Company number: 2097222
Charity number: 327421

ARTICLE 19

Report and Financial Statements

31 December 2018

ARTICLE 19

Administrative details

For the year ended 31 December 2018

Company number	2097222
Charity number	327421
Registered office and operational address	Free Word Centre 60 Farringdon Road London EC1R 3GA

Principal staff

Thomas Hughes	Executive Director
Quinn McKew	Deputy Executive Director
Andrew Gray	Director of Finance and Operation
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

ARTICLE 19

Report of the trustees

For the year ended 31 December 2018

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:

(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 cross-cuts 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.

2018 was also the second year of the implementation of our reviewed gender strategy (''Mx. Method''). With the Mx. Method strategy, a project dedicated to violence against women, and more work focusing on participation and inclusion of more vulnerable groups. The organisation has taken a step forward in this area and will continue to develop its capacity during the next operational plan.

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.

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 East & Southeast Asia, based in Thailand.
- iv) provides financial, operational and fundraising support to Regional Offices in Bangladesh, Brazil, Mexico, Senegal and Tunisia.

The Regional Offices are of two types:

- i) Subsidiaries: these have local governance boards, 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 (Campaña Global por la libertad de expression), ARTICLE 19 Eastern Africa (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 Tunisia and Middle East and North Africa, ARTICLE 19 Inc in the USA.

In addition we have a registered entity in the Netherlands, Stichting ARTICLE 19, which although established many years ago has been dormant up until 2018. This will be used for operational activities for our Europe and Central Asia team.

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 in the IGA. The IGA also includes the trustees of the charity. Members of the International Board of Trustees are nominated from the IGA.

ARTICLE 19 Mexico is included in the consolidated financial statements for the first time in 2018. Also for the first time ARTICLE 19 Brazil and ARTICLE 19 Kenya have been treated as subsidiaries whereas in previous years they have been treated as branches. This is discussed further in the Financial Review on page 10.

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 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.

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 2018 three trustees resigned from the board, two at the end of their tenures and one for personal reasons. Three new trustees were appointed. Our current Board consists of:

- Paddy Coulter (Chair), Director, Oxford Global Media
- Galina Arapova (Vice Chair), Director, Mass Media Defence Centre
- Mark Salway FCA (Treasurer), Director of Sustainable Finance at Cass Business School
- Jacob Jiel Akol, Journalist
- Catalina Botero Marino, Professor of Constitutional Law
- Arturo Franco, Economist
- Robert Latham, lawyer specialising in media and intellectual property law
- Frank Ledwidge, Lecturer, Barrister and former military intelligence officer
- Lesley Swarbrick, Director Sydney George
- Gayathry Venkiteswaran, Associate Professor of Media & Law, University of Nottingham (Malaysia Branch)

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.

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

This year we have chosen to show our achievements in a table against our strategic aims – where we have done well and where more effort and work is needed. The table below shows this.
ARTICLE 19 will only take credit in our reporting where we believe that we have been responsible for bringing about change that is reported directly and this can be wholly, or partially, attributed to our work.

	ARTICLE 19 Global Outcomes	**Significant achievements and activities**	**Performance Assessment**
CIVIC SPACE			
1.1	PROTEST: Progressive standards have effectively influenced international and national debates on rights relevant to protest as cited in resolutions, declarations, statements, and jurisprudence, and the standards are demonstrated as effective in key countries.	Protest principles promoted in several regions, e.g. South and Central America and East Africa. Significant interest generated in the run up to elections in Mexico and Brazil in 2018. In Mexico, 'Break the Fear', a real-time monitoring system activated to monitor and report police activity during protests. Progress made to advance standards in several parts of the United Nations (UN) system, e.g. the strongest-ever resolution on the safety of journalists at the UN Human Rights Council, in large part due to ARTICLE 19's advocacy.	Excellent Progress
1.2	PARTICIPATION: ARTICLE 19 research and advocacy tools have contributed to a diverse environment for debate and various forms of participation, enabling pluralism and the engagement of individuals and communities, particularly groups at risk in public discourse and decision-making.	ARTICLE 19 recommendations added to the guidelines on CSO participation in international governmental organisations (IGOS) produced by the Office of the High Commissioner for Human Rights (OHCHR), elaborating on conditions, by which member states can effectively implement the right to participation in public life.	Satisfactory progress
1.3	EQUALITY AND NON-DISCRIMINATION: A comprehensive package of tools and strategies, including articulated standards and principles, processes and mechanisms, will promote the universality of Freedom of Expression and right to information in the face of competing moral claims and address issues of hate speech.	Strong progress noted based on a high demand for our tools and services, especially the Hate Speech Toolkit, translated to several languages. Training carried out in Tunisia, Bangladesh, Myanmar and Central Asia with Civil Society Organisations, media actors, government officials, and UN diplomats on hate speech and international standards to tackle hate.	Excellent progress
PROTECTION			
2.1	SELF-PROTECTION: Journalists, media workers, bloggers, social communicators, whistleblowers, and human rights defenders (HRDs) have widespread access to tools - including gender specific tools - and knowledge to protect themselves online and offline from physical, digital, and legal risks or threats.	Approx. 2000 people trained on legal, physical, psychological and digital self-protection, including people from Iranian diaspora, Mexico, Bangladesh, Brazil, Kazakhstan, Kyrgyzstan, Tajikistan, Kenya, Uganda, Tanzania and Cambodia.	Excellent progress

