

# Front Line, The International Foundation for the Protection of Human Rights Defenders (“Front Line Defenders”)

(A company limited by guarantee and not  
having a share capital)

## Annual Report and Financial Statements

**For the financial year ended 31 December 2019**

## Company Information

**Trustees**

Denis O'Brien  
Noeline Blackwell  
James Daniel Conway  
Mary Lawlor  
Maria Mulcahy  
Kieran Mulvey  
Mary Jane N. Real  
David Sykes  
Arnold Tsunga  
Veronica Vidal Degiorgis

**Company Secretary**

Andrew Anderson

**Company registration number**

593190

**CHY number**

14029

**Registered office**

2<sup>nd</sup> Floor  
Grattan House  
Temple Road  
Blackrock  
Co. Dublin

**Independent auditors**

Grant Thornton  
Chartered Accountants & Statutory Audit Firm  
13-18 City Quay  
Dublin 2

**Bankers**

Bank of Ireland  
Blackrock  
Co. Dublin

ING SA/NV  
Siege de Bruxelles  
Cours Saint Michel 60  
1040 Broxelles  
Belgium

**Solicitors**

William Fry Solicitors  
2 Grand Canal Square  
Dublin 2

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# Front Line, The International Foundation for the Protection of Human Rights Defenders

## Trustees' Annual Report

For the financial year ended 31 December 2019

The trustees, who are also directors for the purposes of Company Law, present their Annual Report and the financial statements for the financial year ended 31 December 2019.

### **Incorporation and commencement of activities**

The company was incorporated on 18 November 2016. Up until 31 March 2017, the activities of 'Front Line Defenders' were carried on within a Trust structure. On 1 April 2017 the aforementioned Trust ceased to operate and transferred its operations and gifted its net assets to Front Line, the International Foundation for the Protection of Human Rights Defenders. The company commenced activities from this date. Front Line, the International Foundation for the Protection of Human Rights Defenders also known as "Front Line Defenders" is a registered charity with charity number CHY14029 and company registration number 593190 with a registered office at 2<sup>nd</sup> Floor, Grattan House, Temple Road, Blackrock Co. Dublin.

### **Objectives and activities**

Front Line Defenders was founded in Dublin in 2002, with the specific aim of protecting human rights defenders (HRDs) at risk, people who work, non-violently, for any or all of the rights enshrined in the Universal Declaration of Human Rights (UDHR). Front Line Defenders addresses the protection needs identified by HRDs themselves.

### **Purpose**

Our purpose is protecting human rights defenders at risk. Our main objectives are as follows:

- To promote research and education into the maintenance and observance of Human Rights and to publish the results of such research.
- To provide relief to the victims of breaches of Human Rights by the provision of appropriate medical, rehabilitation or financial assistance.
- To provide education, communication, support to Human Rights Defenders wherever they may be located.
- To provide an educational resource for Human Rights Defenders and the general public and to educate and inform the public of the activities of such Human Rights Defenders by all legal means.
- To provide, distribute and publish information and research about Human Rights and the activities of those involved in defending same by whatever means may be appropriate from time to time.
- To promote awareness of unfair discrimination of all types throughout the world, in accordance with the values enshrined in the Universal Declaration of Human rights and the promotion by legal means of awareness and education about the legal systems and internal administration of all countries throughout the world including compiling and publishing information with regard to Human Rights as defined in the UDHR.
- To promote the furtherance of the 'primary objects' of this company by the setting up of networks of individuals by any means.
- To carry out any legal charitable purposes for the advancement of the objects of this Trust as the Trustees shall from time to time consider appropriate.

### **Financial review**

The net surplus for the financial year ended 31 December 2019 was €140 (2018: Deficit of €155).

The Statement of Financial Activities and Balance Sheet for the year are set out on pages 12-13. Funds are raised on the basis of specific projects such as digital protection and general support from governments, individuals and private foundations.

The trustees are satisfied that Front Line Defenders will continue to operate as a going concern for the foreseeable future.

At the end of the year, the charity had assets of €2,401,074 (2018: €4,691,093) and liabilities of €2,272,089 (2018: €4,562,248). The net funds of the charity have increased by €140 (2018: decreased by €155), and the Trustees are satisfied with the level of retained funds at the year end.

## Trustees' Annual Report

For the financial year ended 31 December 2019

### Fundraising

Fundraising activities during 2019 achieved the objectives set, allowing the organisation to meet its target income generation of €6,099,174 set at the beginning of 2019.

Expenditure for fundraising activities was incurred primarily for travel in order to meet funders and to contact potential new funders in Europe and the US. Maintaining direct and personal relationships between key Front Line Defenders staff members and funders is key to the continued success of our fundraising operations. The total cost for fundraising, including salaries of fundraising personnel, represents 4% of the total organisational expenditure.

Front Line Defenders employs fundraising personnel and carries out its fundraising activities directly. The organisation does not make use of volunteers or third parties for fundraising purposes. The organisation's fundraising approach is to obtain funding from institutional funders including governments and inter-governmental organisations such as the European Union, as well as from private foundations. The organisation receives donations from a small number of private individuals but does not engage in fundraising campaigns with the general public.

