

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 2023

Company Information

Trustees

Denis O'Brien
James Conway
Roja Fazaeli
Maria Mulcahy
Kieran Mulvey
Mary Jane N. Real
David Sykes
Arnold Tsunga
Veronica Vidal Degiorgis

Company Secretary

Olive Moore

Company registration number

593190

CHY number

22404

Registered office

1st floor
Avoca Court
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

AIB
Frascati Shopping Centre
Blackrock

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

Western Union Business Solutions
Schubertring 11,
1010 Vienna,
Austria

Banco Santander
C. de Galdo, 1, 28013
Madrid, Spain

Solicitors

William Fry Solicitors
2 Grand Canal Square
Dublin 2

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Trustees' Annual Report

For the financial year ended 31 December 2023

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 2023.

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 CHY 22404 company registration number 593190 with a registered office at First Floor, Avoca Court, Temple Road, Blackrock, Co. Dublin, A94 R7W3, Ireland.

Objectives and activities

Front Line Defenders was founded in Dublin in 2001, 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

Front Line Defenders' main objectives are as follows:

- To support HRDs working at local and national level have increased protection through the provision of rapid, practical and intersectional support.
- To support HRDs, their communities, and civil society have strengthened resilience and capacity to manage their protection in the longer-term.
- There are stronger policies and political/practical action at national, regional and international levels to protect human rights defenders at risk.

They do this through:

- Proactive identification and outreach to HRDs most at risk and initial/rapid risk assessment
- Holistic support and advice
- Protection Grants – focused on legal support, medical, relocation, personal and organisational security and digital protection
- Urgent advocacy
- Targeted case work advocacy
- Advocacy for policy change including more focused thematic work
- Broadening and strengthening our advocacy and visibility targets
- Visibility support through social media and media outreach on urgent cases
- Visibilising HRDs through events, regional events and developing local media support
- Co-creating visibility materials
- Urgent digital assessment and support
- Solidarity actions and support
- Capacity Strengthening for HRDs
- Developing practical tools and resources for HRDs
- Accompaniment and support to strengthen local protection capacity
- Training of Trainers, developing local champions

Trustees' Annual Report (continued)

For the financial year ended 31 December 2023

Purpose (continued)

- Strategic support for local protection initiatives
- Providing diverse support to strengthen HRDs' well-being and resilience
- Research for Protection
- Trend analysis and context- sharing
- Alliance building

Financial review

The net surplus for the financial year ended 31 December 2023 was €486 (2022: €605).

The Statement of Financial Activities and Balance Sheet for the year are set out on pages 13-14. 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 €6,574,240 (2022: €10,269,884) and liabilities of €6,443,940 (2022: €10,140,081). The net funds of the charity have increased by €486 (2022: €605), and the Trustees are satisfied with the level of retained funds at the year end.

Fundraising

Fundraising activities during 2023 were positive and on target, allowing the organisation to meet its target income generation and to undertake activities related to the crises in Afghanistan, Ukraine and Sudan.

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 Front Line Defenders staff members and funders is key to the continued success of its fundraising operations. The total cost for fundraising, including salaries of fundraising personnel, represents less than 3% 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

The context in which Front Line Defenders operates continues to be very challenging. 2023 was marked by political turmoil, armed conflicts, increasing dispute over natural resources and growing risks to human rights defenders.

In 2023, Front Line Defenders received reports on violations against human rights defenders in 105 countries. The arbitrary arrest and detention of human rights defenders alongside legal action were the two most reported violations against human rights defenders. Death threats were also among the most reported violations representing a worrying trend. This was followed by cases of surveillance and physical attacks. Across the different human rights sectors, it was LGBTQ+ and Women defenders who were most targeted, followed by those who are part of the human rights movement, those working for indigenous rights and finally those who work on documentation and monitoring violations in conflict.

Front Line Defenders continued to focus resources and energy on the rapid and practical support for the protection of these human rights defenders at risk in line with its aims and objectives and the Strategic Plan 2023 – 2027.

