

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 2018**

## Company Information

<b>Trustees</b>	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 (appointed on 14 September 2018)
<b>Company Secretary</b>	Andrew Anderson
<b>Company registration number</b>	593190
<b>CHY number</b>	14029
<b>Registered office</b>	2 <sup>nd</sup> Floor Grattan House Temple Road Blackrock Co. Dublin
<b>Independent auditors</b>	Grant Thornton Chartered Accountants & Statutory Audit Firm 13-18 City Quay Dublin 2
<b>Bankers</b>	Bank of Ireland Blackrock Co. Dublin  ING SA/NV Siege de Bruxelles Cours Saint Michel 60 1040 Broxelles Belgium
<b>Solicitors</b>	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 2018

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 2018.

### 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. 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. 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.

### 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 deficit for the financial year ended 31 December 2018 was €155 (2017: surplus of €129,000).

The Statement of Financial Activities and Balance Sheet for the year are set out on pages 12-13. Income is raised on the basis of specific projects such as IT / website security 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.

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

## Trustees' Annual Report

For the financial year ended 31 December 2018

### Achievements and performance

During the financial year ended 31 December 2018, 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 2015-2018.

- Front Line Defenders issued 186 Urgent Appeals on behalf of 318 individuals at risk in 62 countries and undertook advocacy with the relevant national authorities, lobbied the EU to take action and submitted cases to the UN and regional mechanisms;
- The Front Line Defenders Security Grants Programme provided 534 grants, totalling €1,346,705 to 398 individuals and 136 organisations at risk in 85 countries. 183 grants were provided for temporary relocations;
- Front Line Defenders carried out 86 field visits to 42 countries;
- 161 HRDs from 21 countries participated in 14 trainings on personal and organisational security;
- 150 HRDs received security advice through 57 consultations in 17 countries;
- 174 HRDs from eight countries participated in 10 digital protection trainings; 66% of HRDs reported using digital security tools as a result of training;
- 280 HRDs and 180 human rights organisations in 66 countries were supported by Digital Protection Consultants through 73 visits and remote support;
- 36 HRDs from 17 countries were supported through the Rest & Respite Programme;
- The Front Line Defenders Award was presented to Nurcan Baysal, a Kurdish journalist and human rights defender from Turkey who has been documenting human rights violations and defending the rights of the Kurdish community;
- The 2018 Dublin Human Rights Festival was held from 23 to 25 November.

The context in which Front Line Defenders operates continues to be challenging. In 2018, Front Line Defenders received reports on the murder of 321 defenders in 27 countries, yet another increase to the number reported in the previous year. 77% 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 2018 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 Gender Audit and an evaluation conducted in Bangladesh.

Income generation during 2018 was positive and on target although a small net deficit was reported at the end of the year.

### Fundraising

Fundraising activities during 2018 achieved the objectives set, allowing the organisation to meet its target income generation of €5.7 million as set at the beginning of 2018.

Expenditure for fundraising 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 4.2% 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.

## Trustees' Annual Report

For the financial year ended 31 December 2018

### 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 2018 included:

- 81% of HRDs reported that they have been able to continue or return to work as a result of having received Protection Grant support;
- 93% of HRDs reported having implemented a security plan as a result of the training;
- 66% 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 (appointed on 14 September 2018)

#### Audit Sub Committee

Maria Mulcahy  
Kieran Mulvey  
David Sykes

#### Programme Sub Committee

Mary Jane N. Real  
Arnold Tsunga  
Veronica Vidal Degiorgis

#### Board Meetings

1 March 2018 (AGM)  
14 September 2018  
23 November 2018

#### Audit Sub Committee Meetings

22 March 2018  
14 September 2018  
22 November 2018

#### Programme Sub Committee Meetings

4 March 2018  
21 March 2018  
13 September 2018  
22 November 2018

The Board of Trustees decided to establish the Programme Sub Committee in 2017. The Programme Sub Committee has become operational in 2018.

In accordance with Section 1196 of the Companies Act, all trustees retired from office at the first annual general meeting on 1 March 2018. All retiring trustees stood for re-election and were elected by members.

