

FRONT LINE

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

FRONT LINE
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FRONT LINE

TRUSTEES AND OTHER INFORMATION

TRUSTEES

Mary Lawlor
Kieran Mulvey
Denis O'Brien
Jim Conway
Hina Jilani
Michel Forst
Noeline Blackwell
David Sykes
Maria Mulcahy
James Cavallaro

AUDITORS

RSM Farrell Grant Sparks
Chartered Accountants
Statutory Audit Firm
Molyneux House
Bride Street
Dublin 8

BANKERS

Bank of Ireland
Blackrock
Co Dublin

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

SOLICITORS

William Fry Solicitors
Fitzwilton House
Wilton Place
Dublin 2

REGISTERED OFFICE

2nd Floor
Grattan House
Temple Road
Blackrock
Co. Dublin

FRONT LINE

TRUSTEES' REPORT

The trustees submit their report together with the audited financial statements for the year ended 31 December 2012.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

Front Line is working to ensure that the principles and standards set out in the UN declaration on human rights defenders are known, respected and adhered to worldwide. It was set up as a Trust under the Trustee Act 1893 and achieved charitable status in August 2002.

REVIEW OF ACTIVITIES IN 2012

Front Line Defenders issued 287 Urgent Appeals on behalf of 460 individuals in 69 countries.

The EU Office took action on 150 cases with a positive response in 45% of cases.

In 2012 the Front Line Defenders Security Grants Programme awarded 269 grants, totalling €607,877 to individuals and organisations at risk. This included 105 temporary relocations of individual human rights defenders and family members.

The Front Line Defenders Award was presented to Razan Ghazzawi from Syria.

236 human rights defenders from 28 countries participated in security and protection workshops and 111 human rights defenders from 20 countries participated in digital security workshops.

Front Line Defenders carried out 31 research missions to 26 countries.

The Front Line Defenders Handbook for Human Rights Defenders: "What protection can the United Nations Field Presences provide?" was published in Arabic, English, French, Russian and Spanish.

The Trial Observation Handbook for Human Rights Defenders was published in English.

Online campaigns for human rights defenders linked to the Euro 2012 Football Championship and the 2012 Olympics and Paralympics were launched. The online campaign for Chen Guangcheng, China continued and a new campaign on Nobel Prize winner Liu Xiabo, China was launched. A radio public service announcement (PSA) campaign was broadcast on radio stations throughout Colombia, in partnership with the Colombian organisation MOVICE. Intensive campaigning on Abdulhadi AlKhwaja, Bahrain took place.

Basma Abdelrahman from Egypt, Olga Sadovskaya from the Russian Federation and Farai Maguwu from Zimbabwe took part in speaking tours in Ireland.

Martin Sheen hosted "Voices from the Front Line", a special theatre and musical production celebrating the courage of human rights defenders in music and song.

Rolling internships with the UN Special Rapporteur on Human Rights Defenders in Geneva and the Special Rapporteur of the African Commission on Human and Peoples' Rights in Banjul were maintained.

FRONT LINE

TRUSTEES' REPORT

RESULTS FOR THE YEAR

The income and expenditure account and balance sheet for the year are set out on pages 8 and 9. Income is raised on the basis of specific projects such as IT / website security and general support from Governments, individuals and private foundations.

EVENTS SINCE THE YEAR END AND FUTURE DEVELOPMENTS

There have been no significant events affecting the trust since the year end and the trustees do not envisage any substantial changes to the nature of the trust.

BOOKS AND ACCOUNTING RECORDS

The trustees are responsible for ensuring that proper books and accounting records are kept. The trustees through the use of appropriate procedures and systems and the employment of competent persons have ensured that measures are in place to secure compliance with these requirements. These books and accounting records are maintained at its place of business at 2nd Floor, Grattan House, Temple Road, Blackrock, Co. Dublin.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the financial statements in accordance with Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland. They are also responsible for safeguarding the assets of the trust 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 corporate and financial information included on the entity's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

RISK MANAGEMENT

Front Line Defenders has a Risk Management document which was agreed with the Board of Trustees and which is reviewed on an annual basis. The document contains an analysis of risks together with potential triggers, potential consequences, potential risk mitigation steps and the person(s) responsible. The priority risks identified were:

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

INFORMATION PROVIDED TO AUDITORS

The trustees are aware, at the time of approval of the trustees' report that:

- There is no relevant audit information of which the company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

FRONT LINE
TRUSTEES' REPORT

AUDITORS

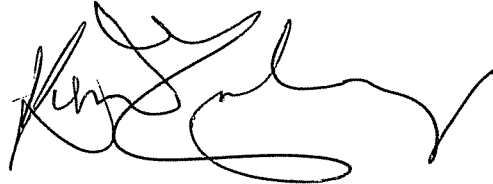
The auditors, RSM Farrell Grant Sparks, Chartered Accountants, Statutory Audit Firm have indicated their willingness to continue in office.