Trustees' Annual Report (continued)

For the financial year ended 31 December 2023

Achievements and performance (continued)

During the period:

- Front Line Defenders provided grants to HRDs amounting to €3,297,378 including 1,236 protection grants to 930 individuals and 306 organisations at risk in 98 countries.
- Front Line Defenders' protection coordination team provided 1,246 consultations to HRDs at risk.
- 342 HRDs participated in workshops/consultations focused on risk analysis and protection planning and well-being.
- 308 HRDs and 193 human rights organisations in 76 countries were supported by Digital Protection Consultants, and 543 HRDs were supported by FLD Security Advisor.
- Front Line Defenders published its annual Global Analysis research presenting a look at trends, key issues and important developments related to human rights defenders' work and security around the world, including the only annual documentation of all HRDs killed each year.
- The 2023 Front Line Defenders Award was presented to five winners:
 - Africa: Olivier Bahemuke Ndoole (Democratic Republic of the Congo)
 - Americas: Segundo Ordóñez (Ecuador)
 - Asia and the Pacific: Jeany 'Rose' Hayahay (Philippines)
 - Europe and Central Asia: Digital Security Lab Ukraine, represented by Executive Director Vita Volodovska
 - Middle East and North Africa: Hala Ahed (Jordan)

Impact on beneficiaries

The organisation continued to review and monitor impact and performance in accordance with the Monitoring & Evaluation Plan and the Results Framework. Some highlights from 2023 included:

- 99% of HRDs reported improved security as a result of a grant.
- 50% of respondents said the grant made not only the HRD secure, but also their colleagues and/or family.
- 96% of HRDs reported using digital security tools as a result of received advice.

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 Directors has nine members and two sub committees as follows:

Board of Directors	Audit Sub Committee	Programme Sub Committee
Denis O'Brien	Maria Mulcahy	Roja Fazaeli
James Daniel Conway	Kieran Mulvey	Mary Jane N. Real
Roja Fazaeli	David Sykes	Arnold Tsunga
Maria Mulcahy	James Daniel Conway	Veronica Vidal Degiorgis
Kieran Mulvey		
Mary Jane N. Real		
David Sykes		
Arnold Tsunga		
Veronica Vidal Degiorgis		
Olive Moore (secretary)		

Trustees' Annual Report (continued)

For the financial year ended 31 December 2023

Structure, governance and management (continued)

Board Meetings	Audit Sub Committee Meetings	Programme Sub Committee Meetings
31 March 2023 (and AGM)	29 March 2023	27 March 2023
28 April 2023	25 September 2023	13 October 2023
13 October 2023	20 December 2023	

In accordance with Section 1196 of the Companies Act 2014 and the rota agreed at the 2018 AGM, three trustees retired from office, namely Mary Jane Real, Maria Mulcahy and Kieran Mulvey. Mary Jane Real, Maria Mulcahy and Kieran Mulvey stood for re-election and were elected by members.

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 plans and budgets, and approves the statutory financial statements. The Board delegates the day-to-day running of the organisation to the Interim Director, Olive Moore, who is responsible and accountable for the implementation of the Annual Plan and Budget.

Front Line Defenders senior management team is composed of Interim Director, Olive Moore and Interim Deputy Director, Laurent Aldenhoff. Andrew Anderson, Executive Director, stepped down from his role in January 2023 and the Board appointed Olive Moore (formally Deputy Director) as Interim Executive Director. The recruitment process for a new Executive Director is ongoing.

The trustees are put through a formal induction course on appointment as trustee for the first time. 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.

The pay of the senior staff is reviewed annually and normally increased according to the agreed scales. 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. In 2020, Front Line Defenders implemented a number of policies to ensure compliance with the new Charities Governance Code issued by the Charities Regulator including a revised Directors Handbook and an updated Financial Policies and Procedures Manual. The Manual was further revised in 2023.

In 2023 FLD commissioned an external governance audit, carried out by the Institute of Public Administration. The Audit concluded Front Line Defenders practised a high standard of governance and made some recommendations for further improvements which the Board of Directors accepted and are under implementation. The Board reviewed a draft Charities Governance Code Compliance Report for 2022 in October 2023, and it was finalised. Front Line Defenders meets the Triple Lock standard of Charities Institute of Ireland, demonstrating the highest standards in transparent reporting, ethical fundraising and strong governance structures.

Trustees' Annual Report (continued)

For the financial year ended 31 December 2023

Trustees, secretary and their interests

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

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

Company Secretary: Andrew Anderson served until January 2023, before being replaced by Olive Moore.