2.2	STATE & INTERNATIONAL ACTORS: States and regions in which journalists, HRDs, media workers, and other social communicators are most at risk have implemented significant and effective policies and practices which decrease these risks; where not, effective coalitions are in place actively promoting necessary measures.	States are increasingly co-sponsoring resolutions on the Safety of Journalists (SoJ) and providing inputs into the Human Rights Council (HRC) and UN Secretary General-led reporting on SoJ thanks to our advocacy work. Universal Periodic Reviews submitted by ARTICLE 19 have also included recommendations on SoJ by States. Violence against women (VAW) resolution A/HRC/38/L.6 passed at HRC 38. The resolution ensures VAW in digital contexts is recognised as a human rights concern. Productive engagement with Journalists in Distress network that coordinates emergency assistance to journalists among 25 international organizations.	Excellent progress
2.3	IMPUNITY: Investigations on critical cases of crimes against journalists, HRDs media workers and other social communicators are initiated and, where already open, are properly investigated and perpetrators held to account; failure to do this is widely condemned and publicised by coalitions combating impunity.	Creation of the Reporting Attacks on Expression (RAE) platform; an innovative way to effectively develop and coordinate reports on violations of the right to freedom of expression which can then be sent to the UN and regional representatives. Continued work on criminal trials of journalists and media workers e.g. in Turkey, where ARTICLE 19 worked with partners P24 to build and strengthen *Susma*, a Turkey-wide network of voices against censorship, bringing together artists, journalists, and lawyers to promote practical support, public awareness and coordinated action against censorship.	Excellent progress
DIGITAL			
3.1	DIGITAL CONTENT REGULATION: Critical principles and guidelines for people's rights to Freedom of Expression (FoE), access to information (ATI), privacy and protest online will either have been adopted in target countries and relevant regional and international human rights bodies, or sustained pressure by social movements will be brought for their adoption.	At the UN, several digital related resolutions passed with progressive language on norms and individuals' rights. At the HRC in June 2018, the resolution passed on "the promotion, protection and enjoyment of human rights on the Internet". Engagement with a committee of Expert Partners of Council of Europe (CoE) on recommendations on Artificial Intelligence (AI) to ensure human rights are considered at the design level and the digital architecture of the future.	Satisfactory progress
3.2	DIGITAL PRODUCTS & SERVICES: Developers and providers of ICTs will be using clear guidelines and abiding by standards which provide FoE and ATI and privacy protection as they develop and maintain products and services. Failure to include strong Freedom of Expression / Freedom of Information (FoE/FoI) and privacy provisions will be known and condemned	Successful engagement with companies and institutions on digital rights, e.g. Blacknight, an Irish registrar and hosting provider on its human rights impact assessments (HRIA), and communication authorities in Kenya and Brazil. In the Middle East, momentum maintained our LGBTQ work from 2017 when we successfully engaged with target LGBTQ social media companies (Grindr, Hornet, Her, and Wapa) on introducing additional security measures for their users.	Satisfactory progress

3.3	INTERNET GOVERNANCE, MANAGEMENT AND STANDARDS: The main bodies, institutions and processes (e.g. ICANN, IETF, ITU, ISPs) that govern/impact Internet resources, and thus people's opportunities and rights online, will have incorporated Freedom of Expression and Access to Information principles in adopting policies/technical standards; where not, sustained pressure will be brought for their adoption.	Leading in the field of incorporating human rights considerations into internet technical standards, with an increased focus on "ethical AI." Our influence expanded into new governance institutions e.g. International Telecommunications Union. We supported human rights considerations in IEEE standards development on Wi-Fi connectivity and privacy standards, working to develop new "rules" for developers to follow that will better protect privacy at the structure level of the internet.	Excellent progress
3.4	ACCESS: A persuasive case for universal access to the internet and net neutrality – as essential to exercising FoE and ATI – will be widely known in targeted countries and effective coalitions will be in place to assure this.	Strong achievements in places, such as in Brazil with the development and support to community Wi-Fi networks, and in Kenya where ARTICLE 19 developed a draft policy on universal access used during engagements with Internet regulatory authorities. Issues around access are challenging and open to interpretation, making it hard to identify a single, specific approach to the issue and hindering our work on the topic.	Some progress
TRANSPARENCY			
4.1	SUSTAINABLE DEVELOPMENT: The right to information, free expression, participation and association are incorporated into global, regional and national agreements, accountability mechanisms, and inclusive participation practices on sustainable development and the environment.	The Escazu Treaty was a significant achievement in 2018. This regional agreement on Right to Information (RTI) was a result of several years of engagement by ARTICLE 19 and regional partners. Including language around protection of environmental activists was a real breakthrough and a critical issue for human rights defenders in the region. Internationally, a new version of the draft indicator on access to information was released in October 2018. ARTICLE 19/ UN Convention against Corruption (UNCAC) coalition organised and hosted a side event on SDGs and UNCAC to link both processes and promote linked implementation of two agreements.	Satisfactory progress
4.2	TRANSPARENCY FOR ACCOUNTABILITY: Progressive transparency and accountability frameworks, and related standards on privacy, data and contracting, as well as comprehensive disclosure regimes and access to social accountability tools and methodologies, have enabled people to improve government and corporate accountability and transparency.	The RTI law in Morocco was passed into law which was a success. In Tunisia, the passed whistleblower law is deemed to be the one of the best such legislations in the world. ARTICLE 19 provided additional support and analyses on several RTI related legislations such as on the Kenya Data Protection Bill. In Senegal we reviewed the draft right to information bill and ARTICLE 19 have been solicited by other Civil Society Organisations to continue advocating for the adoption of an ATI law.	Satisfactory progress

