

TREASURER'S REPORT TO THE GENERAL ASSEMBLY

To continue keeping the accounts of Reporters Without Borders (RSF) separate from those of Reporters Without Borders International (RSF International) and to continue with the format previously adopted, this report refers only to the former, which are the accounts that the general assembly is required to approve. RSF International's accounts, in which expenditure totalled €49,000 in 2023 (as against €53,000 in 2022), are nonetheless available on request.

RSF's overall situation

2023 was above all marked by the following significant developments:

- The continuation of the war in Ukraine which had significant consequences in terms of activities from March 2022 onwards and which, in terms of budget, was reflected in a level of income of public-sector origin and from foundations in support of RSF activities in and regarding Ukraine that continued to be high in 2023:
 - €1.3 million in revenue recognised in 2023 as against to €2.5 million for 2022.
 - Funding directly linked to the consequences of the war in Ukraine represented 12% of public-sector funding and 16% of the funding from private-sector foundations, as against 18% and 53% respectively in 2022.
- An increase in private-sector sponsorships and bequests to the tune of €153K.
- A €932,K payroll increase on 2022.

Major highlights

Operating income totalled €12,572K in 2023 while operating expenses totalled €12,215K, giving a positive balance of €356K (compared with a positive balance of €685K in 2022). The result for the 2023 financial year was a €315K surplus (compared with a €651K surplus in 2022). **After allocation of this surplus, the reserve account for projects will amount to €3,613K, compared with €3,298K on 31 December 2022.**

It will be recalled that these accounts, which are certified in the auditor's report, are complemented by budget execution data, which are presented with the aim of facilitating understanding of each department's role.

The accounts are prepared in the same way and using the same accounting principles as in previous years, above all:

- financial expenditure with regard to premises is presented under "premises" and not under financial outlays;
- the €50,000 allocated to RSF International is excluded because it is offset by an equivalent charge.

It should be noted that, since 2022, a subsequent accounting reattribution has been carried out because expenses and income linked to funding received directly by the bureaux (i.e. not passing through the headquarters) have been integrated into the reporting format accounts.

Therefore, as presented in these accounts, income totalled €12,522K in 2023 (as against €11,739K in 2022 and €8,154K in 2021), while operating costs totalled €12,189K (as against €11,069K in 2022 and €7,496K in 2021).

Breakdown of revenue and expenditure

Revenue

RSF's revenue from its **own commercial activities** fell to €1,318K in 2023 from €1,483K * in 2022.

As regards the **sale of RSF's books of photos**, several aspects should be noted:

- Direct sales rose by €5,000 in 2023.
- Sales abroad fell slightly (by €3,000) to €25,000. Outside France, the country with the most book sales is Belgium.

**Itemised as €1,453K in the 2022 treasurer's report. This change is due to the inclusion of the commercial commission in costs as from 2023 whereas it was previously presented as a deduction from advertising turnover (see also page 9).*

- Sales via RSF's partner networks, France Messagerie and Interforum, fell significantly (by €83,000), generating €906K in revenue.
- Advertising revenue (net of commercial commission) fell to €118K (down from €163K in 2022).

Aside from direct and foreign sales, **the three books of photos that RSF published in 2023** sold a total of around 74,000 copies, 32,000 fewer than those of the three published in 2022. It should be noted that only the last book published in 2023 sold more than 30,000 copies. Neither of the first two sold more than 20,000 copies. The good sales achieved with the last book, dedicated to the work of Willy Ronis, only partially impacted overall turnover because of end-of-year accounting in which revenue is calculated on the basis of the number of days the books were on sale. Meanwhile, since the last 2022 book (No. 71-Brassai), the individual retail price has been increased from €9.90 to €12.

Overall income from private-sector sponsorship and donations rose significantly (by €66K) from €1,461K in 2022 to €1,527K. It was the outcome of:

- A sharp decline in **donations by the public and membership subscriptions**, which fell by €168K (17%) to €778K in 2023, from a high of €946K in 2022 that was attributable to the general public's unprecedented support for RSF's activities during the first year of the war between Russia and Ukraine.
- Offset by a big rise in income from **corporate sponsorship** and major donors – from €357K in 2022 to €582K in 2023, a €224K increase. It was thanks above all to a €343K donation received from Canada.
- The **RSF USA bureau**, which contributed to revenue in this category by means of a €166K transfer in 2023, as against a €157K transfer in 2022.

Bequests totalled €87K in 2023, after no bequests were received in 2022.

