Australian Department of Foreign Affairs and Trade	0	476'068		282'147	193'920	-2'527	191'393	191'393	
Canada	16'719	47'656		159'877	-112'221	-1'884	-97'386		-97'386
Dutch MoFA	219'467	684'827		684'198	629	15'192	235'288	289'223	-53'935
European Union	600'425	1'765'545		1'874'679	-109'134	24'652	515'943	935'318	-419'375
FIDH	-11	0		0	0	11	0		
French Ministry of Foreign Affairs	751'944	0		268'778	-268'778	31'242	514'409	514'409	
German Foreign Office	7'844	89'036		119'639	-30'604	22'759	0		
International Organization for Migration	-65'601	237'044		182'467	54'577	227	-10'797		-10'797
Norway MoFA	444'564	479'638		713'190	-233'552	-21'750	189'262	189'262	
Oak Foundation	-183'242	430'000		425'492	4'508	0	-178'734		-178'734
Private donor	11'055			0	0	0	11'055	11'055	
Swiss Federation of Development and Cooperation (SDC)	309'739	13'851		288'199	-274'348	15'273	50'664	50'664	
Swiss Solidarity Office of the High Commissioner for Human Rights	-51'364	57'433		17'754	39'679	11'686	0		
Open Society Foundation	0	400'000		80'000	320'000	0	320'000	320'000	
UNFVT		40'000		40'004	-4	4	0		
US State Department	-532'569	1'223'164		1'531'429	-308'265	0	-840'834		-840'834
Total fund capital	1'518'574	6'044'237	0	6'725'044	-680'807	94'884	932'651	2'533'851	-1'601'200
Organisation capital									
Free Capital	206'114	-2'927			-2'927		203'187		
Total organisation capital	206'114	-2'927	0	0	-2'927		203'187		

Consolidated financial statements for the year ended 31 December 2023

2022 in USD	Balance 01.01.2022	Allocations	Internal transfers	Appropriation	Total Change	Revaluation	Balance 31.12.2022
Fund capital							
Restricted funds							
Canada	-65'901	319'360.90		237'679	81'682	938	16'719
Dutch MoFA	499'390	537'844.23		800'588	-262'744	-17'179	219'467
European Union	1'255'103	440'860.19		1'094'838	-653'978	-699	600'425
FIDH	5'957			5'967	-5'967	0	-11
French Ministry of Foreign Affairs		743'745.00		37'906	705'839	46'106	751'944
German Foreign Office		194'692.12		196'265	-1'573	9'417	7'844
International Organization for Migration		9'960		75'561	-65'601	0	-65'601
Norway MoFA	43'665	586'146.47		226'270	359'876	41'023	444'564
Oak Foundation				183'242	-183'242	0	-183'242
Simon Black	13'155			2'100	-2'100	0	11'055
Swiss Federation of Development and Cooperation (SDC)	276'900	270'029.70		235'651	34'378	-1'539	309'739
Swiss Solidarity Office of the High Commissioner for Human Rights	204'751	53'021		304'736	-251'715	-4'401	-51'364
UN	0			10'398	-10'398	0	-10'398
US State Department	-2'397	404'350.00		-2'397	2'397	0	0
	12'173			949'092	-544'742	0	-532'569
Total fund capital	2'242'796	3'560'010	0	4'357'898	-797'888	73'665	1'518'574
Organisation capital							
Free Capital	189'481	16'633			16'633		206'114
Total organisation capital	189'481	16'633	0	0	16'633		206'114

Consolidated financial statements for the year ended 31 December 2023**Notes to the financial statements****General information**

LEGAL ACTION WORLDWIDE ("LAW") is an association located in Geneva, Switzerland.

LAW provides innovative and creative legal options to vulnerable people who have suffered human rights violations and abuses in fragile and conflict-affected states, enabling them to access justice and reparation. Particular emphasis is placed on LAW's overarching theme of gender equality. Actions undertaken enables individuals and communities to use the law as an engine for change, find practical legal solutions and empower vulnerable people to hold perpetrators accountable and promote primacy law. They aim to change behaviour, promote policies and legislation, deter future violations and contribute to the establishment of the rule of law.

1 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Accounting principles

LAW presents its annual accounts in accordance with the Swiss GAAP RPC standards (respect of the conceptual framework, fundamental RPCs and other Swiss GAAP RPCs, (including Swiss GAAP RPC 21) and provide a true and fair view of the financial position and financial results of the organization.