ON BEHALF OF THE TRUSTEES

MARY LAWLOR - TRUSTEE

Mary Lawlor

KIERAN MULVEY - TRUSTEE (TREASURER)



DATED:

26 April 2013

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF FRONT LINE

We have audited the financial statements of Front Line for the year ended 31 December 2012 which comprise the income and expenditure account, the balance sheet, the cash flow statement and the related notes. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the trustees, as a body. Our audit work has been undertaken so that we might state to the 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 trustees, for our audit work for this report or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As described in the Statement of Trustees' Responsibilities the trustees are responsible for the preparation of the accounts in accordance with applicable law and the Irish accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view. We also report to you whether in our opinion: proper books of account have been kept by the trust; and whether the information given in the trustees' report is consistent with the accounts. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the trusts balance sheet is in agreement with the books of account.

We report to the trustees if, in our opinion, any information specified by law regarding trustees' remuneration and trustees' transactions is not given and, where practicable, include such information in our report.

We read the trustees' report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the trusts circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

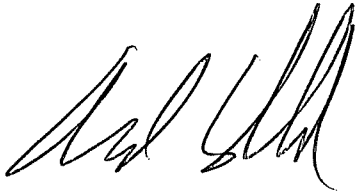
In our opinion the financial statements:

- give a true and fair view of the state of the financial transactions of Front Line at 31 December 2012 ; and
- have been properly prepared in accordance with the requirements of the Trustee Act 1893.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
FRONT LINE**

We have obtained all the information and explanations that we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the trust. The accounts are in agreement with the books of account.

In our opinion the information given in the trustees' report is consistent with the accounts financial statements.



**AIDAN SCOLLARD
FOR AND ON BEHALF OF
RSM FARRELL GRANT SPARKS
CHARTERED ACCOUNTANTS
STATUTORY AUDIT FIRM
MOLYNEUX HOUSE
BRIDE STREET
DUBLIN 8**

DATED: 26 March 2013

FRONT LINE

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

	APPENDIX	2012 €	2011 €
INCOME		4,486,365	4,377,558
DEFERRED INCOME		(1,225,324)	(1,223,025)
	I	3,261,041	3,154,533
EXPENDITURE			
Conference	II	-	421,793
Programme	II	1,725,425	1,422,722
Administration	II	275,019	278,913
Wages, Salaries and Labour Costs	II	1,247,952	1,098,685
		3,248,396	3,222,113
OPERATING SURPLUS/(DEFICIT)		12,645	(67,580)
Balance at beginning of year		143,189	210,769
		155,834	143,189

ON BEHALF OF THE TRUSTEES

Mary Lawlor

MARY LAWLOR - TRUSTEE



KIERAN MULVEY - TRUSTEE (TREASURER)

DATED: 26 April 2013

The notes on pages 11 to 16 form an integral part of these financial statements.

FRONT LINE

BALANCE SHEET AT 31 DECEMBER 2012

	NOTES	2012 €	2011 €
ASSETS EMPLOYED			
FIXED ASSETS	2	<u>21,122</u>	<u>20,137</u>
CURRENT ASSETS			
Debtors	3	43,268	49,169
Cash at bank and in hand		<u>1,443,926</u>	<u>1,398,766</u>
		1,487,194	1,447,935
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	4	<u>(1,352,482)</u>	<u>(1,324,883)</u>
NET CURRENT ASSETS		<u>134,712</u>	<u>123,052</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>155,834</u></u>	<u><u>143,189</u></u>
FINANCED BY			
Unrestricted funds		<u><u>155,834</u></u>	<u><u>143,189</u></u>

ON BEHALF OF THE TRUSTEES

Mary Lawlor

MARY LAWLOR - TRUSTEE



KIERAN MULVEY - TRUSTEE (TREASURER)

DATED: 26 April 2013

The notes on pages 11 to 16 form an integral part of these financial statements.

