

Explanatory note on Front Line Defenders' 2017 accounts.

Front Line Defenders successfully completed its transition from Trust to Company Status on 1st April 2017. Front Line Defenders 2017 audited accounts - attached - therefore comprise of two components, the first covering the period where Front Line Defenders continued to operate as a Trust (01 January 2017 – 31 March 2017) and the second covering the period as a Private Company Limited by Guarantee (01 April 2017 – 31 December 2017).

Financial Statements

International Foundation for the Protection of Human Rights Defenders - "Front Line Defenders"

For the financial period ended 1 April 2017

Trust Information

Trustees

Denis O'Brien
Kieran Mulvey
Jim Conway
Noeline Blackwell
David Sykes
Maria Mulcahy
Mary Lawlor
Mary Jane Real
Arnold Tsunga

Registered number

CHY 14029

Registered office

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Trustees' report

For the financial period ended 1 April 2017

The Trustees present their annual report and unaudited financial statements for the 3 month financial period ended 1 April 2017.

Principal activities

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 with the Revenue in August 2002.

On 1 April 2017, the Trustees exercised their power to wind-up the Trust and distribute by way of a gift the remaining net assets of the Trust to Front Line, The International Foundation for the Protection of Human Rights Defenders, a company limited by guarantee, therefore releasing each of the Trustees from all outstanding obligations under the Trust Deed. As such this terminates the Trust from that date thereof. The financial statements are therefore prepared on a wind up basis of accounting.

Review of activities in 2017

During 2017 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. Throughout the year, human rights defenders gave a strong reaffirmation of the work undertaken:

Front Line Defenders issued 69 Urgent Appeals on behalf of 90 individuals at risk in 38 countries and undertook advocacy with the relevant national authorities, lobbied the EU to take action and submitted cases to the UN and regional mechanisms.

During the 3 month period ended 1 April 2017, Front Line Defenders Security Grants Programme provided 117 grants totalling €287,257 to 90 individuals and 27 organisations at risk in 47 countries. 42 grants were provided for temporary relocations. 86% of Human Rights Defenders (HRDs) reported that they have been able to continue or return to work as a result of having received Security Grant support.

Front Line Defenders carried out 15 field visits to 13 countries.

13 HRDs participated in training on personal and organisational security, 91% of HRDs reported having implemented a security plan as a result of the training.

23 HRDs participated in digital protection training, 62% of HRDs reported using digital security tools as a result of training. 52 HRDs and 34 human rights organisations in 19 countries were supported by Digital Protection Consultants through six visits and remote support, 99% of HRDs reported using digital security tools as a result of the consultancy.

5 HRDs were supported through the Rest & Respite Programme.

Hauwa Ibrahim from Nigeria spoke about her work as a lawyer and human rights defender at the Annual Front Line Defenders Lecture held in partnership with University College Dublin and Trinity College Dublin.

Trustees' report (continued)

For the financial period ended 1 April 2017

The context in which Front Line Defenders operates continues to be challenging. Throughout the first three months of 2017 human rights defenders in every region of the world faced attacks because of their work to advance and defend the human rights of their communities. They were targeted by both state and non-state actors who sought to discourage, discredit and disrupt their non-violent activities. Smear campaigns and stigmatisation were widely employed, though legal action remained the most commonly used state tactic. The number of killings in 2017 represented an increase to the number reported in the previous year, 321 HRDs were murdered in 27 countries. 67% of these defenders were working to defend land, indigenous and environmental rights. In the vast majority of cases perpetrators were not brought to justice, nor did any systematic changes take place to better ensure the protection of defenders in countries where they are most at risk of assassination.

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 evaluations conducted in Russia and Democratic Republic of Congo.

Income generation during the first quarter of 2017 was positive and on target. Income projections for the new Company Limited by Guarantee for the rest of 2017 and 2018 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 2018 and beyond.

Impact

The organisation continued to review and monitor impact in accordance with the Results Framework agreed as part of our contract with Irish Aid. Figures will be calculated for the combined work of the Trust and the new Company Limited by Guarantee during the full year of 2017.

Results for the year

The statement of comprehensive income and retained earnings and statement of financial position for the period are set out on pages 10-11. Income is raised on the basis of specific projects such as IT / website security and general support from governments, individuals and private foundations.

Accounting records

The Trustees are responsible for ensuring that proper books and records are maintained. 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 accounting records are maintained at its place of business at 2nd Floor, Grattan House, Temple Road, Blackrock, Co. Dublin, Ireland.

Risk management

The risk management document was reviewed in November 2017 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 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 Defenders, particularly through publishing false information or through fraud/mismanagement of funds.

Trustees' report (continued)

For the financial period ended 1 April 2017

Governance

The Front Line Defenders 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 who is responsible and accountable for the implementation of the Annual Business Plan and Budget. The Board also plays a role in approving security grants in between Board meetings. The Board met in March 2017 and subsequently transferred its efforts to the new company limited by guarantee and will continue its work under this new corporate umbrella.

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. These documents together with a Trustees' Handbook, the Strategic Plan, the audited accounts and other key documents are available on the Front Line Defenders' website. An Audit Sub-Committee of the Board is in place.

Reserves

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 12 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 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 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.

Trustees' report (continued)

For the financial period ended 1 April 2017

Post balance sheet events

On 1 April 2017, the Trustees exercised their power to wind-up the Trust and distribute the remaining net assets of the Trust to Front Line, The International Foundation for the Protection of Human Rights Defenders, a company limited by guarantee, therefore releasing each of the Trustees from all outstanding obligations under the Trust Deed. As such this terminates the Trust from that date thereof.

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

.....
David Sykes

Trustee

.....
Kieran Mulvey

Trustee

Date:

Trustees' responsibilities statement

For the financial period ended 1 April 2017

The Trustees are responsible for preparing the Trustees' Report and 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 promulgated by the Institute of Chartered Accountants in Ireland.

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 Trust as at the financial period end date and of the surplus or deficit of the Trust for the financial period end.

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

- select suitable accounting policies for the financial statements and then apply them consistently;
- make judgements and accounting 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 Trust will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Trustee Act 1893. 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.

