



Annual Report & Consolidated Financial Statements

INTERNEWS EUROPE
31 DECEMBER 2020

Company number: 07891107
Charity number: 1148404



Company number	07891107																		
Charity number	1148404																		
Registered office and operational address	43-51 New North Road, London, N1 6LU																		
Trustees	<p>Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:</p> <table> <tr> <td>Mr Mark Stephens CBE</td><td>Chair</td></tr> <tr> <td>Mrs Daisy McAndrew</td><td>Vice-Chair</td></tr> <tr> <td>Mrs Carolyn Hink</td><td>Treasurer</td></tr> <tr> <td>Dr Saleyha Ahsan</td><td></td></tr> <tr> <td>Mr Yann Borgstedt</td><td></td></tr> <tr> <td>Mr Sach Chandaria</td><td></td></tr> <tr> <td>Mr Matt Chanoff</td><td></td></tr> <tr> <td>Mrs Kristina Henschen</td><td></td></tr> <tr> <td>Mr David Hoffman</td><td></td></tr> </table>	Mr Mark Stephens CBE	Chair	Mrs Daisy McAndrew	Vice-Chair	Mrs Carolyn Hink	Treasurer	Dr Saleyha Ahsan		Mr Yann Borgstedt		Mr Sach Chandaria		Mr Matt Chanoff		Mrs Kristina Henschen		Mr David Hoffman	
Mr Mark Stephens CBE	Chair																		
Mrs Daisy McAndrew	Vice-Chair																		
Mrs Carolyn Hink	Treasurer																		
Dr Saleyha Ahsan																			
Mr Yann Borgstedt																			
Mr Sach Chandaria																			
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Mrs Kristina Henschen																			
Mr David Hoffman																			
Key Management Personnel	<table> <tr> <td>Ms Jodie Ginsberg</td><td>Chief Executive Officer (from 9 March 2020)</td></tr> <tr> <td>Ms Rosie Parkyn</td><td>Acting Chief Executive Officer (to March 2020) and Global Director of Impact</td></tr> <tr> <td>Mrs Foluke Mogaji</td><td>Senior Director of Finance & Resources</td></tr> <tr> <td>Ms Camilla Palazzini</td><td>Director of Development (resigned 16 October 2020)</td></tr> <tr> <td>Mrs Claire Palmer</td><td>Director of Philanthropy</td></tr> <tr> <td>Mr Denis Kovalenko</td><td>Head of Grants, Contracts & Compliance (from 1 July 2020)</td></tr> </table>	Ms Jodie Ginsberg	Chief Executive Officer (from 9 March 2020)	Ms Rosie Parkyn	Acting Chief Executive Officer (to March 2020) and Global Director of Impact	Mrs Foluke Mogaji	Senior Director of Finance & Resources	Ms Camilla Palazzini	Director of Development (resigned 16 October 2020)	Mrs Claire Palmer	Director of Philanthropy	Mr Denis Kovalenko	Head of Grants, Contracts & Compliance (from 1 July 2020)						
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Bankers	<p>Barclays Bank PLC 27 Soho Square London W1D 3QR</p>																		
Solicitors	<p>Bates, Wells and Braithwaite 10 Queen Street Place London EC4R 1BE</p>																		
Auditor	<p>Sayer Vincent LLP Chartered accountants and statutory auditors Invicta House 108-114 Golden Lane London, EC1Y 0TL</p>																		

Foreword

This year has been a year like no other in Internews' experience. A global pandemic changed almost overnight the way businesses operated around the world, it directly impacted the lives of billions, and demonstrated like never before that information is literally lifesaving.

Internews Europe experienced its highest levels of growth in 2020, testament to the importance of accurate and trustworthy information during a crisis. We secured funding for our first ever European-funded projects in Latin America and the Caribbean and launched programmes to tackle COVID 19 mis- and disinformation in the African Great Lakes region and in Afghanistan, among others. We also continued to operate in countries where freedom of expression is highly restricted.

Pivoting to remote work was challenging for all teams. Some projects were put on hold as adjustments were made to plans for in-person training to move to online formats. Our in-house global technology expertise enabled us to make that shift at remarkable speed and success and we are extremely proud at the initiative and resilience shown by our teams worldwide.

Our swift response to the crisis was also demonstrated in our launch of a Rapid Response Fund within weeks of the first lockdowns. Over the course of four months, we distributed \$600,000 in small emergency grants to local media, civil society organisations and journalists in more than 60 countries. In total over \$500,000 was paid out to local organisations and \$90,000 to individuals, (primarily working as journalists). As traditional sources of revenue, such as advertising, dropped, these funds provided a lifeline for organisations that serve marginalised and excluded communities worldwide.

We established a network of global health advisors to support journalists to report on the pandemic and are pleased to have established the Health Journalism Network to bring together hundreds of local journalists and editors worldwide to share knowledge and expertise on reporting on health.

While health dominated the headlines, climate change remains the pressing issue of our time. Our Environment Journalism Network continued to mobilise its hundreds of members worldwide to meet the urgent task of communicating these stories. As we look to the UN Climate Change conference in November 2021, we expect these stories to have even greater prominence in the news agenda.