MEDIA			
5.1	REGULATION: Critical actors, including media regulators, media houses, journalism associations, legislators and others, will have a strengthened understanding of the laws and regulatory frameworks necessary for a free, diverse and independent media, especially within the increasingly converged digital landscape	Content regulation issues on social media platforms addressed through proposing a model for "Social Media Councils (SMC)" based on the self-regulatory press-council models. The approach was endorsed by the UN Special Rapporteur on freedom of expression, David Kaye, in his report. Meaningful achievements occurred on state funding for advertising in Mexico as a result of years of work, inspiring Tunisia, where there was replication and good cooperation on challenges with state advertising. Ambitious work conducted in The Gambia on media law reform.	Excellent progress
5.2	MEDIA; PLURALISM: Media landscapes will be promoted that are conducive to the wider public interest, pursuing a diversity of perspectives from the editorial, staffing and ownership perspectives. Effective efforts will be in place to maintain and promote equitable access, regional representation, media ethics, public service media, public interest journalism and other critical elements	Many aspects of this area of work can be seen as 'entering a new domain' for ARTICLE 19, such as analysing algorithms and new diversity related issues. Much of our work is exploratory, and progress has been varied across regions. That said, there were examples of progress; e.g. launching a project in Kenya on combatting disinformation. At the international level ARTICLE 19 contributed to the CoE recommendation Rec (2018) on media pluralism and transparency of media ownership, which is a good regional standard.	Some progress

Performance rating based on annual review process and ongoing monitoring against the objectives

Excellent progress	
Satisfactory progress	
Some progress	
No progress	

Next Year

Our work plan next year is to continue to work hard for those we serve against the areas above. We will judge our performance against this in line with our Expression Agenda 2015-2021.

Financial Review

The financial results for the year ended 31 December 2018 are set out in the Statement of Financial Activities on page 18. These show a net movement of funds of £655,744 total, which comprises £313,384 unrestricted funds and £342,290 restricted funds. Unrestricted funds can be used for any purposes of the charity, whereas restricted funds are held for a specific purpose.

Changes in Group Structure

UK charity law distinguishes between branches and subsidiaries. Both structures are ones where there is a strong degree of control from the parent charity and the distinction between the two is a matter of degree of control: branches are more controlled by the parent and subsidiaries less so. The difference in accounting treatment is that branches are consolidated in the Charity's figures whereas subsidiaries are only accounted for in the Group's figures.

Previously ARTICLE 19 Mexico and Central America was treated as a separate organisation and has not been included in the consolidated statements on the basis that the organisation was independent from the UK charity. However the relationship has been one of growing closeness over the last years and in 2018 the relationship passed the threshold at which it is considered that there is a relationship of control and benefit. Therefore, Mexico and Central America is now accounted for as a subsidiary in this year's financial statements and as such its results and balances have been consolidated with those of ARTICLE 19 this year. This was demonstrated by unrestricted income being allocated for the first time to ARTICLE 19 Mexico in 2018 and its agreement to use the same accounting system as the parent company. The impact of including ARTICLE 19 Mexico and Central America's financial results is significant. ARTICLE 19 Mexico's income was about 13% of the 2018 total and its net assets are 19% of the group's total assets at the year end. The comparative figures for 2017 do not include ARTICLE 19 Mexico's results.

ARTICLE 19 Eastern Africa and ARTICLE 19 Brazil have had their own statutory boards for a few years however initially control from the International Office was sufficient for them to be considered as branches. However the trustees now consider that the growing experience and responsibility of the national boards for the entities in their respective countries has passed the threshold at which they should be treated as subsidiaries rather than branches. The Regional Directors in each country are accountable to the national boards as well as to the International Office. As such the results for these two entities are consolidated for the first time as subsidiaries rather than branches, as was shown in the 2017 accounts. Over time as other regional offices establish their own national boards, it is likely that they too will be accounted for as subsidiaries rather than branches.