On behalf of the board

David Sykes
Trustee

Kieran Mulvey
Trustee

Date:

Statement of comprehensive income and retained earnings

For the financial period ended 1 April 2017

	Note	3 months ended 1 April 2017 €	12 months ended 31 December 2016 €
Income	4	1,165,899	4,688,841
Expenditure			
Conference costs		(13)	(4,896)
Programme costs		(491,255)	(2,656,649)
Administration expenses		(82,568)	(342,973)
Wages, salaries and labour costs		(409,236)	(1,683,684)
Operating surplus	5	182,827	639
Exceptional item	9	(311,868)	-
(Deficit)/surplus on ordinary activities before interest		(129,041)	639
Interest receivable	7	121	265
(Deficit)/surplus for the financial period/year		(128,920)	904
Retained earnings at the beginning of the financial period/year		128,920	128,016
(Deficit)/surplus for the financial period/year		(128,920)	904
Retained earnings at the end of the financial period/year		-	128,920

There was no other comprehensive income during 2017 or 2016.

All of the activities of the Trust are classified as discontinued within these financial statements and transferred to the new company limited by guarantee.

The notes on pages 9 to 20 form part of these financial statements.

Statement of financial position

As at 1 April 2017

	Note	1 April 2017 €	31 December 2016 €
Fixed assets			
Tangible assets	10	-	21,484
		<u>-</u>	<u>21,484</u>
Current assets			
Debtors: amounts falling due within one year	11	-	345,902
Cash at bank and in hand	12	-	562,038
		<u>-</u>	<u>907,940</u>
Creditors: amounts falling due within one year	13	-	(800,504)
		<u>-</u>	<u>107,436</u>
Net current assets		<u>-</u>	<u>107,436</u>
Total assets less current liabilities		<u>-</u>	<u>128,920</u>
Net assets		<u>-</u>	<u>128,920</u>
Capital and reserves			
Unrestricted reserves	15	-	128,920
Members' funds		<u>-</u>	<u>128,920</u>

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

David Sykes
Trustee

Kieran Mulvey
Trustee

Date:

The notes on pages 9 to 20 form part of these financial statements.

Statement of cash flows

For the financial period ended 1 April 2017

	3 months ended 1 April 2017 €	12 months ended 31 December 2016 €
Cash flows from operating activities		
(Deficit)/surplus for the financial period/ year	(128,920)	904
Adjustments for:		
Depreciation of tangible assets	3,384	13,139
Loss on transfer of net assets	311,868	-
Interest received	(121)	(265)
(Increase)/decrease in debtors	(607,377)	5,009,017
Decrease in creditors	(137,480)	(5,098,504)
Net cash used in operating activities	(558,646)	(75,709)
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,513)	(17,680)
Interest received	121	265
Net cash used in investing activities	(3,392)	(17,415)
Net decrease in cash and cash equivalents	(562,038)	(93,124)
Cash and cash equivalents at beginning of financial period/year	562,038	655,162
Cash and cash equivalents at the end of financial period/year	-	562,038
Cash and cash equivalents at the end of financial period/year comprise:		
Cash at bank and in hand	-	562,038

The notes on pages 9 to 20 form part of these financial statements.

Notes to the financial statements

For the financial period ended 1 April 2017

1. General information

Front Line Defenders was founded and became a registered Charity in 2002 in the Republic of Ireland with a registered office at 2nd Floor Grattan House, Temple Road, Co. Dublin.

Front Line Defenders currently operates as a Trust.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

The financial statements are presented in Euro (€) which is also the functional currency of the Trust.

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

The following principal accounting policies have been applied:

2.2 Break up basis

The financial statements have been prepared on a basis of other than going concern which is described as the break-up basis. The break up basis has been adopted because the Trustees made a decision on 1 April 2017, to exercise their power to wind-up the Trust and distribute the remaining net assets of the Trust to Front Line, The International Foundation for the Protection of Human Rights Defenders, a new Company Limited by Guarantee, therefore releasing each of the Trustees from all outstanding obligations under the Trust Deed. As such this terminates the Trust from that date thereof.

The break-up basis requires the carrying value of the assets to be at the amounts they are expected to realise and liabilities include any amounts which have crystallised as a result of the decision to wind up the Trust. The application of the break-up basis on the results for the period to 1 April 2017 decreased the profit for the year by €311,868. In all other respects the financial statements have been prepared in accordance with the accounting framework.

The net assets transferred by way of gift at 1 April 2017 to The International Foundation for the Protection of Human Rights Defenders, the new Company Limited by Guarantee, amounted to €311,868.

Notes to the financial statements

For the financial period ended 1 April 2017

2. Accounting policies (continued)

	2017 €
Analysis of net assets transferred:	
Write down of fixed assets	21,613
Write off of debtors	901,280
Write off of cash	51,999
Write off of creditors	(663,024)
Total	311,868

2.3 Grants

Grants are credited to the statement of comprehensive income and retained earnings account when there is reasonable assurance that:

- (i) the Trust will comply with the conditions of the grant agreement;
- (ii) the grant will be received; and
- (iii) the grant can be measured reliably.

The Trust recognises grant income based on the accruals model and is applied on a class-by-class basis.

Under the accrual model grant income is recognised as follows:

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

2.4 Donations

Donations are credited to the statement of comprehensive income and retained earnings account as received.

2.5 Interest income

Interest income is recognised in the Statement of comprehensive income and retained earnings using the effective interest method.

2.6 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 statement of financial position date. The resulting surplus or deficits are dealt with in the statement of comprehensive income and retained earnings account.

Notes to the financial statements

For the financial period ended 1 April 2017

2. Accounting policies (continued)

2.7 Pensions

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

2.8 Operating leases: the Trust as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income and retained earnings 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 lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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 comprehensive income and retained earnings.

2.10 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.

Notes to the financial statements

For the financial period ended 1 April 2017

2. Accounting policies (continued)

2.11 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 and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Trust's cash management.

2.12 Financial instruments

The Trust only enters into basic financial instrument 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 debtors and creditors, 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 the 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 comprehensive income and retained earnings.

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 of the recoverable amount, which is an approximation of the amount that the Trust 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 Statement of financial position 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.

