



## Fonden ARIJ International

Skindergade 23  
1159 København K  
CVR No. 38934481

## Annual report 2022

The Board Meeting adopted the annual report  
on 23.06.2023

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**Reem Abu Hassan**  
Chairperson of the Broard Meeting

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# Entity details

## Entity

Fonden ARIJ International

Skindergade 23

1159 København K

Business Registration No.: 38934481

Date of foundation: 14.09.2017

Registered office: København

Financial year: 01.01.2022 - 31.12.2022

## Board of Directors

Reem Abu Hassan, chairperson

Anders Alexandersson

Zahera Harb

Jad P Melki

Frederik Johannes Obermaier

Assile Tabbara

Pia Normann Thordsen

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management

The Board of Directors has today considered and approved the annual report of Fonden ARIJ International for the financial year 01.01.2022 - 31.12.2022.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 23.06.2023

## Board of Directors

**Reem Abu Hassan**  
chairperson

**Anders Alexandersson**

**Zahera Harb**

**Jad P Melki**

**Frederik Johannes Obermaier**

**Assile Tabbara**

**Pia Normann Thordsen**

# Independent auditor's report

## To the Board of Directors of Fonden ARIJ International

### Opinion

We have audited the financial statements of Fonden ARIJ International for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines 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, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

#### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 23.06.2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

**Christian Dalmose Pedersen**

State Authorised Public Accountant

Identification No (MNE) mne24730

# Management commentary

## Primary activities

To support investigative journalism, transparency and credibility, primarily in the Arab world. The object of the Foundation is to engage in charitable purposes. The Foundation is governed by the Danish act on Registered Social Enterprises and is therefore a social enterprise.

## Development in activities and finances

The Foundation was established in September 2017.

The Foundation has signed an administration agreement with the Danish law firm & Foldschack. Furthermore, the Foundation has signed an agreement with IMS and a number of other international organizations. on receiving funds from these organizations to be used in the Foundation's work.

The Foundation implement the assignments through the company Arab Researchers for Managing Seminars and Training in Jordan.

The Foundation holds conferences, seminars, training courses, and the like as well as in other ways support investigative journalism in the Arab World. In 2022, the funding covered three main components, theoretical capacity building, practical capacity building including investigation, in-depth reports and podcast production, in addition to networking which mainly includes ARIJ's 15th Annual Forum. ARIJ published/broadcasted 39 investigations, 46 in-depth reports, 19 data stories, 27 podcast episodes and 1 policy paper. Moreover, worked on the MENA chapter in one "Global South e-book on "Information Disorder", 1 data source, 1 Fact Checking tool; 1 Marketplace, and 1 manual on "Misuse of Power and Gender".

ARIJ: launched 8 self-paced courses available on ARIJ Academy free and open to all Arabic speaking community, conducted 54 workshops (17 physical and 37 virtual), 52 webinars, 2 roundtables (1 virtual/1 physical), 1 physical hackathon, two virtual Labs , one virtual 6 months Data Journalism Diploma (3rd version); 43 sessions, in addition to 24 sessions (physical, virtual and hybrid) on different topics, and a total of 817 one-on-one clinics; 270 digital safety, 133 physical safety, 52 career safety, 55 legal safety and 307 mental safety, comprising 322.79 days of training.

Coached 166 journalists (6 - 12 months), 1/3 fellows, to produce investigations with 40% females, and coached 60 fact checkers (2 - 6 months), with 34% females, and trained through workshops, labs, hackathon, diploma 887 trainees, of which 58.40% were females. ARIJ training reached 9212 of the MENA journalism community and beyond, with 47% females. 52 webinar attendees reached 7,521; with 47.50% females.

Furthermore, the Foundation has signed an agreement that Arab Researchers are in charge of the internet-based platform ARIJ which is updated on an on-going basis so that the investigative journalism being produced may become available to a large audience.

On August 18, 2020 the Foundation bought all the shares in the Jordanian company Arab Researchers for Managing Seminars and Training in Jordan.