We also continued to work at the global level, as part of the Internews Alliance, to bring the insights and experiences of our partners in over 80 countries to the policy agenda on issues related to media freedom and freedom of expression, including online – where we have a wealth of expertise derived from years of work with local digital rights groups and activists.



Mark Stephens CBE, Chair



Jodie Ginsberg, CEO

Internews' technology knowledge, combined with newly acquired media business consultancy – Newsgain – allows us to provide bespoke, flexible and rapid support to partner media outlets that addresses the specific risks they face 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 these dual offerings – technology support and business advisory services – some of the most important services that we offer, and services that are increasingly in demand as civic space shrinks globally and financial burdens for media outlets increase.

Internews Europe enters 2021 working in **27** countries with an approved budget of **£21.6m**, its largest yet. We do so firm in the knowledge that providing access to accurate and trustworthy information is more important than ever and with renewed hope and energy that we are building the networks, expertise and advocacy skills to make this happen.

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 2020. 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.

Strategic report

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 was renewed for a further four years in 2020. Editorial, managerial and digital security support was provided to 51 media outlets, information providers and civil society groups in nine countries, reaching an estimated 7.2 million people. 56% 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 entered the second year of 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, News Gain, Kabatana, the Centre for Innovation and Technology, Digital Society Zimbabwe, the Humanitarian Information Facilitation Centre and the Zimbabwe Association of Community Radio Stations, we have worked 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, several new start-ups have been identified and supported. These other start-ups are providing alternative options to people in marginalised and underserved parts of the country to have a voice in issues that affect their lives.

Due to the COVID 19 induced lockdowns, the Zimbabwe office collaborated innovatively with partners and stakeholders to virtually implement most of the planned activities. In addition, the office responded fast to the COVID pandemic by **launching the campaign 'Information Saves Lives' to counter the rampant misinformation and disinformation around the virus**. This was done through a multi-lingual series of radio programs that hosted critical stakeholders and prompted vibrant feedback from community members. In collaboration with local partner organisations, the focus was shifted to spread accurate and reliable information about the pandemic. The response to COVID – 19 was very impactful; the research collaboration undertaken by Harvard University researchers validated this claim.

Great Lakes Region: Internews Europe received funding for Covid -19 over 14 months. This work is to be implemented by Internews Europe in partnership with Pole Institute and International Alert in the Great Lakes region, Burundi, Rwanda, Eastern Democratic Republic of Congo (Ituri, North and South Kivu, Tanganyika), Uganda (Kyangwali) and Western Tanzania (Kigoma). The project is a continuation of the work of Pole Institute, International Alert and Internews in the region, that was dedicated to the Ebola response, conflict prevention and improvement of information ecosystems and the fight against rumours and false information. Some key achievements of this work to date include:

- Production of more than 50 regional radio bulletin and thousands of media contents on issues related to Covid 19 and peace building in the Great Lake region disseminated and broadcasted by a network of more than 80 medias
- Production of rumour tracking bulletins, radio shows and debates
- Regular training and mentoring for journalists of the region on health, covid, vaccine reporting and fact checking
- Support various awareness raising activities to stop the spread of the virus and prevent conflicts in the regions
- Monitoring of the press and media freedom in the context of the pandemic restrictions, 4 quarterly monitoring report and various advocacy activities
- Community based sensitization, community-based radio shows
- Support community-based organizations in preventing conflicts including covid provoked by the pandemic
- Research on conflict and advocacy for conflict resolution
- Training authorities and humanitarian agencies on gender, conflict sensitivity and the way to communicate and work with media

Work in Central Asia: during the year, Internews continued implementing the “Strengthening Resilience to Radicalisation and Disinformation in Central Asia through Independent Media (Phase II)”, a follow-up intervention which built on lessons learnt from the Phase I “Contributing to stability and peace in Central Asia through media literacy, improved reporting and regional cooperation” project.

A study commissioned by Internews in 2020, , examined how vulnerable communities consume news and information in Central Asia. Revealing widespread mistrust of information providers, the study pointed to the difficulty of reaching communities with verified information, particularly on COVID-19, and helped to offer workable solutions.

Other activities carried out under this project include:

- Two research studies: one into radicalisation leading to violent extremism in Central Asia and the second into media and information consumption among labour migrants, ethnic minorities, and refugees
- 28 media professionals and communication experts from Kazakhstan, the Kyrgyz Republic, Tajikistan, and Uzbekistan completed a 140-hour regional training of trainers (ToT) on conflict-sensitive journalism and conflict-sensitive communications. Internews together with the project partners and the 28 ToT alumni conducted 33 on-site workshops on conflict-sensitive reporting, security, and social media for 398 journalists, bloggers, civic activists, press officers and religious/community leaders. 196 local religious and community leaders learnt how to produce quality content on social media
- 760 local content producers completed 13 training sessions of an extended online capacity building programme on effective online and social media health communication
- Trained content producers implemented 39 media projects producing more than 1,000 pieces of content on conflict-sensitive issues
- 6 regional media forums and media labs conducted with a total of 650 participants (media professionals, civic activists, religious leaders, educators, state officials and experts)
- 4 Idea Fests organised as part of #IdeaChallenge campaign
- 438 socially relevant concept ideas submitted; 200 final ideas selected for Idea Fests; 106 ideas transformed into viable projects; 8 projects supported by Internews for funding
- “Three Dots. Know What You Browse” online media literacy campaign operating in four countries and on a regional level reaching 38 million online users
- 109 stipends and grants awarded for content production

In Malaysia, our European Commission (EC) funded project ‘Suara Masyarakat’ (Public Voice) is helping to 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, with funding from the EC and Sida we have been able to support legal reform and work with partners to produce high quality journalism and radio content which improves access to information and provides the space for participation, particularly from women and youth who have traditionally been excluded.

