



**Internews**  
Europe

# Trustees' Annual Report & Financial Statements

INTERNEWS EUROPE

31 DECEMBER 2015

Company number: 07891107

Charity number: 1148404

Internews Europe  
Reference and administrative details  
For the year ended 31 December 2015

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**Company number** 07891107

**Charity number** 1148404

**Registered office and operational address** New City Cloisters, 196 Old Street, London, EC1V 9FR

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

Mr David Hoffman	Chair
Mr Mark Stephens CBE	Vice-Chair
Mr Sach Chandaria	Treasurer
Dr Saleyha Ahsan	(appointed 11 September 2015)
Mr Yann Borgstedt	
Mr Matt Channoff	
Mr Martin Hallqvist	(resigned 7 December 2015)
Mr John Mengers	
Mrs Daisy McAndrew	(appointed 11 September 2015)
Mr Stephen Salyer	
Mr Vidhi Tambiah	Treasurer (until resigned 30 June 2015)
Mr Max von Bismarck	(appointed 7 December 2015)

**Key Management Personnel**

Mr Daniel Bruce	Chief Executive Officer
Mrs Francesca Silvani	Director of Programmes
Ms Akila Lingham	Director of Finance and Operations (until 31st July 2015)

**Bankers** Barclays Bank plc  
1 Churchill Place  
London  
E14 5HP

**Solicitors** Bates, Wells and Braithwaite  
Scandinavian House  
2-6 Cannon St  
London EC4M 6YH

**Auditors** Sayer Vincent LLP  
Chartered accountants and statutory auditors  
Invicta House  
108-114 Golden Lane  
London  
EC1Y 0TL

## Foreword

As 2015 drew to a close, Internews Europe's trustees approved a new five-year strategy for our work in the 2016-2020 period. At the heart of our new planning framework is a vision of success where 'everyone, everywhere, enjoys equal access to trusted, quality information that empowers them to live healthy, secure, rewarding lives.'

This means our work has become, and will increasingly be focussed on supporting ordinary citizens to make sense of the 'information chaos' around them, as it will remain on supporting the highest standards and sustainability of local media content around the world.

This need for dynamic new approaches to the information needs of communities in crisis was perhaps most starkly illustrated in 2015 in the countries surrounding the Mediterranean, and the ever-increasing flow of migrants and refugees transiting to Europe. In a dynamic new partnership with Save the Children UK and the DFID supported Start Network, Internews created 'News That Moves'. This has been a complex, multi-faceted response to the information needs of refugees; providing everything from critical real time updates to displaced people via their smart phones, to banners and posters on the beaches of Lesbos, in Greece, explaining what arriving refugees should do next having made the perilous sea crossing. As many peers and policy makers have told us 'information has been at the heart of this response'.

Thousands of miles away in Myanmar, a gradual transition to democracy, and sudden explosion in internet access have presented different, but related, challenges. With support from the Netherlands and Norway, Internews has supported local media and rights groups to, for example, tackle a dramatic increase in online hate speech whilst also ensuring greater representation of women's voices in the ethnic peace processes.

All of our 2015 programmes have been characterised by working with the most impactful sources of information for communities. Therefore, notwithstanding the digital revolution, there remain many lesser-developed or conflict-stressed countries where support to radio broadcasting has the greatest impact. This is well illustrated by our EC-funded work in Somalia where we have trained and mentored more than 250, mostly radio, journalists since 2014. At the same time, our work has led to far healthier relations between media and civil society; successfully delivered in the face of some of the most acute security challenges.

In total in 2015, we have delivered projects in 25 countries and strengthened the capacity of more than 50 local partner organisations. Among them, many working to preserve the modest space for independent media in countries with incredibly limited freedom of expression.

Institutionally, 2015 has been Internews Europe's most successful year for financial performance since relocating our headquarters from Paris to London in 2012/13. We have also witnessed considerable board expansion, with a strong mix of media, law, human rights, business and non-profit leadership experience now offered by the trustees; among them various household names in UK broadcasting.

The relevance and legitimacy of Internews' work in development and emergency response continues to enjoy increasing recognition; and at a time of ever closer scrutiny of international NGOs and the humanitarian system. We are confident that our new five-year strategy gives us the correct framework to continue to build on recent progress and to tackle emerging international challenges with both resilience and amassed expertise.

**Daniel Bruce, Chief Executive**

**David Hoffman, Founder & Chair of Trustees**

*The trustees present their report and the unaudited financial statements for the year ended 31 December 2015.*

*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 development organisation specialising in supporting independent media, freedom of information and free expression around the globe. The vast majority of our programmes are targeted at crisis-hit populations, emerging democracies and some of the world's poorest countries.

The primary objective of the Charity as expressed in the Memorandum of Association is the "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."

We believe access to information and resilient local media are prerequisites to good governance, access to human rights, conflict resolution, effective response to humanitarian crises and public understanding of critical issues such as climate change.

### *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, ensure that:

- In Humanitarian disasters, affected communities can access life-saving information to receive emergency health, water and shelter supplies;
- In fragile states and transitioning democracies, ordinary citizens are afforded more and better opportunities to engage with power brokers through local media, to be educated on democratic processes and their rights;
- In countries with limited press freedom our tools and training help citizens access greater plurality of views and sources of information about the world around them.

### *Achievements and Performance*

Internews Europe's global programme team successfully implemented a diverse portfolio of 30 projects in 2015. We have supported and strengthened the capacity of 53 partners in 25 countries. Through various global projects, we have ensured citizens in some of the most closed, fragile, crisis-hit and poorest countries of the world are able to access high quality, relevant information that meets their needs. Selected highlights of each of our main programme areas during the year follow below.

## CONFLICT AND STABILISATION PROJECTS

### **Somalia: Media for Peace**

Media has played a critical role in reconciliation efforts in Somalia – and Internews has been supporting local Somali media and civil society organisations to create opportunities for open dialogue between media, NGOs, government and Somali citizens.

