



Annual Report 2022

1 January – 31 December 2022

**International Rehabilitation Council
for Torture Victims**

Central Business Registration
No. 16 70 10 33



Table of Contents

STATEMENT BY THE IRCT MANAGEMENT	3
INDEPENDENT AUDITOR'S REPORT	4
MANAGEMENT'S REVIEW	7
ACCOUNTING POLICIES	11
IRCT FINANCIAL RESULTS 1 JANUARY - 31 DECEMBER 2022	13



Statement by the IRCT management

Today the Secretary-General and the Executive Committee have discussed and approved the Annual Report 2022 of IRCT for the financial year 1 January to 31 December 2022.

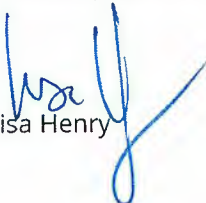
The Annual Report is presented in accordance with the provisions of the Danish Financial Statements Act applying to reporting class A, with the adjustments following from the Organisation's special conditions.

In our opinion the financial statements give a true and fair view of the Organisation's financial position as of 31 December 2022 and of its financial performance for the financial year 1 January to 31 December 2022.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the review.


Copenhagen, 13 April 2023

Secretary-General:

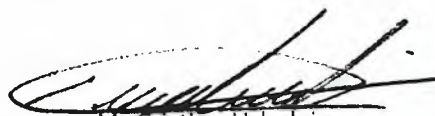


Lisa Henry

Executive Committee:




Ms Lela Tsiskarishvili
GCRT, Georgia
President



Mr Cristian Urbalejo
CCTI, Mexico
Vice-President



Ms Robyn Smythe
STTARS, Australia




Ms Kathryn Corinn Anderson
Survivors of Torture International, USA



Mr Peter Kum Che Mebeng
TCC, Cameroon



Mr Khader Rasras
TRC, Palestine



Ms Khalida Salimi
Struggle for Change, Pakistan



Independent Auditor's Report

To the Management of the International Rehabilitation Council for Torture Victims

Opinion

We have audited the Financial Statements of International Rehabilitation Council for Torture Victims for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, notes and a summary of significant accounting policies. The Financial Statements are presented in accordance with the provisions of the Danish Financial Statements Act applying to reporting class A, with the adjustments following from the Organisation's special conditions.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Organisation at 31 December 2022, and of the results of the Organisation's operations for the financial year 1 January - 31 December 2022 in accordance with the provisions of the Danish Financial Statements Act applying to reporting class A, with the adjustments following from the Organisation's special conditions.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Organisation in accordance with the International Ethics Standards Board for Accountants' (including International Independence Standards) (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act reporting class A and generally accepted accounting principles, 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 Organisation's ability to continue as a going concern, disclosing, as applicable,



matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Organisation 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 ISAs and the additional requirements applicable in Denmark 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 conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism 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 Organisation'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 in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation'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 Organisation to cease to continue as a going concern.



- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act reporting class A and generally accepted accounting principles.

Based on the work we have performed, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act applying to reporting class A, with the adjustments following from the Organisation's special conditions.

Copenhagen, 13 April 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Henrik Brünings
State Authorised Public Accountant

A large, stylized handwritten signature in blue ink, written over the printed name and title of Henrik Brünings.



Management's Review

The IRCT Annual Report layout

The layout of the Annual Report follows the structure of the IRCT Strategy 2022-2025. All IRCT's systems and processes are aligned with the strategic plan to reflect our resource allocation per output and outcome, connecting policy decisions to all levels of activity and operations. Therefore, the presentation of the Annual Report is also output-based, presenting the results along the lines of the three output areas in addition to the common costs.

Principal activities of the organisation

The IRCT is a private, non-partisan, and not-for-profit membership organisation. It is the leading global association on torture rehabilitation with 156 members in 76 countries. The association is governed by its members and aspires to be the global unified voice of the torture rehabilitation movement. The IRCT is uniquely positioned to take the lead in the identification of global standards and evidence-based approaches to rehabilitation, in sharing knowledge on rehabilitation and promoting the sustainability of the movement.

