



# Annual Report & Consolidated Financial Statements

**INTERNEWS EUROPE**  
**31 DECEMBER 2018**

Company number: 07891107  
Charity number: 1148404



**Internews Europe**  
**Reference and administrative details**  
**For the year ended 31 December 2018**

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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>	<p>Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:</p> <table> <tr> <td>Mr Mark Stephens CBE</td><td>Chair</td></tr> <tr> <td>Mrs Daisy McAndrew</td><td>Vice-Chair</td></tr> <tr> <td>Mr Sach Chandaria</td><td>Treasurer (to 6 June 2019)</td></tr> <tr> <td>Dr Saleyha Ahsan</td><td></td></tr> <tr> <td>Mr Yann Borgstedt</td><td></td></tr> <tr> <td>Mr Matt Chanoff</td><td></td></tr> <tr> <td>Mrs Kristina Henschen</td><td></td></tr> <tr> <td>Mrs Carolyn Hink</td><td>(Appointed 17 January 2019)</td></tr> <tr> <td></td><td>Treasurer (from 6 June 2019)</td></tr> <tr> <td>Mr David Hoffman</td><td></td></tr> <tr> <td>Mr Stephen Salyer</td><td>(Resigned 12 June 2018)</td></tr> </table>	Mr Mark Stephens CBE	Chair	Mrs Daisy McAndrew	Vice-Chair	Mr Sach Chandaria	Treasurer (to 6 June 2019)	Dr Saleyha Ahsan		Mr Yann Borgstedt		Mr Matt Chanoff		Mrs Kristina Henschen		Mrs Carolyn Hink	(Appointed 17 January 2019)		Treasurer (from 6 June 2019)	Mr David Hoffman		Mr Stephen Salyer	(Resigned 12 June 2018)
Mr Mark Stephens CBE	Chair																						
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<b>Key Management Personnel</b>	<table> <tr> <td>Mr Daniel Bruce</td><td>Chief Executive Officer</td></tr> <tr> <td>Mrs Foluke Mogaji</td><td>Senior Director of Finance &amp; Resources</td></tr> <tr> <td>Ms Kate Hart</td><td>Director of Development (Resigned 2 November 2018)</td></tr> <tr> <td>Ms Camilla Palazzini</td><td>Director of Development (Appointed 10 December 2018)</td></tr> <tr> <td>Mrs Claire Palmer</td><td>Director of Philanthropy</td></tr> <tr> <td>Mrs Rosie Parkyn</td><td>Director of Programmes</td></tr> </table>	Mr Daniel Bruce	Chief Executive Officer	Mrs Foluke Mogaji	Senior Director of Finance & Resources	Ms Kate Hart	Director of Development (Resigned 2 November 2018)	Ms Camilla Palazzini	Director of Development (Appointed 10 December 2018)	Mrs Claire Palmer	Director of Philanthropy	Mrs Rosie Parkyn	Director of Programmes										
Mr Daniel Bruce	Chief Executive Officer																						
Mrs Foluke Mogaji	Senior Director of Finance & Resources																						
Ms Kate Hart	Director of Development (Resigned 2 November 2018)																						
Ms Camilla Palazzini	Director of Development (Appointed 10 December 2018)																						
Mrs Claire Palmer	Director of Philanthropy																						
Mrs Rosie Parkyn	Director of Programmes																						
<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 Chartered accountants and statutory auditors Invicta House 108-114 Golden Lane London, EC1Y 0TL																						

## Foreword

2018 was a challenging year for journalists and journalism. Independent monitors reported that murders of journalists targeted for their work nearly doubled over the previous year. At least 80 journalists died in the line of duty, 400 were being arbitrarily detained or were otherwise missing.

All of the above measures increased over the previous year, however Internews has not shied away from this challenging backdrop. Each year, our work supports tens of thousands of journalists and other media workers to play their rightful role in society. We equip them with the tools and skills they need to sustain and grow their work. We strengthen media institutions to navigate the challenges of survival and relevance in the digital world.

This 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. In the words of the Dame Frances Cairncross in her recent review into the survival of journalism, *"For a society to have ready access to high-quality news is essential not just for the moment, but for the long-term sustainability of democracy"*.

In 2018, Internews Europe delivered 32 projects across Africa, Asia, Europe and Eurasia and the Middle East and North Africa. In doing so, we assisted journalists and media organisations to play their role

in tackling some of the major issues of our time: closing civic space, climate change, misinformation and sustainability of trustworthy and professional media, to name but a few.

Our programme portfolio included further expansion of Internews Europe's flagship Human Rights Connect programme, with support from the Swedish International Development Cooperation Agency (SIDA), with additional funding from the European Commission and the French Ministry of Foreign Affairs. With this comes a deepening of organisational expertise for supporting access to reliable news and information in 'closing spaces'; the global context makes this ever more relevant and such expertise will be further brought to bear as we enter into a consortium in early 2019 for one of the UK Department for Development's (DFID) flagship 'UK Aid Connect' programmes supporting Open Societies.

A four-year, SIDA-funded environmental reporting programme moved into implementation phase in 2018 as the world woke up to the urgent need to accelerate efforts to stop global warming. With EC funding in Central Asia we piloted approaches to reducing radicalisation through improved media literacy and increased availability of high quality, independent news content.

In Europe and Eurasia, we saw impressive results for media partners with whom we work with SIDA to promote financial sustainability. In the first year alone, some partners have enjoyed up to 8-fold revenue increases. In turn this has paid for more investigative reporting which, for example, exposed woefully inadequate children's services in Georgia, leading to funding for the construction of new children's centres.

In the UK, we identified a tactical opportunity to address concerns over the demise in local journalism through support to voluntary, community media organisations; seed funding from the Joseph Rowntree Charitable Trust is supporting pilot initiatives in three varied locations.



Mark Stephens CBE, Chair



Daniel Bruce, Chief Executive

Throughout the year, our humanitarian teams played a vital role in supplying life-sustaining information services to the hundreds of thousands of displaced Rohingya people in Bangladesh. Research revealed a significantly positive impact on understanding of, and attitude towards, the humanitarian assistance they were receiving.

