

Company number: 2097222  
Charity number: 327421



**ARTICLE 19**

**Report and Financial Statements**

**31 December 2019**

## ARTICLE 19

### Administrative details

For the year ended 31 December 2019

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**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, Resigned 27 June 2020
Gayathry Venkiteswaran	Appointed Vice Chair from 27 June 2020 Chair of the Governance Sub-Committee
Mark Salway	Treasurer from 25 June 2019, Chair of the Finance and General Purposes Committee
Jacob J Akol	Resigned 24 July 2020
Nadezda Azhikhina	Appointed 27 June 2020
Arturo Franco	
Abir Ghattas	Appointed 27 June 2020
Tamar Ghosh	Resigned 22 February 2019
David Kaye	Appointed 22 June 2019
Robert Latham	
Frank Ledwidge	
Catalina Botero Marino	Resigned 11 February 2020
Jennifer Robinson	Resigned 25 June 2019
Nigel Saxby-Soffe	Treasurer - Resigned 25 June 2019
Lesley Swarbrick	Appointed 22 June 2019
Aparna Ravi	Appointed 27 June 2020
David Viney	Appointed 27 June 2020

**Secretary** Thomas Hughes Resigned 31 January 2020  
Quinn McKew Appointed 27 February 2020

**Principal staff** Quinn McKew Executive Director  
Maxine Harrington Director of Human Resources  
Andrew Gray Director of Finance & Operations - Resigned April 2020  
Barbora Bukovska Senior Director of Law and Policy  
Nicola Dodero Director of Finance- Appointed October 2020  
Sara Wilbourne Director of Communications. & Information  
David Diaz-Jogeix Senior Director of Programmes

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**Bankers** Barclays Bank PLC, London

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

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

## **ARTICLE 19**

### **Report of the trustees**

#### **For the year ended 31 December 2019**

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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.

### **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.

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:

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### Report of the trustees

#### For the year ended 31 December 2019

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- (1) through direct delivery especially in relation to work in areas where it has its own staff; and
- (2) through working with partner organisations, including the provision of financial and capacity support.

### 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 crosscuts these five themes.

- **Civic Space** - we help secure the right to participate in public life; to engage in debate, criticise, protest and dissent, in physical and online space.
- **Protection** – we continue to defend those on the front line, ensuring that violations are reported, and perpetrators held to account.
- **Digital** - we embed human rights principles into law and process, engaging governments, businesses and the technical community.
- **Transparency** – we work to ensure that communities and individuals can enjoy their right to information and hold those in power accountable for their actions.
- **Media** – we work to ensure that media pluralism, freedoms and the public interest are protected and promoted in a globalised, digitalised and converged landscape.

In 2019, ARTICLE 19 continued the implementation of the MX Method, our Gender and Diversity strategy, both in our programming and through testing new organisational initiatives. A solid portfolio of work was carried out in several regions, particularly on violence against women online and LGBT+ persons rights. At the end of 2019, we started reviewing the progress we have made since 2017 when our second two-year planning cycle started and the results will be used to inform the development of the third and final two year cycle of our strategy.

### 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 seeks to conduct a due diligence assessment prior to signing any MoU with implementing partners assessing their financial controls and anti-corruption measures. Any improvements identified are included in the MoUs and ARTICLE 19 aims to provide organisations with capacity building in those areas, as needed. ARTICLE 19 requires partners to submit receipts and invoices as part of their financial management.

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### **Report of the trustees**

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### **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. 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):

- i) hosts ARTICLE 19 international support teams (including Law and Policy; Communication and Campaigns; Human Resources; Projects; and Finance and Operations) and the Executive Director.
- ii) hosts two Regional Teams (Europe and Central Asia and Middle East).
- iii) directly manages the third Regional Team, for Southeast Asia, based in Thailand.
- iv) provides financial, operational and fundraising support to Regional Offices in Bangladesh, Brazil, Kenya, Mexico, Senegal and Tunisia.

The Regional Offices are of two types:

- i) Subsidiaries: these have local governance boards and take independent management decisions from the International Office. They are treated as subsidiaries in the accounts. These include ARTICLE 19 Brazil and South America (ARTIGO 19 Brasil), ARTICLE 19 Mexico and Central America (ARTICULO 19 Campaña Global por la libertad de expression), ARTICLE 19 Eastern Africa (based in Kenya).
- ii) Branches: these do not have local governance boards and report directly to the International Office. These consist of ARTICLE 19 Bangladesh and South Asia, ARTICLE 19 Senegal and West Africa, ARTICLE 19 Middle East and North Africa, and ARTICLE 19 INC (USA).

In addition, we have a registered entity in the Netherlands, Stichting ARTICLE 19.

Affiliate Members are those regional offices who have a governance or advisory board from which they appoint a representative to the International General Assembly (IGA). In addition to the subsidiaries, ARTICLE 19 Inc is also an Affiliate Member and has an appointed member on the IGA. The IGA also includes the trustees of the charity. Members of the International Board of Trustees are nominated from the IGA.

#### **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 and management team. Each meeting is two to three days to

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### Report of the trustees

#### For the year ended 31 December 2019

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allow adequate time to discuss all necessary items. The board approved a Governance manual during the year and an evaluation of the Chair's performance was conducted. As a result, the Chair, Paddy Coulter, was asked to extend his period of office for a further three years.

Our Finance and General Purposes Committee (FGPC) is chaired by the Treasurer, Mark Salway, and is responsible for overseeing financial, audit, human resources and operational matters; this meets at least four times a year, with additional meetings as required. The Governance Committee is chaired by the Vice Chair, 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. The committee meets four times a year.

In 2019 three trustees resigned or retired from the board. A further 2 Trustees resigned or retired in 2020, in February and July. Three new trustees were appointed in 2019, and a further four were appointed in June 2020. Our Board at the time of signing in 2020 consisted of:

- Paddy Coulter (Chair), Director, Oxford Global Media
- Gayathry Venkiteswaran (Vice Chair), Associate Professor of Media & Law, University of Nottingham (Malaysia Branch)
- Mark Salway FCA (Treasurer), Director of Sustainable Finance at Cass Business School
- Nadezda Azhgikhinam, journalist and human rights activist
- Arturo Franco, Economist
- Abir Ghattas, Technologist
- Prof. David Kaye, Professor of Law
- Robert Latham, Lawyer specialising in media and intellectual property law
- Frank Ledwidge, Lecturer, Barrister and former military intelligence officer
- Aparna Ravi, Lawyer specializing in corporate finance and governance
- Lesley Swarbrick, Director Sydney George and Associates (special responsibility for human resources on the Board)
- David Viney, Technologist

### Selection and appointment of Trustees

New Trustees are first nominated and recommended by existing members and from open recruitment. 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.

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#### 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.

#### Achievements and Performance against specific objectives

A full review of ARTICLE 19's work in 2019 can be found in our Annual Report at [https://www.article19.org/wp-content/uploads/2020/06/A19\\_AnnualReport\\_2019\\_Final\\_22June2020-min.pdf](https://www.article19.org/wp-content/uploads/2020/06/A19_AnnualReport_2019_Final_22June2020-min.pdf).