Activities on this EU-funded project came to an end in December 2015. Over two years, Internews trained 64 journalists and mentored more than 200, mainly on conflict sensitive reporting; held workshops to facilitate dialogue between more than 50 participants from civil society and media; and facilitated a series of monthly roundtables - attended by more than 400 participants that raised key issues in the emerging Somali media, often for the first time.

Topics included the use of Somali language in the media, corruption in media, and ethical issues in covering terrorist attacks. Participants rated the activities highly in an evaluation conducted by the donor at the end of 2015.

It can be regarded as a major success that Internews was able to keep this project's work going through its Media Resource Centre in Mogadishu, in the face of massive security risks and several bomb attacks, often close by. In the autumn of 2015, activities were also extended to Somaliland and Puntland.



*Ali Mohamed of Star FM in Mogadishu, Somalia.*

### **Pakistan: Aitebaar**

Internews is a central partner within a large consortium-run Aitebaar programme - funded by DFID over three years – that aims to build trust between citizens and government authorities in Khyber-Pakhtunkhwa (KP) on issues related to security and justice.

In 2015, Internews secured additional funding to build on our 'News Lab' approach originally tested in Burma. We have implemented two, innovative, six-week Labs at Peshawar University, providing in-depth, on-the-job newsroom training to 36 journalists from KP. The Labs simulate the newsroom environment, with participants attending daily editorial meetings and producing daily reports with support from on-site

Internews editors and trainers. During the Labs the journalists published 389 stories. Demand for participation in the Labs has been high including from editors despite the length of the training.

Internews has also started a series of interactive theatre performances in KP to bring together professionals such as doctors, police and legal professionals to stimulate debate about policing and other security and justice issues. These shows have been remarkably successful in raising a number of sensitive issues (such as sexual violence against children) and also managed to bring together mixed (male and female) audiences, which is very unusual in KP.

## **Burma/Myanmar**

Whilst our successful Myanmar Media Lab project wrapped up in early 2015, it provided the time and space to enable longer term sustainable sources of funding to be secured for Internews activities in Burma. The project had the support of various donors, including a small project on HIV/AIDS reporting and a new project funded by the Norwegian government – *Women, Media and the Peace Process* - to increase the inclusion of women and female voices in the peace process that will begin reporting in 2016.

## **Guinea: Media Actors for Peace and Stability**

After successfully adapting this project to the information needs that emerged as a result of the Ebola emergency, the Guinea project wrapped up in early 2015 and handed over the team and work to an Ebola-specific project supported by the US.

## **HUMAN RIGHTS PROJECTS**

### **Human Rights Connect**

In January 2015 Internews launched a multi-year project, Human Rights Connect (HRC), funded by the Swedish International Development Agency (SIDA), designed to improve Freedom of Expression and Access to Information in highly repressive states, by carefully seeking to advance national dialogue on cross cutting, and often sensitive issues such as gender, age, race and religious equality and rights. The programme draws upon a decade of experience of working in these difficult contexts and on our trusted networks. HRC will empower local independent media and civil society organizations reaching audiences inside the target countries who lack the means to safely access locally relevant uncensored information.

The six-month start-up phase focused on country assessments, guided by Internews' Information Ecosystem approach, and on the selection of partners and design of activities. We hired a new Global Programme team in London and at a satellite office in Paris. We have developed co-operation agreements with 9 independent media outlets and civil society organizations in 6 countries and the number is growing as the project rolls out. The support includes financial support and capacity building to improve core skills in editorial production and management, digital security and technology expertise, and business management, including engaging with audiences. HRC also provides significant levels of co-funding for three other Internews projects that are either working intensively in a closed state, or working globally on human rights topics relevant to closed states.

## Protecting Human Rights Defenders and Freedom of Information

Internews is also implementing a complementary 18-month project funded by the Dutch MFA to support freedom of expression in a small number of countries not covered by the main programme, above. In 2015 this project purposefully supported partners to monitor and respond to dangerous content. For example, in **Burma**, Internews' local partner MIDO monitored Facebook pages for dangerous speech - which often targets the Muslim minority and Aung San Suu Kyi's party - analysed the content and shared the analysis. In **Tunisia**, Internews worked with the National Union of Journalists to monitor media reporting on terrorism and conflict. The Union has been sharing and discussing its findings with the media outlets to improve journalistic practice, and published findings.



*Reporters in Myanmar.*

## Global Technology Hub

Internews' London based Global Technology Hub provides rapid and tailored assistance to media groups and citizen journalists who need assistance with issues ranging from digital security to improved online publishing tools. It has been developed to respond to the increasing need for dedicated technology support for Internews beneficiaries. The strategy is to provide a single point of contact and a unified response to their problems based on a complete understanding of our partners' environment, and our own expertise on the ever-changing media development landscape in the global South. Another aspect of our support strategy is to link our beneficiaries with other organisations from the sector that can support. Our main work in 2015 was focused on the Human Rights beneficiaries, focusing technology capacity building through digital security training, website development and secure hosting, and providing secure channels for their online communications.

## DEMOCRACY AND GOVERNANCE PROJECTS

### **Kyrgyzstan: Media and Rule of Law**

Our EC-funded Media and Rule of Law project launched in July 2015 and with a team based in Bishkek. It aims to bridge the gap between the country's civil society and media community and to facilitate them to work together to tackle corruption. We will achieve this by increasing the capacity of civil society organizations to mobilize citizens on transparency and accountability issues, by supporting networks to raise these issues and improve media coverage of them. Monthly network meetings have been launched and are popular.

In addition, the project's main partner, Kloop Media, has launched its anti-corruption online platform, where news reports about corruption are posted and members of the public can leave complaints; following this, the sites' editors will select issues to investigate, and investigative journalists will be trained to follow up on issues. For example, the Kloop team is investigating whether schools are charging extra, illegal fees, and another investigation has followed up on suggestions that public housing money was embezzled.



