



# Annual Report & Financial Statements

INTERNEWS EUROPE

31 DECEMBER 2017

Company number: 07891107  
Charity number: 1148404

**Internews Europe**  
**Reference and administrative details**  
**For the year ended 31 December 2017**

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<b>Company number</b>	07891107	
<b>Charity number</b>	1148404	
<b>Registered office and operational address</b>	43-51 New North Road, London, N1 6LU	
<b>Trustees</b>	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:	
	Mr Mark Stephens CBE	Chair
	Mrs Daisy McAndrew	Vice-Chair
	Mr Sach Chandaria	Treasurer
	Dr Saleyha Ahsan	
	Mr Yann Borgstedt	
	Mr Matt Chanoff	
	Mrs Kristina Henschen	
	Mr David Hoffman	
	Mr Stephen Salyer	
	Mr Max von Bismarck	(Resigned 21 July 2017)
<b>Key Management Personnel</b>		
	Mr Daniel Bruce	Chief Executive Officer
	Mrs Foluke Mogaji	Senior Director of Finance & Resources
	Ms Kate Hart	Director of Development (Appointed 11 December, 2017)
	Mrs Claire Palmer	Director of Philanthropy
	Mrs Rosie Parkyn	Director of Programmes (Appointed 9 Oct 2017)
	Mr Jesse Roberts	Interim Director of Development (Appointed 25 September, 2017, Resigned 31 December, 2017)
	Ms Francesca Silvani	Senior Director of Programme Design, Learning & Support (Resigned 31 August, 2017)
<b>Bankers</b>	Barclays Bank PLC 27 Soho Square London W1D 3QR	
<b>Solicitors</b>	Bates, Wells and Braithwaite 10 Queen Street Place London EC4R 1BE	
<b>Auditors</b>	Sayer Vincent LLP Invicta House 108-114 Golden Lane London EC1Y 0TL	Chartered accountants and statutory auditors

## Foreword

Welcome to our 2017 Annual Report; another year where global public attention was focussed on the myriad challenges to established media worldwide, be they economic, a crisis of trust, a tidal wave of false content or adversarial political regimes.

Against this backdrop, Internews' projects and programmes have continued to demonstrate, across dozens of countries and multiple continents, that media still matters. Moreover, that by supporting, improving and protecting trusted sources of news and information worldwide, that communities can still be empowered to take a proactive role in their own futures.

Our work ensures that millions of people each year feel the benefit of stronger media supporting democracy, human rights and all forms of social and human progress. Meanwhile, in manmade or natural disasters, Internews' carefully targeted humanitarian information services continue to demonstrate that access to trustworthy information is as vital as food, water, medicine and shelter.

Our wide range of projects in 2017 demonstrated the potential for local media worldwide to regain the initiative, and the trust of their audiences, in the face of the most acute contemporary challenges. Our work supporting hurricane recovery in Haiti in the early part of the year was singled out by the UN Secretary General as the kind of project that ensures "needs and rights are upheld" in the face of significant humanitarian disaster.

Elsewhere, we have seen mainstream media and conventional journalistic values continue to transform a whole host of societies. In Kyrgyzstan, our work led hundreds of ordinary people to work with journalists to root out corruption in their country, in turn leading to numerous investigations to be launched by public prosecutors. In Bangladesh, we began to respond to the acute information needs of nearly a million Rohingya people fleeing violence and persecution; needs that were all the harder to meet when refugees were summarily banned from owning mobile phones. In neighbouring Myanmar, a carefully designed project ensured that, finally, otherwise marginalised women were able to have an active role in the peace process in their country.

Numerous Internews projects have also reduced the potential for conflict and violence in the countries in which we work. In the Democratic Republic of Congo, we have successfully launched partnerships with various media networks to increase dialogue between refugees fleeing persecution or violence in Burundi, within their new host communities. Elsewhere, we worked across a range of Central Asian nations to reduce nascent conflict and cross-border tensions over natural resources; the outputs of our media partners successfully reaching millions of citizens across five countries.



Mark Stephens CBE, Chair



Daniel Bruce, Chief Executive

Closer to home, we initiated a new partnership with the British Community Media Association in 2017. In the latter part of the year, we secured seed funding for a nationwide project to cement the role of grassroots media in ensuring citizen voice and accountability where it matters the most; at the city, town and village level. Publicly launching in 2018, this initiative will help the country's fledgling community media sector become a central antidote to the collapse of much of the legacy local news industry in the UK.

Worldwide, and together with our allied sister organisation, Internews Network (US), our programmes reached in excess of 70 countries in 2017.

Internews Europe continued to enjoy strong growth and greater diversity in income and donations in 2017. Importantly, there was noteworthy growth in the number of individual donors choosing to support our mission at this critical time for protecting independent and trustworthy sources of news and information worldwide. Overall, income increased by 26% over 2016.

2017 was the second full-year of implementation of our 5-year global strategic plan, 'Information Changes Lives' across our strategic pillars of access to information, information inclusion, support to higher quality content, and citizen engagement with information. This comprehensive approach to the challenges of our global media landscape continues to show its importance year after year.

Media still matters. We are privileged to lead an organisation, with truly global reach, that strives to ensure this message is not forgotten and, moreover, whose work changes millions of lives for the better.

**Mark Stephens CBE, Chair of Trustees**  
**Daniel Bruce, Chief Executive Officer**

*The trustees present their report and the audited financial statements for the year ended 31 December 2017. Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities SORP FRS 102*

## Objectives, Activities and Public Benefit

Internews Europe is an international charity whose mission is to ensure access to trusted, quality news and information that empowers people to have a voice in their future and to live healthy, secure, and rewarding lives.

The primary objective of the Charity as expressed in the Memorandum of Association is “The promotion of education and vocational training in the field of journalism in all its forms for the benefit of the public, in particular in countries experiencing conflict, civil unrest, or natural disaster.”

### *Public Benefit*

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

Specifically, it is through the provision of our charitable activities that, by way of example:

- In Humanitarian disasters, affected communities can access life-saving information to receive emergency health, water and shelter supplies;
- In fragile states and emerging democracies, all citizens are afforded more and better opportunities to speak truth to power, engage with elected officials regarding critical issues, holding them and the wider society to account through strengthened local media and investigative journalism; and
- In countries with limited press freedom, our tools and training help citizens access greater plurality of views and sources of information about the world around them, by protecting credible sources of news and information.

### *Achievements and Performance*

During 2017, Internews Europe implemented 30 projects across four of the five regions in which the Internews Alliance<sup>1</sup> operates. 13 new projects were launched or had funding agreed, including two substantial multi-year, multi-country contracts with the Swedish International Development Agency (SIDA). The first of these will enable us to extend the considerable impact of our Earth Journalism Network across the Asia-Pacific region, with the second bringing together our digital security and digital transition expertise to support freedom of expression in five countries in Eurasia.

### DEMOCRACY AND GOVERNANCE

Our European Commission (EC) funded Media and Civic Participation for Transparency and Accountability project in Kyrgyzstan concluded in September 2017. The work aimed to engender a culture of transparency, accountability and respect for the rule of law by fostering collaboration between media and civil society around corruption and governance issues. To this end, we worked with our partner, the Kloop Media Foundation to build a national network of 90 civil society representatives, activists, journalists and experts.

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<sup>1</sup> See 'Related Parties'

By the end of the project, this network had generated a number of journalistic investigations focused on various facets of corruption in the country. 253 submissions by members of the public to an online platform set up as part of the project resulting in ten investigations related to corruption in government and violations of human rights. One focussed on the embezzlement of public funds by the Head of a Municipality prompted the launch of an investigation by the Prosecutor General's Office. An additional 538 pieces were published by journalists in the network, meeting the project's aim to increase the volume of high quality content around transparency and accountability issues.



Azamjon Buzurikov shoots a story in a Kindergarten about collapsing buildings in Osh.

As part of the project, Kloop Media Foundation launched a TV show distributed via its website and Facebook page to promote dialogue between the government and the public. The shows focused on a wide range of socio-political and sociocultural issues that have an impact on the overall accountability of the authorities and institutions, and were widely viewed in Bishkek where people increasingly access TV content online via their mobiles. Copycat programmes appeared on other broadcasters.