Unrestricted Reserves

The results are shown in accordance with SORP, as required, however the trustees are concerned that this overstates our reserves and provides a potentially misleading picture of the financial health of the organisation due to the inclusion in full of an unrestricted grant from the Norwegian Ministry of Foreign Affairs (NMFA). A payment was made in late 2018 of £690k as the first disbursement under a new three year grant. The full payment is included in the 2018 results, however only £151k is proportionate to 2018. Trustees believe this effectively overstates unrestricted reserves by £539k. A grant was similarly paid in 2017, however the amount was smaller. If both grants had been apportioned over the grant period to which they had related the unrestricted figures would have looked different:

	Per Statutory Accounts
Unrestricted reserves as at 31 December 2018 including NMFA balance	£1,430k
NMFA adjustment if accounted for in a different period (when expenditure incurs)	(£539k)
Unrestricted reserves as at 31 December 2018 excluding NMFA balance (Trustees believe this to be a better representation of actual reserves)	£891k

Although there is a risk of misunderstanding of our financial position by external stakeholders, our internal mechanisms and reporting ensure that we budget and report in a way that matches income more closely to the time period for which it is given. Despite these issues, payment in advance for unrestricted income grants is very welcome for cashflow purposes and allows us to plan with certainty for the future ahead.

Even using the figures apportioned for the NMFA grant as the basis, unrestricted income still shows an increase. Unrestricted expenditure has also increased due to additional expenditure on staff and infrastructure; this should be covered in time by restricted expenditure. For example during 2018 an investment was made with three new appointments so that each of our five thematic areas and Mx. Method (Gender) each have a Head responsible for driving coordination and fundraising for each theme. This is already having a positive impact in terms of delivery and grant funding.

Restricted funds

Although overall restricted income increased by £532k, Mexico accounts for £1,195k of the increase; other areas, in particular global projects and MENA show a decrease. Only Africa showed an increase. A similar pattern is shown in restricted expenditure. The net result is a deficit on restricted funding, which results from the completion of certain grants, particularly where this was driven by expenditure in partners, and their increased capacity to delivery projects.

Reserves

The total funds of ARTICLE 19 shown in the accounts rose by £656k to £3,436k. Unrestricted reserves increased by £313k, although the timing of recognition of NMFA grant is a significant proportion of this, as discussed above in the Financial Review. The restricted fund balances showed a reduction of £288k before the inclusion of Mexico, and an increase of £342k in total with its inclusion. We hold these balances to carry out contracted activities in future periods.

We hold a designated reserve to match the net book value of fixed assets; £44k at the end of 2018 (2017: £5k). The main reason for the increase is to cover the net book value of fixed assets held by Mexico. The remaining general funds of £1,386k are available to provide operational working capital and to address the financial risks surrounding projected income and expenditure.

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 £1,386k there is a shortfall against our target of £383k. The shortfall has decreased slightly from 2017's shortfall 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.

Fraud

During 2018 we unfortunately experienced a case of fraud where an employee of the Bangladesh and South Asia office forged tax documents resulting in the loss of £33k. The employee absconded before he could be arrested and a warrant is outstanding for his arrest. A special audit was undertaken to confirm the extent of the loss and a number of measures have been undertaken to prevent any repeat of this. In particular we have introduced a new whistle-blowing policy and done training on this in all regions; this had been planned anyway but implementation was accelerated as a result of the incident.

Systems

ARTICLE 19 has faced operational challenges during 2018 with the introduction of a new accounting system, Access Dimensions. The new system is cloud-based and will allow for the quick and reliable consolidated management and grant reporting in multi-currencies, and improve grant compliance. The upside is better and more timely information; as well as having cleaned all data. The rollout has taken longer than expected and requiring more resources from the international finance team than anticipated, but is nevertheless progressing steadily.

Risk Review

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

1. **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 DfID has indicated that it will cover the shortfall for existing contracts. 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. However 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.

2. **Budget management 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. However, budget holders have taken a cautionary approach and expenditure against budget has been monitored; so although this risk has not crystallised in a material way, it remains a risk until the rollout is fully complete.

3. **Safeguarding or a similar event damages reputation**
   Although the nature of our work does not mean we deal with vulnerable children, we are very mindful that a failure to ensure we safeguard anyone in a vulnerable position that comes into contact with the organisation would have a significant impact. We have undertaken a lot of work during 2018 and 2019 to improve our policies and procedures and ensure all staff have received training on these. We are also undertaking a review of our organisational culture to ensure that it meets the needs of our organisation and is fit-for-purpose to deliver our strategy and ultimately our vision.

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.

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.

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.

Report of the trustees

For the year ended 31 December 2018

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.

This report was approved by the trustees on 28 October 2019 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 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2018 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 2018 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 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 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 Charites 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.

