

Report of the auditor

To the General Assembly of Members of International Service for Human Rights, Geneva

As statutory auditors, we have audited the accounting records and the financial statements (Balance sheet, Profit and Loss Statement, appendices and notes) of **International Service for Human Rights** for the year ended December 31, 2017.

Board of Association's responsibility

The Board of the Association is responsible for the preparation of these financial statements in accordance with the requirements of Swiss law (NAS and Swiss GAAP-RPC) and International Standard on Auditing (ISA), the accounting principles described in the Notes 2 to 4 of the financial statements and the Association's articles of incorporation. The 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 Board of the Association 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 judgement, including the assessment of the risks of material misstatement of the financial statement, 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 include 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 accounting records and financial statements for the year ended December 31, 2017 (with a total Balance Sheet of 1'002'866.-- CHF and a positive result of 52'993.-- CHF) comply with Swiss law (NAS and Swiss GAAP- RPC), International Standards on Auditing (ISA), the statutes and the accounting principles of International Service for Human Rights as described in the Notes 2 to 4 of the financial statements, and the Association's articles of incorporation.

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Marcel Lauper
Licensed Audit Expert

Carouge, March 16th, 2018

Enclosures : Financial statements (Balance sheet, Profit and Loss, Appendices and Notes)

GENEVA

FINANCIAL STATEMENTS
Year ending December 31, 2017
and Report of the Auditor

INTERNATIONAL SERVICE FOR HUMAN RIGHTS

GENEVA

BALANCE SHEET ENDING DECEMBER 31, 2017

COMPARED TO DECEMBER 31, 2016

	31.12.2017 CHF	31.12.2016 CHF
ASSETS		
CURRENT ASSETS		
PETTY CASH	1'162	585
BANK ACCOUNTS & SPECIAL BANK ACCOUNTS	596'193	269'028
Sub-Total	597'355	269'612
DEBTORS	21'329	42'001
WITHHOLDING TAX	-	-
DEFERRED & ACCRUED ASSETS ⁵		
DEFERRED EXPENSES	-	-
GRANT RECEIVABLE GVT	204'194	184'524
GRANT RECEIVABLE NON-GVT	179'988	444'113
Total DEFERRED & ACCRUED ASSETS	384'182	628'637
TOTAL ASSETS	1'002'866	940'250
LIABILITIES & RESERVES		
CURRENT LIABILITIES		
PROVISIONS	97'096	51'008
	8'369	5'000
Sub-Total	105'465	56'008
DEFERRED GRANTS ³	603'414	643'249
Total LIABILITIES	708'879	699'256
RESERVES		
RESERVE FUNDS	240'994	378'446
EXCESS INCOME (CHARGES) FOR THE YEAR	52'993	-137'452
Total RESERVES	293'987	240'994
Total LIABILITIES AND RESERVES	1'002'866	940'250

INTERNATIONAL SERVICE FOR HUMAN RIGHTS

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PROFIT & LOSS STATEMENT AT DECEMBER 31, 2017

COMPARED TO DECEMBER 31, 2016

	2017 CHF	2016 CHF
INCOME³ (APPENDIX I)		
REVENUES - CORE		
GOVERNMENTAL AGENCIES	928'132	649'249
NON-GOVERNMENTAL AGENCIES	310'436	148'181
INDIVIDUAL DONORS	39'179	46'262
OTHER REVENUE	159'791	128'887
Total CORE GRANTS	1'437'539	972'579
REVENUES - EARMARKED		
GOVERNMENTAL AGENCIES	897'562	899'546
NON-GOVERNMENTAL AGENCIES	350'073	373'383
Total REVENUES EARMARKED	1'247'635	1'272'929
TOTAL INCOME	2'685'175	2'245'508

INTERNATIONAL SERVICE FOR HUMAN RIGHTS

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PROFIT & LOSS STATEMENT AT DECEMBER 31, 2017