SPOTLIGHT ON: MEDIA SUSTAINABILITY

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. This was significantly enhanced following the acquisition by Internews Network of media business consultancy Newsgain in 2020.

We continued to see impressive results from our work on media sustainability in Europe and Eurasia, where our partners have increased their audience share and grow revenue from online sales.

In 2020, the average the daily audience reach of partner media outlets in our Sida-funded AUDS project grew by 35 percent in Armenia, by 102 percent in Georgia, by 131 percent in Moldova and 17 percent in Ukraine. Ambrolauris Khma, a small outlet from Georgia, increased its audience reach through the production of multimedia and news stories on socially significant issues, such as the effects of the COVID-19 pandemic on local communities. The average daily audience grew by 377 percent from 123 average daily users in February of 2020 to 523 users in November of that year. The number of media outlet's followers on Facebook grew from 1,112 in February of 2020 to 5,828 in November of that year.

At least half of all partner media outlets increased their revenues from online sales. On average the revenues from online sales of partner media outlets in Armenia grew by 1.5 percent, in Georgia: 34 percent, in Moldova: 336 percent, and in Ukraine: 67 percent. Stiri positive, a media outlet in Moldova, increased its online revenues by 586 percent from 250 euros in March of 2020 to 1,715 euros in October that year. Within the project, the outlet produced five infographics that featured women and girls who have transformed their passion into successful small businesses. Following this, a private company commissioned Stiri positive to create a set of infographics and visual products for commercial purposes.

Internews Europe continues to focus on women's empowerment. We apply a gender lens within all our programming, but we also have projects specifically designed to be gender transformative.

In Iraq, our Sida-funded programme 'Aswatouna' (Our Voices) is helping to increase the capacity of Iraqi journalists and Civil Society Organisations as (CSO)s 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" funded 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.



Mahbooba Mohammadi, a Salaam Watandar Reporter in Balkh, has observed changes in the perceptions of audiences around irregular migration as a result of their radio programmes.

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. We were also pleased to new funding in 2020 from the European Commission to support local media organisations in tackling COVID in the country.

In addition, we were able to launch work in the Great Lakes region of Africa and in Latin America and the Caribbean to support local news outlets in reporting on the pandemic thanks to funding from the Commission. The Latin America work follows the success of our inaugural Rapid Response Fund, seeded with \$500,000 in support from Luminate, which provided emergency grants to media and civil society organisations so they could continue to operate during the pandemic.



Poster of the first call for participation of the Rapid Response Fund in Latin America and the Caribbean.

ENVIRONMENT PROJECTS

The **Earth Journalism Network (EJN)** celebrated its **16th year in October**. 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.

The project is delivering for communities.



An environmental journalism workshop carried out by Foundation for Community Educational Media (FCEM) in Thailand, focused on reporting on climate change and climate justice.

HEALTH PROJECTS

Internews Europe is part of a FCDO-funded multi-year collaboration to improve sexual and reproductive health and rights (SRHR) in the most challenging contexts. 2020 saw us undertake work in Uganda building public support for these rights using a network of community correspondents in the Kyangwali Refugee Camp. The correspondents, residents of the camp, were trained on “communicating with communities (CWC)” methodologies developed for humanitarian response to the health sector and adapted for the local context.

Health Projects – Covid -19

Our Information Saves Lives Rapid Response Fund made more than 180 grants averaging \$3,000 each to small media organisations, journalists and civil society organisations in more than 40 countries. Of the nearly 1,000 applications we received, most sought funding so they could provide content for marginalized communities who faced language barriers, stigma, or other obstacles to receiving information.

For example, Tinig focused on the Filipino community in the UK, many whom work in health care, and a disproportionate number of whom have contracted and died from COVID-19. The UK Filipino community did not have an online news site dedicated to their interests and needs, until Tinig launched with Rapid Response funds. Many others sought funding to survive as organizations and continue their operations. Like media all around the world, their ability to earn revenue was hit hard by the pandemic, while the need for their work was higher than ever.

Grantees including The Associacao Data Labe in Brazil used Rapid Response funds to sustain their operations and report data on COVID-19 in their community. As a non-profit media outlet located in Favela da Maré, one of the largest slums in Brazil, they serve 140,000 favela residents in one of the countries hardest-hit by COVID-19.



ASFEV distributed portable radios to women so they could get information about COVID-19 and other matters.

In total, Internews Europe received more than \$8 million in funding for COVID 19 related work: in Afghanistan, Great Lakes, and Latin America, and \$500,000 from Luminate for our Rapid Response Fund. Internews Europe also assisted the Joseph Rowntree Foundation, (through PNIF), in another round of Rapid Responses to the pandemic valued at £60,000.

