

Company number: 2097222

Charity number: 327421



ARTICLE 19

Report and Financial Statements

31 December 2017

Article 19

Reference and administrative details

For the year ended 31 December 2017

Company number 2097222

Charity number 327421

Registered office and operational address Free Word Centre
60 Farringdon Road
London
EC1R 3GA

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Paddy (John) Coulter	Chair
Galina Arapova	Vice Chair
Arturo Franco	
Evan Harris	
Frank Ledwidge	
Gayathry Venkiteswaran	
Jacob J Akol	
Jennifer Robinson	
Kamel Labidi	Resigned April 2018
Malak Popovic	
Nigel Saxby-Soffe	Treasurer
Peter Greste	Resigned December 2017
Tamar Ghosh	
Thomas Hughes	

Secretary

Principal staff	Thomas Hughes	Executive Director
	Quinn Mckew	Deputy Executive Director
	Andrew Gray	Director of Finance and Operation (Appointed July 2017)
	Barbora Bukovska	Senior Director of Law and Policy
	Sara Wilbourne	Director of Communications
	David Diaz-Jogeix	Director of Programmes

Bankers Barclays Bank PLC, London

Solicitors Bates Wells Braithwaite
10 Queen Street Place
London
EC4R 1BE

Auditors Sayer Vincent LLP
Chartered accountants and registered auditors
Invicta House
108 – 114 Golden Lane
London
EC1Y 0TL

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Report of the trustees

For the year ended 31 December 2017

The Trustees, who act as the Directors of the Company for the purposes of the Companies Acts, and trustees for charity law purposes, submit their annual report and the financial statements of ARTICLE 19 for the year. The Trustees confirm that the annual report and financial statements of the Charity comply with current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Structure, Governance and Management

Governing Document

ARTICLE 19 is a charitable company limited by guarantee (no 2097222). It was set up by a Memorandum of Association on 5 February 1987. Its Memorandum and Articles of Association were amended by a special resolution in July 2013. ARTICLE 19 was registered as a charity on 7 January 1987 (registered charity number 327421).

Structure of the Organisation

ARTICLE 19's International Office (based in London) hosts ARTICLE 19 international support programmes (including Law and Policy; Media and Communication; and Operations) as well as regional programmes (Europe and Central Asia, Southeast Asia and Middle East) and directly manages local offices in New York, Tunisia, Cambodia and Myanmar). It also provides financial, operational and fund raising support to offices in Bangladesh and Senegal and ARTICLE 19 Affiliate Members established in Mexico, Brazil, the USA and East Africa: ARTICLE 19 Bangladesh, ARTICLE 19 West Africa, Campaña Global por la libertad de expresión, A19 (ARTICLE 19 Mexico), ARTIGO 19 Brasil (ARTICLE 19 Brazil), ARTICLE 19 Inc., and ARTICLE 19 East Africa (ARTICLE 19 Kenya).

ARTICLE 19 Mexico has not been included in ARTICLE 19's financial statements, due to its high level of constitutional and financial independence.

Affiliate Members appoint a representative to the International General Assembly, which includes Affiliate Member representatives and independent members; in 2015, these included Affiliate Members from East Africa, Brazil, Mexico and the USA. Members of the International Board of Trustees are nominated from the General Assembly.

Board of Trustees

ARTICLE 19 is governed by an International Board of Trustees ('Directors' under company law). The International Board of Trustees meets twice a year to provide strategic direction for the organisation, and to monitor the work of the Executive Director.

Our Finance and General Purposes Committee (FGPC), is chaired by the Treasurer and is responsible for overseeing financial, audit, human resources and operational matters. The Governance Committee is chaired by Galina Arapova, and is charged with overseeing and measuring the overall effectiveness of the governance mechanisms of the organisation, and recommending new Trustees for appointment to fill vacancies.

In 2017, one Trustee, Peter Greste, retired from the Board. Our current Board consists of:

- Paddy Coulter (Chair), Director, Oxford Global Media, UK
- Arturo Franco, Economist, UK
- Evan Harris, Free speech campaigner, UK
- Frank Ledwidge, Lecturer, Barrister and former military intelligence officer, UK
- Galina Arapova (Vice Chair), Director, Mass Media Defence Centre, Russia
- Gayathry Venkiteswaran, Associate Professor of Media & Law, University of Nottingham (Malaysia Branch)
- Jacob Jiel Akol, Journalist, UK

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- Jennifer Robinson, Director of Legal Advocacy, Bertha Foundation, UK
- Nigel Saxby-Soffe FCA (Treasurer), retired Finance Director, UK
- Malak Poppovic, Senior Advisor, Conectas Direitos Humanos, Brazil
- Tamar Ghosh, CEO, Royal Society of Tropical Medicine and Hygiene, UK

Selection and appointment of Trustees

New Trustees are first nominated and recommended by existing members. Their CVs are circulated to the Governance Committee, which arranges for potential candidates to be interviewed for their suitability. The Governance Committee then proposes selected candidates to the General Assembly, who in turn recommend them to the Trustees upon agreement. Trustees will then vote to appoint a new Trustee. New Trustees are confirmed at the Annual General Meeting of ARTICLE 19.

Induction and training of Trustees

On appointment, UK Trustees meet with the Chair, the Executive Director and staff members as part of an induction programme; they receive key ARTICLE 19 organisational and programmatic documents. For non-UK based Trustees the induction programme is held at the time of a Board meeting.

Setting Remuneration of Key Management Personnel

The FGPC sets the pay of the Executive Director and reviews this on a periodic basis taking into account market conditions and pay in similar organisations. The pay of other key management personnel is determined by a salary scale which is updated annually in line with inflation and applied to all staff.

Objectives and Activities

ARTICLE 19's objectives are to educate the public and protect freedom of expression, access to information and related rights, throughout the world, particularly as defined in Article 19 of the Universal Declaration of Human Rights and in international and regional human rights law. It fights for all hostages of censorship, defends dissenting voices that have been muzzled, and educates against laws and practices that silence.

ARTICLE 19 believes that all people have the right to freedom of expression and access to information, and that the full enjoyment of this right is the most potent force to achieve individual freedoms, strengthen democracy, and pre-empt repression, conflict, war and genocide.

The activities currently carried out for the public benefit by the charity and to make freedom of expression a reality all over the world can be broadly categorised as follows:

ARTICLE 19,

- Champions freedom of expression and information, as a fundamental human right that is also central to the protection of other rights.
- Monitors, researches, publishes, lobbies, campaigns, sets standards and litigates on behalf of freedom of expression wherever it is threatened.
- Provides expertise on international human rights standards and for legislation that protects the right to speak and right to know in countries emerging from conflict, war and genocide or repression.
- Works to safeguard media pluralism, independence and diversity of views.
- Provides legal and professional training and mentoring to national actors, including non-governmental organisations (NGOs), judges and lawyers, journalists, media owners, public officials and parliamentarians.
- Promotes the right to know of poorer communities to ensure transparency and strengthen citizens' civic participation.

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In setting ARTICLE 19's programme each year, ARTICLE 19 has regard to the Charity Commission's general guidance on public benefit. The Trustees review the programmes undertaken by ARTICLE 19 to ensure that they fall within the Charity's charitable objects and aims.