We concluded the year having secured further funding from SIDA to deliver a programme which aims to transform the way that the Iraqi media represents women, and thus the social norms and expectations around gender roles within Iraqi society. In a similar vein, Internews launched phase two of a project to Enhance Women's Participation in the Peace Process in Myanmar, funded by the Norwegian Agency for Development Cooperation (NORAD). In addition, we secured our first funding agreement with the German Agency for International Cooperation (GIZ) for a pilot project in Sri Lanka supporting young people to use technology platforms to drive social cohesion.

Overall, the consolidated financial reports show further income growth as a wider range of public and individual donors recognise support to trustworthy media as the issue of our time. Total income increased by 8.18% over 2017, to £8.98m.

2018 was the third full-year of implementation of our 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.

**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 2018. 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 empower people worldwide with the trustworthy, high-quality news and information they need to make informed decisions, participate in their communities, and hold power to account.

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 a greater plurality of views and sources of information about the world around them, by protecting credible sources of news and information.

## *Achievements and Performance*

### DEMOCRACY, HUMAN RIGHTS AND GOVERNANCE PROJECTS

Our flagship Human Rights Connect programme continued to expand in 2018, in turn providing essential support to journalists, media and wider civil society in some of the most challenging conditions for media freedom. It now comprises a portfolio of nine projects funded by a range of donors working with 28 partners in nine countries. The impact for these partners is clear. One Editor-in-Chief says, ‘Internews saved us and took us from the rubble. If not for Internews, we would have shut down’. Another speaks of the increased safety and security enabled by Internews; “[Internews technical support] has helped us sleep better at night, especially since we’ve never had a online security breach since we’ve started being supported by Internews. Our last hacking was in 2015, during the elections, before Internews tech support came online”. A third partner looks beyond basic survival: “Internews’ support for content development in local language, strategy meetings and capacity building workshops (for bloggers) and mentoring are essential to (our) sustainability and growth.”

“Internews saved us and took us from the rubble. If not for Internews, we would have shut down.” —  
*Editor-in-Chief from a partner organisation*



In Europe and Eurasia, the first year of a four-year SIDA-funded Audience Understanding and Digital Support (AUDS) project concluded. The project aims to improve public access to independent news and information on issues that affect peoples' lives in six countries in the region by enhancing the safety and security of human rights defenders and journalists, and by seeking to improve the quality of media content and financial sustainability of selected media partners.



Under the AUDS project, the news site, PMG.ua diversified its coverage by producing a story about the largest Roma community in Ukraine, with the aim of curbing stereotypes about the Roma and showing the realities of their life.

Activities taking place to address the safety and security of human rights defenders included the provision of training to a number of auditors in order to build digital security and IT capacity within the region, SAFETAG<sup>1</sup> digital audits to assess the safety and security of key partner organisations combined with grants to address identified vulnerabilities, and nearly 100 engagements on issues related to website and organisational security. The latter including a Distributed Denial of Service (DDoS) attack on a partner site.

In terms of supporting audience engagement and financial sustainability, the year opened with the production of a curriculum designed to support the development of a cohort of in-region trainers tasked with cascading expertise in audience analytics and digital development. This group then worked with 130 journalists and producers to improve their skills in audience analytics, strategic development of online media, content planning and production and

The average daily audience reach of partner media outlets in Georgia grew by 93% and in Moldova by 67%. Average revenue from online sales in Georgia grew by 90% and in Moldova by 487%.

<sup>1</sup> [www.safetag.org](http://www.safetag.org)

the monetisation of online content. Grants were then disbursed to outlets to develop their bespoke strategies. On average the daily audience reach of partner media outlets in Georgia grew by 93%, Moldova by 67% and Ukraine by 12%. In addition, at least half of all Internews partners increased their revenues from online sales. On average the revenue from online sales of partner media outlets in Georgia grew by 90%, Moldova by 487% and Ukraine by 43%.

In addition, news stories produced with the support of Internews helped to bring real change to local communities. After *Mtisambebi*, an online media outlet in Georgia, published a story about the lack of public services for children in Pshav village, 12,000 GEL (over £3,500) of contributions were made to help the local community establish an informal educational centre serving 50 children.

A handful of partner outlets saw dramatically improved performance. Agora, a Chisinau-based media outlet in Moldova increased its revenues from context advertisement sales by 862%, whilst Marneuli FM, a media outlet serving the information needs of the Azerbaijani minority in Georgia, increased its daily audience reach by 296% between August and December 2018. Local experts coached Marneuli's team to repackage content for Facebook and saw audience reach of its Facebook page increase from 811 to 16,459 views in just two days. The team began to distribute a more diverse set of stories through their social media accounts.

In Ukraine, Internews' assistance resulted in our partner PMG.ua changing its content strategy. The outlet began to balance news on crime and emergencies that generate quick traffic with a more varied and deep coverage of local news. Under the guidance of local experts, editorial staff began to improve story presentation and produce more evergreen content of interest to audiences across the region. In just a few months, PMG's daily reach had increased by 8%.

In the Democratic Republic of Congo (DRC), Internews has been strengthening the professionalism of journalists and media outlets by developing curricula for five journalism schools, including elements focussed on the country's legal framework related to freedom of the press. We have been providing thematic training to journalists, supporting media in content creation and building networks of journalists, experts and human rights organisations. As a result of our work, the media sector in DRC is also benefitting from increased understanding of digital security, more capacity to develop investigative journalism and the means to develop high quality content relevant to Congolese citizens. Meanwhile, in collaboration with a number of local media outlets, a radio and news programme covering the complexities of the electoral process was widely broadcast in the run up to the long-awaited Presidential Election.

Despite only launching in the spring of 2018, our EC-funded project "Contributing to stability and peace in Central Asia through media literacy, improved reporting, and regional cooperation" had made significant inroads by the end of the year. Two important pieces of research were produced to inform the strategy: a qualitative study comprising over 200 interviews with target populations, media professionals and violent extremism experts; and a quantitative study seeking to establish information consumption habits in Kazakhstan, Kyrgyzstan and Tajikistan.

The research pointed to the need for the media to use more careful language when reporting on religious affairs. In all countries, religion is playing an increasingly important role in social life, yet the vast majority of respondents in the research express a strong rejection of radicalism and view it as unrelated to their religion. Reference to the internet as a tool for communicating radical ideas and messages was present in much of the research; analysts working with the project found over a



period of two months, 246 social media accounts containing some extremist content or belonging to groups known to support violent extremism. 140 of those accounts were actively distributing extremist content to over 324,000 subscribers.

