

# RNW Media Management Report 2018

1 April 2019

## General information

Statutory Name:	Stichting RNW Media
Also known as:	RNW Media, Radio Nederland Wereldomroep
Legal Form:	Foundation (Stichting)
Chamber of Commerce no.:	32022621
RSIN/Fiscal no.:	001940612
Date of Registration:	15-04-1947
Address:	Witte Kruislaan 55A, 1217 AM, Hilversum
Telephone:	+31356724211
E-mail:	info@rnw.org
Website:	www.rnw.org
Certifications:	ANBI; ISO Partos 9001
CEO:	Jacqueline Lampe

## 1 Management report

### 1.1 General

#### Vision

RNW Media's vision is to contribute to a world where young people in restrictive settings confidently claim their rights, assume their place in society and shape a better future.

#### Mission

Our mission is to identify young people's needs and bring them together in user-owned digital communities where they can safely engage on taboos and sensitive topics, generating strong stories for advocacy to unleash their potential for social change.

#### Target group

RNW Media focuses on young people aged 15 to 30 who live in fragile or socio-politically repressive countries, what we call "restrictive settings" at RNW Media. In these settings, young people are often a large majority of the population.

## Core Values

RNW Media is a value-driven organisation. These values drive us:

- Aspirational—we strive to give our best for the next generation in restrictive areas by awakening their aspirations.
- Honest—we keep integrity as our point North. We're the best example of what we stand for; always respecting the context that we work in.
- Inclusive—we believe that together is the only way forward. We convene user-owned digital communities that are a safe place to talk about sensitive topics.

## Geographic Focus

In 2018, we focused our work in 14 countries. In Sub-Saharan Africa we had platforms in Burundi, Democratic Republic of Congo (DRC), Kenya, Mali, Nigeria and Uganda, and a newly launched platform in Rwanda. In the Middle East and North Africa, we worked in Egypt, Libya, Syria and Yemen. In Asia, we worked in India and China, and in Latin America in Mexico.

## Donors

In 2018, RNW Media received funding from AmplifyChange for Love Matters as part of Amplify Change's €2 million grant for 2016–2018. Love Matters also benefited from €1.4 million in additional approved funding from AmplifyChange. We were in the initial phase of various grants: the two-year €410,000 grant from EuropeAid for the Justice4her platform in China; the €1 million grant from the Dutch Postcode Lottery for our work on data, digitalisation and the sustainability of our platforms; and two one-year grants from the Dutch Ministry of Foreign Affairs for our work in Burundi with Radio la Benevolència and with Free Press Unlimited, respectively. Other donors, such as Nuffic, the Global Reporting Initiative, CARE and TechSoup supported RNTC Media Training Programme trainings and courses.

### *Dutch Ministry of Foreign Affairs: Enabling the Next Generation*

In November 2016, the Dutch Ministry of Foreign Affairs allocated RNW Media a total amount of €34 million for four years (2017–2020) to work on the implementation of our new strategy. To fit our strategic ambitions, RNW Media in 2018 focused on strengthening the data and digital component of the organisational programme, “*Enabling the Next Generation*”.

### *Dutch Postcode Lottery*

With the support of the Dutch Postcode Lottery we were able to offer young people, via popular social media, safe spaces to share experiences and discuss issues that matter to them. We were able to invest in the innovation, security and sustainability of our projects and digital platforms, as well as expand our data gathering and research. We could also invest in our local teams to build their capacity and support them to become independent.

## 1.2 Programmes and results

RNW Media has three programmes to support young people to effect social change. Our Citizens' Voice programme focuses on helping build inclusive societies. The sexual and reproductive health and rights (SRHR) programme, Love Matters, addresses love, sex and relationships, and our RNTC Media Training programme provides capacity building for persuasive storytelling through our accredited training institute.

The motto for RNW Media's 2018 annual plan was "Let's focus, prioritise, plan, and keep learning!" In 2018, we expanded the Data & Digital Team, bringing on more researchers, data analysts, and a seasoned manager to lead the team. We took the organisation through a programme and project management training. For Data & Digital this resulted in great benefits, leading to an incident ticketing and work planning system to address issues on our platforms quickly and efficiently and build new platforms at the same time. In line with having a stronger data-driven approach we delivered eight baseline reports on projects in our *Enabling the Next Generation* programme, for both Citizens' Voice and Love Matters, and simplified and improved the theories of change and indicators for the programmes.

### **Citizens' Voice**

In 2018 the Citizens' Voice programme was all about focus and ambition. We invested in refining the programme's approach, taking its focus on social cohesion and inclusive governance and bringing these together under the umbrella of "building inclusive societies". At country level it was an exciting year. We disbanded the pan-MENA platform Huna Sotak to develop independent country platforms. We set up a platform in Mali, Benbere, and one on economic inclusion in Egypt.

All the platforms succeeded in influencing decision-makers and key policy processes in their countries. Habari RDC organised a campaign to engage young people in the DRC elections. Yaga in Burundi succeeded in having the Government commit to fighting a street drug affecting young Burundians. In Mali, Benbere, run by Donyblog in Bamako, organised the "Speak North, Central and Southern Mali" campaign. As a result, Benbere was invited to support a high-level meeting between youth community leaders and the United Nations mission in Mali. Huna Libya launched a new series of women-led vlogs that increased women's engagement. Yemen Youth Panel, known since 2018 locally as Manasati30, took part in the United Nations peace consultation in Stockholm in December. Last but not least, a Justice4Her online campaign led the police to review a rape case they had not taken seriously.

### **Love Matters**

RNW Media has been working on creating a concept and operational model for sustainable impact for Love Matters. This took the form of a social (non-profit) franchise model. With the new social franchise model in place we focused on gaining visibility for the Love Matters programme at international level. As part of our visibility aims, Love Matters had a major presence at the International Conference on Family Planning in November in Rwanda. We co-organised several panel sessions, gave three oral presentations, ran a large booth, and our CEO was one of ten at the CEO PitchFest.

The Love Matters platforms had several campaigns. Love Matters India contributed to the change in the Lesbian, Gay, Bisexual and Transgender (LGBT) law in India through the [#LforLove](#) online campaign. Love Matters China launched an International Women's Day campaign that included live chats with 210,000 participants. Love Matters China contributed to Sina Weibo reversing their decision to remove LGBT content. Love Matters Egypt ran its annual campaign on condoms and emergency contraception for ten days in September.

The Love Matters programme started its “regionalisation” process. We kick-started development of the Love Matters Africa Anglophone platform to be run out of Kenya. In keeping with the transition, the Love Matters Kenya team scaled up its offline collaboration and partnership development. Love Matters also launched in Nigeria, establishing the Love Matters Naija Facebook page. We took initial steps toward developing the Love Matters Africa Francophone platform to be run out of DRC, called “Amour Afrique”.

### RNTC Media Training

To mark its 50<sup>th</sup> year, RNTC launched a Scholarship Fund for Media Development. Other activities included coaching through the RNTC Online Academy and a series of trainings. There were Media for Development workshops at five conferences and a masterclass for non-governmental organisations (NGOs) in The Netherlands. With partners like TechSoup Europe, CARE and the Global Reporting Initiative RNTC provided some 18 tailor-made trainings on such topics as counter-radicalisation and media campaigns for development and social change. Thanks to Nuffic scholarships, RNTC also held in-residence courses in Hilversum with journalists, bloggers and vloggers from all over the world, on such topics such as data and investigative journalism, becoming a digital content creative, and reaching audiences with storytelling.

### Sustainability

Our goal is for our digital communities to become fully locally owned and sustainable long after grant cycles end. As indicated above, in 2018 we developed the social franchise to turn Love Matters into a global network and brand. The first platform to become independent is Hablemos de Sexo y Amor (Love Matters Mexico). In 2018 we signed the Memorandum of Understanding with the national SRHR organisation, Mexico Vivo, for them to run Love Matters Mexico and continue to use the Love Matters programme’s pleasure-positive approach with young people and apply the visual identity.