*A discussion on public service broadcasting, in Kyrgyzstan.*

## HUMANITARIAN INFORMATION PROJECTS

### **Mediterranean Region: News That Moves**

In response to the humanitarian crisis in the Mediterranean region, Internews designed an emergency daily humanitarian information service for refugees and migrants on the move. NewsThatMoves.org (NTM) was launched in November 2015 in Arabic, Farsi, and English, with Greek added in recognition of the impact of refugee flows on local residents of Lesbos. NTM is staffed by a full time Editor and Deputy Editor, a researcher

and a team of a minimum 7 freelance journalists based across the region who file stories and tip-offs and do fact checking and verification.

Major themes covered include: Numerous border changes and closures; Unaccompanied minors; Services for women en-route, including safe spaces; Registration and transit camps, and summaries of humanitarian services present; Highlights of risks and threats for those traveling, including smuggler abuses and scams, and sea crossing dangers.

NTM is distributed through a wide range of channels such as a complementary NTM Facebook page, a daily email newsletter to 186 subscribers, primarily among humanitarian aid organisations; a Weekly Rumour Tracking email. Dissemination is integrated with offline communication on Lesvos through printed and audio material. Total post engagement on the NTM Facebook page numbered 107,640 at last count, with total website visitors reaching 13,605.

As with all organisations responding to the Mediterranean emergency, we have been required to rapidly design new methodologies and ways of working when dealing with such a transient and unpredictable beneficiary population. This project has not only marked major milestones in terms of approach, but has also been made possible through transformative new funding relationships with Save the Children UK and the DFID supported START Network of humanitarian agencies.



Information for refugees in route to Europe.

## ENVIRONMENTAL JOURNALISM PROJECTS

### Earth Journalism Network

In 2015, our now 11-year old Earth Journalism Network initiated a new Biodiversity Media Initiative, an important new project launched with the support of the London-based Arcadia Foundation. Activities will include organisational grants to media outlets, story grants and fellowships to improve coverage of conservation and biodiversity issues, which has received scant global support in recent years.

Elsewhere in 2015, we conducted journalism training for Latin American reporters on ocean issues and developed an online training module that will help reporters to cover illegal logging issues and the EU's Forest Law Enforcement, Governance and Transparency (FLEGT) initiative. As part of our broader program, EJN

worked with Internews Europe personnel to carry out highly successfully Fellowship program to the landmark climate summit in Paris, to which we brought a total of 40 journalists, all of whom published follow up stories.



*Journalist Stella Paul speaks with women in India affected by climate change. Paul was one of 40 journalists who attended the Paris climate summit with EJN in 2015.*

### **Burkina Faso: Building Resilience and Adaptation to Climate Extremes and Disasters (BRACED)**

As part of a DFID-funded programme, led by Christian Aid, Internews is contributing to a multi—partner approach to Building Resilience and Adaptation to Climate Extremes and Disaster (BRACED). Internews’ activities support reliable, regular and user-friendly climate forecasting and programming tailored to at-risk communities, particularly women and girls, mainly in rural areas. It will establish participatory information sharing mechanisms for early warning of impending disasters.

Internews is building the capacity of eight local private FM radio stations to improve their programming on weather, climate change and resilience, through training and mentoring and helping the radios upgrade their often fledgling technical capacities. Internews is now also preparing to enter in to a partnership with the national broadcaster. Activities were briefly halted during a military coup in September but have since resumed.

## Financial Review

The detailed results for the year and the state of affairs at 31 December 2015 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 £3,642,260 and income was £3,877,967. Year on year, this represents an income increase 12%. As per note 3, there have been substantial increases in income for our work on Democracy and Governance, Environment and Humanitarian programmes. Amongst other causes is the result of good work by our development team which has further highlighted the relevance and legitimacy of Internews' work in development and emergency response. Total expenditure is roughly the same as in 2014. Forecast income for 2016, indicates a year of, potentially significant, income growth. Of note, income for 2015 includes a substantial increase in Unrestricted Income over 2014 (which also benefitted from increased income in this area). In turn, this has had the positive effect of creating a surplus carry-forward amount of £55,943 to contribute to our unrestricted reserves. This represents a considerable improvement to the financial health of the organisation, having suffered unrestricted losses in prior years.

### Reserves Policy

The board of trustees review the reserves policy on an annual basis. The current minimum target, as determined by the trustees in 2015, is for Internews Europe to hold three months of overhead operating expenditure as unrestricted funds in reserve. As this target is yet to be met (see below) there are no further provisions in the reserves policy for other designated reserves or similar earmarking. At 31<sup>st</sup> December 2015 our unrestricted reserves stood at (£502,521) (2014 – (£558,464)) and restricted reserves at £1,764,422 (2014 - £1,584,658).

### Funds in Deficit

As above, Internews Europe opened 2014 with an Unrestricted Fund deficit of (£558,464). In light of the surplus described above, the deficit had reduced, as at 31 December 2015 to (£502,521). The origins of the unrestricted fund deficit lie in the 2013/14 period when Internews Europe's headquarters was relocated from Paris to London. Higher than forecast closure costs in France, and a prolonged period of operating two parallel head offices exhausted the French reserves and resulted in the early years of the London headquarters operating at a loss.

A loan facility from the Charities Aid Foundation (CAF) was drawn upon in July 2013 to provide liquidity support whilst the unrestricted fund was in deficit. In mid-2014, Internews Europe was also awarded two significant 'recoverable grants' from two private foundations as a specific, additional measure to provide general, unrestricted liquidity during the period of deficit repair and, thus, to ensure that restricted funds were protected for delivery of programmes.