We organize our work around 16 global outcomes under five strategic themes: Civic Space, Protection, Digital, Media Freedom, and Transparency. Each year, we undergo a global review called the Annual Reflection Process to assess our progress against targets for each of these themes. Below is a summary of our achievements in 2019.

ARTICLE 19 Global Outcomes	Significant achievements and activities	Performance Assessment
CIVIC SPACE		
ARTICLE 19 works to develop progressive standards and programs on protest, public participation and equality and non-discrimination, viewing these as essential areas where people must be free to use their voices to demand change and be heard by those in power	ARTICLE 19 has launched new dynamic campaigns in <i>Kenya</i> and <i>Brazil</i> . Using research to understand public attitudes towards protest and protesters, and capitalising on social media interaction using the hashtags #FreeToProtest (Kenya) and #LivreParaProtestar (Brazil), we are: <ul style="list-style-type: none"><li>• Raising awareness of the right to protest;</li><li>• Warning about restrictions that threaten that right;</li><li>• Destigmatising protests and protesters; and</li></ul>	Significant Progress overall, but progress on the Equality and Non-discrimination work has been uneven in some of our regional offices due to a lack of funding for programmatic work. We have also had to re-plan our work on public participation to reflect changing opportunities to develop standards in UN bodies.



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	<ul style="list-style-type: none"> <li>• Emphasising the positive social impacts of protest to enable legislative and policing change in the countries.</li> </ul> <p>Early in 2019, ARTICLE 19 coorganised a meeting with our partner, Journalists4Tolerance, an LGBTQI+ rights group, on tackling “hate speech” in <i>Belarus</i>. The meeting brought together LGBTQI+ activists, and the civil society organisations that represent them, with the commission on ethics of the Belarusian Association of Journalists (BAJ). After the meeting, the BAJ commission promised to cooperate with civil society in tackling “hate speech” in the media and to explore a joint project with ARTICLE 19 and Journalists4Tolerance. The BAJ then acknowledged that “hate speech” is an issue that they, as journalists, should address. This was truly unprecedented. Just five years ago, BAJ refused to work on homophobic and transphobic “hate speech”, and its members – and even president – criticised the commission for wanting to do so.</p>	
PROTECTION		
<p>ARTICLE 19’s works to provide journalists and human rights defenders the tools, training and support to carry out their work in increasingly hostile environments. Our “holistic protection” approach combines training on self-protection, working with media houses, advocating for journalist protection mechanisms and combatting</p>	<p>Throughout 2019, training sessions for journalists and vulnerable communities have been successfully delivered in <i>Mexico, Brazil Guatemala, Cuba, Honduras, Uganda, Kenya and Tanzania</i>, as well as for Iranian activists, on a broad range of topics including digital hygiene, remaining safe online, and how to develop a journalist security plan.</p>	<p>Significant progress was made on the protection training at the level of country delivery, but we have still not completed our work on developing a unified training methodology across all offices.</p> <p>While Good progress was made in several countries on working with media houses to improve their protection of employees, it was</p>

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<p>impunity at the state and multi-lateral level.</p>	<p>ARTICLE 19 was instrumental in securing the significant advancement of international standards at the UN and regional organisations, such as the Council of Europe, the OSCE, the Inter-American Commission for Human Rights and the African Commission for Human and People's Rights. Our productive coordination of the International Civil Society Safety of Journalists Coalition resulted in the establishment of the Media Freedom Coalition, a multi-state and civil society effort to advance the status of journalists worldwide.</p>	<p>noted that Article 19 will need to do further work to increase its knowledge and experience in this field to promote best practices among media houses. In the coming strategy cycle our work will include a new initiative co-facilitated by A19: the Media Freedom Coalition Advisory Network, which will help us in establishing ourselves within this thematic area.</p>
<p>DIGITAL</p>		
<p>ARTICLE 19 works to protect freedom of expression and information throughout the many layers of the internet, from the infrastructure layer, to content, to governance and policies. We work to ensure that access is recognized as a right and product and services as developed with an eye towards enhancing expression rights at the design and implementation stages.</p>	<p>Our #SpeakingUp project, launched in 2019, aims to enhance freedoms by combating tech-related violence against women (VAW) through strong online feminist counter-speech and safety and solidarity apps.</p> <p>Two flagship initiatives characterise the project:</p> <ul style="list-style-type: none"> <li>• The Anatomy, a comprehensive overview of all aspects of tech-related VAW; and</li> <li>• Circulo, a safety app for women journalists.</li> </ul> <p>ARTICLE 19 is complementing these initiatives with legal standards research in <i>Mexico and Brazil</i>, a review of specific legislation on tech-related VAW, and an overview of how the justice system is handling it.</p>	<p>Most of our work in this area has shown Excellent or Good progress in ensuring ICT providers are developing products and services that include proper protection of human rights. However, our engagement with telecommunications companies has been limited from a law and policy perspective, and we struggled to make progress on the good work that was done in 2018 to bring greater transparency to censorship efforts.</p>

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	<p>#SpeakingUp is a truly international initiative. The project is being implemented in <i>Mexico, Brazil, Kenya, and Uganda</i>; our South Asia team has delivered training on tech-related VAW to female journalists, bloggers, artists, and students in <i>Bangladesh</i>; and the Anatomy will be a key tool in our international advocacy to build support for the protection of women online while protecting freedom of expression, not an easy task.</p> <p>In September 2019, ARTICLE 19 advocated for the adoption of a strong resolution on the right to privacy in the digital age (UNHRC Resolution 42/15). We brought together experts on artificial intelligence – the focus of the resolution – for a side event, which was reported by member states to be essential in aiding their understanding of the human rights issues at play. The resolution set important standards in emphasising the application of international human rights law to the “design, development, and deployment” of new and emerging technologies and, in particular, to the use of biometric identification systems.</p>	
<p>MEDIA FREEDOM</p>		
<p>ARTICLE 19 works to strengthen understanding of the laws and regulatory frameworks necessary for a free, diverse and independent media, especially within the</p>	<p>Social media companies’ content-moderation practices have a huge impact on public debates and on users’ human rights (including freedom of expression), but they are often opaque and unaccountable.</p>	<p>Overall Excellent/Good progress has been achieved, with significant advances in developing a policy framework for media regulation in a digital era. However, lack of progress on a</p>