### Achievements and performance

During the financial year ended 31 December 2019, Front Line Defenders continued to focus resources and energy on the rapid and practical support for the protection of human rights defenders at risk in line with our aims and objectives and the Strategic Plan 2019-2022. During the period

- Front Line Defenders supported 2307 human rights defenders in 117 countries;
- Front Line Defenders issued 199 Urgent Appeals on behalf of 395 individuals at risk in 61 countries and undertook advocacy with the relevant national authorities, lobbied the EU to take action in 162 cases and submitted cases to the UN and regional mechanisms;
- The Front Line Defenders Security Grants Programme provided 626 grants, totalling €1,514,838 to 460 individuals and 166 organisations at risk in 101 countries. 164 grants were provided for temporary relocations;
- Front Line Defenders' protection, visibility and security advisory teams carried out 89 field visits to 49 countries;
- 133 HRDs from 14 countries participated in 10 trainings on personal and organisational security;
- 275 HRDs received security advice through 93 consultations in 26 countries;
- 382 HRDs and 200 human rights organisations in 66 countries were supported by the Digital Protection team through 63 visits and remote support;
- 294 HRDs from 20 countries participated in 24 digital protection trainings;
- 23 HRDs from 11 countries were supported through the Rest & Respite Programme;
- 114 HRDs from 90 countries participated in the 2019 Dublin Platform for human rights defenders at risk, held at Dublin Castle from 2 to 4 October;
- Human rights defenders ID cards were provided to 543 HRDs;
- Front Line Defenders published *Defenders Beyond Borders: Migrant Rights Defenders under attack in Central America, Mexico and the United States*; and
- The Front Line Defenders Award was presented to five LGBTI+ rights defenders. Regional winners were Rozanna Marzan from the Dominican Republic, Veronika Lapina from Russia, Shinta Ratri from Indonesia and Nyasa Rainbow Alliance from Malawi, and Badr Babou from Tunisia was selected as the Global Laurate.

The context in which Front Line Defenders operates continues to be challenging. In 2019, Front Line Defenders received reports on the murder of at least 304 defenders in 31 countries, in line with the high rate of killings of the previous year. 40% of these defenders were working to defend land, indigenous and environmental rights. Criminalisation remained the most common strategy employed to obstruct and delegitimise the work of defenders. Thousands of HRDs were detained, presented with fabricated charges, subjected to lengthy, expensive and unfair legal processes and, in some cases, sentenced to long prison terms. The wave of restrictive legislation targeting HRDs and independent media continued in 2019 and both the quasi-legal and the more violent tactics of oppressors were accompanied by professional and well-resourced smear campaigns.

The organisation continued to review and revise its activities in the light of feedback from human rights defenders and learnings from the activities undertaken, including through a country evaluation conducted in Kenya and an evaluation of the Dublin Platform.

# Front Line, The International Foundation for the Protection of Human Rights Defenders

## Trustees' Annual Report

For the financial year ended 31 December 2019

Income generation during 2019 was positive and on target.

### Impact on beneficiaries

The organisation continued to review and monitor impact and performance in accordance with the Monitoring & Evaluation Plan and the Results Framework agreed as part of our contract with Irish Aid. Some highlights from 2019 included:

- 91% of HRDs reported having implemented a security plan as a result of the training;
- 99% of HRDs reported using digital security tools as a result of individual consultancy;
- 67% of HRDs reported using digital security tools as a result of training.

### Structure, governance and management

Front Line, The International Foundation for the Protection of Human Rights Defenders is a company limited by guarantee and governed by the Articles of Memorandum. Currently, the Board of Trustees has 10 members and 2 committee as follows:

#### Board of Trustees

Denis O'Brien  
Noeline Blackwell\*  
James Daniel Conway  
Mary Lawlor  
Maria Mulcahy  
Kieran Mulvey  
Mary Jane N. Real  
David Sykes  
Arnold Tsunga  
Veronica Vidal Degiorgis

#### Audit Sub Committee

Maria Mulcahy  
Kieran Mulvey  
David Sykes

#### Programme Sub Committee

Mary Jane N. Real  
Arnold Tsunga  
Veronica Vidal Degiorgis

#### Board Meetings

29 March 2019 (AGM)  
13 September 2019  
22 November 2019

#### Audit Sub Committee Meetings

25 March 2019

#### Programme Sub Committee Meetings

28 March 2019

In accordance with Section 1196 of the Companies Act 2014 and the rota agreed at the 2018 AGM, three trustees retired from office, namely Denis O'Brien, Mary Lawlor and Noeline Blackwell. Denis O'Brien and Mary Lawlor stood for re-election and were elected by members. Noeline Blackwell did not stand for re-election.

The Memorandum of Association states that the number of members which the company proposes to register is 9 but the trustees may from time to time register an increase of members. Every person who wishes to be a member shall deliver to the trustees an application for membership in such form as the trustees may require to be executed. The trustees will then approve such applications for membership of the company as they see fit.

The Board of Trustees is responsible for the approval of strategic plans, annual business plans and budgets, and approves the statutory financial statements. The Board delegates the day to day running of the organisation to the Executive Director, Andrew Anderson, who is responsible and accountable for the implementation of the Annual Business Plan and Budget. Front Line Defenders senior management team is composed of Executive Director, Andrew Anderson, and Deputy Director, Andrea Rocca.

The trustees are put through a formal induction course on appointment as trustee for the first time, and are put through an orientation day. Trustees are unpaid and details of trustee expenses are given in note 10 to the financial statements. The trustees consider that the senior management team comprise the key management personnel of the organisation, in charge of directing and controlling the day-to-day operations.

\* Noeline Blackwell stood down at the AGM of March 2019 and did not stand for re-election.

## Trustees' Annual Report

For the financial year ended 31 December 2019

The pay of the senior staff is reviewed annually and normally increased in line with inflation. Given the nature of the charity, the Trustees benchmark against pay levels in other similar charities or commercial operations that provide similar services.

Front Line Defenders adheres to the Dochas Code on Corporate Governance and a number of procedures and policies, including an Equal Opportunities Policy adopted in May 2014, are in place in that regard. In 2019, Front Line Defenders prepared for compliance with the new Charities Governance Code issued by the Charities Regulator. Charities are expected to comply with the Code in 2020 and to report on their compliance in 2021.

### **Trustees, secretary and their interests**

The trustees who served at any time during the financial year were:

Denis O'Brien  
Noeline Blackwell  
James Daniel Conway  
Mary Lawlor  
Maria Mulcahy  
Kieran Mulvey  
Mary Jane N. Real  
David Sykes  
Arnold Tsunga  
Veronica Vidal Degiorgis

Company Secretary: Andrew Anderson

In accordance with Section 329 of the Companies Act 2014 the trustees and secretary of the company who held office at 31 December 2019 confirmed that they have no beneficial interests as the company is limited by guarantee having no share capital.