ARTICLE 19 works to achieve its charitable objectives in two ways:

- (1) through direct delivery especially in relation to work in areas where it has its own staff; and
- (2) through financial and capacity support to ARTICLE 19's partner organisations.

Vision and Strategy

ARTICLE 19's vision is a world in which all people can speak freely, actively engage in public life, and express themselves without fear or discrimination. Our current strategy, which we have called the Expression Agenda, runs from 2015-2021 and works in five key areas: civic space, digital, media, protection and transparency. In addition we have a gender theme which cross-cuts these five themes.

Under the **Civic Space** theme, we help secure the right to participate in public life: to engage in debate, criticise, protest and dissent, in physical and online space. Through our **Digital** work, we embed human rights principles into law and process, engaging governments, businesses and the technical community.

Our **Media** work ensures that media pluralism, freedoms and the public interest are protected and promoted in a globalised, digitalised and converged landscape. Our **Protection** work continues to defend those on the front line, ensuring that violations are reported and perpetrators held to account. Our **Transparency** activities ensure communities and individuals can enjoy their right to information and hold those in power accountable for their actions.

In 2017, ARTICLE 19 reviewed our innovative **gender** strategy and began to meet with gender organisations, which focused our position at the intersection between freedom of expression, hate speech, and gender rights. Attitudes in that community have now significantly changed, and support and coalitions are possible: APC, an independent global network working in this field, has given us a letter of support. In 2017, we launched our first official project on gender, releasing a report on online harassment in Mexico.

Partnership

Work carried out by partner organisations is especially useful in jurisdictions where ARTICLE 19 has no established infrastructure for managing staff and operations or where partners provide knowledge and skills that complement ARTICLE 19's own international comparative perspective. Partnership also assists in maximising the number of beneficiaries reached. In turn, partnership has both defined and strengthened ARTICLE 19's effectiveness and legitimacy.

ARTICLE 19 only works with trusted national counterparts with good financial monitoring systems in place. All partners sign a Memorandum of Understanding (MoU) with ARTICLE 19 on financial procedures to be followed. ARTICLE 19 conducts a due diligence assessment prior to signing any MoU with implementing partners assessing their financial controls and anti-corruption measures. Any improvements needed will be included in the MoUs and ARTICLE 19 will provide capacity building in those areas. ARTICLE 19 requires partners to submit receipts and invoices as part of their financial management.

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Achievements and Performance

2017 has been both a challenging and rewarding year for ARTICLE 19. The organisation secured a number of successes and helped those facing the worst discrimination and repression, in a global context that is steadily worsening. However, despite the scourge of 'strong man' politicians, the year also saw progress. Around the world we have seen popular protest pushing back against corrupt and incompetent governments, as well as judiciaries, media and civil society exposing and halting the machinations of elites and vested interests.

1. *Performance*

Under the five themes of our strategy, ARTICLE 19 works to deliver 60 international targets. These broad objectives not only drove and delivered work at the international fora, such as the UN Human Resources Council and regional mechanisms, they also were heavily interlinked with national work, as our international strategy is committed to delivering change at the national level.

During the mid-term strategy evaluation and again at the beginning of 2018, international thematic leads were asked to rate the progress of targets assigned to them using a progressive rating scale from 'inactive/cancelled' to 'excellent progress'.

A total 56% of targets were judged to have made either satisfactory or excellent progress by June 2017. At the end of 2017, this had risen to 67%. 25% were classified as having no progress by 2018, and 8% were classified as either inactive or cancelled.

As well as international targets, ARTICLE 19's work is geared towards 15 global outcomes: of these 15 outcomes, 65% were deemed to have made 'satisfactory progress' or better by the end of 2017. We are very pleased with the overall progress.

2. *Publishing policy and sharing expertise*

In 2017, ARTICLE 19 published a range of legal analyses, policy briefs, guides, and reports, including 16 analyses of laws and draft legislation in the light of international standards on freedom of expression. These form the basis for advocacy at national and international fora, as well as providing resources for other organisations working in this area. Our resources are now available in 15 languages.

a. *Monitoring Freedom of Expression Worldwide*

The XpA – short for 'Expression Agenda' – metric is our new tool, launched in 2017. It is a way to rigorously measure the global state of freedom of expression, enabling us to track changes worldwide and target advocacy effectively, as well as providing a resource for partners around the world and a reliable source of insight for journalists, activists, and policy-makers.

Using this tool, we measured freedom of expression in 172 countries. We also continued to develop a methodology for tracking violations of the right to freedom of expression at the national level.

b. *Promoting policy: The 'Understanding Hate Speech toolkit'*

Our principles on hate speech provide a strong example of our strategy to take global principles to national contexts: our principles have been used in education, coalition-building and roundtables events from Tunisia to Malaysia.

c. *The ARTICLE 19 'Hot Desk'*

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ARTICLE 19 provides specific support through our 'hot desk' - a system by which the Law and Policy Programme receives and acts upon requests for support from internal and external stakeholders.

We acted upon 67 media-related requests in 2017. The Hot Desk system will continue to be used in 2018 and 2019, due to the high demand for our expertise.

d. Consultation on Regulation and Pluralism

We have excellent relations with regulators and self-regulators. Our media policy expert conducted a seminar on media and hate speech in October 2017 for EU regulators and self-regulators. Several regional offices also have close contact with national and regional regulator networks: the Tunisian office has worked closely with media and government regulators to develop a self-regulating press council throughout 2017. In Myanmar, we have been consulting with the government over its plans for a new media regulator, highlighting the need to include CSO (Civil Society Organisation) bodies and adopt a more free and independent model.

We have also conducted training with European Union regulators and self-regulators on media and hate speech, and conducted numerous analyses of regulation bodies and legislation.

3. *Legal Interventions*

In 2017, ARTICLE 19 intervened in 14 cases across the world, submitting expert opinions in national and regional courts, including the Court of Justice of the European Union.

4. *Working at International fora*

In 2017, ARTICLE 19 was active at the UN and other international governance bodies holding side events, delivering oral statements, submitting to the Universal Periodic Review of three countries (Bangladesh, Brazil, and Pakistan), and advocating for progressive principles and protecting key resolutions for freedom of expression.

In 2017, we established a new international office in New York: from this new base, we will be able to closely monitor and advocate for stronger standards from New York-based organisations and mechanisms.

5. *Civic Space*

a. Democracy-building in The Gambia

Since the constitutional crisis at the end of 2016, ARTICLE 19 has worked closely with ministries in The Gambia's new government to ensure that freedom of expression forms a keystone of the new democracy. We are even involved in drafting the new constitution.

In May 2017, ARTICLE 19 signed a memorandum of understanding with the new government, drafted and accepted by the Ministers of Justice and Communication. The agreement commits us to significant input on legal reforms on the media and the upcoming Truth, Reconciliation and Reparations Commission.

We were also consulted on the Gambian Public Utilities Regulatory Authority's draft Guidelines on ownership and cross-ownership in the broadcasting sector, and in December 2017 we became the leading organisation in the drafting of the Freedom of Information Bill.

b. The UN to the Streets: protecting Protest

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In 2017, we put UN resolutions and our 'right to protest' principles into action, taking policy from the UN to the streets, and making a real difference to the individuals exercising those rights.