Worth mentioning is the launching, during the year, of the COVID TASK FORCE consisting of staff across the Internews Alliance to monitor ongoing events around the world, review the implementation and impact of Internews various initiatives.

Financial Review

The detailed results for the year and the state of affairs on 31 December 2020 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 £12.89m and income was £15.66m. Year on year, this represents an income increase of 22.8% and a seventh consecutive year of growth based on trajectory at time of writing. Forecasts for 2021 indicate the potential for further growth. 2020 saw further progress in securing new funding income streams resulting in a boost to our 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 at the December 2020 Board meeting, is for Internews Europe to hold three months of overhead operating expenditure equivalent to £574k -- as unrestricted funds in reserve. On 31st December 2020 our unrestricted group reserves showed a surplus of (£333,951, from the £4,687 deficit reported in 2019.

This has taken Internews Europe into a new phase compared to previous years where it showed an unrestricted deficit.. 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.

The organisation continues to work towards its reserves target through a focused approach to securing unrestricted funding,

from trusts and foundations and corporate donors.

Significant Events

COVID – 19 Developments

Following the World Health Organisation's (WHO) declaration of COVID-19 as a global pandemic on 11 March 2020, Internews continued to implement programmes to tackle the volume of mis- and disinformation accompanying and, arguably, accelerating this crisis. All this 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 priority was to ensure the safety and wellbeing of staff, and on 16 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 institutional funding secured towards this.

While the new Internews five-year strategy launched in 2020 remained highly relevant, we modified it 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 \$500,000 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 several countries.

Final BREXIT date – 31.01.20

Following the official UK's exit from the EU on 31 January 2020, Internews continued to review its opportunities and strategies post-Brexit, including but not limited funding options both at UK levels and through our EU registered subsidiary in Paris. Internews Europe's subsidiary in Dublin remained dormant through the year. Further financial details on the group can be observed from the consolidated financial statements for the year ending 31.12.20.

Events during the year:

Internews Europe's Board member, Dr Saleyha Ahsan spoke at the sold out WS society event : Silencing the Medics, which was co-hosted by Internews in November 2020.

Internews Europe's CEO, Jodie Ginsberg also spoke at a Reuters Institute seminar on Press Freedom and On-Line restrictions. These are in addition to panels at the John Schofield Trust media freedom and another panel to launch the Trinity Challenge, which is a coalition of partners with a common aim of developing insights and actions, contributing to a world better protected from global health emergencies.

Belonging, Dignity & Justice

It will be almost inevitable to think of our achievements in 2020 without any reference to the Black Lives Matter campaign following the upheaval in the United States in the summer. These events caused the Internews Alliance to re-think its own internal strategies, processes and approaches, taking up a thorough evaluation on how the company can create a deeper awareness and proper management of this big development. To this end, the Internews Alliance engaged the services of Decolonize Design to help management and staff gain deeper insight

and awareness into key matters. This work gave birth to the concept "Belonging, Dignity and Justice (BDJ)" and which has continued to thrive through the global organisation with the launch of various affinity groups and led by key, highly skilled staff. Our Alliance-wide Belonging, Dignity and Justice initiative, funded by the Internews Network, kicked off in November with a series of introductory sessions and an organisation-wide questionnaire. Our consultants, Decolonize Design, will now work with us to help develop policies, practices, and processes to ensure this is an organisation in which everyone can thrive

Principal funding sources

Most of our income is derived from public donor agencies supporting international development.

The year also saw the continuation of much-valued services in-kind and unrestricted financial support from the members of our Corporate Partnership Programme. Sky News and Slaughter & May are thanked for their support for the partnership programme.

The trustees are additionally grateful to the contributions of Slaughter & May LLP, Howard Kennedy LLP, Mayer Brown International LLP and Arnold & Porter, 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 2020 financial year, Internews Europe had been awarded new donations and contracts with a total value of £16.64m over the next 4 years in addition to existing work/income, with a strong and growing pipeline of other income developing in 2020 through subsequent years.

Processes of monthly and 12 month rolling forecasts of income and expenditure, including cash management procedures, have ensured the charity maintains strong liquidity with forecasts showing a further strengthened position over the coming 12 months.

Internews continues to further its efforts in its pursuing an aggressive donor diversification strategy which reduces over-reliance on any one donor.

Fundraising 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.

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 necessary 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 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 still being assessed. 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 leads 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.

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 killed or attacked in the course of their duties continues to remain high. 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. 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 2020. This is mitigated through a well-managed treasury function and highly effective currency planning.

In addition, Internews continues to focus intensively on a donor diversification strategy to mitigate risks. In late 2020, Internews appointed a new Senior Director of Outreach and Partnerships who will focus on building relationships with a diverse set of institutional funders. This appointment is already bearing fruit with Internews invited to bid for two new projects as a result. In addition, Internews has appointed two new staff members to cover for our Director of Philanthropy, Claire Palmer, during her maternity leave. A dedicated Trusts and Foundations Officer, alongside a Corporate Partnerships

Associate, will allow us to take a more targeted approach to securing funding from these sectors.

Investment in increased external outreach, through collaboration with our newly created Alliance-wide External Affairs team will also enable us to identify potential new sources of support in future.