The Memorandum of Association states that the number of trustees 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. At the Board Meeting of September 2018, the Board of Trustees accepted the application for company membership of Veronica Vidal Degiorgis and appointed her as new member of the Board of Trustees.

The Board of Trustees is responsible for the approval of strategic plans, annual business plans and budgets, and signs off on the statutory accounts. 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.

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.

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

## Trustees' Annual Report

For the financial year ended 31 December 2018

### 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 (appointed on 14 September 2018)

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 2018 have no beneficial interests as the company is limited by guarantee having no share capital.

### Key risks and uncertainties

The risk management document was reviewed by the Board of Trustees in November 2018 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;
5. The risk of losing key staff/leadership.

### 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.
- 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

For the financial year ended 31 December 2018

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.

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 €128,845 (2017: €129,000). This comprises of a surplus of €36,289 (2017: deficit of €74,531) of restricted and a surplus of €92,556 (2017: €203,531) 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.



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

## Trustees' Annual Report

For the financial year ended 31 December 2018

### Staff and volunteers

Front Line Defenders employs 33 staff members. Interns and volunteers support our 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 volunteers during the Dublin Platform, a conference we organise every two years and bringing together over 200 attendees. No Dublin Platform took place in 2018.

### Plans for the future

During 2018, Front Line Defenders undertook an extensive consultative process leading to the 2019-2022 Strategic Plan. The new Strategic Plan was adopted by the Board of Trustees in September 2018.

The Annual Business Plan for 2019 is the first under the new Strategic Plan and reflects the strategic priorities identified therein. The core focus will continue to be on protection grants, training, advocacy on individual cases and campaigning around visibility & legitimacy for HRDs at risk. We will add a second Protection Coordinator for Europe and Central Asia and, funding permitting, expand capacity in the delivery of training. We will continue our review of management capacity and organisational systems.

Income projections for 2019 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 2020 and beyond.

### Events since the end of the financial year

There have been no significant events affecting the company since the financial year end.

### 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

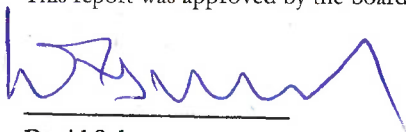
Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- 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.

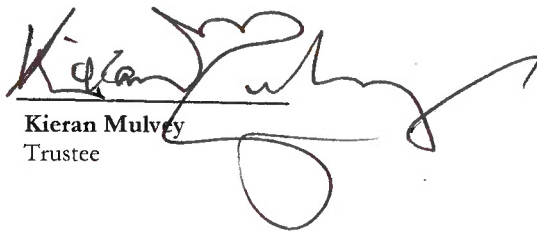
This report was approved by the board and signed on its behalf.



**David Sykes**

Trustee

Date: 29/3/2019



**Kieran Mulvey**

Trustee

## Trustees' Responsibilities Statement for the financial year ended 31 December 2018

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 Irish law.

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.

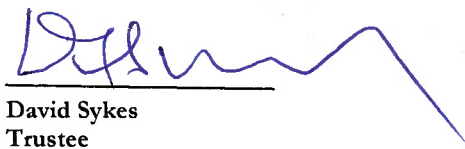
In preparing these financial statements, the trustees are required to:

- 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.

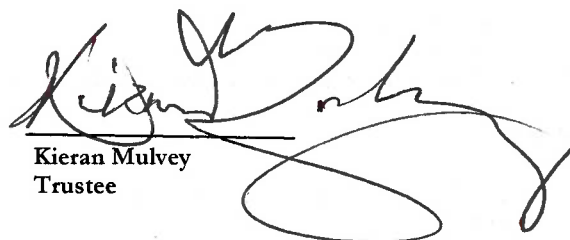
The trustees are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and surplus or deficit of the company to be determined with 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 29/3/2019

# 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, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows for the financial year ended 31 December 2018, 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 2018 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 matter that achieves a true and fair view.