In June, Rompe el Miedo, our real-time reporting system for police activity during protests in Mexico, was activated to monitor activity around elections – the first time it had been activated in Mexico City, Veracruz, and Puebla: we documented nine acts of intimidation and eight physical attacks. We have been strengthening and expanding the network: in 2018 we will be monitoring protest around the elections in 18 states.

Both Mexico and Brazil offices developed methodologies to document rights abuses during protests. In Mexico, the office is now reviewing the Rompe el Miedo methodology to ensure it incorporates ARTICLE 19's Mx Method, ensuring protest monitoring has a strong gender perspective.

In 2017, we delivered 15 training sessions to police forces in Mexico City, highlighting international standards and best practices, and raising awareness of the importance of human rights protection in policing protests.

Our Kenya office has developed a methodology and published reporting on violations of the right to protest in Kenya.

Protestos, originally developed in the Brazil office, is now available in 5 languages - fully illustrated and with accessible tips, as well as a toolbox of digital safety tools, legal advice, and ways to minimise risks in cases of surveillance.

c. Women candidates supported in Gambian politics

40 aspiring and potential female candidates for the National Assembly election were brought together and trained on how to run for seats, organise electoral campaigns, and communicate effectively with the media.

After the workshop, 19 of the women became candidates. By the end of the election, three had been able to win seats in the National Assembly. Through advocacy with other actors, three more have been appointed members of Parliament, the speaker of which is also a woman.

d. Educating against hate

We have started a collaboration with the Tunisian Ministry of Education to create educational tools for Tunisian students on freedom of expression and hate speech. Our programme has now been rolled out in five schools.

In 2017, we were included in the list of expert associations to be consulted by the Ministry for Education on integrating human rights into the national syllabus. The ministry has committed to take part in the development of educational tools, their use in the curriculum, and their integration into education reform.

Youth activists in Tunisia have also been trained in campaigning and defending their ideas, and we have worked in Myanmar, Senegal, and Malaysia training groups, from students to policy-makers and religious groups, on tolerance and creating space for discussion on topics of conflict.

6. Digital

a. Dating Apps made safer in the MENA Region

We have been investigating the use and implications of dating apps in Egypt, Lebanon, and Iran. LGBTQ communities in these countries rely on apps to communicate, meet, hook-up, and fall in love. We discovered that State authorities and non-state bodies are also using these apps to monitor, entrap, threaten, and prosecute.

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We began with research, distributing a survey to users. The response was overwhelming: we gathered over 1,000 responses to our questionnaire, 400 of which we were able to use for our analysis.

We alerted apps that their technology was being used to cause harm in some contexts, then developed advice and recommendations on how to reduce and mitigate harm, as well as educating users on risks. We worked closely with apps to find creative solutions to the issues we discovered: apps' knowledge of their users will be vital in our ongoing work to find inventive ways to support users in staying safe.

We developed a strong relationship with Grindr, who took on the majority of our recommendations almost immediately. Users will soon be able to change the distinctive Grindr icon on their phone to something unrecognisable, responding directly to one of the major risks reported by survey respondents i.e. the app being found and identified on their phones.

Users will also be able to create a password to open the app, and will have disappearing and timed messages and panic buttons, as well as stronger links and rapid response connections with local groups.

b. Human rights at Internet Governance bodies

ARTICLE 19 engages at numerous internet governance bodies worldwide, aiming to mainstream human rights into the way that the internet is designed, built, and managed.

One of ARTICLE 19's primary goals for engaging in the IETF (Internet Engineering Task Force) is to formalise human rights standards through the generation of Internet Drafts, which would ideally be codified as official Informational Request for Comments (RFCs). Our Internet Draft finally reached RFC status in 2017: although thousands of RFCs have come before it, our RFC 8280 on Research into Human Rights Protocol Considerations is the first IETF document to explicitly address human rights.

We achieved another digital first in 2017 and wrapped up our first Human Rights Impact Assessment (HRIA) for a provider of internet infrastructure, SIDN (an Internet registry), with the Danish Institute of Human Rights. While our model was tailored to registries, we plan to adapt the model for other types of infrastructure providers: several have reached out to us to discuss the possibility of assessing their work.

In 2017, our Framework of Interpretation and Considerations Document achieved consensus at both the working group and plenary levels for inclusion in ICANN's (Internet Corporation for Assigned Names and Numbers) final workstream two (WS2) recommendations. This will effectively operationalise the ICANN's Human Rights Core Value (part of the institutional bylaws).

In achieving consensus on that Framework, the multi-stakeholder Human Rights Subgroup, chaired by us, successfully fulfilled its mandate well before its May 2018 deadline. ARTICLE 19 will continue to work with ICANN to fully operationalise the bylaw and ensure it is reflected in future policy development, and will support a HRIA of ICANN operations.

c. Connectivity empowered in Brazil

In 2017, Anatel approved a resolution that Internet service providers (ISPs) with 5000 users or fewer will not require authorisation – the providers will only need to provide basic information and use certified equipment.

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ARTICLE 19 carried out advocacy and conversations with Anatel, contributing to this victory for community and small commercial ISPs. Previously the licensing process usually took a long time to be approved, creating a barrier to connectivity.

As well as advocacy, we created a 'how-to' guide, ran workshops in communities intending to build providers, and offered legal advice to aspiring providers.

More people than ever know how to set up community networks thanks to our resources and training. We ran a workshop with an indigenous community group of Yanomami, who now have access to basic Internet services in their communal places, through a fully-functional community provider.

d. Privacy online protected

In March 2017, we launched the Global Principles on Freedom of Expression and Privacy which provide a comprehensive, updated framework on the mutually reinforcing nature of these two rights in the digital world.

We subsequently advocated our position on privacy at the UNHRC, where we ran a workshop with delegates; at the HRC's 34th session, we held a side event on privacy.

Our standards on privacy and surveillance were subsequently strongly reflected in UNHRC Resolutions 32/13 on internet shutdowns and 34/L7/Rev.1 on the right to privacy: it is the culmination of four years of advocacy efforts from ARTICLE 19 pushing for strong protection for the right to privacy. The UN General Assembly (UNGA) also adopted resolutions on the right to privacy, with positions on the private sector consistent with ARTICLE 19's digital policies.

In 2017, we began discussions with Special Rapporteurs from various international governance organisations on the topic of 2018's Joint Declaration.

e. Monitoring and reporting on digital policy

We are now regularly producing materials on digital policy in Iran with wide reach in English and Farsi, revealing human rights abuses to the international and national community, as well as providing the basis for digital security strategies for activists and citizens.

We are now the go-to expert voice: our briefs have been reported and summarised on Al Jazeera, Vice, Slate, Politico Magazine, and Mahsa Alimardani, Iran Programme Officer, has appeared on BBC Persian to discuss our work.

We are also promoting the best-practice set by Brazil's Marco Civil (internet legislation) across the world through our new digital platform, launched in April 2017, supporting scholars and in tracking the implementation of the law in Brazil, and guiding the ongoing implementation of a free and rights-based Internet.