2.13 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 the financial statements

For the financial period ended 1 April 2017

2. Accounting policies (continued)

2.14 Reserves

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 organization would be a figure that reflects 12 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 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.

2.15 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Trust but are presented separately due to their size or incidence.

Notes to the financial statements

For the financial period ended 1 April 2017

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

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

Estimates and Assumptions

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Estimating useful lives of depreciable assets

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

Estimating allowance for impairment of debtors

The Trust maintains provisions for impaired accounts at a level considered adequate to provide for probable uncollectible receivables. The level of this provision is regularly evaluated and normally consists of past due accounts that are neither subject of ongoing negotiations with management to revise payment schedules nor secured with any collateral. Impairment amount at the the 3 month period ended amounted to €Nil (2016: €Nil).

4. Turnover

An analysis of turnover by source is as follows:

	3 months ended 1 April 2017	12 months ended 31 December 2016
	€	€
Fund income	29,250	257,000
Government income	647,171	2,535,982
Non governmental organisation income	59,041	294,055
Trust and Foundation income	426,422	1,465,158
Other	-	97,746
Public donations	4,015	38,900
	1,165,899	4,688,841

Notes to the financial statements

For the financial period ended 1 April 2017

5. Surplus on ordinary activities

The operating surplus is stated after charging:

	3 months ended 1 April 2017	12 months ended 31 December 2016
	€	€
Depreciation of tangible fixed assets	3,384	13,139
Operating lease rentals - building	15,900	56,483
Foreign exchange loss/(gain)	2,463	(22)
Auditor remuneration	3,075	15,838
Defined contribution pension costs	6,742	50,138
	<u> </u>	<u> </u>

6. Employees

Staff costs were as follows:

	3 months ended 1 April 2017	12 months ended 31 December 2016
	€	€
Wages and salaries	226,560	950,507
Field salaries	86,225	301,691
International Advocacy salaries	36,017	172,325
Campaign salaries	29,414	116,216
Employers PRSI	24,278	92,807
Pension	6,742	50,138
	<u> </u>	<u> </u>
	<u>409,236</u>	<u>1,683,684</u>

During the financial period/year, expenses reimbursed to Trustees for travel related costs amounted to €1,279 (2016: €6,010).

During the financial period/year, a Trustee received pension payments amounting to €Nil (2016: €10,658).

Capitalised employee costs during the financial period/year amounted to €Nil (2016: €Nil).

Key management personnel received €51,596 (2016: €165,875) for the financial period/year.

Notes to the financial statements

For the financial period ended 1 April 2017

Employees (continued)

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

	3 months ended 1 April 2017 No.	12 months ended 31 December 2016 No.
Management	3	3
Researchers	9	9
Finance	4	4
Training and communications	8	8
Administration	4	4
	<u>28</u>	<u>28</u>

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

	3 months ended 1 April 2017 No.	12 months ended 31 December 2016 No.
	-	-
€70,001 - €80,000	1	1
€80,001 - €90,000	2	1
€90,001 - €100,000	-	-
€100,001 - €110,000	-	-
€110,001 - €120,000	1	1
	<u>1</u>	<u>1</u>

7. Interest receivable

	3 months ended 1 April 2017 €	12 months ended 31 December 2016 €
Bank interest	<u>121</u>	<u>265</u>

Notes to the financial statements

For the financial period ended 1 April 2017

8. Tax

The Trust with charity number CHY 14029 is a registered charity and is exempt from tax in accordance with the provisions of Section 207 of the Taxes Consolidation Act.

9. Exceptional item

	2017 €	2016 €
Loss on transfer of net assets by way of gift	311,868	-

This comprises of the carrying value of the net assets of the Trust transferred to Front Line, The International Foundation for the Protection of Human Rights Defenders (company limited by guarantee) on 1 April 2017.

10. Tangible fixed assets

	Office equipment €	Computer equipment €	Total €
Cost or valuation			
At 1 January 2017	51,196	117,684	168,880
Additions	-	3,513	3,513
Disposals	(51,196)	(121,197)	(172,393)
At 1 April 2017	-	-	-
Depreciation			
At 1 January 2017	47,601	99,795	147,396
Charge for the financial period	512	2,872	3,384
Eliminated on disposal	(48,113)	(102,667)	(150,780)
At 1 April 2017	-	-	-
Net book value			
At 1 April 2017	-	-	-
At 31 December 2016	3,595	17,889	21,484

Notes to the financial statements

For the financial period ended 1 April 2017

11. Debtors

	1 April 2017 €	31 December 2016 €
Other debtors	-	4,322
Prepayments	-	43,259
Accrued income	-	298,321
	<u>-</u>	<u>345,902</u>

12. Cash and cash equivalents

	1 April 2017 €	31 December 2016 €
Cash at bank and in hand	-	562,038
	<u>-</u>	<u>562,038</u>

13. Creditors: Amounts falling due within one year

	1 April 2017 €	31 December 2016 €
Trade creditors	-	90,970
PAYE/PRSI	-	25,896
Other creditors	-	5,437
Accruals	-	54,584
Deferred government grants and income	-	623,617
	<u>-</u>	<u>800,504</u>

Notes to the financial statements

For the financial period ended 1 April 2017

14. Financial instruments

	1 April 2017 €	31 December 2016 €
Financial assets		
Financial assets measured at fair value through profit or loss	-	562,038
Financial assets measured at amortised cost	-	302,643
	<u>-</u>	<u>864,681</u>
Financial liabilities		
Financial liabilities measured at amortised cost	-	(150,991)
	<u>-</u>	<u>(150,991)</u>

Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand.

Financial assets measured at amortised cost comprise of accrued income and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and other creditors.

15. Unrestricted reserves

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

16. Pension commitments

The Trust 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 Trust.

Contributions at the statement of financial position dates were €Nil (2016: €693). The pension cost charge represents contributions payable by the Trust to the fund, and amounted to €6,742 (2016: €50,138).

Notes to the financial statements

For the financial period ended 1 April 2017

17. Commitments under operating leases

At 1 April 2017 the Trust had future minimum lease payments under non-cancellable operating leases as follows:

	1 April 2017 €	31 December 2016 €
Not later than 1 year	-	56,483
Later than 1 year and not later than 5 years	-	56,483
Later than 5 years	-	118,227
	<u>-</u>	<u>231,193</u>

Lease obligations transferred to The International Foundation for the Protection of Human Rights amounted to €216,518.