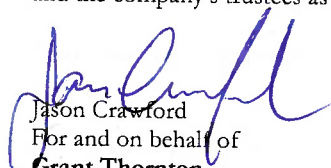
The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

# 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: 29/3/2019

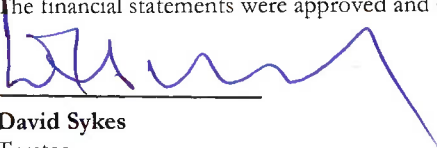
Front Line, The International Foundation for the Protection of Human Rights  
Defenders

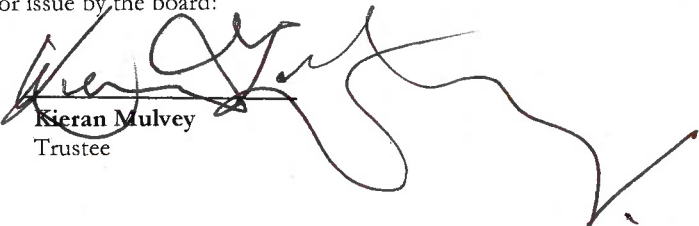
## Balance Sheet

As at 31 December 2018

	Notes	2018 €	2017 €
<b>Fixed assets</b>			
Tangible assets	13	54,057	23,228
<b>Current assets</b>			
Debtors: amounts falling due within one year	14	802,923	534,401
Debtors: amounts falling due after more than one year	14	13,180	13,180
Cash at bank and in hand	15	3,820,933	242,105
		<u>4,637,036</u>	<u>789,686</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	16	(4,562,248)	(683,914)
		<u>74,788</u>	<u>105,772</u>
<b>Net current assets</b>		<u>128,845</u>	<u>129,000</u>
<b>Total assets less current liabilities</b>		<u><u>128,845</u></u>	<u><u>129,000</u></u>
<b>Funds</b>			
Unrestricted funds	18	92,556	129,000
Restricted funds	18	36,289	-
		<u>128,845</u>	<u>129,000</u>
<b>Total funds</b>		<u><u>128,845</u></u>	<u><u>129,000</u></u>

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

  
David Sykes  
Trustee

  
Kieran Mulvey  
Trustee

Date: 29/3/2019

The notes on pages 15 to 29 form part of these financial statements.

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

Statement of Financial Activities

For the financial year ended 31 December 2018

	Year ended 31 December 2018	Year ended 31 December 2018	Year ended 31 December 2018	Year ended 31 December 2017	Period from Incorporation to 31 December 2017	Period from Incorporation to 31 December 2017
	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	€	€	€	€	€	€
<b>Income and endowments from:</b>						
Charitable activities	1,544,704	2,441,632	3,986,336	1,173,970	1,112,048	2,286,018
Donations and legacies	562,829	1,235,881	1,798,710	611,220	733,987	1,345,207
Donation from Frontline Trust	-	-	-	311,868	-	311,868
Other income	-	-	-	87,750	-	87,750
<b>Total income</b>	<b>2,107,533</b>	<b>3,677,513</b>	<b>5,785,046</b>	<b>2,184,808</b>	<b>1,846,035</b>	<b>4,030,843</b>
<b>Expenditure on:</b>						
Charitable activities	(1,903,481)	(3,641,224)	(5,544,705)	(1,828,877)	(1,920,566)	(3,749,443)
Raising funds expenditure	(240,496)	-	(240,496)	(152,400)	-	(152,400)
<b>Total expenditure</b>	<b>(2,143,977)</b>	<b>(3,641,224)</b>	<b>(5,785,201)</b>	<b>(1,981,277)</b>	<b>(1,920,566)</b>	<b>(3,901,843)</b>
<b>Net (expenditure) / surplus</b>	<b>(36,444)</b>	<b>36,289</b>	<b>(155)</b>	<b>203,531</b>	<b>(74,531)</b>	<b>129,000</b>
<b>Net movements in funds</b>	<b>(36,444)</b>	<b>36,289</b>	<b>(155)</b>	<b>203,531</b>	<b>(74,531)</b>	<b>129,000</b>
<b>Reconciliation of funds</b>						
Fund balances at the beginning of the financial year	129,000	-	129,000	-	-	-
Transfer between funds	-	-	-	(74,531)	74,531	-
<b>Fund balances at the end of financial year</b>	<b>92,556</b>	<b>36,389</b>	<b>128,945</b>	<b>129,000</b>	<b>-</b>	<b>129,000</b>

All amounts relate to continuing operations.

