



**ANNUAL REPORT &
FINANCIAL STATEMENTS
2021**



April 2022
www.microjustice.org

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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 Hogenhoucklaan 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 Rights’ Protection

Over the past twenty-four years Microjustice has developed its method to promote legal rights’ 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 was the Director of the foundation until 30 June 2021. Ms P. van Nispen tot Sevenaer became the director as of 1 July 2021.

Until 30 June 2021 the Supervisory Board was formed by:

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

As of 1 July 2021, the members of the Supervisory Board are:

F. Bakx, Chairperson
M.J. Verweij, Secretary
J. Schretlen

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 2021 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 2020;
- 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 Work Plan and Budget 2022

On 1 July 2021, for personal reasons the A. Lucassen and T. Heijerman left the Supervisory Board. With the 2 new members, many meetings were organized to define the fundraising of the organisation.

F. Bakx, Chairperson
M.J. Verweij, Secretary
J. Schretlen

1.3. Report on activities by the Director

The COVID-19 crisis continued to hamper the work of Microjustice, not being able to engage in field work and meetings with the target groups and stakeholders. Most planned travel to Bolivia, Jordan, Ukraine was not possible but finally by November we could go to Egypt. Nevertheless the Digital Legal Aid Platform and the Legal Rights' Protection Barometer have been fully developed:

1. Digital Legal Aid Platform Implemented

The **Digital Legal Aid Platform (LAP)**, which is a digital platform, providing basic legal information to the people in their legal needs and connecting them to affordable quality legal aid. The LAP works with the existing infrastructure of legal professionals in the country. Also, the distribution & outreach to the vulnerable groups takes place within the existing infrastructure of the country of institutions and people working with the people in need.

In the first part of 2021, the legal platforms in Kenya, Bolivia and Serbia were further developed ensuring that all handbooks in the legal needs and basic features were well developed. The 2nd part of 2021 was dedicated to going live and putting the legal aid platforms at the disposal of the public.

The concrete ways the platform works and is distributed depends on the context of the country. In countries like Serbia and Kenya there is a strong law society that monopolizes legal service provision, obliging its member advocates to charge minimum fees, and limiting their freedom of exercising their profession in many other ways.

In Kenya the legal aid platform with practical information on all needs has been made public. At the same time cooperation is being developed with the Law Society of Kenya in order to implement the referral to lawyers and to distribute the legal aid platform and awareness raising.

In Bolivia, there is no control of the law society and we have been able to put online the full-fledged legal aid platform, including the referral to advocates to solve specific cases of people.

In Serbia, the law society is the most restrictive, not allowing advocates to be legal representatives of an organisation, and forbidding them to participate in a referral platform as developed by Microjustice. To adapt, the general legal aid platform will provide people with all know-how to solve their own case, providing the public know how we normally just provide to the participating lawyers. In this way people can represent themselves, even in the courts which is allowed in Serbia. We also distribute the platform with special partnerships with state agencies, such as the cooperation with the property register that now is being developed

2. Legal Rights' Protection Barometer

The **Legal Rights' Protection Barometer (Barometer)** shows for each country from the perspective of the people (the users) how easy or difficult it is to arrange one's legal needs. It is not a top-down analysis of the effectiveness of the judicial system, but the question that interests us is what a person can effectively do to be legally protected in all his/her needs, and whether there is any effective remedy available to enforce. This research looks into three sets of legal protection indicators within a country: 1) people's capacity 2) effective state organisation 3) accessibility & affordability of legal aid. Based on the barometer research conclusions, the goals are: a) to develop a digital Legal Aid Platform, and b) to communicate our findings to the various relevant policy makers on: 1) how to set up the most effective free or affordable quality legal aid platform; 2) how to set up legal procedures and institutional practices so that people can easily arrange their legal needs, and 3) how to develop concrete indicators for the civil justice aspect within SDG 16, such as whether the legal profession is liberalized or not.

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.

In 2021 the barometer database has been developed as an easy tool to be filled out, and also easily to be analysed, with automatic reporting functions. The database has constantly been tested by the current countries of operation: Bolivia, Kenya and Serbia, and on the basis of the results made more user-friendly. Also a lot of efforts has been made on the standard reporting, providing complete transparency on the data, and at the same time rendering it comparable. The results should be actionable, leading to ameliorations in the state system and a digital legal aid platform for the people in need of legal protection.

New barometer research was started in Egypt in November 2021 and will be finished early 2022.

3. Legal Rights' Protection Program and Promotion of Universal Access to Legal Aid

Microjustice has developed the Legal Rights' Protection Program to **promote Universal Access to Legal Aid**. In its 25 years of work in the field, supporting refugees and poor people in general, getting legally protected, the challenge has always been to upscale legal service provision in a financially sustainable way to provide affordable legal aid to all, especially the vulnerable groups.