Safeguarding and Serious Incidents

During the year, Internews continued to step up its efforts in ensuring high standards of safeguarding, monitoring and training of all relevant persons across the globe strengthened by a suite of policies in six languages. These include policies on :

- Prevention of Abuse and Safeguarding,
- Non-Discrimination and Anti-Harassment
- Relationships in the Workplace,
- Business Ethics,
- Disclosure, Protection Investigation,
- Conflict of Interest.

One of such stepped up measures included the appointment of skilled consultants to review reported cases where it was felt that there was insufficient in-house expertise to deal with the matter at hand.

The charity maintains its 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 (through webinars, face to face discussions and consultations) Internews continued to refer to its Safeguarding framework intended to provide absolute clarity of incident management, simplicity and accessibility

within our reporting mechanisms. Internews offers various points 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.

Three Serious Incident Notifications were made to the Commission during the period covered by this report. In two cases, the Charity Commission was satisfied that the

trustees had dealt with the matter appropriately and responsibly. Further clarification was sought by trustees related to a third incident as Internews was initially slow to report the incident, which had occurred in 2019.

All reported cases have been closed by the Charities Commission and donors respectively, following in-depth reviews and investigations.

Internews Europe CEO Jodie Ginsberg launched an initial review of safeguarding policies and practices in 2020 and in 2021 Internews will engage an external consultant to advise on the organisation's current policies, processes, and practices.

Plans

2020 was the first year of implementation for our new five-year strategic framework: Internews 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.**

Key to the advancement of our vision and goal are two new commitments we are making with this framework:

- First, we are committing to building a Global Change Agenda to complement our deep and long-standing in-country program expertise. This Global Change Agenda will elevate the insights and concerns of our partners to significantly influence the policies, norms, and practices of global players toward building healthier information environments around the world.
- Second, we are committing to studying and evaluating the actual changes that occur in a community when their information environment improves over time. We will deeply 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 and external expertise on 25 diverse and representative communities around the world through the end of this strategy in 2025.

Finally, we recognize that resources are necessary to support this work, so we will evaluate the potential funding opportunities and steps we need to take to raise the diverse resources necessary to advance this framework — while also ensuring Internews remains financially and operationally resilient into the future.

The strategy will shape the way we work in 2021 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.

While the response to COVID formed much of the operational focus of 2020, we were pleased that the pillars of the 2025 strategy remained profoundly relevant. We were able to launch several 25 x 25 research projects and look forward to presenting the results of these later in 2021.

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 2021 annual operational plan for Internews Europe in the

UK focussed on three principal goals and objectives as follows:

(1) Lead, Service and Support effective programmes in support of Internews' global strategy

1.1 Objective - Sustain EU-funded programmes in service of the strategic plans developed by regional PMUs and global teams.

(2) Increase financial sustainability

2.1 Objective - Increase private income, unrestricted income and reserves

(3) Develop the operational capacity and risk resilience of the organisation

3.1 Objective - Reform Alliance agreements and processes to improve cost effectiveness and create efficiencies across organisation

In summary , the three operational focus areas for Internews Europe in 2021 will be:

1. Building the best organisation
2. Building the best Alliance with its sister organisations
3. Building a better world

This is the end of the strategic report.

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 1 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 several 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. Most 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 921).

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 principal 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 third year of operations (31 December 2020) with a surplus of £7,063. The total restricted fund balance closed at £nil

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 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 24 February 2014 – 18 September 2019. Thereafter, **Ms Rosie Parkyn** acted as Chief Executive Officer until the position was taken up by **Ms Jodie Ginsberg** on 9 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, **Mr Denis Kovalenko**, Head of Grants, Contracts and Compliance, **Ms Camilla Palazzini**, Director of Development (resigned 16 October 2020), **Mrs Claire Palmer**, Director of Philanthropy and **Ms Rosie Parkyn**, Global Director of Impact, for the period when she was not acting as CEO, and **Mr Abdurahman Sharif**, Senior Director of Outreach and Partnerships who joined the company in January, 2021

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-Alliance 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.

CDAC Network (Limited) (UK)

Internews Europe continues to maintain its membership of the “Communicating with Disaster Affected Communities (CDAC) Network”. During the year, Internews has been represented on the CDAC board by **Ms Rosie Parkyn, Internews Europe’s Global Director of Impact**.

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 ratios 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 2020, 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 2020 was £457,784 (2019 - £406,876).

FUNDS HELD AS CUSTODIAN TRUSTEE

During 2020 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the 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 on 31 December 2020 was 9 (2019: 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 17 June 2021 and signed on their behalf by:

Mark Stephens, CBE, Chair of Trustees

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Internews (pg. 8), Internews (pg. 9), FCEM (pg 10), ASFEV (pg 11)

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 2020 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 FRS 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 2020 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Internews Europe's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the group financial statements themselves. 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, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic 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 directors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be

less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Jonathan Orchard (Senior statutory auditor)