Restructuring, cost-cutting and increased unrestricted income prevented further losses beyond Quarter 3 of 2014 and 2015 represents the first accounting year where the Unrestricted Funds have generated a positive surplus. General growth in income, especially our strong progress with unrestricted fundraising, is expected to continue through 2016 with all forecasts showing on-going progress towards positive Unrestricted Funds.

### Significant Events

Given the international profile of Internews' work, we receive and spend funds in many different currencies. In a year of significant volatility in the currency markets, 2015 has seen some of our largest currency related balance sheet movements for more than 15 years. In particular, the weakness of the Euro, in which we hold a large proportion of our restricted funds, led to

considerable revaluation of our fund balances in the first half the year. Volatility in the value of our principle donor currencies against the pound stabilised somewhat in the latter half of the year; however the higher than average impact of currency revaluations and realised exchange losses can still be seen on the Statement of Financial Activity.

### **Principal funding sources**

The majority of our income continues to be derived from public donor agencies supporting

international development. Please refer to accounting note 3 for details. 2015 also saw a welcome increase in gifts in-kind. The trustees are particular grateful to the contribution of Kirkland & Ellis International LLP for a range of pro-bono legal services.

### **Going Concern Review**

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

## Risk Management

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

In 2015, a number of improvements were made to the expediency of our risk management, enacting a formal monthly management review of the entire organisational/international risk register to replace the quarterly reviews of previous years.

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

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

Some of the major risks to have been reported and mitigated during 2015 included:

- Financial: acute volatility in the currency markets affecting multi-currency operations and programme budgets as described in the financial review.
- Operational Security: there are inherent risks to working in fragile states, or those vulnerable to disasters, and we have well developed procedures and protocols for working in such environments. This risk has been compounded in 2015 with the increase in terror-related incidents around the world in, sometimes, less predictable locations requiring additional complexity in our risk management.
- Regulatory: increased pressure on the international banking sector to improve transparency and prevent money laundering and other criminal activity has had a knock-on effect on many international charities needing to deliver programme funds to higher-risk countries. This has been mitigated through rigorous due diligence and relationship managing with our central banking and foreign exchange providers.

Our risk management systems are being reinforced further in 2016 with the addition of programme/country level risk registers that mirror the format used at headquarters. In turn, these more granular registers will be used to increase the accuracy and relevance of the overall organisational approach.

## Plans for the Future

In 2015, Internews Europe's leadership worked with colleagues at Internews Network/US to develop our inaugural joint strategic framework for the five year period 2016-2020 with the following priorities identified:

### OUR THEORY OF CHANGE

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

### OUR VISION FOR THE FUTURE

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

### OUR MISSION GOALS

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

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

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

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

that help people circumvent censorship. We are purposeful in expanding information engagement to excluded groups by linking them with trusted partners and supporters, building their skills, and helping them ensure their voices are heard.

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

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

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

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

A longer version of our five-year strategic framework is available online: [http://www.internews.org/sites/default/files/resources/Internews\\_strategic-framework\\_public.pdf](http://www.internews.org/sites/default/files/resources/Internews_strategic-framework_public.pdf)

The new 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 annual operational plan for Internews Europe in the UK focuses on three principle goals around (1) high quality program delivery aligned with the

new strategic framework, (2) diversity and sustainability of fundraising to further the organisation's mission and (3) increased strength of our operational capacity.

## 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 assignment agreement whereby contracts, grants and assets were transferred to full control of Internews Europe (UK) as of 1 April 2013. Our subsidiary, Internews France, was disposed of on the 1st January 2015 the remaining French operations have been merged with Internews Europe in 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 "The promotion of education and vocational training in the field of journalism in all its forms for the benefit of the public, in particular in countries experiencing conflict, civil unrest, or natural disaster."

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

The trustees are responsible for the overall governance of the charity. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 4 to the accounts. The majority of trustees donate travel and other expenses associated with their governance duties.

### TRUSTEE APPOINTMENT, INDUCTION AND TRAINING

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

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

As part of our Strategic Alliance with Internews Network (see Related Parties, below), the board of our US sister organisation is entitled to select and appoint one of its own number as a trustee to serve on the Internews Europe board. This role is currently fulfilled by **Mr Matt Chanoff**. This is a reciprocal arrangement, therefore Internews Europe's trustees also have an entitlement to select one of their number to serve on Internews Network's Board of Directors. This role is currently undertaken by **Mr Stephen Salyer**.

In an informal arrangement, **Mr David Creekmore**, the Chief Operating Officer of Internews Network supports the Internews Europe trustee board as an honorary adviser to its Finance and Audit Sub-Committee. Mr Creekmore does not possess any decision making authority in this context.

## ORGANISATION OF THE CHARITY

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

The CEO is supported by a small Senior Management Team, SMT, (the Key Management Personnel) namely **Mrs Francesca Silvani**, Director of Programmes and, until end July 2015, **Ms Akila Lingham**, Director of Finance and Operations. 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 Europe maintains a formal 'Strategic Alliance' with Internews Network; a US based non-profit organisation which was the first media development organization 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 organizational learning. Nevertheless, IEU and IUS purposefully maintain separate governance bodies and each legal entity has its own CEO.

## REMUNERATION POLICY 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 annually, 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;
- 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 'floor' figure in the salary scales, which is currently £80,000, up to an in principle pay multiple ratio of five. The CEO sets the pay and benefits of the other senior directors using the scale points immediately below the CEO floor.

The Senior Pay disclosures include the CEO, Director of Programmes and Director of Finance and Administration (this post was vacant from September 2015). The aggregated actual pay for this group in 2015 was £148,417.

#### FUNDS HELD AS CUSTODIAN TRUSTEE

During 2015 there were no funds held as custodian trustee on behalf of others.

## Statement of responsibilities of the trustees

The trustees (who are also directors of Internews Europe for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the

charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2014 was 6 (2013: 5). 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 the 7<sup>th</sup> of June, 2016 and signed on their behalf by:

A handwritten signature in black ink, appearing to be 'M. Stephens', with a long horizontal stroke extending to the right.