The project incubated regional content ideas through Innovation Labs, including *Switch Sides*, focussed on the prevention of social radicalisation happening on the Kyrgyz-Tajik borders, and *Open Borders*, a cross-border TV and multimedia project that will depict the changes to people's lives after the opening of the borders between Tajikistan and Uzbekistan. Over 300 media and communication professionals and young activists received training through this project in 2018. Ten organisations started production on content focussed on relevant issues. An online media literacy campaign produced in Russian and national languages now has more than 4,000 followers and national factchecking platforms in five countries have reached more than 600,000 people. In addition, twenty outlets have been selected for substantial support to increase their financial sustainability.

National factchecking platforms in five countries have reached more than 600,000 people.

Elsewhere, we secured Dutch funding for a project to support a culture of human rights and diversity in Indonesia. We will support more robust reporting on human rights issues through training and the provision of fellowships to develop deep investigative pieces and online initiatives, as well as investments in fact-checking platforms and media literacy campaigns. The aim is to provide an alternative to hate speech which is increasingly prevalent online and enable people to identify hoax content, particularly in the lead up to the country's 2019 elections.



Chief Executive Daniel Bruce (L) with Mary Dowson MBE (R) founder of Bradford Community Broadcasting, one of the initial three partners on the Transmit-Transform project in the UK.

In the UK, Internews undertook the first year of a two-year partnership with the Community Media Association (CMA) designed to strengthen the community media sector in the UK, both as a bulwark to the steep decline in local reporting and a means of supporting community participation and social cohesion. Three radio stations were selected to receive grants under the 'Transmit-



Transform' Business Challenge Fund to deliver innovative revenue-generation projects and simultaneously strengthen their editorial offer with additional training and remote mentoring.

These included the development of two teams of 'grassroots', community-based reporters in Bradford, a strand of local programming in Glastonbury through which young people would build enhanced media literacy skills, and a networking club with associated on-air opportunities for the local business community in Penicuik, Midlothian. Internews also provided significant support to the CMA's annual national conference in Sheffield, providing the opportunity to share a unique information ecosystem approach to identifying local content needs pioneered by Internews in the US. Throughout the year, we have also worked carefully with the CMA and other stakeholders to increase the profile and relevance of community media as a wider solution to the loss of much local journalism.

## ENVIRONMENT PROJECTS

As the first year of our SIDA-funded Earth Journalism Network Asia-Pacific project drew to a close, the project had made good progress towards its aim of strengthening environmental accountability and sustainable development in the region. 95 individual journalists were funded to produce socio-environmental stories, 21 courses and workshops training 381 journalists took place, and grants were made to 16 regional organizations to implement projects that strengthened local coverage of climate change and other socio-environmental issues. In addition, many socio-environmental stories were published on four sub-regional Geo-Journalism websites.



Internews' Earth Journalism Network supported a five-part series on environmental change in the Himalayas produced by Ramesh Bhushal. Here, Aitan Bhandari harvests paddy in Mohoti, Bajura, Nepal, a region hard hit by drought.

Whilst it will take time to realise higher-level outcomes, there are already signs of positive impacts emerging. For example, journalists have been able to engage government officials through stories they have produced with the support of this project, which may in turn influence the discourse around policy options for responding to climate change. With support from an EJN Asia-Pacific story grant, journalist Moushumi Basu published a three-part series of articles highlighting how

some communities in India are replacing chemically-intensive farming methods with climate resilient practices. Her reports included information about the Forum for Indigenous Agricultural Movement (FIAM), an organisation that works to conserve indigenous seed varieties and promotes indigenous farming practices. FIAM reported that Moushumi's work had connected them to new farmers and government agencies interested in adopting their methods.

Elsewhere, there were reports of environmentally destructive infrastructure or development projects being halted or stopped following Internews' support to the publication of stories about them.

Meanwhile in Europe, we launched a project funded by the Oak Foundation to support journalists to monitor and investigate Europe's role in the illegal wildlife trade. In turn, this supported the development and launch of #WildEye, a new digital geojournalism tool which gathers information on seizures, arrests, court cases and convictions related to wildlife crime in Europe for the first time. This will help paint a better picture of the trade, now thought to be worth \$20bn a year globally. By using production grants to support freelance writers on the subject, Internews was able to increase high-profile coverage of the subject in mainstream media outlets. For example, Tristan Martin's investigation into a tiger body-parts smuggling ring based in Prague received international exposure in *The Guardian* in November 2018.



The #WildEye geo-journalism website tracks and plots wildlife crime across Europe

## HUMANITARIAN INFORMATION PROJECTS

In DRC's South Kivu, Internews continued implementing an EC-funded programme aimed at reducing tensions between Burundian refugee and Congolese host communities through dialogue and information sharing. The pressure is felt particularly acutely because this is one of the least visible, and thus least well-funded, humanitarian crises in the world.



Throughout 2018, daily information bulletins were produced to address rumours and misinformation and convey information about the activities of humanitarian organisations operating in the region. In addition, a regional bulletin has been launched which takes contributions from journalists in the other host countries of Uganda, Rwanda and Tanzania.

To further strengthen peaceful coexistence, regular public debates take place in the camps which enable both communities to air their perspectives. Thanks to strong local ownership, both aspects of the project will be sustained beyond the end of the EC funding in 2019.



In Cox's Bazaar, Internews trained a team of 12 community correspondents, evenly split between Rohingyas and Bangladeshis, and nearly half women, to produce a radio show called *Talking Peace*.

In Bangladesh, Internews continued to work with BBC Media Action and Translators without Borders to improve access to information for Rohingya communities by supporting humanitarian and media agencies in their communication efforts within the camps of Cox's Bazaar. The 'Common Service for Community Engagement and Accountability' involves a range of activities, from supporting agencies to set up feedback mechanisms which ensure the needs of the communities they serve are heard and met, tracking rumours circulating in the camps, training interpreters and creating and sharing audio visual content in the Rohingya language.

75% of the Rohingya community said it had become easier to get information over the last six months.

750 people from the Rohingya community and 750 people from the host community were surveyed in July 2018 to assess progress against Internews' initial information ecosystem assessment. The original study in October 2017 revealed that just 23% of Rohingya men and women felt they had enough information to make good decisions for themselves and their families, which rose to 84% in July 2018. 75% of the Rohingya community said it had become easier to get information over the last six months. In addition, 25% of Rohingya people surveyed said they are giving feedback and 82% are satisfied with how it is being handled.