8 July 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

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

For the year ended 31 December 2020

	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Income from:							
Donations and legacies	2	94,400	–	94,400	135,146	–	135,146
Charitable activities							
Democracy, Governance & Human Rights	3	601,932	10,748,890	11,350,822	350,511	9,365,675	9,716,186
Environment	3	84,272	1,177,012	1,261,284	50,240	1,760,567	1,810,807
Humanitarian	3	116,300	2,839,746	2,956,046	34,477	1,055,721	1,090,198
Total income		896,904	14,765,648	15,662,552	570,374	12,181,963	12,752,337
Expenditure on:							
Raising funds	4	184,873	–	184,873	161,026	–	161,026
Charitable activities							
Democracy, Governance & Human Rights	4	275,599	9,710,795	9,986,394	223,900	5,387,786	5,611,686
Environment	4	40,551	1,140,642	1,181,193	105,753	2,951,448	3,057,201
Humanitarian	4	57,243	1,484,328	1,541,571	41,677	700,288	741,965
Total expenditure		558,266	12,335,765	12,894,031	532,356	9,039,522	9,571,878
Net movement in funds		338,638	2,429,883	2,768,521	38,018	3,142,441	3,180,459
Reconciliation of funds:							
Total funds brought forward	15	(4,687)	6,820,014	6,815,327	(42,705)	3,677,573	3,634,868
Total funds carried forward		333,951	9,249,897	9,583,848	(4,687)	6,820,014	6,815,327

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

Balance sheets

Company no. 07891107

As at 31 December 2020

	Note	The group 2020	2019 £	The charity 2020	2019 £
Fixed assets:					
Tangible assets	10	47,775	61,291	47,775	61,291
		47,775	61,291	47,775	61,291
Current assets:					
Debtors	11	2,054,613	2,469,689	2,231,722	2,651,754
Cash at bank and in hand		8,089,159	5,483,590	8,064,099	5,325,853
		10,143,772	7,953,279	10,295,821	7,977,607
Liabilities:					
Creditors: amounts falling due within one year	12	607,699	1,199,243	726,801	1,223,447
Net current assets		9,536,073	6,754,036	9,569,020	6,754,160
Total net assets		9,583,848	6,815,327	9,616,795	6,815,451
Funds:					
Restricted income funds	15	9,249,897	6,820,014	9,254,864	6,816,578
Unrestricted income funds:					
General funds		333,951	(4,687)	361,931	(1,127)
Total funds		9,583,848	6,815,327	9,616,795	6,815,451

Approved by the trustees on 17 June 2021 and signed on their behalf by

Mark Stephens CBE
Chair of Trustees

Internews Europe

Statement of cash flows

For the year ended 31 December 2020

	Note	2020 £	2019 £
<i>Cash flows from operating activities</i>	16	2,621,190	2,538,599
Cash flows from investing activities			
Purchase of tangible fixed assets		(15,621)	(15,249)
Change in cash and cash equivalents in the year		2,605,569	2,523,350
Cash and cash equivalents at the beginning of the year		5,483,590	2,960,240
Cash and cash equivalents at the end of the year		8,089,159	5,483,590

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 21 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 2020.

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) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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 2020 with an Unrestricted Fund deficit of **£4,687**. In light of the in year surplus made in the year, the results of Internews Europe are stating a surplus of **£333,951**.

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. In the view of the trustees, there are no other material uncertainties and so they continue to

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.

Notes to the financial statements

For the year ended 31 December 2020

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	73.81%
Environment	10.86%
Humanitarian	15.33%

j) Foreign currency transactions

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

k) Operating leases

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

Notes to the financial statements

For the year ended 31 December 2020

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 £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Donations	63,250	–	63,250	53,180	–	53,180
Gifts/Services in kind	31,150	–	31,150	81,966	–	81,966
	94,400	–	94,400	135,146	–	135,146

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.

Notes to the financial statements

For the year ended 31 December 2020

3 Income from charitable activities

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
UK Department for International Development (FCDO) – OPTIONS	-	312,219	312,219	-	108,232	108,232
European Commission – DG Devco	-	191,083	191,083	-	(42,942)	(42,942)
European Commission – ICSP	-	3,060	3,060	-	2,699,654	2,699,654
European Commission – EIDHR	-	368,614	368,614	-	566,431	566,431
Ministry of Foreign Affairs, Sweden	-	(2,600)	(2,600)	-	94,269	94,269
UK Foreign and Commonwealth Office (FCO)	-	-	-	-	30,424	30,424
Swedish International Development Corporation Agency (SIDA)	-	4,129,298	4,129,298	-	4,806,963	4,806,963
IREX	-	-	-	5,495	-	5,495
Norwegian Agency for Development Cooperation	-	231,916	231,916	-	495,493	495,493
Ministry for Foreign Affairs of the Netherlands	-	543,438	543,438	-	592,985	592,985
Ministry for Foreign Affairs of the Netherlands	-	133,499	133,499	-	-	-
Other funders	559,933	-	559,933	328,756	-	328,756
The Joseph Rowntree Charitable Trust	-	-	-	-	17,550	17,550
German Development Agency	-	-	-	-	(6,094)	(6,094)
French Ministry of Europe and Foreign Affairs (Internews International)	-	-	-	-	2,710	2,710
Orgsafe – Other	-	-	-	14,760	-	14,760
Cruach Trust	-	-	-	1,500	-	1,500
European Commission	-	4,085,452	4,085,452	-	-	-
Joseph Rowntree Reform Trust	42,000	18,000	60,000	-	-	-
Luminate US Services, LLC	-	407,254	407,254	-	-	-
FCDO (KPMG Advisory)	-	72,692	72,692	-	-	-
Swiss MFA (le département fédéral des affaires)	-	96,964	96,964	-	-	-
Foundation to Promote Civil Society	-	60,039	60,039	-	-	-
Open Society Foundation	-	82,525	82,525	-	-	-
FCDO– ARTICLE 19	-	15,437	15,437	-	-	-
Sub-total for Democracy, Human Rights & Governance	601,932	10,748,890	11,350,822	350,511	9,365,675	9,716,186