### **Key risks and uncertainties**

The company's risk register is regularly reviewed by the Board of Trustees together with the triggers, consequences, mitigation steps and persons responsible. The following continue to be the potential risks that are most serious:

1. The risk of harm coming to a human rights defender as a result of Front Line Defenders action (or inaction);
2. The safety of Front Line Defenders staff or representatives in the field;
3. The risk of a decline in funding/loss of a key funder;
4. The risk of an incident seriously damaging the reputation of Front Line Defenders, particularly through publishing false information or through fraud/mismanagement of funds or through actions of someone affiliated with the organisation.

### **Grant accounting policy**

Grants are credited to the statement of financial activities when there is reasonable assurance that:

1. the company will comply with the conditions of the grant agreement; and
2. the grant will be received; and
3. the grant can be measured reliably.

The company recognises government grant income based on the performance model and is applied on a class-by-class basis.

Under the performance model grant income is recognised as follows:

- Where there are specified future performance-related conditions, the grant income is recognised when the performance-related conditions are met.

## Trustees' Annual Report

For the financial year ended 31 December 2019

- Where there are no specified future performance-related conditions, the grant income is recognised when the grant proceeds are received or receivable.
- Where grant income is received before the revenue recognition criteria are satisfied the income is recognised as a liability.

The company recognises other grant income and donations under the accruals model as follows:

- Grants relating to revenue shall be recognised in income on a systematic basis over the term of the grant agreement entered in line with the related costs for which the grant is intended to compensate.
- Where a grant is receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support to the Company with no future related costs, the income is recognised in the period in which it becomes receivable.

### **Reserves policy**

The Board of Trustees has a Reserves Policy in place which states:

- Unrestricted funds consist of general funds which are expendable at the discretion of the Board in furtherance of the objectives of the charity;
- Designated funds represent amounts that Front Line Defenders has at its discretion set aside for specific purposes, which would otherwise form part of the general reserves of the organisation.
- Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

In order to secure the long term viability of Front Line Defenders and to maintain the smooth operation of the organisation, it is critical to ensure access to adequate funding.

Front Line Defenders has the ability to request additional funding from a Donor Trust in the event of experiencing severe financial strain. The Board believes this facility would ensure the continued operation of the organisation, based on historical running costs and program expenditure.

The Board of Trustees has calculated that the optimum reserve level for the organisation would be a figure that reflects 8 months operational overhead costs plus a calculation of winding up costs. This figure will be updated on an annual basis. This equates to a reserve fund balance requirement of €4.4m. The current balance of €5.3m meets that requirement and allows for some potential growth.

The Donor Trust has confirmed to the Front Line Defenders Board of Trustees that this sum is available and also that at least one quarter of the reserve fund is available on a short notice to facilitate any short term liquidity issues.

Any interest accrued by the Donor Trust will in the first instance be used to ensure the balance held will cover the optimum reserve level set in this policy. In years where the funds held in the Donor Trust are sufficient to cover the optimum reserve level any interest can be drawn down to support the ongoing work of Front Line Defenders.

Total funds held at financial year end was €128,985 (2018: €128,845). This comprises of a surplus of €4,557 (2018: surplus of €36,289) of restricted funds and a surplus of €124,428 (2018: €92,556) of unrestricted funds.

### **Remuneration policy**

Front Line Defenders' remuneration policy is set out in its Terms of Conditions of Service, which states that salary grades and scales are linked to the Civil Service grades and scales and set out in the staff contract at time of appointment. The decision on which point on which scale a post will be appointed on lies with the Executive Director and will be made on the basis of level of responsibility of the post and level of experience of the candidate.

### **Staff and volunteers**

Front Line Defenders employs 43 staff members. Interns and volunteers support our work on a rolling basis.



## Trustees' Annual Report

For the financial year ended 31 December 2019

Front Line Defenders benefits from the contribution of a small number of volunteers on an ongoing basis both in the office and in providing support to HRDs visiting Ireland. In addition, Front Line Defenders benefits from the support of volunteers during the Dublin Platform, a conference we organise every two years and bringing together over 200 attendees. The 2019 Dublin Platform was held on 2-4 October 2019.

### Plans for the future

The Annual Business Plan for 2019 was the first under the Strategic Plan 2019-2022, adopted in 2018, and reflects the strategic priorities identified therein. The core focus will continue to be on protection grants, capacity building, protection advice, advocacy on individual cases and campaigning around visibility & legitimacy for HRDs at risk. In line with the Strategic Plan, in 2020 we will add a second Protection Coordinator for Middle East and North Africa region and expand capacity in the delivery of training. We will continue our review of management capacity and organisational systems.

Income projections for 2020 are robust given the significant number of multi-annual funding arrangements in place. The main focus of attention will be on grant renewals and income generation focused on 2021 and beyond.

We are liaising with donors on the potential impact of Covid-19 on both programme activities and any impact on income. Initial indications are that our key donors want to stress that they will be flexible about any rearrangement of activities that might be necessary. We will continue to liaise and monitor this. We remain confident about 2020 income but clearly the global economic impact of the Covid-19 crisis may have consequences in 2021 and beyond.

### Events since the end of the financial year

There have been no significant events affecting the company since the financial year end other than as noted above.

### Accounting records

The measures taken by the trustees to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The accounting records of the Company are located at the company's registered office.

### Statement on relevant audit information

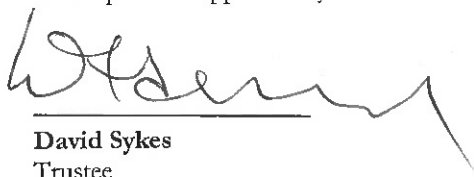
Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

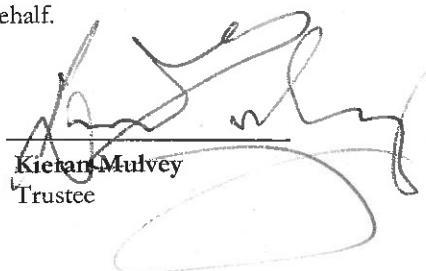
- so far as the trustee is aware, there is no relevant audit information of which the Company's auditors are unaware; and,
- the trustees has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Auditors

The auditors, Grant Thornton, Chartered Accountants continue in office in accordance with section 383(2) of the Companies Act 2014.