Responding agencies have also said that they find Internews' 'What Matters?' bulletin, which contains trends analysis from the camps, a useful means of understanding concerns within the community.

## HEALTH PROJECTS

In Kenya, our DFID-funded Health Voices Amplified project closed at the end of the year having supported journalists to produce more than 100 original stories about maternal, neonatal and child health. These covered a range of topics from essential knowledge for expectant mothers to new innovations aimed at saving mothers' and children's lives. The stories were written by journalists working in both mainstream and community media.



Journalists participating in Internews' Health Voices Amplified project in Kenya interview a birth companion at her home in Ngalasia, Bungoma County.

The project also secured substantial and much-needed engagement from the Ministry of Health to improve its public information provision around these issues. This led to four media roundtables focussed on sensitive subjects including the launch of the Confidential Enquiry into Maternal Deaths in Kenya report.



## Financial Review

The detailed results for the year and the state of affairs at 31 December 2018 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 £7.65m and income was £8.98m. Year on year, this represents an income increase of 8.18% and a fifth consecutive year of growth. Forecasts for 2019 indicate the potential for further growth. 2018 saw further progress in securing unrestricted income, in particular through the development of a new Corporate Partnership Programme. There was a small surplus contribution of £760 toward the group unrestricted reserves at the end of the year.

### Reserves Policy

The board of trustees reviews the reserves policy on an annual basis. The current minimum target, as reviewed and determined by the trustees in early 2019, is for Internews Europe to hold three months of overhead operating expenditure as unrestricted funds in reserve. At 31<sup>st</sup> December 2018 our unrestricted group reserves were in deficit at (£42,705).

This is lower than the policy target because Internews Europe opened 2018 with an Unrestricted Fund deficit of £43,465. The origins of the unrestricted fund deficit lay in 2012/13 when Internews Europe's headquarters was relocated from Paris to London. From the accounting year of 2015 onwards, the charity has enjoyed in-year surpluses on unrestricted funds, which have gradually reduced the unrestricted deficit.

### Significant Events

Internews continued to invest resources in post-Brexit contingency planning during 2018. Specifically, the charity acquired overall control of a dormant membership body of similar affiliated organisations headquartered in Paris, France. Historical members of this

organisation subsequently retired from the board affording Internews Europe sole authority to appoint the officers of the association, in turn developing it as a subsidiary entity to the UK. This forms an important part of Internews' Brexit contingency planning, creating flexibility to hold grant agreements in either the UK or French entity. Further details are available in 'Group Subsidiaries', below and the financial statements have been duly prepared as group accounts for the year.

As with all other organisations in receipt of funding from the British Government's Department for International Development (DFID), Internews was required to submit a statement of 'safeguarding assurance' early in the year in response to revelations about sexual abuse and exploitation in some international charities. Similar statements and reviews were subsequently required by the development agencies of Norway and Switzerland. To ensure the most rigorous response to this sector-wide issue, Internews subsequently commissioned a review of its overall safeguarding framework, and associated policies, to ensure their fitness for purpose and ease of application. This process was completed mid-year, with updated policies made available to all staff in 6 languages, supported with an annual re-training programme. Further details are included in the 'Risk Management' section of this report.

### Principal funding sources

The majority of our income is derived from public donor agencies supporting international development. Income from private foundations increased slightly year-on-year. Please refer to accounting Note 3 for details.

The year also saw the continuation of much-valued gifts in-kind and unrestricted financial support from the members of our Corporate Partnership Programme.

Sky News, Channel 4 Television, ONE HUNDRED and RAPP are welcomed and thanked for joining the partnership programme in the last year.

The trustees are additionally grateful to the contributions of Arnold & Porter Kaye Scholer LLP, Howard Kennedy LLP, Mayer Brown International LLP, Paul Hastings LLP, 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(d), the Trustees consider it appropriate to prepare the accounts on the going concern basis.

At the end of the 2018 financial year, Internews Europe had been awarded new contracts with a total value of £10.7m over the next 3 years, in addition to existing work/income, with a strong and growing pipeline of other income developing in 2019.

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 2018, individual giving marketing was delivered via an annual crowd-funding campaign and periodic direct email campaigns. 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 applicable 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 in the world.

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. A review of the strategic risk register 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. Specifically, the management group receives information via a more detailed programme portfolio risk register which identifies specific risks and actions required down to the level of each individual project. In turn, this information feeds the overall strategic risk register as reviewed by the trustees.

The trustees believe these actions provide sufficient early warning systems, and the requisite controls and procedures in the event of adverse conditions.

## 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 and 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.
- **Hostile Environment for Media Partners and Support to Media:** worldwide the number of journalists who died in the course of their duties continued to increase in 2018, as did the number held in detention or missing. Established norms that protect the fundamental principles of free expression, and the role of media as a fourth pillar of democracy face increasing hostility in all societies. These trends underscore the global need for Internews' work, but also require increasingly careful assessment of risks to partners involved. Such assessments go on to form the method of operation for individual projects, in such a way that impact can still be achieved whilst preserving partner safety and security.
- **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. This is further described in 'Significant Events', above.
- **Financial:** on-going volatility in the currency markets affecting multi-currency operations and programme budgets continued in 2018. This is mitigated through a well-managed treasury function and highly effective currency planning.

## **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. As described earlier in this report, the overall framework was reviewed, and a number of improvements were made during the course of 2018.

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

2018 was the third year of implementation for our 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, LGBT people, and people with disabilities. 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.

### **Annual Operational Planning**

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 risk resilience of the organisation

## **Strategic Review**

By the end of 2019 Internews will be approaching the end of the current strategy period. Therefore, the coming year will see a review of the existing strategic framework with a view to launching an updated strategy for the period 2020-2024.

This process will involve a wide range of working groups, stakeholder and partner consultation to test and refine the relevance of the current strategy environment, whilst defining new areas for investment and programme activity in order to better respond to emerging global trends.

## 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: Democracy, Human Rights & Governance, Humanitarian Information, Health and the Environment.