We campaigned against bills which aimed to weaken the law: we have now been invited to take part in public hearings organised by law-makers.

7. Media

a. Mexico's 'Official advertising'

For years, the lack of regulation of official advertising in Mexico limited the space for real public debate and eroded public trust in the media: although President Enrique Peña Nieto made promises, no regulation materialised. In 2017,

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we campaigned and made an application to the Mexican National Supreme Court; regulation has finally become mandatory and will be put in place in 2018.

The highest court in Mexico ruled in favour of our petition, recognising the value of freedom of expression and the need to remove any form of risk to that right. We are now working with the #MediosLibres coalition to promote our ten principles to underpin the coming regulation.

b. Media Pluralism and Transparency of Media Ownership at the Council of Europe

More than two years of engagement with the MSI-MED (Committee of Experts on Media Pluralism and Transparency of Media Ownership), where ARTICLE 19 was vice chair, ended with the successful completion of drafts that were officially adopted by the Committee of Ministers of the Council of Europe in 2018.

As vice-chair of MSI-MED, ARTICLE 19 presented the draft recommendation on media pluralism, a feasibility study on internet and elections, and a feasibility study on gender equality in media coverage of elections to the Steering Committee on Media and Information Society, Council of Europe's Committee of Ministers (CDMSI).

The work was welcomed by CDMSI, with comments focusing on a need to integrate more elements on social media: this created an opportunity for ARTICLE 19 to include its work on self-regulation and social media, and its policy on media convergence into the final draft recommendation, all of which were adopted at the final meeting of MSI-MED in late 2017.

c. Tunisia's Press Council

In 2013, ARTICLE 19 was invited to take part in meetings with a view to creating a Tunisian Press Council based on a self-regulatory model. 2018 is our fifth year of working towards this truly independent and effective media institution.

In 2017, the constituent committee was established, and we reached an agreement that civil society groups will be among the members of the council, along with journalists and media institutions. This inclusive approach is a great step forwards, allowing advocates of freedom of expression to take part, and giving the council more legitimacy in the eyes of the public.

d. Defamation Principles

In 2017, we updated our Defamation Principles, tackling emergent issues head-on to ensure we stay at the forefront of policy work on defamation: we published in February and have been using the new principles for national, regional, and international advocacy.

We held a regional launch of the principles during a Tunisian workshop which included journalists (local and foreign correspondents), judges, and lawyers and CSOs. At the EU, we presented our principles at a conference on Criminal Defamation Laws in the EU. In Brazil, we published national guidelines on defamation.

In Kenya, we referred to the principles in our petition to the High Court on Section 194 of the Penal Code, (which creates the offence of criminal defamation). The High Court declared the provision as unconstitutional, referencing our intervention.

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e. Restrictive Law written off in Kenya

After a Facebook post criticising President Uhuru Kenyatta's statements against Raila Odinga, Robert Alai was arrested and charged for undermining the authority of a public officer, under Section 132 of the Penal Code. His case under the Chief Magistrate went on for over a year without determination.

On 26 April 2017, Justice Enock Chacha Mwita declared that the provisions of Section 132 were indeed incompatible with the Kenya Constitution. In agreement with Robert's petition and ARTICLE 19's intervention, he declared the provisions 'null and void'. All charges against Robert were dropped.

f. Training women on radio in Brazil

We brought together women broadcasters from across Brazil, providing technical training and creating communities of solidarity and support in the country's most violent regions for human rights activists and advocates.

8. Protection

a. Holistic protection in Bangladesh

In 2017, we launched 'Nirbhoy' – a holistic protection platform. It contains a self-protection toolkit called 'Shuroksha' ('well-protected'), covering legal, physical, and digital protection, and gender-based censorship. We used these tools to train more than a hundred journalists in the last year: our frontline work is growing.

The second part of Nirbhoy is 'Shohojogita' ('support'): this is direct assistance – legal, medical, and referral support. In 2017 we assisted over 28 journalists with various forms of support. Beneficiaries included the cases of Abhjit Roy and Fauisal Arefin Dipon. The platform also has a documentation element – 'Shamiksha' ('analysis') - and an advocacy element – Sangskar ('ethics').

Nirbhoy is the only state of the art website in Bangladesh for communicators: it provides a huge variety of information – up-to-date news, full reports, and summaries – communicators can find out about what is really going on.

b. Monitoring trials in Turkey

Through consistent attendance at major trials, we are ensuring oversight of criminal procedures against journalists and emerging as a key supporter of freedom of expression in Turkey.

With partner P24, we coordinate an informal coalition of international actors to develop advocacy, and platform 'Expression Interrupted' hosts P24's list of detained journalists – now at 155.

ARTICLE 19 also produced an expert opinion on three mass criminal trials of journalists, including the Zaman Newspaper case, which was officially submitted to the court at the second hearing of the case.

c. Surveillance malware unveiled in Mexico

In 2017, ARTICLE 19 revealed the use of Pegasus (a surveillance malware) in Mexico, confirming that at least three institutions of the Mexican Federal Government had acquired and deployed the malware against communicators, and even investigators from the Organization of American States.

More than 200 organisations and individuals joined us in condemning these tactics and demanding accountability.

d. Legal protection for communicators in Mexico

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A narrow interpretation of 'journalist' is often used by authorities to avoid dealing with cases sent for investigation at Federal level, where crimes against journalists must be dealt with. This leaves many journalists unprotected.

Following our legal submission, the National Supreme Court endorsed a broad and functional definition of 'journalist', and allowed the investigation of Edwin Canche's case at federal level. This is something we have been advocating for globally for years: it will bring more communicators in Mexico under stronger legal protection.

9. *Transparency*

a. Strengthening use and implementation of information laws

To make the sure that right to information law can take full effect, we have been building the capacity of officials, civil society organisations, and targeted groups to strengthen and enhance information access across the world.

In 2017, we rolled out RTI trainings in Kenya, Russia, Tunisia, Myanmar, Brazil, Senegal and Mexico. 544 beneficiaries attended our trainings globally.

With our support, civil society organisations and rural women in Tunisia have been submitting information requests to health services' providers: officials from the health sector are responding to requests, and even starting to proactively provide more information. We also contributed to a law to protect whistleblowers in 2017: our recommendations were adopted.

Information on the construction of a school in the Mexican state of Chiapas was requested in the indigenous ch'ol language and in audio format. When the request was rejected by the Ministry of Education, ARTICLE 19 appealed, resulting in a pronouncement regarding access to information and non-discrimination. The outcome helps to set a reference for future decisions.

Five years after Brazil's access to information legislation was passed, ARTICLE 19 has used the law to reveal how a lack of available information creates a violation of the right to abortion. The difficulty in accessing information about legal abortion, manipulation of scarce data, and non-compliance with the right to information pose a direct risk to women's health. This work was part of an extensive report, with five new pieces of original research on information access in Brazil, from public safety to pesticides. Our findings were shared with women's rights organisations with whom we will now be working together to map information on abortion and facilitate access to it.

We have been spearheading a regional coalition of more than 25 top investigative journalists across East Africa, which supports cross-border investigations, shares knowledge and experience of using access to information laws, and provides solidarity.

