

Fonden ARIJ International

c/o Advokatpartnerselskabet FFDB, Skindergade 23, 4. sal, 1159 Copenhagen K

Reg. no. 38 93 44 81

Annual report

1 January 2019 - 31 December 2019

The annual report has been submitted and approved at the foundation's meeting of the board of directors on the 31 August 2020.

Mohamed Khalil Chebaro

Chairman

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Management's Statement

The board of directors have today considered and adopted the annual report of Fonden ARIJ International for the financial year 1 January 2019 - 31 December 2019.

The annual report has been prepared in accordance with the provisions of Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Foundations's financial position at 31 December 2019 and of the Foundation's activities for the financial year 1 January 2019 - 31 December 2019.

Furthermore, we are of the opinion that the management review includes a fair description of the issues dealt with.

The annual report is recommended for approval.

Copenhagen K, 31 August 2020

Board of director's

Mohamed Khalil Chebaro
Chairman



Andrew Joseph Sullivan



Kim Ghattas



Jad Melki



Nils Magnus Forsberg

Reem Abu Hassan



Pia Normann Thorsen



Independent auditor's Report

To the board of director's of the Fonden ARIJ International

Opinion

We have audited the financial statements of the Fonden ARIJ International for the financial year 1 January 2019–31 December 2019, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of 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 Foundation's financial position at 31 December 2019, and of its operations and for the financial year 1 January 2019 -31 December 2019 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 report under "Auditor's responsibility for the audit of the financial statements".

As required by the International Ethics Standard Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Foundation, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of the board of directors for the financial statements

The board of directors are 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 the board of directors consider necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors are responsible for assessing the Foundation's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting in preparing the financial statements unless the board of directors and executive management either intends to liquidate the Foundation or to suspend operations or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements 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 additional requirements applicable in Denmark will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if it would be reasonable to expect that these - either individually or collectively could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent auditor's Report

- 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 Foundation's internal control.
- Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by the board of directors and executive management are reasonable.
- Conclude on whether the board of directors and executive management's use of the going concern basis of accounting in preparing the financial statements is appropriate, and, based on the audit evidence obtained, conclude on whether a material uncertainty exists related to events or conditions, which could cast significant doubt on the Foundation'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 imply that the Foundation can no longer remain a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including note disclosures, 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 which we identify during our audit.

Statement on the management's review

The board of directors are responsible for the management's review.

Our opinion on the financial statements does not cover the management's review, and we do not express any form of opinion providing assurance regarding the management's review.

In connection with our audit of the financial statement, our responsibility is to read the management's review and, in doing so, consider whether the management's review is materially inconsistent with the financial statements or with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the management's review 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 misstatements of the management's review.

Copenhagen, 31 August 2020

Grant Thornton

Statsautoriseret Revisionspartnerselskab
CVR-nr. 34 20 99 36


Jens Max Haugbyrd
State Authorised Public Accountant mne6161


Allan Breiling
State Authorised Public Accountant mne35809

Information about the foundation

The Foundation	Fonden ARIJ International c/o Advokatpartnerselskabet FFDB Skindergade 23, 4. sal 1159 Copenhagen K
	Reg no.: 38 93 44 81
	Founded: 14. September 2017
	Accounting year: 1. January - 31. December
	Second accounting year
Board of director's	Mohamed Khalil Chebaro, Chariman Jad Melki Reem Abu Hassan Andrew Joseph Sullivan Nils Magnus Forsberg Pia Normann Thordsen Kim Ghattas
Administrator	Advokatpartnerselskabet Foldschack Forchhammer Dahlager og Barfod
Auditor	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 Copenhagen Ø
Banker	Merkur Andelskasse, Vesterbrogade 40, 1., 1620 Copenhagen V

Management's review

FINANCIAL STATEMENT

The Foundation's main activities

The object of the Foundation is:

“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 economic conditions

The Foundation was established in September 2017 and this is the second annual report to be submitted.

The Foundation has signed an administration agreement with the Danish law firm Foldschack, Forchhammer, Dahlager & Barfod. 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.

Consequently, the Foundation has held conferences, seminars, training courses, and the like as well as in other ways supported investigative journalism in the Arab World. Furthermore, the Foundation has signed an agreement that Arab Researches 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.

After the end of the financial year the Foundation has bought all the shares in the Jordanian company Arab Researchers for Managing Seminars and Training in Jordan.

Significant events occurred after the end of financial year

After the end of the financial year, no events of material importance to Foundation's financial position have occurred.

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 is in the set-up phase of its organization and activities, the Board has decided not to distribute any funds at this stage.
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 subsuppliers 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.

Management's review

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 in the Arab world, about possible ways to spread and support investigative journalism. Furthermore, In addition, with the aid of sub-suppliers, the Foundation's work includes propagating investigative journalism 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.

STATEMENT OF GOOD GOVERNANCE OF THE FOUNDATION

Statutory statement of good governance of the Foundation, cf. section 77a of the Danish Financial Statements Act.