The trustees are responsible for the overall governance of the charity. The Board has constituted a committee for Audit, Risk and Governance which meets two to three times a year. The committee, reviews financial reports, annual audits and other risk matters making recommendations to the main board as deemed appropriate.

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.

### GROUP SUBSIDIARIES

#### 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 (by extension including the former Internews France), Internews Network (USA) and a range of national media development organisations in Eastern Europe Central and South Asia. Whilst practical cooperation continued, 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. The transfer of control was confirmed at an Extraordinary General Meeting of Internews International in February 2018. A principle measure of control is that Internews Europe UK, as a corporate member of the French Association, has the sole authority to appoint the officers of President, General Secretary and Treasurer. The revised articles of Internews International make provision for these officers to be members of the Key Management Personnel of Internews Europe UK.

Internews International closed its first year of operations (31 December, 2018) with a surplus of £109,577. The total restricted fund balance closed at £124,914.

### **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 remains dormant on the Irish company register and no further disclosures are required.

### **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**.

### **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, consisting of Key Management Personnel) namely **Mrs Foluke Mogaji**, Senior Director of Finance and Resources, **Ms Camilla Palazzini**, 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 Kate Hart who held the position of Director of Development until October 2018.

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 operates in a **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.

The Alliance has 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.

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

Internews Europe continued to provide some hosting of donor and staff contracts on behalf of the secretariat of the Communicating with Disaster Affected Communities (CDAC) Network (Registered Charity no. 1178168, Company no. 10571501) during 2018.

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, five staff (reducing to one a year end), and management of a public grant. The secretariat has funded its own independent office space since mid-2017.

Internews Europe's CEO, **Mr Daniel Bruce**, was listed was a founding Director of CDAC Network Limited and is an elected trustee of the registered charity. His trustee service term expires in April 2020.

### **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 £86,993, 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 2018, 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 2018 was £407,587 (2017 - £339,816).

## FUNDS HELD AS CUSTODIAN TRUSTEE

During 2018 there were no funds held as custodian trustee on behalf of others.

## STATEMENT OF TRUSTEE'S ROLES AND RESPONSIBILITIES

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.

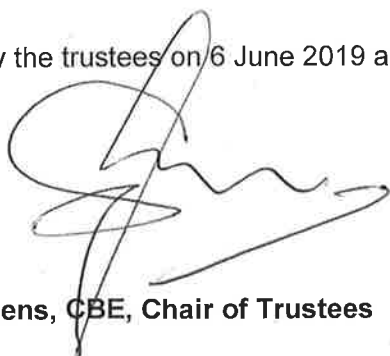
Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at

31 December 2018 was 9 (2017:10). 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 6 June 2019 and signed on their behalf by:

A handwritten signature in black ink, appearing to be 'Mark Stephens', written over a horizontal line.

**Mark Stephens, CBE, Chair of Trustees**

**Photo Credits:** Neil Gavin (pg 3), Steve Evans (pg 6), Daniel Bruce/Internews (pg 8), Nabin Baral (pg 9), Internews (pgs 10, 11, 12)

# Independent auditor's report

## Opinion

We have audited the financial statements of Internews Europe (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2018 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

## Basis for opinion

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

## Conclusions relating to going concern

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

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

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report other than the group financial statements and our auditor's report thereon. Our opinion on the group financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



In connection with our audit of the group financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the group financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company 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 parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional 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 group's or the parent charitable company'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 group's or the parent charitable company'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 group or the parent charitable company 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
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

## Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'Jonathan Orchard', followed by the letters 'LLP'.

Jonathan Orchard (Senior statutory auditor)

13 June 2019

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

Internews Europe

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2018

	Note	Unrestricted £	Restricted £	2018 Total £	Unrestricted £	Restricted £	2017 Total £
<b>Income from:</b>							
Donations and legacies	2	160,059	-	160,059	229,047	-	229,047
Charitable activities							
Democracy, Governance & Human Rights	3	660,493	3,988,084	4,648,577	556,875	4,216,918	4,773,793
Environment	3	34,945	3,281,561	3,316,506	196,229	1,720,178	1,916,407
Humanitarian	3	124,981	732,276	857,257	167,018	1,217,002	1,384,020
<b>Total income</b>		<b>980,478</b>	<b>8,001,921</b>	<b>8,982,399</b>	<b>1,149,169</b>	<b>7,154,098</b>	<b>8,303,267</b>
<b>Expenditure on:</b>							
Raising funds	4	189,189	-	189,189	114,305	-	114,305
Charitable activities							
Democracy, Governance & Human Rights	4	590,764	4,955,863	5,546,628	501,289	3,414,124	3,915,413
Environment	4	80,992	1,017,863	1,098,855	212,372	1,500,338	1,712,710
Humanitarian	4	118,772	695,696	814,468	209,389	1,586,286	1,795,675
<b>Total expenditure</b>		<b>979,718</b>	<b>6,669,422</b>	<b>7,649,140</b>	<b>1,037,356</b>	<b>6,500,748</b>	<b>7,538,103</b>
<b>Net movement in funds</b>		<b>760</b>	<b>1,332,499</b>	<b>1,333,259</b>	<b>111,814</b>	<b>653,350</b>	<b>765,163</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward	15	(43,465)	2,345,074	2,301,609	(155,279)	1,691,724	1,536,445
<b>Total funds carried forward</b>		<b>(42,705)</b>	<b>3,677,573</b>	<b>3,634,868</b>	<b>(43,465)</b>	<b>2,345,074</b>	<b>2,301,609</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.