Revenue from sponsorship and fundraising (including donations by the public in France and abroad, membership subscriptions, corporate sponsorships, bequests and financial partnerships associated with the RSF annual press freedom prize) contributed 13% of RSF's operating costs in 2023, a proportion that was the same as in 2022.

Public-sector grants were the source of 54% of RSF's operating costs in 2023, almost the same as the 53% they represented in 2022 and 2021. The amount received in public-sector grants and recognised as income in 2023 totalled €6,806K in 2023, which was €632K more than in 2022, when it totalled €6,174K. The public-sector grants included €1,909K from the European Union, €958K from the Swedish International Development Cooperation Agency/SIDA and €1,703K from the French Development Agency/AFD. These three sources contributed 67% of the total public-sector grants (as against 83% in 2022). A very noteworthy contribution to 2023 operating costs – to the tune of €1,096K – came from the grant contract signed at the end of 2022 with the Dutch Ministry of Foreign Affairs for the creation of a crisis response programme over a period of five years – 2023 to 2027).

Income from **foundations** represented 22% of operating incomes in 2023, the same as in 2022. The amount received from foundations and recognised as income in 2023 totalled €2,749K, which was €167K more than the €2,582K received in 2022.

Finally, while **advertising space provided by media outlets** to RSF is still handled separately from RSF's accounts, it should not be forgotten that it represents a major source of support for its awareness-raising activities and exceeded one million euros (€1,080K) in 2023, a 73% increase on the valuation for 2022.

Expenditure

Personnel costs increased significantly to €4,478K in 2023 from €3,545K in 2022, due above all to the recruitment of additional personnel as part of the response to the war in Ukraine and response to crises, as well as JTI deployment, and team reinforcement (mainly the desks, advocacy and DRIP teams). Gross salaries, employer contributions and severance pay amounted to €4,198,000, representing 94% of overall personnel costs, one point less than in 2022.

It should also be noted that:

- the average number of (full-time equivalent) employees was 55 in 2023, as against 48 in 2022;
- 68% of these positions were held by women (the same as in 2022).

Costs directly attributable to RSF's activities (i.e., excluding costs linked to human resources, fund-raising, administrative costs and RSF's photo books) are listed as Activities excluding HR (DRIP - DDP - DPA - DOC – JTI). This budgetary category consists of costs linked to the following departments:

DRIP: International Network and Projects Department

DDP: Productions Department, which has become the Communication and Engagement Department (DCE)

DPA: Advocacy and Assistance Department

DOC: Operations and Campaigns Department, which has become the Editorial Department (DED) and which includes the regional and thematic (Index and Digital) desks

JTI: Journalism Trust Initiative

General Department (DG and DGA): deployment of pilot projects not attached to any other department, as well as travel and country visit costs when attachable to a specific funding contract.

Costs attributable to **activities** totalled €4,844K in 2023, representing 40% of RSF's operating costs (as against 46% in 2022). They consisted of:

Details of activities (excl HR)	2023 ACTUAL	Share of total in %	2022 ACTUAL/ treasurer's report approved by GA	Reattributions needed for comparison after change of perimeter	2022 ACTUAL following reattributions after change of perimeter	Share of total in %	Variation	Variation	Details of main reattributions in 2022 actual costs
in € thousands	2023 structure	in %	2022 structure		2023 structure	in %	2023/2022	%	
TOTAL	4 844	100%	5 057	15	5 072	100%	-227	-4%	
Cross-cutting costs DG1-DGA	181	4%		17	17	0%	165	983%	
Cross-cutting costs	465	10%	1 574	-1 262	312	6%	154	49%	Reattributed assistance equipment in assistance (-€1,160k), translations reattributed to DCE (ex-DDP), JTI and Index (-€164k), Index reprinting reattributed to Index (-€13k), addition of travel and misc. from ex-DDP now DCE (€73k)
Communication and Engagement Dept_DCE (Productions Dept-DDP in 2022)	424	9%	621	58	678	13%	-254	-37%	Ex-DDP travel and misc. reattributed to cross-cutting costs (-€73k), and addition of translations (€116k) and subscriptions (+€15k)
JTI	339	7%	1 045	1	1 046	21%	-707	-68%	
GEO Desks_DED	241	5%	217	-21	196	4%	45	23%	Subscriptions reattributed to DCE (-€15k)
New Technologies_DED	0	0%			0	0%	0	0%	
Investigation_DED	22	0%			0	0%	22	0%	
Data and Index_DED	73	2%	52	61	112	2%	-39	-35%	Addition of Index translation (+€47k) and printings costs (+€14k) that were reported in cross-cutting costs in 2022
Assistance_DPA	1 268	26%	644	1 160	1 804	36%	-536	-30%	Addition of assistance equipment (+€1,160k) that was reported in cross-cutting costs in 2022
	14	0%	15		15	0%	-1	-5%	
International network management_DRI	779	16%	455	2	456	9%	323	71%	
Project management_DRI	1 011	21%	110	-314	424	8%	587	138%	Addition of Forum I&D transfers
Forum Information & Democracy	25	1%	325	-314	11	0%	15	139%	Forum I&D transfers reattributed to Project management-DRI in order not to keep the Forum I&D budget-balancing contribution here
2022 reattributions linked to costs excl. activities			20	-15	6				Travel reported in 2022 (-€7k) in general costs and banking adjustments/costs (-€7k) reattributed to cross-cutting costs