FRONT LINE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

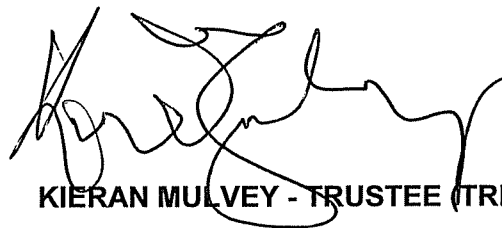
	NOTES	2012 €	2011 €
Net cash inflow/(outflow) from operating activities	7	56,242	(128,875)
Returns on investments and and servicing of finance			
Interest received	6	94	286
Capital expenditure			
Payments to acquire tangible assets	2	(11,176)	(18,494)
NET CASH INFLOW/(OUTFLOW)	8	<u><u>45,160</u></u>	<u><u>(147,083)</u></u>

ON BEHALF OF THE TRUSTEES

Mary Lawlor

MARY LAWLOR - TRUSTEE

DATED: 26 April 2013



KIERAN MULVEY - TRUSTEE (TREASURER)

The notes on pages 11 to 16 form an integral part of these financial statements.

FRONT LINE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

1.1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland. Accounting Standards generally accepted in Ireland in preparing the financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

1.2. TANGIBLE FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at historical costs less accumulated depreciation and provisions for impairment.

The cost of an asset is made up of the purchase price of the asset plus any costs directly attributable to bringing the asset into working condition for its intended use.

Depreciation is calculated to write off the original cost of the asset less the estimated residual value over its estimated useful economic life as follows:

Computer Hardware	-	3 years
Office Equipment	-	5 years
Fixtures and Fittings	-	5 years

The carrying value of tangible fixed assets is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. Under Irish GAAP impairment is assessed by comparing the carrying value of the asset with its recoverable amount (the higher of net realisable value and value in use). Net realisable value is defined as the amount at which an asset could be disposed net of any direct selling costs. Value in use is defined as the present value of future cash flows obtainable through the continued use of an asset including those expected to be realised on its eventual disposal.

1.3. FOREIGN EXCHANGE AND FUNCTIONAL CURRENCY

Transactions during the year 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 profits or losses are dealt with in the income and expenditure account.

FRONT LINE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1.4. PENSIONS

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

1.5. GRANTS

Grants are credited to the income and expenditure account in accordance with the conditions of the grant received.

1.6. DONATIONS

Donations are credited to the income and expenditure account as received.

2. FIXED ASSETS

	Computer Hardware	Office Equipment	Total
	€	€	€
Cost			
At 1 January 2012	65,587	41,248	106,835
Additions	11,176	-	11,176
At 31 December 2012	76,763	41,248	118,011
Depreciation			
At 1 January 2012	57,672	29,026	86,698
Charge for the year	6,927	3,264	10,191
At 31 December 2012	64,599	32,290	96,889
Net book values			
At 31 December 2012	12,164	8,958	21,122
At 31 December 2011	7,915	12,222	20,137

FRONT LINE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

3. DEBTORS	2012	2011
	€	€
Amounts falling due within one year:-		
Trade debtors and prepayments	39,331	43,995
Other debtors	3,048	5,174
Pension contributions	889	-
	<u>43,268</u>	<u>49,169</u>
4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2012	2011
	€	€
Trade creditors and accruals	102,024	71,719
PAYE	16,474	15,263
PRSI	8,660	7,642
Other Creditors	-	6,828
Pension contributions	-	406
Deferred Government Grants	444,964	288,505
Deferred Grant Income	780,360	934,520
	<u>1,352,482</u>	<u>1,324,883</u>

FRONT LINE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

5. EMPLOYEES AND REMUNERATION

Number of employees

	2012	2011
Management	4	4
Researchers	7	7
Finance	2	2
Training and Communications	5	4
Administration	6	5
	24	22
	24	22

The employment costs were:-

	2012	2011
	€	€
Wages and salaries	1,128,296	991,170
Social welfare costs	77,683	67,602
Pension costs	41,973	39,913
	1,247,952	1,098,685
	1,247,952	1,098,685

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

€70,001 - €80,000	1
€90,001 - €100,000	1
€110,001 - €120,000	1

6. INTEREST RECEIVABLE

	2012	2011
	€	€
Deposit interest receivable	94	286
	94	286

FRONT LINE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

7. RECONCILIATION OF OPERATING SURPLUS/(DEFICIT) TO NET CASH INFLOW/OUTFLOW FROM OPERATING ACTIVITIES	2012	2011
	€	€
Operating surplus/(deficit)	12,645	(67,580)
Interest Received	(94)	(286)
Depreciation	10,191	8,795
Decrease / (increase) in debtors	5,901	(1,353)
Increase / (decrease) in creditors	27,599	(68,451)
	<hr/>	<hr/>
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	56,242	(128,875)
	<hr/> <hr/>	<hr/> <hr/>

8. ANALYSIS OF CHANGES IN NET FUNDS

	Opening balance	Cash flows	Closing balance
	€	€	€
Cash at bank and in hand	1,398,766	45,160	1,443,926
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

9. RELATED PARTY TRANSACTIONS

The Trust receives income on an annual basis from a Fund that was set up in 2001 with a large donation from one of the Trustees, Denis O'Brien. Income is recognised in the financial statements when Front Line receives the income. Front Line only draws income from the Fund on an as needed basis.