The project also trained 151 journalists and CSO representatives so that they could team up to conduct joint investigations. In addition, 24 civil society experts received Training of Trainers and have trained journalists for other organisations such as Freedom House, Voice of Freedom, and the OSCE Academy. This trend will likely continue given growing recognition of the role of data journalism and investigative reporting in anticorruption efforts. The most important legacy of the project is likely to be increased – acknowledgement of the role of civil society in providing research, data and expertise to enable more and better reporting about key issues which journalists may not otherwise have the resources to cover.

In the UK, Internews began a partnership with the non-profit Community Media Association this year to explore tactical approaches for supporting a stronger grass-roots media sector; especially in parts of the country where local newspapers and other sources of news and information have experienced



significant decline. The resulting UK Community Media and Journalism Partnership successfully secured funding from a private foundation towards the end of the year and will see its public launch and a series of pilot activities throughout 2018.

## ENVIRONMENTAL PROJECTS

We were pleased to further our environmental work in Asia with the aforementioned grant from SIDA. By building the capacity of individual reporters, media outlets and journalism networks to cover climate change and natural resource management issues, to spread news and information to the most vulnerable communities and to boost the voices of the women and marginalised groups who are most at risk, we will improve capacity among local and regional actors to promote greater accountability and sustainable development in relation to the environment and climate in the region. The project is complemented by a strand of digital security work funded by the US State Department and designed to increase the safety of our partners working in this increasingly sensitive area.



The Swedish International Development Agency (SIDA) is supporting an Earth Journalism Network project to extend the impact of environmental reporting across the Asia-Pacific region.

The project, in its inception phase at the time of this report, draws heavily from an 18 month EC-funded project which concluded in 2017, *Media for Improved Reporting on the Environment and Natural Resources in Central Asia*. The project aimed to enhance regional stabilisation efforts by increasing the access of citizens and policy-makers to conflict-sensitive information about environmental and shared natural resource issues, increasing public debate around them.

At the outset of the project, a regional information ecosystem assessment comprising content analysis and in-depth interviews was conducted in all five countries. This revealed that the availability and quality of information on such issues was very limited, and coverage highly imbalanced. It also identified a lack of guidance for journalists, noting also that stories on such issues often ignored the human-interest angle and that women rarely featured as experts and interviewees.

As well as inspiring high quality coverage in local and hyper-local media outlets, the project secured coverage of regional environmental issues such as water management, biodiversity and pollution. Editorial support and funding to partners resulted in the production of 443 original multimedia pieces. In addition, 107 datasets were made available for free download from the Geojournalism platform *Living Asia*, which attracted 69,373 unique visitors. The platform's Facebook page, launched in August 2016, engaged 2,300,000 people in just over a year. In addition, Internews conducted in-country workshops on monetisation of environmental content to contribute to the development of sustainable revenue models.

A TV report on industrial pollution in a city in the north of Kazakhstan raised concerns among city residents, leading to a petition to the mayor's office. The mayor responded by ordering an unscheduled review of whether industry was complying with regulations. Elsewhere, the Belarusian media watchdog Media Kritika included *Living Asia* in its list of five inspiring media projects, and the Kazakh Geographical Society invited the platform to cover their expedition to the Antarctica.

*Living Asia's* multimedia long-read "Nevermore", produced in collaboration with a journalist from Uzbekistan, was viewed more than 10,000 times on the website. An important legacy for the donor and partners is that the project has gathered useful, relatively robust data about concrete challenges facing media in covering environmental issues in the region. The Geojournalism platform will endure and has been handed over to our local partner EcoForum, Kazakhstan.

Elsewhere, as part of a UK Department for International Development (DFID) funded consortium, Internews co-delivered the final year of the Building Resilience and Adaptation to Climate Extremes and Disaster (BRACED) programme in Burkina Faso. Internews worked with 8 local private FM radio stations to improve their reporting on climate ensuring their programmes reached at-risk, rural communities, particularly women and girls. In addition, we supported the national broadcaster to produce daily weather reports, agricultural information and advice on how to adapt farming techniques to changing weather patterns. Internews also produced a handbook in French, English and three local languages to ensure all those communicating about climate and climate change use common terminology and accessible language.

## HUMANITARIAN INFORMATION PROJECTS

Internews brought its four-month Humanitarian Information Service in Haiti to a close early in 2017. The project achieved its aim to rapidly rehabilitate radio stations serving communities affected by the hurricane, improving the quality of information exchanged between humanitarian agencies and those communities, and contributing to reducing their vulnerability in the disaster's aftermath.





The devastation left by Hurricane Matthew in Haiti.

The service was singled out in a report by the UN Secretary General on strengthening the co-ordination of the humanitarian response:

*“The United Nations and its partners should continue promoting accountability and community engagement, approaches where communities receive timely and coherent information and have access to complaint and feedback mechanisms and where decision makers act on feedback to improve targeting so that needs and rights are upheld. The [Internews] Humanitarian Information Service launched during the Hurricane Matthew response in Haiti is one such tool.”*

Elsewhere, and despite on-going demand for the services developed, our humanitarian response to the refugee and migration crisis in the Mediterranean, jointly funded by DFID, Open Society Foundations and the Danish Refugee Council, came to an end in May 2017 as overall funding support for the emergency reduced. During its lifetime, the online service *News That Moves* published a total of 799 articles in Arabic, Farsi, English and Greek and was visited by 12,410 unique visitors per month.

Pending the end of the project, we intensified our collaborations with the Refugee.info platform set up by the International Rescue Committee and Mercy Corps to ensure that information remained accessible beyond the funding period. At the last point, at which we were able to measure our reach before the project closed, there were an average of 15,612 Facebook engagements every month on our Arabic pages and 5,600 on our Farsi pages. Podcasts of the Rumour and Answers segment posted on Facebook had been listened to 11,952 times in Arabic and 10,180 times in Farsi. Three videos in Farsi featuring refugee camp life and activities were posted on the Farsi Facebook page and viewed 8,442 times. The *News That Moves* project was a finalist in the Innovation Category at the BOND International Development Awards in 2017.

The DFID-funded Disaster and Emergency Preparedness Programme (DEPP) in South Sudan concluded in September 2017, but left an important set of legacies. Lifeline training was delivered to

70 participants from media and humanitarian agencies to equip them with the skills and tools to cooperate and create lifesaving content for the communities they serve, providing them with timely, relevant and practical information to alleviate suffering and assist with their recovery. A message library was developed for use in the future, covering such topics as treating malaria in the absence of health services and identifying and dealing with landmines.

In addition, a Communicating with Communities Working Group was formed to enable and sustain better coordination between various humanitarian actors, as well as encouraging those actors to engage in more effective two-way communication with people affected. An exchange programme served to foster links with the regional Communicating with Communities network based in Kenya, whilst local NGO SAADO was the first South Sudanese organisation to be admitted as a member of the CDAC Network globally. In addition, Oxfam Uganda asked for translated messages from SAADO in order to carry out a GBV campaign in a refugee camp in Northern Uganda.

In November, we published an information ecosystem assessment for Cox's Bazar in Bangladesh which highlighted profound communication gaps experienced by the Rohingya communities fleeing Myanmar. 77% of the population reported that they did not have enough information to make decisions, whilst 62% said they were unable to communicate with aid providers.

Towards the end of 2017, we prepared to deploy a team to Cox's Bazar to launch a common service for community engagement and accountability in collaboration with BBC Media Action and Translators Without Borders. Our aim is to integrate community engagement within the humanitarian programme cycle, ensuring that community feedback, the provision of information, and community participation are core to the response to the Rohingya crisis, as well as effectively implemented and coordinated.

## CONFLICT AND STABILISATION PROJECTS

An EC-funded *Young Burundian Refugees Dialogue and Peaceful Co-existence in the Democratic Republic of Congo* launched in January 2017 with a long-term aim of improving dialogue between host communities and young Burundian refugees living or waiting to be settled in camps, driven out of Burundi for political and, increasingly, economic reasons.

Since its launch, Internews has conducted an information ecosystem assessment and has signed contracts with eight national media outlets who will broadcast daily news bulletins and monthly features about refugee issues, with a particular focus on women and their information needs. In addition, the first planned public debate took place between refugees and the host community in Lusenda in the province of South Kivu, providing an opportunity for both groups to air their concerns and discuss solutions.



