



**ANNUAL REPORT &
FINANCIAL STATEMENTS
2020**



June 2021
www.microjustice.org

Content

1.	Annual Report	3
1.1.	General.....	3
1.2.	The Board of Microjustice.....	4
1.3.	Report on activities by the Director	5
1.	Legal Protection Barometer.....	5
2.	Digital Legal Protection Platform developed and prepared in Serbia, Kenya and Bolivia..	5
	Conclusion: Promotion of the Universal Access to Legal Protection	6
2.	Financial Statements.....	8
2.1.	Balance sheet	8
2.2.	Statement of income and expenditure.....	9
2.3.	Explanatory notes	10
	General.....	10
	Principles of valuation of assets and liabilities	11
2.4.	Notes to the balance sheet.....	12
2.4.1.	Receivables and accrued income.....	12
2.4.2.	Cash.....	12
2.4.3.	Continuity reserve.....	12
2.4.4.	Short term liabilities	13
2.4.5.	Assets and liabilities not recognized in balance sheet	13
2.5.	Notes to the Statement of income and expenditure.....	14
2.5.1.	Income	14
2.5.2.	Other income.....	15
2.5.3.	Expenditure on the objective	16
2.5.4.	Other costs.....	17
2.5.5.	Explanation cost allocation.....	17
2.6.	Signing of the Annual Report	17
3.	Other information	18
3.1.	Appropriation of result for the financial year 2020.....	18
3.2.	Subsequent events.....	18

1. Annual Report

1.1. General

Incorporation

Stichting Microjustice4All (Microjustice) was incorporated on December 3th, 1996 by notarial deed. The foundation has its official seat in (2596 TE) The Hague, at the Van Hoghenoucklaan 60D. From now on, referred to as “Microjustice”.

Microjustice is registered with the Chamber of Commerce, number 41160018 (RSIN: 805877447) and is a charitable foundation under Dutch Law (“ANBI”).

Objectives Microjustice

Microjustice is an organization dedicated to legally empower the poor and victims of humanitarian disasters. By providing people with legal documentation and enabling them to live under the shelter of the law and enjoy the protection and opportunities it provides, Microjustice helps them to get out of the poverty cycle.

Microjustice’s mission is to promote the universal access to legal protection globally. For this global mission Microjustice has developed since 2018 the Legal Protection Barometer and the digital legal protection platform, that really have been almost accomplished in 2021 as basic tools for implementing the Microjustice mission.

With the provision of legal protection services Microjustice aims to enable all people to participate in society and encourage them to be self-reliant.

Legal Protection

Over the past twenty-four years Microjustice has developed its method to promote legal protection of all in practice, implementing field programs in three continents. This method consists of standardized legal service provision in identified basic legal needs of the target group(s), while undertaking bottom-up legal reform and advocacy activities. In this way Microjustice aims to establish sustainable legal service provision infrastructures for the legal protection, marginalized and victims of humanitarian disasters.

Focus

Microjustice helps to set up local infrastructures for affordable quality legal service provision with focus on:

1. Various civil documents as birth certificate to enable access to e.g. education, health care, social benefits, microfinance and voting;
2. Housing and land registration for property protection, access to collateral and investment opportunities;
3. Setting up businesses, cooperatives and other legal entities, and drafting contracts to increase income-generating activities and civil society participation;
4. Legal issues related to the above, mostly related to family law and inheritance matters.
5. Legal issues that are specific to a context, especially in post-humanitarian crisis rehabilitation processes.

1.2. The Board of Microjustice

Mr. Álvaro Hernando is the Director of the foundation.

Until 17 December 2020 the Supervisory Board was formed by:

J.J. de Domingo Angulo, Chairman
M.J. Verweij, Secretary
C.F. Wittebrood

As of 17 December 2020, the members of the Supervisory Board are:

A. Lucassen, Chairperson
M.J. Verweij, Secretary
T. Hijerman

The Supervisory Board members do not receive any compensation other than compensation for expenses incurred in the performance of their duties.

Report on activities by the Supervisory Board

In 2020 the Supervisory Board met every two months together with the Director. During these meetings the Supervisory Board discussed all significant issues related to the management of the Foundation and projects as well as about the strategy to be followed in the future. The most common aspects analysed and approved (when needed) by the board are:

- Annual Accounts and the Annual Report for 2019;
- Current projects and programs and new activities in preparation;
- Team: capacity, composition, recruitment;
- Organizational management: expert develops systems & procedures
- Administrative and financial matters;
- Director: periodic performance review;
- Annual Plan and Budget 2020

On 9 July 2021 the Supervisory Board approved the Annual Report and Financial Statements 2020.