### Reach

Indicator	Results 2014	Results 2015	Results 2016	Results 2017	Results 2018
1. Total number of website users	17m	36m	41m	33m	26.3m
2. Total number of web visits/sessions	20m	45m	49m	38 m	33.8m
3. Total number of website page views	44m	85m	96m	66m	54.5m
4. Total number of Chinese social media views	188m	126m	143m	366.7m	466.3m
5. Total size of all social media communities (end of year)	3.2m	5.8m	10.2m	10.3m	10.5m
6. Total interactions (Likes, comments, shares)	5.8m	9.0m	10.8m	12,6m*	19.7m
7. Total number of video views	13.1m	24.4m	47.5m	18.7m	89.8m
Total content views (sum of 3, 4 and 7)	245m	235m	286m	451.4m	610.6m

\*In 2017, we reported 77.9m total interactions. We have since removed the “recommendation” metric as we do not view it as an indication of user behaviour.

In 2018 China was at the heart of major differences in our data when comparing these with the figures for 2017: the Love Matters China website was deactivated in the middle of the year. That caused all total website related figures—number of users, number of sessions, page views—to be lower in 2018 compared to 2017. We were successful, however, in relaunching the site in early 2019.

The total video views rose in 2018, as, since last year we have collected data on video views on Chinese video platforms. We did not have access to this data in previous years. That has resulted in much higher number of video views. The rise however, is also partially due to algorithm changes and a result of smart advertising and content framing.

The projects we handed over (The Hague Trials Kenya, Ivoire Justice and El Toque) in the past two years had very large communities, which explains why our social media communities show modest growth. The Hague Trials Kenya was, at the time of handover, about the third biggest Facebook community in Kenya. What we now see is important increases in engagement (interactions), almost twice as much as in 2016. A lot of increased engagement is coming from the emphasis Citizens' Voice now places on social media engagement as a mechanism of change. We did not apply that approach in the older projects we handed over, and indeed, despite their size there was a low level of engagement on these channels. In short, we see our strategy is working.

Globally, we see users have found us through social media more often than via our websites, and that can be seen from the figures. Social media use has grown at the expense of website visits. In line with this trend, RNW Media launched several new Facebook communities and expanded the reach of our existing projects across other channels (Twitter, YouTube and Instagram).

### **1.3 Looking ahead**

#### **Strategic review**

We reviewed our organisational strategy in 2018. This review helps govern our thinking for 2019 and beyond. The review showed our 2016 strategy and management agenda are still fully relevant. The management agenda consists of the five areas of focus of our organisational strategy: state of the art approach; sustainable impact; stakeholder inclusion; balanced solid income; and efficiency. Thanks to the review we gained a new perspective on the management agenda.

Our management agenda needs to drive more directly and faster toward impact and income. To implement our programmes more thoroughly (state-of-the-art approach) we need to integrate digital methods more effectively in our programmes and in our planning, monitoring, evaluation and learning (PMEL). This means we need to have a full-blooded data strategy, and we need to continue to innovate on how measure progress on targets. Part of this involves ensuring continuous alignment between our indicators and our digital tools. Our midterm evaluation in 2019 will reveal whether our adjustments to the PMEL framework is yielding strong dividends.

In 2019 we will invest further in RNW Media's data and digital capacity and digital infrastructure. RNW Media's Hilversum office will transform into a centre for data and digital expertise responsible for supporting and facilitating the country teams and global network partners. In 2019, we will pilot new methods to turn the data young people generate on our platforms into strong stories for advocacy. For that purpose, we will also use external data and information from the media about how they portray and talk about young people.

### **Sustainability**

We will continue to develop our replication models. As mentioned above Love Matters is becoming a global network and brand that functions as a social franchise. In 2019, we will also develop clear governance concepts and structures for Love Matters. Love Matters India will become independent and join Love Matters Mexico as part of the new global network in November 2019.

In line with our approach to sustainability, our pan-African platform, This is Africa, which focuses on shifting the narrative on Africa to a more uplifting and vision-building one, will become independent from RNW Media in 2019. They are registering as a trust, called 'This is Africa Trust', in order to function as a legal entity. And they are actively fundraising to ensure financial stability once on their own two feet. In line with that, at the end of 2018 This is Africa had a strategy meeting and hired a new business developer.

## **1.4 Organisational management and operations**

### **Staff**

We recruited 16 people in 2018 in Hilversum, ending the year with 57 staff people. In the regions we focused on further strengthening the local teams, ending the year with 122 regional staff persons across our different countries.

Continued strengthening of engagement and knowledge across the organisation took place through our annual "Global Week". This corporate event brought staff together in interactive sessions to identify organisational challenges and find solutions, build personal strengths, and develop knowledge and skills. The focus of this yearly event was on capacity building for online campaigning.

### **Management**

In 2018, RNW Media's general management consisted of a Chief Executive Officer (CEO), Jacqueline Lampe. The CEO bears final responsibility for the organisation's management and is overseen by the Supervisory Board. The CEO leads RNW Media's Management Team (MT). The MT consists of the CEO, the Director of Digital programmes, the Director of Programme Development and Global Partnerships (a new position created in 2018), the Director of Finance and Operations and the Director of Business Development.

## **Working conditions**

Although RNW Media suspended the Collective Labour Agreement (CAO) for Broadcasting Staff in 2015, we followed its basic standards in 2018. RNW Media worked to align conditions and benefits with that of others in the non-profit development and media sector in 2018. In 2019, we will launch a new compensation and benefits system and a process to adapt job descriptions and corresponding scales.

## **Personnel representation**

In 2018 a structure, Umoja/PVT, was set up to represent our personnel around the world. Umoja/PVT consists of five persons. Three employees represent colleagues from Hilversum. These same three colleagues also form the PVT (*Personeelsvertegenwoordiging*, Personnel Representation group). Two additional colleagues are part of Umoja/PVT to represent colleagues in our implementation countries. Umoja/PVT meets on a quarterly basis with the CEO and on an ad hoc basis as needed. In 2018 we also selected an external Integrity Officer (*Externe Vertrouwenspersoon*) to support staff to address problems that are not able to be resolved through discussion with management.

## **Code of conduct**

RNW Media endorses and follows the Partos Code of Conduct 2012. In 2018, RNW Media drafted a new Code of Conduct, with clear agreements regarding integrity, behaviour, good governance, quality and independence. The text of the Code of Conduct was adapted and finalised in Q1 2018 in light of the misconduct incidents affecting the humanitarian aid sector. New Whistleblower and Complaints policies were finalised. Towards the end of 2018 one incident was reported to the management. An Ad Hoc Committee rolled out an independent investigation. The allegations were not substantiated. Through the process we realised our policies needed refining, in particular regarding expectations of professional conduct, and staff should sign the Code of Conduct. We also saw our policies needed to become a greater part of the daily work of all our staff, including at country level. In 2019 we will be training our managers on working with the Integrity System. The first training with Regional and Country Coordinators will be in April.

## **Safety and security**

In 2018 we made an inventory of digital security risks. We saw an increase in the frequency and variety of security incidents in the countries where we work. Given the sensitivity of the themes we cover, the engagement of our young users on open platforms can compromise their safety. Also, even on closed platforms, our data are vulnerable to hackers. Other digital security risks concern the barriers governments place on digital media makers.

We are monitoring developments in the legal and regulatory environment and are sharing knowledge with relevant networks. We adjust our content strategy to focus on less volatile subjects when our content poses too high of a risk to our users. Capacity building on physical and digital security will have a strong focus in 2019.

In line with our responsibilities on how we handle data, in 2019 we are focusing on complying with the new European privacy regulations (GDPR). After working with a Dutch law firm to do an initial assessment for our organisation, a project team is defining policies and communications solutions to comply with the GDPR.

## **Business Development**

The Business Development department focused in 2018 on building visibility among potential donors and partner organisations and on strengthening our relationships with existing donors and partners. To that end, RNW Media had a robust presence at the International Conference on Family Planning in Rwanda with several, diverse activities (see above) and with two abstract-driven sessions at RightsCon. At the Concordia event in New York we participated in two roundtable sessions to address the role of media in providing young people with the information they need on employment and on SRHR, respectively. In addition, in the fourth quarter of 2018 we conducted a satisfaction survey among our current donors and clients and received scores of 8 or more out of 10.

## **1.5 Finances**

### **Background**

At the start of 2017 we launched our new organisational programme, Enabling the Next Generation, under a four-year grant of €34 million in partnership with the Dutch Ministry of Foreign Affairs.