This report was approved by the board and signed on its behalf.

  
David Sykes  
Trustee

  
Kieran Mulvey  
Trustee

Date: 23/4/2020

## Trustees' Responsibilities Statement for the financial year ended 31 December 2019

The trustees are responsible for preparing the Trustees Report and the financial statements in accordance with applicable Irish law and regulations.

Irish company law requires the trustees to prepare financial statements for each financial year giving a true and fair view of the state of affairs of the company for each financial year. Under the law the trustees have elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice in Ireland, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and in compliance with the Statement of Recommended Practice "Accounting and Reporting for Charities", effective 1 January 2019.

Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the surplus or deficit of the company for the financial year and otherwise comply with Companies Act 2014.

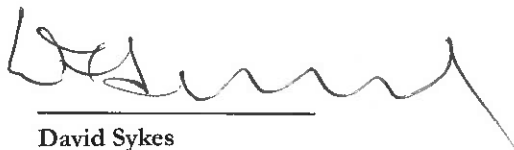
In preparing these financial statements, the trustees are required to:

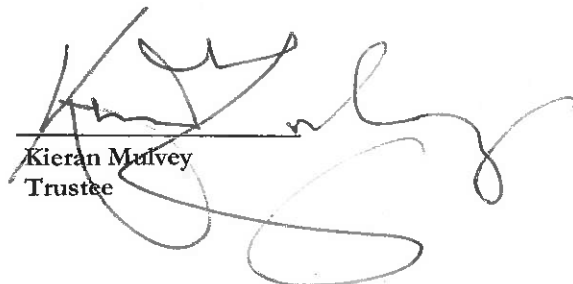
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and surplus or deficit of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and trustees report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the company and financial information included on the company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the board and signed on its behalf.

  
\_\_\_\_\_  
David Sykes  
Trustee

  
\_\_\_\_\_  
Kieran Mulvey  
Trustee

Date: 23/4/2020

# Independent Auditor's Report to the Trustees of Front Line, The International Foundation for the Protection of Human Rights Defenders

## Opinion

We have audited the financial statements of Front Line, The International Foundation for the Protection of Human Rights Defenders (the Company), which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows for the financial year ended 31 December 2019, and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (Generally Accepted Accounting Practice in Ireland).

In our opinion, Front Line, The International Foundation for the Protection of Human Rights Defenders' financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the assets, liabilities and financial position of the company as at 31 December 2019 and of its financial performance and cash flows for the financial year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)') and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, namely the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# Independent Auditor's Report to the Trustees of Front Line, The International Foundation for the Protection of Human Rights Defenders (continued)

## **Other information**

Other information comprises information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Matters on which we are required to report by the Companies Act 2014**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Trustees report is consistent with the financial statements. Based solely on the work undertaken in the course of our audit, in our opinion, the Trustees report has been prepared in accordance with the requirements of the Companies Act 2014.

## **Matters on which we are required to report by exception**

Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report.

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of trustees remuneration and transactions specified by section 305 to 312 of the Act have not been made. We have no exceptions to report arising from this responsibility.

## **Responsibilities of management and those charged with governance for the financial statements**

As explained more fully in the Trustees Responsibilities Statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS 102, and for such internal control as trustees determine 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 company'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 company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

# Independent Auditor's Report to the Trustees of Front Line, The International Foundation for the Protection of Human Rights Defenders (continued)

## **Responsibilities of the auditor for the audit of the financial statements**

The auditor's 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 their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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 ISAs (Ireland), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. The auditor will 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 their 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 company'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 company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the Auditor's report. However, future events or conditions may cause the company 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 a true and fair view.

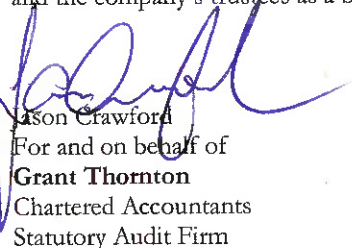
The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

# Independent Auditor's Report to the Trustees of Front Line, The International Foundation for the Protection of Human Rights Defenders (continued)

## The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's trustees, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's trustees those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Jason Crawford  
For and on behalf of  
**Grant Thornton**  
Chartered Accountants  
Statutory Audit Firm

13-18 City Quay  
Dublin 2

Date: 23/4/2020

Front Line, The International Foundation for the Protection of Human Rights Defenders

Statement of Financial Activities, Incorporating the Income & Expenditure Account

For the financial year ended 31 December 2019

	2019 Unrestricted Funds €	2019 Restricted Funds €	2019 Total Funds €	2018 Unrestricted Funds €	2018 Restricted Funds €	2018 Total Funds €
<b>Income and endowments from:</b>						
Charitable activities	1,917,365	2,588,916	4,506,281	1,544,704	2,441,632	3,986,336
Donations and legacies	508,780	1,351,875	1,860,655	562,829	1,235,881	1,798,710
Total income	2,426,145	3,940,791	6,366,936	2,107,533	3,677,513	5,785,046
<b>Expenditure on:</b>						
Charitable activities	(2,188,534)	(3,942,227)	(6,130,761)	(1,903,481)	(3,641,224)	(5,544,705)
Raising funds expenditure	(205,739)	(30,296)	(236,035)	(240,496)	-	(240,496)
Total expenditure	(2,394,273)	(3,972,523)	(6,366,796)	(2,143,977)	(3,641,224)	(5,785,201)
<b>Net surplus / (expenditure)</b>	31,872	(31,732)	140	(36,444)	36,289	(155)
<b>Net movements in funds</b>	31,872	(31,732)	140	(36,444)	36,289	(155)
<b>Reconciliation of funds</b>						
Fund balances at the beginning of the financial year	92,556	36,289	128,845	129,000	-	129,000
<b>Fund balances at the end of financial year</b>	124,428	4,557	128,985	92,556	36,289	128,845

All amounts relate to continuing operations.

