

Company number: 06621203

Charity number: 1128789

Media Legal Defence Initiative

Report and financial statements

For the year ended 31 December 2015

Media Legal Defence Initiative

Contents

For the year ended 31 December 2015

Reference and administrative information	1
Trustees' annual report	3
Independent auditors' report	16
Statement of financial activities (incorporating an income and expenditure account)	18
Balance sheet	19
Statement of cash flows	20
Notes to the financial statements	21

Media Legal Defence Initiative

Reference and administrative information

For the year ended 31 December 2015

Company number 06621203

Charity number 1128789

Registered office and operational address The Foundry
17 Oval Way
LONDON SE11 5RR

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

Gwyneth Ellen HENDERSON	Chair
Gary Brian BORN	
Sarah Carolyn BULL	
Gordana JANKOVIC	(resigned 22/7/2015)
Robert JOBBINS	
Joshua CASTELLINO	
Matthew Richard FRANCIS	(appointed 22/04/2015)
Smita SHAH	
Olexiy SOLOHUBENKO	
Philip Royston LEACH	(resigned 22/7/2015)
Leo SKYNER	
Korieh DUODO	

Key management personnel Mr Peter Noorlander Chief Executive

Bankers	Triodos Bank Deanery Street BRISTOL BS1 5AS	The Co-operative Bank Plc PO Box 101 1 Balloon Street MANCHESTER M60 4EP
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Solicitors Bates Wells & Braithwaite
2-6 Cannon Street
LONDON
EC4M 6YH

Auditors Sayer Vincent LLP
Chartered Accountants and Statutory Auditors
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

Media Legal Defence Initiative

Trustees' annual report

For the year ended 31 December 2015

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

Reference and administrative information set out on page one forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and at the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Purposes and aims

The MEDIA LEGAL DEFENCE INITIATIVE's charitable objects are to promote human rights throughout the world, in particular through protecting freedom of speech and the right to free expression, and to advance education in law, including human rights law, and journalism.

The MEDIA LEGAL DEFENCE INITIATIVE's core mission is to help journalists and media outlets defend legal cases against them. Where necessary, the MEDIA LEGAL DEFENCE INITIATIVE helps journalists and independent media pay legal fees and provides legal expertise to the lawyer(s) defending a case.

The MEDIA LEGAL DEFENCE INITIATIVE also supports the development of national organisations that provide legal defence services to journalists, particularly in countries where there is a high and on-going threat of legal cases against journalists. It also provides support for training and networking programmes for lawyers in the fields of media law and human rights.

The MEDIA LEGAL DEFENCE INITIATIVE also engages in strategic litigation. Through this, it seeks to advance the respect of international norms on the right to freedom of expression. The MEDIA LEGAL DEFENCE INITIATIVE pursues this by submitting cases to domestic courts and international tribunals, or intervening in cases already under way, and by supporting national lawyers to do the same.

The following paragraphs provide further information on these activities.

Media Legal Defence Initiative

Trustees' annual report

For the year ended 31 December 2015

Activities

Over the year, MEDIA LEGAL DEFENCE INITIATIVE has run four programs to achieve its charitable aims:

- Direct assistance to journalists
- Strategic litigation for media freedom
- Support to partner organisations for legal defence (including capacity building)
- Training lawyers

Support to partner organisations for legal defence (including capacity building)

MEDIA LEGAL DEFENCE INITIATIVE provided funds to 11 national and regional media legal defence organisations in Africa, Asia and Europe. Together, these organisations provided legal representation and defence to more than 300 journalists. Building the capacity of these organisations is one of MEDIA LEGAL DEFENCE INITIATIVE's priority activities.

MEDIA LEGAL DEFENCE INITIATIVE reviewed its partnerships during the year, using the following criteria:

- (1) the need in the country or region concerned;
- (2) legal capacity within the applicant organisation;
- (3) administrative and financial capacity within the partner NGO to handle and account for a grant;
- (4) whether there are other organisations working in the same country offering legal defence to journalist and media;
- (5) financial need;
- (6) value for money;
- (7) language issues (organisations need to be able to apply and report to MLDI in English or another language readily understood by MLDI staff); and
- (8) sustainability of the organisation

Strategic litigation for media freedom

MEDIA LEGAL DEFENCE INITIATIVE actively pursues cases that can have a wider impact on the development of law and practice in the country or region concerned and which may result in enhanced respect for international norms on the right to freedom of expression.. MEDIA LEGAL DEFENCE INITIATIVE's strategic litigation programme seeks to promote a legal and regulatory framework in which journalists and bloggers can report freely on issues of public interest.

Given the ongoing abuse of criminal laws in many of the countries in which MEDIA LEGAL DEFENCE INITIATIVE is active, MEDIA LEGAL DEFENCE INITIATIVE has particularly focused on strategic cases that offer an opportunity to bring these laws in line with international standards on freedom of expression or, where such standards are vague, to clarify them. In addition, MEDIA LEGAL DEFENCE INITIATIVE has sought out cases that offer an opportunity to advance freedom of expression standards as regards internet-related media – for example, on the liability of newspaper websites for user-generated or third party content.