IRCT members focus on holistic rehabilitation of torture victims including access to justice, healing, social support, social reintegration, and public awareness. The IRCT uses its health-based knowledge about the impact of torture on victims to promote accountability and prevention.

The goals are the following:

1. Healing - with the overall aims:
 - o improved rehabilitation capacity of member centres
 - o improved rehabilitation of survivors through support to livelihoods
 - o improved survivor agency through provision of safe and inclusive spaces
2. Justice - with the overall aim that:
 - o forensic evidence and expert opinions contribute to increased State accountability and justice for survivors through public exposure of violations, strategic litigation, and public advocacy
3. Strong organisation - with the overall aim that:
 - o the IRCT is a strong and ethical organisation in the anti-torture ecosystem and is a preferred partner to other organisations, donors, and its members in the anti- torture ecosystem



As all bodies and groups in the organisational structure should exist and function with the objective of furthering the strategy, the IRCT has reviewed the alignment of those with the Strategy 2022-25 with the following results:

1. Governance (General Assembly, Council, Executive Committee): In a post-COVID-19 year with a war in Ukraine and where the climate crisis worsens, IRCT has successfully continued with virtual Council and Executive Committee meetings to keep costs and travel at a minimum level whilst still continuing to have a good flow and participation in the meetings.
2. Committees and working groups: As part of the implementation of the strategy, steering committees with representation from the regions have been established to enable the strategy implementation to be member driven .
3. Secretariat: The Secretariat maintained a lean structure with a small core staff group as well as project specific staff.

The focus on engaging the members in the organisation has led to an increase of centres paying the voluntarily member fees. There has also been an increase in subgrants to the members, especially with focus on livelihood, survivor engagements and advocacy.

The invasion of Ukraine motivated IRCT member centers to respond. The IRCT secretariat secured funding from Sigrid Rausing to support several members in helping survivors from the war in Ukraine.

Summary of results

For the period 1 January – 31 December 2022, the IRCT has a result of 4,6 tEUR. The income of the period totals 2.213 tEUR, covering expenditure of 2.212 t EUR. The total equity is 371 tEUR.

The main variances to the results of 2021 are due to the increase of subgranting to members and the support due to the war in Ukraine. At the same time, IRCT continued a high level of online support and engagement with the membership. A successful webinar series was held with high global participation. Travel activities and related cost increased during the year – especially in the 2nd half after many of the restrictions due to COVID-19 were lifted. The shift to digital methodologies continued and kept the travelling costs relatively low, whilst still maintaining trainings, strategic meetings and interventions with partner countries and other stakeholders in a mix of virtual and physical events.

Common costs decreased partly due to the lower renting costs after the move of the IRCT Secretariat in Copenhagen. The new office and hybrid working modality



set-up have resulted in reduced related costs in 2022. Other costs related to the administration have increased slightly mainly due to the high inflation.

Situational changes and IRCT reactions

In a year where the effects of the COVID-19 pandemic decreased, the Russian attack on Ukraine gave new challenges for the members – especially in and around Ukraine.

Expenditure and Income

The IRCT began to implement and to deliver on the 4-year strategy adopted beginning of 2022. The strategy is pursuing three goals; Healing, Justice, and Strong organisation. This is reflected in the notes 3-6 to the Income Statement, as the layout is different than prior years.

IRCT maintained a focus on supporting the membership with subgrants during and after the COVID-19 period, but now focusing on the goals of the new strategy. A number of subgrants were issued thanks to the support from donors.

IRCT also received a generous grant from the Sigrid Rausing Trust to help centers that were – and still are – affected by the war in Ukraine.

The main core donor for 2022 remains the Ministry of Foreign Affairs of Denmark with 1.2 m EUR per year. In addition, a tranche of 94 tEUR was transferred from 2021 to 2022 and supported the digital resilience of the organisation in Denmark as well as in several selected centers around the world.