In accordance with Section 329 of the Companies Act 2014, the trustees and secretary of the company who held office at 31 December 2023 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. Furthermore, one of the IPA's recommendations in 2023 was that Front Line Defenders create a Risk Appetite Statement which calibrates FLD's tolerance to risk. At Audit Sub Committee meeting in December 2023 the main risks were identified as:

1. Harm coming to a human rights defender as a result of Front Line Defenders action (or inaction).
2. Harm coming to Front Line Defenders staff, fellows or representatives.
3. Decline in funding/ loss of a key funder.
4. An incident seriously damaging the reputation of Front Line Defenders.
5. Personnel developing problems due to stress.
6. Information systems compromised – including fraudulent access/ spying.
7. Actions of consortium partners negatively impacting Front Line Defenders.
8. Security environment in certain contexts preventing Front Line Defenders from delivering its programmes.

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;
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.
- 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.

Trustees' Annual Report (continued)

For the financial year ended 31 December 2023

Grant accounting policy (continued)

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 5 months fixed operational overhead costs. This figure will be updated on an annual basis. This equates to a reserve fund balance requirement of €5.1m. The year-end balance of €5.4m meets that requirement.

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 €130,290 (2022: €129,804). This comprises of €Nil (2022: €Nil) of restricted funds and a surplus of €130,290 (2022: €129,804) 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 scale a post will be appointed lies with the Executive Director and will be based on the level of responsibility of the post and level of experience of the candidate.

Staff and volunteers

Front Line Defenders employs 72 staff members. Interns and volunteers support their work on a rolling basis. 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

Trustees' Annual Report (continued)

For the financial year ended 31 December 2023

Staff and volunteers (continued)

volunteers during the Dublin Platform, a conference organised every two years which brings together over 200 attendees. The most recent Dublin Platform was held on 26-28 October 2022.

Plans for the future

The Board adopted the new Strategic Plan for 2023 to 2027 in September 2022. The plan outlines the priorities for the organization for the coming five years and has been developed with the input of human rights defenders, donors, staff and the Board. The plan proposed a slightly longer term of five years to facilitate a more timely mid-term review, with time to implement any learning/changes. The focus for this plan will be on delivering holistic protection programmes including protection grants, digital protection support, visibility, capacity building, advocacy, rest & respite, well-being and research, as well as developing new approaches and reaching more HRDs, particularly those most at risk.

As per the Strategic Plan, in 2023 the focus of Front Line Defenders has been on consolidation, in particular for organisational development. The Strategic Plan is accompanied by Implementation Plans (operational and programmes) which outline the programmes of work, targets, and monitoring. Income projections for 2024 are robust given the multi-annual funding arrangements already in place, the many grant renewals underway, and the sound income generation focused on 2024, 2025 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 their registered office.

Statement on relevant audit information

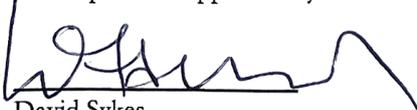
Each of the persons who are trustees at the time when this trustees' report is approved have confirmed that:

- So far as the trustee is aware, there is no relevant audit information of which the Company's auditors are unaware; and,
- The trustee 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: 28 March 2024

Trustees' Responsibilities Statement

For the financial year ended 31 December 2023

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. Under the law, the trustees have elected to prepare the financial statements in accordance with Companies Act 2014, including Financial Reporting Standard 102 "The 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 the Companies Act 2014.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements 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.

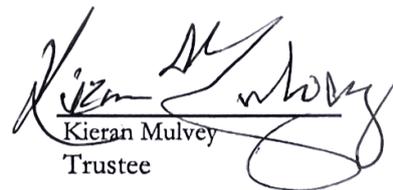
The trustees are responsible for ensuring that the company keeps, or causes to be kept, adequate accounting records which directly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and surplus or deficit of the company to be determined 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: 28 March 2024

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, Incorporating the Income & Expenditure Account, Balance Sheet, Statement of Cash Flows for the financial year ended 31 December 2023, 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 Council 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 company's affairs as at 31 December 2023 and of its financial performance and of the Company's incoming resources and application of resources for the 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, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accountancy Supervisory Authority (IAASA), 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