Independent Auditor’s Report

To the members of ARTICLE 19

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 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 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)

29 October 2019
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 2018

	Note	Unrestricted £	Restricted £	2018 Total £	Unrestricted £	Restricted £	2017 Total £
Income from:							
Donations and legacies	2a	3,474,629	–	**3,474,629**	2,718,074	–	2,718,074
Charitable activities	2b						
Africa projects		–	806,853	**806,853**	–	359,885	359,885
Asia projects		–	356,441	**356,441**	–	406,674	406,674
Latin America projects		–	1,950,422	**1,950,422**	–	426,331	426,331
Law & Policy projects		–	–	–	–	82,356	82,356
Europe & Central Asia projects		–	824,702	**824,702**	–	1,124,427	1,124,427
Middle East & North Africa projects		–	434,172	**434,172**	–	935,039	935,039
Global thematic projects		–	1,254,794	**1,254,794**	–	1,760,694	1,760,694
Total income		3,474,629	5,627,384	**9,102,013**	2,718,074	5,095,405	7,813,480
Expenditure on:							
Cost of raising funds	3	147,609	–	**147,609**	83,183	–	83,183
Charitable activities	3						
Africa projects		526,467	666,600	**1,193,067**	440,491	418,923	859,414
Asia projects		323,907	381,274	**705,181**	191,592	386,721	578,313
Latin America projects		726,486	1,838,261	**2,564,747**	399,341	455,874	855,215
Law & Policy projects		426,278	145,167	**571,445**	235,714	81,855	317,569
Europe & Central Asia projects		249,260	729,870	**979,130**	146,346	1,283,188	1,429,534
Middle East & North Africa projects		180,710	770,724	**951,434**	149,661	716,963	866,624
Global thematic projects		618,314	1,340,281	**1,958,594**	813,047	1,195,700	2,008,748
Total expenditure		3,199,031	5,872,177	**9,071,207**	2,459,375	4,539,225	6,998,600
Net income for the year before transfers	4	275,598	(244,793)	**30,805**	258,699	556,180	814,879
Transfers between funds		43,693	(43,693)	–	(36,237)	36,237	–
Net income after transfers between funds		319,291	(288,486)	**30,805**	222,462	592,417	814,879
Mexico opening reserves		(5,807)	630,776	**624,969**	–	–	–
Net movement in funds		313,484	342,290	**655,774**	222,462	592,417	814,879
Reconciliation of funds:							
Total funds brought forward		977,426	1,695,962	**2,673,388**	754,964	1,103,545	1,858,509
Prior Year Adjustment	19	138,924	(32,093)	**106,831**	–	–	–
Total funds carried forward		1,429,834	2,006,159	**3,435,993**	977,426	1,695,962	2,673,388

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 21 to the financial statements.

Balance sheets

Company no. 02097222

As at 31 December 2018

		The group		The charity	
		2018	2017	**2018**	2017
	Note	**£**	£	**£**	£
Fixed assets:					
Tangible assets	10	**44,223**	4,846	**16,941**	4,846
		44,223	4,846	**16,941**	4,846
Current assets:					
Debtors	15	**364,553**	408,640	**348,511**	408,640
Cash at bank and in hand		**3,613,481**	2,580,445	**2,382,629**	2,580,445
		3,978,034	2,989,085	**2,731,140**	2,989,085
Liabilities:					
Creditors: amounts falling due within one year	16	**586,264**	320,543	**495,732**	320,543
Net current assets		**3,391,770**	2,668,542	**2,235,408**	2,668,542
Total net assets		**3,435,993**	2,673,388	**2,252,349**	2,673,388
Funds:	20				
Restricted income funds		**2,006,159**	1,695,962	791,174	1,695,962
Unrestricted income funds:					
Designated funds		**44,223**	4,846	16,941	4,846
General funds		**1,385,611**	972,580	1,444,234	972,580
Total unrestricted funds		**1,429,834**	977,426	**1,461,175**	977,426
Total funds	21	**3,435,993**	2,673,388	**2,252,349**	2,673,388

Approved by the trustees on 28 October 2019 and signed on their behalf by

Paddy Coulter
Chair

Mark Salway
Treasurer

ARTICLE 19
Statement of cash flows

For the year ended 31 December 2018

	Note	2018 £	2018 £	2017 £	2017 £
Cash flows from operating activities	22				
Net cash provided by operating activities			405,415		627,372
Cash flows from investing activities:					
Purchase of fixed assets		(29,625)		(3,932)	
Net cash (used in) investing activities			(29,625)		(3,932)
Change in cash and cash equivalents in the year			375,790		623,440
Cash and cash equivalents at the beginning of the			2,580,445		2,020,526
Opening cash from subsidiary			621,732		–
Change in cash and cash equivalents due to exchange rate movements			35,514		(63,521)
Cash and cash equivalents at the end of the year	23		3,613,481		2,580,445

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.

These financial statements consolidate the results of the charity and its wholly-owned subsidiaries ARTICLE 19 Mexico & Central America, ARTICLE 19 Eastern Africa and ARTICLE 19 South America 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.

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.

Cost of raising funds	2%
Africa projects	13%
Asia projects	8%
Latin America projects	28%
Law & policy	6%
Europe & Central Asia project	11%
Middle East & North Africa projects	10%
Global projects	22%

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:

Office equipment	4 years
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.