On 1 July 2021, for personal reasons the A. Lucassen and T. Heijerman left the Supervisory Board. On 30 June the then supervisory board approved the Annual Report 2020, under the condition that the final financial figures would be provided and the accountant (*boekhouder*) would not have found any irregularities in the figures provided by the Director.

M.J. Verweij

New members as of 1 July 2021:

J. Schretlen
F. Bakx

1.3. Report on activities by the Director

The COVID-19 crisis has hampered seriously the work of Microjustice, having the teams confined to their homes in the different parts of the world, now being able to engage in field work and meetings with the target groups and stakeholders. All planned travel to Bolivia, Kenya, Jordan, Ukraine was not possible.

The forced immobility has allowed us to focus on the development of the new Microjustice method to global upscaling of its activities to promote legal protection. Thus, 2020 Microjustice has developed and implemented its new method:

1. Development of the Legal Protection Barometer on the basis of the Legal Inclusion Mapping (LIM) Method
2. Developed the digital Legal Protection Platform (LPP) method, and prepared legal protection platforms in Kenya, Bolivia and Serbia

Activities in networking, lobbying and public communication were limited to participating in the international gathering on SDG 16 in February in The Hague, organized by HILL. On the one hand, COVID-19 made traveling and meetings impossible, on the other hand we were in the middle of developing our new method and products. Thus once, the COVID crisis is over and the first Barometer and LPP are fully developed and tested, Microjustice will launch a campaign to promote Universal Access to Legal Protection and provide specific indicators to SDG 16.

1. Legal Protection Barometer

Since 2018, Microjustice has developed country specific reports consisting of so-called "legal inclusion mapping". For the country to which it relates, such report identifies to which extent its people have access to justice. Based on in-depth legal research, presence in the country itself, experts consulted and comprehensive surveys conducted, a country-specific report analyses the lack of access to lawyers, affordable legal services and basic legal documentation its people currently experience. The focus of these mappings has been on basic legal needs such as access to property titles, business registrations, use of contracts, wills and other civil and administrative documentation. For each country, the mapping includes recommendations on how access to justice can be improved.

In 2020, the mappings have led to the development of a worldwide Legal Protection Barometer, in which we have standardized and digitalized the research into an extensive database to be filled out by legal practitioners and experts in the specific country. The barometer will show in a concise manner the conclusions. Thus, the barometer identifies per country the groups in need of legal protection, the specific problems in the procedures and enforcement on a state level, the accessibility and affordability of legal assistance services, best practices and recommendations, allowing for comparative development to increase the level of legal protection in eventually all countries. The research serves as basis for setting up legal protection platforms.

Current mappings are available for [Bolivia](#), [Kenya](#), [Serbia](#) and will be used in 2021 to test and further develop the barometer database. Later in 2021, mappings will be undertaken with barometer method in Ukraine and Jordan, to be implemented gradually worldwide as of 2022. These mappings help shaping a tailored country-by-country approach for the content of the legal protection platform.

2. Digital Legal Protection Platform developed and prepared in Serbia, Kenya and Bolivia

To promote legal protection, Microjustice has developed a digital Legal Protection Platform (LPP). Once fully operational, it consists of country specific websites which citizens can access to obtain explanations on legal matters relating to immovable property, movable property, family matters, inheritance

matters, business matters, damage claims, claiming debts and employment. Citizens can find answers to frequently asked questions and access basic legal documentation. The platform empowers citizens to obtain basic legal rights, for which they would otherwise lack the know-how, contacts or funding. The platform has the potential to include the option to match citizens in need of legal assistance on specific matters with lawyers who are registered with the website, depending whether and to which extent country-specific legislation would allow such lawyer involvement.

Draft websites are live for [Serbia](#), [Kenya](#) and [Bolivia](#).

Conclusion: Promotion of the Universal Access to Legal Protection

Law is a product of the society we live in, and a reflection of its priorities and values. Unfortunately, it is of limited value to the majority of people in their daily undertakings due to the lack of affordable legal services.

It should be a cornerstone of society, next to education and medical health care, to enable people to live full and productive lives. Universal access refers to affordability for all, based on the income of an individual. Whereas education and medical care are already widely recognized as most basic universal rights, Legal Protection's universal access is far from being developed. There is an immense amount of administrative and civil procedures that individuals have to observe and there are only a few free legal aid programs in rich countries for the poorest in a limited number of cases, and with focus on criminal defence to deal with it. **Legal protection** should be organized and funded by the state, according to the level of income of the people. **It is a political decision** which often is not seriously taken due to the high costs involved in free legal aid.