**In addition, the Board of Directors must i.h.t. Section 8 of the Act on social economy companies states the following:**

The Board hereby gives an account of the following matters:

1. The total amount of Board remuneration for present and former members listed for each management body: The Board does not carry out remunerated tasks for the Foundation.
2. The total amount of management remuneration: There is no management.
3. Agreements entered into with related persons/parties: An agreement has been signed with the founder IMS that the founder pays for the Foundation carrying out a number of activities which are specified in the agreement with IMS. The Foundation informs IMS in relation to whether these activities have been carried out and it is clearly stated in the signed agreement that the funds received are to be paid back to IMS, if the activities are not carried out as agreed.
4. Cash and other assets distributed from the Foundation's funds: In the financial year, no funds have been distributed by the Foundation.
5. The Foundation's policy for distribution of funds: As the Foundation mission does not distribute any funds. There is no policy in place.
6. List of recipients of funds: There has been no distribution of funds in the financial year.
7. How the Foundation fulfills its social aims: The Foundation has agreements with sub-suppliers to ensure that the activities that are necessary in order for the Foundation to fulfill its aims to support investigative journalism, transparency and credibility in the Arab world have been carried out.
8. How the Foundation is independent of public authorities: The Foundation has no members that have been appointed by public authorities, nor is the Foundation in any other way dependent on public authorities.
9. How the Foundation is inclusive and responsible in its work: The Foundation is in an on-going dialogue with a number of different cooperation partners, including not least a number of investigative journalists and fact checkers in the Arab world, about possible ways to spread and support investigative journalism. Furthermore with the aid of sub-suppliers, the Foundation's work includes propagating investigative journalism and fact checked content which may contribute to citizens becoming involved in important matters in society and may increase citizens' commitment and belief that they are able to influence society.

**Statutory report on foundation governance**

Section 60 of the Danish Act on Commercial Foundations requires the Foundation's Executive Committee to consider the recommendations of the Committee on Foundation Governance under the Comply or Explain approach. The Executive Committee has reviewed and considered each recommendation, as stated below.

**Name:** Reem Abu Hassan

**Title:** Chairperson

**Gender and age:** Female, born 1963

**Nationality:** Jordanian

**Joined board:** 01.02.2020

**Initial Expiration:** 31.12.2023

**Jobs:** Independent - Lawyer - Civil Society Activist - Gender and Development Issues

**Competencies:** Law, Human Rights, Family protection, Early child protection, Domestic and GBV, in depth knowledge of the legislative system in Jordan

**Other jobs:** Head of "Poverty" Committee Support in Jordan

**Independancy/Partners:** Independent

**Name:** Anders Alexandersson

**Title:** Board member

**Gender and age:** Male, born 1954

**Nationality:** Swedish

**Joined board:** 12.03.2021

**Initial Expiration:** 31.12.2025

**Jobs:** Senior vice president at Stockholm School of Economics in Riga (SSE Riga)

**Competencies:** Training, Investigation, Business, Funding

**Other jobs:** Board member, OCCRP

**Independancy/Partners:** A Board member at OCCRP, which is one of ARIJ's partners/small donors

**Name:** Zahera Harb

**Title:** Board member

**Gender and age:** Female, born 1970

**Nationality:** British/Lebanese

**Joined board:** 01.04.2023

**Initial Expiration:** 31.12.2023

**Jobs:** Professor of Journalism

**Competencies:** Journalism, politics, ethics, communication, Knowledge of the terms of journalistic work in the Arab Region

**Other jobs:** Board member, MCN

**Independancy/Partners:** Independent

**Name:** Jad P Melki

**Title:** Board member

**Gender and age:** Male, born 1974

**Nationality:** American / Lebanese

**Joined board:** 01.02.2020

**Initial Expiration:** 31.12.2023

**Jobs:** Associate Professor, Journalism and Media Studies Chairperson, Department of Communication Arts Director, Institute of Media Research and Training, LAU(Lebanese American University)

**Competencies:** Communications, Media, Investigative journalism, Accademia, training, Arts, Multimedia

**Other jobs:** None

**Independancy/Partners:** Independent

**Name:** Frederik Johannes Obermaier  
**Title:** Board member  
**Gender and age:** Male, born 1984  
**Nationality:** German  
**Joined board:** 10.01.2023  
**Initial Expiration:** 31.12.2023  
**Jobs:** Investigative Journalist  
**Competencies:** Management, Business Operations, Fundraising, Investigative Journalism, Finance, Administrative, Editorial, Fact Checking  
**Other jobs:** None  
**Independancy/Partners:** Independent