Internews produced a report on the status of women in media in the Democratic Republic of Congo.

The project has been welcomed by the communities it aims to serve and we expect to impact on the wider Great Lakes region through partnerships in Tanzania, Rwanda and Uganda. We will focus on women through a partnership with the Association of Media Women of South Kivu (AFEM-SK). At the end of 2017, we launched another EC-funded project designed to protect independent media in the Democratic Republic of the Congo, *Liberté D'Expression*.

## HUMAN RIGHTS PROJECTS

With continued funding from SIDA, the Netherlands' and French Ministries of Foreign Affairs our multi-country *Human Rights Connect* team delivered a third year of support to 20 partners in 8 countries to ensure access to high quality news and information in some of the most challenging environments worldwide.

The programme exceeded our targets for the impact of our support on our partners' operations. Internews is increasingly recognised as having unique reach, capacity and value in countries whose media and information environment is characterised by widespread censorship, polarisation, propaganda and the silencing of dissident voices. All of this work seeks to build the participation of women and girls, notably through innovation labs where participants develop their own communication products.





Women journalists in Palestine.

In the Occupied Palestinian Territories, Internews completed the UK Foreign and Commonwealth Office (FCO) funded project, *Strengthening Advocacy in Defence of Freedom of Expression*. The project brought together public and private media, telecoms, CSOs and policy makers from across Palestine to push for a genuine, sustainable coalition with a stake in supporting freedom of expression.

In China, Internews' project *Owning the Narrative of Diversity in Public Discourse* aims to increase and diversify public discourse about marginalised populations in Chinese society. It focuses on People with Disabilities (PwD); Lesbian, Gay, Bisexual, Transgender, and Intersex people (LGBTI), and people representing ethnic minorities. Early in 2017 we asked ten grassroots ethnic minority organisations, mainly from South West China (Yunnan Province, Sichuan Province, Guizhou Province and one in Beijing) about their use of digital and visual media to engage the public. They were eager to acquire new skills and tools to present their ideas and develop a sustainable platform to engage in constructive dialogue with mainstream Han society that moves beyond reporting on traditional ethnic culture, such as dancing, to produce more hard-hitting documentaries, dramas and podcasts.

In Myanmar, our *Women, Media and the Peace Process* project was extended by our donor, the Norwegian Agency for International Development (NORAD) to enable us to continue supporting the advocacy and media outreach skills of women's organisations and networks so that women's voices and perspectives can be amplified in the national peace process.

## Financial Review

The detailed results for the year and the state of affairs at 31 December 2017 are set out in the financial statements. The Trustees confirm that, in their opinion, applicable accounting standards and statements of recommended practice have been followed.

Total expenditure for the year was £7,538,103 and income was £8,303,267. Year on year, this represents an income increase of 26% and a fourth consecutive year of growth. Forecasts for 2018, indicate similar levels of income, with scope for further growth. 2017 saw further progress in growing our unrestricted income. In turn, this has had the positive effect of creating a surplus carry-forward amount of £111,814 to contribute to our unrestricted reserves.

### Reserves Policy

The board of trustees reviews the reserves policy on an annual basis. The current minimum target, as determined by the trustees in 2015, is for Internews Europe to hold three months of overhead operating expenditure as unrestricted funds in reserve. As this target is yet to be met (see below) there are no further provisions in the reserves policy for other designated reserves or similar earmarking. At 31<sup>st</sup> December 2017 our unrestricted reserves were in deficit at £43,465 (2016 – deficit £155,279) and restricted reserves at £2,345,074 (2016 - £1,691,724).

### Funds in Deficit

As above, Internews Europe opened 2017 with an Unrestricted Fund deficit of £155,279. In light of the in-year surplus described above, the deficit had reduced, at 31 December 2017 to £43,465. The origins of the unrestricted fund deficit lie in 2012/13 when Internews Europe's headquarters was relocated from Paris to London. Higher than forecast closure costs in France, and a prolonged period of operating two parallel head offices exhausted the French reserves and resulted in an operating loss in the first two years of the London headquarters. This was carefully managed at the time with a liquidity facility from the Charities Aid Foundation (now fully settled) and support

from private foundations, in turn ensuring that restricted funds were protected for delivery of programmes.

From the accounting year of 2015 onwards, the charity has enjoyed in-year surpluses on unrestricted funds, which have strengthened the overall position. This is now to the extent that the now greatly reduced deficit may be fully resolved in 2018.

### Significant Events

Two years after the 'Brexit' referendum, the UK has seen some stabilisation in currency fluctuations and its resulting impact on the various currencies received and operated by Internews Europe. Nevertheless, oversight and management of Foreign Exchange remains a noteworthy challenge and especially in light of the organisation's growth.

While 2016 saw Internews Europe financially benefit from the sharp fluctuations in currency, 2017, has proved more challenging, especially in respect of projects with an implementing period of two years or more. In 2018, we intend to review our Reserves Policy requirements to create designations for currency fluctuations.

In other corporate developments, Internews Europe entered a new four-year lease term (ending in 2021) following the expiration of the original five-year lease at our former premises. The financial impact of the move was well planned and minimal as there were no major dilapidation costs involved, whilst proximity to the previous office and effective capitalisation of refurbishment activities in the new space created maximum efficiencies.

### Principal funding sources

The majority of our income is derived from public donor agencies supporting international development. Income from private donors increased in the year, with many new individual donors deciding to support our work. Please refer to accounting Note 3 for details. The year also saw the continuation of much-valued gifts in-kind.



The trustees are particularly grateful to the contributions of Arnold & Porter Kaye Scholer LLP, Howard Kennedy LLP, Mayer Brown International LLP, Paul Hastings LLP, Pedro Simko, and Ropes & Gray LLP for a range of pro-bono legal and other consultancy services in the year.

### **Going Concern Review**

For the reasons set out above, and outlined further in accounting policy 1(a), the Trustees consider it appropriate to prepare the accounts on the going concern basis.

At the end of the 2017 financial year, Internews Europe had been awarded new contracts with a total value of £8m over the next 4 years, in addition to existing work/income, with a strong and growing pipeline of other income developing in 2018.

Overall, the Charity now has greater certainty of new income for a period of years than has been achieved in the past. Meanwhile, the Charity has consistently, (over the last 4 years), seen a reduction in the unrestricted fund deficit as already described, such that it represented an immaterial 0.52% of total turnover for the year ended 2017.

Meanwhile, processes of monthly and 12 month rolling forecasts of income and

expenditure including cash management procedures, have ensured the charity maintains strong liquidity with forecasts showing a further strengthened position over the coming 12 months.

### **Fundraising and Regulation**

All Internews fundraising activities are managed in house. Our Development department manages relationships with governmental, multilateral and NGO donors whilst the Philanthropy Department is responsible for fundraising from individual supporters, private foundations and corporations.

During 2017, Internews invested a modest amount of resources with British creative and advertising agencies to support a highly targeted media-insert fundraising campaign. Subsequent donations received and new individual supporter relationships were all managed in-house by the Philanthropy Department.

Internews Europe is registered with the Fundraising Regulator. There were no complaints received during the year and, likewise, no-incidents of non-compliance with the relevant code.

# Risk Management

Internews Europe adopts a rigorous approach to risk management which allows the Trustees and Senior Management Team to take a contemporaneous and informed view of the organisation's risk tolerance level. Such an approach is very necessary in order for Internews to implement complex programmes, with success and well-managed risk, in a range of the most fragile states.

The trustees actively review the major risks to which the charity is exposed to ensure that systems are in place to monitor and mitigate those risks. This takes place during all scheduled trustee board meetings and also on an ad-hoc basis if and when risks are re-graded to the higher levels in the register. The trustees also determine which areas of risk they wish to review in detail on a standing basis, irrespective of the risk ratings. Senior managers take operational responsibility for risk mitigation in all areas; for example, by ensuring appropriate internal controls and policies are in place whilst regularly monitoring risks from the external operating environment.

The trustees believe these actions provide sufficient early warning systems, and the requisite controls and procedures in the event of adverse conditions. On-going improvements will be made to risk management in 2017 to take account of current best practice.