The focus in 2021 has been to have the new products for Microjustice developed and tested, to be ready to be scaled up as of 2022. The Program's aim until 2030 is to act on the implementation of the SDG 16 Civil Justice aspect, resulting in a reputable Global Legal Rights' Protection Barometer and digital Legal Aid Platforms in most countries of the world. Although this ambition sounds huge, the work involved is achievable as the work is limited to:

- The global barometer concretizes the justice gap on a country level
- The LAP is a digital bridge between the people and the legal profession on a country level

The digital Legal Aid Platforms in the countries will provide information for a continuous update of the Barometer. In this way exchange between countries of best practices will be facilitated.

We are running the Program in Serbia, Bolivia, Kenya, Jordan, Egypt and Ukraine.

We plan further scale up to regions and countries that have the interest of our partners and funders as of 2022.

Our method is developed in such a way that it can be easily implemented in any country without hardly any restriction.

The income of Microjustice in 2021 was €101,484 while the budget for 2021 was € 135,068. The budget for 2022 is € 106,935

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Berkel-Enschot, 20 April 2022

Patricia van Nispen tot Sevenaer
Director Microjustice

2. Financial Statements

2.1. Balance sheet

Assets		<u>31 December 2021</u>	<u>31 December 2020</u>
		€	€
Receivables and prepayments	2.4.1	48.486	23.486
Cash and cash equivalents	2.4.2	67.153	225.574
		<u>115.639</u>	<u>249.060</u>

Liabilities		<u>31 December 2021</u>	<u>31 December 2020</u>
		€	€
Reserves and funds continuity reserve	2.4.3	44.873	48.058
Short term liabilities	2.4.4	70.766	201.002
		<u>115.639</u>	<u>249.060</u>

2.2. Statement of income and expenditure

		2021 Actual	2021 Budget	2020 Actual
		€	€	€
Income:				
Income own fundraising	2.5.1	76.484		168.505
Interest income		0		8
Other income	2.5.2	25.000		
Sum of income		101.484		168.513
Expenditure:				
Expenditure on the objective				
Legal Empowerment of the poor	2.5.3	76.484		168.505
Expenditure on fundraising				
Other costs	2.5.4	28.185		2.164
Sum of expenditures	2.5.5	104.669		170.669
Deficit/Surplus		-3.185		-2.156
Appropriation of result				
Allocation or withdrawal from continuity reserve		-3.185		-2.156

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

	31-12-2021	31-12-2020
	€	€
Prepayments on projects	23.486	23.486
Friends of Microjustice	25.000	
Book value at December, 31	<u>48.486</u>	<u>23.486</u>

Microjustice advanced after balance closure date € 23.486 on the Kenya Project in 2022, which was settled after balance closure date.

Friends of Microjustice committed support for running and fundraising costs 2021.

2.4.2. Cash and cash equivalents

Most of the cash and cash equivalents were used for the LIM Project, overheads and operational & development costs, and transitoria.

2.4.3. Continuity reserve

The continuity reserve is specified as follows:

	31-12-2021	31-12-2020
	€	€
Balance at January, 1	48.058	50.214
Release of provision for Invoices of previous years		
Result for the financial year	-3.185	-2.156
Balance at December, 31	<u>44.873</u>	<u>48.058</u>

2.4.4. Short term liabilities

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

	31-12-2021	31-12-2020
	€	€
Grants received in advance		
Advance LIM project	60.806	137.290
Advance POBB Kenya project	0,-	0,-
Accounts payable		
Creditors	1.500	
Transistoria	8.460	63.711
Book value at December, 31	<u>70.766</u>	<u>201.002</u>

In the course of 2021 LIM project has been implemented for which funds had been received earlier. This explains the large drop in 'Grants received in advance'

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:

	<u>2021</u>	<u>2020</u>
	€	€
Implementing SDG16 in Kenya: Setting up a sustainable MICROJUSTICE Legal infrastructure to help communities access their basic legal rights		95.861
Implementing LIM	76.484	72.644
	<u>76.484</u>	<u>168.505</u>

2.5.2. Other income

	2021	2020
	€	€
Realized exchange differences	0,-	262
Non project related donations	25.000	
	25.000	262

2.5.3. Expenditure on the objective

	2021	2020
	€	€
Implementing SDG16 in Kenya: Setting up a sustainable MICROJUSTICE Legal infrastructure to help communities access their basic legal rights		95.861
Implementing Project LIM	76.484	72.644
	<u>76.484</u>	<u>168.505</u>

2.5.4. Other costs

	2021	2020
	€	€
Exchange rate differences	0	29
Overspending Implementing SDG 16 in Kenya	0	2.160
Overhead and operational & development costs	28.185	
Fee Director		
Payment differences	0	0
	28.185	2.164

2.6. Signing of the Annual Report

The Director approves the annual accounts, resulting in total assets of € 115.639-.
The foundation's capital of € 44.873 and a negative result on the balance sheet of € -3.185..

Berkel Enschoot, 20 April 2022

Patricia van Nispen tot Sevenaer
Director Microjustice

3. Other information

3.1. Appropriation of result for the financial year 2021

The negative result of Euro -3.185 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.