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.

r) Foreign exchange policy

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 £	**2018 Total £**	2017 Total £
Official donors				
Norwegian Ministry of Foreign Affairs	1,109,219	–	**1,109,219**	406,945
Swedish International Development Cooperation Agency	1,815,942	–	**1,815,942**	1,841,689
Sub total of Official donors	2,925,161	–	**2,925,161**	2,248,634
Trust and foundations				
Open Society Foundation	–	–	–	7,762
Fritt Ord Foundation	–	–	–	46,951
Sub total of Trust and foundations	–	–	–	54,713
Other donors				
Confidential donor	189,394	–	**189,394**	353,120
Other voluntary income	360,074	–	**360,074**	61,606
Sub total of other donors	549,468	–	**549,468**	414,726
Total	3,474,629	–	**3,474,629**	2,718,073

All donations and legacies income received in 2018 and 2017 were unrestricted.

2b Income from charitable activities

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Official donors				
UK Foreign & Commonwealth Office	–	369,413	**369,413**	831,637
Dutch Ministry of Foreign Affairs	–	491,297	**491,297**	398,151
Canadian Ministry of Foreign Affairs	–	244,229	**244,229**	78,605
European Commission	–	652,939	**652,939**	690,837
US Department of State	–	794,539	**794,539**	535,624
Danida	–	56,729	**56,729**	–
Sub total of Official donors	–	2,609,146	2,609,146	2,534,854
Trust and foundations				
Open Society Institution	–	856,813	**856,813**	740,972
Ford Foundation	–	456,393	**456,393**	250,625
MacArthur Foundation	–	150,159	**150,159**	85,780
Hivos	–	478,905	**478,905**	279,080
Open Technology Fund	–	–	–	83,922
National Endowment for Democracy	–	285,154	**285,154**	255,920
Deutsche Welle	–	162,150	**162,150**	–
Hewlett	–	334,057	**334,057**	–
Confidential donor	–	–	–	634,951
Sub total of Trust and foundations	–	2,723,631	**2,723,631**	2,331,250
Other donors				
Others	–	294,607	**294,607**	229,302
Sub total of other donors	–	294,607	**294,607**	229,302
Total	–	5,627,384	**5,627,384**	5,095,406

Income includes bank interest of £3,662 (2017: £9,181)

All income from charitable activities received in 2018 and 2017 was restricted.

3a Analysis of expenditure (current year)

		Charitable activities										
	Cost of raising funds £	Africa projects £	Asia projects £	Latin America projects £	Law & Policy projects £	Europe & Central Asia projects £	Middle East & North Africa projects £	Global projects £	Governance costs £	Head Office support costs £	**2018 Total £**	2017 Total £
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**	3,026,770
Grants to partners (Note 7)	-	102,737	78,621	29,773	–	322,421	66,812	81,898	–	–	**682,262**	861,187
Project expertise costs	-	100,906	58,309	41,004	–	32,594	33,162	207,829	–	1,409	**475,213**	604,007
Training, events & workshops	1,150	177,445	55,584	64,262	11,576	27,712	133,889	112,878	–	19,617	**604,113**	552,750
Media and publications	388	5,898	19,801	65,699	16,927	27,698	76,602	28,010	–	139,260	**380,283**	415,167
Project travel costs	5,523	163,306	43,220	268,824	35,935	47,101	102,631	236,192	–	138,272	**1,041,004**	718,647
Project support costs	525	124,942	117,535	305,631	741	23,273	51,576	188,064	–	115,934	**928,221**	651,506
Infrastructure (software development) costs	-	–	–	–	–	–	–	–	–	–	–	81,692
Governance costs	-	14,720	9,337	2,568	33	4,651	204	781	124,671	–	**156,965**	86,873
	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	6,998,600
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)	–	–	–
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**	6,998,600
Total expenditure 2017	83,183	859,415	578,314	855,215	317,568	1,429,534	866,625	2,008,747	–	–	–	

3b Analysis of expenditure (prior year)

	Cost of raising funds £	Charitable activities: Africa projects £	Asia projects £	Latin America projects £	Law & Policy projects £	Europe & Central Asia projects £	Middle East & North Africa projects £	Global projects £	Governance costs £	Head Office support costs £	2017 Total £
Staff costs (Note 5)	63,604	215,573	206,967	432,749	170,824	264,905	366,964	944,909	–	360,275	**3,026,770**
Grants to partners (Note 7)	–	18,446	42,281	–	12,022	776,864	4,578	1,775	–	5,221	**861,187**
Project expertise costs	–	76,544	60,577	53,100	14,800	170,016	67,892	157,481	–	3,597	**604,007**
Training, events & workshops	3,218	204,017	59,588	27,627	2,392	14,476	172,183	42,195	–	27,054	**552,750**
Media and publications	–	5,336	33,645	33,718	32,572	29,218	69,794	201,322	–	9,562	**415,167**
Project travel costs	2,743	162,337	39,486	113,442	41,875	60,384	46,668	184,470	–	67,242	**718,647**
Project support costs	64	120,700	80,792	81,748	1,511	45,900	43,303	222,403	–	55,085	**651,506**
Infrastructure (software development) costs	–	–	–	–	–	–	–	–	–	81,692	**81,692**
Governance costs	–	2,244	760	4,397	910	–	362	10,217	67,983	–	**86,873**
	69,629	805,197	524,096	746,781	276,906	1,361,763	771,744	1,764,772	67,983	609,728	6,998,600
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**	**859,414**	**578,313**	**855,215**	**317,569**	**1,429,534**	**866,624**	**2,008,748**	**–**	**–**	**6,998,600**