18. Related party transactions

The Trust 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 Trust's reserve policy set out in Note 2.

The Trust received donations from Front Line USA, a public charity registered in the United States, amounting to €102,667 (2016: €40,593). The entities are related by way of common trusteeships being Maria Mulcahy. Deferred grants from Front Line USA at year end amounted to €Nil (2016: €24,046).

During the financial period, Front Line (UK) Foundation, a company limited by guarantee registered and incorporated in the United Kingdom, advanced €6,240 to the Trust. This amount was transferred to the new company limited by guarantee on 1 April 2017 as a result of the signed Deed of Transfer.

19. Post balance sheet events

On 1 April 2017, the Trustees exercised their power to wind-up the Trust and distribute the remaining net assets of the Trust to Front Line, The International Foundation for the Protection of Human Rights Defenders, a company limited by guarantee, therefore releasing each of the Trustees from all outstanding obligations under the Trust Deed. As such this terminates the Trust from that date thereof.

20. Comparative information

Comparative information has been reclassified where necessary to conform to current year presentation.

21. Approval of financial statements

The Trustees approved these financial statements for issue on

Detailed surplus and deficit account

For the financial period ended 1 April 2017

	3 months ended 1 April 2017 €	12 months ended 31 December 2016 €
Income	<u>1,165,899</u>	<u>4,688,841</u>
Less: overheads		
Conference costs	(13)	(4,896)
Programme costs	(491,255)	(2,656,649)
Administration expenses	(82,568)	(342,973)
Wages, salaries and labour costs	<u>(409,236)</u>	<u>(1,683,684)</u>
Operating surplus	182,827	639
Interest receivable	121	265
Exceptional item	<u>(311,868)</u>	<u>-</u>
(Deficit)/surplus for the financial period/year	<u>(128,920)</u>	<u>904</u>

Schedule to the detailed accounts

For the financial period ended 1 April 2017

Income

	3 months ended 1 April 2017 €	12 months ended 31 December 2016 €
Fund income		
Fund income	29,250	257,000
Government income		
Irish Aid	126,933	483,690
The Norwegian Royal Ministry of Foreign Affairs	91,025	390,055
The Dutch Ministry of Foreign Affairs	-	300,000
The Swiss Federal Department of Foreign Affairs	20,250	98,500
SIDA	130,831	313,766
German Government	-	30,000
The European Instrument for Democracy	-	159,345
EIDHR Consortium	190,318	565,884
Lifeline	87,814	194,742
	647,171	2,535,982
Non governmental organisation income		
Bread for the World	12,500	51,800
Hivos	37,499	201,000
American Jewish World Service	9,042	41,255
	59,041	294,055
Trust and Foundation income		
Oak Foundation	50,000	183,333
Sigrid Rausing Trust	31,925	190,392
Foundation Open Society Institute	41,621	424,443
Arcus Foundation	11,642	38,327
Channel Foundation	-	4,633
Roddick Foundation	7,253	12,089
Foundation for a Just Society	45,952	181,224
The Overbrook Foundation	-	45,500
Fairwind Foundation	1,165	4,470
Tides Foundation	5,210	12,983
Henrietta Goelet	3,474	27,354
Ford Foundation	37,050	12,373
Tamalpais Trust	15,078	43,752
Helmsley Trust	8,108	2,508
Marisla Foundation	11,578	44,084

Schedule to the detailed accounts

For the financial period ended 1 April 2017

Income (continued)

Anonymous	48,699	197,100
Front Line USA	102,667	40,593
Finish MFA	5,000	-
	<u>426,422</u>	<u>1,465,158</u>
Other		
Failte Ireland	-	2,200
Other sources	-	95,546
	<u>-</u>	<u>(97,746)</u>
Public donations		
Donations	4,015	38,900
Total income	<u><u>1,165,899</u></u>	<u><u>4,688,841</u></u>

Schedule to the detailed accounts

For the financial period ended 1 April 2017

Expenditure

	3 months ended 1 April 2017 €	12 months ended 31 December 2016 €
Conference costs		
Staff translators and volunteer expenses	13	333
PR & press	-	4,563
	<u>13</u>	<u>4,896</u>
Programme costs		
Development research and travel	6,887	43,264
Grants	287,257	1,200,570
Promotion and advertising	27,762	248,728
Workshops and training	45,026	568,432
Fellowship programme sponsorship	19,661	103,412
Translation	12,414	58,451
Security in a box	-	40,052
Emergency line 24/7	3,171	8,286
Field expenses	29,022	120,187
Internships	50,919	191,640
Protection project	6,011	53,680
International advocacy	1,880	9,084
Evaluations	1,245	10,863
	<u>491,255</u>	<u>2,656,649</u>
Administration		
Telephone	2,902	10,940
Postage, stationery and couriers	3,989	19,412
Office maintenance	5,485	20,608
Rent and rates	15,900	56,483
Volunteer expenses	-	1,513
Bookkeeping and professional fees	12,407	21,338
Bank charges	6,025	16,433
Insurance	1,872	24,658
Staff training and recruitment	7,833	13,010
IT systems	10,453	68,310
Brussels office costs	5,838	28,393
Legal and professional	278	-
Professional membership fee	1,227	2,640
Sundry expenses	1,590	11,047
Depreciation	2,940	13,139

Schedule to the detailed accounts

For the financial period ended 1 April 2017

Expenditure (continued)

Trust meetings	1,279	6,010
Fundraising	2,550	29,039
	<u>82,568</u>	<u>342,973</u>

Wages, salaries and labour costs

Wages, salaries and labour costs	226,560	950,507
Field salaries	86,225	301,691
International Advocacy salaries	36,017	172,325
Campaign salaries	29,414	116,216
Employers PRSI	24,278	92,807
Pension	6,742	50,138
	<u>409,236</u>	<u>1,683,684</u>

Total expenditure

<u>983,072</u>	<u>4,688,202</u>
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Exceptional item

	3 months ended 1 April 2017 €	12 months ended 31 December 2016 €
Gift of net assets to related company	<u>311,868</u>	<u>-</u>

