

INDEPENDENT AUDITOR'S REPORT

To the Administrative Council of
Fondazione Pia Autonoma Servizio dei Gesuiti per i Rifugiati – JRS (the Foundation)

Opinion

We have audited the financial statements of Fondazione Pia Autonoma Servizio dei Gesuiti per i Rifugiati – JRS (the Foundation), which comprise the statement of financial position as at December 31, 2022, the income statements and statement of cash flows for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements at December 31, 2022 has been drawn up, in all significant aspects, in accordance with the criteria governing their preparation explained into the notes.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with ethical and independence regulations and standards applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

This report is issued without legal obligations.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the regulations governing its preparation and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation'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 management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISA Italia 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 financial statements.

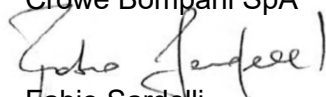
As part of an audit in accordance with ISA Italia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 Foundation'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 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 Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as requested by ISA Italia, 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.

Rome, 8 May 2023

Crowe Bompani SpA



Fabio Sardelli
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers.



Financial Statements at 31 December 2022

**Fondazione Pia Autonoma
Jesuit Refugee Service
International Office, Rome**

Accompany



Serve



Advocate

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1. Introduction: Organizational Information

JRS Management is honoured to present its audited financial statements for the year ended 31 December 2022.

1.1 Background Information on JRS

The Jesuit Refugee Service (JRS) is a ministry of the Society of Jesus and a globally recognised non-governmental organization, legally structured as a foundation, founded on 14 November 1980 by Fr Pedro Arrupe SJ, then Superior General of the Jesuits. The mission of JRS is to accompany, serve and advocate on behalf of refugees and other forcibly displaced people, that they may heal, learn, and determine their own future. JRS's programmes are found in 58 countries, providing assistance to almost 1 million refugees and other forcibly displaced people every year. Main areas of work are in the field of education and livelihood, reconciliation, mental health and psychosocial support, and advocacy.

The Management is required to prepare financial statements and operating results that give a true and fair view of the state of affairs of Jesuit Refugee Service - International Office (JRS) at the end of each fiscal year.

The Management ensures that the foundation maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the foundation. The Management is also responsible for safeguarding the assets of the foundation.

The Management accepts responsibility for the financial statements that have been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates, in conformity with the accounting policies adopted by the organization, as reported in chapter 7.

The Management is of the opinion that the financial statements give a true and fair view of financial position of the foundation and of its operating results. The Management accepts responsibility for the maintenance of accounting records for the preparation of financial statements as well as adequate systems of internal financial control.

The Management has reviewed the foundation's cash flow forecast for the year ending 31 December 2022 and, in the light of this and of the current financial position, is confident that the organization will have access to adequate resources to continue in operational existence for at least the next twelve months from the date of this statement.

1.2 Independent Auditors

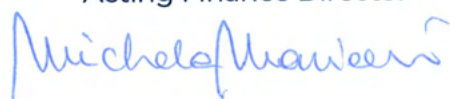
By the will of the Administrative Council, Crowe Bompani S.p.A., member Crowe International, were appointed as auditors for the triennium 2021-2023. These financial statements are voluntarily audited in order to ensure greater transparency in the accounting management of the organization.

2. Statement of financial position as of 31 December 2022

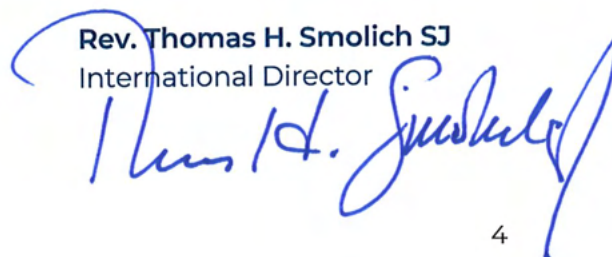
In Euro	NOTE	2022	2021
Assets			
Property and equipment	7.3	13,591	17,513
Current Assets			
Cash	7.4	7,101	4,658
Bank	7.4	2,344,498	2,888,917
Investments	7.5	9,628,243	9,940,255
Receivables	7.6	235,453	298,809
Prepaid Expenses	7.6	6,655	41,855
Total Current Assets		12,221,950	13,174,494
Current Liabilities			
Payable to associates	7.7	(2,738,553)	(3,185,317)
Payables and Year-End accruals	7.8	(207,770)	(161,791)
Deferred Income	7.9	(716,522)	(1,124,749)
Donation Prepayment	7.10	(559,411)	
Total Current Liabilities		(4,222,257)	(4,471,857)
Total Net Current Assets		7,999,693	8,702,637
Long Term Liabilities			
Provisions: Staff	7.11	(251,830)	(212,088)
Net Assets		7,761,455	8,508,062
Equity	7.12		
Retained earning		(746,607)	1,321,889
Designated Funds			61,986
Discretionary Funds		2,473,786	1,273,355
JRS International Capital Fund		4,850,832	4,850,832
Quasi-Endowment fund		1,183,444	1,000,000
Total Equity		7,761,455	8,508,062