ARTICLE 19 and the United Nations Convention against Corruption (UNCAC) Coalition released two new infographics on access to information and fighting corruption for International Anti-Corruption Day. Each is available in English, French, Spanish, Russian, and Arabic. We will complete a range of updated training materials and guides in 2018.

b. Facilitating information access in Russia

We have been supporting partners in taking advantage of Russia's progressive information law in order to challenge denials of access and non-compliance with the right to information, with the aim of keeping the law robust and fit for purpose, all the while setting precedents for positive interpretations of it.

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Since 2016, more than 100 journalists, bloggers and activists across ten regions in Russia have been trained and supported to submit access to information requests.

In particular, we have supported and promoted RosOtvét – an online portal which allows individuals to give details of information they wish to access, which is then turned into a formal request and submitted to the relevant authority by a team of lawyers. The service is now receiving 60 information requests monthly. We also supported the creation of practical resources such as Team 29's 'Catalogue of Open Sources'.

Financial Review

The financial results for the year ended 31 December 2017 are set out in the Statement of Financial Activities on page 19.

Income continues to grow year on year with a strong 30% increase of £1.8m to £7.8m; unrestricted income grew by £890k as a result of increases in grants from the Swedish International Development Cooperation Agency (Sida) to fund our new strategy while the restricted income grew by £917k, with large increases from the European Commission, US Department of State and the Dutch Ministry of Foreign Affairs. The support of our donors continues to play an essential role in the fight for Freedom of Expression (FoE) and Right to Information (RTI).

Asia, Europe and Central Asia (ECA) and Middle East and North Africa projects (MENA), saw an increase in income compared to 2016. The ECA projects received increased funding from the European Commission for protection and transparency work in Turkey and Russia respectively. Asia projects received two new grants for Myanmar and one for Bangladesh. In Myanmar the US State Department funded a grant for the promoting of RTI and increased transparency, while the UK Foreign & Commonwealth office (FCO) funded capacity building of the government to reform laws. In Bangladesh, the FCO also funded breaking the culture of impunity and protection for those who exercise FoE rights. MENA projects also had a few grants added to their portfolio to include capacity building of media partners in Tunisia funded by the EC and consolidation of FoE and RTI in Tunisia and Morocco. Law and Policy managed fewer grants directly as compared to previous years, but they continue to support the rest of the organisation through Global thematic projects.

Total expenditure increased by 33% in 2017 to £7m. Spend on global thematic grants which cover Transparency, Digital and Protection in all regions decreased very slightly, MENA projects recorded a small increase as compared to 2016 while the rest showed a significant increase in spend. In all the cases the increase was due to increased funding across the organisation. Law and Policy benefited from the increased core support from Sida to fund their thematic projects mainly on Civic Space and Protection. Growth in spend in the ECA increased significantly as they continue their work in Russia through partnership with other organisations.

Reserves

The total funds of ARTICLE 19 rose by £815k to £2,673k. This comprised an increase in restricted fund balances of £592k, due to the timing of receipt of grants and expenditure. We hold these balances to carry out contracted activities in future periods. Unrestricted funds also rose by £222k to £977k as a result of the full disbursement from NMFA for core support that straddles 2017 and 2018. We hold a designated reserve to match the net book value of fixed assets; £5k at the end of 2018 (2017: £3k). The remaining general funds of £973k are available to provide operational working capital and to address the financial risks surrounding projected income and expenditure. Included

ARTICLE 19

Report of the trustees

For the year ended 31 December 2017

in general funds are around £368k of unrestricted funds which we are obliged by the donors to spend in 2018 and 2019. This is taken into account in our reserves policy.

The reserves policy is designed to protect the organisation against areas mentioned in our risk review along with unexpected falls in income, unplanned increases in expenditure, security risks and unexpected fluctuations in exchange rates. Our policy results in a target of £1,410k and therefore shows a shortfall against our target of £437k. We are developing plans to increase our sources of unrestricted funds but recognise that this will take time and may, in the short term, require some investment of our existing reserves. We will continue to monitor our funding position closely.

Risk Review

The top 3 risks for ARTICLE 19 remain as follows:

1. Security of ARTICLE 19 staff

The politically sensitive nature of its work, coupled with the difficult places in which ARTICLE 19 works, generates very real risks to staff safety. For example, ARTICLE 19's presence is in Central America and Asia where the constant threats against the lives of journalists and activists who support freedom of information are well known. To counter this risk, ARTICLE 19 has developed location-specific security protocols in the highest-risk areas and requires staff to produce a safety and security plan when travelling to a higher-risk location.

2. Funding

The organisation is dependent upon project funding, which has to be sought constantly. A high percentage of funding currently comes from statutory sources in Europe; therefore the potential for governments to pull back on their foreign development funding poses a significant risk for ARTICLE 19 that is being constantly monitored. Trustees carefully consider the professional judgement of staff when making future financial plans and in assessing the likelihood of funding being secured. The organisation also has limited sources of free unrestricted income and is currently operating with a lower level of reserves than is desirable.

3. Closing of Civic Space restricting ARTICLE 19's ability to act in existing environments:

ARTICLE 19's theory of change is rooted in the idea that it is essential to be on the front lines of the fight to preserve and promote freedom of expression and information. 2017 saw a continued attack on civil society's ability to operate freely and openly in many places in the world, notably Russia and Central Asia and Africa. This has impacted our ability to operate in some places. Additional countries where we work are considering (or have adopted) legislation that places severe restrictions on civil society, including the ability to receive foreign funds. We will need to constantly monitor the situation and work in concert with other organisations to push back this shrinking of civic space worldwide, but in particular where we have operations.

Fundraising policy

We are aware of our obligations under the Charities Act to report our fundraising policy. We engage with statutory funders, trust and foundations in order to raise our income and do not engage in public fundraising.

ARTICLE 19

Report of the trustees

For the year ended 31 December 2017

Statement of trustees' responsibilities

The Trustees (who are also directors of ARTICLE 19 for the purposes of company law) are responsible for preparing the report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and applied them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose, with reasonable accuracy at any time, the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

The Trustees of the company who held office at the date of the approval of the Financial Statements as set out above confirm, so far as they are aware, that:

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

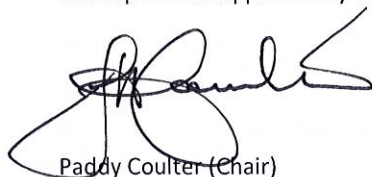
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The report of the Trustees has been prepared in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies.

Auditors

Sayer Vincent LLP were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

This report was approved by the trustees on 15 June 2018 and signed on their behalf by:



Paddy Coulter (Chair)

Independent auditor's report

To the members of

Article 19

Opinion

We have audited the financial statements of Article 19 (the 'charitable company') for the year ended 31 December 2017 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and 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 (UK) 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 charitable 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.

Other information

The other information comprises the 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 or apparent material misstatements, 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.