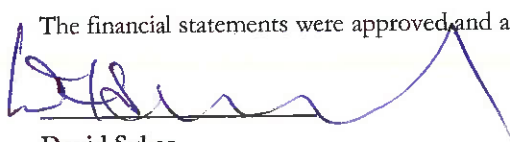
There was no other comprehensive income during the financial year (2018: €NIL).  
The notes on pages 15 to 28 form part of these financial statements.

## Balance Sheet

As at 31 December 2019

	Notes	2019 €	2018 €
<b>Fixed assets</b>			
Tangible assets	11	51,889	54,057
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	242,218	802,923
Debtors: amounts falling due after more than one year	12	18,280	13,180
Cash at bank and in hand	13	2,088,687	3,820,933
		<u>2,349,185</u>	<u>4,637,036</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	14	(2,272,089)	(4,562,248)
<b>Net current assets</b>		<u>77,096</u>	<u>74,788</u>
<b>Total assets less current liabilities</b>		<u><u>128,985</u></u>	<u><u>128,845</u></u>
<b>Funds</b>			
Unrestricted funds	16	124,428	92,556
Restricted funds	16	4,557	36,289
<b>Total funds</b>		<u><u>128,985</u></u>	<u><u>128,845</u></u>

The financial statements were approved and authorised for issue by the board:

  
David Sykes  
Trustee

  
Kieran Mulvey  
Trustee

Date: 23/4/2020

The notes on pages 15 to 28 form part of these financial statements.



## Statement of Cash Flows

For the financial year ended 31 December 2019

	2019	2018
	€	€
<b>Cash flows from operating activities</b>		
Net surplus / (deficit) for the financial year	140	(155)
<b>Adjustments for:</b>		
Depreciation	24,931	19,521
Interest received	(5)	(3)
Decrease/(Increase) in debtors	555,605	(268,522)
(Decrease)/Increase in creditors	(2,412,128)	544,507
<b>Net cash (used in)/generated from operating activities</b>	<u>(1,831,457)</u>	<u>295,348</u>
<b>Cash flows from investing activities</b>		
Acquisition of tangible assets	(22,763)	(50,350)
Interest received	5	3
<b>Net cash used in investment activities</b>	<u>(22,758)</u>	<u>(50,347)</u>
<b>Increase in cash at bank and in hand in the financial year</b>	<u>(1,854,215)</u>	<u>245,001</u>
<b>Cash at bank and in hand at beginning of financial year</b>	<u>3,820,933</u>	<u>242,105</u>
<b>Cash held in a restricted capacity (Note 13)</b>	<u>121,969</u>	<u>3,333,827</u>
<b>Cash at bank and in hand at end of financial year</b>	<u><u>2,088,687</u></u>	<u><u>3,820,933</u></u>

**Analysis of changes in net debt:**

	At start of year	Cash	Other non-cash changes	At end of year
Cash	3,820,933	(1,827,177)	24,931	2,088,687
Bank overdrafts	18,859	(12,223)	-	6,336

The notes on pages 15 to 28 form part of these financial statements.

## Notes to financial statements

For the financial year ended 31 December 2019

### 1. General information

Front Line, The International Foundation for the Protection of Human Rights Defenders (“Front Line”) is a company limited by guarantee incorporated in the Republic of Ireland on 18 November 2016 with a registered office at 2<sup>nd</sup> Floor Grattan House, Temple Road, Co. Dublin. The company began its activities on 1 April 2017.

The company is a charitable company limited by guarantee. The charity does not have share capital, and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the charity on winding up such amounts as may be required, but not exceeding €1.

### 2. Accounting policies

#### 2.1 Basis of preparation

##### *(a) Statement of compliance with the Financial Reporting Standards*

The financial statements are prepared on a going concern basis, under the historical cost convention unless otherwise noted in the accounting policies below. They have been prepared in accordance with the accounting standards issued by the Financial Reporting Council, including FRS102 “The Financial Reporting Standard Applicable in the UK and Republic of Ireland” (“FRS102”), and the Statement of Recommended Practice – Accounting and Reporting by Charities, effective 1 January 2019 (“SORP”), and Irish Statute comprising Companies Act 2014.

The charity has adopted the SORP on a voluntary basis as its application is not a requirement of current regulations for charities registered in Ireland; however, it is considered best practice. The trustees consider the adoption of the SORP as the most appropriate accounting practice and presentation to properly reflect and disclose the activities of the charity.

The company meets the definition of a public benefit entity under FRS102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

##### *(b) Functional and presentation currency*

The financial statements are presented in Euro (€), the company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

#### 2.2 Fund accounting

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

#### 2.3 Grants

Grants are credited to the Statement of Financial Activities when there is reasonable assurance that:

- the company will comply with the conditions of the grant agreement; and
- the grant will be received.

## Notes to financial statements

For the financial year ended 31 December 2019

### 2. Accounting policies (continued)

#### 2.3 Grants (continued)

The company recognises government grant income based on the performance model and is applied on a class-by-class basis.

Under the performance model grant income is recognised as follows:

- Where there are specified future performance-related conditions, the grant income is recognised when the performance-related conditions are met.
- Where there are no specified future performance-related conditions, the grant income is recognised when the grant proceeds are received or receivable.
- Where grant income is received before the revenue recognition criteria are satisfied the income is recognised as a liability.

The company recognises other grant income and donations under the accruals model as follows:

- Grants relating to revenue shall be recognised in income on a systematic basis over the term of the grant agreement entered in line with the related costs for which the grant is intended to compensate.
- Where a grant is receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support to the Company with no future related costs, the income is recognised in the period in which it becomes receivable.

#### 2.4 Interest income

Interest income is recognised in the Statement of Financial Activities using the effective interest method.