Interest receivable

	3 months ended 1 April 2017 €	12 months ended 31 December 2016 €
Bank interest receivable	<u>121</u>	<u>265</u>

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 period from the date of incorporation to 31 December 2017

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

Company Information

Trustees	Denis O'Brien Noeline Blackwell James Daniel Conway Mary Lawlor Maria Mulcahy Kieran Mulvey Mary Jane N. Real David Sykes Arnold Tsunga
Company Secretary	Andrew Anderson
Company number	593190
Company number	CHY 14029
Registered office	2 nd Floor Grattan House Temple Road Blackrock Co. Dublin
Independent auditors	Grant Thornton 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 Broxelles Belgium
Solicitors	William Fry Solicitors 2 Grand Canal Square Dublin 2

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

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

Trustees' Annual Report

For the financial period ended 31 December 2017

The trustees, who are also directors for the purposes of company law, present their annual report and the financial statements for the financial period from incorporation to 31 December 2017.

Incorporation and commencement of activities

The company was incorporated on 18 November 2016. Up until 31 March 2017, the activities of the '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 company with company number CHY14029 and company registration number 593190 with a registered office at 2nd Floor Grattan House, Temple Road, Co. Dublin. On 1 April the 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 to protect 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 HRDs by the provision of appropriate medical, rehabilitation or financial assistance.
- To provide education, communication, support to HRDs wherever they may be located.
- To provide an educational resource for HRDs and the general public and to educate and inform the public of the activities of such HRDs 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 UDHR 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 company as the trustees shall from time to time consider appropriate.

Financial review

The surplus for the period from incorporation to 31 December 2017 was €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 period ended 31 December 2017

Achievements and performance

The company commenced its activities from 1 April 2017. During the financial period ended 31 December 2017, 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 193 Urgent Appeals on behalf of 333 individuals at risk in 56 countries and undertook advocacy with the relevant national authorities, lobbied the European Union to take action and submitted cases to the UN and regional mechanisms;
- Front Line Defenders Security Grants Programme provided 367 grants, totalling €960,114 to 287 individuals and 80 organisations at risk in 64 countries. 132 grants were provided for temporary relocations;
- Front Line Defenders carried out 55 field visits to 34 countries;
- 127 HRDs from 18 countries participated in 11 trainings on personal and organisational security;
- 70 HRDs received security advice through 25 consultations in Mexico, the Philippines, South Africa and Zimbabwe;
- 198 HRDs from 21 countries participated in 18 digital protection trainings; 62% of HRDs reported using digital security tools as a result of training;
- 109 HRDs and 34 human rights organisations in 37 countries were supported by Digital Protection Consultants through 39 visits and remote support;
- 24 HRDs were supported through the Rest & Respite Programme;
- The Front Line Defenders Award was presented to Emil Kurbedinov, a Crimean Tatar and human rights lawyer from Ukraine who has been defending the persecuted Crimean Tatar minority, civil society activists and journalists in Crimea;
- Front Line Defenders published Attacks on LGBT Rights Defenders Escalating in Indonesia, a report that investigates the threatening environment in which human rights defenders working on issues related to sexual orientation, gender identity and expression operate in Indonesia;
- The 2017 Dublin Platform was held from 17 to 19 October and brought 110 human rights defenders from 99 countries together with over 100 representatives from Irish, international and intergovernmental institutions. It was followed by the inaugural Dublin Human Rights Festival on 21 October.

The context in which Front Line Defenders operates continues to be challenging. In 2017, Front Line Defenders received reports on the murder of 312 defenders in 27 countries, yet another increase to the number reported in the previous year. 67% 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 2017 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 evaluations conducted in the Russian Federation and the Democratic Republic of Congo.

Income generation during 2017 was positive and on target.

Fundraising

Fundraising activities during 2017 achieved the objectives set, allowing the organisation to meet its target income generation of €5.3 million as set at the beginning of 2017.

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 costs for fundraising, including salaries of fundraising personnel, represents 3.4% of the total organisational expenditure.

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

Trustees' Annual Report

For the financial period ended 31 December 2017

Fundraising (continued)

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.

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 2017 included:

- 86% of HRDs reported that they have been able to continue or return to work as a result of having received Protection Grant support;
- 91% of HRDs reported having implemented a security plan as a result of the training;
- 62% 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 Memorandum of Association. Currently, the Board of Trustees has 9 members and 1 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

Audit Sub Committee

Macia Mulcahy
Kieran Mulvey
David Sykes

Board Meetings

15 September 2017
01 December 2017

Audit Sub Committee Meetings

07 September 2017
01 December 2017

The Board of Trustees decided to establish a Programme sub-committee that will be operational in 2018.

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 trustees may require to be executed. The trustees will then approve such applications for membership of the company as they see fit.

The Board of Trustees is responsible for the approval of strategic plans, annual business plans and budgets, and signs off on the statutory financial statements. The Board delegates the day to day running of the organisation to the Executive Director, Andrew Anderson, and Deputy Director, Andrea Rocca who is responsible and accountable for the implementation of the Annual Business Plan and Budget. The Board also plays a role in approving security grants in between formal Board meetings.

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

Trustees' Annual Report

For the financial period ended 31 December 2017

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.

Trustees, secretary and their interests

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

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

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 2017 have no beneficial interests as the company is company limited by guarantee having no share capital.

Key risks and uncertainties

The risk management document was reviewed in November 2017 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; and
5. The risk of losing key staff/leadership.

Grant accounting policy

Grants are credited to 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 grant income based on the accruals model contrary to the requirements of the FRS102 SORP, but in line with the requirements of FRS102 as follows:

1. Grants relating to revenue shall be recognised in income on a systematic basis over the term of the grant agreement entered into line with the related costs for which the grant is intended to compensate.
2. Where a grant is receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support to the trust 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 company.

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

Trustees' Annual Report

For the financial period ended 31 December 2017

Reserves policy (continued)

- 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 12 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 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 period end was €129,000. This comprises of a deficit of €74,531 of restricted and a surplus of €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.

Staff and volunteers

Front Line Defenders employs 33 staff members. Interns and volunteers support our work on a rolling basis.