# Internews Europe

## Balance sheets

Company no. 07891107

As at 31 December 2018

		The group 2018	2017 £	The charity 2018	2017 £
<b>Fixed assets:</b>	Note				
Tangible assets	10	<b>72,891</b>	80,679	<b>72,891</b>	80,679
		<b>72,891</b>	80,679	<b>72,891</b>	80,679
<b>Current assets:</b>					
Debtors	11	<b>1,376,790</b>	1,367,717	<b>1,426,428</b>	1,367,717
Cash at bank and in hand		<b>2,960,241</b>	1,802,923	<b>2,777,602</b>	1,802,923
		<b>4,337,031</b>	3,170,640	<b>4,204,030</b>	3,170,640
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	12	<b>775,053</b>	949,710	<b>773,130</b>	949,710
<b>Net current assets</b>		<b>3,561,978</b>	2,220,930	<b>3,430,900</b>	2,220,930
<b>Total net assets</b>		<b>3,634,869</b>	2,301,609	<b>3,503,791</b>	2,301,609
<b>Funds:</b>					
Restricted income funds	15	<b>3,677,574</b>	2,345,074	<b>3,552,660</b>	2,345,074
Unrestricted income funds:					
General funds		<b>(42,705)</b>	(43,465)	<b>(48,870)</b>	(43,465)
<b>Total funds</b>		<b>3,634,869</b>	2,301,609	<b>3,503,790</b>	2,301,609

Approved by the trustees on 6 June 2019 and signed on their behalf by

Mark Stephens CBE  
Chair of Trustees

Internews Europe

Statement of cash flows

For the year ended 31 December 2018

	Note	2018 £	2017 £
<i>Cash flows from operating activities</i>	16	1,174,669	1,019,865
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(17,352)	(94,397)
<b>Cash flows from financing activities:</b>			
Repayments of borrowing		-	-
<b>Change in cash and cash equivalents in the year</b>		<b>1,157,317</b>	<b>925,468</b>
Cash and cash equivalents at the beginning of the year		1,802,923	877,455
<b>Cash and cash equivalents at the end of the year</b>	17	<b>2,960,240</b>	<b>1,802,923</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. As December 2018, there is a requirement to consolidate the reports of both Internews Europe and Internews International, as control of the latter was achieved in February 2018. Internews Media Development Company (registered in November 2017 in the Republic of Ireland), remained dormant in 2018.

## 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.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary **Internews International** on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

## 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 £43,465. In light of the surplus made in the year, the deficit was £42,705 as at 31 December 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.

## 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.

**1 Accounting policies (continued)**

**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.

**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:

Democracy and governance	67%
Environment	18%
Humanitarian	15%

**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.



Notes to the financial statements

For the year ended 31 December 2018

1 Accounting policies (continued)

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.

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 maintains 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 £	2018 Total £	Unrestricted £	Restricted £	2017 Total £
Donations	62,717	-	62,717	49,958	-	49,958
Gifts/Services in kind	97,342	-	97,342	179,089	-	179,089
	160,059	-	160,059	229,047	-	229,047

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.

Internews Europe

Notes to the financial statements

For the year ended 31 December 2018

3 Income from charitable activities

	Unrestricted £	Restricted £	2018 Total £	Unrestricted £	Restricted £	2017 Total £
Free Press Unlimited (EC)	-	-	-	-	66,543	66,543
UK Department for International Development (DFID) – OPTIONS	240,696	-	240,696	278,920	-	278,920
European Commission – DG Devco	-	11	11	5,072	179,635	184,707
European Commission – ICSP	-	284,034	284,034	-	322,642	322,642
World Vision (IEU) DEPP	-	-	-	-	95,735	95,735
Freedom of Expression	-	-	-	-	239,304	239,304
Ministry of Foreign Affairs, Sweden	-	97,905	97,905	-	74,503	74,503
UK Foreign and Commonwealth Office	-	26,313	26,313	-	26,196	26,196
Swedish International Development Corporation Agency (SIDA)	-	2,038,416	2,038,416	-	2,257,711	2,257,711
United Nations Educational, Scientific and Cultural Organisation (UNESCO)	-	-	-	29,339	-	29,339
IREX	264,355	-	264,355	36,007	-	36,007
Norwegian Agency for Development Cooperation (NORAD)	-	344,159	344,159	-	140,161	140,161
Netherlands Ministry of Foreign Affairs	-	85,165	85,165	-	575,609	575,609
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 funders	128,907	(7,480)	121,427	157,513	-	157,513
European Commission – EIDHR	-	881,978	881,978	-	-	-
The Joseph Rowntree Charitable Trust	-	32,450	32,450	-	-	-
German Development Agency	-	30,585	30,585	-	-	-
French Ministry of Europe and Foreign Affairs (Internews International)	-	174,548	174,548	-	-	-
Other funders	26,535	-	26,535	50,024	-	50,024
<b>Sub-total for Democracy, Human Rights &amp; Governance</b>	<b>660,493</b>	<b>3,988,084</b>	<b>4,648,577</b>	<b>556,875</b>	<b>4,216,918</b>	<b>4,773,793</b>

## 3 Income from charitable activities (continued)

	Unrestricted £	Restricted £	2018 Total £	Unrestricted £	Restricted £	2017 Total £
Christian Aid (DFID)	-	101	101	-	176,759	176,759
European Commission	-	2,640,208	2,640,208	-	263,119	263,119
Addesium Foundation	-	61,964	61,964	-	87,042	87,042
Swedish International Development Corporation Agency (SIDA)	-	494,912	494,912	-	1,079,609	1,079,609
United Nations Educational, Scientific and Cultural Organisation (UNESCO)	508	-	508	57,999	-	57,999
Arcadia Foundation (Charities Aid)	-	-	-	-	113,649	113,649
Oak Foundation	-	84,376	84,376	-	-	-
Other funders	34,437	-	34,437	138,230	-	138,230
<b>Sub-total for Environment</b>	<b>34,945</b>	<b>3,281,561</b>	<b>3,316,506</b>	<b>196,229</b>	<b>1,720,178</b>	<b>1,916,407</b>
	Unrestricted £	Restricted £	2018 Total £	Unrestricted £	Restricted £	2017 Total £
UK Department for International Development (DFID)	-	-	-	-	146,842	146,842
World Vision (CDAC) DEPP	-	82,363	82,363	-	199,920	199,920
Communicating Disasters in Affected Communities (CDAC Network, Membership Income)	-	(30,198)	(30,198)	-	170,323	170,323
Danish Refugee Council (DFID)	-	-	-	-	480,802	480,802
Save the Children UK - (START Network)	-	104,063	104,063	-	138,750	138,750
Souter Trust	-	-	-	5,000	-	5,000
Other funders	-	-	-	162,018	80,365	242,383
UK Department for International Development (DFID) - BBC Media Action	-	147,644	147,644	-	-	-
UK Department for International Development (DFID) - OXFAM	-	100,000	100,000	-	-	-
UK Department for International Development (DFID) - International Rescue Committee	-	33,189	33,189	-	-	-
DG ECHO - BBC Media Action	-	119,477	119,477	-	-	-
International Organisation Migration	-	175,738	175,738	-	-	-
International Committee of the Red Cross	93,945	-	93,945	-	-	-
Various - Core	3,000	-	3,000	-	-	-
Other funders	28,036	-	28,036	-	-	-
<b>Sub-total for Humanitarian</b>	<b>124,981</b>	<b>732,276</b>	<b>857,257</b>	<b>167,018</b>	<b>1,217,002</b>	<b>1,384,020</b>
<b>Total income from charitable activities</b>	<b>820,419</b>	<b>8,001,921</b>	<b>8,822,340</b>	<b>920,122</b>	<b>7,154,098</b>	<b>8,074,220</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.

