

Legal Action Worldwide

Geneva

Review Report to the
Board of Directors on the

Consolidated financial statements
as of 31 December 2019

Report on the Review

of Consolidated financial statements to the Board of Directors of Legal Action Worldwide

Geneva

According to your request, we have reviewed the consolidated financial statements (statement of financial position, statement of comprehensive income, statement of changes in funds, cash flow statement and notes) of Legal Action Worldwide for the period ended 31 December 2019.

These consolidated financial statements are the responsibility of the Board of Directors. Our responsibility is to issue a report on these consolidated financial statements based on our review.


Our review was conducted in accordance with the Swiss Auditing Standard 910, which requires that a review be planned and performed to obtain limited assurance about whether the consolidated financial statements are free from material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the consolidated financial statements are not in accordance with the accounting principles as described in the note 1.

PricewaterhouseCoopers SA



Marc Secretan



Alexandre Meugnot

Geneva, 30 July 2020

Enclosure:

- Consolidated financial statements (statement of financial position, statement of operations, detailed statement of income and expenses, cash flow statement and notes)

*PricewaterhouseCoopers SA, avenue Giuseppe-Motta 50, case postale, CH-1211 Genève 2, Switzerland
Téléphone: +41 58 792 91 00, Téléfax: +41 58 792 91 10, www.pwc.ch*

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LEGAL ACTION WORLDWIDE

Statement of Financial Position

as at 31st December 2019

ASSETS	Note	<u>2019</u> USD	<u>2018</u> USD
Current assets			
Cash and cash equivalents	10	1'292'982	1'332'473
Grants receivable	9	151'290	62'541
Accounts receivable	8	95'175	30'825
		<u>1'539'447</u>	<u>1'425'839</u>
Non-current assets			
Property, plant and equipment	7	<u>37'997</u>	<u>12'155</u>
TOTAL ASSETS		<u>1'577'444</u>	<u>1'437'994</u>
FUNDS AND LIABILITIES			
Current liabilities			
Payables and accruals	11	73'648	40'826
Restricted fund	12	<u>1'494'399</u>	<u>1'415'170</u>
		<u>1'568'047</u>	<u>1'455'996</u>
Funds			
Capital fund		37'997	12'155
General fund		(28'599)	(30'157)
Total funds		<u>9'397</u>	<u>(18'002)</u>
TOTAL FUNDS AND LIABILITIES		<u>1'577'444</u>	<u>1'437'994</u>

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Statement of Operations

for the year ended 31st December 2019

		<u>2019</u>	<u>2018</u>
INCOME	Note	USD	USD
Donation	4	2'331'898	1'247'514
Other income		7'059	53'989
		<hr/>	<hr/>
TOTAL INCOME		2'338'957	1'301'503
		<hr/>	<hr/>
EXPENDITURE			
Program cost	6/13	2'331'898	1'247'514
Administration		4'764	14'831
		<hr/>	<hr/>
TOTAL EXPENDITURE		2'336'662	1'262'345
		<hr/>	<hr/>
OPERATING RESULT		2'295	39'158
		<hr/>	<hr/>
FINANCIAL RESULT	17	(738)	-
		<hr/>	<hr/>
FUND BALANCE FOR THE YEAR		1'557	39'158
		<hr/> <hr/>	<hr/> <hr/>

LEGAL ACTION WORLDWIDE

Cash Flow Statement

for the year ended 31st December 2019

	<u>2019</u>	<u>2018</u>
	USD	USD
OPERATING ACTIVITIES		
Fund balance for the year	1'557	39'158
Operating (deficit) before working capital changes	<u>1'557</u>	<u>39'158</u>
(Increase)/ decrease in accounts receivable	(64'351)	(30'549)
(Increase)/decrease in grants receivable	(88'748)	(42'990)
(Decrease)/Increase in payables	32'822	1'279'287
(Decrease)/Increase in designated funds	<u>79'229</u>	<u>(85'480)</u>
Net cash used in operating activities	<u>(39'491)</u>	<u>1'159'426</u>
INVESTING ACTIVITIES		
Net Purchase of property plant and equipment	(25'842)	(15'337)
Fund movement during the year	25'842	51'313
Transfers during the year	<u>-</u>	<u>(21'569)</u>
Net cash generated from investing activities	<u>-</u>	<u>14'406</u>
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(39'491)	1'173'833
Balance at beginning of the year	<u>1'332'473</u>	<u>158'640</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Note 10)	<u><u>1'292'982</u></u>	<u><u>1'332'473</u></u>