Mark Stephens CBE, Vice-Chair of Trustees

# Independent auditor's report

## To the members of Internews Europe

We have audited the financial statements of Internews Europe for the year ended 31 December 2015 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable with law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 company's members, those matters we are required to state to them, in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of responsibilities of the trustees, set out in the report of the trustees, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the information given in the report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements. The financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2015, 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

### **Emphasis of matter – Going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1a to the financial statements concerning the parent charitable company's ability to continue as a going concern. The parent charitable company incurred a surplus on unrestricted general funds of £55,943 during the year ended 31 December 2015 however, at that date, the parent charitable company's free general reserves were in deficit of £502,521. These conditions, along with the other matters explained in note 1d to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the parent charitable company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the parent charitable company was unable to continue as a going concern.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

- the parent charitable company has not kept adequate and sufficient accounting records;
- the parent charitable company's financial statements are not in agreement with the accounting records;
- certain disclosures of trustees' remuneration specified by law are not made; and/or
- we have not received all the information and explanations we require for our audit.



Jonathan Orchard  
7 June 2016

For and on behalf of Sayer Vincent LLP, Statutory Auditors  
Invicta House, 108-114 Golden Lane, London, EC1Y 0TL  
Sayer Vincent is eligible to act as an 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 2015

	Note	Unrestricted £	Restricted £	2015 Total £	Restated Unrestricted £	Restated Restricted £	2014 Total £
<b>Income from:</b>							
Donations and legacies	2	219,707	-	<b>219,707</b>	101,462	93,572	195,034
Charitable activities							
Conflict and Stabilisation	3	299,313	325,258	<b>624,571</b>	164,488	955,777	1,120,265
Environment	3	6,407	473,904	<b>480,311</b>	-	68,654	68,654
Human Rights	3	31,258	1,159,855	<b>1,191,113</b>	-	1,074,058	1,074,058
Humanitarian	3	22,456	1,151,340	<b>1,173,796</b>	-	986,781	986,781
Democracy and Governance	3	3,524	184,945	<b>188,469</b>	-	10,501	10,501
<b>Total income</b>		<b>582,665</b>	<b>3,295,302</b>	<b>3,877,967</b>	<b>265,950</b>	<b>3,189,343</b>	<b>3,455,293</b>
<b>Expenditure on:</b>							
Raising funds	4	90,313	-	<b>90,313</b>	68,133	88,831	156,964
Charitable activities							
Conflict and Stabilisation	4	333,605	609,726	<b>943,331</b>	208,558	427,693	636,251
Environment	4	10,752	273,435	<b>284,187</b>	11,175	150,315	161,490
Human Rights	4	52,459	1,183,355	<b>1,235,814</b>	87,302	1,174,273	1,261,575
Humanitarian	4	37,686	926,857	<b>964,543</b>	97,760	1,314,947	1,412,708
Democracy and Governance	4	5,915	118,157	<b>124,072</b>	752	10,116	10,868
<b>Total expenditure</b>		<b>530,730</b>	<b>3,111,530</b>	<b>3,642,260</b>	<b>473,680</b>	<b>3,166,175</b>	<b>3,639,856</b>
<b>Net income / (expenditure) for the year</b>	5	51,935	183,772	<b>235,708</b>	(207,730)	23,168	(184,563)
<b>Transfer between funds</b>		4,008	(4,008)	-	-	-	-
<b>Unrealised loss on consolidation</b>		-	-	-	(18,414)	-	(18,414)
<b>Net movement in funds</b>		55,943	179,764	<b>235,708</b>	(226,144)	23,168	(202,977)
<b>Reconciliation of funds:</b>							
Total funds brought forward	16	(558,464)	1,584,658	<b>1,026,193</b>	(332,320)	1,561,490	1,229,170
<b>Total funds carried forward</b>		<b>(502,521)</b>	<b>1,764,422</b>	<b>1,261,901</b>	<b>(558,464)</b>	<b>1,584,658</b>	<b>1,026,193</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16 to the financial statements.

As at 31 December 2015

	Note	The group 2015 £	2014 £	The charity 2015 £	2014 £
<b>Fixed assets:</b>					
Tangible assets	10	<b>17,528</b>	31,804	<b>17,528</b>	31,804
		<b>17,528</b>	31,804	<b>17,528</b>	31,804
<b>Current assets:</b>					
Debtors	11	<b>1,010,570</b>	529,714	<b>1,010,570</b>	1,125,172
Cash at bank and in hand		<b>915,730</b>	1,165,391	<b>915,730</b>	1,155,295
		<b>1,926,300</b>	1,695,105	<b>1,926,300</b>	2,280,467
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	12	<b>626,659</b>	511,015	<b>626,659</b>	1,037,370
<b>Net current assets</b>		<b>1,299,641</b>	1,184,090	<b>1,299,641</b>	1,243,097
<b>Total assets less current liabilities</b>		<b>1,317,169</b>	1,215,894	<b>1,317,169</b>	1,274,901
Creditors: amounts falling due after one year	14	<b>55,268</b>	189,702	<b>55,268</b>	189,702
<b>Total assets less current liabilities</b>		<b>1,261,901</b>	1,026,192	<b>1,261,901</b>	1,085,199
<b>Total net assets</b>		<b>1,261,901</b>	1,026,192	<b>1,261,901</b>	1,085,199
<b>Funds:</b>					
Restricted income funds	16	<b>1,764,422</b>	1,584,657	<b>1,764,422</b>	1,546,344
Unrestricted income funds:					
General funds		<b>(502,521)</b>	(558,464)	<b>(502,521)</b>	(461,145)
<b>Total funds</b>		<b>1,261,901</b>	<b>1,026,193</b>	<b>1,261,901</b>	<b>1,085,199</b>