#### 2.5 Recognition of expense

Expenditure is analysed between raising funds and charitable activities.

The costs of each activity have been separately accumulated and disclosed. Expenditure is recognised in the financial period to which it relates. Expenditure incurred but unpaid at the balance sheet date is included in accruals and other creditors. Charitable expenditure comprises all expenditure incurred by the company in meeting its charitable objectives as opposed to the costs of raising funds to finance these activities.

#### 2.6 Allocation of costs

Support costs are those functions that assist the work of the company but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the company's programmes and activities. These costs have been allocated between expenditure on charitable activities and grants and programmes.

#### 2.7 Foreign exchange and functional currency

Transactions during the financial period have been translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the rates of exchange ruling at the balance sheet date. The resulting surplus or deficits are dealt with in the Statement of Financial Activities.

## Notes to financial statements

For the financial year ended 31 December 2019

### 2. Accounting policies (continued)

#### 2.8 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the financial period until the date the rent is expected to be adjusted to the prevailing market rate.

#### 2.9 Pensions

Pension benefits for employees are met by payments to a defined contribution pension fund. Contributions are charged to the Statement of Financial Activities in the year in which they fall due. Differences between the amounts charged in the Statement of Financial Activities and payments made to pension funds are treated as assets or liabilities.

#### 2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Fixed assets of the original Trust were gifted to the Company effective 1 April 2017 at net book value.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	- 5 years
Computer equipment	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

#### 2.11 Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

## Notes to financial statements

For the financial year ended 31 December 2019

### 2. Accounting policies (continued)

#### 2.12 Reserves

Unrestricted funds consist of general funds which are expendable at the discretion of the Board in furtherance of the objectives of the company.

Designated funds represent amounts that Front Line has at its discretion set aside for specific purposes, which would otherwise form part of the general reserves of the organisation.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

In order to secure the long term viability of Front Line and to maintain the smooth operation of the organisation, it is critical to ensure the company has access to adequate funding.

The Board has calculated that the optimum reserve level for the organisation would be a figure that reflects 8 months operational overhead costs plus a calculation of winding up costs. This figure is updated on an annual basis. This equates to a reserve fund balance requirement of €5.3m which is allocated to a specific fund.

The Donor Trust has confirmed to the Front Line Board of Trustees that this sum is available and also that at least one quarter of the reserve fund is available on a short notice to facilitate any short term liquidity issues.

Any interest accrued by the Donor Trust will in the first instance be used to ensure the balance held will cover the optimum reserve level set in this policy. In years to come, where the funds held in the Donor Trust are sufficient to cover the optimum reserve level any interest can be drawn down to support the ongoing work of Front Line.

#### 2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, including transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash at bank and in hand are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

#### 2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, including transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## Notes to financial statements

For the financial year ended 31 December 2019

### 2. Accounting policies (continued)

#### 2.16 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors' including expectation of future events that are believed to be reasonable under the circumstances.

#### Significant management judgement

The following are significant management judgments in applying accounting policies of the company that have the most significant effect on the financial statements.

#### ***Classification and analysis of restricted and unrestricted income and corresponding expenditure***

Determining appropriate classification of income as being either restricted or unrestricted in line with donors' contracted stipulations is a significant judgement applied by management. Thorough reviews of agreements are performed by management to ensure appropriate analysis and expenditure in line with same.

## Notes to financial statements

For the financial year ended 31 December 2019

### 3. Judgments in applying accounting policies and key sources of estimation uncertainty (continued)

#### Estimates and Assumptions

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as discussed below:

#### *Estimating useful lives of depreciable assets*

Management reviews its estimates of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technical or physical obsolescence that may change the utility of certain office and computer equipment.

### 4. Income from charitable activities

	2019		
	Unrestricted Funds	Restricted Funds	Total Funds
	€	€	€
Government grants	1,887,275	1,675,132	3,562,407
Non-Government grants	30,090	913,784	943,874
	<hr/>	<hr/>	<hr/>
<b>Total income from charitable activities</b>	<b>1,917,365</b>	<b>2,588,916</b>	<b>4,506,281</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	2018		
	Unrestricted Funds	Restricted Funds	Total Funds
	€	€	€
Government grants	1,512,273	1,751,944	3,264,217
Non-Government grants	32,431	689,688	722,119
	<hr/>	<hr/>	<hr/>
<b>Total income from charitable activities</b>	<b>1,544,704</b>	<b>2,441,632</b>	<b>3,986,336</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

### 5. Donations and legacies

	2019		
	Unrestricted Funds	Restricted Funds	Total Funds
	€	€	€
Trust and Foundation income	488,151	1,351,875	1,840,026
Public donations	20,624	-	20,624
Interest income	5	-	5
	<hr/>	<hr/>	<hr/>
<b>Total income from donations</b>	<b>508,780</b>	<b>1,375,875</b>	<b>1,860,655</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## Notes to financial statements

For the financial year ended 31 December 2019

### 5. Donations and legacies (continued)

	Unrestricted Funds	Restricted Funds	2018
	€	€	Total Funds €
Trust and Foundation income	539,155	1,235,881	1,775,036
Public donations	23,671	-	23,671
Interest income	3	-	3
<b>Total income from donations</b>	<b>562,829</b>	<b>1,235,881</b>	<b>1,798,710</b>