In auditing the financial statements, we have concluded that the Trustees' use of going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 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 controls.
- 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 matter 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: 28 March 2024

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 2023

	Notes	2023			2022		
		Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
		€	€	€	€	€	€
Income and endowments							
Charitable activities	4	2,578,434	5,927,284	8,505,718	2,236,307	5,267,871	7,504,178
Donations and legacies	5	1,254,414	1,186,496	2,440,910	1,986,847	1,548,048	3,534,895
Total income		<u>3,832,848</u>	<u>7,113,780</u>	<u>10,946,628</u>	<u>4,223,154</u>	<u>6,815,919</u>	<u>11,039,073</u>
Expenditure:							
Charitable activities	6	(3,548,993)	(7,063,358)	(10,612,353)	(3,902,694)	(6,852,243)	(10,754,937)
Raising funds expenditure	7	(281,874)	(51,915)	(333,789)	(274,667)	(8,864)	(283,531)
Total expenditure		<u>(3,830,867)</u>	<u>(7,115,273)</u>	<u>(10,946,142)</u>	<u>(4,177,361)</u>	<u>(6,861,107)</u>	<u>(11,038,468)</u>
Net surplus / (expenditure)		<u>1,981</u>	<u>(1,493)</u>	<u>486</u>	<u>45,793</u>	<u>(45,188)</u>	<u>605</u>
Net movements in funds	15/16	<u>1,981</u>	<u>(1,493)</u>	<u>486</u>	<u>45,793</u>	<u>(45,188)</u>	<u>605</u>
Reconciliation of funds							
Transfer between funds	15	(1,493)	–		(45,188)	45,188	–
Fund balances at the beginning of the financial year		129,804	–	129,804	125,527	129,199	–
Fund balances at the end of financial year	15/16	<u>130,290</u>	<u>–</u>	<u>130,290</u>	<u>129,804</u>	<u>–</u>	<u>129,804</u>

All amounts relate to continuing operations.

There was no other comprehensive income during the financial year (2022: €Nil).

The notes on pages 16 to 30 form part of these financial statements.

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

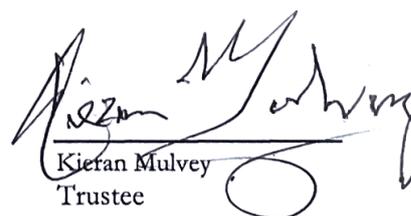
Balance Sheet

As at 31 December 2023	Notes	2023 €	2022 €
Fixed assets	11	302,445	371,694
Tangible assets			
Current assets			
Debtors: amounts falling due within one year	12	1,084,507	758,847
Cash at bank and in hand	13	5,187,278	9,139,344
		<u>6,271,785</u>	<u>9,898,191</u>
Current liabilities			
Creditors: amounts falling due within one year	14	<u>(6,443,940)</u>	<u>(10,140,081)</u>
Net current assets/(liabilities)		<u>(172,155)</u>	<u>(241,890)</u>
Total assets less current liabilities		<u>130,290</u>	<u>129,804</u>
Funds			
Unrestricted funds	16	130,290	129,804
Restricted funds	16	-	-
Total funds		<u>130,290</u>	<u>129,804</u>

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



David Sykes
Trustee



Kieran Mulvey
Trustee

Date: 28 March 2024

Statement of Cash Flows

For the financial year ended 31 December 2023

	2023	2022
	€	€
Cash flows from operating activities		
Net surplus for the financial year	486	605
Adjustments for:		
Depreciation	116,823	100,697
Increase/(decrease) in debtors	(325,660)	73,185
(Decrease)/increase in creditors	(4,212,842)	(4,704,861)
Net cash (used in)/generated from operating activities	<u>(4,421,193)</u>	<u>(4,530,374)</u>
Cash flows from investing activities		
Acquisition of tangible assets	(47,574)	(422,313)
Net cash used in investment activities	<u>(47,574)</u>	<u>(422,313)</u>
Decrease in cash at bank and in hand in the financial year	(4,468,767)	(4,952,687)
Cash at bank and in hand at beginning of financial year	<u>9,139,344</u>	<u>6,544,929</u>
Cash held in a restricted capacity (Note 13)	<u>516,701</u>	<u>7,547,102</u>
Cash at bank and in hand at end of financial year	<u>5,187,278</u>	<u>9,139,344</u>

Analysis of changes in net debt:

	At start of year	Cash	Other non- cash changes	At end of year
Cash	9,139,344	(4,068,889)	116,823	5,187,278

The notes on pages 16-30 form part of these financial statements.