Approved by the trustees on June 7 2016 and signed on their behalf by




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 Mark Stephens CBE  
 Vice Chair of Trustees

Internews Europe

Consolidated statement of cash flows

For the year ended 31 December 2015

	Note	2015	2014
		£	£
Cash flows from operating activities	17		
<b>Net cash provided by / (used in) operating activities</b>		(216,995)	383,645
<b>Cash flows from financing activities:</b>			
Repayments of borrowing		(32,666)	(27,870)
<b>Net cash provided by / (used in) financing activities</b>		(32,666)	(27,870)
<b>Change in cash and cash equivalents in the year</b>		(249,661)	355,775
Cash and cash equivalents at the beginning of the year		1,165,391	809,616
Change in cash and cash equivalents due to exchange rate movements			
<b>Cash and cash equivalents at the end of the year</b>	18	915,730	1,165,391

**1 Accounting policies**

**a) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (August 2014) and the Companies Act 2006. The Consolidated accounts show Internews France as a subsidiary in 2014 and as it was disposed on the 1st January 2015 the French operations have been merged with Internews Europe in 2015.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The groupings of the projects into our main programme areas was changed in 2015 and as a result the relevant comparative figures have been restated to reflect these new groupings.

**b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1st January 2013. No adjustments were identified.

**c) Public benefit entity**

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

**d) Going concern**

While the costs of the transition from France to the UK in 2013 and the consequent depletion of unrestricted reserves presented a challenge to the organisation, we believe that, by maintaining the levels of programme activity achieved in prior years, together with the measures we have taken to maintain liquidity and support organisational management and overhead costs, we will ensure that Internews Europe rebuilds its reserves and eliminates the deficit within a reasonable time period. 2015 saw considerable progress in generating unrestricted funds.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

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

**e) Income**

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

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

**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 Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

**1 Accounting policies (continued)**

**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.

We have apportioned Support costs to the activities as follows:

Conflict & stabilisation	27%
Environment	7%
Humanitarian	26%
Human Rights	36%
Democracy and governance	4%

**j) Foreign currency transactions**

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

**k) Operating leases**

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

**l) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £500. 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 ( 5 years to\september 2017 for assets purchased in 2012 as part of the initial office fit-

**m) Debtors**

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

**n) 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.

## Internews Europe

### Notes to the financial statements

For the year ended 31 December 2015

#### 2 Income from donations

	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Donations	110,400	-	110,400	195,034
Gifts in kind	109,307	-	109,307	-
	219,707	-	219,707	195,034

The unrestricted gifts are donations received from individuals and institutions of which £80,522 was received from Internews Network, a related party.

#### 3 Income from charitable activities

	Unrestricted £	Restricted £	Group 2015 Total £	Group 2014 Total £ Restated
Coffey International Development	274,237	-	274,237	164,488
Free Press Unlimited	-	219,227	219,227	-
European Commission DG Devco	-	106,031	106,031	922,008
Other funders	25,076	-	25,076	5,477
UK Foreign Commonwealth Office	-	-	-	28,292
<b>Sub-total for Conflict and Stabilisation</b>	299,313	325,258	624,571	1,120,265
Arcadia Foundation	-	98,951	98,951	-
Norwegian Agency for Development Cooperation (NORAD)	-	91,330	91,330	-
Christian Aid	-	191,096	191,096	22,125
European Forest Institute	-	35,475	35,475	-
United Nations Population Fund	-	32,782	32,782	-
Communications Inc.	-	20,000	20,000	-
Other funders	6,407	4,270	10,677	-
Adessium Foundation	-	-	-	33,303
Global Ocean Commission	-	-	-	13,226
<b>Sub-total for Environment</b>	6,407	473,904	480,311	68,654
Swedish International Development Co-operation Agency (SIDA)	-	732,919	732,919	739,375
European Commission DG Devco	-	171,444	171,444	178,177
Netherlands Ministry of Foreign Affairs	-	189,407	189,407	156,507
Open Society Institute	-	66,085	66,085	-
Other	31,258	-	31,258	-
<b>Sub-total for Human Rights</b>	31,258	1,159,855	1,191,113	1,074,059
UK Department for International Development (DFID)	-	350,454	350,454	488,838
Save the Children UK	-	249,850	249,850	-
World Vision	-	218,666	218,666	12,699
UN Habitat	-	113,467	113,467	89,602
CDAC Network Various	-	101,961	101,961	80,519
Swedish Ministry for Foreign Affairs	-	54,031	54,031	-
France Expertise Internationale	-	53,661	53,661	294,751
Oxfam UK	-	9,250	9,250	-
UN Office for the Coordination of Humanitarian Affairs	-	-	-	24,200
Other funders	22,456	-	22,456	(3,828)
<b>Sub-total for Humanitarian</b>	22,456	1,151,340	1,173,796	986,781

**3 Income from charitable activities (continued)**

European Commission DG Devco	-	164,701	<b>164,701</b>	-
UN AIDS	-	20,244	<b>20,244</b>	10,501
Other funders	3,524	-	<b>3,524</b>	-
<b>Sub-total for Democracy and Governance</b>	3,524	184,945	<b>188,469</b>	10,501
Total income from charitable activities	362,958	3,295,302	3,658,260	3,260,260

The income from the grants shown above have been aggregated by charitable activity which have been described in note 16 to the financial statements.