#### *Participating interest*

In 2017 RNW Media held a 75% share in dB mediagroep B.V. In April 2018 RNW Media reached an agreement with the minority shareholder to buy its 25% shareholding, and in 2018 RNW Media became sole owner of the shares of dB mediagroep B.V.

#### *Local offices*

For our operations in China we registered a Wholly Foreign Owned Entity (WFOE) under the name of “Sino Dutch Culture Communication (Shanghai) Co., Ltd.” The entity has become operational in 2018, but the Chinese Government advised RNW Media should also register as an international non-governmental organisation in China. This process is currently under way.

### **2018 Income**

We closed 2018 with operating revenues totalling €13.6 million, of which €8 million came from the Dutch Ministry of Foreign Affairs for the Enabling the Next Generation programme. We had an additional €5.6 million in income from other donors, like AmplifyChange, the EU, the Dutch Postcode Lottery and Nuffic, as well as from real estate rental, and our ownership of dB mediagroep B.V.

### **2018 Budget and actuals**

We planned for a €2.5 million deficit in 2018 to invest in our future. Income was €1.4 million higher than budgeted, thanks to a contribution of €1 million from the Dutch Postcode Lottery and several smaller donors. Costs stayed €2.1 million below budget, because we postponed some planned projects until 2019 and were successful in reducing our operating expenses. As a consequence, the total result of 2018 is a surplus of €1 million.

### **2018 Balance Sheet**

Due to a change in bookkeeping systems in 2013 we adapted our asset register. As a result of the change, the general reserves and tangible fixed assets increased by €2.9 million per 1 January 2018, as did our cash flow, by €1.4 million.

## Budget 2019

We planned a deficit for 2019 of €0.8 million, which the Supervisory Board approved in October 2018. Please see the formally approved 2019 budget below.

<b>RNW Media Budget 2018, Actual 2018 and Budget 2019</b> (x €1,000)	<b>Budget</b> <b>2018</b>	<b>Actual</b> <b>2018</b>	<b>Budget</b> <b>2019</b>
Income from the Dutch Ministry of Foreign Affairs	7.989	8.000	8.274
Income from projects	1.940	3.219	2.741
Other operating income	2.263	2.349	1.919
<b>Total operating income</b>	<b>12.192</b>	<b>13.568</b>	<b>12.934</b>
Wages and salaries	3.677	3.796	3.376
Social security contributions	1.232	924	1.114
Amortisation and depreciation, respectively, of intangible and tangible fixed assets	272	330	208
Other changes in value of fixed assets	-	-249	-
Direct production expenses	6.645	5.216	6.525
External hiring and other third-party expenses	582	735	506
Other operating expenses	2.247	1.791	2.053
<b>Total operating expenses</b>	<b>14.655</b>	<b>12.543</b>	<b>13.782</b>
Result from operations	- 2.463	1.025	-848
Financial result	-	5	-
<b>Surplus/planned deficit</b>	<b>- 2.463</b>	<b>1.030</b>	<b>-848</b>
<b>Group result after tax and minority interest corrections</b>	<b>-2.463</b>	<b>994</b>	<b>-848</b>

## 1.6 Risk management

The Management Team has defined five top risks, as listed below:

1. Increased pressure on (international) NGOs and the work they do;
2. Physical safety and security;
3. Digital safety and security;
4. Disappointing additional funding/income growth; and
5. Data risks related to management, storage, changes in regulations and digital gatekeepers.

To mitigate the above top risks we make sure we have clear policies, protocols and procedures in place. For example, we have a physical and digital security policy, a safety and security policy and protocol, an incident registration system, and clear security and crisis management procedures as well as regular safety and security trainings. We also work closely with local partners, such as bloggers groups, and international development actors like Partos and the Dutch Ministry of Foreign Affairs and embassies. For the financial wellbeing of our organisation, we maintain a lean organisation—having flexible human resources, prudent budgeting, healthy reserves and diversified income.

## 1.7 Supervisory Board

### Purpose

The Supervisory Board is responsible for comprehensively supervising the Board's policy and the general affairs of the foundation and its associated organisation and, if applicable, its affiliated legal entities. The Supervisory Board appoints its own members, according to the statutes, for a term of four years, at the end of which time they may be reappointed for a single consecutive period. The members of the Supervisory Board are not remunerated for their work in the Board. To ensure control, there is a functional line between the Supervisory Board and the Director of Finance and Operations, and the latter is responsible for working closely with the Audit Committee.

### Members of the Supervisory Board

- Susan Blankhart, Member, Chair Remuneration Committee, Chair Temporary Committee Compensation & Benefits
- Michel Farkas, Member, Audit Committee, Temporary Committee Compensation & Benefits
- Theo Huibers, Chair, Remuneration Committee
- Nicole Kuppens, Member, Chair Audit Committee
- Sander 't Sas, Member

### About each member

Principal and secondary positions the members of the Supervisory Board held in 2018.

Name	Year appointed	Principal position	Secondary positions
Susan Blankhart	2017	Retired Ambassador at the Dutch Ministry of Foreign Affairs, Director FemDiplo	<ul style="list-style-type: none"><li>• Plan Nederland, member Supervisory Board (unpaid)</li></ul>
Michel Farkas	2017	Managing Director Global Support Services/CFO at SNV Netherlands until 31 December 2018. From 1 January 2019 Chief Operations Officer of Hivos.	<ul style="list-style-type: none"><li>• Operational Center Médecins sans Frontières, OCA Council member and chair of the OCA Audit Committee (unpaid)</li><li>• Artsen zonder Grenzen Nederland, treasurer (unpaid)</li></ul>
Theo Huibers	2016	Professor at the University of Twente, Human Media Interaction Department and advisor at Thaeis.	<ul style="list-style-type: none"><li>• Stichting AnderBeeld, Board Chair (unpaid)</li></ul>
Nicole Kuppens	2016	Managing Director "Spoorwegmuseum" (Dutch Railroad Museum)	Hortus Botanicus Amsterdam, Supervisory Board member (unpaid)
Sander 't Sas	2014	Senior Reporter AVROTROS	Netherlands Association of Journalists (NVJ), chair of the public broadcasting section (unpaid)

## Meetings

In 2018, the Supervisory Board held five meetings to discuss proceedings at RNW Media. In addition, regular consultations took place among the members. There were consultations between the management and the Chair of the Supervisory Board, and the Chair of the Audit Committee as well. The Board was regularly informed of relevant and important developments in plans and strategies.

The most important topics discussed during the meetings of the supervisory board were: annual reporting 2017; progress annual plan 2018; financial budget and forecast 2018; approval annual plan and budget 2019; strategy review; db mediagroep b.v.; and evaluation of the CEO's performance and CEO's self-evaluation.

## Committees

### *Remuneration Committee: purpose; members; and meetings*

As part of the Supervisory Board, the Remuneration Committee is responsible for ensuring a clear procedure for recruiting and selecting the CEO and the Supervisory Board members. The Remuneration Committee is responsible for the remuneration of the CEO, monitors and evaluates the CEO's functioning, and reports back to the members of the Supervisory Board on their findings. The Remuneration Committee has two members, Theo Huibers and Susan Blankhart (Chair). The Remuneration Committee held one meeting with the CEO in 2018 to discuss her performance.

### *Audit Committee: purpose; members; and meetings*

Within the Supervisory Board, the Audit Committee is responsible for overseeing the provision of financial information, implementing recommendations and acting on the comments of the external auditor. It is also responsible for overseeing the operation of the internal risk management and control systems, including compliance with relevant regulations and legislation, and overseeing the application of the principles of good management and the provision of advice to the Supervisory Board. The chair of the Audit Committee is responsible for preparing the meetings of the Audit Committee, together with the CEO and the director of Finance and Operations.

The Audit Committee has two members: Nicole Kuppens (Chair) and Michel Farkas. The Audit Committee held three meetings in 2018. The most important topics discussed were: annual reporting 2017; financial reporting and forecast 2018; budget 2019; dB mediagroep B.V.; and risk and mitigation framework.

### *Temporary Committee Compensation & Benefits*

RNW Media is in the process of developing a new compensation and benefits package. The temporary Committee Compensation & Benefits oversees this process on behalf of the Supervisory Board, functions as a sparring partner in the process and prepares approval for final decisions by the Supervisory Board. The Committee Compensation & Benefits has two members: Susan Blankhart (Chair) and Michel Farkas. The Committee held one meeting in 2018, discussing progress on the new Compensation & Benefits package at RNW Media.