The financial statements were approved by the Management on 8 May 2023 and signed on its behalf by:

Michela Mariani
Acting Finance Director



Rev. Thomas H. Smolich SJ
International Director



3. Statement of Income & Expenses for year ending 31 December 2022

In Euro	NOTE	2022	2021
Income			
Donations and Grants	7.13	8,434,770	7,275,225
Investment Revaluation		0	1,453,317
Financial Income	7.14	146,839	3,497
Other Income		308,24	138
Indirect Cost contribution	7.15	155,295	170,311
Total Income		8,737,212	8,902,489
Expenses	7.16		
Staff		2,183,726	2,072,831
Travel		242,768	4,812
Consultancies		267,563	190,917
Website and IT Costs		336,786	205,727
Running Costs		263,846	166,837
Fundraising		51,549	33,619
Financial costs		5,187	143,916
Investments Devaluation		1,544,017	
Depreciation		11,463	9,826
IO Projects		1,688,219	1,297,923
International Projects		2,614,463	3,020,652
Extraordinary Expenses		274,233	433,540
Total Expenses		9,483,819	7,580,600
Total Surplus/(Deficit) for the year		(746,607)	1,321,889

The Statement of Financial Position and the Statement of Income & Expenses should be read in conjunction with the notes in section 7.

4. Statement of Cash Flow for year ending 31 December 2022

In Euro	2022	2021
Operational Activities		
Surplus / (Deficit) for the year	(746,607)	1,321,889
Depreciation, write-down provisions and value adjustments	11,776	10,139
Variation on Staff Liquidation funds	39,741	(3,734)
Change in working capital:		
• Receivables	98,556	967,923
• Payables	(249,600)	1,572,627
Cash flow: Operational Activities	(846,133)	3,868,843
Investments Activities		
Net Investments in Material assets	(7,854)	(6,466)
Net change in financial receivables, stocks and other funds' Investments	312,012	(1,425,425)
Cash flow: Investment Activities	304,158	(1,431,891)
Net cash flow for the period	(541,976)	2,436,952
Net initial Cash and Cash Equivalent	2,893,574	456,622
Change	(541,976)	2,436,952
Net final Cash and Cash Equivalent	2,351,599	2,893,574
Composition of net liquid assets:		
Cash on hand	7,101	4,658
Bank	2,344,498	2,888,917
Net final liquid assets	2,351,599	2,893,574

5. Statement of Changes in Funds for year ending 31 December 2022

In Euro	Retained Earnings	Discretionary Funds	Designated Funds	JRS Capital Fund	Quasi-Endowment Fund	TOTAL EQUITY
Balance at December 31, 2021	1,321,889	1,273,355	61,986	4,850,832	1,000,000	8,508,062
<i>Changes in 2022</i>						
Distribution of 2021 Result	(1,321,889)	1,138,445			183,444	-
Retained Earnings 2022	(746,607)					(746,607)
Use of designated funds		61,986	(61,986)			-
Saldo al 31.12.2022	(746,607)	2,473,786		4,850,832	1,183,444	7,761,455

When approving the Financial Statements as at 31 December 2021, on 24 May 2022, the Administrative Council resolved to allocate the result for the year 2021 to Discretionary Funds, net of €183,444 deriving from the revaluation of existing investments of the Quasi-Endowment Fund. The latter amount was in fact allocated to the Quasi-Endowment Fund.

In December 2022, the Administrative Council considered the idea of creating a reserve fund with the aim of dealing with operational risks for a total amount set at 2.5 million Euros. The amount represent the estimated funds necessary for JRS to guarantee continuous operations for a period of 6 months at 100% of the expected capacity even in the event of complete deficit. Part of the funds under JRS Capital Fund as at 31 December 2022, with the approval of these financial statements will therefore be reallocated for the establishment of this new fund.

For the proposal presented to the Administrative Council in May 2023 relating to the coverage of the 2022 deficit and other changes in the distribution of net assets, following the above, please refer to paragraph 7.17 Proposal for the allocation of profits or coverage of losses.