Notes to financial statements

For the financial year ended 31 December 2023

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 1st Floor Avoca Court, 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.

Notes to financial statements

For the financial year ended 31 December 2023

2. Accounting policies (continued)

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.

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 Recognition of expense

Expenditure is divided 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.

2.5 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 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.

Notes to financial statements

For the financial year ended 31 December 2023

2. Accounting policies (continued)

2.6 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.

2.7 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.

2.8 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.

2.9 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
Fixtures and fittings	- 5 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.

Notes to financial statements

For the financial year ended 31 December 2023

2. Accounting policies (continued)

2.10 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.

2.11 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. At the discretion of the Trustees, a transfer may be made to transfer assets from unrestricted funds to finance a deficit on a restricted fund.

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 5 months operational overhead costs. This figure is updated on an annual basis. This equates to a reserve fund balance requirement of €5.1m 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.

2.12 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.

2.13 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.

Notes to financial statements

For the financial year ended 31 December 2023

2. Accounting policies (continued)

2.13 Cash and cash equivalents (continued)

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.

2.14 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.

2.15 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.

Notes to financial statements

For the financial year ended 31 December 2023

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.

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

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least 12 months from the date of the financial statements and therefore continues to adopt the going concern basis.

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.

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.

Notes to financial statements

For the financial year ended 31 December 2023

4. Income from charitable activities

2023	Unrestricted Funds €	Restricted Funds €	Total Funds €
Government grants	2,551,042	4,972,347	7,523,389
Non-Government grants	27,392	954,937	982,329
Total income from charitable activities	<u>2,578,434</u>	<u>5,927,284</u>	<u>8,505,718</u>
2022	Unrestricted Funds €	Restricted Funds €	Total Funds €
Government grants	2,205,538	4,298,545	6,504,083
Non-Government grants	30,769	969,326	1,000,095
Total income from charitable activities	<u>2,236,307</u>	<u>5,267,871</u>	<u>7,504,178</u>

5. Income from Donations and legacies

2023	Unrestricted Funds €	Restricted Funds €	Total Funds €
Trust and Foundation income	1,224,406	1,165,645	2,390,051
Public donations	15,858	-	15,858
Other donations	14,150	20,851	35,001
Total income from donations	<u>1,254,414</u>	<u>1,186,496</u>	<u>2,440,910</u>
2022	Unrestricted Funds €	Restricted Funds €	Total Funds €
Trust and Foundation income	1,873,857	1,548,048	3,421,905
Public donations	15,585	-	18,361
Other donations	14,153	-	94,629
Total income from donations	<u>1,986,847</u>	<u>1,186,496</u>	<u>3,534,895</u>

Notes to financial statements

For the financial year ended 31 December 2023

6. Expenditure on charitable activities

2023

Grant & Programme	Unrestricted Funds €	Restricted Funds €	Total Funds €
Protection Grant Assistance for HRDs	160,423	3,498,122	3,658,545
Protection Programmes for HRDs	318,132	728,659	1,046,791
Protection Coordination for HRDs	885,411	650,493	1,535,904
Digital Protection Programme	246,332	438,971	685,303
Country Tailored Programmes	191,541	451,259	642,800
Visibility & Legitimacy for HRDs	341,538	76,134	417,672
Memorial Project	10,143	12,925	23,068
Global Advocacy for the Protection of HRDs at risk	205,701	519,385	725,086
Total grant & programme	2,359,221	6,375,947	8,735,169
Support Costs			
Programme Management	9,891	53,855	63,746
Premises & Facilities	2,334	148,282	150,615
Human Resources & Organisational Development	149,500	53,996	203,496
Information Technology	147,569	6,749	154,318
Finance	144,507	73,021	217,528
Operational Costs	601,119	321,054	922,173
Governance	134,852	30,455	165,307
Total support costs	1,189,772	687,411	1,877,183
Total Expenditure on charitable activities	3,548,993	7,063,358	10,612,352