\* Negative income balances relate primarily to forex adjustments on actual income received.

Notes to the financial statements

For the year ended 31 December 2018

4 Analysis of expenditure (Current year)

	Charitable activities					
	Cost of raising funds £	Democracy, Governance & Human Rights £	Environment £	Humanitarian £	Governance costs £	Support costs £
						2018
						Total £
Staff costs (Note 6)	129,436	2,084,157	552,078	449,470	-	3,875,983
Project delivery costs	1,074	1,790,430	251,023	75,849	-	2,221,135
Rent	-	-	1,566	14,807	-	114,803
Office costs	3,402	15,573	-	5,306	-	59,021
Utilities	-	103,267	19,997	20,579	-	157,357
IT and communications	911	137,764	6,123	25,699	-	204,292
Development costs	3,973	6,778	-	481	-	11,440
Finance costs	640	84,571	2,784	655	-	112,541
Legal and Professional fees	24,341	90	-	270	21,005	213,668
Depreciation	-	-	-	-	-	36,704
Travel costs	25,412	409,486	97,418	61,327	-	642,195
	189,189	4,632,116	930,989	654,443	21,005	7,649,139
Support and governance costs	-	914,511	167,866	160,025	(21,005)	-
Total expenditure 2018	189,189	5,546,627	1,098,855	814,468	-	7,649,139



4 Analysis of expenditure (Prior year)

	Cost of raising funds £	Charitable activities					2017 Total £
		Democracy, Governance & Human Rights £	Environment £	Humanitarian £	Governance costs £	Support costs £	
Staff costs (Note 6)	39,775	1,468,011	836,674	976,600	-	558,814	3,879,874
Project delivery costs	-	1,424,122	217,125	224,065	-	4,694	1,870,006
Rent	-	4,181	8,970	18,395	-	83,064	114,610
Office costs	4,151	27,384	2,028	2,242	-	37,627	73,432
Utilities	-	54,554	52,150	98,304	-	1,336	206,344
IT and communications	476	142,475	19,760	8,014	37	33,289	204,051
Development costs	39,717	-	-	-	-	-	39,717
Finance costs	55	34,715	24,123	7,199	159	53,228	119,479
Legal and Professional fees	720	99	6,431	7,379	18,320	225,705	258,654
Depreciation	-	-	-	-	-	22,002	22,002
Travel costs	29,411	308,091	247,770	150,019	7,360	7,283	749,934
	114,305	3,463,631	1,415,031	1,492,217	25,876	1,027,042	7,538,103
Support costs	-	451,781	297,679	303,458	(25,876)	(1,027,042)	-
Governance costs	-	-	-	-	-	-	-
Total expenditure 2017	114,305	3,915,413	1,712,710	1,795,675	-	-	7,538,103

# Internews Europe

## Notes to the financial statements

### For the year ended 31 December 2018

<b>5 Net income/(expenditure) for the year</b>		
This is stated after charging / (crediting):		
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Depreciation	25,140	22,002
Operating lease rentals:		
Property	82,632	71,896
Auditors' remuneration (net of VAT) :		
Audit UK ( Statutory Audit)	15,000	12,900
Other services – donor audits	43,438	35,250
Foreign exchange gains or losses	21,048	22,423

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

Staff costs were as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Salaries and wages	1,307,813	1,390,767
Social security costs	146,898	151,477
Employer's contribution to defined contribution pension schemes	27,278	11,209
Project staff – Internews NW & other direct contracted staff	2,342,190	2,261,463
Redundancy and termination costs	14,444	21,800
Total emoluments paid to staff were:	<b>3,838,623</b>	<b>3,836,716</b>
Other human resources costs	37,360	43,158
<b>Total staff costs</b>	<b>3,875,983</b>	<b>3,879,874</b>

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

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
£60,000 – £69,999	1	1
£70,000 – £79,999	2	1
£80,000 – £89,999	–	–
£90,000 – £99,999	–	–
£100,000 – £109,999	1	1

The total employee benefits of the key management personnel were **£407,587** (2017: £339,816). 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 (2017: £nil). No charity trustee received payment for professional or other services supplied to the charity (2017: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling **£7,316** (2017: £3,357) incurred by 2 (2017: 2) members relating to attendance at meetings of the trustees.

## Internews Europe

### Notes to the financial statements

#### For the year ended 31 December 2018

#### 7 Staff numbers

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

	2018 No.	2017 No.
Charitable Expenditure	19.08	22.0
Support & Governance	7.92	8.08
Raising Funds	4.25	3.83
	<u>31.25</u>	<u>33.91</u>

Staff of Internews Network, other contractors and local staff working on Internews Europe's projects were 100 (December 2017: 100).

#### 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). Stephen Salyer originally a board member of both entities also stepped down in June 2018. Matt Chanoff is the Internews Network Board representative on the Board of Internews Europe.

During the year, Internews Europe had service contracts with Internews US which amounted to £524,230 (2017: £644,080). Internews Europe also invoiced Internews US for costs paid on its behalf amounting to £167,579 (2017: £229,921). The Internews US debtor balance at the end of the year was £548,849 (2017: £592,612) and the creditor balance was £528,223.63 (2017: £644,080). 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 however, Internews Europe continued to provide oversight over its existing projects during the year and is committed to doing so until the end of the project life. The CEO of IEU, Daniel Bruce, continues to act as a director of CDAC Network. CDAC's balance in Internews Europe's books as of December 2018 is £Nil (2017: £15,198).

Donations amounting to £16,132 (cash and pledges) from trustees have been recognised during the year, (2017- £7,595). Internews Europe maintained its effective control of the French Non-Profit Association, Internews International (RNA no. W751139592, SIRET no. 425 132 347 000 13 APE 913). Internews Media Development, registered as a non-profit entity in Ireland by Internews Europe in 2017, remained dormant.