6. Movements of Investments for the year ending 31 December 2022

In Euro	2022	2021
Purchases	1,232,005	200,000
Sale Proceeds on Disposal of Investments		0
Unrealised gains	735,816	1,295,716
Unrealised loss	(2,279,833)	(70,290)
Net increase/(decrease)	(312,012)	1,425,425
Total investments at beginning of year	9,940,256	8,514,830
Total investments at end of year	9,628,243	9,940,255

7. NOTE

7.1 Explanation of JRS International Activities

JRS undertakes services at national and regional levels with the support and guidance of an International Office (IO) in Rome, Italy. Programmes are currently implemented in 58 countries, organised in nine Regions (three in Africa, two in Asia, Middle East and North Africa, USA & North America, Latin America, Europe), reaching nearly 1 million refugees, internally displaced persons, and members of the host communities.

The JRS International Office provides valuable support to JRS regions in terms of logistics, personnel, finances, project management, and fundraising. The International Office particularly raises funds for projects implemented by the Regional and Country offices. Although JRS is one organisation, each region is financially autonomous: each Country Office conducts annual audits and issues a set of Financial Statements.

7.2 Accounting Policies

JRS refers to IFRS as the basis of its accounting policy. A summary of most significant accounting principles is reported below:

1. **Basis of Accounting:** Accrual basis of accounting: under this basis of accounting revenue is recognised when earned and expenses when incurred.
2. **Donations:** JRS International policy recognises different categories of donations:
 - o Designated Funds: Donations for a particular project are categorized as "designated" (restricted) and are reported both on a project and donor basis. These donations are usually regulated by a contract between the donor and JRS, they are to be used in accordance with a project narrative and financial proposal, within an established implementation period. The contract requires any unspent funds to be returned to the donor at the end of the grant period. (e.g. GHR Reconciliation Programme).
 - o Purpose-designated Funds: Donations received to contribute to a specific purpose or geographic area, but not linked to a project narrative and financial proposal (restricted with no condition). JRS IO can determine towards which specific activities the funds will contribute and for which period, as far as the purpose indicated by the donor is respected. (e.g. Congregations for Institutional Strengthening).
 - o Discretionary Funds: Donations which are entirely discretionary are not designated and JRS IO is entitled to determine their purpose and period of implementation (unrestricted).

Throughout the year, JRS IO also receives donations for projects carried out by JRS regional and country offices in the countries in which JRS operates:

- Funds raised by RO and CO are defined as Passing Through funds and only transit through JRS IO Balance Sheet.
- Funds raised by the IO and subsequently distributed to ROs or COs are recognized as Income to be Designated and Project Support expenses in the IO Income Statement.

3. **Revenue recognition:**

Designated Funds: At the time a grant contract is signed a donor receivable position is open in accounting for the full grant value and balanced by the deferred income account. The grant value is converted at the daily exchange rate of the receivable. The donor receivable is closed once all funds are received from the donor. As far as designated donations are spent in line with donor requirements, related revenue is recognized according to the implemented portion of the grant (direct costs + indirect costs if applicable), reducing the deferred income balance. Revenue is recognized in the currency of the donor contract and converted at the spot exchange rate.

Discretionary Funds: Revenue is recognized on cash basis on the date funds are received in the bank account. The exchange rate applied is the one of the date of receipt of funds.

Project Support Funds: Revenue is recorded based on cash received from the donor and expenses are recorded based on funds allocation to the relevant RO or CO through the intercompany account. Revenue and Expenses offset each other with nil impact on JRS IO year-end result.

4. **Property and Equipment:** Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. All categories of property and equipment are registered in the year of purchase. Property and equipment received by way of gifts or donations are capitalized at a reasonable estimate of their value to the project. The corresponding credit is taken to the capital reserve. Depreciation is charged from the date of purchase so to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method at the applicable rate based on the asset type. The annual rate used varies by asset category, based on JRS' internal procedures. If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset 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 recognized in the statement of comprehensive income.

5. **Receivables:** Receivables are recognized initially at contractual value. A provision for impairment of receivables is established when there is objective evidence from a loss

event that the organization will not be able to collect all the amounts due according to the original terms of receivables.