COMPARED TO DECEMBER 31, 2016

	2017 CHF	2016 CHF
CHARGES		
PERSONNEL CHARGES		
GENEVA OFFICE		
GVA STAFF GROSS SALARIES	1'140'897	1'032'197
SOCIAL CHARGES & INSURANCES	175'783	161'213
STAFF PROFESSIONAL DEVELOPMENT & EVENTS	5'567	7'478
INTERNSHIP / FELLOWSHIP COSTS	27'467	111'039
CONSULTANTS / EXPERT'S HONORARIA	7'725	6'700
PROVISIONS SOCIAL INSURANCES	-	-
Total PERSONNEL COST GVA	1'357'440	1'318'627
GENERAL EXPENDITURES		
MISSIONS/TRAVEL/ACCOMMODATION		
STAFF TRAVEL COST/DSA	65'617	51'698
THIRD PARTY/PARTICIPANT TRAVEL	128'402	78'710
THIRD PARTY/PARTICIPANT DSA	119'428	77'274
PERMITS,VISAS, INSURANCE	8'539	15'193
TRAINING & MEETING COSTS	27'724	30'831
PARTNER SUPPORT & SUB-GRANTS	13'219	19'777
Total MISSIONS/TRAVEL/ACCOMMODATION	362'929	273'484
CONFERENCE/COMMUNICATIONS/DEVELOPMENT		
CONFERENCE & EVENT COSTS	5'478	18'160
PUBLICATIONS & TRANSLATIONS	22'156	66'603
WEBSITE /ONLINE COMMUNICATIONS	6'370	9'228
REPRESENTATION & MEMBERSHIPS	138	138
FUNDRAISING & DONOR RELATIONS	1'257	1'670
Total CONFERENCE/COMMUNICATIONS/DEV.	35'400	95'799
OFFICE RENTALS/OPERATING COSTS		
OFFICE RENTAL	131'254	121'899
PREMISES & MAINTENANCE	16'273	14'429
COMMUNICATIONS (PHONE, MAIL...)	12'836	20'773
OFFICE SUPPLIES & MATERIALS	4'444	6'641
IT/ INFRASTRUCTURE & SUPPORT	68'964	63'371
FURNITURE & EQUIPMENT	2'516	3'605
INSURANCE	19'924	20'863
MISCELLANEOUS COST	-	-
Total OFFICE RENTALS/OPERATING COST	256'212	251'579
FINANCIAL CHARGES/ AUDIT FEES⁴		
ADMIN. & BANK CHARGES	1'111	860

INTERNATIONAL SERVICE FOR HUMAN RIGHTS

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PROFIT & LOSS STATEMENT AT DECEMBER 31, 2017

COMPARED TO DECEMBER 31, 2016

	2017	2016
	CHF	CHF
AUDIT FEES	10'250	4'750
FOREIGN EXCHANGE GAIN/LOSS	<u>-1'021</u>	<u>3'724</u>
Total FINANCIAL CHARGES/AUDIT FEES	10'340	9'334
GOVERNANCE & STRATEGY		
BOARD MEMBER COSTS	20'761	26'968
OTHER GOVERNANCE/STRATEGY	<u>5'482</u>	<u>11'657</u>
Total GOVERNANCE & STRATEGY	26'243	38'625
Total GENERAL EXPENDITURES	691'124	668'822
US FRIENDS OF ISHR INC⁶		
NYO STAFF SALARIES & CHARGES	289'034	189'696
NEW YORK OPERATIONS & OFFICE	<u>26'387</u>	<u>39'707</u>
Total US FRIENDS OF ISHR INC	315'421	229'403
SPECIAL RAPPOREUR'S MANDATE		
PERSONNEL & RELATED COST	113'511	101'746
HRDs' REGIONAL CONSULTATIONS	87'954	41'081
NON-PERSONNEL COST	24'649	12'567
MANAGEMENT, COMMUNICATIONS, ADMIN	<u>42'082</u>	<u>10'714</u>
Total SPECIAL RAPPOREUR'S MANDATE	268'196	166'108
TOTAL COSTS	<u>2'632'181</u>	<u>2'382'959</u>
EXCESS INCOME (CHARGES) FOR YEAR	52'993	-137'452

**INTERNATIONAL SERVICE FOR HUMAN RIGHTS
GENEVA**

APPENDIX I.

LIST OF DONORS³	2017	2016
REVENUES - CORE		
GOVERNMENTAL AGENCIES	932'232	649'249
Denmark - Ministry of Foreign Affairs	142'708	146'149
Finland - Ministry of Foreign Affairs	266'075	-
Liechtenstein - Ministry of Foreign Affairs	20'000	20'000
Norway - Ministry of Foreign Affairs	329'349	319'000
Switzerland - Federal Department of Foreign Affairs	170'000	160'000
Ville de Genève	4'100	4'100
NON-GOVERNMENTAL AGENCIES	310'436	148'181
Open Society Foundations	185'917	33'333
Sigrid Rausing Trust	124'519	114'848
OTHER INCOME⁴	194'871	175'149
Other Revenue	155'691	128'887
Individual Donors	39'179	46'262
TOTAL CORE	1'437'539	972'579
REVENUES - EARMARKED		
GOVERNMENTAL AGENCIES	884'441	899'546
Australia - Permanent Mission to the UN in Geneva	45'624	35'590
Etat de Geneve	-	2'770
Germany - Federal Foreign Office	-	21'300
Ireland - Permanent Mission to the UN Geneva	-	10'000
Irish Aid	63'137	159'536
Liechtenstein - Ministry of Foreign Affairs	25'000	25'000
Luxembourg - Ministry of Foreign Affairs	17'855	26'217
Netherlands - Permanent Mission to the UN in Geneva	-	13'000
Norway - Ministry of Foreign Affairs	268'011	210'464
Switzerland - Federal Department of Foreign Affairs / Others	10'000	-
The Netherlands - Ministry of Foreign Affairs ⁷	255'357	241'630
United Kingdom - Foreign and Commonwealth Office	140'700	153'296
Ville de Genève	58'756	743
NON-GOVERNMENTAL AGENCIES	363'195	373'383
Arcus Foundation	63'200	88'789
Brot für die Welt (Bread for the World)	85'590	71'025
CHRP Philippines	13'122	-
Fund for Global Human Rights	-	4'368
JBI (via US Friends)	10'603	-
Loterie Romande	15'000	5'000
Misereor	17'475	41'265
Open Society Foundations ⁸	147'562	146'816
Organisation internationale de la Francophonie	10'643	16'119
TOTAL EARMARKED	1'247'636	1'272'929
TOTAL INCOME	2'685'175	2'245'508