It should be noted that the organisation chart changes described in the previous paragraph were accompanied by changes in the responsibilities of certain departments. The most significant changes concern:

- Protection equipment for journalists: reported as cross-cutting costs in 2022 but as part of the Advocacy and Assistance Department (DPA) in 2023;
- Translation costs: attributed to the Operations and Campaigns Department in 2022 but to the Communication and Engagement Department (DCE) in 2023.

For the sake of clarity, the 2022 reporting figures have been reclassified to facilitate comparison of changes. The main sub-categories are as follows:

- Cross-cutting costs totalled €647K and represented 14% of costs in this category (namely, RSF activities excluding HR). This was a €318K increase on 2022, after reattributions. They consisted above all of travel and country visits, costs of services relating to the implementation of the Satellite and Spinoza projects and provisions for these projects.
- Communication and Engagement Department costs (excluding costs related to fundraising and RSF's books of photos) totalled €424K in 2023 or 9% of this category. This represented a significant €254K fall on 2022 (after reattribution), a year marked by exceptional costs, including:
 - o €238K in costs linked to operations and campaigns;

- €106K in costs attributable to the organisation of events and special operations (above all the prizes and ceremony for the 2022 RSF Press Freedom Awards);
- €137K in costs linked to the overhaul of the RSF website.

To which should be added translation costs totalling €120K in 2023 as against €128K in 2022.

- Costs arising from the **JTI** totalled €339K in 2023 as against €1,046K in 2022, which included €693K (66%) in grants to implementation partners and €351K for contracted services (mainly digital expertise and development). In 2023, the costs consisted mainly of €68K in grants to consortium partners and €254K for contracted services. The significant impact of JTI-related travel and country visits (€44K) on cross-cutting costs should also be noted.
- The costs of the four sub-categories concerning the Editorial Department (DED) consisted above all of payments to the **network of correspondents and representatives**, which represented nearly 70% (€231K) of the €337K in costs in 2023.
- In 2023, costs linked to assistance activities fell sharply (by €536K) to €1,268K, or 26% of the sub-category total. This fall was due to:
 - An exceptionally high level of costs in 2022 resulting from the deliveries of protection equipment that RSF organised in the first few months of the war in Ukraine;
 - The very significant increase in the volume of individual grants reflected in a total costs of €852K, an increase of more than €500K on 2022.
- Advocacy costs consisted mainly of fees for the provision of services.
- Capacity building costs (attributable to international network management), representing 16% of the sub-category, rose significantly again in 2023 (registering a €323,000 increase on 2022). They consisted mainly of €383K in **grants to partners in the field** (49% of the total) and €395K in **training** (51%).
- Costs attributed to project management in 2023 represented 21% of activities costs and increased by €587K on 2022. This increase consisted of:
 - €339K in transfers to members of consortiums led by RSF;
 - €99K in grant transfers relating to activities carried out by the Forum on Information and Democracy, an RSF partner;

- a €130K increase in consultancies and provision of services initiated by the department including costs of the centres in Ukraine (full year impact), costs linked to the provision of security, logistics and the purchase of specific equipment (satellite kits);
 - a €34K increase in external evaluation costs: three external evaluations carried out in 2023 in compliance with the funding contracts concerned, namely EU Ukraine, AFD and SIDA, as against one external evaluation in 2022.
- The last line in the table shows RSF's budget-balancing contribution to the Forum on Information and Democracy. This totalled €25K in 2023, as against €11K in 2022.