6. **Payables:** Payables are non-interest-bearing financial liabilities, which are measured at the contractual value of the consideration to be paid in future in respect of goods and services supplied by the suppliers, whether billed to the organization or not, less any payments made to the suppliers.
7. **Bank Accounts:** JRS International has several bank accounts in Euro and in Foreign currencies in its own name with banking institutions in Italy and in the Vatican State.
8. **Fees and taxes:** Current taxes for the year are distinguished on the basis of a reliable forecast of the tax charges to be paid in application of current tax legislation. The related payable is shown net of advances, withholdings and tax credits that may be offset.
9. **Correspondent Accounts:** The International Office maintains two types of Correspondent Accounts:
 - Accounts maintained at the Curia of the Society of Jesus (named Economato accounts) and those maintained at different Jesuit Mission Offices. Statements are received regularly from these offices.
 - Accounts maintained at JRS International for various JRS Regional and Country Offices. The International Office receives donations and undertakes expenditure on behalf of various JRS Regional and Country Offices. These transactions are recorded in individual Correspondent Accounts. Statements are sent quarterly to the relevant JRS offices.
10. **Foreign Currency:**
 - JRS IO functional currency is Euro. All transactions originated in a foreign currency are posted in accounting in the original currency and converted into Euro at the daily rate sourced by JRS official exchange rate provider: <http://www.oanda.com/>. The conversion is automated in the accounting system.
 - At year end, Cash and Cash Equivalent, as well as Vendor and Donor open balances denominated in foreign currencies are re-valued using the exchange rate as of 31st December from <http://www.oanda.com/>. Exchange rate differences arising from the revaluation of such balances are accounted for as income and expense for the year.
 - Exchange rates used for Year End revaluation in the last three years:

Currency	31.12.2022	31.12.2021	31.12.2020
1 Euro: CHF	0.98992	1.03546	1.0846
1 Euro: GBP	0.88509	0.8388	0.9043
1 Euro: USD	1.07035	1.1327	1.2264

11. **Cash and cash equivalents:** Cash and cash equivalents comprise cash on hand and deposits held at call with banks.
12. **Critical judgments and accounting estimates:** In the process of applying the organization'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 entity's accounting policies are dealt with as follows:
 - Valuation of fair value of financial instruments.
 - Determining depreciation rates for property and equipment.

7.3 Fixed Assets

The value of the assets of the organization is represented in the tangible fixed assets based on the following categories:

- **Equipment:** includes computers, photocopiers and office machines in general. The increase in the year is represented by the acquisition of no. 6 laptops
- **Supplies:** include office desks.
- **Communication equipment:** includes cameras, video and video conferencing equipment.
- **Acquisition of other assets:** JRS, as part of the Society of Jesus, has free use of the office located in Borgo Santo Spirito 8. This contribution is valued in-kind as reported in paragraph 7.13. Over the years, small interventions have increased the value of the office, the related cost has been entered under tangible fixed assets and depreciated accordingly.

In Euro	Equipment	Furniture	Comm Equipment	Buildings	Total
Opening Balance 2022					
Historical Costs	44,082	17,531	2,599	34,734	98,946
Accumulated depreciation	(35,650)	(16,607)	(1,411)	(27,766)	(81,433)
Net Value	8,432	924	1,188	6,968	17,513
Changes during the year					
Increase	7,854				7,854
Decrease					
Depreciation for the year	(3,123)	(924)	(760)	(6,968)	(11,775)
Total	13,163	0	428	0	13,591
Closing Balance 2022					
Historical Costs	51,936	17,531	2,599	34,734	106,800
Accumulated depreciation	(38,773)	(17,531)	(2,171)	(34,734)	(93,209)
Net Value	13,163	0	428	0	13,591

7.4 Cash and Bank Balances

Description	31.12.2022	31.12.2021	Variation
Cash	7,101	4,658	2,444
Bank	2,344,498	2,888,917	-544,419

The decrease in cash available at year end between 2021 and 2022 is due to the investment of 600,000 USD and 138,216 Euro in March and April 2022.

• Cash balance

Code	Cash Account	Currency	Amount in source currency	Euro Equivalent At 31.12.22
VAT-BANK-00001	International Office petty cash Euro	EURO	1,390	1,390
VAT-BANK-00002	International Office petty cash USD	USD	1,120	1,046
VAT-BANK-00048	International Office Euro petty cash admin office	EURO	78	78
VAT-BANK-00049	Emergency International Office Euro petty cash	EURO	3,000	3,000
VAT-BANK-00050	Emergency International Office USD petty cash	USD	1,700	1,588
	Total			7,101

• Bank balance

Code	Bank Account	Currency	Amount in source currency	Euro Equivalent At 31.12.22
VAT-BANK-00004	Banca Etica CC	EURO	7,874	7,874
VAT-BANK-00009	CHE BANCA EUR 993	EURO	79,906	79,906
VAT-BANK-00011	CHE BANCA EUR Mena 992	EURO	951,400	951,400
VAT-BANK-00012	CHE BANCA USD - 387	USD	331,889	310,076
VAT-BANK-00029	Popso 3410 EUR	EURO	378,527	378,527
VAT-BANK-00032	Popso 5273 EUR	EURO	22,137	22,137
VAT-BANK-00033	Popso VAR-3410 USD	USD	627,735	586,476
VAT-BANK-00034	Vatican Bank EUR	EURO	3,995	3,995
VAT-BANK-00035	Vatican Bank USD	USD	4,091	3,822
VAT-BANK-00046	Poste Italiane	EURO	31	31
VAT-BANK-00047	CARTA +MA 5160 CB	EURO	254	254
	Total			2,344,498