### 6. Expenditure on charitable activities

	Unrestricted Funds	Restricted Funds	2019
	€	€	Total Funds €
<b>Grant &amp; Programme</b>			
Protection grant assistance for HRDs	217,598	1,740,521	1,958,119
Programs for HRDs	90,591	122,072	212,663
Protection training and capacity building	93,632	637,142	730,774
Regional based protection coordination for HRDs	310,078	597,096	907,174
Multilingual resources for HRDs	69,383	10,899	80,282
Visibility and legitimacy for HRDs	357,827	168,041	525,868
The Dublin Platform for HRDs	89,770	337,722	427,492
Dublin Human Rights Festival	5,826	-	5,826
Memorial project	58,884	38,358	97,242
International advocacy for the protection of HRDs at Risk	338,420	173,212	511,632
<b>Total grant &amp; programme</b>	<b>1,632,009</b>	<b>3,825,063</b>	<b>5,457,072</b>
<b>Support costs</b>			
Programme management	41,364	10,868	52,232
Premises and facilities	56,086	12,300	68,386
Human resources and organisational development	22,572	4,098	26,670
Information technology	48,447	10,875	59,322
Finance	81,415	59,469	140,884
Operational costs	211,043	13,200	224,243
Governance costs	95,598	6,354	101,952
<b>Total support costs</b>	<b>556,525</b>	<b>117,164</b>	<b>673,689</b>
<b>Total expenditure on charitable activities</b>	<b>2,188,534</b>	<b>3,942,227</b>	<b>6,130,761</b>



## Notes to financial statements

For the financial year ended 31 December 2019

### 6. Expenditure on charitable activities (continued)

	Unrestricted Funds €	Restricted Funds €	2018 Total Funds €
<b>Grant &amp; Programme</b>			
Protection grant assistance for HRDs	95,734	2,152,648	2,248,382
Programs for HRDs	99,993	90,188	190,181
Protection training and capacity building	114,557	587,818	702,375
Protection coordination for HRDs	308,083	439,263	747,346
Multilingual resources for HRDs	93,224	19,871	113,095
Visibility and legitimacy for HRDs	324,195	122,383	446,578
Dublin Human Rights Festival	11,460	-	11,460
Memorial project	75,961	12,176	88,137
International advocacy for the protection of HRDs at Risk	296,690	84,301	380,991
<b>Total grant &amp; programme</b>	<b>1,419,897</b>	<b>3,508,648</b>	<b>4,928,545</b>
<b>Support costs</b>			
Programme management	44,504	4,422	48,926
Premises and facilities	14,066	56,887	70,953
Human resources and organisational development	13,494	4,908	18,402
Information technology	70,344	422	70,766
Finance	72,301	43,322	115,623
Operational costs	197,312	3,794	201,106
Governance costs	71,563	18,821	90,384
<b>Total support costs</b>	<b>483,584</b>	<b>132,576</b>	<b>616,160</b>
<b>Total expenditure on charitable activities</b>	<b>1,903,481</b>	<b>3,641,224</b>	<b>5,544,705</b>

**Front Line, The International Foundation for the Protection of Human Rights Defenders**

**Notes to financial statements**

For the financial year ended 31 December 2019

**7. Raising funds expenditure**

	Unrestricted Funds	Restricted Funds	2019 Total Funds
	€	€	€
Cost of generating funds	173,884	30,296	204,180
Support costs	31,855	-	31,855
<b>Total raising funds expenditure</b>	<b>205,739</b>	<b>30,296</b>	<b>236,035</b>

	Unrestricted Funds	Restricted Funds	2018 Total Funds
	€	€	€
Cost of generating funds	195,494	-	195,494
Support costs	45,002	-	45,002
<b>Total raising funds expenditure</b>	<b>240,496</b>	<b>-</b>	<b>240,496</b>

**8. Net surplus/(expenditure)**

Net surplus/(expenditure) is stated after charging:

	2019	2018
	€	€
Depreciation of fixed assets	24,931	19,521
Operating lease rentals	72,262	72,262
Fees payable to the company's auditor – audit of company	13,164	13,164
– other	22,708	8,251
Defined contribution pension costs - other	55,663	52,199
Foreign exchange loss	11,957	-

**9. Taxation**

The company with company number CHY14029 is a registered company and is exempt from tax in accordance with the provisions of Section 207 of the Taxes Consolidation Act.

## Notes to financial statements

For the financial year ended 31 December 2019

### 10. Employee costs

Staff costs were as follows:

	2019	2018
	€	€
Wages and salaries	1,184,815	1,061,415
Social security costs	129,670	113,253
Staff pension costs	55,663	52,199
Field salaries	510,921	396,481
International advocacy salaries	153,962	171,763
Campaign salaries	156,517	126,331
	<u>2,191,548</u>	<u>1,921,442</u>

No trustees received any remuneration during the financial period. Trustee expenses comprising travel and other expenses, amounted to €9,985 (2018: €10,280).

Capitalised employee costs during the financial year amounted to €Nil (2018: €Nil).

Key management personnel received €200,360 (2018: €197,444) during the financial year.

The average monthly number of employees, including the trustees, during the financial year was as follows:

	2019	2018
	No.	No.
Management	4	4
Researchers	10	8
Finance	6	5
Training and Communications	9	8
Administration	8	8
	<u>37</u>	<u>33</u>

The number of employees whose emoluments, excluding employer pension contributions, were greater than €60,000, on an annual basis, was as follows:

	2019	2018
€60,001 - €70,000	7	4
€70,001 - €80,000	1	1
€80,001 - €90,000	2	2
€90,001 - €100,000	-	-
€100,001 - €110,000	-	-
€110,001 - €120,000	1	1
	<u>11</u>	<u>8</u>

### 11. Tangible fixed assets

## Notes to financial statements

For the financial year ended 31 December 2019

	Office equipment €	Computer equipment €	Total €
<b>COST OR VALUATION</b>			
At 1 January 2019	31,891	52,072	83,963
Additions	1,079	21,684	22,763
At 31 December 2018	<u>32,970</u>	<u>73,756</u>	<u>106,726</u>
<b>DEPRECIATION AND IMPAIRMENT</b>			
At 1 January 2019	3,968	25,938	29,906
Charge for the financial year	6,550	18,381	24,931
At 31 December 2019	<u>10,518</u>	<u>44,319</u>	<u>54,837</u>
<b>NET BOOK VALUE</b>			
At 31 December 2019	<u>22,452</u>	<u>29,437</u>	<u>51,889</u>
At 31 December 2018	<u>27,923</u>	<u>26,134</u>	<u>54,057</u>

### 12. Debtors

	2019 €	2018 €
<b>Due within one year</b>		
Other debtors	230	3,106
Accrued income	203,072	772,682
Prepayments	38,916	27,135
	<u>242,218</u>	<u>802,923</u>
<b>Due after more than one year</b>		
Other debtors	18,280	13,180
	<u>18,280</u>	<u>13,180</u>

### 13. Cash and cash equivalents

	2019 €	2018 €
Cash at bank and in hand	<u>2,088,687</u>	<u>3,820,933</u>

Amounts included in cash at bank and in hand of €121,969 (2018: €3,333,827) represent amounts which are held by the company in a restricted capacity on behalf of European Instrument for Democracy & Human Rights. The company acts as funds coordinator on its behalf and is not responsible for the programmes run by the beneficiaries. A corresponding amount is held in trade creditors.