## Principal Risks and Uncertainties

- **Operational Security:** there are inherent risks to working in fragile states, or those vulnerable to disasters, and these risks are ever present. The trustees periodically carefully review the organisation's ability to continue to operate programmes in high-risk environments to ensure that we have well developed procedures and protocols for working in such environments. These include a well-resourced emergency management structure shared with our allied entity in the US. The trustees are of

the view that maintaining such resources and operational capacity is essential for the organisation to achieve its charitable purposes.

- **External/Government Policy:** like many UK registered international charities, Internews has developed an extensive mitigation strategy to insulate the organisation from the effects of the UK's leaving the European Union in 2019. Material developments in 2017, included an agreement to acquire effective control of a subsidiary legal entity in Paris, France, further explained in the Related Parties Disclosures.
- **Financial:** on-going volatility in the currency markets affecting multi-currency operations and programme budgets continued in 2017. This is mitigated through a well-managed treasury function and highly effective currency planning. In light of the above, the trustees continue to support efforts to grow income from private sources so as to increase long-term resilience and reduce dependency on governmental or institutional grants.

## Safeguarding and Serious Incidents

Internews Europe maintains a comprehensive set of policies and controls to safeguard beneficiaries, partners, staff and other stakeholders from harm or abuse in the course of our work. The charity operates a zero-tolerance policy towards abuse or other forms of serious misconduct and sets clear standards and expectations around representatives' behaviour in our international Code of Conduct.

All employees and other representatives are required to take part in both induction and recurring annual training on safeguarding and associated policies and controls. This framework is intended to provide absolute clarity of incident management along with simplicity and accessibility within our reporting mechanisms. Internews offers a

single point of internal incident reporting for all UK and international representatives, in addition to an external, multi-lingual reporting and whistleblowing 'hotline' operated by Lighthouse Services.

The trustees are alive to their obligations to report the most serious misconduct or abuse to relevant authorities in the United Kingdom and other countries of operation, in particular the formal requirements for Serious Incident Reporting to the Charity Commission for

England and Wales. In broader terms, this obligation is understood across the broader definitions of Serious Incidents in which the Commission would have an interest.

There were no circumstances giving rise to such Serious Incident Notifications to the Commission during the period covered by this report.

## Plans for the Future

2017 was the second year of implementation for our 5-year international strategy, 'Information Changes Lives'.

Thus, our overarching approach to planning is guided by the following components:

### OUR THEORY OF CHANGE

Healthy information ecosystems are a root solution to advancing human progress. They contribute to economic well-being, social progress, and good governance.

### OUR VISION FOR THE FUTURE

We envision a future where everyone, everywhere, enjoys equal access to trusted, quality information that empowers them to live healthy, secure, rewarding lives.

### OUR MISSION GOALS

#### **1. Ensure robust access to information for the information poor and vulnerable**

Robust access means enabling people to safely access the information they need from a diverse variety of sources. We work to target market failures and safeguard competition and diversity for the next billion who come online. Our support for local advocates who promote diverse and competitive media channels and an open, affordable Internet is critical to ensuring robust access continues to expand. Growing access also brings new concerns for safety and security, particularly for active and influential content creators.

#### **2. Reduce systemic information exclusion**

In the midst of expanding access, state and societal forces often counter with systemic exclusion in the form of overt censorship and the exclusion of historically disadvantaged groups such as women, ethnic or religious minorities, and LGBT people. We work to counter censorship through policy and offer tools and technologies that help people circumvent censorship. We are purposeful in expanding information engagement to

excluded groups by linking them with trusted partners and supporters, building their skills, and helping them ensure their voices are heard.

#### **3. Fill critical gaps in quality content**

As global content expands, gaps are growing in locally-produced and locally-relevant local language content. We focus on filling gaps in coverage of vital issues, such as community health and environmental degradation, to drive local change. We believe quality content should be assessed by how effectively it opens space for discussion and leads to action while reflecting the diversity of the community it serves. Our approach is to build sustainable capacity of content creators and ensure content is financially viable over the long term.

#### **4. Support the ability of people to critically engage with news and information**

Social media can create echo chambers of narrowly filtered information, which in turn can fuel hate speech in fragile communities. "Information overload" limits the capacity of people to access the information necessary to make informed choices. To reverse these trends, we strive to improve media, information, and data literacy, so people can discern the validity and integrity of the news and information they consume. We are adopting strategies to engage underrepresented voices across the media and information environment. Increased engagement leads to demand for better quality news and information, creating a virtuous cycle between access, content and engagement.

The strategic framework, in turn, provides the foundations for annual operational plans developed for Internews Europe at a headquarters level, in addition to a range of regional plans for each of our geographic programme units. The 2018 annual operational plan for Internews Europe in the UK focuses on three principle goals as follows:

- (1) Lead, Service and Support effective programmes in support of Internews global strategy
- (2) Increase financial sustainability
- (3) Develop the operational capacity and resilience of the organisation



## Structure, Governance and Management

Internews Europe is a charitable company limited by guarantee, incorporated in England and Wales on 23 December 2011 and registered as a charity in England and Wales on 1 August 2012. Internews Europe (UK) is the legal successor to Internews Europe (France), originally established in 1995, having been the beneficiary entity of an assignment agreement whereby contracts, grants and assets were transferred to full control of Internews Europe (UK) as of 1 April 2013. The resulting subsidiary, Internews France, was disposed of after winding up operations on the 1st January 2015.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its articles of association.

The primary objective of the charity as expressed in the Memorandum of Association is "The promotion of education and vocational training in the field of journalism in all its forms for the benefit of the public, in particular in countries experiencing conflict, civil unrest, or natural disaster."

The trustees and executive seek to fulfil these objectives through establishing projects in a wide range of countries which focus on media development and information access around a number of core themes: Human Rights, Humanitarian Emergencies, Democracy and Governance, Conflict and Stabilisation and the Environment.

The trustees are responsible for the overall governance of the charity. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Note 6 to the accounts. The majority of trustees donate travel and other expenses associated with their governance duties.

### TRUSTEE APPOINTMENT, INDUCTION AND TRAINING

Trustees are proactively selected and appointed to ensure there is a broad range of relevant skills and experience represented across the trustee board. Trustee recruitment may take place using open advertisements and/or through more targeted approaches to individuals, agreed by existing trustees to possess skills and experience that would further strengthen the board. A trustee board skills matrix is regularly reviewed to ensure a suitable balance of skills, experience and trustee diversity. A comprehensive policy exists for the appointment and approval of new trustees, in addition to processes for the election of officers such as the Chair, Vice-Chair and Treasurer.

A rolling cycle of training and development of trustees ensures there are cognizant of their statutory responsibilities and also keep up to date on key issues such as development and relief work in addition to exposure to Internews Europe's international programmes.

As part of our Strategic Alliance with Internews Network (see Related Parties, below), the board of our US sister organisation is entitled to select and appoint one of its own number as a trustee to serve on the Internews Europe board.

This role is currently fulfilled by **Mr Matt Chanoff**. This is a reciprocal arrangement; therefore Internews Europe's trustees also have an entitlement to select one of their number to serve on Internews Network's Board of Directors. This role is currently undertaken by **Mrs Kristina Henschen** (since June 2017), the position having previously been held by **Mr Stephen Salyer** (who will be stepping down from the board in mid-2018).

## ORGANISATION OF THE CHARITY

Internews Europe's operations are conducted in accordance with the Memorandum and Articles of Association and the policies/strategies approved by the Trustees. Given the international scale and complexity of the organisation, the trustees delegate all day-to-day responsibilities for running the organisation to the Chief Executive Officer (CEO), **Mr Daniel Bruce** (appointed February 2014).

The CEO is supported by the Senior Management Team, SMT, (the Key Management Personnel) namely **Mrs Foluke Mogaji**, Senior Director of Finance and Resources, **Ms Kate Hart**, Director of Development, **Mrs Claire Palmer**, Director of Philanthropy and **Mrs Rosie Parkyn**, Director of Programmes. Other members of the Senior Management Team supporting the CEO during the year included Ms Francesca Silvani (Senior Director of Programme Design, Learning and Support, resigned 31 August, 2017) and Mr Jesse Roberts who held an interim position as Director of Development between September and December 2017.

In addition, a larger Corporate Management Group takes responsibility for various operational and support functions. Field programmes are overseen by a range of Regional Directors, Country Directors and other national support staff.