Notes to financial statements

For the financial year ended 31 December 2023

6. Expenditure on charitable activities (continued)

2022

Grant & Programme	Unrestricted Funds	Restricted Funds	Total Funds
	€	€	€
Protection grant assistance for HRDs	616,143	2,594,717	3,210,860
Programs for HRDs	341,509	1,129,122	1,470,631
Protection training and capacity building	299,352	761,521	1,060,873
Regional based protection coordination for HRDs	674,506	623,822	1,298,388
Multilingual resources for HRDs	46,817	45,111	91,928
Dublin Platform for Human Rights	268,254	384,505	652,759
Dublin Human Rights Festival	571	2,419	2,990
Visibility & Legitimacy for HRDs	227,662	292,857	520,519
Memorial project	23,779	62,024	85,803
International advocacy for the protection of HRDs at risk	552,223	294,294	846,517
Total grant & programme	3,050,816	6,190,452	9,241,268
Support costs			
Programme management	-	62,882	62,882
Premises and facilities	5,263	111,554	116,817
Human resources and organisational development	73,586	52,128	125,714
Information technology	92,524	16,443	108,967
Finance	173,665	31,552	205,217
Operational costs	409,851	356,435	766,286
Governance costs	96,989	30,797	127,786
Total support costs	851,878	661,791	1,513,669
Total expenditure on charitable activities	3,902,694	6,852,243	10,754,937

Notes to financial statements

For the financial year ended 31 December 2023

7. Raising funds expenditure

2023	Unrestricted Funds €	Restricted Funds €	Total Funds €
Cost of generating funds	193,856	51,915	245,771
Support costs	88,018	-	88,018
Total raising funds expenditure	<u>281,874</u>	<u>51,915</u>	<u>333,789</u>
2022	Unrestricted Funds €	Restricted Funds €	Total Funds €
Cost of generating funds	224,261	8,864	233,125
Support costs	50,406	-	50,406
Total raising funds expenditure	<u>274,667</u>	<u>8,864</u>	<u>283,531</u>

8. Net surplus/(expenditure)

Net surplus/(expenditure) is stated after charging:

	2023 €	2022 €
Depreciation of fixed assets	116,823	100,697
Operating lease rentals	97,783	97,783
Fees payable to the company's auditor – audit of company	15,500	14,750
-other	38,000	25,250
Defined contribution pension costs	137,579	67,276
Foreign exchange loss	<u>1,727</u>	<u>238</u>

9. Taxation

The company with company number CHY22404 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 2023

10. Employee costs

Staff costs were as follows:

	2023	2022
	€	€
Wages and salaries	1,732,377	1,558,947
Social security costs	191,622	172,323
Staff pension costs	137,579	67,276
Field salaries	1,202,530	1,427,043
International advocacy salaries	335,236	216,282
	<u>3,599,344</u>	<u>3,441,871</u>

No trustees received any remuneration during the financial period. Trustee expenses comprising travel and other expenses, amounted to €52,250 (2022: €13,554). Key management personnel received €205,449 (2022: €202,056) during the financial year.

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

	2023	2022
	No.	No.
Management	16	14
Researchers	20	21
Finance	9	6
Training and Communications	14	18
Administration	13	15
	<u>72</u>	<u>74</u>

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

	2023	2022
€60,001 - €70,000	7	8
€70,001 - €80,000	6	3
€80,001 - €90,000	2	2
€90,001 - €100,000	-	-
€100,001 - €110,000	1	-
€110,001 - €120,000	-	1
	<u>16</u>	<u>14</u>

Notes to financial statements

For the financial year ended 31 December 2023

11. Tangible fixed assets

	Office equipment €	Computer equipment €	Fixtures and fittings €	Total €
COST OR VALUATION				
At 1 January 2023	52,560	201,999	328,890	583,449
Additions	-	39,026	8,548	47,574
Write-offs	(31,892)	(107,217)	-	(139,109)
At 31 December 2023	<u>20,668</u>	<u>133,808</u>	<u>337,438</u>	<u>491,914</u>
DEPRECIATION AND IMPAIRMENT				
At 1 January 2023	29,288	127,195	55,272	211,755
Charge for the financial year	7,417	43,112	66,294	116,823
Write-offs	(31,892)	(107,217)	-	(139,109)
At 31 December 2023	<u>4,813</u>	<u>63,090</u>	<u>121,566</u>	<u>189,469</u>
NET BOOK VALUE				
At 31 December 2023	<u>15,855</u>	<u>70,718</u>	<u>215,872</u>	<u>302,445</u>
At 31 December 2022	<u>23,272</u>	<u>74,804</u>	<u>273,618</u>	<u>371,694</u>