## Notes to financial statements

For the financial year ended 31 December 2019

### 14. Creditors: amounts falling due within one year

	2019	2018
	€	€
Bank overdrafts	18,859	6,336
Trade creditors	205,533	3,414,574
Deferred income	1,954,762	1,007,515
PAYE/PRSI	34,960	31,316
Amounts owed to affiliates	3,903	3,903
Accruals	54,072	98,604
	<u>2,272,089</u>	<u>4,562,248</u>

Trade and other creditors are payable at various dates in accordance with the suppliers' usual and customary terms.

Amounts owed to affiliates are unsecured, interest free and repayable on demand.

### 15. Financial Instruments

	2019	2018
	€	€
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	2,088,687	3,820,933
Financial assets that are debt instruments measured at amortised cost	203,302	775,788
	<u>2,291,989</u>	<u>4,596,721</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(282,367)</u>	<u>(3,523,417)</u>

Financial assets measured after value through profit and loss comprises cash at bank.

Financial assets that are debt instruments measured at amortised cost comprise of other debtors and accrued income.

Financial liabilities measured at amortised cost comprise bank overdrafts, trade creditors, amounts owed to affiliates and accruals.

### 16. Analysis of fund movements

	Fund brought forward	Income	Expense	Transfer between funds	Fund carried forward
	€	€	€	€	€
Unrestricted	92,556	2,426,145	(2,394,273)	-	124,428
Restricted	36,289	3,940,791	(3,972,523)	-	4,557
	<u>128,845</u>	<u>6,366,936</u>	<u>(6,366,796)</u>	<u>-</u>	<u>128,985</u>

## Notes to financial statements

For the financial year ended 31 December 2019

### 17. Funds

#### Unrestricted funds

Unrestricted reserves comprises of all current financial year surplus and deficits and may only be utilised as a means to discharge the operations of the company.

#### Designated funds

Designated funds represent amounts that Front Line Defenders has at its discretion set aside for specific purposes, which would otherwise form part of the general reserves of the organisation.

#### Restricted funds

Restricted reserves comprises of all current financial year surplus and deficits and may only be utilised as intended and specified by the donors of the company.

### 18. Pension commitments

The company operates a defined contributions pension scheme for the benefit of the employees. The assets of the scheme are administered by the trustees in a fund independent from those of the company.

Contributions due to the scheme at the balance sheet date was €NIL (2018: €NIL). The pension cost charge represents contributions payable by the company to the fund, and amounted to €55,663 (2018: €52,199).

### 19. Commitments under operating leases

At 31 December 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	€	€
Not later than 1 year	61,500	61,500
Later than 1 year and not later than 5 years	5,125	66,625
	<u>66,625</u>	<u>128,125</u>

### 20. Related party transactions

The company receives interest income on an annual basis from a fund held by a Donor Trust. This Trust was set up in 2001 following a donation being made from one of the trustees, Denis O'Brien. Income is recognised in the financial statements on a receipts basis. Front Line Defenders only draws income from the Fund on an as needed basis.

For further details on the operations between Front Line Defenders and the Donor Trust please refer to the company's reserve policy set out in the statement of accounting policies Note 2.

The company received donations from Front Line USA, a public company registered in the United States, amounting to €581,534 (2018: €516,010). The entities are related only by way of common directorships held, being Maria Mulcahy. Deferred grants from Front Line USA at the year-end amounted to €362,661 (2018: €232,655). Accrued grants from Front Line USA at the year-end amounted to €Nil (2018: €13,042).

During the financial year, Front Line (UK) Foundation, a company limited by guarantee registered and incorporated in the United Kingdom, advanced €3,903 (2018: €3,903) to the company which remained unpaid at year end. The advance is unsecured, interest free and is repayable on demand. The company is related only by virtue of common directorship being Kieran Mulvey.

## Notes to financial statements

For the financial year ended 31 December 2019

### 20. Related party transactions (continued)

During the financial year, the company received funding from FIFDH, Fondation Internationale pour les Défenseurs des Droits de L'Homme, a private foundation registered in Belgium, amounting to €27,644 (2018: €44,233) The company is one of the founding organisations of the foundation. The company's deputy director, Andrew Anderson is on the board of FIFDH.

### 21. Post balance sheet events

Management has been liaising with donors on the potential impact of Covid-19 on both programme activities and any impact on income. Management does not expect any impact to the company's income and will continue to monitor this closely. There have been no other significant events affecting the company since the financial year end and the trustees do not envisage any substantial changes to the nature of operations of the company.

### 22. Analysis of net assets between funds

	Unrestricted funds €	Restricted funds €	Total €
Tangible assets	51,889	-	51,889
Current assets	2,344,628	4,557	2,349,185
Current liabilities	(2,272,089)	-	(2,272,089)
At 31 December 2019	<u>124,428</u>	<u>4,557</u>	<u>128,985</u>

In respect of prior year:

	Unrestricted funds €	Restricted funds €	Total €
Tangible assets	54,057	-	54,057
Current assets	4,600,747	36,289	4,637,036
Current liabilities	(4,562,248)	-	(4,562,248)
At 31 December 2019	<u>92,556</u>	<u>36,289</u>	<u>128,845</u>

### 23. Approval of the financial statements

The financial statements were approved by the board of trustees on 23/4/2020.