**Name:** Assile Tabbara  
**Title:** Board member  
**Gender and age:** Female, born 1962  
**Nationality:** French / Lebanese  
**Joined board:** 12.03.2021  
**Initial Expiration:** 31.12.2025  
**Jobs:** Lebanon and Syria bureau chief, Agence France Presse  
**Competencies:** Reporting, Journalism, Gender, Training, Coaching, Management, Arab Region  
**Other jobs:** None  
**Independancy/Partners:** Independent

**Name:** Pia Normann Thordsen  
**Title:** Board member  
**Gender and age:** Female, born 1966  
**Nationality:** Danish  
**Joined board:** 14.09.2017  
**Initial Expiration:** 31.12.2025  
**Jobs:** Journalist/Producer  
**Competencies:** Investigative journalism, Production, Media Landscape, Knowledge of the terms of journalistic work in the Arab World  
**Other jobs:** None  
**Independancy/Partners:** Independent

No. 1.1 It is recommended that the board of directors adopt principles for external communication that address the need for transparency and stakeholders' needs and possibilities to obtain relevant up-to-date information about the circumstances of the foundation.

The foundation complies

No. 2.1.1 It is recommended that, in order to secure the activities of the commercial foundation in accordance with the purposes and interests of the foundation, the board of directors should, at least once a year, take a position on the overall strategy and distribution policy of the foundation on the basis of the articles of association.

The foundation complies

No. 2.1.2 It is recommended that the board of directors regularly address whether the foundation's asset management is in line with the purpose of the foundation and its long- and short-term needs.

The foundation complies

No. 2.2.1 It is recommended that the chairman of the board of directors organise, convene and chair meetings of the board of directors in order to ensure effective board work and to establish the best conditions for the work of the board members, individually and collectively.

The foundation complies

No. 2.2.2 It is recommended that if the board of directors, in exceptional cases, asks the chairman of the board of directors to perform special activities for the commercial foundation which extend beyond the duties of chairman, a board resolution to that effect be passed to ensure that the board of directors maintains its independent, general management and control function. Appropriate allocation of responsibilities should be ensured between the chairman, the vice-chairman, the other members of the board of directors and the executive board, if any.

The foundation complies

No. 2.3.1 It is recommended that the board of directors regularly, and at least every second year, assess and stipulate the competences that the board of directors needs to possess in order to best perform the tasks incumbent upon the board of directors.

The foundation complies

No. 2.3.2 It is recommended that, with due respect of any right in the articles of association to make appointments, the board of directors approves a structured, thorough and transparent process for selection and nomination of candidates for the board of directors.

The foundation complies

No. 2.3.3 It is recommended that members of the board of directors are appointed on the basis of their personal qualities and competences, taking into account the collective competences of the board, and when composing and nominating new members of the board the need for introducing new talent is weighed against the need for continuity and the need for diversity in relation to commercial and grants experience, age and gender.

The foundation complies

No. 2.3.4 It is recommended that in the management commentary in the annual report and on the commercial foundation's website, if any, there is an account of the composition of the board of directors, including its diversity, and that the following information is provided on each board member:

- the name and position of the member,
- the age and gender of the member,
- date of original appointment to the board whether the member has been re-elected, and expiry of the current election period,
- any special competences possessed by the member,
- other managerial positions held by the member, including positions on executive boards, boards of directors

and supervisory boards and board committees in Danish and foreign foundations, enterprises and institutions, as well as other demanding organisation tasks,

- whether the member owns shares, options, warrants and similar in the foundation's subsidiaries and/or associated companies,
- whether the member has been appointed by authorities/providers of grants etc., and
- whether the member is considered independent.

The foundation complies

No. 2.3.5 It is recommended that the majority of the members of the board of directors of the commercial foundation are not also members of the board of directors or executive board of the foundation's subsidiary(ies), unless it is a fully owned actual holding company.