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<p>increasingly converged digital landscape.</p> <p>We promote the development of media landscapes that are conducive to the wider public interest, pursuing a diversity of perspectives from the editorial, staffing and ownership perspectives.</p>	<p>That is why we are calling for the creation of Social Media Councils (SMCs): a transparent, inclusive, independent, and accountable mechanism to address content-moderation problems on the basis of international human rights law. In February 2019, we coorganised a seminar with the UN Special Rapporteur on Freedom of Expression (who strongly endorsed our SMC proposal in his report and articles) and Stanford University’s Global Digital Policy Incubator to submit the SMC proposal to academics, civil society organisations, and tech giants, including YouTube, Twitter, and Facebook. In June, we launched a public consultation on our roadmap for the creation of SMCs.</p> <p>Our work on SMCs has established ARTICLE 19 as a vital interlocutor in a field where we previously were not present, allowing us to enter a new policy area with strong credibility and excellent connections.</p> <p>In November 2019, the <i>Gambian</i> Cabinet, under the leadership of President Adama Barrow, approved and endorsed a Media Operations Bill – one of a raft of new laws intended to bring the country in line with international human rights standards. ARTICLE 19’s West Africa office has worked closely with the Gambian government during its reform process, including the Ministry of Communication and Infrastructure, and also with the Gambia Press Union on drafting the Media Operations Bill.</p>	<p>target on working directly with media regulatory bodies such as OFCOM due to a lack of resources has meant that we have discontinued this work moving ahead.</p> <p>While we have had some success in countries in reforming criminal defamation laws, true global progress remains minimal.</p>
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TRANSPARENCY		
<p>ARTICLE 19 works to develop progressive transparency and accountability frameworks to enable people to improve government and corporate accountability and transparency. This includes work on sustainable development and the environment, where we work to ensure the right to information, free expression, participation and association are incorporated into global, regional and national agreements.</p>	<p>ARTICLE 19 <i>Mexico's</i> Archivos de la Represión (Repression Archives) –a digital archive of the Mexican political police’s violations of human rights from 1960 to 1985- was awarded third place in the National Innovative Transparency Awards in Mexico, bringing international attention to this important work.</p> <p>In November 2019, <i>Kenyan</i> President Uhuru Kenyatta approved the Data Protection Bill – a law that complies with the EU’s GDPR and is part of Kenya’s efforts to attract investment in its information technology sector. This is a huge success for ARTICLE 19 and other civil society organisations, which have long called for increased data protection across Africa. ARTICLE 19 was heavily involved in the Kenyan government’s adoption of this law from the outset, starting in 2012. We had a seat on the government commission and actively participated in negotiations over how the law would be adopted. As a result of our advocacy, the government incorporated some of our recommendations into the law.</p> <p>In 2019, ARTICLE 19 achieved one of our advocacy goals when the UN evaluated the progress relating to governance in the SDGs, including specifically the target on access to information (RTI) and protection of fundamental human rights (16.10). During the year, UN bodies held regional fora, most which included</p>	<p>We have achieved excellent progress on our work incorporating right to information and expression into the sustainable development goals processes.</p> <p>Good to Excellent progress has been achieved on national transparency and data protection initiatives.</p> <p>We have only made Some Progress in our work on incorporating accountability mechanisms for attacks against environmental defenders into international processes. This is mostly due to the slow nature of the processes around UN or regional negotiation bodies.</p>

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	RTI, and a specialised Goal 16 meeting in Rome in May. This has been key to ensuring that the right to information as an enabler of development remains a key part of the agenda in international policy dialogs.	
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#### Next Year

Work in 2020 will continue to advance the Expression Agenda strategy as set out above. It will include the beginning of an external review of the progress under the Expression Agenda to better enable 2021 planning for the new strategy.

Key areas of strategic focus in 2020 will be:

- The protection of freedom of expression in international norm-setting in the United Nations Human Rights Council and General Assembly
- Development of new digital policies on social media content regulation, artificial intelligence and “online harms” legislation
- The implementation of ARTICLE 19’s first ever global campaign, #MissingVoices, which advocated for the rights of people to contest when their content is removed by social media platforms
- Continued consolidation of our processes and procedures to build a more robust organization
- Support for the Cultural Review and the implementation of its recommendations.

#### Financial Review

The financial results for the year ended 31 December 2019 are set out in the Statement of Financial Activities. Article 19 continued to grow during 2019, increasing income across the organization to £13.1m (2018: £9.1m). This is in-part due to the continued support and trust of our core donors, SIDA and NMFA. Their vital support in providing unrestricted funding gives Article 19 the flexibility to pursue a unique programme of work and the ability to respond quickly to changing world events.

The increase in income during 2019 was driven by restricted funding. This rose to £9.8m (2018: £5.6m), enabling the organisation to significantly expand the scope and reach of its work. It is exciting to note that this increase has been driven by additional donations from existing donors, but also new partnerships.

During the year, Article 19 also took the role as lead in a consortium that will deliver the PROTECT project for the Foreign, Commonwealth & Development Office. This three-year project seeks to foster open societies based on expanded and protected civic space and will be Article 19’s largest project to date at £12,000,000.

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The continued growth of the organisation needs to be supported by strong and effective systems and controls. A key component of this is our implementation of a new accounting system (Access Dimensions). This has been fully implemented in our UK and US offices and the roll-out is now being extended across our other branches and subsidiaries. A key objective of this new system is to facilitate effective and responsive compliance with our grant obligations. This implementation will be supported by a programme of investment in our finance and project functions, to create a strong foundation for our future growth.

#### Designated Reserves

We hold a designated reserve to match the net book value of fixed assets. At the end of 2019, this totalled £68k (2018: £44k). Remaining general funds of £940k are available to provide operational working capital and to address the financial risks surrounding projected income and expenditure.

#### 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 £1,767k and in comparing this with the general funds figure of £940k there is a shortfall against our target of £827k. 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.

#### Changes in Group Structure

There were no changes in our group structure in 2019 compared to 2020.

#### Fraud

Our rapid growth from a small to a mid-sized international NGO has meant that our systems and procedures have had to scale up and mature; a process which has taken time and involved a culture change process in the organization. As a direct result of implementing internal policy, system and governance improvements, ARTICLE 19 has uncovered an incident of fraud in our Eastern Africa regional office in Nairobi. The incident was perpetrated by a former Finance and Administrative officer who was subsequently terminated in 2019. On his dismissal, ARTICLE 19 International and the Eastern Africa Board jointly appointed an external accounting firm to take over financial management of the office and commissioned a separate accounting firm to conduct a forensic audit. This audit commenced in February and was completed May 11<sup>th</sup>, 2020.

The forensic audit identified a total **16,000,503 KSH (est \$149477)** in fraudulent expenditure for the period of January 1, 2018 to September 30, 2019 related to funds withdrawn from ARTICLE 19 East Africa's bank account for petty cash payments by the former Finance and Administrative Officer. Additional funds of **20,604,996 KSH (\$192,491)** were categorized as "questioned" or "unsupported." "Unsupported costs" are those costs that lacked necessary documentation or did not follow the required policies or good accounting practices. In these cases, any partial documentation or evidence to support a transaction are

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present. "Questioned costs" are those costs for which no documentation to support a recorded financial transaction was available, but the underlying activities are legitimate business expenses.

A full review of financial processes has been completed and new procedures put in place to ensure such activity cannot be repeated. These include twice-yearly internal audits, the appointment of an external accounting firm by the International Office to handle the accounting in Kenya, and an increase in sample checking on regional returns. All donors have been notified, and a criminal complaint has been initiated in Kenya against the former Finance and Administration Officer.

Following these incidents, we began a Cultural Review across the organisation to check whether our behaviours, actions and policies were in line with our stated values in the organisation. Conducted by an external consulting firm, all staff were surveyed and took part in small-group workshops to identify areas of improvement and our desired organisational culture. The review process will be completed in 2020, with implementation beginning later in the year.