Staff and volunteers (continued)

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 visiting HRDs visiting Ireland. In addition, every two years Front Line Defenders organises the Dublin Platform, a conference bringing together over 200 attendees. The most recent Dublin Platform took place in October 2017 and a total of approximately 40 volunteers supported the three-day event.

Plans for the future

The Annual Business Plan for 2018 will remain consistent with 2017 with the addition of a second Protection Coordinator for Asia and for America and a Deputy Head of Protection to strengthen the organisation's management capacity. The core focus will continue to be on protection grants, training, advocacy on individual cases and campaigning around visibility and legitimacy for HRDs at risk.

Income projections for 2018 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 2019 and beyond.

In 2017 Front Line Defenders commissioned an external evaluation in preparation of the strategic planning process

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

Trustees' Annual Report

For the financial period ended 31 December 2017

Plans for the future (continued)

that will take place over the course of 2018 and culminating in the adoption by the Board of Trustees of a new Strategic Plan 2019-2022.

Events since the end of the financial period

There have been no significant events affecting the company since the financial period 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' Annual 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 trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

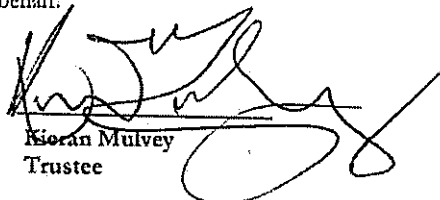
Auditors

The auditors, Grant Thornton, Chartered Accountants were appointed as auditors in the period and will continue in office in accordance with section 383(2) of the Companies Act 2014.

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



David Sykes
Trustee



Kieran Mulvey
Trustee

Date: 22/3/2018

Trustees' Responsibilities Statement

for the financial period ended 31 December 2017

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 Irish Generally Accepted Accounting Practice in Ireland, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and promulgated by the Institute of Chartered Accountants in 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 period end date and of the surplus or deficit of the company for the financial period and otherwise comply with Companies Act 2014.

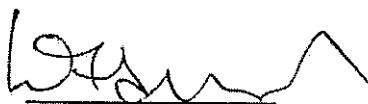
In preparing these financial statements, the trustees are required to:

- 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.

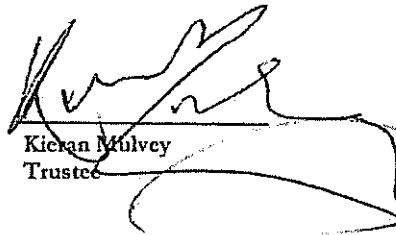
The trustees are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and surplus or deficit of the company to be determined with 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 22/3/2018

Independent Auditor's Report to the Members' 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 period from incorporation to 31 December 2017, and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland 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 2017 and of its financial performance and cash flows for the financial period 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.

Emphasis of matter

In forming our opinion, which is not modified, we draw your attention to the disclosure in note 2 to the financial statements and in the Trustees' Report concerning the recognition of government grant related income. In preparing the financial statements, the company has adopted the provisions of the "Statement of Recommended Practice: Accounting and Reporting for Charities" (SORP), except for the recognition of government grant income. The company recognises grant income based on the accruals model, which is permitted under FRS102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland", but is not permitted by the SORP.

Independent Auditor's Report to the Members' 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 Acts 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 Members' 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:

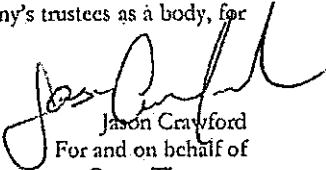
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting 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 Members' 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

Molyneux House
Bride Street
Dublin 8

Date: 22/3/2018

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

Statement of Financial Activities
for the period from incorporation to 31 December 2017

		Period from Incorporation to 31 December 2017 Unrestricted Funds €	Period from Incorporation to 31 December 2017 Restricted Funds €	Period from Incorporation to 31 December 2017 Total Funds €
Income and endowments from:				
Charitable activities	4	1,173,970	1,112,048	2,286,018
Donations and legacies	5	611,220	733,987	1,345,207
Donation from Frontline Trust	6	311,868	-	311,868
Other income	7	87,750	-	87,750
Total income		2,184,808	1,846,035	4,030,843
Expenditure on:				
Charitable activities	8	(1,828,877)	(1,920,566)	(3,749,443)
Raising funds expenditure	9	(152,400)	-	(152,400)
Total expenditure		(1,981,277)	(1,920,566)	(3,901,843)
Net surplus / (expenditure)		203,531	(74,531)	129,000
Net movements in funds	18	203,531	(74,531)	129,000

All amounts relate to continuing operations.

There was no other comprehensive income during the period.

The notes on pages 15 to 27 form part of these financial statements.

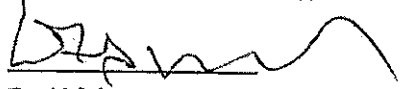
Front Line, The International Foundation for the Protection of Human Rights
Defenders

Balance Sheet

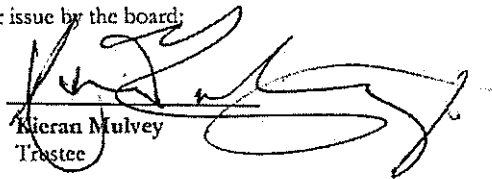
As at 31 December 2017

	Notes		2017 €
Fixed assets			
Tangible assets	13		23,228
Current assets			
Debtors: amounts falling due within one year	14	534,401	
Debtors: amounts falling due after more than one year	14	13,180	
Cash at bank and in hand	15	242,105	
		<u>789,686</u>	
Current liabilities			
Creditors: amounts falling due within one year	16	(683,914)	
Net current assets			<u>105,772</u>
Total assets less current liabilities			<u><u>129,000</u></u>
Funds			
Unrestricted funds	18		129,000
Restricted funds	18		-
Total funds			<u><u>129,000</u></u>

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



David Sykes
Trustee



Nieran Mulvey
Trustee

Date: 22/3/2018

The notes on pages 15 to 27 form part of these financial statements.