4 Analysis of expenditure

	Cost of raising funds £	Charitable activities										Restated 2014 Total £
		Conflict and Stabilisation £	Environment £	Human Rights £	Humanitarian £	Democracy and Governance £	Governance costs £	Support costs £	2015 Total £			
Staff costs (Note 6)	72,837	220,394	26,320	326,848	335,369	14,813	-	133,925	1,130,506	1,096,997		
Project delivery costs	-	466,754	169,257	555,275	378,773	85,503	-	9,675	1,665,237	1,542,559		
Rent	-	3,634	1,323	3,731	15,500	-	-	67,231	91,419	96,992		
Office Costs	144	18,341	4,090	7,262	2,221	619	1,843	17,505	52,025	95,600		
Utilities	-	20,949	15,292	6,123	43,581	6,786	-	8,466	101,197	173,005		
IT and communications	1,307	8,136	16,595	39,480	2,698	1,004	8	24,604	93,832	94,881		
Development Costs	446	-	-	-	-	-	-	-	446	124,355		
Finance Costs	9	7,396	6,588	18,030	29,205	346	70	43,467	105,111	64,197		
Legal and Professional Fees	5,196	370	-	-	1,139	-	13	131,290	138,008	54,721		
Depreciation	-	-	-	-	-	-	-	14,275	14,275	18,431		
Travel costs	10,374	61,857	9,415	116,868	42,419	1,356	6,436	1,479	250,204	278,117		
	90,313	807,831	248,881	1,073,617	850,905	110,427	8,370	451,917	3,642,260	3,639,856		
Support costs	-	135,500	35,306	162,197	113,638	13,645	(8,370)	(451,917)	-	-		
<b>Total expenditure 2015</b>	<b>90,313</b>	<b>943,331</b>	<b>284,187</b>	<b>1,235,814</b>	<b>964,543</b>	<b>124,072</b>	<b>-</b>	<b>-</b>	<b>3,642,260</b>	<b>-</b>		
Restated Total expenditure 2014	156,964	636,251	161,490	1,261,575	1,412,708	10,868	-	-	-	3,639,856		

Of the total expenditure, £314,438 was unrestricted (2014: £473,680) and £3,201,986 was restricted (2014: £3,166,176).

Notes to the financial statements

For the year ended 31 December 2015

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

This is stated after charging / (crediting):

	<b>2015</b>	2014
	£	£
Depreciation	<b>14,275</b>	15,098
Operating lease rentals:		
Property	<b>71,441</b>	66,826
Other	-	-
Auditors' remuneration (Net of VAT) :		
Audit UK ( Statutory Audit)		
current year	<b>9,500</b>	9,500
under provision in the previous year	<b>6,200</b>	6,786
Audit UK ( advice/donor audit)	<b>2,803</b>	9,500
current year	-	9,414
under provision in the previous year	-	-
Foreign exchange gains or losses	-	6,568
	<b>110,224</b>	137,192

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

Staff costs were as follows:

	<b>2015</b>	2014
	£	£
Salaries and wages	<b>995,074</b>	992,479
Social security costs	<b>108,615</b>	104,518
Employer's contribution to defined contribution pension schemes	-	25,878
Total emoluments paid to staff were:	<b>1,103,689</b>	1,122,875
Other staff costs	<b>26,817</b>	56,068
	<b>1,130,506</b>	1,178,943

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

	<b>2015</b>	2014
	No.	No.
£60,000 - £69,999	<b>1</b>	2
£80,000 - £89,999	<b>1</b>	1

The total employee benefits of the key management personnel were £148,417 (2014: £182,851).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2014: £nil). No charity trustee received payment for professional or other services supplied to the charity (2014: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £5,558 (2014: £18,362) incurred by 3 (2014: 7) members relating to attendance at meetings of the trustees.

## Internews Europe

### Notes to the financial statements

#### For the year ended 31 December 2015

##### 7 Staff numbers

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

	2015 No.	2014 No.
International Programmes	14.3	10.6
Development & Outreach	2.0	2.2
Programme Operations	8.7	9.2
Support	2.2	1.0
	27.2	23.0
	27.2	23.0

##### 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 organization 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 organizational learning. Nevertheless, IEU and IUS purposefully maintain separate governance bodies and each legal entity has its own CEO.

One of the trustees of *Internews Network*, David Hoffman is on the board of both entities and the Chief Operating Officer of Internews Network, David Creekmore, was appointed as Honorary Treasurer after the resignation as trustee of Mr Vidhi Tambiah on the 30th June 2015 and held this post until February 2016 when Mr Sach Chandaria accepted this position. No remuneration was paid for this position.

During the year, Internews Europe had service contracts with Internews US which amounted to £98,134 (2014-£ 93,616). Internews Europe also invoiced Internews US for costs paid on its behalf amounting to £94,066 (2014- £98,356). The Internews US debtor balance at the end of the year was £132,338 (2014- £56,348) and the creditor balance was £98,134 (2014 - nil). Internews Network also donated £80,522 (2014 - £63,462) All transactions were at an arm's length basis.

Donations amounting to £1,605 were received from trustees during the year. (2014 - nil)

##### 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

###### Charity and group

	Fixtures and fittings £	Office equipment & computers £	Office furniture £	Total £
<b>Cost</b>				
At the start of the year	38,731	16,793	9,007	64,531
At the end of the year	38,731	16,793	9,007	64,531
<b>Depreciation</b>				
At the start of the year	16,751	11,932	4,045	32,728
Charge for the year	7,747	4,727	1,801	14,275
At the end of the year	24,498	16,659	5,846	47,003
<b>Net book value</b>				
<b>At the end of the year</b>	14,233	134	3,161	17,528
At the start of the year	21,980	4,861	4,962	31,803

All of the above assets are used for charitable purposes.