### Risk Review

ARTICLE 19 reviewed and updated its risk policy and the top 4 risks were identified as follows:

- 1. COVID-19 Risks: Managing the safety of our staff and partners and ensuring financial stability in the face of the COVID-19 Pandemic.** Like every organization, we had to rapidly change the way we work across all ARTICLE 19 global operations in early 2020 to contend with the pandemic. While fundraising remained strong, slowdowns in expenditure as in-person activities were cancelled led to budget pressures. We have invested in new infrastructure and ways of working to allow us to work successfully from home and continue to collaborate between staff and partners in the face of office closures, and developed program products that speak specifically to the expression challenges raised by the pandemic to demonstrate our relevance to donors. Please see below for a fuller statement on our adaptations made due to COVID-19
- 2. Finance and budget due to delays in implementing accounting system.** The delays in implementing the new accounting system have meant that it has been harder to track expenditure against budget in a timely way for both restricted grants and for core unrestricted expenditure. This in part contributed to the fraud perpetrated in Kenya that was uncovered in 2019. It has also meant that ARTICLE 19's ability to respond promptly to external audits of our project has been diminished, increasing the risk of claw-backs from donors. The discovery of the fraud has kicked off a full review of our financial processes across the organization with an intention of strengthening our internal control process and improving internal training on Access Dimensions to advance the implementation of the system.
- 3. EU funding and political risk.** This in particular applies to grants from the European Commission (EC), which in the event of a hard Brexit would be cancelled, although the UK government has indicated that it could cover the shortfall for existing contracts for their duration. Even in the event of a deal it is likely that UK NGOs will be disadvantaged when competing for EC grants compared to NGOs in the remaining EU member states. However,



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ARTICLE 19 had a registration in the Netherlands and this is being utilised in 2019. Political change is not restricted to the question of Brexit and about 60% of funding comes from governments, so we realise that our funding is subject to political risk. Our wide portfolio of funding from different governments mitigates against this risk.

4. **Safety of 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. 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.

#### COVID-19 Workplan Adaptation- 2020/21

- The delivery of the overall two-year strategy cycle for ARTICLE19 remains on track, at the present time. The number of global outcomes and international targets within the strategy remains the same, and there are no substantial changes to the content of outcomes and targets at the global level. However, what is being adapted across all five strategic themes, is the focus of the work, and the way we will carry out the activities, particularly in the most immediate period.
- We have noted a number of restrictions introduced by governments at the national level, particularly in the realm of right to assembly, freedom of speech and right to information, requiring ARTICLE19's monitoring and interventions. Whilst many activities across the portfolio had to be postponed, a new set of activities have been emerging due to the crisis. Eg. In the past months, much of our legal analysis evolved around the pandemic; within the Transparency theme, a report on COVID transparency and other materials were translated and publicized by the regional programmes and offices. In Protection, we have increased our focus on journalists and HRDs affected by the pandemic (either through trainings or other forms of support). We also incorporated similar COVID response elements into our Civic Space programme (e.g. our flagship programme 'PROTECT'), including the advocacy against restrictive laws or policies that curtail citizen's access to information.
- Impacts of the pandemic on the delivery of our programming have been mitigated to some extent through a more active portfolio monitoring, and more support provided to teams on programmatic adaptation. Teams have approached the issue through phasing project activities, focusing on those that can be carried out regardless of the current situation, and looking for more innovative ways to deliver project objectives e.g. through ramping up or introducing research or communication elements to their project plans. Teams have been also actively encouraged to incorporate more Monitoring, Evaluation and Learning related activities into their projects to benefit current and future programming. This adaptation process is ongoing and is happening in close collaboration with partners and donors.
- Planned capacity building events for communities and partners have been affected across all themes, particularly within Civic Space and Protection, where we have a significant capacity building element. However, where possible, trainings and workshops have been and will continue to be repurposed or moved into online spaces.
- There have been some challenges to our advocacy work as several events at the national and international level were postponed. This inevitably slowed down some of the advocacy activities, but given the longer-term character of this work, majority of it has been planned for over the two-year period covered by the current strategy. More recently, we have been able to engage in advocacy

## ARTICLE 19

### Report of the trustees

#### For the year ended 31 December 2019

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activities both nationally and internationally, and in some cases, we even noted more availability of key stakeholders due to the current situation (e.g. in ECA region).

#### 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.

#### 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.

## **ARTICLE 19**

### **Report of the trustees**

#### **For the year ended 31 December 2019**

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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.

We would like to thank everyone, and all organisations, who support our work – donors, staff and trustees. Our work would not be possible without you.

The Trustees delegated approval of the report and financial statements to the Finance and General Purposes Committee. This report and the financial statements were approved by the Committee on 16 October 2020 and are signed on their behalf by:

Paddy Coulter (Chair)

## **Independent Auditor's Report**

**To the members of**

### **ARTICLE 19**

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#### **Opinion**

We have audited the financial statements of ARTICLE 19 (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the consolidated and parent charitable company statement of financial activities, the group and parent charitable company balance sheets, the consolidated 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 group's and parent charitable company's affairs as at 31 December 2019 and of the group's parent charitable company's 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 and the Charities Act 2011

#### **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 group financial statements section of our report. We are independent of the group and parent 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 group financial statements is not appropriate; or
- The trustees have not disclosed in the group financial statements any identified material uncertainties that may cast significant doubt about the group or the parent 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 trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the group financial statements and our auditor's report

## **Independent Auditor's Report**

**To the members of**

### **ARTICLE 19**

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thereon. The trustees are responsible for the other information. Our opinion on the group 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 group financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group 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 group 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.

#### **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 group and the parent 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 and Charities Act 2011 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

## **Independent Auditor's Report**

**To the members of**

### **ARTICLE 19**

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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 group's and the parent 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 group or the parent 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**

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 skepticism 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 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

## **Independent Auditor's Report**

**To the members of**

### **ARTICLE 19**

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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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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)