IRCT was successful in getting one additional core donor and to diversify the IRCT funding base again in 2022. Via the organisation CVT, IRCT got part in a USAID grant supporting IRCT with work on webinars. The grant is for 2 years and is expected to be prolonged for another 2 years. Furthermore, Sigrid Rausing Trust and Be Thou My Vision has continued their great core support in their current granting cycles.

The collaboration with the Swiss Federal Department of Foreign Affairs continued for one project in 2022. Furthermore, the grant from Novo Nordisk Foundation that were there to support MHPSS work in Lebanon finished during the year. Other foundations also contributed to work.

IRCT members continued providing funding to the organisation through membership contributions. More than 70% of the members contributed a total of almost 60.000 EUR. The funds were allocated to cover governance costs, to the new emergency grant scheme for members in crisis situations and for the Torture Journal.



Also, during 2022 outreach for individual donations was maintained, securing the required threshold of one hundred individual donations to maintain charity status in Denmark.

Reserves

In 2022, the activities of IRCT led to a full utilization of the funds received from the donors and the increase of the reserves by 4 tEUR to 371 tEUR.

According to IRCT's reserve policy, a minimum financial reserve is to be built up and maintained to ensure that; 1. the costs of the organisation can be met for at least six months without income; 2. liabilities can be met in the event of service closure. The reserve may only be accessed with Executive Committee approval.

Planning and controls

In relation to financial management, the Executive Committee and the Secretariat maintained a set of measures to ensure that the IRCT remains a going concern. The Executive Committee has set the directive for a balanced budget and is taking a low-risk approach in our financial planning. The IRCT is focused on continuously monitoring liquidity and carrying out monthly and quarterly financial analysis and reporting. The IRCT also abandoned its petty-cash system and invested in its digital financial management system to optimize approval processes and work paperless as of 2022. The Executive Committee reviewed the financial situation and fundraising progress each quarter and takes the guiding decisions accordingly.

Significant events

Based on the review and subsequent dialogue, the DMFA has approved IRCT's application and granted a new 3-year grant for the IRCT for 2022-2025. IRCT greatly appreciates the support and continued collaboration by the Danish Government.

In Bruxelles, IRCT has also changed the office address and has since 1st January 2023 been residing at Mundo-J, Nijverheidsstraat 10, 1000 Brussels.



Accounting Policies

The 2022 Annual Report of the IRCT has been presented in accordance with the provisions of the Danish Financial Statements Act applying to reporting class A, with the adjustments following from the Organisation's special conditions.

The Annual Report is prepared consistently with the accounting policies applied last year.

General about recognition and measurement

Income is recognised in the income statement as when it is earned. For grants with a duration period over the financial year the principles of IAS 20 are used. Any costs are also recognised in the income statement.

Assets are recognised in the balance sheet when it is likely that future economic benefits will flow to the Organisation and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is likely that future economic benefits will flow from the Organisation and the value of the liability can be measured reliably.

The recognition and measurements take into account predictable losses and risks arising before the year-end reporting and which prove or disprove matters that existed at the balance sheet date.

Income Statement

Grant income

Income from grants is reflected as income in the annual accounts when the expenditure associated with the grant has been incurred. Received disbursement of grants not yet spent is reflected as a donor pre-payment (deferred income) in the balance sheet. Not yet received donor grants for incurred expenses is reflected as a donor receivable in the balance sheet.

Restricted and unrestricted income

Restricted income is attributed only to those activities and periods that are eligible under the specific grant agreement and cannot be used for any other purpose than stipulated. Unrestricted income is attributed to incurred expenditure not otherwise covered during the grant period, and in line with overall donor requirements.

Other external costs

Other external costs include costs relating to administration, premises, consultancies etc. Furniture and computer equipment are expensed in the year of acquisition.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the Organisation's employees. Repayments from public authorities are deducted from staff costs.

Balance Sheet**Receivables**

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Prepayments

Prepayments recognised as assets include costs paid before year-end but relating to the subsequent financial year.

Equity and Reserves

Core Capital and Reserves represents the Organisation's equity. The reserves comprise distributed surpluses restricted for specific purposes. Retained earnings comprise surpluses and deficits accumulated over the years.