Independent auditor's report

To the members of

Article 19

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is 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, the trustees are responsible for assessing the charitable 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 the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 our opinion. The risk of not detecting a material misstatement resulting from

Independent auditor's report

To the members of

Article 19

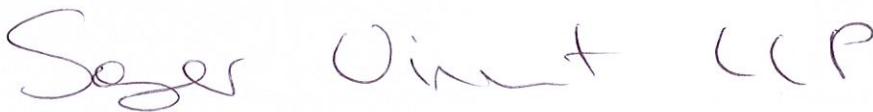
fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate 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 we identify during our audit.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Noelia Serrano (Senior statutory auditor)

2 July 2018

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

ARTICLE 19

Statement of Financial Activities (incorporating an income and expenditure account)

For the year ended 31 December 2017

	Note	Unrestricted £	Restricted £	2017 Total £	Unrestricted £	Restricted £	2016 Total £
Income from:							
Donations and legacies	2a	2,718,074	–	2,718,074	1,827,612	–	1,827,612
Charitable activities	2b						
Africa projects		–	359,885	359,885	–	322,371	322,371
Asia projects		–	406,674	406,674	–	179,310	179,310
Latin America projects		–	426,331	426,331	–	498,402	498,402
Law & Policy projects		–	82,356	82,356	–	103,208	103,208
Europe & Central Asia projects		–	1,124,427	1,124,427	–	812,402	812,402
Middle East & North Africa projects		–	935,039	935,039	–	613,106	613,106
Global thematic projects		–	1,760,694	1,760,694	–	1,648,899	1,648,899
Total income		2,718,074	5,095,405	7,813,479	1,827,612	4,177,697	6,005,309
Expenditure on:							
Cost of raising funds	3	83,183	–	83,183	80,364	–	80,364
Charitable activities	3						
Africa projects		440,491	418,923	859,415	255,380	343,980	599,360
Asia projects		191,592	386,721	578,314	74,562	277,380	351,943
Latin America projects		399,341	455,874	855,215	128,060	476,252	604,312
Law & Policy projects		235,714	81,855	317,568	41,918	102,953	144,872
Europe & Central Asia projects		146,346	1,283,188	1,429,534	74,538	606,889	681,427
Middle East & North Africa projects		149,661	716,963	866,625	171,177	618,762	789,938
Global thematic projects		813,047	1,195,700	2,008,747	665,119	1,355,234	2,020,354
Total expenditure		2,459,375	4,539,225	6,998,600	1,491,119	3,781,451	5,272,570
Net income for the year before transfers	4	258,699	556,180	814,879	336,493	396,246	732,739
Transfers between funds		(36,237)	36,237	–	(9,298)	9,298	–
Net income after transfers between funds		222,462	592,417	814,879	327,195	405,544	732,739
Net movement in funds		222,462	592,417	814,879	327,195	405,544	732,739
Reconciliation of funds:							
Total funds brought forward		754,964	1,103,545	1,858,509	427,769	698,001	1,125,770
Total funds carried forward		977,426	1,695,962	2,673,388	754,964	1,103,545	1,858,509

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16 to the financial statements.

ARTICLE 19

Balance sheet

Company no. 02097222

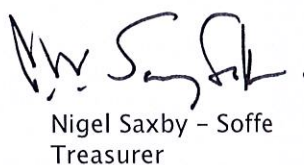
As at 31 December 2017

	Note	£	2017 £	£	2016 £
Fixed assets:					
Tangible assets	10		4,846		3,145
			<u>4,846</u>		<u>3,145</u>
Current assets:					
Debtors	11	408,640		413,036	
Cash at bank and in hand		2,580,445		2,020,526	
		<u>2,989,085</u>		<u>2,433,563</u>	
Liabilities:					
Creditors: amounts falling due within one year	12	320,543		578,199	
			<u>2,668,542</u>		<u>1,855,364</u>
Net current assets					
			<u>2,673,388</u>		<u>1,858,509</u>
Total net assets					
The funds of the charity:	15				
Restricted income funds			1,695,962		1,103,545
Unrestricted income funds:					
Designated funds		4,846		3,145	
General funds		972,580		751,819	
		<u></u>	<u>977,426</u>	<u></u>	<u>754,964</u>
Total unrestricted funds					
Total charity funds	16		<u>2,673,388</u>		<u>1,858,509</u>

Approved by the trustees on 15 June 2018 and signed on their behalf by



Paddy Coulter
Chair



Nigel Saxby - Soffe
Treasurer

ARTICLE 19
Statement of cash flows

For the year ended 31 December 2017

	Note	2017 £	2016 £
Cash flows from operating activities	17		
Net cash provided by operating activities		627,372	660,587
Cash flows from investing activities:			
Purchase of fixed assets		(3,932)	(4,865)
Net cash (used in) investing activities		(3,932)	(4,865)
Change in cash and cash equivalents in the year		623,440	655,722
Cash and cash equivalents at the beginning of the year		2,020,526	1,223,716
Change in cash and cash equivalents due to exchange rate movements		(63,521)	141,088
Cash and cash equivalents at the end of the year	18	2,580,445	2,020,526

1 Accounting policies

a) Statutory information

ARTICLE 19 is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is Free Word Centre, 60 Farringdon Road, London, EC1R 3GA

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The SORP 2015 stipulates that where overseas offices are legally registered in their country of operations, this is an indication that they should be treated as subsidiaries for accounting purposes. However, having reviewed the governance and management procedures in place, oversight from ARTICLE 19 in the UK is such that overseas offices, including those registered locally, are in substance branches. The only exception to this is ARTICLE 19 Mexico which is not included in the financial statements due to its level of governance and financial independence from ARTICLE 19.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

f) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Income and expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- ☐ Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose;
- ☐ Expenditure on charitable activities includes the costs of training/workshops, grants to partners, events, campaigns and publications undertaken to further the purposes of the charity, and their associated support costs;
- ☐ Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

ARTICLE 19

Notes to the financial statements

For the year ended 31 December 2017

1 Accounting policies (continued)

i) Allocation of support costs

Resources expended (note 3) are allocated to a particular activity where the cost relates directly to that project. The cost of overall direction and administration of each activity consists of salary and overhead costs for the central function. This is apportioned on the following basis which is an estimate based on staff time and the amount attributable to each activity.

<input type="checkbox"/> Cost of raising funds	2%
<input type="checkbox"/> Africa projects	8%
<input type="checkbox"/> Asia projects	8%
<input type="checkbox"/> Latin America projects	16%
<input type="checkbox"/> Law & policy	6%
<input type="checkbox"/> Europe & Central Asia project	10%
<input type="checkbox"/> Middle East & North Africa projects	14%
<input type="checkbox"/> Global projects	36%

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

<input type="checkbox"/> Office equipment	4 years
<input type="checkbox"/> Computer Equipment	3 years

l) Grants to partners

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

ARTICLE 19
Notes to the financial statements

For the year ended 31 December 2017

1 Accounting policies (continued)

p) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

q) Pension Scheme

ARTICLE 19 operates a group pension scheme with Scottish Widows which pays an employer contribution of 8% for its employees in the UK. From November 2016, ARTICLE 19 joined the auto-enrolment scheme with the same pension provider.

