



Annual Report & Consolidated Financial Statements

INTERNEWS EUROPE
31 DECEMBER 2019

Company number: 07891107
Charity number: 1148404



Internews Europe
Reference and administrative details
For the year ended 31 December 2019

Company number 07891107

Charity number 1148404

Registered office and operational address 43-51 New North Road, London, N1 6LU

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Mr Mark Stephens CBE	Chair
Mrs Daisy McAndrew	Vice-Chair
Mrs Carolyn Hink	Treasurer (from 6 June 2019)
Dr Saleyha Ahsan	
Mr Yann Borgstedt	
Mr Sach Chandaria	Treasurer (until 6 June 2019)
Mr Matt Chanoff	
Mrs Kristina Henschen	
Mr David Hoffman	

Key Management Personnel

Mrs Jodie Ginsberg	Chief Executive Officer (from 9 March 2020)
Mrs Rosie Parkyn	Acting Chief Executive Officer (from 19 September 2019-8 March 2020) and Director of Programmes
Mr Daniel Bruce	Chief Executive Officer (to 18 September 2019)
Mrs Foluke Mogaji	Senior Director of Finance & Resources
Ms Camilla Palazzini	Director of Development
Mrs Claire Palmer	Director of Philanthropy

Bankers Barclays Bank PLC
27 Soho Square
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Chartered accountants and statutory auditors
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Foreword

The opening months of 2019 saw media freedom issues attract unusually high levels of attention globally, and understandably so: the number of countries in which journalists can operate without fear continued to decline, whilst authoritarian practices rose. The British Foreign Office launched a five-year campaign to 'Defend Media Freedom' which will be hosted by the Canadian Government in 2020. The global reach of Internews Europe as part of the Internews Alliance has enabled us to bring the insights and experiences of our partners in over 80 countries to this important, and welcome, policy agenda.

Whilst Internews does not advocate on behalf of individual cases, our commitment to protecting journalists and their sources is reflected in how we have embedded digital and physical security within our extensive and diverse programme of work. Our in-house technology team is ready to provide bespoke and flexible support to partner media outlets which addresses the risks specific to the kind of work they do and the contexts in which they operate. The ability to publish on digital platforms creates great opportunities to broaden reach and circumvent censorship, but it comes with a set of threats that require deep expertise to navigate and mitigate. We consider this one of the most important services that we offer, and we are working hard to build communities of local security experts across the regions in which we are present in readiness for increased demand.

As is well-rehearsed, the threats to independent media are economic as well as political. Across the Internews Alliance, we are supporting partners to develop business and production models which increase audience share, result in diversified income streams and create greater resilience. Naturally, we aim to do this work with media organisations committed to the provision of public service content – objective, impartial and factual information which meets people's needs, particularly those who have limited access. Throughout 2019, we continued to develop United for News, a global initiative to help brands identify high quality content in online spaces so that their programmatic advertising could be directed towards it.

The big international story of the year was arguably the climate change, and I am proud to see the Environment Journalism Network mobilise its hundreds of members worldwide to meet the urgent task of ensuring that communities and governments can make well-informed decisions to mitigate future negative impacts. Central to the EJM approach is a focus on solutions journalism, which seeks to elevate the behavioural, social change and policy approaches which may be needed to respond to the situation, as opposed to the potential devastation ahead. An array of research shows that this is the most effective and productive way to engage people on such issues at a time of heightened news avoidance. It is also worth noting a significant upsurge in demand for security training by our EJM partners: environmental reporting is an increasingly risky beat.

Internews Europe enters 2020 working in 37 countries with a projected budget of £15.4m, its largest yet. In addition, and alongside the Internews Alliance, we will launch a new five-year strategy which pushes us to pay more attention to the digital literacy and digital rights of the 3bn people who will come online by 2025, to be more demanding of the companies and governments responsible for maintaining healthy information environments at local, national and global level,



Mark Stephens CBE, Chair



Jodie Ginsberg, Chief Executive Officer

and to be more active than ever in our efforts to support the providers of high quality information to survive and thrive in the face of economic and political pressure and the ever-rising tides of misinformation and disinformation.

Mark Stephens CBE, Chair of Trustees
Jodie Ginsberg, Chief Executive Officer

The trustees present their report and the audited financial statements for the year ended 31 December 2019. 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

Internews Europe's flagship multi-country, multi-donor programming to inform and empower people in places where freedom of expression is most at risk entered its final year in 2019. Editorial, managerial and digital security support was provided to 44 media outlets, information providers and civil society groups in nine countries, reaching an estimated 3.2 million people. 58% of those who received training and support were women, and 73% of the outlets supported said they felt more resilient in the face of on and offline threats, targeting and attacks thanks to Internews' support.

In Zimbabwe, Internews Europe launched the Zimbabwe Media Development programme, funded by the Swedish Development Agency (Sida) and focussed on the historically marginalised and under-resourced Southern regions of Bulawayo, Matabeleland North, Matabeleland South and Midlands. Working with a range of partners including GeoPoll, NewsGain, Kabatana, the Centre for Innovation and Technology, Digital Society Zimbabwe, the Humanitarian Information Facilitation Centre and the Zimbabwe Association of Community Radio Stations, we will work to ensure that a resilient, digitally-enabled and sustainable independent media and civil society can

reach people with accurate and impartial information that promotes inclusion and accountability in the post-Mugabe era. These partners engage with audiences across a broad range of digital and analogue platforms, including community cinemas, social media, radio and face to face conversations, and will be provided with technical support which best meets their needs and aspirations as well as those of the people they serve, including training in business management, data journalism and digital security. In addition, a number of new start ups will be identified and supported.