Notes to the financial statements

For the year ended 31 December 2020

3 Income from charitable activities (continued)

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
European Commission	-	32,319	32,319	-	356,052	356,052
Swedish International Development Corporation Agency (SIDA)	1,885	933,078	934,963	-	1,151,747	1,151,747
Oak Foundation	-	-	-	-	72,174	72,174
Calouste Gulbenkian Foundation	-	25,000	25,000	-	50,000	50,000
European Climate Foundation	-	(8,403)	(8,403)	-	63,004	63,004
The Bertarelli Foundation	-	(976)	(976)	-	67,590	67,590
Other funders	82,387	-	82,387	50,240	-	50,240
Arcadia Philanthropic Trust	-	192,175	192,175	-	-	-
Oxfam	-	3,819	3,819	-	-	-
Sub-total for Environment	84,272	1,177,012	1,261,284	50,240	1,760,567	1,810,807
	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Danish Refugee Council (FCDO)	-	202,756	202,756	-	34,898	34,898
Save the Children UK – (START Network)	-	-	-	-	44,475	44,475
Other funders	116,300	-	116,300	19,800	-	19,800
UK Department for International Development (FCDO) –BBC Media Action	-	-	-	-	17,795	17,795
UK Department for International Development (FCDO) – OXFAM	-	32,705	32,705	-	65,190	65,190
UK Department for International Development (FCDO) – International Rescue Committee	-	-	-	-	14,224	14,224
UK Department for International Development International Planned Parenthood Federation (IPPF)	-	74,997	74,997	-	152,077	152,077
International Organisation Migration	-	-	-	-	44,987	44,987
International Committee of the Red Cross	-	-	-	(323)	-	(323)
Various – Core	-	-	-	15,000	-	15,000
European Commission	-	1,783,931	1,783,931	-	-	-
FCDO	-	15,764	15,764	-	-	-
Rockefeller Foundation – OXFAM	-	72,755	72,755	-	-	-
Oxfam	-	7,563	7,563	-	-	-
Ministry for Foreign Affairs of the Netherlands	-	649,275	649,275	-	682,075	682,075
Sub-total for Humanitarian	116,300	2,839,746	2,956,046	34,477	1,055,721	1,090,198
Total income from charitable activities	896,904	14,765,648	15,662,552	435,228	12,181,963	12,617,191

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)

	Cost of raising funds £	Charitable activities					2020 Total £	2019 Total £
		Democracy, Governance & Human Rights £	Environment £	Humanitarian £	Governance costs £	Support costs £		
Staff costs (Note 6)	136,935	3,411,724	501,991	708,625	–	686,371	5,445,646	4,486,125
Project delivery costs	–	5,102,326	505,193	570,081	–	132,809	6,310,409	3,214,947
Rent	–	123,885	22,447	70,754	–	104,869	321,955	156,548
Office costs	5,685	133,544	3,636	6,858	–	29,495	179,218	309,814
Utilities	–	8,055	–	24	–	(9)	8,070	6,123
IT and communications	851	75,217	2,886	2,518	–	41,765	123,237	154,239
Development costs	25,417	–	–	–	–	168	25,585	3,561
Finance costs	109	49,585	2,100	1,764	–	4,859	58,417	71,813
Legal and Professional fees	11,530	117,458	662	6,510	35,941	85,419	257,520	333,453
Depreciation	–	–	–	–	–	29,136	29,136	26,849
Travel costs	4,346	102,830	9,941	18,801	–	(1,080)	134,838	808,406
	184,873	9,124,624	1,048,856	1,385,935	35,941	1,113,802	12,894,031	9,571,878
Support and governance costs	–	861,770	132,337	155,636	(35,941)	(1,113,802)		
Total expenditure 2020	184,873	9,986,394	1,181,193	1,541,571	–	–	12,894,031	9,571,878

4 Analysis of expenditure (Current year)

	Cost of raising funds £	Charitable activities					2019	Total £
		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

Notes to the financial statements

For the year ended 31 December 2020

5 Net income/(expenditure) for the year

This is stated after charging / (crediting):

	2020 £	2019 £
Depreciation	29,137	26,849
Operating lease rentals:		
Property	82,632	82,632
Auditors' remuneration (net of VAT) :		
Audit UK (Statutory Audit)	20,640	16,820
Other services – donor audits	99,895	96,232
Foreign exchange gains or losses	(11,943)	37,169

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

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	1,582,528	1,255,881
Social security costs	176,235	138,711
Employer's contribution to defined contribution pension schemes	70,817	48,570
Project staff – Internews NW & other direct contracted staff**	3,576,443	2,976,175
Redundancy and termination costs	–	15,372
Total emoluments paid to staff were:	5,406,023	4,434,709
Other human resources costs	39,623	51,416
Total staff costs	5,445,646	4,486,125