The Board of Directors shall report on good fund management in accordance with the "Recommendations on good fund management". This covers a statement on the Board's openness and communication, tasks and remarks, which are given below:

1 Transparency and communication

- 1.1 It is recommended that the board of directors adopt guidelines for external communication, including who can make public statements on behalf of the foundation and on what matters. The guidelines should 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.

2 Tasks and responsibilities of the board of directors

2.1 Overall tasks and responsibilities

- 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, at least once a year the board of directors take a position on the overall strategy and distribution policy of the foundation on the basis of the articles of association.
- The Foundation complies.

2.2 Chairman and vice-chairman of the board of directors

- 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.

Management's review

- 2.2.2 It is recommended that if, in addition to the position as chairman, in exceptional circumstances, the chairman of the board of directors is requested to perform specific operating functions for the commercial foundation, a board resolution be passed which ensures that the board of directors retains its independent, overall 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.
- 2.3 Composition and organization of the board of directors**
- 2.3.1 It is recommended that the board of directors regularly assess and stipulate the competences that the board of directors is to possess in order to perform the tasks incumbent upon the board of directors as well as possible.
- The Foundation complies.
- 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 ensures a structured, thorough and transparent process for selection and nomination of candidates for the board of directors
- The Foundation complies.
- 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 is considered in relation to commercial and grants experience, age and gender.
- The Foundation complies.

Management's review

- 2.3.4 It is recommended that in the management review in the annual report and on the commercial foundation's website, 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 has been appointed by authorities/providers of grants etc., and
 - whether the member is considered independent.
- The Foundation complies – see subsequent overview
- 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.
- 2.4 Independence**
- 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. If the board of directors is composed of between five and eight members, at least two members should be independent. If the board of directors is composed of nine to eleven members, at least three members should be independent, and so on.
- The Foundation complies.

Management's review

2.5 Appointment period

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.

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 review or on the foundation's website

The Foundation does not comply and explains. Since board members are appointed for 4 years at a time, they have chosen not to have an age limit.

2.6 Evaluation of the performance of the board of directors and the executive board

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.

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.

3 Remuneration of management

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 a possible executive board 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 Board of Directors has chosen not to receive remuneration.

3.1.2 It is recommended that the annual financial statements provide information about the full remuneration received by each member of the board of directors and executive board (if relevant) from the commercial foundation and from other enterprises in the group. Furthermore, there should be information on any other remuneration which members of the board of directors, except for employee representatives, have received for performing tasks for the foundation, subsidiaries of the foundation or enterprises in the same group as the foundation.

There is no management. If board members perform tasks for the fund, this will be stated in the management report in the annual report.

Management's review

The following may be disclosed to the members of the Board of Directors:

	Mohammed Khalil Chebaro	Jad Melki	Reem Abu Hassan
Job	Editor in chief	professor	Lawyer and Civil Society Activist
Age	Born 1965	Born 1974	Born 1963
Gender	Man	Man	Woman
Joined the Board on	29.06.2019	01.02.2020	01.02.2020
Expiration of term	31.12.2021	31.12.2021	31.12.2021
Special competences of the member	Financial, managerial, enterprise. Knowledge of the terms of journalistic work in the Arab world	Communications, Media, Investigative journalism, Accademia, training, Arts, Multimedia	Law, Human Rights, Family protection, Early child protection, Domestic and GBV, in depth knowledge of the legislative system in Jordan
Other management occupations		Associate Professor, Journalism and Media Studies Chairperson, Department of Communication Arts Director, Institute of Media Research and Training, LAU(Lebanese American University)	Head of "Poverty" Committee Support in Jordan
The member is considered to be independent	Independent	Independent	Independent

Management's review

	Andrew Joseph Sullivan	Nils Magnus Forsberg	Pia Normann Thordsen	Kim Ghattas
Job	Editor	Project director	Journalist	Reporter/author
Age	Born 1963	Born 1969	Born 1966	Born 1977
Gender	Man	Man	Woman	Woman
Joined the Board on	14.09.2017	29.06.2019	14.09.2017	13-06-2020
Expiration of term	31.12.2023	31.12.2021	31.12.2021	31-12-2023
Special competences of the member	Management, Business Operations, Fundraising, Investigative Journalism, Finance, Administrative, Editorial, Fact Checking	Economic, Legal, Management Operations, Fundraising, Investigative Journalism, Knowledge of the terms of Journalism work in the Arab World, Digital and Physical Security	Investigative journalism. Knowledge of the terms of journalistic work in the Arab world	Journalism, politics, fundraising, communication, Knowledge of the terms of journalistic work in the Arab Region
Other management occupations	Editor (Co-founder of OCCRP (Organized Crime and Corruption Project Reporting))	Project director of IREX		Ghattas serves at the board of trustees at the AUB (American University of Beirut), She is also currently a non resident senior fellow at the Carnegie Endowment for International Peace.
The member is considered to be independent	Independent, however, OCCRP receives grants from some of the same donors as the Foundation ARIJ International	Independent, however, IREX receives grants from some of the same donors as the ARIJ International Foundation	Independent	Independent

Management's review

STATEMENT OF THE DISTRIBUTION POLICY OF THE FOUNDATION **Statutory statement on distribution policy, cf. §77b of the Danish Financial Statements Act**

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.