## Notes to the financial statements

For the year ended 31 December 2015

**11 Debtors**

	Group 2015 £	Group 2014 £	Charity 2015 £	Charity 2014 £
Accounts Receivable	327,807	298,444	327,807	894,388
Programme Advances	248,082	151,960	248,082	151,473
Deposits	12,251	12,251	12,251	12,251
Accrued income	399,511	63,462	399,511	63,462
Prepayments	22,919	3,598	22,919	3,599
	<b>1,010,570</b>	529,714	<b>1,010,570</b>	1,125,172

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

	Group 2015 £	Group 2014 £	Charity 2015 £	Charity 2014 £
Recoverable grant	90,435	90,435	90,435	90,435
CAF loan	34,420	32,308	34,420	32,308
Trade creditors	177,991	58,162	177,991	88,725
Taxation and social security	21,946	25,345	21,946	25,345
Other creditors	20,334	49,375	20,334	49,375
Accruals	168,709	170,390	168,709	170,390
Deferred income	112,824	85,000	112,824	85,000
Amount owed to Internews France	-	-	-	495,793
	<b>626,659</b>	511,015	<b>626,659</b>	1,037,371

**13 Deferred income**

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

	2015 £	2014 £
Balance at the beginning of the year	85,000	-
Amount released to income in the year	(85,000)	-
Amount deferred in the year	112,823	85,000
Balance at the end of the year	<b>112,823</b>	85,000

**14 Creditors: amounts falling due after one year**

	Group 2015 £	Group 2014 £	Charity 2015 £	Charity 2014 £
CAF loan	20,858	55,637	20,858	55,637
Recoverable grant	34,410	134,065	34,410	134,065
	<b>55,268</b>	189,702	<b>55,268</b>	189,702

The Charities Aid Foundation (CAF) loan was drawn down in July 2013 to provide cash flow for unrestricted spend. Interest is paid monthly together with the capital. This is due to be repaid by the 25th July 2017. The conditions of the loan state that IEU must provide CAF Venturesome with quarterly management accounts and updates and a six monthly social performance report.

The recoverable grant is repayable no later than 31st August 2017

Notes to the financial statements

For the year ended 31 December 2015

15 Analysis of charity net assets between funds

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	17,528	-	17,528
Net current assets	(464,781)	1,764,422	1,299,641
Long term liabilities	(55,268)	-	(55,268)
<b>Net assets at the end of the year</b>	<b>(502,521)</b>	<b>1,764,422</b>	<b>1,261,901</b>

16 Movements in funds

	Restated At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
<b>Restricted funds:</b>					
Conflict and Stabilisation	756,546	325,258	(609,726)	(4,008)	468,070
Environment	6,379	473,904	(273,434)	-	206,849
Human Rights	725,706	1,159,856	(1,183,356)	-	702,206
Humanitarian	95,642	1,151,340	(926,857)	-	320,125
Democracy and Governance	384	184,945	(118,157)	-	67,172
<b>Total restricted funds</b>	<b>1,584,657</b>	<b>3,295,303</b>	<b>(3,111,530)</b>	<b>(4,008)</b>	<b>1,764,422</b>
<b>Unrestricted funds:</b>					
General	(558,464)	582,665	(530,730)	4,008	(502,521)
<b>Total unrestricted funds</b>	<b>(558,464)</b>	<b>582,665</b>	<b>(530,730)</b>	<b>4,008</b>	<b>(502,521)</b>
<b>Total funds</b>	<b>1,026,193</b>	<b>3,877,968</b>	<b>(3,642,260)</b>	<b>-</b>	<b>1,261,901</b>

Purposes of restricted funds

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

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

**Human Rights** : Internews trains both professional and citizen journalists to analyze and report on human rights issues more effectively. We support independent media to preserve access to information and promote the monitoring of human rights violations. We support freedom of expression by helping to keep information flows open and connecting human rights defenders with their local media. Our work also aims to reduce the potential for harm to journalists, writers and other civil society activists in countries where they are most at risk. We also build the independence and credibility of emerging information stakeholders, such as internet bloggers, to allow communities to trust in their most prolific sources of information.

Through the highly specialist work of our technology hub, we assist local media partners and civil society groups in developing new communication and information tools and technologies to further increase local dialogue around human rights and access to information.

Notes to the financial statements

For the year ended 31 December 2015

16 Movements in funds (continued)

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

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

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

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

Reconciliation of net income / (expenditure) to net cash flow from operating activities

17

	2015 £	2014 £
<b>Net income / (expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>235,708</b>	(184,563)
Depreciation charges	14,275	15,098
Gains/(losses) on investments	-	(18,414)
(Increase)/decrease in debtors	(480,856)	472,991
Increase/(decrease) in creditors	13,878	98,533
<b>Net cash provided by / (used in) operating activities</b>	<b>(216,995)</b>	383,645

18 Analysis of cash and cash equivalents

	At 1 January 2015 £	Cash flows £	Other changes £	At 31 December 2015 £
Cash in hand	1,165,391	(249,661)	-	<b>915,730</b>
<b>Total cash and cash equivalents</b>	<b>1,165,391</b>	<b>(249,661)</b>	<b>-</b>	<b>915,730</b>

19 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2015 £	2014 £	2015 £	2014 £
Less than one year	94,268	-	2,078	-
One to five years	70,701	66,825	-	2,078
Over five years	-	-	-	-
	<b>164,969</b>	<b>66,825</b>	<b>2,078</b>	<b>2,078</b>

Notes to the financial statements

For the year ended 31 December 2015

**20 Capital commitments**

At the balance sheet date, the charity had no capital commitments (2014: £nil).

**21 Contingent assets or liabilities**

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

**22 Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

**23 Subsidiary undertaking**

Internews Europe ( France) was dissolved and its activities were merged with Internews Europe with effect from 1 January 2015. Internews Europe France now operates as a branch of Internews Europe and its results for the year ended 31 December have been reflected within the charity's financial statements.

	2015	2014
	£	£
Turnover	-	(8,564)
Direct Costs	-	(69,712)
Other costs	-	(25,842)
Administrative expenses	-	-
Total costs	-	(95,554)
Surplus/ (deficit) for the financial year	-	(104,118)
The aggregate of the assets, liabilities and funds was:		
Assets	-	560,277
Liabilities	-	(599,786)
Funds	-	(39,509)

The brought forward Charity reserves are restated to the Group reserves, as the current years figures are comparable to the group as the activities of the dissolved French subsidiary were merged from the 1st January 2015.