## RELATED PARTIES AND RELATIONSHIPS WITH OTHER ORGANISATIONS

### Internews Network (USA)

Internews Europe maintains a formal 'Strategic Alliance' with Internews Network; a US based non-profit organisation which was the first media development organisation to bear the Internews name and brand. A Memorandum of Understanding to establish a strategic alliance was signed by the boards of both entities in September 2014. This was subsequently reinforced with a legalised, Strategic Alliance Agreement signed in June 2016.

Through their Alliance, Internews Network (IUS or Internews US) and Internews Europe (IEU) express their joint commitment and intent to create greater programme impact and public benefit than two separate organisations would be able to achieve on their own. The alliance is particularly intended to ensure seamless delivery of programmes through regional and country offices, and greater sharing and application of effective organisational learning.

A fundamental characteristic of the alliance of the shared responsibility for five regional Programme Management Units (PMUs) which, under the leadership of their associated Regional Directors are accountable to both entities for the successful implementation of a diverse body of projects and programmes jointly funded by the alliance. Given the nature of this arrangement, there are a significant amount of inter-company financial transactions over the course of the year, which ensure each field office is equipped with the resources to deliver a blended portfolio of projects and programmes.

Nevertheless, IEU and IUS purposefully maintain separate, independent, governance bodies and each legal entity has its own CEO.

In a further arrangement, **Mr David Creekmore**, the Chief Operating Officer (COO) of Internews Network supports the Internews Europe trustee board as a member of its Finance and Audit Sub-Committee. Mr Creekmore does not possess any decision-making authority, consistent with that of a director or trustee of Internews Europe, in this context.

### Internews International (France)

In the course of 2017, Internews Europe initiated the process of acquiring effective control of the French Non-Profit Association Internews International (RNA no. W751139592, SIRET no. 425 132 347 000 13 APE 913).

Internews International was originally established in Paris, France in 1995 as a coordination and membership body for both Internews Europe, Internews Network and a

range of national media development organisations in Eastern Europe Central and South Asia. Whilst practical cooperation continues, the legal vehicle itself had become somewhat redundant in more recent years.

For good order, and as part of measures to sustain continental European legal identity after the UK leaves the European Union in 2019, Internews Europe agreed to the measures necessary for it to assume overall control with all other members during 2017. Further disclosures will be made in the 2018 annual report, from which point Internews International will be treated as a subsidiary of Internews Europe. For the financial year ended 31 December, 2017, there is no requirement to consolidate the reports of the French entity as full control was only achieved in February of 2018.

#### **Internews Media Development Company (Republic of Ireland)**

In addition to the above, Internews Europe registered a subsidiary non-profit company in the Republic of Ireland in 2017 (no. 615323). This entity is presently dormant, but may be activated should it be deemed beneficial to have an additional operational and fundraising centre in an EU member state in addition to France. It is unlikely this would happen during the course of 2018, but further disclosures will be made in the 2018 annual report to the extent necessary.

#### **CDAC Network (Limited) (UK)**

Throughout 2017, Internews Europe continued to act as the legal host for the secretariat of the Communicating with Disaster Affected Communities Network (CDAC). Internews is one of the founding members of this network of 30+ humanitarian, communication and UN agencies.

Hosting arrangements included the employment of, and contingent duty of care for, staff (5-6 FTEs in 2017), management of public grant and membership subscription income and for part of the year, the provision of office space and facilities for the secretariat. The secretariat has funded its own independent office space since mid-2017.

CDAC'S balance in Internews Europe's books at the end of December, 2017 was £15,198.

Until January 2017, CDAC did not have any legal personality of its own, thus secretariat staff and funds were directly managed by Internews on behalf of the network. CDAC has been governed by a non-statutory governing board of which Internews Europe's CEO, **Mr Daniel Bruce**, was an ex-officio member by virtue of his executive position at Internews.

In January 2017, CDAC formed a separate non-profit company not having share capital limited by guarantee, **CDAC Network Limited** (Company no. 10571501), with a view to CDAC becoming a fully independent non-profit entity and registered charity (in England and Wales) in due course. As a result of these developments, Internews Europe began the wind-up of hosting arrangements in 2017 with the intention for all staff, income and expenditure to be managed directly by CDAC Network Limited at the earliest opportunity. At the time of writing, Internews Europe is still required by a small number CDAC's tax-funded donors to remain the accountable partner for current on-going projects. This is expected to lead to a final end date of April 2019.

In the spirit of the aforementioned non-statutory governance arrangements, Internews Europe's CEO, **Mr Daniel Bruce**, was subsequently listed as a founding Director of CDAC Network Limited and, upon the acquisition of charitable status expected during 2018, would also serve as a trustee.

#### **REMUNERATION POLICY AND SALARY DISCLOSURES FOR KEY MANAGEMENT PERSONNEL**

The trustee board takes responsibility for the appointment and performance management of the Chief Executive Officer. This includes an annual review of the CEO's pay and benefits which, in turn, is linked to a detailed and rigorously benchmarked organisational salary scale.

In broad terms, all salary bands are reviewed periodically, both for sector benchmarking and any inflationary increments deemed appropriate and affordable for the overall pay-scale. During annual benchmarking of the organisational salary scale, Internews Europe compares its pay bands for all positions to equivalent posts in the following areas:

- Domestic and international charities with a similar level of income;
- Other relevant international charities of any size; for example, others in the British Government's Rapid Response Facility (RRF);
- Other charitable organisations working in the specific sectors of media, information and development, freedom of expression and support to independent journalism; and
- Comparable salaries of Internews Network staff.

Taken as a whole, the Internews Alliance is among the two or three largest, if not the largest organisation working in the media, information and development sub-sector. Given this scale and complexity, and the need to recruit and retain skilled staff with an unusual blend of experience in both media and international development, our salary scale is set in the middle of the upper quartile of our benchmarking results.

In setting the pay and benefits of the Chief Executive Officer, the trustees work from a minimum floor figure in the salary scales, which is currently £84,460, up to an in principle pay multiple ratio of five (relative to the lowest pay scale).

In turn, the CEO sets the pay and benefits of the other senior directors using the scale points immediately below the CEO floor. Details of all salaries and benefits exceeding £60,000 for the year can be found in Note 6 to the financial statements.

For 2017, the Senior Pay disclosures include the CEO, Senior Director of Finance and Resources, Director of Development, Director of Philanthropy and Director of Programmes. The aggregated actual pay for this group in 2017 was £339,816 (2016 - £236,721).

It should be noted that the number of positions included in the Senior Pay Disclosures increased from 3 in 2016 to 5 in 2017 as a result of a reorganisation of senior management roles in mid-2017; itself a consequence of the growth of the organisation over time.

## FUNDS HELD AS CUSTODIAN TRUSTEE

During 2017 there were no funds held as custodian trustee on behalf of others.

## Statement of responsibilities of the trustees

The trustees (who are also directors of Internews Europe for the purposes of company law) are responsible for preparing the trustees' report 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 then apply 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 and statements of recommended practice 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 charity will continue in operation.

The trustees are responsible for keeping proper 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 prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2017 was 10 (2015:10). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.



## Auditors

Sayer Vincent LLP were re-appointed as the charitable company's auditors during the year.