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

Statement of Cash Flows

For the period from Incorporation to 31 December 2017

	Period from Incorporation to 31 December 2017 €
Cash flows from operating activities	
Net surplus for the financial period	129,000
Adjustments for:	
Depreciation	10,385
Interest received	(22)
Decrease in debtors	405,698
Increase in creditors	20,890
Gain of donation of net assets from Trust	(311,868)
Net cash generated from operating activities	<u>254,083</u>
Cash flows from investing activities	
Acquisition of tangible assets	(12,000)
Interest received	22
Net cash used in investment activities	<u>(11,978)</u>
Increase in cash at bank and in hand in the financial period	242,105
Cash at bank and in hand at beginning of financial period	<u>-</u>
Cash at bank and in hand at end of financial period	<u><u>242,105</u></u>

The notes on pages 15 to 27 form part of these financial statements.

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

Notes to the financial statements

For the financial period ended 31 December 2017

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 2nd Floor Grattan House, Temple Road, Co. Dublin. The company was not active until 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" except for the recognition of grant income based on performance model; the company recognises grant income based on the accruals model. Such a recognition model is permitted under FRS102, "The Financial Reporting Standard application in UK and Republic of Ireland".

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 the financial statements

For the financial period ended 31 December 2017

2. Accounting policies (continued)

2.3 Grants (continued)

The company recognises certain 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 government grant income under the accruals model, contrary to the requirements of the FRS102 SORP, but in line with the requirements of FRS102, as follows:

- Grants relating to revenue shall be recognised in income on a systematic basis over the term of the grant agreement entered into 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 the financial statements

For the financial period ended 31 December 2017

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 Trust were gifted to the Company effective 1 April 2017 at net book value.

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

Depreciation is provided on the following basis:

Office equipment	- 5 years
Computer equipment	- 3 years

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

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

2.11 Impairment of assets

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

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

Notes to the financial statements

For the financial period ended 31 December 2017

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 12 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 the financial statements

For the financial period ended 31 December 2017

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 the financial statements

For the financial period ended 31 December 2017

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.

Estimating allowance for impairment of debtors

The company maintains provisions for impaired accounts at a level considered adequate to provide for probable uncollectible receivables. The level of this provision is regularly evaluated and normally consists of past due accounts that are neither subject of ongoing negotiations with management to revise payment schedules nor secured with any collateral. Impairment amount at the period ended amounted to €Nil.

4. Income from charitable activities

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

5. Donations and legacies

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

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

Notes to the financial statements

For the financial period ended 31 December 2017

6. Exceptional item – Donation Front Line Trust

	Period from Incorporation to 31 December 2017 Unrestricted Funds €	Period from Incorporation to 31 December 2017 Restricted Funds €	Period from Incorporation to 31 December 2017 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.

7. Other income

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

8. Expenditure on charitable activities

	Period from Incorporation to 31 December 2017 Unrestricted Funds €	Period from Incorporation to 31 December 2017 Restricted Funds €	Period from Incorporation to 31 December 2017 Total Funds €
Grant & Programme			
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
Total grant & programme	<u>1,462,396</u>	<u>1,843,416</u>	<u>3,305,812</u>

Notes to the financial statements

For the financial period ended 31 December 2017

	Period from Incorporation to 31 December 2017 Unrestricted Funds €	Period from Incorporation to 31 December 2017 Restricted Funds €	Period from Incorporation to 31 December 2017 Total Funds €
Support costs			
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	<u>55,206</u>	<u>-</u>	<u>55,206</u>
Total support costs	366,481	77,150	443,631
Total expenditure on charitable activities	<u>1,828,877</u>	<u>1,920,566</u>	<u>3,749,443</u>

9. Raising funds expenditure

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

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

Notes to the financial statements

For the financial period ended 31 December 2017

10. Net surplus/(expenditure)

Net surplus/(expenditure) is stated after charging:

	Period from Incorporation to 31 December 2017
	€
Depreciation of fixed assets	10,385
Operating lease rentals	56,483
Fees payable to the company's auditor – audit of company	6,765
- other	6,950
Defined contribution pension costs - other	32,420
Foreign exchange loss	1,033
	<u>103,036</u>

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.

12. Employee costs

Staff costs were as follows:

	Period from Incorporation to 31 December 2017
	€
Wages and salaries	737,664
Social security costs	78,995
Staff pension costs	32,420
Field salaries	282,264
International advocacy salaries	109,422
Campaign salaries	87,497
	<u>1,328,262</u>

During the financial period, expenses reimbursed to trustees for travel related costs amounted to €2,467.

No trustees received any remuneration during the financial period.

Capitalised employee costs during the financial year amounted to €nil.

Notes to the financial statements

For the financial period ended 31 December 2017

12. Employee costs (continued)

Key management personnel received €155,080 during the financial period.

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

	Period from Incorporation to 31 December 2017 No.
Management	4
Researchers	8
Finance	5
Training and Communications	8
Administration	8
	<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:

	Period from Incorporation to 31 December 2017
€70,001 - €80,000	1
€80,001 - €90,000	2
€90,001 - €100,000	-
€100,001 - €110,000	-
€110,001 - €120,000	1
	<u>4</u>

13. Tangible fixed assets

	Office equipment €	Computer equipment €	Total €
COST OR VALUATION			
Additions	-	12,000	12,000
Assets gifted from Trust	3,083	18,530	21,613
At 31 December 2017	<u>3,083</u>	<u>30,530</u>	<u>33,613</u>
DEPRECIATION AND IMPAIRMENT			
Charge for the financial period	524	9,861	10,385
At 31 December 2017	<u>524</u>	<u>9,861</u>	<u>10,385</u>
NET BOOK VALUE			
At 31 December 2017	<u>2,559</u>	<u>20,669</u>	<u>23,228</u>

Notes to the financial statements

For the financial period ended 31 December 2017

14. Debtors

	2017
	€
Due within one year	
Other debtors	10,423
Accrued income	498,339
Prepayments	25,639
	<u>534,401</u>

	2017
	€
Due after more than one year	
Other debtors	13,180
	<u>13,180</u>

15. Cash and cash equivalents

	2017
	€
Cash at bank and in hand	<u>242,105</u>

16. Creditors: amounts falling due within one year

	2017
	€
Trade creditors	105,008
Deferred income	473,489
PAYE/PRSI	33,011
Amounts owed to affiliates	6,240
Accruals	66,166
	<u>683,914</u>

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

Notes to the financial statements

For the financial period ended 31 December 2017

17. Financial Instruments

	2017
	€
Financial assets	
Financial assets measured at fair value through profit or loss	242,105
Financial assets that are debt instruments measured at amortised cost	<u>508,762</u>
	<u>750,867</u>
Financial liabilities	
Financial liabilities measured at amortised cost	<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 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	-	2,184,808	(1,981,277)	(74,531)	129,000
Restricted	-	1,846,035	(1,920,566)	74,531	-
	<u>-</u>	<u>4,030,843</u>	<u>(3,901,843)</u>	<u>-</u>	<u>129,000</u>

19. Funds

Unrestricted funds

Unrestricted reserves comprises of all current financial period 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 period 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. The pension cost charge represents contributions payable by the company to the fund; and amounted to €32,420.