10. FINANCIAL COMMITMENTS

The trustees are not aware of any material commitments entered into during the financial year which have not been adequately reflected in these financial statements.

11. POST BALANCE SHEET EVENTS

There have been no significant events affecting the trust since the year end and the trustees do not envisage any substantial changes to the nature of the business.

FRONT LINE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

12. APPROVAL OF FINANCIAL STATEMENTS

The trustees approved and authorised the financial statements for issue on 26 March 2013.

FRONT LINE

APPENDIX TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Appendix I - Income

	2012		2011	
	€	€	€	€
Government Funding				
Irish Aid	504,394		225,000	
The Norwegian Royal Ministry of Foreign Affairs	330,978		317,532	
The Belgian Foreign Ministry	-		172,000	
The Dutch Ministry of Foreign Affairs	385,000		400,000	
The Swiss Federal Department of Foreign Affairs	37,323		58,966	
The German Ministry of Foreign Affairs	30,000		-	
	1,287,695		1,173,498	
Grants				
The European Instrument for Democracy and Human Rights	600,313		490,168	
The Oak Foundation	133,000		200,000	
The Sigrid Rausing Trust	359,700		347,143	
The Ford Foundation	112,292		111,049	
Foundation Open Society Institute	118,777		222,155	
Freedom House	64,927		26,577	
Violet Jabara Charitable Trust	-		7,197	
American Jewish World Service	183,913		262,407	
The Joseph Rountree Charitable Trust	-		22,975	
Stichting Adessium	200,000		-	
Other Sources	155,552		181,774	
	1,928,474		1,871,445	
Donations		44,778		31,992
Registration Fees		-		13,687
Interest Income		94		286
Conference Income and Sponsorship				
The Embassy of Federal Republic of Germany in Dublin	-		20,000	
Conference Income and Sponsorship	-		43,625	
		-	63,625	
Total Income		3,261,041		3,154,533

FRONT LINE

APPENDIX TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Appendix 2 - Expenditure

	2012	2011
	€	€
Conference		
Venue	-	24,866
Catering	-	54,285
Staff Translators and Volunteer Expenses	-	52,822
Printing, Postage and Stationery	-	11,599
Audio Visual	-	1,635
Travel and Accommodation	-	248,102
PR / Press	-	13,810
Contingency and Sundry	-	14,674
	-	421,793
	-	421,793
 Programme		
Development Research and Travel	45,604	31,990
Grants	683,166	540,033
Publications	19,620	3,862
Trust Meetings	1,068	1,756
Promotion and Advertising	296,986	150,675
Workshops	254,901	244,623
Research Reports	15,431	44,497
Fellowship Programme Sponsorship	67,358	54,020
Fundraising	22,943	13,090
Translation	58,382	44,435
NGO in a box	3,985	9,897
Emergency Line 24/7	1,436	1,869
FL Forum	-	2,361
Field Expenses	95,079	138,212
Internships	97,327	95,931
Documentary	37,916	-
Voices - expenses	19,215	-
Rosspport monitoring	-	38,952
Support for HRDs	5,008	6,519
	1,725,425	1,422,722
	1,725,425	1,422,722

FRONT LINE

APPENDIX TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	€	€
Administration		
Telephone	14,333	23,225
Postage, Stationery and Couriers	18,393	21,334
Office Maintenance	12,191	18,583
Rent and Rates	56,483	58,718
Travel and Accommodation	29,077	9,739
Volunteer Expenses	550	1,282
Audit Fee	5,500	5,500
Bookkeeping and Professional fees	12,036	12,009
Bank Charges	9,911	7,798
Insurance	23,843	32,470
Staff Training and Recruitment	10,459	9,456
IT Systems	31,157	31,403
Brussels Office Costs	19,164	17,365
DRC Materials	-	5,263
Reference Group (STAP HRDs)	12,526	-
Sundry Expenses	9,205	14,920
Depreciation	10,191	8,795
Loss on disposal of assets	-	1,053
	275,019	278,913
	275,019	278,913
 Wages, Salaries and Labour Costs		
Wages	1,128,296	991,170
Employers PRSI	77,683	67,602
Pension	41,973	39,913
	1,247,952	1,098,685
	1,247,952	1,098,685