The foundation complies

No. 2.4.1 It is recommended that an appropriate proportion of the board of directors be independent. If the board of directors (excluding employee representatives) is composed of

- up to four members, at least one member should be independent,
- between five and eight members, at least two members should be independent, or
- nine to eleven members, at least three members should be independent, and so on.

To be considered independent, this person may not, for example:

- be or within the past three years have been member of the executive board, or senior employee in the foundation, or an essential subsidiary or associated company to the foundation,
- within the past five years have received larger emoluments, including distributions or other benefits from the foundation/group or a subsidiary or associated company to the foundation in other capacity than as member of the board of directors or executive board of the foundation,
- within the past year have had a significant business relationship (e.g. personal or indirectly as partner or employee, shareholder, customer, supplier or member of the executive management of companies with corresponding connection) with the foundation/group or a subsidiary or associated company to the foundation,
- be or within the past three years have been employed or partner at the external auditor,
- have been a member of the board of directors or executive board of the foundation for more than 12 years,
- be a close relative of, or in some other way be especially close to, persons who are not considered independent,
- be the founder or a significant donor if the purpose of the foundation is to grant support to this person's family or others who are especially close to this person, or
- be a member of the management of an organisation, another foundation or similar, which receives or repeatedly within the past five years has received significant donations from the foundation.

The foundation complies

No. 2.5.1 It is recommended that members of the board of directors be appointed for a minimum period of two years and a maximum period of four years.

The foundation complies

No. 2.5.2 It is recommended that an age limit for members of the board of directors be set, which is published in the management commentary or on the foundation's website.

The foundation complies

No. 2.6.1 It is recommended that the board of directors establish an evaluation procedure in which the board of directors, the chairman and the contributions and performance of individual members are evaluated annually, and the result is discussed by the board of directors.

The foundation complies

No. 2.6.2 It is recommended that once a year the board of directors evaluate the work and performance of the executive board and/or the administrator (where relevant) in accordance with predefined clear criteria.

The foundation complies

No. 3.1.1 It is recommended that the members of the board of directors of commercial foundations be remunerated with a fixed remuneration and that members of an executive board, if any, be remunerated with a fixed remuneration, possibly combined with a bonus which should not be dependent upon accounting results. The remuneration should reflect the work and responsibilities consequential to the position.

The foundation complies

No. 3.1.2 It is recommended that the financial statements provide information about the full remuneration received by each member of the board of directors and any executive board from the commercial foundation and from the foundation's subsidiaries and associated companies. Furthermore there should be information on any other remuneration which members of the board of directors and any executive board have received for performing other work or tasks for the foundation, the foundation's subsidiaries or associated companies, except for the remuneration of employee representatives as employees.

The foundation complies

#### **Statutory report on distribution policy**

As the fund is in an establishment phase, the management has decided not to make any distributions at this time and therefore no distribution policy has been defined.

#### **Events after the balance sheet date**

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Income statement for 2022

	Notes	2022 DKK	2021 DKK
Revenue	1	21,935,820	10,101,470
Cost of sales	2	(21,546,748)	(9,270,930)
Other external expenses	3	(112,079)	(172,125)
<b>Gross profit/loss</b>		<b>276,993</b>	<b>658,415</b>
Income from investments in group enterprises		37,629	1,526
Other financial income	4	14,343	26,899
Other financial expenses	5	(323,912)	(25,941)
<b>Profit/loss for the year</b>		<b>5,053</b>	<b>660,899</b>
<b>Proposed distribution of profit and loss:</b>			
Retained earnings		5,053	660,899
<b>Proposed distribution of profit and loss</b>		<b>5,053</b>	<b>660,899</b>

# Balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK	2021 DKK
Investments in group enterprises		2,898,595	0
<b>Financial assets</b>	6	<b>2,898,595</b>	<b>0</b>
<b>Fixed assets</b>		<b>2,898,595</b>	<b>0</b>
Other receivables		247,665	0
<b>Receivables</b>		<b>247,665</b>	<b>0</b>
<b>Cash</b>		<b>1,012,534</b>	<b>7,150,070</b>
<b>Current assets</b>		<b>1,260,199</b>	<b>7,150,070</b>
<b>Assets</b>		<b>4,158,794</b>	<b>7,150,070</b>