Foreign exchange policy

- r) ARTICLE 19 hold funds in the currency in which those funds will be transferred to its Regional Offices and also to its partners. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at the average rate of exchange for the year. Exchange differences are taken into account in arriving at the net movement in funds for the year

2a Donations and legacies

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Official donors				
UK Department For International Development	–	–	–	542,687
Norwegian Ministry of Foreign Affairs	406,945	–	406,945	–
Swedish International Development Cooperation Agency	1,841,689	–	1,841,689	1,101,526
<i>Sub total of Official donors</i>	2,248,634	–	2,248,634	1,644,213
Trust and foundations				
Open Society Foundation	7,762	–	7,762	–
Fritt Ord Foundation	46,951	–	46,951	38,663
<i>Sub total of Trust and foundations</i>	54,713	–	54,713	38,663
Other donors				
Confidential donor	353,121	–	353,121	131,287
Other voluntary income	61,606	–	61,606	13,448
<i>Sub total of other donors</i>	414,727	–	414,727	144,735
Total	2,718,074	–	2,718,074	1,827,612

ARTICLE 19

Notes to the financial statements

For the year ended 31 December 2017

2b Income from charitable activities

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Official donors				
UK Foreign & Commonwealth Office	-	831,637	831,637	603,582
Swedish International Development Cooperation Agency via International Centre for Not-for-Profit Law	-	-	-	401,278
Norwegian Ministry of Foreign Affairs	-	-	-	770,588
Dutch Ministry of Foreign Affairs	-	398,151	398,151	-
Canadian Ministry of Foreign Affairs	-	78,605	78,605	-
European Commission	-	690,837	690,837	243,871
US Department of State	-	535,624	535,624	285,962
<i>Sub total of Official donors</i>	-	2,534,854	2,534,854	2,305,281
Trust and foundations				
Open Society Institution	-	740,972	740,972	747,573
Ford Foundation	-	250,625	250,625	167,729
MacArthur Foundation	-	85,780	85,780	-
Hivos	-	279,080	279,080	291,705
The Guardian Foundation	-	-	-	75,000
Open Technology Fund	-	83,922	83,922	-
National Endowment for Democracy	-	255,920	255,920	139,822
Confidential donor	-	634,951	634,951	-
<i>Sub total of Trust and foundations</i>	-	2,331,249	2,331,249	1,421,830
Other donors				
Others	-	229,302	229,302	485,781
Refunds	-	-	-	(35,194)
<i>Sub total of other donors</i>	-	229,302	229,302	450,587
Total	-	5,095,405	5,095,405	4,177,697

Income includes bank interest of £ 9,181 (2016: £20,179)

ARTICLE 19
Notes to the financial statements

For the year ended 31 December 2017

3 Analysis of expenditure

	Cost of raising funds	Charitable activities										2017 Total	2016 Total
		Africa projects	Asia projects	America projects	Latin America projects	Law & Policy projects	Central Asia projects	Middle East & North Africa projects	Global projects	Governance costs	Head Office support costs		
Staff costs (Note 5)	63,604	215,573	206,967	432,749	170,824	264,905	366,964	944,909	360,275	3,026,771	2,638,738		
Grants to partners (Note 7)	-	18,446	42,281	-	12,022	776,864	4,578	1,775	5,221	861,188	426,859		
Project expertise costs	-	76,544	60,577	53,100	14,800	170,016	67,892	157,481	3,597	604,006	379,173		
Training, events & workshops	3,218	204,017	59,588	27,627	2,392	14,476	172,183	42,195	27,054	552,749	396,174		
Media and publications	-	5,336	33,645	33,718	32,572	29,218	69,794	201,322	9,562	415,166	226,726		
Project travel costs	2,743	162,337	39,486	113,442	41,875	60,384	46,668	184,470	67,242	718,648	450,428		
Project support costs	64	120,700	80,792	81,748	1,511	45,900	43,303	222,403	55,085	651,507	517,138		
Infrastructure (software development) costs	-	-	-	-	-	-	-	-	-	81,692	158,435		
Governance costs	-	2,244	760	4,397	910	-	362	10,217	67,983	86,874	78,899		
	69,628	805,198	524,097	746,781	276,906	1,361,763	771,745	1,764,771	609,728	6,998,600	5,272,570		
Support costs	12,195	48,778	48,778	97,557	36,584	60,973	85,362	219,502	-	-	-		
Governance costs	1,360	5,439	5,439	10,877	4,079	6,798	9,518	24,474	-	-	-		
Total expenditure 2017	83,183	859,415	578,314	855,215	317,568	1,429,534	866,625	2,008,747	-	6,998,600	5,272,570		
Total expenditure 2016	80,364	599,360	351,943	604,312	144,872	681,427	789,938	2,020,354	-	-	-		

Of the total expenditure, £2,459,375 was unrestricted (2016: £1,491,119) and £4,539,225 was restricted (2016: £3,781,451).

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4 Net income for the year

This is stated after charging:

	2017 £	2016 £
Depreciation	2,231	5,308
Operating lease rentals:		
Property	224,108	196,594
Equipment	5,065	5,065
Auditor's remuneration (excluding VAT):		
Audit	12,650	12,300
Other services	10,080	10,896
Losses/(gains) on foreign exchange	63,521	(141,088)

5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2017 £	2016 £
Salaries and wages	1,364,278	1,344,783
Social security costs	157,123	158,881
UK Employer's contribution to defined contribution pension schemes	114,164	131,520
Regional staff costs	1,219,729	926,537
Termination costs	15,063	–
Other staffing costs	156,415	77,018
	3,026,771	2,638,738

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2017 No.	2016 No.
£60,000 – £69,999	1	3
£70,000 – £79,999	3	–
£80,000 – £89,999	1	2
£90,000 – £99,999	1	–

The total employee benefits including pension contributions and employer's national insurance for key management personnel were £541,622 (2016: £472,357).

The charity trustees were not paid nor received any other benefits from employment with the charity in the year (2016: £nil). No charity trustee received payment for professional or other services supplied to the charity (2016: £nil).

Trustees' expenses represents the reimbursement of travel and subsistence costs totalling £781 (2016: £3,800) incurred by six trustees (2016: five) relating to attendance at International Board meetings.

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6 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as

	2017 No.	2016 No.
Fundraising	1	1
Africa projects	13	13
Asia projects	11	8
Latin America projects	16	20
Law & Policy projects	5	4
Europe & Central Asia projects	4	3
Middle East & North Africa projects	11	9
Global projects	25	24
	<u>86</u>	<u>82</u>

7 Grants to partners

	2017 £	2016 £
Community Media Solutions	–	60,491
Novye Regionalnye Media	–	26,425
Viešoji įstaiga Rusijos horizontai	25,510	35,828
The Cambodian Human Rights Action Committee	–	40,266
PUNTO24	–	56,662
Media Policy Institute	32,368	–
Adil Soz	64,089	–
National Association of Independent Mass Media in Tajikistan	–	–
Centre for Support and Media development	75,713	–
Expert Bureau for Media Law	81,231	–
The Support Centre for Civil Society	239,459	–
Other grants	342,818	207,186
	<u>861,188</u>	<u>426,859</u>

Other grants includes grants to partners below £25,000 in the year and also those organisations which need to remain anonymous due to the sensitive nature of their work.