### Recommendation to approve the accounts

The Audit Committee inspected the 2018 Statement of Accounts. In doing so the Audit Committee took note of the auditor's findings and consequently made recommendations to the Supervisory Board as a whole. The Audit Committee recommended the Supervisory Board approve RNW Media's 2018 Statement of Accounts.

### 1.8 Statement of approval of accounts

I, Jacqueline Lampe, CEO of RNW Media, hereby declare:

- the Financial Statements provide a true and fair view of the assets, liabilities, financial position and profit or loss of RNW Media and the companies included in the consolidation; and
- the report of the Board provides a true and fair view of the financial position on the balance sheet date, and of the course of events during the financial year both regarding RNW Media and the affiliates whose financial statements are included, and that in the report of the Board, the significant risks faced by RNW Media are described.

Approved 27 March 2019



S.T. BLANKHART



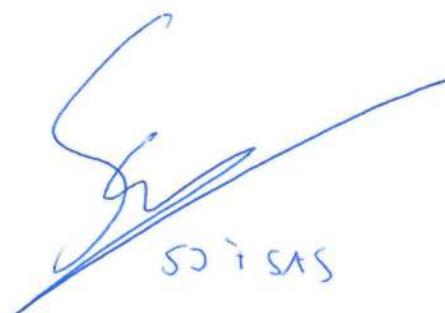
S.C.M. Blaam



W. Lappers



M. Forster



S. J. S. S.

## 2 Financial Statements 2018

### 2.1 Consolidated Balance Sheet as of 31 December 2018

After appropriation of results (x €1.000)

<b>Assets</b>	<b>2018</b>	<b>2017</b>
<u>Fixed assets</u>		
Intangible fixed assets (1)	44	0
Tangible fixed assets (2)	14.334	11.741
Financial fixed assets (3)	45	80
	<hr/>	<hr/>
	14.423	11.821
 <u>Current assets</u>		
Receivables (5)	770	903
Cash and cash equivalents (6)	2.000	641
	<hr/>	<hr/>
	2.770	1.544
 <b>Total assets</b>	 <b>17.193</b>	 <b>13.365</b>
 <b>Equity and liabilities (x €1,000)</b>	 <b>2018</b>	 <b>2017</b>
<u>Group equity</u>		
General reserve (7)	12.105	9.601
Revaluation reserve (8)	1.766	1.500
Appropriated funds: personnel (9)	325	321
Reserve projects (10)	675	88
Minority Interest (11)	0	-63
	<hr/>	<hr/>
	14.871	11.447
 <u>Provisions</u>		
Pension provisions (12)	45	44
Other provisions (13)	199	214
	<hr/>	<hr/>
	244	258
 <u>Long-term liabilities</u>		
Other liabilities (14)	0	63
 <u>Current liabilities</u>		
Trade creditors	796	766
Other taxes and social security contributions	275	180
Other liabilities (15)	351	298
Accruals and deferred income (16)	656	353
	<hr/>	<hr/>
	2.078	1.597
 <b>Total equity and liabilities</b>	 <b>17.193</b>	 <b>13.365</b>

## 2.2 Statement of income and expenditure for 2018

(x €1,000)	2018 Actual	2018 Budget	2017 Actual	2018 Actual/ Budget
<b>Income</b>				
Income from Ministry of Foreign Affairs (17)	8.000	7.989	10.000	0%
Revenues from projects (18)	3.219	1.940	2.344	66%
Other operating income (19)	2.349	2.263	2.295	4%
<b>Total income</b>	<b>13.568</b>	<b>12.192</b>	<b>14.639</b>	11%
<b>Expenditures</b>				
Wages and salaries (20)	3.796	3.677	3.360	3%
Social security contributions (21)	924	1.232	830	-25%
Amortisation & depreciation of intangible & tangible fixed assets (22)	330	272	275	21%
Other changes in value of fixed assets (23)	-249	0	-400	
Direct production costs (24)	5.216	6.645	5.712	-22%
External hiring and other third-party services (25)	735	582	1.774	26%
Other operating expenses (26)	1.791	2.247	1.522	-20%
<b>Total expenditures</b>	<b>12.543</b>	<b>14.655</b>	<b>13.073</b>	-14%
<b>Result from operating activities</b>	<b>1.025</b>	<b>-2.463</b>	<b>1.566</b>	
Financial result (27)	5	0	-7	
<b>Results before taxation</b>	<b>1.030</b>	<b>-2.463</b>	<b>1.559</b>	
Profit taxes (28)				
Profit Tax over net result	-14	0	-21	
Added to the active tax latency	-22		91	
Minority interest (29)	0	0	-45	
<b>Group net results before appropriation</b>	<b>994</b>	<b>-2.463</b>	<b>1.584</b>	
Charged to appropriated funds personnel (8)	0		37	
Charged to reserve projects	0		79	
	994		1700	
Additions to reserve projects (10)	-588		0	
Additions to revaluation reserve (7)	-700		-400	
Withdrawn/added to general reserve (6)	294		-1300	
<b>Results after appropriation</b>	<b>0</b>		<b>0</b>	

## 2.3 Consolidated cash flow statement

(x €1,000)

	<b>2018</b>	<b>2017</b>
<b>Cash flow from operating activities</b>		
Group net results before appropriation	994	1.584
Adjustments for:		
Deferred taxes	35	-70
Depreciation and impairments	530	275
Sale of assets	2	35
Unrealised changes in value	-700	-400
Movements in minority interest	63	45
Allocated to appropriated funds	3	0
Movements in provisions	-14	-360
Changes in working capital:		
Movement in receivables	133	3.170
Movement in inventories and works-in-progress	0	1
Movement in trade creditors	30	-83
Movement in other taxes and social security contributions	95	-147
Movement in other liabilities	53	43
Movement accruals and deferred income	304	-5.977
Cash flow from business operations	<u>615</u>	<u>-2.993</u>
	1.528	-1.884
Income tax paid	0	0
Interest paid	0	0
<b>Cash flow from operating activities</b>	<u>1.528</u>	<u>-1.884</u>
<b>Cash flow from investing activities</b>		
Additions to intangible fixed assets	-55	
Additions to tangible fixed assets	-51	-23
Disposals of intangible fixed assets	0	0
Cash flow from investing activities	<u>-106</u>	<u>-23</u>
<b>Cash flow from financing activities</b>		
Repayment of long-term liabilities	-63	0
Proceeds from long-term liabilities	0	0
Cash flow from financing activities	<u>-63</u>	<u>0</u>
<b>Movement in cash and cash equivalents</b>	1.359	-1.907

## 2.4 Accounting policies used in preparing the consolidated financial statements

### 2.4.1 General

The company has prepared the consolidated and company financial statements in accordance with the Dutch Accounting Standards Board (DASB) guideline 640 for annual reporting for 'Not-for-profit organisations'. Assets and obligations and recognition of results are in general recognised at purchase price. Unless stated otherwise, assets and liabilities are recorded at amortised cost price. All amounts are presented in thousands of euros, unless otherwise stated. Since 2013, the balance sheet and statement of income and expenditures have been in accordance with guideline 640.

Guideline 640 for 'not-for-profit organisations' is for organisations whose primary purpose is not to make a profit but are focused on a religious, philosophical, social, charitable, cultural, or scientific objective. As part of this objective, the organisation may also be engaged in providing products and/or services. These organisations are identified as 'not-for-profit organisations' (Organisaties-Zonder-Winststreven, OZW). The general conditions to achieve these objectives are the financing of those activities and the financial position of these objectives. RNW Media does not qualify for simplified reporting guidelines or exemptions for reporting due to the size of the organisation.

The activities are performed according to the institutional grant decision of November 15-th 2016 for the Next Generation programme and are the responsibility of RNW Media.

On a yearly basis during the grant period, RNW Media will submit an annual plan, a budget, financial statements, auditor's report and annual report, and a report on findings regarding internal control. The general conditions from the grant regarding financial disclosure are included in the financial statements. The financial statements are accompanied by an auditor's report.

An auditor's report regarding the application of the prescribed policy regarding implementing organisations is not applicable to RNW Media, as it has no implementing organisations.