**The Salaries of staff of Internews International (Paris) amounted to £370,465.

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

	2020 No.	2019 No.
£60,000 – £69,999	3	2
£70,000 – £79,999	–	1
£80,000 – £89,999	–	–
£90,000 – £99,999	3	2

The total employee benefits of the key management personnel were **£457,784** (2019: £405,876).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling **£nil** (2019: £1,267) incurred by **nil** (2019: 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:

	2020 No.	2019 No.
Charitable Expenditure	21.00	16.0
Support & Governance	10.00	8.00
Raising Funds	5.00	4.00
	36.00	28.00

Staff of Internews Network, other contractors and local staff working on Internews Europe's projects were **260** (December 2019: 110). 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.

At the end-of the financial year 31.12.20 IEU had a net debtor balance with IUS stated at **£81,040 (2019: £195,643)**. All transactions were at an arm's length basis. Internews Europe's subsidiary, Internews International also owed a net total of **£41,041 (2019: £151,542)** as of the same date. Internews Europe, continued its representation on the Board of Trustees of CDAC (Communication in Disaster Affected Communities) during the year.

Donations amounting to **£4,739 (cash and pledges) from trustees** have been recognised during the year, **(2019-£7,818)**. 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	91,645	35,382	598	127,625
Additions in the year	–	15,621	–	15,621
At the end of the year	91,645	51,003	598	143,246
Depreciation				
At the start of the year	48,266	17,838	230	66,334
Charge for the year	18,329	10,688	120	29,137
At the end of the year	66,595	28,526	350	95,471
Net book value at end of the year	25,050	22,477	248	47,775
At the start of the year	43,379	17,544	368	61,291

All of the above assets are used for charitable purposes.

11 Debtors

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Accounts receivable	211,093	969,903	211,093	969,903
Programme advances	878,789	496,062	878,789	517,834
Other debtors	64,656	46,433	64,656	48,933
Balance due from subsidiary/other	–	–	184,755	157,792
Accrued income	888,245	940,454	888,245	940,454
Prepayments	11,831	16,838	4,184	16,838
	2,054,613	2,469,692	2,231,722	2,651,754

12 Creditors: amounts falling due within one year

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	243,270	890,537	240,644	886,211
Taxation and social security	90,561	51,671	70,812	51,671
Other/Sundry creditors	70,066	6,069	70,066	28,349
Other Intercompany	–	–	143,714	6,250
Accruals	203,802	105,163	201,566	105,163
Deferred income (note 13)	–	145,803	–	145,803
	607,699	1,199,243	726,801	1,223,447

13 Deferred income

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

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Balance at the beginning of the year	145,803	–	145,803	–
Amount released to income in the year	(145,803)	–	(145,803)	–
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	47,775	–	47,775
Net current assets	286,176	9,249,897	9,536,072
Net assets at the end of the year	333,951	9,249,897	9,583,848

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

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	61,291	–	61,291
Net current assets	(65,978)	6,820,014	6,754,036
Net assets at the end of the year	(4,687)	6,820,014	6,815,327

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	4,608,028	10,748,890	9,710,795	–	5,646,123
Environment	1,796,841	1,177,012	1,140,642	–	1,833,211
Humanitarian	415,145	2,839,746	1,484,328	–	1,770,563
Total restricted funds	6,820,014	14,765,648	12,335,765	–	9,249,897
Unrestricted funds:					
General	(4,687)	896,904	558,266	–	333,951
Total unrestricted funds	(4,687)	896,904	558,266	–	333,951
Total funds	6,815,327	15,662,552	12,894,031	–	333,951

15b Movements in funds (prior year)

	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

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

	2020 £	2019 £
Net income for the reporting period (as per the statement of financial activities)	2,768,521	3,180,459
Depreciation charges	29,137	26,849
(Increase)/decrease in debtors	415,076	(1,092,899)
Increase/(decrease) in creditors	(591,544)	424,190
Net cash provided by operating activities	2,621,190	2,538,599

17 Operating lease commitments

	Property		Equipment	
	2020 £	2019 £	2020 £	2019 £
Less than one year	27,544	82,632	764	1,528
One to five years	–	27,544	–	764
	27,544	110,176	764	2,292

18 Capital commitments

At the balance sheet date, the charity had no capital commitments (2019: £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 00013 (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:

	2020 £	2019 £
Turnover	17,888	8,328
Cost of sales	–	(119,371)
Gross profit	17,888	(111,043)
Administrative expenses	(18,236)	(12,978)
Transfer to Parent Company	–	–
(Deficit)/surplus for the financial year	(348)	(124,021)
Reserves		
Brought forward	7,058	131,079
Exchange Adjustment	353	–
(Deficit)/surplus for the year	(348)	(124,021)
	7,063	7,058
The aggregate of the assets, liabilities and funds was:		
Assets	57,078	164,417
Liabilities	(50,015)	(157,359)
Total funds	7,063	7,058

During the year, Internews Europe's Net costs incurred on behalf of Internews International was £41,041 (2019: £151,542). 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:

	2020 £	2019 £
Gross income	15,662,552	12,746,511
Result for the year	2,808,878	3,311,662