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Detailed Statement of Income and Expenditure

for the year ended 31st December 2019

	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
	<u>2019</u>	<u>2019</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>	<u>2018</u>
Income	USD	USD	USD	USD	USD	USD
Grant income	2'331'898	-	2'331'898	1'247'514	-	1'247'514
Other income	-	7'059	7'059	-	53'989	53'989
Exchange gain	-	37'434	37'434	-	-	-
	<u>2'331'898</u>	<u>44'493</u>	<u>2'376'391</u>	<u>1'247'514</u>	<u>53'989</u>	<u>1'301'503</u>
Less: Expenses						
Program expenses	2'331'898	-	2'331'898	1'247'514	-	1'247'514
International Travel	-	4'764	4'764	-	1'021	1'021
Professional fees	-	-	-	-	4'800	4'800
Local travel	-	-	-	-	493	493
Staff salaries	-	-	-	-	56	56
Bank charges	-	-	-	-	237	237
Office expenses	-	-	-	-	1'405	1'405
Exchange loss	-	38'172	38'172	-	6'032	6'032
Other administrative costs	-	-	-	-	787	787
Total expenditure	<u>2'331'898</u>	<u>42'936</u>	<u>2'374'834</u>	<u>1'247'514</u>	<u>14'831</u>	<u>1'262'345</u>
Suplus/(deficit) for the year	<u>(0)</u>	<u>1'557</u>	<u>1'557</u>	<u>(0)</u>	<u>39'158</u>	<u>39'158</u>

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Notes to the Financial Statements

for the year ended 31st December 2019

1.0 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

1.1 Basis of preparation

The financial statements are prepared in compliance with generally accepted non-profit accounting principles and in compliance with Swiss Code of Obligations.

1.2 Revenue recognition

Grants and donations received are recognised, as a revenue input, to the organisation when a "matching expense" occurs and not before then.

Other revenue earned is recognised on cash basis.

1.3 Expenditure

Expenditure is recognised when the transactions take place. Accruals are made for expenses incurred but not yet paid for.

1.4 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method. The following annual rates are used for the depreciation of property and equipment:

Building	2.0%
Motor vehicles	25.0%
Computers	30.0%
Furniture and fittings	12.5%
Office equipment	12.5%

If there is an indication that there has been a significant change in depreciation rate, useful life or residue value of an asset, the depreciation of that is revised prospectively to reflect the new expectations.

On disposal, the difference between the net disposal proceeds and the carrying amount of the item sold is recognised in statement of comprehensive income.

1.5 Capital Fund

The cost of additional fund assets is expensed in the year of purchase. A capital fund is created to represent the organisation's equity held in fixed assets.

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Notes to the Financial Statements

for the year ended 31st December 2019

1.6 Conversion of foreign currencies

Since 1st January 2018, LAW's accounting currency is US dollar. Transactions are booked directly in USD for all entities using Microsoft Dynamics Navision accounting system. Transactions in foreign currencies during the year are converted into the US dollar using the monthly rate from Oanda. Assets and liabilities at the balance sheet date, which are expressed in foreign currencies, are converted using the year-end rate. The resulting differences are dealt within the income statement in the year in which they arise.

1.7 Retirement benefits obligations

The organisation and its employees contribute to a statutory defined scheme as per local Government's statutory requirements, the National Social Security Fund (NSSF) of each country LAW operates in. The scheme is registered under the National Social Security Act. Contributions are determined by local statutes and the organisation's contributions are charged to the statement of comprehensive income in the year to which they relate. The organisation has no further obligation once the contributions have been paid.

2.0 CRITICAL JUDGEMENTS IN APPLYING THE ENTITY'S ACCOUNTING POLICIES

In the process of applying the entity's accounting policies, management has made estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key areas of judgment in applying the entities accounting policies are dealt with below:

2.1 Impairment losses

At each statement of financial position date, the organisation reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the organisation estimates the recoverable amount of the cash generating unit to which the asset belongs.

2.2 Property, plant and equipment

Critical estimates are made by the organisation Board of Directors, in determining depreciation rates for property and equipment.

2.3 Continued donor support

The Board of Directors expects that the adequate level of grants will continue to be received to enable the organisation undertake its planned activities.