18 November 2020

for and on behalf of Sayer Vincent LLP, Statutory Auditor

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

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

## ARTICLE 19

## Consolidated statement of Financial Activities (incorporating an income and expenditure account)

For the year ended 31 December 2019

	Note	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
<b>Income from:</b>							
Donations and legacies	2a	3,202,299	-	3,202,299	3,474,629	-	3,474,629
Charitable activities	2b						
Africa projects		-	493,782	493,782	-	806,853	806,853
Asia projects		-	590,544	590,544	-	356,441	356,441
Latin America projects		-	2,580,607	2,580,607	-	1,950,422	1,950,422
Law & Policy projects		-	-	-	-	-	-
Europe & Central Asia projects		-	1,015,266	1,015,266	-	824,702	824,702
Middle East & North Africa projects		-	1,158,817	1,158,817	-	434,172	434,172
Global thematic projects		-	4,017,675	4,017,675	-	1,254,794	1,254,794
<b>Total income</b>		<b>3,202,299</b>	<b>9,856,691</b>	<b>13,058,990</b>	<b>3,474,629</b>	<b>5,627,384</b>	<b>9,102,013</b>
<b>Expenditure on:</b>							
Cost of raising funds	3	164,017	-	164,017	147,609	-	147,609
Charitable activities	3						
Africa projects		529,228	1,245,657	1,774,885	526,467	666,600	1,193,067
Asia projects		391,630	346,023	737,653	323,907	381,274	705,181
Latin America projects		811,557	2,149,806	2,961,363	726,486	1,838,261	2,564,747
Law & Policy projects		210,884	438,946	649,830	426,278	145,167	571,445
Europe & Central Asia projects		293,027	1,059,950	1,352,977	249,260	729,870	979,130
Middle East & North Africa projects		177,061	914,593	1,091,654	180,710	770,724	951,434
Global thematic projects		812,116	4,092,557	4,904,673	618,314	1,340,281	1,958,594
<b>Total expenditure</b>		<b>3,389,520</b>	<b>10,247,532</b>	<b>13,637,052</b>	<b>3,199,031</b>	<b>5,872,177</b>	<b>9,071,208</b>
<b>Net income for the year before transfers</b>	4	(187,221)	(390,841)	(578,062)	275,598	(244,793)	30,805
Transfers between funds		(234,780)	234,780	-	43,693	(43,693)	-
<b>Net income after transfers between funds</b>		(422,001)	(156,061)	(578,062)	319,291	(288,486)	30,805
<b>Mexico opening reserves</b>		-	-	-	(5,807)	630,776	624,969
<b>Net movement in funds</b>		(422,001)	(156,061)	(578,062)	313,484	342,290	655,774
<b>Reconciliation of funds:</b>							
Total funds brought forward		1,429,834	2,006,159	3,435,993	1,116,350	1,663,869	2,780,219
<b>Total funds carried forward</b>		<b>1,007,833</b>	<b>1,850,098</b>	<b>2,857,931</b>	<b>1,429,834</b>	<b>2,006,159</b>	<b>3,435,993</b>

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 20 to the financial statements.



As at 31 December 2018

	Note	The group 2019 £	2018 £	The charity 2019 £	2018 £
<b>Fixed assets:</b>					
Tangible assets	10	67,751	44,223	39,568	16,941
		<b>67,751</b>	<b>44,223</b>	<b>39,568</b>	<b>16,941</b>
<b>Current assets:</b>					
Debtors	15	811,808	364,553	655,145	348,511
Cash at bank and in hand		3,722,769	3,613,481	2,316,199	2,382,629
		<b>4,534,577</b>	<b>3,978,034</b>	<b>2,971,344</b>	<b>2,731,140</b>
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	16	1,744,397	586,264	1,453,998	495,732
		<b>2,790,180</b>	<b>3,391,770</b>	<b>1,517,346</b>	<b>2,235,408</b>
<b>Net current assets</b>		<b>2,790,180</b>	<b>3,391,770</b>	<b>1,517,346</b>	<b>2,235,408</b>
<b>Total net assets</b>		<b>2,857,931</b>	<b>3,435,993</b>	<b>1,556,914</b>	<b>2,252,349</b>
<b>Funds:</b>					
Restricted income funds		1,850,098	2,006,159	345,937	791,174
Unrestricted income funds:					
Designated funds		67,751	44,223	39,568	16,941
General funds		940,082	1,385,611	1,171,409	1,444,234
Total unrestricted funds		<b>1,007,833</b>	<b>1,429,834</b>	<b>1,210,977</b>	<b>1,461,175</b>
<b>Total funds</b>		<b>2,857,931</b>	<b>3,435,993</b>	<b>1,556,914</b>	<b>2,252,349</b>

The Trustees delegated approval of the report and financial statements to the Finance and General Purposes Committee. This report and the financial statements were approved by the Committee on 16 October 2020 and are signed on their behalf by:

Paddy Coulter  
Chair

Mark Salway  
Treasurer

ARTICLE 19  
Statement of cash flows

For the year ended 31 December 2019

	Note	2019 £	£	2018 £	£
Cash flows from operating activities	21				
Net cash provided by operating activities			318,130		405,415
Cash flows from investing activities:					
Purchase of fixed assets		(40,616)		(29,625)	
Net cash (used in) investing activities			(40,616)		(29,625)
Change in cash and cash equivalents in the year			277,514		375,790
Cash and cash equivalents at the beginning of the year			3,613,481		2,580,445
Opening cash from subsidiary					621,732
Change in cash and cash equivalents due to other movements			(168,226)		35,514
Cash and cash equivalents at the end of the year	22		3,722,769		3,613,481

## ARTICLE 19

### Notes to the financial statements

For the year ended 31 December 2019

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#### 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) –(Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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.

These financial statements consolidate the results of the charity and its wholly-owned subsidiaries ARTICLE 19 Brazil and South America (ARTIGO 19 Brasil), ARTICLE 19 Mexico and Central America (ARTICULO 19, Campaña global por la libertad de expression), ARTICLE 19 Eastern Africa (based in Kenya) on a line by line basis. Transactions and balances between the charity and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented as a summary of the result for the year is disclosed in the notes to the accounts.

The SORP 2015 stipulates that where overseas offices are legally registered in their country of operations as separate legal entities, 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 other overseas offices (USA and Senegal) are in substance branches and so are included in the results and position of the charity.

##### 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 2019

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#### 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	10%
<input type="checkbox"/> Asia projects	6%
<input type="checkbox"/> Latin America projects	25%
<input type="checkbox"/> Law & policy	9%
<input type="checkbox"/> Europe & Central Asia project	9%
<input type="checkbox"/> Middle East & North Africa projects	7%
<input type="checkbox"/> Global projects	32%

##### 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 2019

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 £	2019 Total £	2018 Total £
<b>Official donors</b>				
Norwegian Ministry of Foreign Affairs	470,367	–	<b>470,367</b>	1,109,219
Swedish International Development Cooperation Agency	1,933,672	–	<b>1,933,672</b>	1,815,942
<b><i>Sub total of Official donors</i></b>	<b>2,404,039</b>	<b>–</b>	<b>2,404,039</b>	<b>2,925,161</b>
<b>Other donors</b>				
Confidential donor	205,507	–	<b>205,507</b>	189,394
Other voluntary income	592,753	–	<b>592,753</b>	360,074
<b><i>Sub total of other donors</i></b>	<b>798,260</b>	<b>–</b>	<b>798,260</b>	<b>549,468</b>
<b>Total</b>	<b>3,202,299</b>	<b>–</b>	<b>3,202,299</b>	<b>3,474,629</b>

All donations and legacies income received in 2019 and 2018 were unrestricted.