We have continued to deliver projects designed to reduce intercommunal tension through support to independent media and high quality information in Indonesia, Sri Lanka, Myanmar, DRC and Central Asia. A variety of context-specific approaches have been deployed, including support to fact-checking organisations and media literacy campaigns, communication training for civil society groups working on social cohesion issues, training in inclusive, conflict sensitive and human rights journalism, and direct support to the production of media output, including radio drama, which brings different groups together to spark conversation around shared issues. This is a challenging and sensitive area in which it is very difficult to measure effectiveness and easy to cause harm, but working through local partners maximises our ability to develop appropriate strategies.



Women, Media and Peace Process in Myanmar, contributing to the sustainability of the peace process via making it more inclusive of women and girls voices.

In Malaysia, political change has increased the space for freedom of expression and government accountability. A new three-year European Commission (EC) funded project 'Suara Masyarakat' (Public Voice) will help realise the media's potential to provide mechanisms to support public participation in processes of reform, including data journalism which support increased transparency. In DRC, the election of a new President in December 2018 marked the first peaceful transfer of power in the nation's history, despite internet shutdowns, the scrambling of broadcast signals, restricted access to social media sites and restrictions on international broadcasters during the campaigning period. During his inaugural address in January 2020, President Tshisekedi pledged to turn the media into a real fourth estate. Internews has a significant presence and strong local partnerships across the country, and is ideally placed to support this aspiration. Internews Europe has secured funding from the EC and Sida to support legal reform and work with

partners to produce high quality journalism and radio content which improves to access to information and provides the space for participation, particularly from women and youth who have traditionally been excluded.

We continue to develop media sustainability as a core component of our work, and currently support emerging media business models in a range of varied contexts. We have seen the most impressive results in Europe and Eurasia, where our partners have increased their audience share and grow revenue from online sales. The data is impressive: on average the daily audience reach of partner media outlets in Armenia grew by 34%, in Georgia by 622% and in Ukraine by 5%. On average the revenue from online sales of partner media outlets in Georgia grew by 253%, in Moldova by 45% and in Ukraine by 61%.

Internews Europe has increased its focus on gender empowerment. We apply a gender lense within all our programming, but in 2019 we undertook three projects specifically designed to be gender transformative. In Iraq, we will develop a scalable model through our four-year Sida-funded programme 'Aswatouna' (Our Voices) to increase the capacity of Iraqi journalists and CSOs to produce gender-sensitive, inclusive content addressing women's rights, to increase the presence of women's voices in the media and public debate, to strengthen women's resilience against gender-based digital attacks, to build leadership opportunities in the media and information space, and to educate Iraqi women on their political and economic rights in the country. In Myanmar, we sought to elevate women's perspectives within the Peace Process with partner the Women League of Burma and with funding from Norad. We provided story grants and opportunities for journalists to engage more deeply in issues at the intersection of gender and peace to improve the quality of reporting, which currently focuses on events rather than personal experiences or analysis of policy questions. In DRC, we were honoured to receive a grant in memory of Jo Cox to strengthen women-led civil society organisations in conflict prevention to reduce the risk of identity-based violence in DRC. Through a series of conflict prevention and analysis and community dialogue activities, this £1m, 24-month project will create innovative early-warning conflict prevention systems that will impact on the lives of an estimated 19 million people.



Internews team, sub-grantees and key stakeholders for 'Aswatouna' (Our Voices) project kickoff hosted in Erbil in June 2019.

In Afghanistan, we have been supported by the Netherlands Ministry of Foreign Affairs to deliver a programme of journalism training and radio drama production with our long-standing partner radio

network Salaam Watandaar. It is designed to increase the volume and quality of coverage of migration, inform people about safe routes and promote discussion around an issue which affects almost everyone in the country yet on which the media is broadly silent. The project launched with a large scale survey to determine levels of knowledge around and attitudes towards migration issues. This will inform the training curricula and programme content by surfacing people's current information needs and preferred sources of information.

Finally, we undertook a co-creation phase for an exciting DFID (UK Department for International Development) funded consortium programme in Myanmar, Kenya and Malawi to develop innovative, collaborative approaches to holding civic space open. We will test and adapt sustainability models for independent media alongside partners focussed on supporting human rights defenders, strengthening legal frameworks and legal defence, and supporting the increased flow of high quality data within the public realm. The expectation is that our collective and carefully integrated efforts yield greater impact, and that we will derive wider learning and policy recommendations for the defence of civic space globally.

ENVIRONMENT PROJECTS

The Earth Journalism Network (EJN) celebrated its 15th year in October with a public discussion to explore the media's performance in covering climate and environmental change. The panellists concluded that journalists and media outlets have an extraordinarily important role to play in addressing global warming by equipping people with information they can use to mitigate the impacts projected to unfold in their immediate communities and contexts, but also to ensure national and international debates are well informed by the full range of potential policy solutions. EJN has never been more relevant, and demand for EJN's services and track record at the forefront of these issues grew in 2019.

Internews Europe's flagship environment project, Sida-funded EJN Asia Pacific, has been underway since 2018. As home to 60% of the world's biodiversity, the region is central to global efforts to tackle environmental degradation and contains many stories that can have far-reaching impacts but limited coverage. The programme works in Thailand, Indonesia, Vietnam, Cambodia, Philippines, India and the Pacific and has taken a three-pronged approach: connecting journalists virtually and in-person to share knowledge and expertise and collaborate on cross-border reporting initiatives, training journalists on how to produce engaging, inclusive, data-led content, and creating multi-media platforms which aggregate environmental stories, publish less-told stories and use placed-based storytelling and data visualization to contextualise events within the broader patterns of change.