They comply with the articles of association and the applicable provisions of the Civil Code (article 69a) and of the Swiss Codes Of Obligations.

Information required by Swiss GAAP FER 21 on the performance of the association, and not disclosed in the financial report, are included in the performance report.

The financial statements and notes have been prepared using historical cost principles and are presented in US Dollars.

The income statement is presented using the classification of expenses by nature.

1.2 Foreign currency translation**(a) Functional and presentation currency**

Items included in the financial statements were measured using the currency of the primary economic environment in which the association operates ('the functional currency'), which is US Dollar ("USD"). The presentation currency is USD.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using monthly exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Balances in foreign currency are revalued using the exchange rates prevailing at the dates of closing.

1.3 Reclassifications

LAW presents the accounts under Swiss GAAP FER since 2022. Comparative numbers have been reclassified where necessary in order to ensure comparability with the current year, without any impact on the consolidated profit for the year.

Consolidated financial statements for the year ended 31 December 2023

2 Principles of valuation

2.1 Cash and cash equivalents

Cash and cash equivalents include cash, balances in bank accounts, and short-term time deposits with a residual term of less than three months. They are valued at their nominal value.

2.2 Trade payables and other liabilities

Trade payables and other liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables and other liabilities are stated at their nominal values.

2.3 Accrued expenses

Accrued expenses are expenses payable related to the current period, which will only be paid in the following period. These concern services that have been acquired in the ordinary course of business from suppliers. Accrued expenses are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Accrued expenses are stated at their nominal values.

2.4 Employee benefits

Wages, salaries, social contributions, paid annual leave, sick leave and other benefits are paid or accrued undiscounted in the year in which the associated services are rendered by employees of the association.

LAW is a member of a collective occupational pension that fully insures the risks with an Insurance Company. This pension scheme is financed by employer and employee contributions.

2.5 Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

2.6 Revenue recognition

Revenue is recognised when the services are rendered, if the amounts can be measured reliably and if it is probable that the association will receive future economic benefits.

The main revenue streams of the association are donations and grants for specific projects.

Grants and Donations received for restricted projects are recognised as an income when expenses are incurred. If they are not used or partially used during the financial year, the unused amounts are recorded in restricted funds. When used in subsequent years, the restricted funds are reduced accordingly. These movements are captured by the variation of restricted funds in the income statement.

2.7 Leasing

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.8 Consolidation

(a) Consolidated companies

The Consolidated Financial Statements include the annual accounts of LAW as well as the group entities in which the company directly or indirectly holds more than 50 % of the voting rights or where LAW has a controlling influence over the financial and business policy of an entity by contractual agreement (control principle). The consolidated entities are listed in the Notes to the Consolidated Financial Statements (note 3.7).

(b) Consolidation method

Capital has been consolidated using the purchase method. Assets and liabilities as well as expenses and income of the fully consolidated companies are included in their entirety.

Inter-company transactions, balances, income and expenses on transactions between group entities are eliminated. Profits and losses resulting from inter-company transactions that are recognized in assets are also eliminated. Accounting policies of entities have been changed where necessary to ensure consistency with the policies adopted by the group.

Consolidated financial statements for the year ended 31 December 2023

(c) Changes to the scope of consolidation

No change to the controlling interests in 2023.

Consolidated financial statements for the year ended 31 December 2023

Notes

3.1 Income

The income detail is presented in the following table :

Income	2023	2022
Donations :	1'264'453	62'981
FIDH	-	-
International Organization for Migration	237'044	9'960
Oak Foundation	430'000	-
Office of the High Commissioner for Human Rights	99'976	-
Open Society Foundation	400'000	-
Swiss Solidarity	57'433	53'021
UNFVT	40'000	-
Contributions from public authorities :	4'779'784	3'497'029
Australian Department of Foreign Affairs and Trade	476'068	-
Canada	47'656	319'361
Dutch MoFA	684'827	537'844
European Union	1'765'545	440'860
French Ministry of Foreign Affairs	-	743'745
German Foreign Office	89'036	194'692
Norway MoFA	479'638	586'146
Swiss Federation of Development and Cooperation (SDC)	13'851	270'030
US State Department	1'223'164	404'350
Total	6'044'237	3'560'010

3.2 Expenses

Expenses by nature are composed as follows:

Project expenses: The costs of projects include all direct and indirect project-related costs as well as coordination costs incurred at headquarters for these projects.