7.6 Accounts Receivable

JRS receivables at 31.12.2022, amounting to **Euro 340,664**, are detailed in the table below:

Correspondent Accounts	Balance € at 31.12.2022	Balance € at 31.12.2021
Economato – USD	97,463	59,495
Economato – Euro	119,019	13,511
Jesuit Mission UK – GBP	9,495	9,123
Malta HSBC – Euro	2	2
Other Receivables		
Accrued donations		171,279
Other receivables	9,473	45,399
Sub-total	235,453	298,809
Prepaid expenses	6,655	41,855
Sub-total	6,655	41,855
Total Receivables	242,108	340,664

- **Correspondent accounts** are accounts maintained at the Curia of the Society of Jesus (named Economato accounts) and those maintained at different Jesuit Mission Offices. They are used mainly to receive funds from Jesuit mission offices and to transact with the Curia. Particularly, the Curia of the Society of Jesus offers to JRS the premises in Borgo Santo Spirito n.8, but requests the payment of some services provided to JRS: HR consultancies, IT support, use of IT tools. Such services are paid through the Correspondent accounts.
- **Other receivables** relate to the following advances paid in 2022 and to be recovered in 2023:

Description	Balance € at 31.12.2022
Tax receivable	290
Advance on behalf of <i>Secondary Education Working Group</i>	8,684
Advance to Staff	499
Total other receivable	9,473

- **Prepaid expenses** relate to the following two invoices paid on 2022, but covering services related to 2023:

Description	Balance € at 31.12.2022
Salesforce Licences Jan-Aug 2023	5,155
ITC Contribution 2023 portion	1,500
Total Prepaid Expenses	6,655

7.7 Intercompany – payable to associates

The International Office maintains Correspondent Accounts with JRS Regional and Country Offices to receive donations or process payments on their behalf. The overall account balance is normally a payable from the International Office towards other JRS offices, however in some cases the International Office can advance funds to JRS offices. In such cases the balance in the specific Country Office intercompany account is a receivable. Balances as at December 31, 2022 are as follows:

REGION / Country Office	Balance at 31.12.2022 Payable/(Receivable)	REGION / Country Office	Balance at 31.12.2022 Payable/(Receivable)
Europe	227,097	West Africa/Great Lakes	478,276
Bosnia and Herzegovina	(3,073)	Cameroon	(10,178)
Croatia	(1,099)	Central African Republic	234,863
Europe Regional Office	194,694	Chad	258,817
France	(1,461)	Congo, Democratic Republic of	(3,337)
Greece	(524)	Great Lakes Regional Office	-
Hungary	(823)	Nigeria	(73,616)
Italy	(0)	West Africa Regional Office	71,728
Kosovo	(888)	Latin America	103,389
Malta	39,642	Colombia	4,656
Poland	9,013	Latin America and Caribbean RO	25,658
Portugal	(1,811)	Mexico	19,002
Serbia	(1,164)	Venezuela (Bolivarian Republic)	54,073
Spain	(2,464)	Middle East	1,700,717
Ukraine	-	Iraq	164,807
United Kingdom	(2,945)	Jordan	173,772
USA	14,746	Lebanon	3,858
United States of America	14,746	MENA Regional Office	384,066
Eastern Africa	(268,153)	Syrian Arab Republic	974,215
Burundi	(116,310)	Asia Pacific	34,396
Eastern African Regional Office	89,353	Asia Pacific Regional Office	34,451
Ethiopia	(453)	Indonesia	-
Kenya	(8,281)	Myanmar	(54)
Sudan, South	(221,407)	Thailand	-
Tanzania	4,256	South Asia	475,000
Uganda	(15,311)	Afghanistan	163,282
Southern Africa	(26,895)	Bangladesh	92,087
Angola	(6,963)	India	212,891
Malawi	10,997	South Asia Regional Office	6,739
South Africa	(18,007)	TOTAL	2,738,574
South Africa Regional Office	(12,922)		

7.8 Other payables

The total amount of other payables, amounting to **Euro 207.770**, is represented as follow:

Description	Balance € at 31.12.2022	Balance € at 31.12.2021
Payable to Vendors	26,902	63,556
Invoice to be received	75,885	3,251
Taxes and fees payable	51,254	27,602
Payable for staff	53,728	67,382
Total	207,770	161,791

7.9 Deferred income

At December 31, 2022, the International Office reported a Deferred Income balance of **Euro 716,522**, being advances received from Donors but still remaining unspent at year end and to be implemented in 2023. Balances related to the following contributions:

Description	Balance € at 31.12.2022
Alboan - Inst strenght F&L Dep 2022-2023	14,066
Entreculturas - Inst strenght F&L Dep 2022-2023	11,558
GHR Foundation - Organizational Strengthening Priorities 22-23	10,253
GHR Foundation - Reconciliation activities 2022	55,554
GHR Foundation - Reconciliation activities 2023	94,615
JRS USA - CPPS Reconciliation activities	6,460
JRS USA - Global Investment in JRS Livelihoods 2022	102,257
JRS USA - Global Investment in JRS Livelihoods 2023	130,565
JRS USA - IMS Investments	32,418
Anonymous USA - Staff Care 2022	6,588
Anonymous USA - Staff Care 2023	4,705
Anonymous USA - Gender Responsive Education 2023	47,049
Linsi Foundation - Inst strenght F&L Dep 2022-2023	9,984
Anonymous - Myanmar	25,000
Stichting Porticus - Education Strengthening activities 2021 - C.O.	85,575
Stichting Porticus - Strengthen education activities 2022	77,632
University of Winchester - Reconciliation Meeting	2,244
TOTAL	716,522

7.10 Donation Prepayments

Funds collected through Fundraising campaigns, but not yet distributed to the relevant Regional or Country office at the end of the year are reported as a liability under the account Donation Prepayments. As of December 31, 2022 a balance of Euro 559,411 collected in support of Ukraine refugees are still to be allocated to the European Region:

FR Campaign	Total Collected €	Total Allocated €	Balance € at 31.12.2022
Ukraine	1,145,991	586,580	559,411

7.11 Staff Fund

Provisions under the Staff Fund are severance intended for JRS International Office employees with permanent contracts to be liquidated at termination of the working relationship. As at December 31, 2022 the balance is as follows:

Provision Staff Fund in Euro	Balance € at 31.12.2021	Accrued € in 2022	Liquidated € 2022	Balance € at 31.12.2022
Severance – JRS IO	200,153	83,655	(31,979)	251,830
Severance - Curia	11,935	11,562	(23,497)	0
Total	212,089	95,217	(55,476)	251,830

7.12 Equity

Total JRS Fund at December 31, 2022 amount to Euro 7,761,455, as per the detail below:

Description	Balance € at 31.12.2022	Balance € at 31.12.2021
Retained Earnings	(746,607)	1,321,889
Designated funds		61,986
Discretionary funds	2,473,786	1,273,355
JRS Capital Fund	4,850,832	4,850,832
Quasi-Endowment Fund	1,183,444	1,000,000
Total	7,761,455	8,508,062

- **Designated Funds** are funds received and recognized as revenue in 2014, when JRS was still applying the cash basis of accounting, as part of a larger grant in support of women empowerment. The funds were distributed to projects in various countries over the years. The final portion was allocated to a project in the Central African Republic in 2022. As a result, the Fund has been closed within the year.
- **Discretionary funds** are the result of accumulated surplus and deficits of prior financial years, that have not been distributed to any other fund account.
- **JRS Capital Fund** was the Reserve of the Foundation, set aside from 2021, to be used in the event of unforeseen emergencies or income shortfalls. In December 2022, the Administrative Council evaluated the idea of establishing a fund called the "Operational Risk Reserve" (as previously mentioned). Refer to paragraph 7.17 for further details.
- **Quasi-Endowment Fund** are funds originated from specific donor contributions on which donors did not pose any reservation, but earmarked by the Administrative Council to act like restricted funds to be used for organizational development or emergencies.

7.13 Income from Donations

Income from Donations include the following categories of income:

- **Income from Grants:** The total amount of designated donations in 2022 was **Euro 3,104,168** as reported in the table below:

Grants	Donor agreement	Donor Currency	Expenses Donor Currency	Expenses Euro	Income Donor Currency	Income Euro
Alboan - Institutional strengthening F&L	VAT-ALB-2022-01	EURO	30,934	30,934	30,934	30,934
Anonymous USA - Comms & Fundraising	VAT-CNL-2022-01	USD	14,438	14,008	14,439	14,598
Entreculturas - Institutional strengthening	VAT-EDI-2022-01	EURO	33,442	33,442	33,442	33,442
Anonymous USA - Comms & Fundraising	VAT-FRA-2022-01	USD	75,000	71,521	75,000	71,888
Anonymous USA - Staff Care	VAT-FRE-22-01	USD	1,000	1,023	1,000	1,008
GHR - Reconciliation activities	VAT-GHR-21-01	USD	466,307	441,213	466,307	440,203
GHR - Organizational Strengthening	VAT-GHR-22-01	USD	287,140	274,010	287,140	273,592
JRS USA - CPPS Reconciliation activities	VAT-JRSUSA-20-01	USD	13,417	13,236	13,417	13,250
JRS USA - IMS Investments	VAT-JRSUSA-22-01-01	USD	731,947	697,916	731,947	695,957
JRS USA - Global Investment in JRS Livelihoods	VAT-JRSUSA-22-01-02	USD	7,216	6,997	7,216	7,101
Anonymous USA - Meal 2022	VAT-JUS-2022-01	USD	104,112	99,012	104,113	97,270
Anonymous USA - Child Safeguarding	VAT-JUS-2022-01.CH	USD	42,000	39,896	42,000	39,240
Linsi Foundation - Institutional strengthening	VAT-LSF-22-01-01	EURO	65,016	65,016	65,016	65,016
Anonymous USA - Security Work 2022	VAT-MAB-22-01	USD	25,620	23,530	25,626	23,530
Anonymous USA - Staff Care 2022	VAT-MAR-22-01	USD	20,001	19,872	20,001	19,322
Misereor - MISEREOR Monitoring & Evaluation	VAT-MISEREOR-19-01	EURO	2,245	2,245	4,280	4,280
Anonymous USA - Staff Care 2022	VAT-PGA-22-01	USD	95,360	92,209	95,360	91,671
Stichting Porticus - Education Activities 2021	VAT-PORTICUS-19-01	EURO	201,005	201,005	201,005	201,005
Anonymous USA - Staff Care 2022	VAT-RJM-22-01	USD	10,000	9,281	10,000	9,299
Anonymous USA - IO Advocacy work 2022	VAT-SDC-2022-01	USD	24,999	24,407	25,000	24,413
Anonymous USA - Staff Care	VAT-SSM-2022-01	USD	25,035	22,515	25,035	22,515
Stichting Porticus - Education Activities 2022	VAT-STP-EDU-22-01	EURO	422,368	422,368	422,368	422,368
Stichting Porticus - Programmes & Comms & Fundraising	VAT-STP-ORG-22-01	EURO	500,000	500,000	500,000	500,000
University of Winchester - Reconciliation	VAT-UNW-22-01	EURO	2,265	2,265	2,265	2,265
TOTAL INCOME & EXPENSES PER GRANT				3,107,921		3,104,168

In 2021 income from grants was Euro 2,767,947, a 12% increase is recorded.

• Discretionary income

Type of Donor	2022 Amount €
Congregations	715,445
Households / Individuals	668,707
Jesuit Curia	34,000
Online & Recurrent Donations	93,363
Other Religious	5,519
Private Company/Foundation	598,404
Services for JRS Regions	116,445
Grand Total	2,231,883

In 2021 discretionary income was Euro 1,373,336. The over 60% increase in this type of income is mainly due to the increase in private funding.

- **In-kind donations**

Jeusit Curia in-kind support	2022 Amount €	2021 Amount €
Rent of the office	150,000	150,000
Annual Salary for 3 Jesuits	334,257	87,600
Total	484,257	237,600

- **Project Support Funds:** The International Office raises and manages funds for projects implemented by other JRS offices. Funds are recorded as revenue and expenses in the same period, when they are allocated to the Regional or Country Office intercompany account. In 2022 funds raised by the International Office were distributed as follows:

2022 Funds Distribution	Amount €
Afghanistan	64,220
Asia Pacific RO	1,842
Bosnia Herzegovina	35,919
Central African Rep.	200,000
Spain	31,648
Europe RO	564,673
France	38,398
UK	31,336
Greece	27,396
Croatia	30,170
Hungary	21,224
Indonesia	57,181
Jordan	125,000

2022 Funds Distribution	Amount €
Kenya	772
Lebanon	74,443
Malawi	102,500
Nigeria	531,821
Poland	31,646
Kosovo	24,368
South Asia RO	183
Serbia	31,647
Syria	20,000
Tchad	268,679
Uganda	179,398
South Africa RO	120,000
Grand Total	2,614,463

In 2021, Project Support Funds distributed were more compared to 2022 (Euro 3,020,651). However, at the end of 2022:

- Euro 559,411 from the Ukraine fundraising campaign were carried over to be used in 2023;
- Euro 25,000 for Myanmar projects were collected but not allocated before year-end and reported as deferred income.

Total Project Support Funds collected in 2022 were Euro 3,198,874, of which Euro 584,411 carried over to 2023.