**INTERNATIONAL SERVICE FOR HUMAN RIGHTS
GENEVA**

APPENDIX II.

GRANT RECEIVABLE	2017	2016
Brot für die Welt	98'467	109'870
Luxembourg - Ministry of Foreign and European Affairs		
Misereor	-	31'054
Organisation internationale de la Francophonie	1'984	3'189
Open Society Foundation	79'536	300'000
Switzerland - Federal Department of Foreign Affairs	111'218	-
The Netherlands - Ministry of Foreign Affairs	7'496	117'491
United Kingdom - Foreign and Commonwealth Office	85'480	54'034
TOTAL GRANT RECEIVABLE⁵	384'182	615'637

DEFERRED GRANT REVENUES	2017	2016
Arcus Foundation	11'722	-
Brot für die Welt	62'977	50'100
Irish Aid	78'863	-
Loterie Romande	-	15'000
Luxembourg	-	17'855
Misereor	-	17'475
Norway	-	45'775
Open Society Foundations	158'194	279'951
Sigrid Rausing Trust	60'000	60'000
Switzerland - Federal Department of Foreign Affairs	155'218	-
The Netherlands - Ministry of Foreign Affairs	47'540	127'757
United Kingdom - Foreign and Commonwealth Office	28'900	37'100
TOTAL DEFERRED GRANT REVENUES³	603'414	651'012

INTERNATIONAL SERVICE FOR HUMAN RIGHTS

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Notes to the financial statements for the year ending December 31, 2017

Note 1	The International Service for Human Rights (ISHR) is an Association established in accordance with articles 60 and seq. of the Swiss Civil Code. The objectives of the association are to support human rights defenders and strengthen international and regional human rights law and mechanisms through training, capacity building, information products and strategic advice and advocacy.
Note 2	The accounts of the Association are maintained in accordance with Swiss legal requirements. Costs and expenses incurred for the period, which have not been paid at the Balance Sheet date, are recorded as expenses for the period and included as accrued expenses or provisions in the Balance Sheet. Income due to be received for the period and expenses paid in advance in respect of future periods are recorded as grants received in advance or prepaid expenses.
Note 3	Grants, donations and contributions received are recorded as Income in the period specified in the contracts with the Association. Grants received in respect of future periods are recorded as liabilities in the Balance Sheet as deferred revenue (<i>Appendix II</i>).
Note 4	Foreign exchange gains and losses are accounted separately in the P&L and not reflected under other income. In 2017, CHF 1'021 in foreign exchange gains have been recognized in re-evaluating the EUR and USD bank account balances against the Swiss Francs.
Note 5	The financial statements include grants receivable for a total of CHF 485'982 for which the funds had not reached the ISHR bank account as of December 31, 2017 (CHF 628'637 in 2016). Such grants have been confirmed in part or fully as 2017 funding and are recorded as Revenue in the P&L and as grants receivable on the Balance Sheet.
Note 6	ISHR's New York office is operated by US Friends of ISHR Inc (ISHR-US), which is incorporated under section 402 of the New York Not-for-Profit Corporation Law and a charitable corporation under section 501(c)(3) of the US Internal Revenue Code. ISHR exercises and maintains effective control over ISHR-US.
Note 7	Total recognized revenue in 2017 CHF 255'367 pertaining to the following: grant reference <i>no. ending 040</i> amounting to CHF 23'263, grant reference <i>no. ending 306</i> amounting to CHF 127'600 and grant reference <i>no. ending 786</i> amounting to CHF 104'495.
Note 8	Total recognized revenue in 2017 amounts to CHF147'562 pertaining to the following: <i>grant no. ending 913</i> amounting CHF62'178, <i>grant no.ending 777</i> amounting to CHF23'900 and <i>grant ending 5212</i> amounting to 61'484 .