12. Debtors

	2023 €	2022 €
Due within one year		
Accrued income	811,379	608,920
Prepayments	257,398	134,200
Other debtors	15,730	15,727
	<u>1,084,507</u>	<u>758,847</u>

Accrued income pertain to the excess of contract costs over progress billings to donors.

Notes to financial statements

For the financial year ended 31 December 2023

13. Cash and cash equivalents

	2023 €	2022 €
Cash at bank	5,187,278	9,139,344
Restricted	(516,701)	(5,647,102)
	<u>4,670,577</u>	<u>3,492,242</u>

Included in cash at bank and in hand last year were amounts held by the company in a restricted capacity on behalf of the European Commission amounting to €516,701 (2022: €5,647,102). The corresponding amount was held in trade creditors. These funds came in just before year end and the company acts as funds coordinator on its behalf and is not responsible for the programmes run by the beneficiaries. This year the company had not received the funds by year end.

14. Creditors: amounts falling due within one year

	2023 €	2022 €
Trade creditors	690,584	7,713,458
Deferred income	5,481,567	2,214,126
Accruals	106,229	92,520
PAYE/PRSI	62,883	72,925
Other creditors	102,676	47,051
	<u>6,443,940</u>	<u>10,140,081</u>

Trade creditors, accruals and other creditors are payable at various dates in accordance with the suppliers' usual and customary terms. The terms of the deferred income are based on underlying contracts. Amounts owed to affiliates are unsecured, interest free and repayable on demand.

15. Analysis of fund movements

	Fund brought forward €	Income €	Expenses €	Transfer between funds €	Fund carried forward €
Unrestricted	129,804	3,832,848	(3,830,867)	(1,493)	130,290
Restricted	-	7,113,780	(7,115,273)	1,493	-
	<u>129,804</u>	<u>10,946,628</u>	<u>(10,946,142)</u>	<u>-</u>	<u>130,290</u>

Notes to financial statements

For the financial year ended 31 December 2023

16. 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.

17. 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 (2022: €Nil). The pension cost charge represents contributions payable by the company to the fund, and amounted to €137,579 (2022: €67,276).

18. Commitments under operating leases

At 31 December 2023, the company had future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	€	€
Within 1 year	97,783	97,783
Later than 1 year and not later than 5 years	391,132	391,132
More than 5 years	480,766	578,549
	<u>969,681</u>	<u>1,067,464</u>

19. Related party transactions

The company received donations from Front Line USA, a public company registered in the United States, amounting to €469,236 (2022: €712,313). The entity is related only by way of a common directorships held, being Maria Mulcahy. Deferred grants from Front Line USA at the year-end amounted to €35,597 (2022: €509,888). Accrued grants from Front Line USA at the year-end amounted to €13,721 (2022: €Nil).

There are no other related party transactions to disclose.

Notes to financial statements

For the financial year ended 31 December 2023

20. Post balance sheet events

There have been no significant events with the company since the financial year end and the Trustees do not foresee any substantial changes to the nature of the business in the foreseeable future.

21. Analysis of net assets between funds

	Unrestricted funds €	Restricted funds €	Total funds €
Tangible assets	302,445	-	302,445
Net current (liabilities)	(170,742)	(1,413)	(172,155)
Transfer between funds	(1,413)	1,413	-
As at 31 December 2023	<u>130,290</u>	<u>-</u>	<u>130,290</u>

In respect of prior year:

	Unrestricted funds €	Restricted funds €	Total funds €
Tangible assets	371,694	-	371,694
Net current (liabilities)	(196,702)	(45,188)	(241,890)
Transfer between funds	(45,188)	45,188	-
As at 31 December 2022	<u>129,804</u>	<u>-</u>	<u>129,804</u>

22. Approval of the financial statements

The financial statements were approved by the board of trustees on 28 March 2024