Regarding the implementation of the Public and Semi-public Sector Senior Officials (Standard Remuneration) Act (WNT), the foundation complied with the provisions of the act, and prepared these financial statements on the basis of the norms set out in these provisions.

#### **Changes in accounting policies**

There were no changes in accounting policies

#### **Changes in accounting estimates**

There were no changes in accounting estimates

## **Basis of consolidation and continuity**

The consolidated financial statements include the financial data of the company and its group companies on 31 December of the financial year. Group companies are legal entities and companies over which the company exercises control. Stichting Radio Nederland Wereldomroep (RNW Media) in Hilversum consolidates the financial figures of dB mediagroep B.V. (later referred to as: dB media), Hilversum, 100 percent associate, with an issued capital of €38,151. dB media in turn participates in *Vennootschap onder Firma, 'Studio Concertgebouw'*, with an amount of €18K.

Based on the evaluation of the developments from 2016 on and the budget for 2019, the conclusion is that the financial statements for dB media can be based on the company's continuity.

RNW Media has a subsidiary (Sino Dutch Culture Communication Shanghai Co. Ltd) registered in China. The registration of this Wholly Foreign Owned Entity (WFOE) was initially done through a special purpose entity (Stichting Sino Dutch) and in the course of 2017 transferred to RNW Media. SinoDutch started its activities with effect in April 2018.

Group companies are fully consolidated as of the date on which control is obtained and until the date that control no longer exists. The items in the consolidated financial statements are determined in accordance with consistent accounting policies. Profits and losses resulting from intragroup transactions are eliminated in full. The assessment was made of the situation at the date of the preparation of the financial statements.

The organisation's size and objectives have been adapted to the Strategic Plan 'Enabling the Next Generation: young people, media and social change 2016-2021', and with the four-year grant of the Ministry of Foreign Affairs, it now means that the organisation has an ample guarantee for continuity. The organisation has also made active efforts to find funding from other donors and has established and implemented a strategy for income diversification. As in previous years, the annual financial statements are therefore based on the assumption of the organisation's continuity.

## **Future expectations /events after year-end closing**

No events have occurred since the balance sheet date.

## **Foreign currency conversion**

The consolidated financial statements are prepared in euros, the functional and presentation currency of the organisation. Group companies use the functional and presentation currency as follows: dB mediagroep uses the euro as functional currency, both dB mediagroep and Sino Dutch use the euro as presentation currency. A transaction in a foreign currency is first documented using the average exchange rate of the month in which the transaction takes place. Monetary balance sheet items involving foreign currencies are converted at the functional exchange rates on the balance sheet date. Non-monetary balance sheet items in foreign currencies which are valued on the basis of historical value are converted at the functional exchange rates applicable at the date of transaction. Non-monetary balance sheet items in foreign currencies that are valued on the basis of current value are converted at the functional exchange rates applicable at the date of valuation. The functional and presentation currencies of the entity have not changed compared to the previous year.

## **Accounting policies**

### **General**

Assets and liabilities are generally valued at acquisition price, production cost or current value. If no specific valuation principle is stated, valuation is based on purchase price, less a provision for bad debts where necessary. All amounts are presented in thousands of euros, unless otherwise stated.

### **Financial instruments**

At RNW Media, financial instruments include both primary financial instruments, such as trade and other receivables, cash at bank, loans and other financial obligations, trade payables and other payables. Financial instruments are recognised initially at fair value (which serves as the amortised cost) and subsequently stated at amortised cost.

## Intangible fixed assets

### Goodwill

The positive difference between the purchase price and the fair value of the acquired identifiable assets and liabilities at the time of the transaction of a participating interest is capitalised as goodwill in the balance sheet.

In the context of a possible impairment, goodwill arising in an acquisition is allocated from the acquisition date to all (groups of) cash-generating units that are expected to benefit from the synergy in the acquisition after the acquisition. Annually, at the balance sheet date, it is assessed whether there are indications that the goodwill may be subject to an impairment. If this is the case, the impairment of goodwill is determined by assessing the realizable value of the cash-generating unit (or group of cash-generating units) to which the goodwill relates. If the realizable value of the cash-generating unit is lower than the carrying amount of the cash-generating unit to which goodwill is attributed, an impairment loss is recognised.

The goodwill will be depreciated according to the straight-line method based on the estimated economic life of five years. The estimated economic life is based on the nature and foreseeable life of the acquired activities.

## Tangible fixed assets

### Tangible fixed assets used by the company

Tangible fixed assets in use by the company are valued at the cost of acquisition or production (the established current rental price), minus any investment grants, the net of accumulated depreciation and, where applicable, accumulated impairment losses. Tangible fixed assets carried at cost do not include capitalised interest charges.

Tangible fixed assets are depreciated on a linear basis over their estimated useful economic lives, taking into account the residual value. If the expected depreciation method, useful economic life and/or residual value are subject to changes over time, they are treated as a change in accounting estimate.

Tangible fixed assets are depreciated as follows:

Land	Not applicable
Investment property	Fair value
Buildings	40 years
Renovations	10 years
Transmission and energy installations	15 years
Inventory and equipment	3 - 5 years
Automatisation equipment	5 years

### Investment property

Tangible fixed assets are valued at current value in accordance with DASB 213 104, due to being investment property and not subservient to own use. Investment property is property held to generate rental income and/or achieve increases in value and is not in use by the company. Properties under construction or under development are disclosed separately under investment property. Investment property is recognised in the balance sheet under tangible fixed assets not used in business operations. Investment property is initially valued at cost, including transaction costs. Investment property is subsequently carried at fair value without being depreciated. Gains or losses arising on changes in the fair value are taken to the profit and loss account. A revaluation reserve is formed and recognised through profit appropriation.

Other tangible assets are depreciated on a straight-line basis over their estimated useful economic lives of five to ten years, except the investment properties that are not depreciated. Tangible fixed assets under construction are investments not in use. Once they are in use, depreciation is started. If a tangible fixed asset involves costs of obligations for dismantling and removing the asset and restoring the site on which an asset is located that are incurred as a consequence of having built the asset, the costs of restoring are recognised as part of the carrying amount of the asset, with a provision being formed for an equal amount at the same time. Retired tangible fixed assets are carried at cost price or the lower expected fair value. If the expected fair value less costs is significantly higher than the carrying amount, with the assets being held for sale, an incidental revaluation is allowed, which is to be taken to a revaluation reserve. The revaluation is recognised as a separate item in the profit and loss account when the increase in value is realised.

## **Financial fixed assets**

### Participating interests

Participating interests over whose financial and operating policies the group exercises significant influence are valued using the net asset value method.

### Other financial fixed assets

Other financial fixed assets are recognised initially at fair value plus directly attributable transaction costs, and subsequently stated at amortised cost based on the effective interest method, purchase price or lower fair value. The group does not use derivative financial instruments.

### Inventories

Inventories of finished products and office supplies are carried at the lower of cost of acquisition or recoverable amount.

### Current receivables

Loans granted and other receivables not forming part of the trading portfolio are initially measured at fair value and subsequently carried at amortised cost less a provision for bad debts where necessary.

Cash at bank and in hand includes cash in hand and bank balances, notes and checks. It also includes deposits if these are effectively at the group's free disposal, even if interest income may be lost.

## **Taxes**

Taxes are calculated on the profit as disclosed in the profit and loss account based on current tax rates, allowing for tax-exempt items and cost items which are non-deductible, either in whole or in part. A deferred tax liability is recognised for all taxable temporary differences between the valuation for tax and financial reporting purposes. A deferred tax asset is recognised for all deductible temporary differences between the valuation for tax and financial reporting purposes and carry-forward losses, to the extent that it is probable that future taxable profit will be available for set-off. Deferred tax assets and liabilities are recognised under financial fixed assets and provisions, respectively.

## **Appropriated funds**

If the organisation has separated a portion of its equity because it is to be spent within a more restricted scope than the organisation's goals would otherwise allow, and this restriction has been imposed by third parties, then the organisation must designate this portion of equity as appropriated funds.

## **Provisions**

A provision is formed if the group has a legal or constructive obligation as at the balance sheet date if it is probable that an outflow of resources will be required to settle the obligation and the amount of the liability can be reliably estimated. The amount of the provision is determined based on a best estimate of the amounts required to settle the liabilities and losses concerned at the balance sheet date. Provisions are carried at non-discounted value, unless stated otherwise.