4 Net income for the year

This is stated after charging:

	2018 £	2017 £
Depreciation	10,855	2,231
Operating lease rentals:		
Property	428,313	224,108
Equipment	7,540	5,065
Auditor's remuneration (excluding VAT):		
Audit	42,881	12,650
Other services	7,800	10,080
Losses/(gains) on foreign exchange	(35,514)	63,521

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

Staff costs were as follows:

	2018 £	2017 £
Salaries and wages	1,565,946	1,364,278
Social security costs	249,159	157,123
UK Employer's contribution to defined contribution pension schemes	164,150	114,164
Regional staff costs	2,152,762	1,219,729
Termination costs	24,673	15,063
Other staffing costs	646,456	156,415
	4,803,147	3,026,771

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

	2018 No.	2017 No.
£60,000 – £69,999	–	1
£70,000 – £79,999	1	3
£80,000 – £89,999	3	1
£90,000 – £99,999	–	1
£100,000 – £109,999	1	–
£110,000 – £119,000	1	–

The total employee benefits including pension contributions and employer's national insurance for key management personnel were £587,630 (2017: £541,622).

The charity trustees were not paid nor received any other benefits from employment with the charity in the year (2017: £nil). No charity trustee received payment for professional or other services supplied to the charity (2017: £nil).

Trustees' expenses represents the reimbursement of travel and subsistence costs totalling £3,383 (2017: £781) incurred by six trustees (2017: six) relating to attendance at International Board meetings.

6 Staff numbers

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

	2018 No.	2017 No.
Fundraising	2	1
Africa projects	15	13
Asia projects	14	11
Latin America projects	38	16
Law & Policy projects	7	5
Europe & Central Asia projects	5	4
Middle East & North Africa projects	10	11
Global projects	23	25
	114	86

7 Grants to partners

	2018 £	2017 £
Aivivid AB	56,069	–
Viešoji įstaiga Rusijos horizontai	–	25,510
PUNTO24	61,526	–
Media Policy Institute	–	32,368
Adil Soz	–	64,089
Centre for Support and Media development	–	75,713
Expert Bureau for Media Law	37,833	81,231
The Support Centre for Civil Society	144,231	239,459
Cambodia Center for Human Rights	55,997	–
Other grants	326,606	342,818
	682,262	861,188

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. The amount received from Mass Media Defence Centre for the delivery of project activities in Russia during 2018 was £5,179 (2017; £36,506). 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.

10 Fixed assets

The group

	Computer equipment £	Office equipment £	**Total £**
Tangible fixed assets			
Cost or valuation			
At the start of the year	107,447	86,012	**193,459**
Additions in the period	19,304	10,321	**29,625**
At the end of the year	126,751	96,333	**223,084**
Depreciation			
At the start of the year	95,941	72,065	**168,006**
Charge for the period	7,044	3,811	**10,855**
At the end of the year	102,985	75,876	**178,861**
Net book value			
At the end of the year	23,766	20,457	**44,223**
At the start of the year (including ARTICLE 19 Mexico & Central America)	11,506	13,947	25,453

The charity

	Computer equipment £	Office equipment £	**Total £**
Tangible fixed assets			
Cost or valuation			
At the start of the year	85,307	35,228	**120,535**
Additions in the period	7,466	5,381	**12,847**
At the end of the year	92,773	40,609	**133,382**
Depreciation			
At the start of the year	77,749	34,668	**112,417**
Charge for the period	4,024	–	**4,024**
At the end of the year	81,773	34,668	**116,441**
Net book value			
At the end of the year	11,000	5,941	**16,941**
At the start of the year	7,558	560	8,118

The opening balances have been restated as part of the prior year adjustment of opening reserves; the Charity balances exclude ARTICLE 19 Eastern Africa and ARTICLE 19 South America.

11 Subsidiary undertaking – ARTICLE 19 Mexico & Central Mexico

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:

	2018 £	2017 £
Turnover	1,228,496	1,192,295
Income from ARTICLE 19	28,090	–
Expenditure	(1,226,461)	(973,777)
Total incoming resources for the year	**30,125**	218,519
Funds held		
Total funds brought forward	624,968	368,686
Total incoming resources for the year	30,125	218,519
Total funds carried forward	**655,093**	587,204
The aggregate of the assets, liabilities and reserves was:		
Assets	711,492	627,178
Liabilities	(56,398)	(39,974)
Funds	**655,094**	587,204

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

12 Subsidiary undertaking – ARTICLE 19 Brazil & South America

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:

	2018 £	2017 £
Turnover	886,235	885,841
Income from ARTICLE 19	64,641	74,392
Expenditure	(920,368)	(733,169)
Total incoming resources for the year	**30,508**	227,064
Funds held		
Total funds brought forward	238,196	36,710
Total incoming resources for the year	30,508	227,064
Total funds carried forward	**268,704**	263,774
The aggregate of the assets, liabilities and reserves was:		
Assets	310,556	298,806
Liabilities	(41,852)	(35,032)
Funds	**268,704**	263,774