## ARTICLE 19

## Notes to the financial statements

For the year ended 31 December 2019

## 2b Income from charitable activities by donor

	Unrestricted £	Restricted £	2019 Total £	2018 Total £
<b>Official donors</b>				
UK Foreign Commonwealth and Development Office	-	1,596,041	1,596,041	369,413
Netherlands Ministry of Foreign Affairs	-	461,331	461,331	491,297
Canadian Ministry of Foreign Affairs	-	198,760	198,760	244,229
European Commission	-	508,075	508,075	652,939
US Department of State	-	1,921,956	1,921,956	794,539
UK Foreign and Commonwealth Office	-	209,685	209,685	-
US Agency for International Development	-	844,590	844,590	-
Australia Department of Foreign Affairs and Trade	-	109,980	109,980	-
Danida	-	75,065	75,065	56,729
<i>Sub total of Official donors</i>	-	5,925,483	5,925,483	2,609,146
<b>Trust and foundations</b>				
Open Society Foundations	-	763,166	763,166	856,813
Open Society Policy Center	-	210,259	210,259	-
OSCE	-	83,944	83,944	-
React	-	172,273	172,273	-
Ford Foundation	-	677,721	677,721	456,393
Hivos	-	657,254	657,254	478,905
National Endowment for Democracy	-	331,847	331,847	285,154
William and Flora Hewlett Foundation	-	257,488	257,488	334,057
<i>Sub total of Trust and foundations</i>	-	3,153,952	3,153,952	2,411,322
<b>Other donors</b>				
Others	-	777,256	777,256	606,916
<i>Sub total of other donors</i>	-	777,256	777,256	606,916
<b>Total</b>	-	9,856,691	9,856,691	5,627,384

All income from charitable activities received in 2019 and 2018 was restricted.

For the year ended 31 December 2019

3a Analysis of expenditure (current year)

	Cost of raising funds £	Charitable activities							Governance costs £	Head Office support costs £	2019 Total £	2018 Total £
		Africa projects £	Asia projects £	Latin America projects £	Law & Policy projects £	Europe & Central Asia projects £	Middle East & North Africa projects £	Global projects £				
Staff costs (Note 5)	113,405	482,883	315,918	1,252,980	453,305	449,820	359,652	1,642,125	-	1,013,709	<b>6,083,797</b>	4,803,147
Grants to partners (Note 7)	-	241,752	79,365	-	-	562,564	133,494	895,194	-	1,341	<b>1,913,710</b>	682,262
Project expertise costs	-	72,804	42,801	402,709	-	3,852	107,667	547,136	-	-	<b>1,176,969</b>	475,213
Training, events & workshops	-	360,352	54,310	105,345	3,433	65,582	170,534	391,169	-	28,778	<b>1,179,503</b>	604,113
Media and publications	-	39,157	3,200	56,378	6,038	3,006	59,769	154,499	-	176,357	<b>498,404</b>	380,283
Project travel costs	8,100	129,015	59,391	379,480	16,619	68,441	79,880	401,950	-	168,781	<b>1,311,657</b>	1,041,004
Project support costs	381	267,438	60,664	298,043	2,030	18,009	37,945	258,536	-	411,185	<b>1,354,231</b>	928,221
Professional & trustee costs	-	2,090	4,638	938	-	14,592	9,100	4,006	83,417	-	<b>118,781</b>	156,965
	121,886	1,595,491	620,287	2,495,873	481,425	1,185,866	958,041	4,294,615	83,417	1,800,151	13,637,052	9,071,207
Support costs	40,265	171,449	112,168	444,875	160,947	159,710	127,696	583,041	-	(1,800,151)	-	-
Governance costs	1,866	7,945	5,198	20,615	7,458	7,401	5,917	27,017	(83,417)	-	-	-
<b>Total expenditure 2019</b>	<b>164,017</b>	<b>1,774,885</b>	<b>737,653</b>	<b>2,961,363</b>	<b>649,830</b>	<b>1,352,977</b>	<b>1,091,654</b>	<b>4,904,673</b>	-	-	<b>13,637,052</b>	9,071,207
Total expenditure 2018	147,609	1,193,067	705,181	2,564,747	571,445	979,130	951,434	1,958,594	-	-	9,071,207	

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For the year ended 31 December 2019

3b Analysis of expenditure (prior year)

	Cost of raising funds £	Charitable activities							Governance costs £	Head Office support costs £	2018 Total £
		Africa projects £	Asia projects £	Latin America projects £	Law & Policy projects £	Europe & Central Asia projects £	Middle East & North Africa projects £	Global projects £			
Staff costs (Note 5)	107,000	384,461	246,653	1,365,552	386,845	377,253	371,810	842,831	-	720,741	4,803,147
Grants to partners (Note 7)	-	102,737	78,621	29,773	-	322,421	66,812	81,898	-	-	682,262
Project expertise costs	-	100,906	58,309	41,004	-	32,594	33,162	207,829	-	1,409	475,213
Training, events & workshops	1,150	177,445	55,584	64,262	11,576	27,712	133,889	112,878	-	19,617	604,113
Media and publications	388	5,898	19,801	65,699	16,927	27,698	76,602	28,010	-	139,260	380,283
Project travel costs	5,523	163,306	43,220	268,824	35,935	47,101	102,631	236,192	-	138,272	1,041,004
Project support costs	525	124,942	117,535	305,631	741	23,273	51,576	188,064	-	115,934	928,221
Professional & trustee costs	-	14,720	9,337	2,568	33	4,651	204	781	124,671	-	156,965
	114,586	1,074,415	629,060	2,143,313	452,057	862,703	836,686	1,698,483	124,671	1,135,233	9,071,207
Support costs	29,755	106,911	68,589	379,732	107,574	104,906	103,393	234,373		(1,135,233)	-
Governance costs	3,268	11,741	7,532	41,702	11,814	11,521	11,355	25,738	(124,671)	-	-
<b>Total expenditure 2018</b>	<b>147,609</b>	<b>1,193,067</b>	<b>705,181</b>	<b>2,564,747</b>	<b>571,445</b>	<b>979,130</b>	<b>951,434</b>	<b>1,958,594</b>	<b>-</b>	<b>-</b>	<b>9,071,207</b>



**ARTICLE 19**  
**Notes to the financial statements**

**For the year ended 31 December 2019**

**4 Net income for the year**

This is stated after charging:

	<b>2019</b>	2018
	<b>£</b>	£
Depreciation	17,179	10,855
Operating lease rentals:		
Property	450,886	428,313
Equipment	6,851	7,540
Auditor's remuneration (excluding VAT):		
Audit	35,371	42,881
Other services	23,982	7,800
Losses/(gains) on foreign exchange	168,135	(35,514)
	<u>168,135</u>	<u>(35,514)</u>

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

Staff costs were as follows:

	<b>2019</b>	2018
	<b>£</b>	£
Salaries and wages	2,139,327	1,565,946
Social security costs	243,221	249,159
UK Employer's contribution to defined contribution pension schemes	173,100	164,150
Regional staff costs	2,493,904	2,152,762
Termination costs	6,698	24,673
Other staffing costs	1,027,547	646,456
	<u>6,083,797</u>	<u>4,803,147</u>

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

Included within Other staffing costs are fees payable to Programme Consultants of £355,137 (2018: £121,022) and Non-Programme Consultants of £380,333 (2018: £147,339).

	<b>2019</b>	2018
	<b>No.</b>	No.
£60,000 – £69,999	6	–
£70,000 – £79,999	5	1
£80,000 – £89,999	2	3
£90,000 – £99,999	1	–
£100,000 – £109,999	1	1
£110,000 – £119,000	–	1
	<u>–</u>	<u>1</u>

The total employee benefits including pension contributions and employer's national insurance for key management personnel were £604,164 (2018: £587,630).