Costs attributable to RSF's **bureaux** totalled €1,372K in 2023 (as against €1,098K in 2022), and represented 11% of RSF's operating costs, slightly more than in 2022, when they represented 10%. They consisted mainly of costs linked to the bureaux in:

- Taipei: €515K, of which €349K was covered by grants received directly by Paris. It should be noted that these grants covered €209K in headquarters costs.
- London: €108K (as against €98K in 2022), including a €95K balancing grant that was much higher than the €35K in 2022 due to the end of funding by the UK Foreign, Commonwealth and Development Office (Aswat Horra) and UNESCO.
- Rio de Janeiro: €119K (as against €157K in 2022) of which €92K corresponded to the transfer of Ford-Rio funding signed and received in Paris. The balancing grant totalled €4K as against €117K in 2022.
- Tunis: €197K (as against €107,000 in 2022). This increase was due mainly to a difficult situation at the bureau (in a very deteriorated environment) that required the use of external services and legal fees to ensure compliance and legal representation. The balancing grant totalled €22K in 2023 as against €44K in 2022. This fall should be qualified by the fact that the provision of certain services and legal fees were directly assumed by headquarters (to the tune of around €80K) and therefore did not affect the size of the balancing grant.
- Brussels: €83K as against €68K in 2022, an increase attributable to the increase in the working hours of RSF's representative in Brussels.

- Dakar and various: €347K as against €257K in 2022. This rise was due above all to the payroll increase and the increase in activities carried out by the bureau. The balancing grant totalled €82K in 2023 as against €87K in 2022.

Costs attributable to **commercial activities** totalled €777K (net of company tax) as against €730K** in 2022. They represented 6% of RSF's operating costs (the same percentage as in 2022) and consisted mainly of:

- €536K in costs linked to the design and printing of the books of photos;
- €47K in charges invoiced by the book distributors, mainly by Presstalis (now France Messagerie) for its storage costs, which were almost the same as in 2022.
- €61K for advertising space bought to promote the books;
- €27K in costs linked to stock variation and allowance for stock depreciation (a cost completely offset by accounting for stored books and recovery of the reserve for copies of older books that were sold). The impact of such accounting was €51,000 in 2022.

Costs attributable to **fund-raising** fell to €74K (from €99K in 2022) and represented about 1% of RSF's operating costs (the same proportion as in 2022). They consisted mainly of costs linked to raising funds from the general public (printing, mailings and online collection).

Costs attributable to **premises** (loan repayments, depreciation of premises and condominium facilities and charges) increased by €22K in 2023 to €196K due to the need for additional premises for the sake of employee workplace comfort. As in 2022, these costs represented 2% of RSF's operating costs. It should be noted that the loan contracted in 2007 to finance the purchase of premises (at an interest rate of 4.30%) was renegotiated in 2015 (2.30%) and again in 2019 (1.27%).

General costs, excluding premises, totalled €444K in 2023 (€102K more than in 2022) and represented 3.6% of RSF's total operating costs. They mainly consisted of:

- €31,000 in contracted services, as against €15,000 in 2022;

***As against €700,000 in the 2022 treasurer's report. The change is due to the inclusion of the management commission in costs as from 2023, whereas it was previously presented as a deduction from advertising turnover (see also page 2).*

- €56,000 in auditing fees (excluding project verification) as against €63,000 in 2022;
- €161K in other fees (as against €104K in 2022), of which €77K in fees for assistance with reporting; €14K in legal fees, €41K in fees for assistance with flex desk installation; €16K for legal assistance with establishing the new statutes, and €10K in cyber-security audit costs;
- €25K in telecom and postal costs (phone, fibre-optic Internet and franking machine), as against €32K in 2022;
- €35K in meal and travel expenses, slightly less than in 2022;
- €8K in basic banking and Western Union charges (but not banking charges linked to grants and grant agreements, which are now reported in the relevant budget line);
- €37K in depreciation charges not linked to premises (as against €27K in 2022).

It should be noted that a budget-balancing contribution of €49K was paid to RSF International in 2023, as against €53K in 2022. This sum aims to cover (almost all) of RSF's re-invoicing to RSF International, which reflects the provision of resources and personnel to RSF International. No International Council meeting was held in person in 2023, thereby limiting travel and organisational costs.

Finally, as regards perspectives for 2024, we emphasise that RSF will pursue efforts aimed at :

- developing projects around innovative concepts (such as the satellite package and artificial intelligence project);
- reinforcing activities in response to crises, inter alia by developing new press freedom centres based on those in Kiev and Lviv;
- continuing international development of the JTI.

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