Women on way to Lakshmiipur mudflat for plantation. The plantation project at Lakshmiipur mudflat is part of a bigger community-led mangrove plantation initiative NEWS runs in conjunction with livelihood generation efforts across the Sundarbans started in 2010.

The project is delivering for communities. In Thailand, stories produced by EJN media grantee Isaan Record ended the discharge of toxic wastewater from a landfill that was polluting local farmland; in Pakistan, an Internews-supported story on the dangers of a heatwave to slum dwellers led to the legalisation of the slum which gave residents access to much needed public services. In addition, several journalists benefitting from the project have received awards in recognition of their outstanding journalism.

Internews Europe has secured additional funds to deepen and extend EJN's impact. These include support from the Calouste Gulbenkian Foundation and the European Climate Foundation to bring a group of EJN reporters to the SDG 14 Conference and COP 25 respectively. In addition, in 2019, the Oak Foundation has supported journalists to monitor, investigate and expose illegal wildlife trafficking in Europe and develop [#WildEye](#), an online tool that maps seizures, arrests, prosecutions and convictions related to wildlife crime. The resource is the first of its kind to compile such information all in one place and it uses search filters, tags, geolocation and custom online map-making to enable users to track law enforcement interventions that interest them. It is an open source tool, freely available to those who want to use and share it. Also, the Internews Alliance is seeking to minimise its own environmental impact through environmental guidance promoting reduced air travel and sustainability audits across the organisation.

HUMANITARIAN INFORMATION PROJECTS

Internews Europe's involvement in the common service for community engagement and accountability in Cox's Bazar drew to a close in April 2019. The project's effectiveness is clear:

over 50 aid agencies used the services and tools provided to support their engagement with the refugee community, whilst 92% of refugees said in January 2019 that they had enough information to make decisions as compared with 23% in October 2017.

HEALTH PROJECTS

Internews Europe is thrilled to be part of a DFID-funded multi-year collaboration to improve sexual and reproductive health and rights (SRHR) in the most challenging contexts. 2019 saw us work on co-creating technical approaches alongside a group of leading health organisations headed by the International Planned Parenthood Federation and including the London School of Hygiene and Tropical Medicine, who will bring their best-in-class health research expertise to the evaluation of the programme. Other partners include the Women's Refugee Council, Frontline Aids and the Open University. Together we will test and scale approaches to building public support for SRHR and the implementation of effective social accountability systems that actively involve communities in quality monitoring of SRHR commitments and programmes, and ensure dialogue for improvement.

Internews will experiment with the adaptation of communicating with communities (CWC) methodologies developed for humanitarian response to the health sector. Towards the end of 2019, we trained residents of the Kyangwali Refugee Camp to conduct an information ecosystem assessment which explored people's information needs and current sources of trusted information. This will form the basis of the a CWC platform which will improve the flow of health information within the community and quality and utility of feedback to service providers, as well as inform the training and support delivered to Internews's network of health journalists. We expect to roll out similar approaches in Nepal and Mozambique in the years to come.

Financial Review

The detailed results for the year and the state of affairs at 31 December 2019 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 **£9.57m** and income was **£12.75m**. Year on year, this represents an income increase of **42%** and a sixth consecutive year of growth. Forecasts for 2020 indicate the potential for further growth of **20%**. 2019 saw progress in cost efficiencies and together with other unrestricted income resulted in a contribution of **£38,018** 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, equivalent to approximately £500k. At 31st December 2019 our unrestricted group reserves were in deficit at **(£4,687)**. Overall, the unrestricted deficit as of December 2019 reduced by 89% from £42,705 as of 31st December, 2018. 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 and aid foundations for a reserve. In light of the COVID 19 pandemic, the Internews senior management team has conducted a series of stress tests and scenario plans for the coming year to ensure the organisation is well placed to withstand any financial downturn. This includes a 'worst case scenario' model that envisages no new funding whatsoever for the coming year. Though this is considered extremely unlikely given the high volume of opportunities that continue to emanate from European

institutional funders, we believe such planning is prudent in the current circumstances. Even in this worst case scenario, Internews would be able to maintain its current staffing structure through cuts to discretionary budgets (ie. travel, planned new hires). The trustees therefore believe that on the basis of current assessment of C-19 impact they believe that IEU will have sufficient cash flow to keep operating for the next 12 months and so they continue to consider IEU to be a going concern.

Significant Events

Internews Europe's CEO Daniel Bruce, left Internews on 18th September 2019, subsequent to which the incumbent Director of Programmes Rosie Parkyn took up the position on an interim basis. Jodie Ginsberg was appointed CEO in December 2019 and resumed office on 9th March 2020. On 11th March 2020, the World Health Organisation (WHO) declared COVID-19 a global pandemic. The volume of mis- and disinformation accompanying and, arguably, accelerating this crisis swiftly served to underscore the vital importance of Internews' mission – with many funders launching new calls for proposals to address the need for reliable and accessible information.