7.14 Financial income

- **Financial income** is composed of:

Description	Amount €
Bank interest	27,581
Gain on exchange rate	119,258
Total	146,839

7.15 Other income

- **Indirect Support Costs contribution:** JRS worldwide applies a cost recovery policy to cover part of the costs incurred at International and Regional Offices in support of projects implementation. The policy is applied in agreement with donors' conditions and establishes a target rate of 15% for indirect support costs (4% for International Office costs and 11% for Regional Offices). In 2022 the International Office recovered the following amounts:

Country	Amount €
Afghanistan	2,311
Bangladesh	2,627
Bosnia Herzegovina	1,437
Spain	1,266
Europe RO	13,960
France	1,536
UK	1,253
Greece	1,096
Croatia	1,207
Hungary	1,449
Indonesia	575
Iraq	5,977
Jordan	13,769

Country	Amount €
Kenya	2,010
Lebanon	32,182
Malawi	2,605
Nigeria	21,273
Poland	1,649
Kosovo	975
Serbia	1,266
Syria	20,318
Tchad	10,747
Uganda	2,977
West Africa RO	6,648
South Africa	3,391
Southern Africa RO	791
Total	155,295

7.16 Expenditures

The International Office Expenses can be represented under three different categories:

IO Activities	Executive Office	Human Resources	Finance & Logistics	Programmes & Innovation	Comms & Fundraising	TOTAL €
Staff	551,075	256,255	413,463	587,392	375,513	2,183,726
Travel	131,867	20,990	20,936	47,883	9,044	230,719
Consultancies	122,979	24,332	5,379	70,874	18,783	242,347
IT	298,551	2,635	-	-	35,599	336,786
Running Costs	182,762	14,168	-	45	862	197,837
Fund Raising	6,328	-	-	-	45,221	51,549
Depreciation	10,364	-	313	-	786	11,463
Financial Costs	5,187	-	-	-	-	5,187
Taxes	66,009	-	-	-	-	66,009
IO Projects	343,267	120,698	-	1,224,254	-	1,688,219
TOTAL IO Activities	1,718,389	439,078	442,086	1,928,482	485,808	5,013,842

International Activities	
Travel	12,049
Consultancies	25,216
Extraordinary Expenses (Write off)	274,233
Project Support Funds	2,614,463
TOTAL International Activities	2,925,961

Financial Activities	
Investments	1,544,017
TOTAL Financial Activities	1,544,017
TOTAL Expenses	9,483,819

- **International Office Activities** are related to the work of the International Office departments in leadership and support of other JRS Offices.
Since 2014 the International Office has also started to manage **IO Projects** implementing specific activities directly. IO Projects are:
 - *Staff Care* – under Human Resources
 - *Reconciliation and Peace Promotion* – under Programmes and Innovation
 - *Education and Teacher Training* – under Programmes and Innovation
 - *Strengthening Country Operations (SCO)* – under the Executive Office.
- **International Activities:** As explained under point 7.12 the International Office carries out Fundraising activities for projects implemented by JRS Regional and Country offices. Expenses related to Project Support Funds distributed are reported in the same period as the related income (as detailed in paragraph 7.12).
In 2022 the International Office also had to allocate some funds in support of a specific Region for special management and monitoring needs. This resulted in expenses for travel and consultancies being incurred.
Extraordinary expenses under the International Activities, relate to the write off of receivable balances from other JRS offices accrued in prior years and summarized below:

Description	Amount €
Write-off Nigeria Start Up Contribution 2018	24,000
Write-off S. Africa RO Loans and payments 2019-22	130,241
Write-off Malawi Loans and payments 2021-22	119,992
TOTAL	274,233

- **Financial Activities:** As reported in chapter 6, JRS maintains investments whose performance in 2022 suffered from the conflict in Europe and related inflation.

Description	Amount €
Unrealised gains	(735,816)
Unrealised loss	2,279,833
TOTAL	1,544,017

7.17 Proposal for allocation of profits or coverage of losses

Following a study on the financial sustainability of the organization, JRS International Office is in the process of developing a policy for the management of reserves, which defines the purposes and responsibilities on each one of the funds maintained in net assets. In light of this, and of what reported under paragraph 5, the proposal related to the coverage of the 2022 deficit and other changes in the distribution of net assets that will be presented to the Administrative Council in May 2023 is reported below:

In Euro	Retained Earnings	Discretionary Funds	JRS Capital Fund	Operational Risk Reserve	Quasi-Endowment Fund + Endowment Fund	TOTAL EQUITY
Balance as at December 31, 2022	(746,607)	2,473,786	4,850,832	-	1,183,444	7,761,455
Coverage 2022 loss	746,607	(602,059)			(144,548)	-
Contribution to Endowment & Quasi-Endowment Fund		(686,855)			686,855	-
Establishment of Operational Risk Reserve		2,350,832	(4,850,832)	2,500,000		-
2023 Balance	-	3,535,705	-	2,500,000	1,725,750	7,761,455