#### 9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. However the Charity is required to prepare annual corporation tax returns.

**10 Tangible fixed assets****The group and charity**

	Fixtures and fittings £	Office equipment & computers £	Office furniture £	Other £	Total £
<b>Cost</b>					
At the start of the year	102,131	23,919	9,007	-	135,057
Additions in the year	-	16,754	598	-	17,352
Eliminated on disposal	(14,233)	(16,793)	(9,007)	-	(40,033)
At the end of the year	87,898	23,880	598	-	112,376
<b>Depreciation</b>					
At the start of the year	27,152	18,219	9,007	-	54,378
Charge for the year	17,580	7,450	110	-	25,140
Eliminated on disposal	(14,233)	(16,793)	(9,007)	-	(40,033)
At the end of the year	30,499	8,876	110	-	39,485
<b>Net book value at end of the year</b>	<b>57,399</b>	<b>15,004</b>	<b>488</b>	<b>-</b>	<b>72,891</b>
At the start of the year	74,979	5,700	-	-	80,679

All of the above assets are used for charitable purposes.

**11 Debtors**

	The group		The charity	
	2018 £	2017 £	2018 £	2017 £
Accounts receivable	555,895	612,425	555,895	612,425
Programme advances	447,462	309,889	443,188	309,889
Other debtors	33,546	12,251	42,689	12,251
Balance due from subsidiary	-	-	44,769	-
Accrued income	336,611	407,187	336,611	407,187
Prepayments	3,274	25,965	3,274	25,965
	<b>1,376,790</b>	<b>1,367,717</b>	<b>1,426,428</b>	<b>1,367,717</b>

**12 Creditors: amounts falling due within one year**

	The group		The charity	
	2018 £	2017 £	2018 £	2017 £
Trade creditors	631,155	793,701	631,155	793,701
Taxation and social security	77,759	40,044	77,759	40,044
Other creditors	14,427	-	14,427	-
Accruals	51,712	115,965	49,789	115,965
	<b>775,053</b>	<b>949,710</b>	<b>773,130</b>	<b>949,710</b>

## 13 Deferred income

Deferred income in the comparatives comprised CDAC Network membership fees invoiced in advance which related to 2017.

	The group		The charity	
	2018 £	2017 £	2018 £	2017 £
Balance at the beginning of the year	-	204,500	-	204,500
Amount released to income in the year	-	(204,500)	-	(204,500)
Amount deferred in the year	-	-	-	-
Balance at the end of the year	-	-	-	-

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

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	72,891	-	72,891
Net current assets	(115,596)	3,677,573	3,561,977
Net assets at the end of the year	(42,705)	3,677,573	3,634,868

## 14b Analysis of group net assets between funds (prior 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

## 15a Movements in funds (current year) – Group

	Restated At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
<b>Restricted funds:</b>					
Democracy and Governance	1,597,918	3,988,084	(4,955,863)	-	630,139
Environment	724,024	3,281,561	(1,017,863)	-	2,987,722
Humanitarian	23,132	732,276	(695,696)	-	59,712
<b>Total restricted funds</b>	<b>2,345,074</b>	<b>8,001,921</b>	<b>(6,669,422)</b>	<b>-</b>	<b>3,677,573</b>
<b>Unrestricted funds:</b>					
General	(43,465)	980,478	(979,718)	-	(42,705)
<b>Total unrestricted funds</b>	<b>(43,465)</b>	<b>980,478</b>	<b>(979,718)</b>	<b>-</b>	<b>(42,705)</b>
<b>Total funds</b>	<b>2,301,609</b>	<b>8,982,399</b>	<b>(7,649,140)</b>	<b>-</b>	<b>3,634,868</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>					
Democracy and Governance	890,859	4,216,918	(3,414,124)	-	1,693,653
Environment	504,184	1,720,178	(1,500,338)	-	724,024
Humanitarian	296,681	1,217,002	(1,586,286)	-	(72,603)
<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>

Purposes of restricted funds

**Democracy, Governance and Human Rights**

**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.

**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.

**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**

**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.

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**

**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.

<b>16 Reconciliation of net income to net cash flow from operating activities</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Net income for the reporting period (as per the statement of financial activities)	1,333,259	765,164
Depreciation charges	25,140	22,002
(Increase)/decrease in debtors	(9,073)	(69,101)
Increase/(decrease) in creditors	(174,657)	301,800
<b>Net cash provided by operating activities</b>	<b>1,174,669</b>	<b>1,019,865</b>

**17 Operating lease commitments**

	<b>Property</b>		<b>Equipment</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Less than one year	82,632	41,316	1,528	1,146
One to five years	110,176	247,896	2,292	5,730
	<b>192,808</b>	<b>289,212</b>	<b>3,820</b>	<b>6,876</b>

**18 Capital commitments**

At the balance sheet date, the charity had no capital commitments (2017: £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.

**21 Subsidiary undertaking**

The charitable company maintains effective control over Internews International, a company registered in France. The company number is 425 132 347 000 13 (Numero Siret) and charity (Association) number is RNA W751139592 . The registered office address is 21 Bis Rue Du Simplon, 75018 Paris.

The subsidiary is used for charitable activities in Europe. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company.

The Internews Europe's Chief Executive Officer, Senior Director of Finance & Resources, Internews International's Senior Programmes Director and Internews Network Chief Operating Officer, currently constitute the directors of the subsidiary.

## Internews Europe

### Notes to the financial statements

#### For the year ended 31 December 2018

#### 21 Subsidiary undertaking (continued)

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

	2018 £
Turnover	178,270
Cost of sales	(49,634)
Gross profit	128,636
Administrative expenses	(3,240)
Transfer to Parent Company	(15,820)
Operating surplus	109,577
Surplus for the financial year	109,577
The aggregate of the assets, liabilities and funds was:	
Assets	186,912
Liabilities	(55,833)
Funds	131,079

During the year, Internews Europe incurred costs on behalf of Internews International of £44,769 for project activities. These costs were stated on the Charity's balance sheet (Intercompany account) – see note 11.

#### 22 Parent charity

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

	2018 £	2017 £
Gross income	8,804,129	8,303,267
Result for the year	1,217,469	765,163