The Internews Alliance's first priority was to ensure the safety and wellbeing of staff, and on 16th March the entire workforce moved to remote working. The project portfolio was then reviewed to ensure that existing objectives could still be met through online delivery, and that all opportunities to deliver high quality information to equip communities around the world to respond to COVID-19 and hold their governments to account were being exploited, with additional insitutional funding secured towards this. The five year strategy launched in 2020 remained highly relevant, but was adapted to reflect the additional challenges presented by COVID-19. Many of Internews' partners saw an immediate drop in revenue as advertising

dried up. They also had to move quickly to develop new safety protocols and equip themselves with an understanding of the science behind the pandemic. Internews launched a Rapid Response Fund providing grants of up to \$5,000 to enable information providers to continue operating at this crucial moment, in addition to expanding its pool of health information specialists and doubling down on support to freedom of expression as civic space began contracting in a number of countries.

Whilst Brexit had moved further down the news agenda at the time of writing, Internews continued to invest resources in post-Brexit contingency planning during 2019 with registered offices in Paris and Dublin. Further details are available in 'Group Subsidiaries', below with the financial statements showing a consolidated position of both Internews Europe and Internews International as of 31st December, 2019. Internews Media Development, Dublin, remained dormant as at the end of the year.

Further to this, we pursue an aggressive donor diversification strategy which reduces over-reliance on the European Commission for support.

In step with increased focus within the sector on safeguarding issues, the Internews Alliance undertook extensive ethics training focussing on Internews' Code of Conduct in this area in six languages across the organisation. Modules comprise Prevention of Abuse and Safeguarding, Non-Discrimination and Anti-Harassment and Relationships in the Workplace, as well as Business Ethics, Disclosure, Protection and Investigation, and Conflict of Interest. We experienced an upswing in reporting to the ethics committee as a result.

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 and Slaughter & May are welcomed and thanked for joining the partnership programme in the last year.

The trustees are additionally grateful to the contributions of Arnold & Porter, Howard Kennedy LLP, Mayer Brown International 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 2019 financial year, Internews Europe had been awarded new contracts with a total value of **£18.05m** over the next 4 years. This number represents the "total value of new contracts signed in the year, over the project life, less any previous projects where by the donor withdrew or reduced a previously signed contract", in addition to existing work/income, with a strong and growing pipeline of other income developing in 2020.

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 18 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 2019, 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

Global shocks: early 2020 saw the world hit by a global pandemic, the consequences of which are not yet known. Internews has robust operational security protocols which

enabled swift and decisive action to mitigate the health risk to staff across the organisation, and deeply-embedded tools and practices for distributed working which meant a smooth transition to remote working. A Senior Director of Security and Program Operations led key senior staff in rapid decision making on staff travel and office closures and this Emergency Management Team meets regularly for updates on local and global risks presented by the pandemic.

The pandemic is described by many as an 'infodemic', and while we have seen some projects temporarily reduce the pace of delivery to observe social distancing, we have also seen increased demand from funders for work which involves the dissemination of high quality information which enables people to make informed decisions to protect themselves and strengthens civil society efforts to resist increased pressure on freedom of expression, and are able to deliver much of this on digital platforms. We remain concerned about the immediate health and secondary economic, political and societal impacts that COVID-19 may generate in many of the places we work, and retain a watching brief through our Operational Security team. We are aware that the full impact of COVID 19 on the funding landscape is as yet unknown. As the downturn is having a marked impact on the media sector, we expect that international development funding may have to increase to support the sector. The senior team and trustees monitor the situation on a regular basis and the senior team is engaged in a wide variety of scenario planning. On the basis of current assessments it is believed that, through effective cash flow management and good relationships with donors and cost control measures where required, the financial risks from COVID 19 can be effectively managed.

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 2019, 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 leaving the European Union in 2020. 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 2019. 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.

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.

No Serious Incident Notifications were made to the Commission during the period covered by this report.

Plans for the Future

2019 was the fifth and final full year of implementation for our international strategy, 'Information Changes Lives'.

Thus, our overarching approach to planning has been 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 2019 annual operational plan for Internews Europe in the UK focussed 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

During 2019, we undertook a review process involving staff across the Alliance and at least 50 external stakeholders to develop a new strategy to take us to 2025. Over the last five years, the information environments in which we and our partners operate have shifted dramatically. We wanted to capture, analyse and determine responses to the trends responsible before they outpace us.

We began the process by breaking down key issues which both impact on and provide the context for our work, as well as making it more necessary. These were misinformation, disinformation and malinformation, media market collapse, geopolitical influence and the rise of authoritarianism, exponential connectivity and information inequality, and censorship and threats to journalists' security.

Through this deep research and reflection, we updated our understanding of a healthy information ecosystem. The new iteration contains five key elements which ideally coexist: i) good information which is ii) supported by strong business models and iii) which people can access safely and iv) assess critically, and which v) governments and companies are held to account for protecting.

2025 VISION STATEMENT:

By 2025, we seek to realise the potential of a digitally connected world: a world in which evidence-based information advances human progress, enables broad opportunity and accountability, and fuels vibrant civic debate.

2025 GOAL:

Over the next five years, as the next 3 billion people come online, we will join with allies who share our vision, including journalists and technologists, data scientists and legal specialists, as well as artists, advocates, and storytellers. Together, we will build healthy information environments in more than 100 countries across the globe.

In addition, we made two new commitments which are critical to advancing this vision.

First, we are committing to building a Global Change Agenda to complement our deep and long-standing in-country programme expertise. This Global Change Agenda will elevate and bring to bear the experiences, concerns and insights of our partners on the policies, norms, and practices of global players toward building healthier information environments around the world.