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

Notes to the financial statements

For the financial period ended 31 December 2017

21. Commitments under operating leases

At 31 December 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017
	€
Not later than 1 year	56,483
Later than 1 year and not later than 5 years	117,673
Later than 5 years	-
	<hr/> <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 €312,281. The entities are related only by way of common directorships held, being Maria Mulcahy. Deferred grants from Front Line USA at the period end amounted to €4,736. Accrued grants from Front Line USA at the period end amounted to €107,541.

During the financial period, Front Line (UK) Foundation, a company limited by guarantee registered and incorporated in the United Kingdom, advanced €6,240 to the company which remained unpaid at period 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.

23. Post balance sheet events

There have been no significant events affecting the company since the financial period 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 22/3/2018.

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

Detailed Surplus and Deficit Account and Summaries

For the period from Incorporation to 31 December 2017

	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 €
Income and endowments from:			
Charitable activities	1,173,970	1,112,048	2,286,018
Donations and legacies	611,220	733,987	1,345,207
Exceptional item – donation from Frontline Trust	313,868	-	311,868
Other income	87,750	-	87,750
Total income	2,186,808	1,846,035	4,030,843
Expenditure on:			
Charitable activities	(1,828,877)	(1,920,566)	(3,749,443)
Raising funds expenditure	(152,400)	-	(152,400)
Total expenditure	(1,981,277)	(1,920,566)	(3,901,843)
Net surplus /(expenditure)	203,531	(74,531)	129,000
Net movements in funds	203,531	(74,531)	129,000

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

Detailed Surplus and Deficit Account and Summaries

For the period from Incorporation to 31 December 2017

Income from charitable activities

	Period from Incorporation to 31 December 2017 Unrestricted Funds €	Period from Incorporation to 31 December 2017 Restricted Funds €	Period from Incorporation to 31 December 2017 Total Funds €
Government grants			
European Instrument for Democracy and Human Rights	75,626	428,840	504,466
Embassy of the Federal Republic of Germany in Dublin	-	30,000	30,000
Irish Aid	380,798	-	380,798
Lifeline Embattle CSO Assistance Fund	-	384,644	384,644
Royal Norwegian Ministry of Foreign Affairs	274,817	-	274,817
Swedish International Development Cooperation Agency	378,059	-	378,059
Swiss Federal Department of Foreign Affairs	-	116,750	116,750
Total Government grants	1,109,300	960,234	2,069,534
Non-Government grants			
American Jewish World Service	27,170	-	27,170
Bread for the World	37,500	-	37,500
Hivos International	-	131,051	131,051
NGO Platform Registration Fees	-	20,763	20,763
Total Non-Government grants	64,670	151,814	216,484
Total income from charitable activities	1,173,970	1,112,048	2,286,018

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

Detailed Surplus and Deficit Account and Summaries

For the period from Incorporation to 31 December 2017

Income from donations

	Period from Incorporation to 31 December 2017 Unrestricted Funds €	Period from Incorporation to 31 December 2017 Restricted Funds €	Period from Incorporation to 31 December 2017 Total Funds €
Trust and Foundation income			
Al Jazeera Media Network	-	8,772	8,772
Arcus Foundation	28,025	6,899	34,924
Donations in kind	-	29,059	29,059
Dublin City Council	-	5,000	5,000
Environmental Defenders Fund of RSF Social Finance	-	46,905	46,905
Ford Foundation	105,161	-	105,161
Fair Wind Foundation	7,863	-	7,863
Foundation for a Just Society	45,953	-	45,953
Front Line USA	195,405	116,876	312,281
Goldman Environmental Prize	1,956	-	1,956
Helmsley Charitable Trust	-	5,915	5,915
Oak Foundation	150,000	-	150,000
Open Society Foundations	-	503,471	503,471
The Roddick Foundation	24,455	-	24,455
Sigrid Rausing Trust	21,283	-	21,283
Taiwan Foundation for Democracy	-	4,561	4,561
Tikva Grassroots Empowerment Fund	7,971	-	7,971
Direct Funder grants	-	6,529	6,529
Total Trust and Foundation income	588,072	733,987	1,322,059
Public donations	23,126	-	23,126
Interest income	22	-	22
Total income from donations	611,220	733,987	1,345,207

Other income

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

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

Detailed Surplus and Deficit Account and Summaries

For the period from Incorporation to 31 December 2017

Exceptional item – donation from Front Line Trust

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

Expenditure on charitable activities

	Period from Incorporation to 31 December 2017 Unrestricted Funds €	Period from Incorporation to 31 December 2017 Restricted Funds €	Period from Incorporation to 31 December 2017 Total Funds €
Grant & Programme			
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	<u>254,582</u>	-	<u>254,582</u>
Total grant & programme	1,462,396	1,843,416	3,305,812
Support costs			
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	<u>55,206</u>	-	<u>55,206</u>
Total support costs	366,481	77,150	443,631
Total expenditure on charitable activities	<u>1,828,877</u>	<u>1,920,566</u>	<u>3,749,443</u>

Detailed Surplus and Deficit Account and Summaries

For the period from Incorporation to 31 December 2017

Raising funds expenditure

	Period from Incorporation to 31 December 2017 Unrestricted Funds €	Period from Incorporation to 31 December 2017 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
Total raising funds expenditure	152,400	-	152,400