Donor grants (deferred income)

Deferred grant prepayments (deferred income) comprise restricted grants relating to subsequent financial year. Prepayments are measured at cost.

Liabilities

Liabilities are measured at amortised cost equal to nominal value.

Foreign currency translation

Transactions in non-Euro currencies are translated to Euro at the monthly average EU exchange rates. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.



IRCT Financial results 1 January - 31 December 2022

Income Statement

	Note	2022 Euro	2021 Euro
<u>Income</u>			
Unrestricted grants	1	446.868	1.369.378
Restricted grants	2	1.766.428	353.614
Consultancies income		102	15.143
Total Income		2.213.398	1.738.135
<u>Expenses</u>			
Healing	3	-1.079.638	0
Justice	4	-677.775	0
Organisational Development	5	-451.338	0
Expenses under the 2018-2021 Strategy	6	0	-1.682.185
Total Expenses		-2.208.751	-1.682.185
Profit/loss for the year		4.647	55.950
<u>Proposed distribution of profit/loss</u>			
Restricted reserves		0	55.000
Retained earnings		4.647	950
		4.647	55.950



Balance

	Note	2022 Euro	2021 Euro
<u>Assets</u>			
Donor grants (receivables)	7	4.462	4.462
Centre receivables		33.425	149.967
Other receivables		9.305	11.688
Prepayments		18.089	12.929
Receivables		65.281	179.046
Cash and cash equivalents		1.110.023	808.073
Total assets		1.175.304	987.119
<u>Equity</u>			
Restricted reserves		365.000	365.000
Retained earnings		6.487	1.840
Total equity	10	371.487	366.840
<u>Current liabilities</u>			
Donor grants (deferred income)	8	683.368	451.611
Centre payables		27.156	10.622
Project payables		3.094	3.200
Trade payables		52.203	44.803
Other payables	9	37.996	110.043
Total current liabilities		803.817	620.279
Total liabilities		803.817	620.279
Total equity and liabilities		1.175.304	987.119
Contingencies etc.	11		



Notes 1 - 2

	2022	2021
	Euro	Euro
Note 1: Unrestricted grants		
National governments		
Denmark: Ministry of Foreign Affairs	79.159	1.115.709
Denmark: SKAT VAT reimbursement	0	3.126
Other (Organisations and Individuals)		
Sigrid Rausing Trust	197.406	120.847
Be Thou My Vision Foundation	71.524	28.899
Globalt Fokus	6.217	0
Danish trusts and foundations	26.887	26.882
Membership contributions	58.538	19.970
Individuals: Soona Brown	0	45.000
Individuals: Residents Denmark and EU	6.569	6.536
Individuals: Residents elsewhere	568	2.409
	446.868	1.369.378
Note 2: Restricted grants		
National governments		
Denmark: Ministry of Foreign Affairs "Strategy"	1.130.844	0
Denmark: Ministry of Foreign Affairs "Digital Resilience"	58.902	0
Denmark: Ministry of Foreign Affairs "Subgrants"	0	104.379
Denmark: Ministry of Culture	8.343	0
Swiss: Ministry of Foreign Affairs "Global Indicator"	65.467	37.860
Swiss: Ministry of Foreign Affairs "Belarus"	0	13.807
Multilateral institutions:		
European Commission		
CBSS: "Country Based Support Scheme"	0	5.704
Other (Organisations and Individuals)		
Sigrid Rausing Trust: "Ukraine Response" & "COVID-19"	186.959	19.992
USAID: "eLearning"	19.720	0
Be Thou My Vision Foundation: "Livelihood"	13.539	0
Novo Nordisk Fonden: "Humanitarian Support"	194.674	21.009
Globalt Fokus: "eLearning" & "Tech4Democracy"	36.249	8.589
Membership contributions: "Torture Journal"	21.345	20.000
Membership contributions: "Global Indicator"	30.386	20.552
Convention Against Torture Initiative	0	887
Anti-Torture Support Foundation	0	100.835
	1.766.428	353.614