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

13 Subsidiary undertaking – ARTICLE 19 Kenya

In January 2018, ARTICLE 19 Kenya 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:

	2018	2017
	£	£
Turnover	685,331	339,800
Income from ARTICLE 19	119,442	10,089
Expenditure	(694,901)	(516,632)
Total incoming resources for the year	**109,872**	(166,743)
Funds held		
Total funds brought forward	149,973	111,141
Total incoming resources for the year	109,872	(166,743)
Total funds carried forward	**259,845**	(55,602)
The aggregate of the assets, liabilities and reserves was:		
Assets	289,943	149,973
Liabilities	(30,097)	–
Funds	**259,846**	149,973

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:

	2018	2017
	£	£
Gross income	6,089,776	7,813,480
Result for the year	(139,701)	814,879

15 Debtors

	The group		The charity	
	2018	2017	2018	2017
	£	£	£	£
Prepayments	106,461	68,693	88,105	68,693
Accrued income	248,694	241,837	248,694	241,837
Other debtors	9,398	98,110	7,783	98,110
Amounts due from ARTICLE 19 Eastern Africa	–	–	3,929	–
	364,553	408,640	**348,511**	408,640

16 Creditors: amounts falling due within one year

	The group 2018 £	The group 2017 £	The charity 2018 £	The charity 2017 £
Trade creditors	230,390	89,083	199,878	89,083
Taxation and social security	136,817	51,445	103,771	51,445
Pension contributions due	38,697	16,326	17,443	16,326
Accruals	78,781	72,632	36,379	72,632
Other creditors	101,579	91,057	100,445	91,057
Amounts owed to ARTICLE 19 Mexico & Central	–	–	33,875	–
Amounts owed to ARTICLE 19 South America	–	–	3,941	–
	586,264	320,543	**495,732**	320,543

17 Deferred income

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

	The group 2018 £	The group 2017 £	The charity 2018 £	The charity 2017 £
Balance at the beginning of the year	–	160,076	–	160,076
Amount released to income in the year	–	(160,076)	–	(160,076)
Balance at the end of the year	–	–	–	–

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 £164,150 (2017: £114,164) (note 5). Contributions totalling £17,443 (2017: £16,326) were payable to the fund at the balance sheet date and are included in creditors.

19. Prior Year Adjustment

	Unrestricted	Restricted	Total
Closing balance per 2017 accounts	977,426	1,695,962	2,673,388
Adjustments to opening balances – South America Regional Office	146,357	–	146,357
Adjustments to opening balances – Other	(7,433)	(32,093)	(39,526)
Revised opening balances	1,116,350	1,663,869	2,780,219

The move to a new accounting system required each regional office to have a separate database and as part of this process a number of local debtor and creditor opening balances were recognised as such, in part to ensure balances corresponded to national statutory accounts, which had been produced after the closure of 2017 consolidated accounts.
With the South America Regional Office, there were three bank accounts which had not been included in the 2017 closing balance. The impact of this for 2017 was that unrestricted expenditure was overstated by £146,357 in the year and therefore if this had been taken into account the net movement in funds for 2017 would have been £961,236. The Other difference relates to a number of small differences across the other regional offices.
The change in accounting system and the closer coordination of national and consolidated accounting and auditing timetables should prevent this happening again.

20a Analysis of group net assets between funds – current 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**
Net assets at the end of the year	**1,385,611**	**44,223**	**2,006,159**	**3,435,993**

20b Analysis of group net assets between funds – prior 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**

21a Movements in group funds – current year

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

Opening balances include the prior year adjustment and ARTICLE 19 Mexico & Central America opening balance.

21b Movements in group funds – prior year

	At 31 December 2016 £	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	**285,608**
Global Thematic projects	550,133	1,760,694	(1,195,700)	(72,209)	**1,042,918**
Total restricted funds	1,103,545	5,095,406	(4,539,224)	36,236	**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	7,813,480	(6,998,599)	–	**2,673,388**

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

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.

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.

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

	2018	2017
	£	£
Net income for the reporting period (as per the statement of financial activities)	30,805	814,879
Depreciation charges	10,855	–
Foreign exchange losses/(gains)	(35,514)	63,521
Decrease in debtors	44,087	4,396
Increase/ (Decrease) in creditors	265,721	(257,655)
Increase in non-cash reserves following the inclusion of ARTICLE 19 Mexico & Central America	(17,370)	–
Prior year adjustment	106,831	–
Net cash provided by operating activities	**405,415**	625,141

23 Analysis of group cash and cash equivalents

	At 1 January 2018	Cash flows	Other changes	**At 31 December 2018**
	£	£	£	**£**
Cash in hand	239	7,719	–	**7,958**
Cash at bank	2,580,206	368,071	657,246	**3,605,523**
Total cash and cash equivalents	2,580,445	375,790	657,246	**3,613,481**

24 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	
	2018	2017	**2018**	2017
	£	£	**£**	£
Less than one year	**428,313**	224,108	**7,540**	5,065
One to five years	–	194,587	–	–
	428,313	418,695	**7,540**	5,065

25 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.