Approved by the trustees on 12 June 2018 and signed on their behalf by:

**Mark Stephens CBE, Chair of Trustees**

**Photo Credits:** Neil Gavin (pg 3), Dmitry Motinov/Internews (pg 6), Swedish International Development Agency (SIDA) (pg 7), United Nations Stabilization Mission in Haiti (MINUSTAH) (pg 9), Internews (pg 11, 12)

# Independent auditor's report

## To the members of Internews Europe

### Opinion

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

In our opinion, the financial statements:

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

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover

the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard (Senior statutory auditor)  
14 June 2018

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL



# Internews Europe

## Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2017

	Note	Unrestricted £	Restricted £	2017 Total £	Unrestricted £	Restricted £	2016 Total £
<b>Income from:</b>							
Donations and legacies	2	229,047	–	229,047	288,699	–	288,699
Charitable activities							
Conflict and Stabilisation	3	328,944	442,561	771,505	295,858	348,052	643,910
Environment	3	196,229	1,720,178	1,916,407	42,893	1,284,485	1,327,378
Human Rights	3	162,585	2,431,676	2,594,261	58,333	1,868,300	1,926,633
Humanitarian	3	167,018	1,312,737	1,479,755	100,340	2,053,137	2,153,477
Democracy and Governance	3	65,346	1,246,946	1,312,292	12,977	245,564	258,541
<b>Total income</b>		<b>1,149,169</b>	<b>7,154,098</b>	<b>8,303,267</b>	<b>799,100</b>	<b>5,799,538</b>	<b>6,598,638</b>
<b>Expenditure on:</b>							
Raising funds	4	114,305	–	114,305	56,612	–	56,612
Charitable activities							
Conflict and Stabilisation	4	237,685	359,480	597,165	295,361	797,555	1,092,916
Environment	4	212,372	1,500,338	1,712,710	19,970	987,150	1,007,120
Human Rights	4	203,566	2,604,128	2,807,694	27,158	1,759,315	1,786,473
Humanitarian	4	209,389	1,586,286	1,795,675	46,715	2,076,581	2,123,296
Democracy and Governance	4	60,038	450,516	510,554	6,042	251,635	257,677
<b>Total expenditure</b>		<b>1,037,355</b>	<b>6,500,748</b>	<b>7,538,103</b>	<b>451,858</b>	<b>5,872,236</b>	<b>6,324,094</b>
<b>Net movement in funds</b>		<b>111,814</b>	<b>653,350</b>	<b>765,164</b>	<b>347,242</b>	<b>(72,698)</b>	<b>274,543</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward	15	(155,279)	1,691,724	1,536,445	(502,521)	1,764,422	1,261,901
<b>Total funds carried forward</b>		<b>(43,465)</b>	<b>2,345,074</b>	<b>2,301,609</b>	<b>(155,279)</b>	<b>1,691,724</b>	<b>1,536,445</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

Balance sheet

Company no. 07891107

As at 31 December 2017

	Note	2017 £	2016 £
<b>Fixed assets:</b>			
Tangible assets	10	80,679	8,284
		80,679	8,284
<b>Current assets:</b>			
Debtors	11	1,367,717	1,298,616
Cash at bank and in hand		1,802,923	877,455
		3,170,640	2,176,071
<b>Liabilities:</b>			
Creditors: amounts falling due within one year	12	949,710	647,910
<b>Net current assets</b>		2,220,930	1,528,161
<b>Total net assets</b>		2,301,609	1,536,445
<b>Funds:</b>			
Restricted income funds	15	2,345,074	1,691,724
Unrestricted income funds:			
General funds		(43,465)	(155,279)
<b>Total funds</b>		2,301,609	1,536,445

Approved by the trustees on 12 June 2018 and signed on their behalf by

Mark Stephens CBE  
Chair of Trustees

Statement of cash flows

For the year ended 31 December 2017

	Note	2017 £	2016 £
<i>Cash flows from operating activities</i>	16	1,019,865	(3,228)
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		94,397	(627)
<b>Cash flows from financing activities:</b>			
Repayments of borrowing		–	(34,420)
<b>Change in cash and cash equivalents in the year</b>		<b>925,468</b>	<b>(38,275)</b>
Cash and cash equivalents at the beginning of the year		877,455	915,730
<b>Cash and cash equivalents at the end of the year</b>	17	<b>1,802,923</b>	<b>877,455</b>

**1 Accounting policies**

**a) Statutory information**

Internews Europe is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address (and principal place of business), is 43–51 New North Road, London, N1 6LU. During the year Internews Europe initiated the process of acquiring effective control of the French Non-Profit Association Internews International (RNA no. W751139592, SIRET no. 425 132 347 000 13 APE 913). As of 15 November, 2017, Internews Europe had successfully registered a new entity in Ireland – Internews Media Development (A Company Limited by Guarantee) with registered Company number 615323. Under the new structure, Internews Europe will remain the Parent Company, with Internews France and Ireland as Subsidiaries. There is no requirement to consolidate the two subsidiaries in 2017 as control of Internews France was only achieved in February 2018, and Internews Ireland received registered company status in November 2017, but has since been dormant. For both new companies, there were no transactions in the year.

**b) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice 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) (August 2014) 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.

**c) Public benefit entity**

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

**d) Going concern**

Internews Europe opened in 2017 with an Unrestricted Fund deficit of £155,279. In light of the surplus described above, the deficit had reduced at 31 December 2017 to £43,465. The origins of the unrestricted fund deficit lie in 2012/13 when Internews Europe's headquarters was relocated from Paris to London. Higher than forecast closure costs in France, and a prolonged period of operating two parallel head offices exhausted the French reserves and resulted in an operating loss in the first two years of the London headquarters. This was carefully managed at the time with a liquidity facility from the Charities Aid Foundation (now fully settled) and support from private foundations, in turn ensuring that restricted funds were protected for delivery of programmes. From the accounting year of 2015 onwards, the charity has enjoyed in-year surpluses for unrestricted funds which have strengthened the overall position to the extent that the deficit may be fully resolved in 2018.

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.

The trustees therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**1 Accounting policies (continued)**

**e) Income**

Revenue grants are credited to the statement of financial activities when received or receivable whichever is earlier.

Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the charity can meet such conditions the incoming resource is deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

**f) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102).

On receipt, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**g) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. 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.

**h) 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 delivering activities undertaken to further the purposes of the charity and their associated support costs.

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 are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned to the charities activities on a proportionate and consistent basis. Governance costs are the costs associated with the governance arrangements of the charity. These costs relate to constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

We have apportioned Support costs to the activities as follows:

Conflict & stabilisation	9%
Environment	25%
Humanitarian	30%
Human Rights	29%
Democracy and governance	7%

j) Foreign currency transactions

Transactions in foreign currencies are translated at the Inforeuro rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate prevailing at the balance sheet date. Any gain or loss for the period is taken to the statement of financial activities.

k) Operating leases

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

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Furniture and other equipment directly related to projects are fully expensed to such projects so as to reflect the full costs of implementation. 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.

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 and computers	3 years
Office furniture	5 years
Fixtures & fittings	Life of office lease

m) Debtors

Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

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.



1 Accounting policies (continued)

o) Creditors

Creditors are recognised as soon as there is a legal or constructive obligation committing the charity to pay out the resource.

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.

p) Pensions

Internews Europe mainatains a pension scheme where staff are auto-enrolled accordingly. Both Internews Europe and employees make contributions into the scheme in compliance with regulatory requirements.

2 Income from donations

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Donations	49,958	–	49,958	214,515
Gifts/Services in kind	179,089	–	179,089	74,184
	229,047	–	229,047	288,699

The unrestricted donations represent monies received from individuals and foundations. Gifts/Services in-kind are in relation to pro-bono legal support on various tasks and assignments undertaken throughout the year.

3 Income from charitable activities

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Coffey International Development (DFID)	-	-	-	349,589
Free Press Unlimited (EC)	-	66,543	66,543	172,025
European Commission – DG Devco	-	53,376	53,376	82,867
European Commission – ICSP	-	322,642	322,642	-
OPTIONS (DFID)	278,920	-	278,920	-
Other funders	50,024	-	50,024	39,429
<b>Sub-total for Conflict and Stabilisation</b>	<b>328,944</b>	<b>442,561</b>	<b>771,505</b>	<b>643,910</b>
Christian Aid (DFID)	-	176,759	176,759	161,790
United Nations Population Fund	-	-	-	(7,772)
European Commission	-	263,119	263,119	840,447
Addesium Foundation	-	87,042	87,042	-
Swedish International Development Corporation Agency (SIDA)	-	1,079,609	1,079,609	-
United Nations Educational, Scientific and Cultural Organisation (UNESCO)	57,999	-	57,999	-
Arcadia Foundation (Charities Aid Foundation)	-	113,649	113,649	123,474
Other funders	138,230	-	138,230	62,586
<b>Sub-total for Environment</b>	<b>196,229</b>	<b>1,720,178</b>	<b>1,916,407</b>	<b>1,180,525</b>
Swedish International Development Corporation Agency (SIDA)	-	1,373,850	1,373,850	1,352,943
Norwegian Agency for Development Cooperation (NORAD)	-	140,161	140,161	-
Norwegian Agency for Development Cooperation (NORAD)	-	-	-	146,853
European Commission – DG Devco	5,072	103,177	108,249	212,409
Netherlands Ministry of Foreign Affairs	-	575,609	575,609	241,145
French Ministry of Europe & Foreign Affairs	-	86,750	86,750	-
Foreign & Commonwealth Office – UK Government	-	143,051	143,051	-
Joint United Nations Programme on HIV/AIDS (UNAIDS)	-	9,078	9,078	-
Other	157,513	-	157,513	120,136
<b>Sub-total for Human Rights</b>	<b>162,585</b>	<b>2,431,676</b>	<b>2,594,261</b>	<b>2,073,486</b>