Provisions are measured at nominal value, except for the pension provision. The pension provision is carried at discounted value.

## **Long-term liabilities**

When long-term liabilities are recognised initially, they are measured at fair value, plus, in the case of financial liabilities not classified at fair value through profit or loss, directly attributable transaction costs. After initial measurement, long-term liabilities are carried at amortised cost using the effective interest method. Gains and losses are taken to the profit and loss account when the liabilities are derecognised, as well as through the amortisation process.

### Current liabilities

On initial recognition, current liabilities are carried at fair value less directly attributable transaction costs (in the case of financial liabilities not carried at fair value through profit or loss). After initial measurement, current liabilities are carried at amortised cost using the effective interest method. Gains and losses are taken to the profit and loss account when the liabilities are derecognised, as well as through the amortisation process.

#### Calculation of result from operating activities

Income and expenditures are allocated to the year to which they relate. Expenses are determined with due observance of the aforementioned accounting policies and allocated to the financial year to which they relate.

#### **Income**

##### General

Income is defined as grants, contributions, revenues from programmes and projects and other operating income. The grant from the Ministry of Foreign Affairs is understood to be the grant received from the ministry over the accounting year. The income is understood to be the income received for the delivering of goods minus the purchase value of the goods, income received for the provision of a service, subsidy income, sponsorship, donations, and income from fundraising and other income. The incomes are determined by reference to the principles described here of valuation and determination of results and allocated to the financial year to which they relate.

##### Grants

Operational grants are credited to the statement of income and expenditure in the year in which the expenses are incurred or income has been lost or operating deficit has occurred for which the grant was received.

##### Income for a particular purpose

Benefits that are designated for a particular purpose are included in the statement of income and expenses. If these benefits are not fully utilised during the accounting year, the funds not yet spent will be included in the relevant reserve destination(s) or appropriated fund(s).

##### Interest

Interest income is recognised pro rata in the profit and loss account, taking into account the effective interest rate for the asset concerned, provided the income can be measured and the income is likely to be received.

##### Intercompany transactions

Profits and losses resulting from intragroup transactions are eliminated in full. Profits and losses resulting from transactions with participating interests which are carried at their net asset value are eliminated in proportion to the Group's interest in the entity. Profits and losses resulting from intragroup transactions with participating interest that are at carrying amount are fully recognised unless they have not been realised.

#### **Expenditures**

##### General

Expenses are determined with due observance of the aforementioned accounting policies and allocated to the financial year to which they relate. Foreseeable and other obligations as well as potential losses arising before the financial year-end are recognised if they are known before the financial statements are prepared and providing that all other conditions for forming provisions are met. Legally enforceable grant and donation liabilities are recognised in the balance sheet as debt, and in the statement of income and expenses recognised as an expense, even if the contract is longer than a year.

##### Expenditures for a particular purpose

Expenditures that are designated for a particular purpose are included in the statement of income and expenses, and on the other hand in the relevant reserve destination(s) or appropriated fund(s).

##### Interest

Interest is allocated to successive financial reporting periods in proportion to the outstanding principal. Premiums and discounts are treated as annual interest charges so that the effective interest rate, together with the interest payable on the loan is recognized in the profit and loss account with the amortized cost of the liabilities being recognized in the balance sheet. Period interest charges and similar charges are recognised in the year in which they fall due.

#### **Accounting principles for consolidated cash flow statement**

##### General principles

##### Consolidated cash flow statement

The cash flow statement has been prepared in accordance with the indirect method.

## 2.4.2 Notes to the consolidated balance sheet

(All amounts are stated in €1,000 unless stated otherwise.)

### Assets

Fixed assets

Intangible fixed assets (1)

	<b>2018</b>	<b>2017</b>
Goodwill	44	0

The goodwill has been paid in May 2018 for the 25% shares of dB media BV. The goodwill will be depreciated according to the straight-line method based on the estimated economic life of five years. The estimated economic life is based on the nature and foreseeable life of the acquired activities.

Net book value 1/1/2018	0	0
Investments	55	0
Depreciation	11	0
Net book value 31/1/2018	<u>44</u>	<u>0</u>

	<b>2018</b>	<b>2017</b>
Tangible fixed assets (2)		
Land and buildings	14.222	11.625
Other fixed operating assets	112	116
	<u>14.334</u>	<u>11.741</u>

The tangible fixed assets include the assets of the establishment in Hilversum (the Netherlands). Among the other recognized fixed assets are, in addition to the fixtures and fittings, inventory and hardware of the organisation, also the equipment and production means of dB media.

	Land and buildings rented to 3rd party	Land and buildings for own use	Other fixed operating assets	Total
Net book value at the end of last year	11.135	490	116	11.741
Correction net book value previous years		2.918		2.918
Correction revaluation previous years	-435	0		-435
Net book value at 1 January	<u>10.700</u>	<u>3.408</u>	<u>116</u>	<u>14.224</u>
Investments			51	51
Disposals			-15	-15
Depreciation on disposals			13	13
Revaluations	700			700
Amortisation		-321		-321
Depreciations		-265	-53	-318
Net book value 31/12/2018	<u>11.400</u>	<u>2.822</u>	<u>112</u>	<u>14.334</u>
Cost	14.759	6.380	2.435	23.574
Sum of depreciations	-5.125	-2.251	-2.323	-9.699
Sum of revaluations and amortisations	1.766	-1.307		459
Net book value 31/12/2018	<u>11.400</u>	<u>2.822</u>	<u>112</u>	<u>14.334</u>

The revaluations and amortisations include the revaluation of the building at fair value as of balance sheet date as well as amortisations for a building valued higher than the taxation value.

The main building on Witte Kruislaan has been renovated for the purpose of lease to AVROTROS. There is a lease for a period of 15 years, starting on 1 January 2014. Due to the nature of lease, the building is classified as investment property and is valued at fair value. The fair value of the investment property was determined by an independent expert in December 2018. The valuation is according to the RICS standard. As of 31 December 2018, the fair value is established at €11,4 million in a rented state. Due to measurement at fair value, no depreciations or provision for major maintenance are recognised.

The initial annual rent of the investment property is €900K (excluding VAT). The rent will be annually indexed by 1.0 percent. The leased object will only be used for office, archive, meeting, studio, and parking space by the lessee. According to the lease, the costs of maintenance, restoration and renovation are borne by RNW Media. The office building in use by RNW Media is valued at cost price or lower valuation value and is depreciated yearly. For this building RNW Media has a provision for major maintenance.

In 2018 we realised that our asset register was not completely correct as a result of a change in bookkeeping systems in 2013. A 2003 renovation was accounted for under the AVROTROS building, instead of under RNW Media's office premises. We followed the accounting regulations to correct for this, as the misstatement is material.

The impact on the figures is as follows:

Per 1 January 2018

Corrected for earlier years:

Land and buildings rented to 3rd party  
Decreased value and therefore lowering of  
the revaluation reserve

-435

Land and building for own use

Depreciation 2013-2017

-478

Correction of the building

3.396

Added to general reserve

2.918

Financial fixed assets (3)

**2018**

**2017**

Deferred tax assets

45

80

Net book value 1/1/2018

80

10

Profit tax

-13

-21

Amortisation

-22

91

Net book value 31/1/2018

45

80

A deferred tax asset is included since it is expected that dB media will attain positive results in the future to compensate for the calculable losses. Based on the developments of the past years as well as market expectations the deferred tax assets is set at €45K. At the end of the accounting year, this cumulative and not yet compensated loss is €1.1 million.

Current assets

Receivables (5)

**2018**

**2017**

Trade receivables

231

574

Other receivables

432

173

Prepayments and accrued income

107

148

770

903

#### Trade receivables

Trade receivables include account receivables on third parties for rendered services, projects and rent. Other receivables include €277K prepaid project costs (2017: 95).

No other receivables were included that extended for longer than a year.

Cash and cash equivalents (6)	<b>2018</b>	<b>2017</b>
Cash and cash equivalents	2.000	641

The cash is freely available.

RNW Media has access to a credit overdraft of €0.5 million.