There was no other comprehensive income during the financial year. The notes on pages 15 to 29 form part of these financial statements.



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

## Statement of Cash Flows

For the financial year ended 31 December 2018

	Year ended 31 December 2018 €	Period from Incorporation to 31 December 2017 €
<b>Cash flows from operating activities</b>		
Net (deficit)/surplus for the financial year	(155)	129,000
<b>Adjustments for:</b>		
Depreciation	19,521	10,385
Interest received	(3)	(22)
(Increase)/Decrease in debtors	(268,522)	405,698
Increase in creditors	544,507	20,865
Gain on donation of net assets from Trust	-	(311,868)
<b>Net cash generated from operating activities</b>	<u>295,348</u>	<u>254,058</u>
<b>Cash flows from investing activities</b>		
Acquisition of tangible assets	(50,350)	(12,000)
Interest received	3	22
<b>Net cash used in investment activities</b>	<u>(50,347)</u>	<u>(11,978)</u>
<b>Increase in cash at bank and in hand in the financial year</b>	<u>245,001</u>	<u>242,080</u>
<b>Cash at bank and in hand at beginning of financial year</b>	<u>242,105</u>	<u>-</u>
<b>Cash held in a restricted capacity (Note 15)</b>	<u>3,333,827</u>	<u>25</u>
<b>Cash at bank and in hand at end of financial year</b>	<u><u>3,820,933</u></u>	<u><u>242,105</u></u>

The notes on pages 15 to 29 form part of these financial statements.

## Notes to financial statements

For the financial year ended 31 December 2018

### 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.

As part of a group reorganisation, Front Line Defenders, the Trust, gifted its net assets and activities to Front Line, The International Foundation for the Protection of Human Rights Defenders on 1 April 2017, by virtue of an executed Transfer Deed duly signed by both parties. Front Line Defenders, the Trust, was effectively dissolved on that date.

### 2. Accounting policies

#### 2.1 Basis of preparation

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

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and Irish statute comprising of the Companies Act 2014.

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

In preparing the financial statements, the company has referred to guidance included within the "Statement of Recommended Practice (SORP): Accounting and Reporting for Charities, 2014 FRS 102".

The company has adopted best practice to the extent that requirements contained within the aforementioned SORP are applicable to the company.

The financial statements are prepared on the going concern basis.

*(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 2018

### **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 2018

### 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 2018 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 2018

### 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.

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 2018

### 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 judgements 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 2018

### 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

	Year ended 31 December 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/>
	Period from Incorporation to 31 December 2017		
	Unrestricted Funds	Restricted Funds	Total Funds
	€	€	€
Government grants	1,109,300	960,234	2,069,534
Non-Government grants	64,670	151,814	216,484
	<hr/>	<hr/>	<hr/>
<b>Total income from charitable activities</b>	<b>1,173,970</b>	<b>1,112,048</b>	<b>2,286,018</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## Notes to financial statements

For the financial year ended 31 December 2018

### 5. Donations and legacies

	Year ended 31 December 2018		
	Unrestricted Funds	Restricted Funds	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>

	Period from Incorporation to 31 December 2017		
	Unrestricted Funds	Restricted Funds	Total Funds
	€	€	€
Trust and Foundation income	588,072	733,987	1,322,059
Public donations	23,126	-	23,126
Interest income	22	-	22
<b>Total income from donations</b>	<b>611,220</b>	<b>733,987</b>	<b>1,345,207</b>

### 6. Exceptional item – Donation Front Line Trust

	Period from Incorporation to 31 December 2017	Period from Incorporation to 31 December 2017	Period from Incorporation to 31 December 2017
	Unrestricted Funds	Restricted Funds	Total Funds
	€	€	€
Gain on transfer of net assets by way of donation	311,868	-	311,868

The above amount comprises of the carrying value of the net assets of the Trust transferred from Front Line Defenders Trust on 1 April 2017.