8 Related party transactions

Galina Arapova is a trustee of ARTICLE 19 and is also a director of Mass Media Defence Centre (MMDC). Mass Media Defence Centre is a lead partner organisation working with ARTICLE 19 on a European Commission funded project in Russia. A total of £36,506 was received from Mass Media Defence Centre for the delivery of project activities in Russia during the course of 2017. Galina Arapova is not involved in the decision-making process for awarding grants to partners.

9 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

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For the year ended 31 December 2017

10 Fixed assets

	Computer equipment £	Office equipment £	Total £
Tangible fixed assets			
Cost or valuation			
At the start of the year	68,562	27,236	95,798
Additions in the period	3,932	–	3,932
At the end of the year	72,494	–	99,730
Depreciation			
At the start of the year	65,417	27,236	92,653
Charge for the period	2,231	–	2,231
At the end of the year	67,648	–	94,884
Net book value			
At the end of the year	4,846	–	4,846
At the start of the year	3,145	–	3,145

11 Debtors

	2017 £	2016 £
Prepayments	68,693	41,697
Accrued income	241,838	319,908
Other debtors	98,110	51,431
	408,640	413,036

12 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	89,083	47,196
Deferred income (note 13)	–	160,076
Taxation and social security	51,445	46,531
Pension contributions due (note 14)	16,326	29,101
Accruals	72,632	28,548
Other creditors	91,057	266,748
	320,543	578,199

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For the year ended 31 December 2017

13 Deferred income

Deferred income consists of funds received in 2016 from a grant to cover project activities in 2017.

	2017 £	2016 £
Balance at the beginning of the year	160,076	523,266
Amount released to income in the year	(160,076)	(523,266)
Amount deferred in the year	–	160,076
Balance at the end of the year	–	160,076

14 Pension scheme

The charity has a defined contribution pension scheme with Scottish Widows for UK employees. The assets of the scheme are held separately from those of the charity in an independently administered fund with Scottish Widows. The pension costs represent contributions payable by the charity to the fund in the year and amounted to £114,164 (2016: £131,520) (note 5). Contributions totalling £16,326 (2016: £29,101) were payable to the fund at the balance sheet date and are included in creditors.

15a Analysis of net assets between funds – current year

	General unrestricted £	Designated £	Restricted £	Total funds £
Fixed assets	–	4,846	–	4,846
Net current assets	972,580	–	1,695,962	2,668,542
Net assets at the end of the year	972,580	4,846	1,695,962	2,673,388

15b Analysis of net assets between funds – prior year

	General unrestricted £	Designated £	Restricted £	Total funds £
Fixed assets	–	3,145	–	3,145
Net current assets	751,819	–	1,103,545	1,855,364
Net assets at the end of the year	751,819	3,145	1,103,545	1,858,509

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16a Movements in funds – current year

	At 1 January 2017 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2017 £
Restricted funds:					
Africa projects	193,181	359,885	(418,923)	(2,470)	131,673
Asia projects	(57,929)	406,674	(386,721)	47,464	9,488
Latin America projects	142,520	426,331	(455,874)	–	112,977
Law & Policy projects	1,487	82,356	(81,855)	–	1,988
Europe & Central Asia projects	273,673	1,124,427	(1,283,188)	(3,601)	111,311
Middle East & North Africa projects	480	935,039	(716,963)	67,052	285,607
Global Thematic projects	550,133	1,760,694	(1,195,700)	(72,209)	1,042,918
Total restricted funds	1,103,545	5,095,405	(4,539,225)	36,237	1,695,962
Unrestricted funds:					
Designated funds:					
Fixed asset fund	3,145	3,932	(2,231)	–	4,846
Total designated funds	3,145	3,932	(2,231)	–	4,846
General funds	751,819	2,714,142	(2,457,144)	(36,237)	972,580
Total unrestricted funds	754,964	2,718,074	(2,459,375)	(36,237)	977,426
Total funds	1,858,509	7,813,479	(6,998,600)		2,673,388

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16b Movements in funds – prior year

	At 1 January 2016 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2016 £
Restricted funds:					
Africa projects	224,295	322,371	(343,980)	(9,505)	193,181
Asia projects	36,738	179,310	(277,380)	3,403	(57,929)
Latin America projects	110,521	498,402	(476,252)	9,850	142,521
Law & Policy projects	1,232	103,208	(102,953)	–	1,487
Europe & Central Asia projects	68,314	812,402	(606,889)	(154)	273,673
Middle East & North Africa projects	1,597	613,106	(618,762)	4,540	481
Global Thematic projects	255,304	1,648,898	(1,355,235)	1,165	550,131
Total restricted funds	698,001	4,177,697	(3,781,451)	9,298	1,103,545
Unrestricted funds:					
Designated funds:					
Fixed asset fund	3,588	4,865	(5,308)	–	3,145
Civic Space Initiative carry forward	–	–	–	–	–
Total designated funds	3,588	4,865	(5,308)	–	3,145
General funds	424,181	1,822,747	(1,485,811)	(9,298)	751,819
Total unrestricted funds	427,769	1,827,612	(1,491,119)	(9,298)	754,964
Total funds	1,125,770	6,005,309	(5,272,570)	–	1,858,509

Purposes of restricted funds

Africa projects – represents funds to cover expenditure planned for 2018 in Eastern and West Africa. Transfers represented funds from unrestricted funds to cover potential ineligible expenditure following a recent EC grant audit.

Asia projects – represents funds to cover expenditure planned for 2018 in South East Asia and Asia Pacific. Transfers represented exchanges difference on closed grants.

Latin America projects – represents funds to cover expenditure planned for 2018 in South America.

Law and Policy projects – represents funds to cover expenditure planned for 2018.

Europe and Central Asia projects – represents funds to cover expenditure planned for 2018. Transfers represented exchange differences from closed grants in 2017.

Middle East and North Africa projects – represents funds to cover expenditure planned for 2018. Transfers represented funds received through the International Office to be spent in Tunisia.

Global Thematic projects – represents funds to cover expenditure planned for 2018. Transfers represented exchange differences from closed grants (£5,157) and funds to cover grant expenditure in Tunisia.

Purposes of designated funds

The designated fund is matched against the net book value of the fixed assets of the charity, which are not readily realisable.

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17 Reconciliation of net income to net cash flow from operating activities

	2017 £	2016 £
Net income for the reporting period (as per the statement of financial activities)	814,879	732,739
Depreciation charges	2,231	5,308
Foreign exchange losses/(gains)	63,521	(141,088)
Decrease in debtors	4,396	405,244
(Decrease) in creditors	(257,655)	(341,616)
Net cash provided by operating activities	627,372	660,587

18 Analysis of cash and cash equivalents

	At 1 January 2017 £	Cash flows £	Other changes £	At 31 December 2017 £
Cash in hand	14,754	(14,515)	-	239
Cash at bank	1,925,968	707,978	(63,521)	2,570,424
Total cash and cash equivalents	1,940,722	693,463	(63,521)	2,570,663

19 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases are as follows for each of the following periods:

	Property		Equipment	
	2017 £	2016 £	2017 £	2016 £
Less than one year	116,845	116,845	5,065	5,065
One to five years	301,850	418,695	-	-
	418,695	535,540	5,065	5,065

20 Capital commitments

At the balance sheet date, the charity had committed to £Nil (2016: £82,948) for development and implementation of accounting and project management software.

21 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.