The charity trustees were not paid nor received any other benefits from employment with the charity in the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

Trustees' expenses represents the reimbursement of travel and subsistence costs totalling £24,149 (2018: £35,383) relating to attendance at International Board meetings.

**ARTICLE 19**  
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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

	2019 No.	2018 No.
Fundraising	2	2
Africa projects	19	15
Asia projects	22	14
Latin America projects	53	38
Law & Policy projects	7	7
Europe & Central Asia projects	7	5
Middle East & North Africa projects	11	10
Global projects	46	23
	<b>167</b>	<b>114</b>
	<b>167</b>	<b>114</b>

**7 Grants to partners**

	2019 £	2018 £
Aivivid AB	47,845	56,069
PUNTO24	221,190	61,526
HIVOS	136,738	-
ICNL	223,891	-
Meedan	209,134	-
NDI	97,648	-
Internews	113,882	-
Expert Bureau for Media Law	80,503	37,833
The Support Centre for Civil Society	143,190	144,231
Derechos Digitales	28,009	13,419
Centre for Internet and Society	31,676	13,419
Asociacion por los Derechos	28,148	-
ROO Tsentr SOVA	32,754	8,915
UNISHKA Research Service, Inc	67,472	14,523
Cambodia Center for Human Rights	-	55,997
Other grants	451,630	276,330
	<b>1,913,710</b>	<b>682,262</b>
	<b>1,913,710</b>	<b>682,262</b>

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. 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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10 Fixed assets	Computer equipment £	Office equipment £	Total £
<b><u>The group</u></b>			
<b>Tangible fixed assets</b>			
<b>Cost or valuation</b>			
At the start of the year	126,751	96,333	223,084
Additions in the period	22,978	17,638	40,616
At the end of the year	149,729	113,971	263,700
<b>Depreciation</b>			
At the start of the year	102,985	75,785	178,770
Charge for the period	11,791	5,388	17,179
At the end of the year	114,776	81,173	195,949
<b>Net book value</b>			
<b>At the end of the year</b>	34,953	32,798	67,751
At the start of the year (including subsidiary companies)	23,766	20,457	44,223
 <b><u>The charity</u></b>			
<b>Tangible fixed assets</b>			
<b>Cost or valuation</b>			
At the start of the year	92,773	40,609	133,382
Additions in the period	18,646	13,359	32,005
At the end of the year	111,419	53,968	165,387
<b>Depreciation</b>			
At the start of the year	81,773	34,668	116,441
Charge for the period	7,999	1,379	9,378
At the end of the year	89,772	36,047	125,819
<b>Net book value</b>			
<b>At the end of the year</b>	21,647	17,921	39,568
At the start of the year	11,000	5,941	16,941

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**For the year ended 31 December 2019**

**11 Subsidiary undertaking – ARTICLE 19 Mexico and Central America (Campaña Global por la libertad de expression)**

In January 2018, ARTICLE 19 Mexico & Central America became a 100% subsidiary of ARTICLE 19 as the degree of control passed the threshold for considering the entity as a member of the ARTICLE 19 group as a subsidiary.

A summary of the results of the subsidiary is shown below:

	<b>2019</b>	2018
	<b>£</b>	£
Turnover	1,633,520	1,228,496
Income from ARTICLE 19	36,416	28,090
Expenditure	(1,491,825)	(1,226,461)
<b>Total incoming resources for the year</b>	<b>178,111</b>	<b>30,125</b>
<b>Funds held</b>		
Total funds brought forward	655,094	624,969
Total incoming resources for the year	178,111	30,125
<b>Total funds carried forward</b>	<b>833,205</b>	<b>655,094</b>
The aggregate of the assets, liabilities and reserves was:		
Assets	924,687	711,492
Liabilities	(91,482)	(56,398)
<b>Funds</b>	<b>833,205</b>	<b>655,094</b>

Amounts owed from the parent undertaking are shown in note 16.

**12 Subsidiary undertaking – ARTICLE 19 Brazil and South America (ARTIGO 19 Brasil)**

In January 2018, ARTICLE 19 Brazil & South America became a 100% subsidiary of ARTICLE 19 as the degree of control by the national board passed the threshold for considering the entity as a subsidiary rather than a branch.

A summary of the results of the subsidiary is shown below:

	<b>2019</b>	2018
	<b>£</b>	£
Turnover	1,174,552	886,235
Income from ARTICLE 19	144,972	64,641
Expenditure	(1,008,809)	(920,368)
<b>Total incoming resources for the year</b>	<b>310,715</b>	<b>30,508</b>
<b>Funds held</b>		
Total funds brought forward	268,704	238,196
Total incoming resources for the year	310,715	30,508
<b>Total funds carried forward</b>	<b>579,419</b>	<b>268,704</b>
The aggregate of the assets, liabilities and reserves was:		
Assets	608,338	310,556
Liabilities	(28,919)	(41,852)
<b>Funds</b>	<b>579,419</b>	<b>268,704</b>

Amounts owed from the parent undertaking are shown in note 16.

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13 Subsidiary undertaking – ARTICLE 19 Eastern Africa

In January 2018, ARTICLE 19 East Africa became a 100% subsidiary of ARTICLE 19 as the degree of control by the national board passed the threshold for considering the entity as a subsidiary rather than a branch.

A summary of the results of the subsidiary is shown below:

	2019 £	2018 £
Turnover	425,345	685,331
Income from ARTICLE 19	236,448	119,442
Expenditure	(1,008,027)	(694,901)
<b>Total incoming resources for the year</b>	<b>(346,234)</b>	<b>109,872</b>
<b>Funds held</b>		
Total funds brought forward	259,846	149,974
Total incoming resources for the year	(346,234)	109,872
<b>Total funds carried forward</b>	<b>(86,388)</b>	<b>259,846</b>
The aggregate of the assets, liabilities and reserves was:		
Assets	57,953	289,943
Liabilities	(144,341)	(30,097)
<b>Funds</b>	<b>(86,388)</b>	<b>259,846</b>

Amounts owed to the parent undertaking are shown in note 15.

14 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2019 £	2018 £
Gross income	9,407,737	6,089,776
Result for the year	(676,082)	(139,701)

15 Debtors

	The group		The charity	
	2019 £	2018 £	2019 £	2018 £
Trade debtors	246,814	–	246,468	–
Prepayments	144,505	106,461	120,080	88,105
Accrued income	390,818	248,694	264,432	248,694
Other debtors	29,671	9,398	24,165	7,783
Amounts due from subsidiary undertakings	–	–	–	3,929
	<b>811,808</b>	<b>364,553</b>	<b>655,145</b>	<b>348,511</b>

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16 Creditors: amounts falling due within one year

	The group		The charity	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	499,300	230,390	467,114	199,878
Taxation and social security	143,249	136,817	89,370	103,771
Pension contributions due	21,371	38,697	21,371	17,443
Deferred income	206,564	-	206,564	-
Accruals	592,691	78,781	546,041	36,379
Other creditors	281,222	101,579	123,538	100,445
Amounts owed to ARTICLE 19 Mexico & Central	-	-	-	33,875
Amounts owed to ARTICLE 19 South America	-	-	-	3,941
	<b>1,744,397</b>	<b>586,264</b>	<b>1,453,998</b>	<b>495,732</b>

17 Deferred income

Deferred income consists of funds received in 2018 from a grant to cover project activities in 2019.