Second, we are committing to studying the changes that occur in a community when their information environment improves over time. We will explore our impact around the world and learn which of our approaches are most effective and worth bringing to scale.

We call this 25 x 25, as we aim to focus research effort and external expertise on 25 diverse and representative communities around the world by the end of this strategy in 2025.

The strategy will shape the way we work in 2020 and beyond, driving us to listen more closely to our partners, advocate more loudly on their behalf, work harder to find and support media business models that work, be more demanding in the pursuit of quality and excellence, and in proving that we have achieved it, and finding new partners and avenues to deliver our mission.

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)

Since 2018 Internews Europe has enjoyed effective overall 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 a continental European legal identity after the UK leaves the European Union 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 second year of operations (31st December, 2019) with a

surplus of £7,058. With no new awards in 2019, the restricted fund balance closed at £0 as at 31st December, 2019.

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). This position was held by **Mr Daniel Bruce** for the 5+ years from 24th February 2014 – 18th September 2019. Thereafter, **Mrs Rosie Parkyn** acted as interim Chief Executive Officer until the position was taken up by **Mrs Jodie Ginsberg** on 9th March 2020.

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, for the period when she was not acting as CEO.

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 2019. 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, one member staff and management of a public grant. The secretariat has funded its own independent office space since mid-2017. All residual hosting arrangements had been concluded by November 2019.

Internews Europe's former CEO, **Mr Daniel Bruce**, was listed as a founding Director of CDAC Network Limited and was an elected trustee of the registered charity until 4th September 2019. Thereafter, Internews was represented on the board by Interim CEO **Mrs Rosie Parkyn**.

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 £86,683, 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 2019, 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 2019 was **£347,126** (2018 - £407,587).

FUNDS HELD AS CUSTODIAN TRUSTEE

During 2019 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 £10 to

the assets of the charity in the event of winding up. The total number of such guarantees at 31st December 2019 was **9** (2018:9). 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 2 June 2020 and signed on their behalf by:



Mark Stephens, CBE, Chair of Trustees

Photo Credits: Internews (pg 6), Internews (pg 7), Namrata Acharya (pg 9)

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 2019 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 2019 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 that reads "Sayer Vincent LLP". The signature is written in a cursive, slightly slanted style.

Jonathan Orchard (Senior statutory auditor)

19 June 2020

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 2019

	Note	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Income from:							
Donations and legacies	2	135,146	-	135,146	160,059	-	160,059
Charitable activities							
Democracy, Governance & Human Rights	3	350,511	9,365,675	9,716,186	660,493	3,988,084	4,648,577
Environment	3	50,240	1,760,567	1,810,807	34,945	3,281,561	3,316,506
Humanitarian	3	34,477	1,055,721	1,090,198	124,981	732,276	857,257
Total income		570,374	12,181,963	12,752,337	980,478	8,001,921	8,982,399
Expenditure on:							
Raising funds	4	161,026	-	161,026	189,189	-	189,189
Charitable activities							
Democracy, Governance & Human Rights	4	223,900	5,387,786	5,611,686	590,764	4,955,863	5,546,627
Environment	4	105,753	2,951,448	3,057,201	80,992	1,017,863	1,098,855
Humanitarian	4	41,677	700,288	741,965	118,772	695,696	814,468
Total expenditure		532,356	9,039,522	9,571,878	979,718	6,669,422	7,649,140
Net movement in funds		38,018	3,142,441	3,180,459	760	1,332,499	1,333,258
Reconciliation of funds:							
Total funds brought forward	15	(42,705)	3,677,573	3,634,868	(43,465)	2,345,074	2,301,609
Total funds carried forward		(4,687)	6,820,014	6,815,327	(42,705)	3,677,573	3,634,868

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.

As at 31 December 2019

	Note	The group 2019	2018 £	The charity 2019	2018 £
Fixed assets:					
Tangible assets	10	61,291	72,891	61,291	72,891
		<u>61,291</u>	<u>72,891</u>	<u>61,291</u>	<u>72,891</u>
Current assets:					
Debtors	11	2,469,689	1,376,790	2,651,754	1,426,428
Cash at bank and in hand		5,483,590	2,960,240	5,325,853	2,777,600
		<u>7,953,279</u>	<u>4,337,030</u>	<u>7,977,607</u>	<u>4,204,028</u>
Liabilities:					
Creditors: amounts falling due within one year	12	1,199,243	775,053	1,223,447	773,130
		<u>6,754,036</u>	<u>3,561,977</u>	<u>6,754,160</u>	<u>3,430,898</u>
Net current assets					
		<u>6,815,327</u>	<u>3,634,868</u>	<u>6,815,451</u>	<u>3,503,789</u>
Funds:					
Restricted income funds	15	6,820,014	3,677,573	6,816,578	3,552,659
Unrestricted income funds:					
General funds		(4,687)	(42,705)	(1,127)	(48,870)
Total funds		<u>6,815,327</u>	<u>3,634,868</u>	<u>6,815,451</u>	<u>3,503,789</u>

Approved by the trustees on 2 June 2020 and signed on their behalf by



 Mark Stephens CBE
 Chair of Trustees

Internews Europe

Statement of cash flows

For the year ended 31 December 2019

	Note	2019 £	2018 £
<i>Cash flows from operating activities</i>	16	2,538,599	1,174,669
Cash flows from investing activities			
Purchase of tangible fixed assets		(15,249)	(17,352)
Cash flows from financing activities:			
Repayments of borrowing		-	-
Change in cash and cash equivalents in the year		2,523,350	1,157,317
Cash and cash equivalents at the beginning of the year		2,960,240	1,802,923
Cash and cash equivalents at the end of the year	17	5,483,590	2,960,240

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. In 2018, 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 remains 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 2019 with an Unrestricted Fund deficit of **£42,705**. In light of the in year surplus made in the year, the deficit reduced to **£4,687** as at 31 December 2019.