**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Contributed capital		300,000	300,000
Translation reserve		2,541	0
Retained earnings		342,507	337,453
<b>Equity</b>		<b>645,048</b>	<b>637,453</b>
Provisions for investments in group enterprises		0	581,498
<b>Provisions</b>		<b>0</b>	<b>581,498</b>
Trade payables		87,626	75,000
Deferred income	7	3,426,120	5,856,119
<b>Current liabilities other than provisions</b>		<b>3,513,746</b>	<b>5,931,119</b>
<b>Liabilities other than provisions</b>		<b>3,513,746</b>	<b>5,931,119</b>
<b>Equity and liabilities</b>		<b>4,158,794</b>	<b>7,150,070</b>

Non-arm's length-related party transactions 8

# Statement of changes in equity for 2022

	Contributed capital DKK	Translation reserve DKK	Retained earnings DKK	Total DKK
Equity beginning of year	300,000	0	337,454	637,454
Exchange rate adjustments	0	2,541	0	2,541
Profit/loss for the year	0	0	5,053	5,053
<b>Equity end of year</b>	<b>300,000</b>	<b>2,541</b>	<b>342,507</b>	<b>645,048</b>

# Notes

## 1 Revenue

Revenue consist donations from donators to the Fonden ARIJ International.

## 2 Cost of sales

Cost of sales consits transfers of donations from Fonden ARIJ International to the subsidiary company ARAB RESEARCERHS FOR MANAGING FORUMS AND TRAINING, which is located in Jordan. The subsidiray company handle the donations in Jordan, where the purpose of the Foundations acivities are taking place.

## 3 Other external expenses

The Fund administrator receives an annual administration fee of 25.000 DKK.

## 4 Other financial income

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Other interest income	14,343	2,583
Exchange rate adjustments	0	24,316
	<b>14,343</b>	<b>26,899</b>

## 5 Other financial expenses

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Other interest expenses	13,942	14,444
Exchange rate adjustments	289,862	0
Other financial expenses	20,108	11,497
	<b>323,912</b>	<b>25,941</b>

## 6 Financial assets

	<b>Investments in group enterprises DKK</b>
Cost beginning of year	100,000
Additions	3,426,336
<b>Cost end of year</b>	<b>3,526,336</b>
Impairment losses beginning of year	(100,000)
Exchange rate adjustments	2,541
Share of profit/loss for the year	37,629
Reversal of impairment losses	(581,501)
Other adjustments	13,590
<b>Impairment losses end of year</b>	<b>(627,741)</b>
<b>Carrying amount end of year</b>	<b>2,898,595</b>

<b>Investments in subsidiaries</b>	<b>Registered in</b>	<b>Corporate form</b>	<b>Equity interest %</b>
ARAB RESEARCHERS FOR MANAGING FORUM AND TRAINING	Jordan	LLC	100.00

## 7 Deferred income

Deferred income relates to donations received that have not yet been forwarded to the subsidiary ARAB RESEARCHERS FOR MANAGING FORUMS AND TRAINING.

## 8 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were carried out in the financial year.

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

## Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

## **Income statement**

### **Revenue**

Revenue consists of grants received and donations to support investigative journalism, transparency and credibility primarily in the Arab world.

### **Cost of sales**

Cost of sales includes project costs to meet the Fund's mission statement to support investigative journalism, transparency and credibility primarily in the Arab world.

### **Other external expenses**

Other external expenses include expenses relating to the Entity's administrator and accountant.

### **Income from investments in group enterprises**

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

### **Other financial income**

Other financial income comprises of exchange gains on transactions in foreign currencies.

### **Other financial expenses**

Other financial expenses comprise of exchange loss on transactions in foreign currencies.

## **Balance sheet**

### **Investments in group enterprises**

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

The accounting policies applied to material financial statement items of group enterprises are:

### **Revenue & Expenses**

The value of the revenue for grants and donations made to the Company is recognized when it is approved by

the donor and related parties when the expenses related to the investigations, training, and projects are realized. The unused part of the grants and donations is recognized as deferred revenue.

Expenses are recognized as incurred when they are due on the accrual basis.

**Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

**Cash**

Cash comprises cash in hand and bank deposits.

**Other provisions**

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

**Deferred income**

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.