Administration expenses: The costs incurred at headquarters for general administration. This includes the Executive Management, Corporate Communications, Information Technology Management, Human Resources Management and non-project related expenses.

The split by nature of expenses is detailed in the following table :

Expenses	2023	2022
Project	6'301'550	3'916'388
Administrative	359'869	325'186
Total	6'661'419	4'241'573

In current course of business, the expenses are booked in accounting with an analytical code when they relate to projects. The entries not allocated are administrative ones.

Consolidated financial statements for the year ended 31 December 2023**3.3 Financial result**

The financial result is mainly composed of financial income (realised and unrealised gain on grant revaluation) and financial expenses (realised and unrealised loss on grant revaluation, bank charges, etc.)

The split between financial income and financial expenses is detailed in the following table :

Financial result	<u>2023</u>	<u>2022</u>
Financial income	88'644	119'818
Financial expenses	(153'094)	(242'609)
Total	(64'450)	(122'791)

3.4 Extraordinary result

In 2023, the Group recognized an exceptional loss for revaluation of one grant closed in 2022 for USD 11'236 as well as other minor exceptional items for USD 1'200.

In 2022, the Group recognized an exceptional loss for USD 5'217 for funds of a local partner seized by the authorities in South Sudan, as well as other minor exceptional items for USD 643.

3.5 Cash and cash equivalents

Cash and cash equivalents detail is presented in the following table :

Cash and cash equivalents	<u>2023</u>	<u>2022</u>
Petty Cash	15'611	6'638
Bank	1'693'573	2'141'555
Total	1'709'184	2'148'193

3.6 Accounts receivables

Account receivables are exclusively composed of money to be received from the donor. Some donors pay a part of the grant in advance and the balance once they agree on both the final technical and financial reports submitted. Some other donors transfer money based on expenses reports sent at some defined frequencies (quarterly for example). The amount of receivables as of 31.12.2023 reaches USD 1'601'200 (USD 843'184 in 2022).

3.6 Trade payables and other liabilities

The split between Trade payables and other short term liabilities is presented in the below table :

Consolidated financial statements for the year ended 31 December 2023

Trade payables and other liabilities	2023	2022
Trade payables	(986)	-
Other liabilities	(71'380)	(106'734)
Total	(72'366)	(106'734)

3.7 Accrued expenses

The table below shows the evolution of Accrued expenses :

Accrued expenses	2023	2022
Accrued expenses	(609'841)	(443'316)
Total	(609'841)	(443'316)

3.8 Pledged assets

The rent in the various locations where the Group operates are guaranteed by a deposit with banks for USD 36'643 (2022: USD 36'643).

3.9 Pension Fund

The liability against the pension fund in Switzerland was USD 119'881 at the end of December 2023 and USD 36'459 in 2022.

3.10 Benefits to the Executive Committee and to the Management

In 2023 and in 2022, the Members of the Executive Committee received no benefits. The necessary costs for travelling and subsistence incurred in the course of their mandate are reimbursed on an effective basis.

As permitted by Swiss GAAP FER 21, benefits paid to management are not disclosed.

3.11 Personnel

In 2023 and in 2022, the Group employed less than 50 full-time equivalent employees.

3.12 Transactions with related parties

There are no transactions with related parties as of 31.12.2023.

Consolidated financial statements for the year ended 31 December 2023

3.13 Lease commitments

LAW entered into operational lease and rental agreements. The future payment commitments are:

Rent in USD	Kenya	Sri-Lanka	Bangladesh	Switzerland	Lebanon
0 to 1 year	-	7'410	2'529	65'486	21'500
1 to 5 year	-	-	-	-	-
Beyond 5	-	-	-	-	-
Total	-	7'410	2'529	65'486	21'500

3.14 Consolidated entities

Name	Legal form	Domicile	Control
Legal Action Worldwide	Association	Geneva, CHE	100%
Stichting Legal Action Worldwide	Foundation	The Hague, NL	100%
Legal Action Worldwide Limited	Limited company by guarantee	London, UK	100%
Legal Action Lebanon	Non-Governmental Organisation	Beirut, Lebanon	100%