In light of the COVID 19 pandemic, the Internews senior management team has conducted a series of stress tests and scenario plans for the coming year to ensure the organisation is well placed to withstand any financial downturn. This includes a 'worst case scenario' model that envisages no new funding whatsoever for the coming year. Even in this worst case scenario, Internews would be able to maintain its current staffing structure through cuts to discretionary budgets (ie. travel, planned new hires).

We are aware that the full impact of COVID 19 on the funding landscape is as yet unknown. However, through effective cash flow management and good relationships with donors and cost control measures where required, the financial risks from COVID 19 can be effectively managed. On the basis of current assessment of C-19 impact the trustees believe that IEU will have sufficient cash flow to keep operating for the next 12 months and so they continue to consider IEU to be a going concern.

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	60%
Environment	28%
Humanitarian	11%

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.

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	2019 Total	Unrestricted	Restricted	2018 Total
	£	£	£	£	£	£
Donations	53,180	-	53,180	62,717	-	62,717
Gifts/Services in kind	81,966	-	81,966	97,342	-	97,342
	<u>135,146</u>	<u>-</u>	<u>135,146</u>	<u>160,059</u>	<u>-</u>	<u>160,059</u>

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

3 Income from charitable activities

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
UK Department for International Development (DFID) – OPTIONS	–	108,232	108,232	240,696	–	240,696
European Commission – DG Devco	–	(42,942)	(42,942)	–	11	11
European Commission – ICSP	–	2,699,654	2,699,654	–	284,034	284,034
European Commission – EIDHR	–	566,431	566,431	–	881,978	881,978
Ministry of Foreign Affairs, Sweden	–	94,269	94,269	–	97,905	97,905
UK Foreign and Commonwealth Office	–	30,424	30,424	–	26,313	26,313
Swedish International Development Corporation Agency (SIDA)	–	4,806,963	4,806,963	–	2,038,416	2,038,416
IREX	5,495	–	5,495	264,355	–	264,355
Norwegian Agency for Development Cooperation (NORAD)	–	495,493	495,493	–	344,159	344,159
Ministry for Foreign Affairs of the Netherlands	–	592,985	592,985	–	85,165	85,165
Other funders	323,756	–	323,756	155,442	(7,480)	147,962
The Joseph Rowntree Charitable Trust	–	17,550	17,550	–	32,450	32,450
German Development Agency	–	(6,094)	(6,094)	–	30,585	30,585
French Ministry of Europe and Foreign Affairs (Internews International)	–	2,710	2,710	–	174,548	174,548
Orgsafe – Other	14,760	–	14,760	–	–	–
The Joseph Rowntree Charitable Trust	5,000	–	5,000	–	–	–
Cruach Trust	1,500	–	1,500	–	–	–
Sub-total for Democracy, Human Rights & Governance	350,511	9,365,675	9,716,186	660,493	3,988,084	4,648,577

3 Income from charitable activities (continued)

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Christian Aid (DFID)	-	-	-	-	101	101
European Commission	-	356,052	356,052	-	2,640,208	2,640,208
Addesium Foundation	-	-	-	-	61,964	61,964
Swedish International Development Corporation Agency (SIDA)	-	1,151,747	1,151,747	-	494,912	494,912
United Nations Educational, Scientific and Cultural Organisation (UNESCO)	-	-	-	508	-	508
Oak Foundation	-	72,174	72,174	-	84,376	84,376
Calouste Gulbenkian Foundation	-	50,000	50,000	-	-	-
European Climate Foundation	-	63,004	63,004	-	-	-
The Bertarelli Foundation	-	67,590	67,590	-	-	-
Other funders	50,240	-	50,240	34,437	-	34,437
Sub-total for Environment	50,240	1,760,567	1,810,807	34,945	3,281,561	3,316,506

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
World Vision (CDAC) DEPP	-	-	-	-	82,363	82,363
Communicating Disasters in Affected Communities (CDAC Network, Membership Income)	-	-	-	-	(30,198)	(30,198)
Danish Refugee Council (DFID)	-	34,898	34,898	-	-	-
Save the Children UK – (START Network)	-	44,475	44,475	-	104,063	104,063
Other funders	19,800	-	19,800	-	28,036	28,036
UK Department for International Development (DFID) – BBC Media Action	-	17,795	17,795	-	147,644	147,644
UK Department for International Development (DFID) – OXFAM	-	65,190	65,190	-	100,000	100,000
UK Department for International Development (DFID) – International Rescue Committee	-	14,224	14,224	-	33,189	33,189
UK Department for International Development International Planned Parenthood Federation (IPPF)	-	152,077	152,077	-	-	-
DG ECHO – BBC Media Action	-	-	-	-	119,477	119,477
International Organisation Migration	-	44,987	44,987	-	175,738	175,738
International Committee of the Red Cross	(323)	-	(323)	93,945	-	93,945
Various – Core	15,000	-	15,000	3,000	-	3,000
Ministry for Foreign Affairs of the Netherlands	-	682,075	682,075	-	-	-
Sub-total for Humanitarian	34,477	1,055,721	1,090,198	96,945	760,312	857,257
Total income from charitable activities	435,228	12,181,963	12,617,191	792,383	8,029,957	8,822,340

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 and unspent funds payable back to donors.