	The group		The charity	
	2019	2018	2019	2018
	£	£	£	£
Balance at the beginning of the year	-	-	-	-
Income deferred in the year	<b>206,564</b>	-	<b>206,564</b>	-
Amount released to income in the year	-	-	-	-
Balance at the end of the year	<b>206,564</b>	-	<b>206,564</b>	-

18 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 £228,589 (2018: £164,150) (note 5). Contributions totalling £20,880 (2018: £17,443) were payable to the fund at the balance sheet date and are included in creditors.

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19a Analysis of group net assets between funds – current year

	General unrestricted £	Designated £	Restricted £	Total funds £
Fixed assets	–	67,751	–	67,751
Net current assets	940,082	–	1,850,098	2,790,180
<b>Net assets at the end of the year</b>	<b>940,082</b>	<b>67,751</b>	<b>1,850,098</b>	<b>2,857,931</b>

19b Analysis of group net assets between funds – prior year

	General unrestricted £	Designated £	Restricted £	Total funds £
Fixed assets	–	44,223	–	44,223
Net current assets	1,385,611	–	2,006,159	3,391,770
<b>Net assets at the end of the year</b>	<b>1,385,611</b>	<b>44,223</b>	<b>2,006,159</b>	<b>3,435,993</b>

20a Movements in group funds – current year

	At 1 January 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2019 £
<b>Restricted funds:</b>					
Africa projects	358,676	493,782	(1,245,657)	184,689	(208,510)
Asia projects	(23,994)	590,544	(346,023)	(1,092)	219,435
Latin America projects	960,204	2,580,607	(2,149,806)	–	1,391,005
Law & Policy projects	–	–	(438,946)	–	(438,946)
Europe & Central Asia projects	(12,609)	1,015,266	(1,059,950)	839	(56,454)
Middle East & North Africa projects	(56,545)	1,158,817	(914,593)	–	187,679
Global Thematic projects	780,427	4,017,675	(4,092,557)	50,344	755,889
<b>Total restricted funds</b>	<b>2,006,159</b>	<b>9,856,691</b>	<b>(10,247,532)</b>	<b>234,780</b>	<b>1,850,098</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Fixed asset fund	44,223	40,616	(17,179)	–	67,660
<b>Total designated funds</b>	<b>44,223</b>	<b>40,616</b>	<b>(17,179)</b>	<b>–</b>	<b>67,660</b>
<b>General funds</b>	<b>1,385,611</b>	<b>3,161,683</b>	<b>(3,372,341)</b>	<b>(234,780)</b>	<b>940,173</b>
<b>Total unrestricted funds</b>	<b>1,429,834</b>	<b>3,202,299</b>	<b>(3,389,520)</b>	<b>(234,780)</b>	<b>1,007,833</b>
<b>Total funds</b>	<b>3,435,993</b>	<b>13,058,990</b>	<b>(13,637,052)</b>	<b>–</b>	<b>2,857,931</b>

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20b Movements in group funds – prior year

	At 31 December 2017 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2018 £
<b>Restricted funds:</b>					
Africa projects	123,726	806,853	(666,600)	94,697	<b>358,676</b>
Asia projects	(5,964)	356,441	(381,274)	6,803	<b>(23,994)</b>
Latin America projects	923,810	1,950,422	(1,838,261)	(75,767)	<b>960,204</b>
Law & Policy projects	1,988	-	(145,167)	143,179	-
Europe & Central Asia projects	111,311	824,702	(729,870)	(218,752)	<b>(12,609)</b>
Middle East & North Africa projects	159,431	434,172	(770,724)	120,576	<b>(56,545)</b>
Global Thematic projects	980,343	1,254,794	(1,340,281)	(114,429)	<b>780,427</b>
<b>Total restricted funds</b>	<b>2,294,645</b>	<b>5,627,384</b>	<b>(5,872,177)</b>	<b>(43,693)</b>	<b>2,006,159</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Fixed asset fund	25,453	29,625	(10,855)	-	<b>44,223</b>
<b>Total designated funds</b>	<b>25,453</b>	<b>29,625</b>	<b>(10,855)</b>	<b>-</b>	<b>44,223</b>
<b>General funds</b>	<b>1,085,090</b>	<b>3,445,004</b>	<b>(3,188,176)</b>	<b>43,693</b>	<b>1,385,611</b>
<b>Total unrestricted funds</b>	<b>1,110,543</b>	<b>3,474,629</b>	<b>(3,199,031)</b>	<b>43,693</b>	<b>1,429,834</b>
<b>Total funds</b>	<b>3,405,188</b>	<b>9,102,013</b>	<b>(9,071,208)</b>	<b>-</b>	<b>3,435,993</b>

**Purposes of restricted funds**

Africa projects – represents funds from donors to cover expenditure planned for the following financial year in Eastern and West Africa.

Asia projects – represents funds to cover expenditure planned for the following financial year in South East Asia and Asia Pacific.

Latin America projects – represents funds to cover expenditure planned for the following financial year in Latin America.

Law and Policy projects – represents funds to cover expenditure planned for the following financial year.

Europe and Central Asia projects – represents funds to cover expenditure planned for the following financial year.

Middle East and North Africa projects – represents funds to cover expenditure planned for the following financial year.

Global Thematic projects – represents funds to cover expenditure planned for the following financial year.

Restricted balances in 2019 are in deficit as a result of two factors: 1) Work conducted in 2019 for which we expect to receive the income in 2020, including for the Law and Policy Team, and 2) projects for which income is recognised in the Global Projects Line, but the expenditure is done by regional offices and the Law and Policy Team and recognised as such in the accounting system.

**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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21 Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
<b>Net income for the reporting period (as per the statement of financial activities)</b>	(578,062)	30,805
Depreciation charges	17,179	10,855
Foreign exchange losses/(gains)	168,135	(35,514)
Decrease in debtors	(447,255)	44,087
Increase/ (Decrease) in creditors	1,158,133	265,721
Increase in non-cash reserves following the inclusion of ARTICLE 19 Mexico & Central America	-	89,461
<b>Net cash provided by operating activities</b>	<b>318,130</b>	<b>405,415</b>

22 Analysis of group cash and cash equivalents

	At 1 January 2019 £	Cash flows £	Other changes £	At 31 December 2019 £
Cash in hand	7,958	(1,682)	-	<b>6,276</b>
Cash at bank	3,605,523	110,970	-	<b>3,716,493</b>
<b>Total cash and cash equivalents</b>	<b>3,613,481</b>	<b>109,288</b>	<b>-</b>	<b>3,722,769</b>

23 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	
	2019 £	2018 £	2019 £	2018 £
Less than one year	<b>166,043</b>	428,313	<b>6,851</b>	7,540
One to five years	<b>345,814</b>	-	-	-
	<b>511,857</b>	<b>428,313</b>	<b>6,851</b>	<b>7,540</b>

24 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.