Accounting policies

The annual report of the ARIJ International Foundation has been prepared in accordance with the provisions of the Danish Financial Statements Act for a class B enterprises with the adjustments that result from the existence of a foundation. In addition, the Foundation has chosen to follow certain rules for Class C enterprises.

The annual report has been prepared in accordance with the following accounting policies and is presented in Danish kroner.

Income

Net sales

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

Project costs, etc.

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

External costs

External costs include costs for administrator and accountant etc..

Financial income and costs

Financial income and expenses include interest, realized and unrealized gains and losses on financial assets and liabilities, amortization of financial assets and liabilities, as well as surcharges and allowances under the on-account tax scheme, etc. Financial income and expenses are recognized in the income statement with the amounts relating to the financial year.

Income tax expense

The tax for the year, which consists of the current tax for the year and the change in deferred tax, is recognized in the income statement with the portion attributable to the profit for the year and directly in equity with the portion attributable to entries directly in equity.

Balance Sheet

Prepayments

Prepayments recognized under assets comprise expenses incurred for subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents include deposits with banks.

Fund tax and deferred tax

The fund is subject to the tax laws of foundations, and the taxable income is calculated accordingly. The tax law for mutual funds allows tax deductions for provisions for subsequent distributions. As a result, the fund has the option of reducing any taxable positive income to zero. The tax deduction for provision for subsequent distribution is not allowed for accounting purposes, which is why a deferred tax liability arises thereon.

Deferred tax relating to differences between accounting and tax values of assets and liabilities is generally recognized in the financial statements. An assessment is made of the Fund's ability to allocate the taxable income to zero for the financial year and the coming fiscal year as a result of the tax deductions for provision for subsequent distribution. This assessment may also mean that deferred tax is not recognized in the financial statements for differences between accounting and tax values of assets and liabilities.

Liabilities

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

Prepayments

Under accrued items, payments received relating to income are recognized in subsequent years.

Income statement

<u>Note</u>		1/1 2019 <u>- 31/12 2019</u>
1	Net sales	11.438.531 7.991.649
	Project costs	-11.256.926 -7.879.633
	External costs	<u>-168.065</u> <u>-104.827</u>
	Gross operating profit	13.540 7.189
	Other financial costs	<u>-13.540</u> <u>-7.189</u>
	Result before tax	0 0
	Tax on the result for the year	<u>0</u> <u>0</u>
	Result for the year	<u>0</u> <u>0</u>
	Proposed distribution of result	
	Disposed from transferred result	<u>0</u> <u>0</u>
	Disposed total	<u>0</u> <u>0</u>

Balance sheet

Assets		
Note	31/12 2019	31/12 2018
Current assets		
Prepaid costs	0	12.500
Receivables	2.028.207	0
Receivables total	<u>2.028.207</u>	<u>12.500</u>
Cash	<u>1.512.388</u>	<u>1.863.548</u>
Total current assets	3.540.595	1.863.548
Total assets	<u>3.540.595</u>	<u>1.876.048</u>

Balance sheet

Equity and liabilities		
Note	31/12 2018	14/9 2017
1 Equity		
Basic capital	300.000	300.000
Total equity	300.000	300.000
 Liabilities		
Trade payables	55.625	36.875
Grants due	1.846.603	0
Accrued income	1.338.367	1.539.173
Total current liabilities	3.240.595	1.576.048
 Total liabilities	3.240.595	1.576.048
 Total equity and liabilities	3.540.595	1.876.048
 2 Contingent liabilities and other obligations		
 3 Remuneration for administrator		
 4 Related parties		

Statement of changes in equity

	Basic capital	Retained	Total
Equity 1 January 2019	300.000	0	300.000
	300.000	0	300.000

Notes

1/1 2019
- 31/12 2019

1. Net sales

Grants received	8.952.539
Grants received last year for 2019	475.628
Grants returned/not fully used	-17.843
Grants granted, not received yet	<u>2.028.207</u>
	<u>11.438.531</u>

2. Contingent liabilities and other obligations**Contingent liabilities**

The Foundation has a calculated deferred tax of DKK 1,100, as a result of tax provisions deducted. The deferred tax is not included as a liability in the balance sheet.

3. Remuneration for administrator

The following can be disclosed about the administrator's remuneration from the foundation: The remuneration amounts to DKK 25,000 incl. VAT for the financial year 2019.

4. Related parties**Related part**

IMS	Founder
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Transactions

An agreement has been made with the founders of IMS that the founder pay DKK 6,880,000 for the foundation to carry out a number of activities as stated in the agreement with IMS. IMS is reported in relation to whether these activities have been carried out, and it is clear from the agreement entered into that the funds must be repaid if the activities are not carried out as agreed.