3 Income from charitable activities (continued)

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
UK Department for International Development (DFID)	–	146,842	146,842	239,936
Start Network (DFID)	–	–	–	99,947
UK (DFID) CDAC	–	–	–	59,283
Save the Children UK (Start)	–	–	–	659,299
World Vision (CDAC) DEPP	–	199,920	199,920	216,466
World Vision (IEU) DEPP	–	95,735	95,735	329,662
Communicating Disasters in Affected Communities (CDAC Network, Membership Income)	–	170,323	170,323	136,215
Ministry of Foreign Affairs, Sweden	–	–	–	32,537
Oxfam UK	–	–	–	27,750
Danish Refugee Council (DFID)	–	480,802	480,802	204,932
Save the Children UK – (START Network)	–	138,750	138,750	–
Souter Trust	5,000	–	5,000	–
Other funders	162,018	80,365	242,383	147,450
<b>Sub-total for Humanitarian</b>	<b>167,018</b>	<b>1,312,737</b>	<b>1,479,755</b>	<b>2,153,477</b>
European Commission – DG Devco	–	23,082	23,082	136,521
Joint United Nations Programme on HIV/AIDS (UNAIDS)	–	–	–	23,928
Freedom of Expression	–	239,304	239,304	85,115
Ministry of Foreign Affairs, Sweden	–	74,503	74,503	–
UK Foreign and Commonwealth Office (FCO)	–	26,196	26,196	–
Swedish International Development Corporation Agency (SIDA)	–	883,861	883,861	–
United Nations Educational, Scientific and Cultural Organisation (UNESCO)	29,339	–	29,339	–
Other funders	36,007	–	36,007	12,977
<b>Sub-total for Democracy and Governance</b>	<b>65,346</b>	<b>1,246,946</b>	<b>1,312,292</b>	<b>258,541</b>
<b>Total income from charitable activities</b>	<b>920,122</b>	<b>7,154,098</b>	<b>8,074,220</b>	<b>6,309,939</b>

The income from the grants shown above have been aggregated by charitable activity which have been described in note 15 to the financial statements.

4 Analysis of expenditure

	Charitable activities								2017	Total £	2016 Total £
	Cost of raising funds £	Conflict and Stabilisation £	Environment £	Human Rights £	Humanitarian £	Democracy and Governance £	Governance costs £	Support costs £			
Staff costs (Note 6)	39,775	301,531	836,674	949,441	976,600	217,039	–	558,814	<b>3,879,874</b>		3,777,724
Project delivery costs	–	109,036	217,125	1,123,083	224,065	192,003	–	4,694	<b>1,870,006</b>		1,133,694
Rent	–	–	8,970	–	18,395	4,181	–	83,064	<b>114,610</b>		120,288
Office costs	4,151	5,689	2,028	20,979	2,242	716	–	37,627	<b>73,432</b>		57,382
Utilities	–	29,738	52,150	11,624	98,304	13,192	–	1,336	<b>206,344</b>		203,545
IT and communications	476	17,147	19,760	122,310	8,014	3,018	37	33,289	<b>204,051</b>		252,553
Development costs	39,717	–	–	–	–	–	–	–	<b>39,717</b>		7,754
Finance costs	55	(211)	24,123	13,943	7,199	20,983	159	53,228	<b>119,479</b>		46,860
Legal and Professional fees	720	99	6,431	–	7,379	–	18,320	225,705	<b>258,654</b>		177,949
Depreciation	–	–	–	–	–	–	–	22,002	<b>22,002</b>		9,871
Travel costs	29,411	27,722	247,770	263,087	150,019	17,282	7,360	7,283	<b>749,934</b>		536,474
	<b>114,305</b>	<b>490,751</b>	<b>1,415,031</b>	<b>2,504,467</b>	<b>1,492,217</b>	<b>468,414</b>	<b>25,876</b>	<b>1,027,042</b>	<b>7,538,103</b>		<b>6,324,094</b>
Support costs	–	106,414	297,679	303,227	303,458	42,140	(25,876)	(1,027,042)	–		
Governance costs	–	–	–	–	–	–	–	–	–		–
<b>Total expenditure 2017</b>	<b>114,305</b>	<b>597,165</b>	<b>1,712,710</b>	<b>2,807,694</b>	<b>1,795,675</b>	<b>510,554</b>	<b>–</b>	<b>–</b>	<b>7,538,103</b>		<b>–</b>
<b>Total expenditure 2016</b>	<b>56,612</b>	<b>1,092,916</b>	<b>1,007,120</b>	<b>1,786,473</b>	<b>2,123,296</b>	<b>257,677</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>6,324,094</b>

Of the total expenditure, £1,037,355 was unrestricted (2016: £451,858) and £6,500,748 was restricted (2016: £5,872,236).

**5 Net income/(expenditure) for the year**

This is stated after charging / (crediting):

	2017 £	2016 £
Depreciation	22,002	9,871
Operating lease rentals:		
Property	71,896	78,976
Auditors' remuneration (net of VAT) :		
Audit UK ( Statutory Audit)	12,900	15,800
Other services – donor audits	35,250	12,500
Foreign exchange gains or losses	22,423	99,412
	<u>22,423</u>	<u>99,412</u>

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

Staff costs were as follows:

	2017 £	2016 £
Salaries and wages	1,390,767	1,252,272
Social security costs	151,477	134,192
Employer's contribution to defined contribution pension schemes	11,209	2,679
Staff of Internews Network, other contractors and local staff	2,261,463	2,327,462
Redundancy and termination costs	21,800	3,252
Total emoluments paid to staff were:	<u>3,836,716</u>	<u>3,719,856</u>
Other human resources costs	43,158	57,868
<b>Total staff costs</b>	<u><b>3,879,874</b></u>	<u><b>3,777,724</b></u>

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

	2017 No.	2016 No.
£60,000 – £69,999	1	–
£70,000 – £79,999	1	1
£90,000 – £99,999	1	1
	<u>1</u>	<u>1</u>

The total employee benefits of the key management personnel were £339,816 (2016: £236,721). This calculation includes two additional staff in 2017, representing a total of 5 key staff.

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2016: £nil). No charity trustee received payment for professional or other services supplied to the charity (2016: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £3,357 (2016: £931) incurred by 2 (2016: 2) members relating to attendance at meetings of the trustees.

## 7 Staff numbers

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

	2017 No.	2016 No.
Charitable Expenditure	22.00	28.4
Support & Governance	8.08	3.00
Raising Funds	3.83	0.30
	<u>33.91</u>	<u>31.70</u>

Staff of Internews Network, other contractors and local staff working on Internews Europe's projects were 100 (December 2016: 70).

## 8 Related party transactions

Internews Europe maintains a formal 'Strategic Alliance' with Internews Network; a US based non-profit organisation which was the first media development organisation to bear the Internews name and brand. A Memorandum of Understanding to firmly establish a strategic alliance was signed by the boards of both entities in September 2014. Through this Memorandum of Understanding (MOU), Internews Network (IUS or Internews US) and Internews Europe (IEU) express their joint commitment and intent to form a Strategic Alliance which aims to create greater programme impact and public benefit than two separate organisations would be able to achieve on their own. The alliance approach is particularly intended to ensure seamless delivery of programmes through regional and country offices, and greater sharing and application of effective organisational learning. Nevertheless, IEU and IUS purposefully maintain separate governance bodies and each legal entity has its own CEO.

One of the trustees of Internews Network, David Hoffman, is on the board of both entities and during the year stepped down as the chair of the Board (replaced by Mark Stephens,CBE).