4 Analysis of expenditure (Current year)

	Charitable activities						2019	Total
	Cost of raising funds	Democracy, Governance & Human Rights	Environment	Humanitarian	Governance costs	Support costs		
	£	£	£	£	£	£	£	
Staff costs (Note 6)	100,509	2,405,028	1,135,943	447,676	–	396,969	4,486,125	
Project delivery costs	927	1,870,744	1,186,458	124,483	2,555	29,780	3,214,947	
Rent	–	22,938	23,325	13,046	–	97,239	156,548	
Office costs	542	171,316	68,806	33,562	–	35,588	309,814	
Utilities	–	3,958	2,029	136	–	–	6,123	
IT and communications	263	95,600	7,587	(2,592)	–	53,381	154,239	
Development costs	1,643	–	–	–	–	1,918	3,561	
Finance costs	109	(2,748)	6,853	6,577	82	60,940	71,813	
Legal and Professional fees	22,023	73,473	47,088	775	33,156	156,938	333,453	
Depreciation	–	–	–	–	–	26,849	26,849	
Travel costs	35,010	434,397	261,891	44,891	196	32,021	808,406	
	161,026	5,074,706	2,739,980	668,554	35,989	891,623	9,571,878	
Support and governance costs	–	536,980	317,221	73,411	(35,989)	(891,623)	–	
Total expenditure 2019	161,026	5,611,686	3,057,201	741,965	–	–	9,571,878	

4 Analysis of expenditure (Prior year)

	Cost of raising funds £	Charitable activities					2018	Total £
		Democracy, Governance & Human Rights £	Environment £	Humanitarian £	Governance costs £	Support costs £		
Staff costs (Note 6)	129,436	2,084,157	552,078	449,470	-	660,842	3,875,983	
Project delivery costs	1,074	1,790,430	251,023	75,849	-	102,759	2,221,135	
Rent	-	-	1,566	14,807	-	98,430	114,803	
Office costs	3,402	15,573	-	5,306	-	34,740	59,021	
Utilities	-	103,267	19,997	20,579	-	13,514	157,357	
IT and communications	911	137,764	6,123	25,699	-	33,795	204,292	
Development costs	3,973	6,778	-	481	-	208	11,440	
Finance costs	640	84,571	2,784	655	-	23,891	112,541	
Legal and Professional fees	24,341	90	-	270	21,005	167,962	213,668	
Depreciation	-	-	-	-	-	36,704	36,704	
Travel costs	25,412	409,486	97,418	61,327	-	48,552	642,195	
	189,189	4,632,116	930,989	654,443	21,005	1,221,397	7,649,139	
Support and governance costs	-	914,511	167,866	160,025	(21,005)	(1,221,397)	-	
Total expenditure 2018	189,189	5,546,627	1,098,855	814,468	-	-	7,649,139	

5 Net income/(expenditure) for the year

This is stated after charging / (crediting):

	2019 £	2018 £
Depreciation	26,849	25,140
Operating lease rentals:		
Property	82,632	82,632
Auditors' remuneration (net of VAT) :		
Audit UK (Statutory Audit)	16,820	15,000
Other services – donor audits	96,232	43,438
Foreign exchange gains or losses	37,169	21,048

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

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	1,255,881	1,307,813
Social security costs	138,711	146,898
Employer's contribution to defined contribution pension schemes	48,570	27,278
Project staff – Internews NW & other direct contracted staff**	2,976,175	2,342,190
Redundancy and termination costs	15,372	14,444
Total emoluments paid to staff were:	4,434,709	3,838,623
Other human resources costs	51,416	37,360
Total staff costs	4,486,125	3,875,983

**** Project costs include amounts paid to staff based in Paris.**

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

	2019 No.	2018 No.
£60,000 – £69,999	2	1
£70,000 – £79,999	1	2
£80,000 – £89,999	–	–
£90,000 – £99,999	2	–
£100,000 – £109,999	–	1

The total employee benefits of the key management personnel were **£405,876** (2018: £407,587).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling **£1,267** (2018: £7,316) incurred by 2 (2018: 2) members relating to attendance at meetings of the trustees.

7 Staff numbers

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

	2019 No.	2018 No.
Charitable Expenditure	16.00	19.1
Support & Governance	8.00	7.92
Raising Funds	4.00	4.25
	<u>28.00</u>	<u>31.25</u>

Staff of Internews Network, other contractors and local staff working on Internews Europe's projects were 110 (December 2018: 100). Total staff engaged on Internews Europe's projects by the staff of Internews Network are estimated at 152

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. Matt Chanoff is the Internews Network Board representative on the Board of Internews Europe. Carolyn Hink was appointed to the Board of Internews Europe on 17 January 2019 and subsequently replaced Sach Chandaria as Treasurer. The IEU Chief Executive Officer, Senior Director of Finance & Resources and the company's Treasurer, are on the board of Internews International, based in Paris.

During the year, **Internews Europe had service contracts with Internews US which amounted to £720,482 (2018: £524,230)**. Internews Europe also invoiced Internews US for costs paid on its behalf amounting to **£176,409 (2018: £167,579)**. The Internews US debtor balance at the end of the year was **£927,842 (2018: £548,849)** and the creditor balance was **£732,199 (2018: £528,223)**. Internews Europe, also supported the implementation of projects of its subsidiary, Internews International (based in Paris) amounting to **£157,792** during the year. Internews International also provided services to Internews Europe amounting to **£6,250** as of the end of the financial year ended 31 December, 2019. 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, with the last humanitarian project ending in July 2020. The CEO of Internews Europe, continues to act as a director of CDAC Network.