<b>Equity</b>	<b>2018</b>	<b>2017</b>
Group equity		
General reserve	12.105	9.601
Appropriated funds: personnel	325	321
Appropriated funds: projects	675	88
Revaluation reserve	1.766	1.500
Minority interest	0	-63
	<u>14.871</u>	<u>11.447</u>

General reserve (7)	<b>2018</b>	<b>2017</b>
General reserve	12.105	9.601

The state of the general reserve is as follows:

Net book value end of previous year	9.601	8.301
Correction previous years	2.918	
Net book value at 1 January	<u>12.519</u>	

From result current year	-294	1.300
Negative net value equity participations	-120	
Net book value at 31 December	<u>12.105</u>	<u>9.601</u>

Revaluation reserve (8)	<b>2018</b>	<b>2017</b>
Revaluation reserve	<u>1.766</u>	<u>1.500</u>

The leased building on Witte Kruislaan is classified as an investment property. Based on a valuation at the end of 2018 applying 31 December 2018 as the valuation date (fair value of €11.4 million) the change in fair value at €700K is recognised in the statement of expenditure and income and a revaluation reserve charged to the general reserve was created equal to the difference between the fair value before and after the revaluation.

The state of the revaluation reserve is as follows:

Net book value end of previous year	1.500	
Correction previous years	-434	
Net book value at 1 January	<u>1.066</u>	1.100
Additions	700	400
Net book value at 31 December	<u>1.766</u>	<u>1.500</u>

Appropriated funds: personnel (9)	<b>2018</b>	<b>2017</b>
Appropriated funds: personnel	325	321

The movement of the appropriated funds personnel is as follows:

Net book value at 1 January	321	358
Added or released	4	-37
Net book value at 31 December	<u>325</u>	<u>321</u>

In accordance with the final settlement with the Ministry of Education, Culture and Science, an appropriated fund for personnel was formed. This is a fund provided to RNW Media by the ministry in 2012 in case of a potential discontinuance of the organisation, from which no individual rights can be derived. The period of discontinuance is not limited and is in the future. No further conditions were made for this fund. Reorganisation costs relating to the accumulated rights of personnel dating from before the period of subsidy from the Ministry of Foreign Affairs have been taken from the appropriated funds for personnel.

In 2018 the fund was used for 0 employees (in 2017 for 2, 2016 for 28).

Appropriated funds: projects (10)	<b>2018</b>	<b>2017</b>
Appropriated funds: projects	675	88

The movement of the appropriated funds for projects is as follows:

ID42		
Net book value at 1 January	88	167
Received	43	0
Expenditure	119	79
Net book value at 31 December	<u>12</u>	<u>88</u>

Dutch Postcode Lottery

Net book value at 1 January	0	-
Received	1000	-
Expenditure	347	-
Net book value at 31 December	<u>653</u>	<u>-</u>

Scholarship Fund RNTC

Net book value at 1 January	0	-
Additions	10	-
From result 2017	0	-
Net book value at 31 December	<u>10</u>	<u>-</u>

Minority interest (11)

	<b>2018</b>	<b>2017</b>
Minority interest	0	-63

Minority interests in equity is 25 percent of the issued share capital in dB media held by third parties.

In 2018, RNW became dB media's 100% shareholder.

Pension provision (12)	<b>2018</b>	<b>2017</b>
Pension provision	45	44

The pension provision regarding Article 44 of the industry-wide pension fund (*Stichting Bedrijfstakpensioenfonds*) for the media (PNO) refers to the transitional arrangement (1 January 2006) for employees who entered into service before 1 January 1997. The value of the provision is based on the present value of the indicative premiums when the employee reaches 60 years of age, taking into account the remaining time for accrual of pension rights. The arrangement will continue until 2020. In 2020 the rights for the participators will be charged to RNW Media.

The pension provision is as follows:

Net book value at 1 January	44	43
Additions	1	4
Release	0	-3
Net book value at 31 December	<u>45</u>	<u>44</u>

With a term of less than 1 year €0K.

Other provisions (13)	Net book value at 1 Jan	Additions	Charges	Release	Net book value at 31 Dec
Major maintenance provision	101	56	-11	0	146
Long-service payment provision	37	4	0	-14	27
Reorganisation provision	51	0	-16	-9	26
Taxes for expatriate staff	25			-25	0
	<u>214</u>	<u>60</u>	<u>-27</u>	<u>-48</u>	<u>199</u>

#### Major maintenance provision (€146K)

For the main building leased out, there is no provision for maintenance due to the valuation at fair value. For RNW Media's office building there is a provision taken into account for major maintenance of €146K, of which €46K is for the short term. The expected cost items of this plan that are over €10K have been taken into account rebalancing the provision in 2018.

#### Long-service payment provision (€27K)

The provision for long-service payments has been made for employees who have completed 12.5, 25 and 40 years of service to RNW Media.

dB media's provision: €14K at January 1, has been released in total this year.

The most important actuarial principles in determining the payments are:

- General salary increase of 2.5 percent per year; and
- With regard to the termination of employment due to death, mortality rates are based on the most recent prognosis table published by the Dutch Actuarial Society: AG2016. The current element of this provision, shorter than one year, amounts to €5K.

#### Reorganisation provision (€26K)

In 2016, RNW Media had a major reorganisation. If by 31 December 2017 no settlement agreement was signed with a redundant employee, these costs are included in 2017 as a balance sheet provision. A provision was also made for the estimate of the maximum defined severance payment in signed settlement agreements (for legal aid, advice and training). In 2018 the provision was partly released as the term for training and legal advice has expired. The remaining €26K is for one last employee.

#### Taxes for expatriate staff

This provision was made in 2016 for alleged income tax claims from former expatriate staff.

The provision was released in 2018.

### Long-term liabilities

	2018	2017
Other liabilities (14)		
Loan Koppelbus B.V.	0	63
Net book value at 1 January	63	63
Redemption	35	0
To: current liabilities	-28	0
Net book value at 31 December	<u>0</u>	<u>63</u>

This concerns the subordinated loan issued to dB media by Koppelbus B.V. in June 2014 of a principle sum of €63K. The interest rate is Euribor plus a premium of 0.5% per year. The loan was originally made available until the end of June 2017 and as long as in the opinion of Koppelbus B.V. and RNW Media it is subservient to the organisation's activities, on the understanding that the loan must be repaid should dB media cease its business activities. The above-mentioned agreement to sell its 25% shareholding in dB media to RNW Media also entails partial repayment of the loan. As the Koppelbus is no longer a related party and the remaining part of the loan is now included in 'Other (current) liabilities'.

	2018	2017
Other liabilities (15)		
Holidays not yet taken	178	152
Other liabilities	173	146
	<u>351</u>	<u>298</u>

Other liabilities include prepaid grants for trainings (€87K) and holiday allowance (€19K).

	2018	2017
Accruals and deferred income (16)		
Other costs payable and accruals	657	355

### Arrangements and commitments not shown in the balance sheet

The commitments not shown in the balance sheet at the end of 2018 are: €593K.

Of this, the expiration dates are:

Within a year: €497K

Between 1 and 5 years: €96K

After 5 years: nil

Furthermore, ING has a right of distraint on the assets, inventories and receivables.

### 2.4.3 Notes to the consolidated statement of income and expenditures

(All amounts are presented in €1,000, unless stated otherwise)

Income	Actual 2018		Budget 2018	Actual 2017
Grant from Ministry of Foreign Affairs (17)	8.000		7.989	10.000
	Grant BUZA	Spent	Over/ underspent	
Received 2017	10.000	10.130	-130	
Received 2018	8.000	7.966	34	
Receivable 2019	8.200			
Receivable 2020-2021	7.887			
	34.087	18.096	-96	
Revenues from projects (18)	Actual 2018		Budget 2018	Actual 2017
Revenues from projects	3.219		1.940	2.344

The revenues from projects comprises the realised revenue resulting from training activities and media services.

Other operating income (19)	Actual 2018		Budget 2018	Actual 2017
Other operating income	1.385		1.263	1.340
Rental income	964		1.000	955
	<u>2.349</u>		<u>2.263</u>	<u>2.295</u>

Other operating income

These are the revenues from dB media.

Rental income

This includes rental income from long-term lease of Witte Kruislaan 55 to AVRROTROS.