Notes 3 - 5

	2022 Euro			
	<u>Members</u>	<u>Salary</u>	<u>Non-Salary</u>	<u>Support</u>
Note 3: Healing				
Global Rehabilitation Capacity	177.904	97.742	216.427	75.988
Livelihoods	288.633	43.422	18.189	11.763
Survivor Engagement	66.796	53.624	6.610	22.540
	533.333	194.788	241.226	110.291
Note 4: Justice				
Torture Exposed	0	61.269	159.736	56.699
Strengthening Laws and Policies	80.541	34.407	122.324	37.033
Impactful Advocacy	24.000	50.698	24.420	26.648
	104.541	146.374	306.480	120.380
Note 5: Organisational Development				
Strong Organisation	36.189	110.587	173.407	131.155
	36.189	110.587	173.407	131.155
	674.063	451.749	721.113	361.826
Direct Support Costs (by category)	0	161.632	200.194	-361.826
	674.063	613.381	921.307	0



Note 6

	2021 Euro	
	<u>Salary</u>	<u>Non-Salary</u>
<u>Note 6a: Global Standards</u>		
IRCT Standards	0	0
Global Standard Setting & Accountability	116.294	207.005
	116.294	207.005
<u>Note 6b: Global Monitoring & Evaluation</u>		
Global Data	5.877	8.026
Global Indicators	12.455	78.363
	18.332	86.389
<u>Note 6c: Global Knowledge</u>		
Shared online platform & Toolbox	59.529	42.477
Torture Journal	34.674	68.237
	94.203	110.714
<u>Note 6d: Global Finance</u>		
IRCT Strategy Funding	65.005	37.024
Member Finance Facilitation	45.386	193.588
Sector Finance	2.937	1.052
	113.328	231.664
<u>Note 6e: Well-run Organisation</u>		
Membership & Governance	52.634	466
Communication & Branding	62.490	20.934
Monitoring & Evaluation	31.946	1.393
	147.070	22.793
<u>Note 6f: Common Costs</u>		
Leadership & Management	36.186	18.606
Financial Administration	88.746	47.905
IT/Communication Systems	17.105	96.702
Human Resources	50.531	18.735
Office Costs	7.935	151.942
	200.503	333.890



Notes 7 - 9

	2022	2021
	Euro	Euro
<u>Note 7: Donor Grants (receivables)</u>		
CBSS: "Country Based Support Scheme"	4.462	4.462
	4.462	4.462
<u>Note 8: Donor payables</u>		
Denmark: Ministry of Foreign Affairs	640.751	94.530
Denmark: Ministry of Culture	5.098	0
Switzerland: Ministry of Foreign Affairs "Global Indicator"	0	44.696
Sigrid Rausing Trust	13.549	62.686
USAID	4.851	0
Be Thou My Vision Foundation	0	13.539
Novo Nordisk Fonden	0	194.674
Globalt Fokus	17.320	18.837
Convention Against Torture Initiative	1.649	1.649
Membership contributions	150	21.000
	683.368	451.611
<u>Note 9: Other payables</u>		
Other accruals	17.906	90.564
Holiday pay reserves	18.196	17.390
Other salary payables (ATP, FerieKonto etc.)	1.894	2.089
	37.996	110.043



Notes 10 - 11

	Core capital	Restricted funds	Retained earnings	In total
Note 10: Equity				
Equity 1 January 2022	0	365.000	1.840	366.840
Distribution of profit/loss	0	0	4.647	4.647
Equity 31 December 2022	0	365.000	6.487	371.487

Note 11: Contingencies etc.

Operation lease

The Organisation has entered into operating lease contracts on IT software (SaaS) with a residual lease payment of 8 tEUR (2021: 8 tEUR).

Tenancy agreements

The IRCT entered into a new tenancy agreement for the Copenhagen office as of 1 January 2022, which can be terminated with a 3 months' notice. The liability amounts to 7 tEUR (2021: 6 tEUR).

The Brussels office tenancy agreement can be cancelled with 90 days notice. The liability amounts to 2 tEUR (2021: 2 tEUR).