Donations amounting to **£7,818 (cash and pledges) from trustees** have been recognised during the year, (2018– £16,132). 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.

10 Tangible fixed assets

The group and charity

	Fixtures and fittings £	Office equipment & computers £	Office furniture £	Total £
Cost				
At the start of the year	87,898	23,880	598	112,376
Additions in the year	3,747	11,502	-	15,249
At the end of the year	91,645	35,382	598	127,625
Depreciation				
At the start of the year	30,499	8,876	110	39,485
Charge for the year	17,767	8,962	120	26,849
At the end of the year	48,266	17,838	230	66,334
Net book value at end of the year	43,379	17,544	368	61,291
At the start of the year	57,399	15,004	488	72,403

All of the above assets are used for charitable purposes.

11 Debtors

	The group		The charity	
	2019 £	2018 £	2019 £	2018 £
Accounts receivable	969,903	555,895	969,903	555,895
Programme advances	496,062	447,462	517,834	443,188
Other debtors	46,433	33,546	48,933	42,689
Balance due from subsidiary/other	-	-	157,792	44,769
Accrued income	940,454	336,611	940,454	336,611
Prepayments	16,838	3,274	16,838	3,274
	2,469,689	1,376,790	2,651,754	1,426,428

12 Creditors: amounts falling due within one year

	The group		The charity	
	2019 £	2018 £	2019 £	2018 £
Trade creditors	890,537	631,155	886,211	631,155
Taxation and social security	51,671	77,759	51,671	77,759
Other/Sundry creditors	6,069	14,427	28,349	14,427
Other Intercompany	-	-	6,250	-
Accruals	105,163	51,712	105,163	49,789
Deferred income (note 13)	145,803	-	145,803	-
	1,199,243	775,053	1,223,447	773,130

13 Deferred income

Deferred Income shown, relates to pre-financed monies received, unspent and unearned as at the year end.

	The group		The charity	
	2019	2018	2019	2018
	£	£	£	£
Balance at the beginning of the year	-	-	-	-
Amount released to income in the year	-	-	-	-
Amount deferred in the year	145,803	-	145,803	-
Balance at the end of the year	145,803	-	145,803	-

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

	General unrestricted	Restricted funds	Total funds
	£	£	£
Tangible fixed assets	61,291	-	61,291
Net current assets	(65,978)	6,820,014	6,754,035
Net assets at the end of the year	(4,687)	6,820,014	6,815,327

14b Analysis of group net assets between funds (prior 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

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
	£	£	£	£	£
Restricted funds:					
Democracy and Governance	630,139	9,365,675	5,387,786	-	4,608,028
Environment	2,987,722	1,760,567	2,951,448	-	1,796,841
Humanitarian	59,712	1,055,721	700,288	-	415,145
Total restricted funds	3,677,573	12,181,963	9,039,522	-	6,820,014
Unrestricted funds:					
General	(42,705)	570,374	532,356	-	(4,687)
Total unrestricted funds	(42,705)	570,374	532,356	-	(4,687)
Total funds	3,634,868	12,752,337	9,571,878	-	6,815,327

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 £
Restricted funds:					
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
Total restricted funds	2,345,074	8,001,921	(6,669,422)	-	3,677,573
Unrestricted funds:					
General	(43,465)	980,478	(979,718)	-	(42,705)
Total unrestricted funds	(43,465)	980,478	(979,718)	-	(42,705)
Total funds	2,301,609	8,982,399	(7,649,140)	-	3,634,868

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.

16 Reconciliation of net income to net cash flow from operating activities		
	2019	2018
	£	£
Net income for the reporting period (as per the statement of financial activities)	3,180,459	1,333,259
Depreciation charges	26,849	25,140
(Increase)/decrease in debtors	(1,092,899)	(9,073)
Increase/(decrease) in creditors	424,190	(174,657)
Net cash provided by operating activities	2,538,599	1,174,669

17 Operating lease commitments

	Property		Equipment	
	2019	2018	2019	2018
	£	£	£	£
Less than one year	82,632	82,632	1,528	1,528
One to five years	27,544	110,176	764	2,292
	<u>110,176</u>	<u>192,808</u>	<u>2,292</u>	<u>3,820</u>

18 Capital commitments

At the balance sheet date, the charity had no capital commitments (2018: £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 £10

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 Europe's Treasurer (Trustee) and Internews Network's Chief Operating Officer, currently constitute the directors of the subsidiary.

21 Subsidiary undertaking (continued)

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

	2019 £	2018 £
Turnover	8,328	199,773
Cost of sales	(119,371)	(49,634)
Gross profit	(111,043)	150,139
Administrative expenses	(12,978)	(3,240)
Transfer to Parent Company	-	(15,820)
(Deficit)/surplus for the financial year	(124,021)	131,079
Reserves		
Brought forward	131,079	-
(Deficit)/surplus for the year	(124,021)	131,079
	7,058	131,079
The aggregate of the assets, liabilities and funds was:		
Assets	164,417	186,912
Liabilities	(157,359)	(55,833)
Total funds	7,058	131,079

During the year, Internews Europe incurred costs on behalf of Internews International of £157,792 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:

	2019 £	2018 £
Gross income	12,746,511	8,798,435
Result for the year	3,311,662	1,202,182