#### Expenditures

Wages and salaries (20)	Actual 2018		Budget 2018	Actual 2017
Wages and salaries	3.515			3.083
Other staff costs	281			277
	<u>3.796</u>		<u>3.677</u>	<u>3.360</u>

	Actual 2018	Budget 2018	Actual 2017
FTEs			
RNW Media	50,14	60	60,94
dBMG	12,12	14	13,25
SinoDutch	12,00	-	-
Total FTE average	74,26	74	74,19
RNW Media	52,17	44	44,94
dB media	11,65	13	12,75
SinoDutch	16,00	16	-
Total FTE ultimo	79,82	57	57,69

Compliance statement: standardisation of remuneration (WNT)

Since 1 January 2013, the Public and Semi-public Sector Senior Officials (Standard Remuneration) Act (WNT) has been applicable. This compliance statement has been prepared in accordance with the requirements of the Act that are applicable to RNW Media: the WNT maximum for development work.

The maximum remuneration payable at RNW Media in 2018 was €174,000. This applies pro rata according to the length of employment with the organisation and/or the number of contracted hours.

#### Remuneration to senior officials 2018

amounts x € 1	J.G.A.M. Lampe
<b>Function</b>	<b>CEO</b>
Term of office in 2018	1/1 - 31/12
Commitment (in FTE)	1
Employment relationship?	yes
<b>Remuneration</b>	
Fixed salary plus taxable expenses allowance	121.079
Deferred payments and benefits	11.981
Subtotal	133.060
Individual maximum remuneration	174.000
-/- Not indebted paid amount	-
<b>Total remuneration</b>	133.060
Mandatory justification if exceeded	n/a
Explanation of not indebted paid amount	n/a

<b>Data 2017</b>	
<b>amounts x € 1</b>	<b>J.G.A.M. Lampe</b>
<b>Function</b>	<b>CEO</b>
Term of office in 2017	1/1 - 31/12
Commitment (in FTE)	1
Employment relationship?	yes
<b>Remuneration</b>	
Fixed salary plus taxable expenses allowance	121.079
Deferred payments and benefits	12.342
Subtotal	133.421
Individual maximum remuneration	168.000
<b>Total reward 2017</b>	<b>133.421</b>

Other reporting requirements in relation to the Public and Semi-public Sector Senior Officials (Standard Remuneration) Act (WNT)

The members of the Supervisory Board of RNW Media have decided to waive their entitlement to any attendance money as of 2017.

The chairman of dB media's Supervisory Board received €5,000 in 2018.

Except for the executive officers mentioned above, no other officials received a salary above the applicable WNT maximum in 2018. No severance payments were made in 2018 to other officials which are to be reported under the WNT, or which were or should have been reported under the WOPT or the WNT in previous years.

DG (Director General) standard

The DG standard is used within the development sector as a maximum for remuneration for senior positions. The standard is linked to the salary of the highest official in the Directorate-General for International Cooperation (DGIS) of the Ministry of Foreign Affairs. The standard for 2018 is maintained at €129,559 per year based on a 36-hour workweek. All functions within RNW Media meet this standard. The fixed annual salary of Ms J.G.A.M. Lampe is €121.079 based on a 36-hour working week.

Social security contributions (21)	Actual <b>2018</b>	Budget <b>2018</b>	Actual <b>2017</b>
Pension costs	318		312
Other social security contributions	606		518
	<u>924</u>	<u>1.232</u>	<u>830</u>

In 2018, social security and pension contributions were budgeted in total and not split into pension contributions and other social security contributions.

Amortisation and depreciation with respect to intangible and tangible fixed assets (22)	Actual <b>2018</b>	Budget <b>2018</b>	Actual <b>2017</b>
Goodwill	11	-	-
Tangible fixed assets	319	272	275
	<u>330</u>	<u>272</u>	<u>275</u>

Goodwill

The goodwill was paid for the remaining 25% shares of dB media and will be depreciated in 5 years.

### Tangible fixed assets

The depreciation includes an additional €95K for RNW Media's building (until 2018 wrongly categorised under the building rented to a third party).

Other changes in value of fixed assets (23)	Actual <b>2018</b>	Budget <b>2018</b>	Actual <b>2017</b>
Revaluation	-700	0	-400
Amortisation RNW Media building	321	0	0
Amortisation equity investment (share premium)	130	0	0
	<u>-249</u>	<u>0</u>	<u>-400</u>

The leased building on Witte Kruislaan is classified as an investment property. Based on a valuation at the end of 2018 applying 31 December 2018 as the valuation date (fair value of €11,4 million) the change in fair value at 700K is recognised in the statement of expenditure and income and a revaluation reserve charged to the general reserve was created equal to the difference between the fair value before and after the revaluation. RNW Media's building's amortisation is €321K as the book value exceeded the taxed value. This year, €130K of RNW Media's loan to dB media was converted into a share premium. As dB media's net value is negative, the €130K was taken as a loss.

Direct production costs (24)	Actual <b>2018</b>	Budget <b>2018</b>	Actual <b>2017</b>
Freelancers and local staff	2.080		2.863
Other programme and marketing costs	3.136		2.849
	<u>5.216</u>	<u>6.645</u>	<u>5.712</u>
External hiring & other third-party costs (25)	Actual <b>2018</b>	Budget <b>2018</b>	Actual <b>2017</b>
External hiring	735	582	1.774
Other third-party services	0	-	0
	<u>735</u>	<u>582</u>	<u>1.774</u>

### External hiring

The costs of external hiring remained high due to the hiring of temporary (interim) staff. The replacement with fixed staff took more time than expected.

Other operating expenses (26)	Actual <b>2018</b>	Budget <b>2018</b>	Actual <b>2017</b>
Office premises costs	335	644	246
Project costs	0	0	0
Other costs	1.456	1.603	1.276
	<u>1.791</u>	<u>2.247</u>	<u>1.522</u>

### Office premises costs

Included in 2018 is the release of the maintenance provision (€60K).

#### Other costs

In 2018, RNW Media's provision for the loan to dB media was released (€187K), which was not budgeted for. Compared to 2017 it must be noted that in 2017 tight cost management and the book profit of the sale of the building in Costa Rica (€344K) resulted in lower costs than expected.

Financial income and expenses Financial result (27)	Actual <b>2018</b>	Budget <b>2018</b>	Actual <b>2017</b>
Other interest receivables and similar income	0	0	2
Other interest expenses and similar charges	-5	0	-9
	<u>-5</u>	<u>0</u>	<u>-7</u>

This accounting contains the interest income from banks over the credit balance of the bank account and the interest receivables that were charged the organisation. An interest rate of Euribor +1.5 percent is charged to the organisation's current accounts.

Interest expenses relate to interest paid to the bank on the debit balances of the bank accounts.

Profit taxes (28)	Actual <b>2018</b>	Budget <b>2018</b>	Actual <b>2017</b>
Profit tax	35	0	70

In 2018, €35K was released from the deferred tax assets and is set at €45K at year end, based upon an expected total profit of dB media of €227K in the next years. In 2017 expected total profit for the years to come was €400K.

Minority interest (29)	Actual <b>2018</b>	Budget <b>2018</b>	Actual <b>2017</b>
Minority interest	0	0	-45

#### 2.4.4 Events after balance sheet date

No events occurred after December 31, 2018.

## 2.5 Fiscal position

### 2.5.1 Tax entity for VAT

RNW Media and dB media together comprise a single tax entity for VAT and are, therefore, severally liable for the obligations of the fiscal entity as a whole.

### 2.5.2 Potential to compensate losses profit tax dB mediagroep

Carry forward	Can compen- sate until year	Can compen- sate	Compen- sated	Can com- pensate in coming years
Deficit 2012	2021	190.789	190.789	-
Deficit 2013	2022	265.675	121.709	143.966
Deficit 2014	2023	295.955		295.955
Deficit 2015	2024	619.284		619.284
		<u>1.371.703</u>	<u>312.498</u>	<u>1.059.205</u>

### 2.5.3 VAT and Profit tax RNW Media

In 2019, RNW Media has started to analyse the tax position.

## 3 Other information

### 3.1 Appropriation of results for 2018

In accordance with Dutch Accounting Standards Board (DASB) guideline 640, the appropriation of profit is included as part of the statement of income and expenditures.