We have come up with an affordable solution that works with the already existing infrastructure of the countries, in such a way that when the donor funding ends, the individuals will still have access to legal protection with very little financing needed for maintaining the system.

If we leave criminal law cases aside, everyday justice needs can be narrowed to civil and administrative cases, and most of these problems repeat themselves in all countries, and can be standardized. They mostly refer to land/housing ownership rights, labour rights, debt claims, business claims and family disputes, legal identity.

In lower income countries, land issues, identity and documentation are the most common.

Also, access to legal advice, accessibility and assistance with their procedures and alternative ways to resolve disputes (like mediation centres) should be made available to citizens.

The question is, how much would it cost to ensure people's everyday justice needs are met in an effective and affordable way. We have come up with a number. **But how much does it cost the economy to not have it covered?**

Another problem is that simple legal actions which are compulsory to citizens, often involve complex procedures and unjustified legal costs. If the procedures are compulsory, they should be covered by the state or at least financed.

We are sure these problems have also been experienced by the health and education sectors in the past, and have been resolved through technology and by changing the service delivery model. Our model is realistic and has the potential to provide a better services at a lower cost, thus allowing countries to ensure universal access to legal protection.

These problems occur everywhere, although they are more visible in lower-income countries. So, will richer countries support poorer ones in delivering Universal Access to legal protection in the same way as they have done with health and education?

What we must surely do is to **improve access wherever we can** but also to **lobby for change, legal and model wise**, because in the end, **the lack of affordable legal services only affects the law-obeying people, pushing them into illegality.**

The income of Microjustice in 2020 was € 246,764 while the budget for 2020 was € 194,655.

The budget for 2021 is € 176,030.

Belgrade, 6 July 2021

Patricia van Nispen tot Sevenaer
Director Microjustice (as of 1 July 2021)

Álvaro Hernando de Domingo
(director until 30 June 2021)

2. Financial Statements

2.1. Balance sheet

Assets		<u>31 December 2020</u>	<u>31 December 2019</u>
		€	€
Receivables and prepayments	2.4.1	23.486	8
Cash and cash equivalents	2.4.2	225.574	173.913
		<u>249.060</u>	<u>173.921</u>

Liabilities		<u>31 December 2020</u>	<u>31 December 2019</u>
		€	€
Reserves and funds continuity reserve	2.4.3	48.058	50.214
Short term liabilities	2.4.4	201.002	123.707
		<u>249.060</u>	<u>173.921</u>

2.2. Statement of income and expenditure

		2020 Actual	2020 Budget	2019 Actual
		€	€	€
Income:				
Income own fundraising	2.5.1	168.505	246,764	128.257
Interest income		8		62
Other income	2.5.2	0		263
Sum of income		168.513		128.582
Expenditure:				
Expenditure on the objective				
Legal Empowerment of the poor	2.5.3	168.505	194,655	128.257
Expenditure on fundraising				
Other costs	2.5.4	2.164		4.400
Sum of expenditures	2.5.5	170.669		132.657
Deficit/Surplus		-2.156		-4.075
Appropriation of result				
Allocation or withdrawal from continuity reserve		-2.156		-4.075

2.3. Explanatory notes

General

a. Activities

The Activities of Stichting Microjustice, having its legal seat at The Hague in the Netherlands, primarily consists of attracting donations for the international delivery of legal services to poor people in developing regions.

b. Related parties

Microjustice is running legal protection programs with Microjustice Country Organizations currently in Bolivia, Kenya, and Serbia.

In The Netherlands the foundation has the following related parties: Stichting Friends of Microjustice.

Stichting Friends of Microjustice aims to promote the interests of Microjustice and to support her activities financially.

c. General accounting principles for the preparation of the financial statements

The financial statements have been prepared in accordance with Guideline RJ650, which applies to Dutch fundraising organizations.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise, the relevant principle for the specific balance sheet item, assets and liabilities are presented at face value. Income and expenses are accounted for on accrual basis. Profit is only included when realized on balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

For the purpose of understanding, the classification of certain items in the financial statements has changed. The comparative figures have been adjusted accordingly. These adjustments have no effect on the equity and result of the previous financial year.

d. Translation of foreign currency

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing at balance sheet date. Transactions in foreign currency during the financial year are recognized in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as of balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

e. Estimates

In applying the principles and policies for drawing up the financial statements, the directors of the entity make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

Principles of valuation of assets and liabilities

a. Receivables

Receivables are included at face value, less any provision for doubtful accounts. These provisions are determined by individual assessment of the receivables. Payments on projects that have been executed without having any contribution but for which contribution is likely are reported on an accrual basis.

b. Current liabilities

Current liabilities are included at face value. Project related contributions for which the granting period does not match the annual reporting period are reported on an accrual basis.

c. Principles for determination of the result

Revenues arising from the project related contributions are reported as long as the granting period matches the annual reporting period. Project related contributions received for which the activities have not yet been performed are reported on an accrual basis.