## Notes to financial statements

For the financial year ended 31 December 2018

### 7. Other Income

	Period from Incorporation to 31 December 2017	Period from Incorporation to 31 December 2017	Period from Incorporation to 31 December 2017
	Unrestricted Funds	Restricted Funds	Total Funds
	€	€	€
Fund income	87,750	-	87,750

### 8. Expenditure on charitable activities

	Unrestricted Funds €	Restricted Funds €	Year ended 31 December 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>

## Notes to financial statements

For the financial year ended 31 December 2018

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

	Unrestricted Funds €	Restricted Funds €	Period from Incorporation to 31 December 2017 Total Funds €
<b>Grant &amp; Programme</b>			
Protection grant assistance for HRDs	90,772	950,871	1,041,643
Programs for HRDs	38,619	105,446	144,065
Protection training and capacity building	227,509	296,585	524,094
Protection coordination for HRDs	322,552	209,718	532,270
Multilingual resources for HRDs	79,764	850	80,614
Visibility and legitimacy for HRDs	301,539	35,758	337,297
The Dublin Platform for HRDs	102,834	223,492	326,326
Dublin Human Rights Festival	1,749	5,000	6,749
Memorial project	42,476	15,696	58,172
International advocacy for the protection of HRDs at Risk	254,582	-	254,582
<b>Total grant &amp; programme</b>	<u>1,462,396</u>	<u>1,843,416</u>	<u>3,305,812</u>
<b>Support costs</b>			
Programme management	37,759	-	37,759
Premises and facilities	62,764	-	62,764
Human resources and organisational development	7,493	-	7,493
Information technology	34,626	-	34,626
Finance	63,976	9,915	73,891
Operational costs	104,657	67,235	171,892
Governance costs	55,206	-	55,206
<b>Total support costs</b>	<u>366,481</u>	<u>77,150</u>	<u>443,631</u>
<b>Total expenditure on charitable activities</b>	<u><u>1,828,877</u></u>	<u><u>1,920,566</u></u>	<u><u>3,749,443</u></u>

### 9. Raising funds expenditure

	Unrestricted Funds €	Restricted Funds €	Year ended 31 December 2018 Total Funds €
Cost of generating funds	195,494	-	195,494
Support costs	45,002	-	45,002
<b>Total raising funds expenditure</b>	<u><u>240,496</u></u>	<u><u>-</u></u>	<u><u>240,496</u></u>

## Notes to financial statements

For the financial year ended 31 December 2018

### 9. Raising funds expenditure (continued)

	Unrestricted Funds	Restricted Funds	Period from Incorporation to 31 December 2017 Total Funds
	€	€	€
Cost of generating funds	132,036	-	132,036
Support costs	20,364	-	20,364
<b>Total raising funds expenditure</b>	<b>152,400</b>	<b>-</b>	<b>152,400</b>

### 10. Net (expenditure)/surplus

Net (expenditure)/surplus is stated after charging:

	Year ended 31 December 2018	Period from Incorporation to 31 December 2017
	€	€
Depreciation of fixed assets	19,521	10,385
Operating lease rentals	72,262	56,483
Fees payable to the company's auditor – audit of company	13,164	6,765
– other	8,251	6,950
Defined contribution pension costs - other	52,199	32,420
Foreign exchange loss	-	1,033

### 11. 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 2018

### 12. Employee costs

Staff costs were as follows:

	Year ended 31 December 2018	Period from Incorporation to 31 December 2017
	€	€
Wages and salaries	1,061,415	737,664
Social security costs	113,253	78,995
Staff pension costs	52,199	32,420
Field salaries	396,481	282,264
International advocacy salaries	171,763	109,422
Campaign salaries	126,331	87,497
	<u>1,921,442</u>	<u>1,328,262</u>

During the financial period, expenses reimbursed to trustees or paid directly to third parties on their behalf amounted to €10,280 (2017: €2,467).

No trustees received any remuneration during the financial period. Trustee expenses amounted to €10,280 (2017: €10,280).

Capitalised employee costs during the financial year amounted to €Nil (2017: €Nil).