During the year, Internews Europe had service contracts with Internews US which amounted to £644,080 (2016: £62,468). Internews Europe also invoiced Internews US for costs paid on its behalf amounting to £229,921 (2016: £197,442). The Internews US debtor balance at the end of the year was £592,612 (2016: Nil) and the creditor balance was £644,080 (2016: £62,468). All transactions were at an arm's length basis. The CDAC (Communication in Disaster Affected Communities) Network which has been hosted by Internews Europe has now obtained legal company status and 2017 will see a transition of the management of future programmes to the newly incorporated company (see page 21 for further information). The CEO of IEU, Daniel Bruce, is a director of CDAC Network. CDAC's balance in Internews Europe's books as of December 2017 is £15,198.

Donations amounting to £7,595 (cash and pledges) from trustees have been recognised during the year. (2016– £8,860). In addition, during 2017, Internews Europe initiated the process of acquiring effective control of the French Non-Profit Association, Internews International (RNA no. W751139592, SIRET no. 425 132 347 000 13 APE 913). Internews Europe also registered a non-profit entity in Ireland under the name of Internews Media Development.

## 9 Taxation

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



10 Tangible fixed assets

	Fixtures and fittings £	Office equipment & computers £	Office furniture £	Total £
<b>Cost</b>				
At the start of the year	38,731	17,420	9,007	65,158
Additions in the year	87,898	6,499	–	94,397
Eliminated on disposal	(24,498)	–	–	(24,498)
At the end of the year	102,131	23,919	9,007	135,057
<b>Depreciation</b>				
At the start of the year	32,244	16,983	7,647	56,874
Charge for the year	19,406	1,236	1,360	22,002
Eliminated on disposal	(24,498)	–	–	(24,498)
At the end of the year	27,152	18,219	9,007	54,378
<b>Net book value at end of the year</b>	<b>74,979</b>	<b>5,700</b>	<b>–</b>	<b>80,679</b>
At the start of the year	6,487	437	1,360	8,284

All of the above assets are used for charitable purposes.

11 Debtors

	2017 £	2016 £
Accounts receivable	612,425	202,953
Programme advances	309,889	458,451
Other debtors	12,251	12,251
Accrued income	407,187	588,715
Prepayments	25,965	36,246
	<b>1,367,717</b>	<b>1,298,616</b>

12 Creditors: amounts falling due within one year

	2017 £	2016 £
CAF loan	–	43,630
Recoverable grant – LodeStar/OSF	–	20,858
Trade creditors	793,701	255,897
Taxation and social security	40,044	57,685
Accruals	115,965	65,340
Deferred income	–	204,500
	<b>949,710</b>	<b>647,910</b>

13 Deferred income

Deferred income comprises CDAC Network membership fees invoiced in advance which relate to the next financial year.

	2017 £	2016 £
Balance at the beginning of the year	204,500	112,823
Amount released to income in the year	(204,500)	(112,823)
Amount deferred in the year	–	204,500
Balance at the end of the year	–	204,500

14a Analysis of charity net assets between funds (current year)

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	80,679	–	80,679
Net current assets	(124,144)	2,345,074	2,220,930
Net assets at the end of the year	(43,465)	2,345,074	2,301,609

14b Analysis of charity net assets between funds (prior year)

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	8,284	–	8,284
Net current assets	(163,563)	1,691,724	1,528,161
	(155,279)	1,691,724	1,536,445

15a Movements in funds (current year)

	Restated At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
<b>Restricted funds:</b>					
Conflict and Stabilisation	18,567	442,561	359,480	–	101,648
Environment	504,184	1,720,178	1,500,338	–	724,024
Human Rights	811,191	2,431,676	2,604,128	–	638,739
Humanitarian	296,681	1,312,737	1,586,286	–	23,132
Democracy and Governance	61,101	1,246,946	450,516	–	857,531
<b>Total restricted funds</b>	<b>1,691,724</b>	<b>7,154,098</b>	<b>6,500,748</b>	<b>–</b>	<b>2,345,074</b>
<b>Unrestricted funds:</b>					
General	(155,279)	1,149,169	1,037,355	–	(43,465)
<b>Total unrestricted funds</b>	<b>(155,279)</b>	<b>1,149,169</b>	<b>1,037,355</b>	<b>–</b>	<b>(43,465)</b>
			–		–
<b>Total funds</b>	<b>1,536,445</b>	<b>8,303,267</b>	<b>7,538,103</b>	<b>–</b>	<b>2,301,609</b>

15b Movements in funds (prior year)

	Restated At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
<b>Restricted funds:</b>					
Conflict and Stabilisation	468,070	348,052	(797,555)	–	18,567
Environment	206,849	1,284,485	(987,150)	–	504,184
Human Rights	702,206	1,868,300	(1,759,315)	–	811,191
Humanitarian	320,125	2,053,137	(2,076,581)	–	296,681
Democracy and Governance	67,172	245,564	(251,635)	–	61,101
<b>Total restricted funds</b>	<b>1,764,422</b>	<b>5,799,538</b>	<b>(5,872,236)</b>	<b>–</b>	<b>1,691,724</b>
<b>Unrestricted funds:</b>					
General	(502,521)	799,100	(451,858)	–	(155,279)
			–	–	–
<b>Total unrestricted funds</b>	<b>(502,521)</b>	<b>799,100</b>	<b>(451,858)</b>	<b>–</b>	<b>(155,279)</b>
<b>Total funds</b>	<b>1,261,901</b>	<b>6,598,638</b>	<b>(6,324,094)</b>	<b>–</b>	<b>1,536,445</b>

## 15 Movements in funds (continued)

### Purposes of restricted funds

**Conflict and Stabilisation** : Projects to support media, community mobilisation, and access to information with the aim of long-term efforts to build trust between governments and the governed and contribute to peace. Internews brings together journalists from diverse media outlets working in different languages to improve their professional standards of news reporting.

**Environment**: The Earth Journalism Network (EJN) – established by Internews – creates networks of environmental journalists in countries where they don't exist, and builds their capacity where they do. Through training workshops and development of training materials, support for production and distribution, the provision of small grants, and creation of unique data mapping platforms, EJN works with journalists in developing countries to find innovative solutions to the world's most pressing environmental issues of today.

**Human Rights** : Internews trains both professional and citizen journalists to analyse and report on human rights issues more effectively. We support independent media to preserve access to information and promote the monitoring of human rights violations.

We support freedom of expression by helping to keep information flows open and connecting human rights defenders with their local media.

Our work also aims to reduce the potential for harm to journalists, writers and other civil society activists in countries where they are most at risk. We also build the independence and credibility of emerging information stakeholders, such as internet bloggers, to allow communities to trust in their most prolific sources of information.

**Humanitarian**: In disasters people affected by the unfolding tragedy need more than physical necessities: they also have an urgent need for information. From earthquakes to armed conflicts, survival can depend on knowing the answers to questions such as: is it safe to go back home? Should I stay with my family or go elsewhere for help? What is the extent of the damage? Where can I get clean water and food? What are the symptoms of cholera? Where is the nearest health facility? Internews addresses these questions with a range of ongoing information services.

The CDAC secretariat hosted by IEU, builds the capacity of members to respond to humanitarian disasters, and builds the emergency roster of skilled and experience communication experts.

### Democracy and Governance

Media serve a crucial watchdog function, providing citizens with the information they need to keep the public and private sectors accountable. In many countries, however, repressive legal environments inhibit the media's ability to play this role. Moreover, some journalists lack the skills to conduct the in-depth investigative reporting that is essential to accountability.

Internews has trained journalists in investigative reporting, produced television programming to encourage dialogue on corruption, and helped reform media laws, including expanding freedom of information rights.

16	Reconciliation of net income to net cash flow from operating activities	2017	2016
		£	£
	Net income for the reporting period (as per the statement of financial activities)	765,164	274,544
	Depreciation charges	22,002	9,871
	(Increase)/decrease in debtors	(69,101)	(288,046)
	Increase/(decrease) in creditors	301,800	403
	Net cash provided by / (used in) operating activities	1,019,865	(3,228)

17	Operating lease commitments				
		Property		Equipment	
		2017	2016	2017	2016
		£	£	£	£
	Less than one year	41,316	80,805	1,146	–
	One to five years	247,896	268,554	5,730	–
		289,212	349,359	6,876	–

18 Capital commitments

At the balance sheet date, the charity had no capital commitments (2016: £nil).

19 Contingent assets or liabilities

At the balance sheet date the charity had no contingent assets or contingent liabilities.

20 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.