Operating costs arising from project activities are reported at face value and whereas the project activities have been performed.

Services rendered in kind consist of contributions received for the execution of services for internal purposes (overhead costs). The contribution for these internal services are identical to the expenditures for these internal purposes.

2.4. Notes to the balance sheet

2.4.1. Receivables and accrued income

	31-12-2020	31-12-2019
	€	€
Prepayments on projects	23.486	
Liberty Kenya		
Other receivables and prepayments		
Interest		8
Other prepayments		
Other receivables		
Book value at December, 31	<u>23.486</u>	<u>8</u>

2.4.2. Cash

The cash consists of bank deposits in different currencies (Euro, USD and Pounds).

2.4.3. Continuity reserve

The continuity reserve is specified as follows:

	31-12-2020	31-12-2019
	€	€
Balance at January, 1	50.214	54.288
Release of provision for Invoices of previous years		
Result for the financial year	-2.156	-4.075
Balance at December, 31	<u>48.058</u>	<u>50.214</u>

2.4.4. Short term liabilities

The short-term liabilities and accruals can be specified as follows:

	31-12-2020	31-12-2019
	€	€
Grants received in advance		
Advance LIM project	137.290	35.856
Advance POBB Kenya project	0,-	72.376
Accounts payable		
Creditors		
Other costs to pay	63.711	15.475
Book value at December, 31	<u>201.002</u>	<u>123.707</u>

2.4.5. Assets and liabilities not recognized in balance sheet

Stichting Friends of Microjustice has a rotating fund of EUR 250.000 which it may use to finance the development and operating costs of Microjustice.

2.5. Notes to the Statement of income and expenditure

2.5.1. Income

The income out of own fundraising can be specified as follows:

	2020	2019
	€	€
Implementing SDG16 in Kenya: Setting up a sustainable MICROJUSTICE Legal infrastructure to help communities access their basic legal rights	95.861	56.329
Implementing LIM	72.644	71.928
	<u>168.505</u>	<u>128.257</u>

2.5.2. Other income

	2020	2019
	€	€
Realized exchange differences	0,-	262
Non project related donations		
	0,-	262

2.5.3. Expenditure on the objective

	2020	2019
	€	€
Implementing SDG16 in Kenya: Setting up a sustainable MICROJUSTICE Legal infrastructure to help communities access their basic legal rights	95.861	56.329
Implementing Project LIM	72.644	71.928
	168.505	128.257

2.5.4. Other costs

	2020	2019
	€	€
Exchange rate differences	29	
Overspending Implementing SDG 16 in Kenya	2160	
Costs LIM Project Serbia		2.400
Fee Director		2.000
Payment differences	33	0
	2.164	2.599

2.5.5. Explanation cost allocation

Destination	Objective	Expenditures on fundraising	Other costs	Total sum 2020	Budget 2020	Total sum 2019
Expenses	Legal Empowerment of the poor	Own fundraising				
MICROJUSTICE Legal Service provision						
Local & international fees consultants	143.464			143.464	164.160	110.911
Travel costs	5.810			5.810	8.695	11.328
Overhead & Financial Administration	21.395			21.395	21.800	6.015
Total sum	170.669			170.669	194,655	128.254

2.6. Signing of the Annual Report

The Director approves the annual accounts, resulting in total assets of € 249.060-.

The foundation's capital of €48.058, - and a negative result on the balance sheet of €2.156-.

The Hague, 6 July 2021

Patricia van Nispen tot Sevenaer
Director Microjustice

Álvaro Hernando de Domingo
Director Microjustice until 30 June 2020

3. Other information

3.1. Appropriation of result for the financial year 2020

The negative result of Euro 2.156 will be reduced from the continuity reserve of the foundation.

3.2. Subsequent events

There are no subsequent events known, which may affect the information included in these financial statements, or in the presented balance sheet items and their valuations or in the explanatory notes.