Key management personnel received €197,444 (2017: €155,080) during the financial year.

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

	Year ended 31 December 2018	Period from Incorporation to 31 December 2017
	No.	No.
Management	4	4
Researchers	8	8
Finance	5	5
Training and Communications	8	8
Administration	8	8
	<u>33</u>	<u>33</u>

The number of employees whose emoluments, excluding employer pension contributions, were greater than €70,000, on an annual basis, was as follows:

	Year ended 31 December 2018	Period from Incorporation to 31 December 2017
€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>1</u>	<u>1</u>

## Notes to financial statements

For the financial year ended 31 December 2018

### 13. Tangible fixed assets

	Office equipment €	Computer equipment €	Total €
<b>COST OR VALUATION</b>			
At 1 January 2018	3,083	30,530	33,613
Additions	28,808	21,542	50,350
At 31 December 2018	<u>31,891</u>	<u>52,072</u>	<u>83,963</u>
<b>DEPRECIATION AND IMPAIRMENT</b>			
At 1 January 2018	524	9,861	10,385
Charge for the financial year	3,444	16,077	19,521
At 31 December 2018	<u>3,968</u>	<u>25,938</u>	<u>29,906</u>
<b>NET BOOK VALUE</b>			
At 31 December 2018	<u>27,923</u>	<u>26,134</u>	<u>54,057</u>
At 31 December 2017	<u>2,559</u>	<u>20,669</u>	<u>23,228</u>

### 14. Debtors

	2018 €	2017 €
<b>Due within one year</b>		
Other debtors	3,106	10,423
Accrued income	772,682	498,339
Prepayments	27,135	25,639
	<u>802,923</u>	<u>534,401</u>
<b>Due after more than one year</b>		
Other debtors	13,180	13,180
	<u>13,180</u>	<u>13,180</u>

### 15. Cash and cash equivalents

	2018 €	2017 €
Cash at bank and in hand	<u>3,820,933</u>	<u>242,105</u>

Amounts included in cash at bank and in hand of €3,333,827 (2017: €25) 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 2018

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

	2018	2017
	€	€
Bank overdrafts	6,336	-
Trade creditors	3,414,574	105,008
Deferred income	1,007,515	473,489
PAYE/PRSI	31,316	33,011
Amounts owed to affiliates	3,903	6,240
Accruals	98,604	66,166
	<u>4,562,248</u>	<u>683,914</u>

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

### 17. Financial Instruments

	2018	2017
	€	€
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	3,820,933	242,105
Financial assets that are debt instruments measured at amortised cost	775,788	508,762
	<u>4,596,721</u>	<u>750,867</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(3,523,417)</u>	<u>(177,414)</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.

### 18. Analysis of fund movement

	Fund brought forward	Income	Expense	Transfer between funds	Fund brought forward
	€	€	€	€	€
Unrestricted	129,000	2,107,533	(2,143,977)	-	92,556
Restricted	-	3,677,513	(3,641,224)	-	36,289
	<u>129,000</u>	<u>5,785,046</u>	<u>(5,785,201)</u>	<u>-</u>	<u>128,845</u>

## Notes to financial statements

For the financial year ended 31 December 2018

### 19. 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.

#### 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.

### 20. 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 (2017: €NIL). The pension cost charge represents contributions payable by the company to the fund, and amounted to €52,199 (2017: €32,420).

### 21. Commitments under operating leases

At 31 December 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018	2017
	€	€
Not later than 1 year	56,483	56,483
Later than 1 year and not later than 5 years	61,190	117,673
	<u>117,673</u>	<u>174,156</u>

### 22. 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 €516,010 (2017: €312,281). 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 €232,665 (2017: €4,736). Accrued grants from Front Line USA at the year end amounted to €13,042 (2017: €107,541).

During the financial year, Front Line (UK) Foundation, a company limited by guarantee registered and incorporated in the United Kingdom, advanced €3,903 (2017: €6,240) 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 2018

### 23. Post balance sheet events

There have been no 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.

### 24. Approval of the financial statements

The financial statements were approved by the board of trustees on 29 March 2019