Media Legal Defence Initiative

Trustees' annual report

For the year ended 31 December 2015

Through the year, MEDIA LEGAL DEFENCE INITIATIVE won important cases at the East African Court of Justice and at the European Court of Human Rights, as well as at various national constitutional and supreme courts. In March 2015, MLDI received external recognition for its strategic litigation, winning Columbia University's inaugural Global Freedom of Expression Prize for Excellence in Legal Services.

Direct assistance to journalists

MEDIA LEGAL DEFENCE INITIATIVE's emergency defence fund provided assistance to journalists or independent media in need of legal support. Typically, MEDIA LEGAL DEFENCE INITIATIVE responds to requests for assistance by providing funding to hire a local lawyer, and works with the local lawyer to secure a good outcome for the journalist concerned. Over the year, the majority of MEDIA LEGAL DEFENCE INITIATIVE's individual cases originated in Europe, Africa and Asia.

Training lawyers

MEDIA LEGAL DEFENCE INITIATIVE's primary partners are lawyers, and it is of paramount importance that they have the right skills to defend journalists under threat. MEDIA LEGAL DEFENCE INITIATIVE therefore runs training programmes aimed specifically at its partner lawyers and provides 'on the job' training through mentoring programmes.

Achievements and performance

In 2015, MEDIA LEGAL DEFENCE INITIATIVE and its partners defended nearly 600 journalists, media outlets and bloggers across the globe. MEDIA LEGAL DEFENCE INITIATIVE obtained strong results for the journalists it defended with an overall success rate of 79%. MEDIA LEGAL DEFENCE INITIATIVE's our strategic litigation programme set important precedents for the protection of media freedom at the African Court on Human and Peoples' Rights, the East African Court of Justice and the European Court of Human Rights, amongst others.

MEDIA LEGAL DEFENCE INITIATIVE's support enables journalists to continue reporting instead of being silenced by malicious lawsuits. MLDI's immediate beneficiaries are the independent media outlets, journalists and bloggers it defends. By enabling journalists and bloggers to report on matters of public interest, MEDIA LEGAL DEFENCE INITIATIVE's work also benefits wider society. The journalists defended by MEDIA LEGAL DEFENCE INITIATIVE's typically report on issues such as corruption, mismanagement of public resources or human rights violations; ensuring their ability to continue this reporting is essential to the functioning of a free society and to the enjoyment of human rights.

The following paragraphs summarise MEDIA LEGAL DEFENCE INITIATIVE's achievements and performance in its four programme areas.

Individual cases

In 2015, MEDIA LEGAL DEFENCE INITIATIVE worked on 142 cases in 47 different countries. In the majority of these, MEDIA LEGAL DEFENCE INITIATIVE provided financial support. Through its in-house lawyers and pro bono media law experts, MEDIA LEGAL DEFENCE INITIATIVE provided legal

Media Legal Defence Initiative

Trustees' annual report

For the year ended 31 December 2015

advice in nearly half of these cases. By the end of the year, thirty-nine cases were concluded of which 31 resulted in a positive outcome for the journalist, blogger or media outlet involved; the remainder of the cases were ongoing. As of year-end, MEDIA LEGAL DEFENCE INITIATIVE was directly supporting 119 cases in 46 countries and had a recorded success rate of 77%.¹

The following are just a few examples of MEDIA LEGAL DEFENCE INITIATIVE's work in 2015:

- MEDIA LEGAL DEFENCE INITIATIVE assisted several media outlets and bloggers in the defence of defamation cases brought by the prime ministers of their countries: two in Malaysia, one in Montenegro and one in Singapore. All were sued for defamation over comments or reporting on government policies. All these cases were ongoing at year-end, however, MEDIA LEGAL DEFENCE INITIATIVE support meant that the media and bloggers concerned were able to continue their reporting.
- After a legal battle lasting three years, a final victory in cassation was obtained for the Latvian news outlet *IR Magazine*. The case concerned a defamation suit brought by the Mayor of Riga in 2012 over *IR's* reporting of a government crisis.. *IR* faced several other libel suits which MEDIA LEGAL DEFENCE INITIATIVE also helped it to defend. One was a particularly high profile case brought by an insolvency administrator in the course of which *IR's* assets were frozen. This caused such a scandal that parliament intervened, introducing legislation to ban the use of asset freezes in defamation cases.

Strategic litigation

MEDIA LEGAL DEFENCE INITIATIVE's strategic litigation seeks to bring national laws in line with international human rights standards on the protection of media freedom. MEDIA LEGAL DEFENCE INITIATIVE takes cases that seek to bring about positive structural change. In 2015, the programme focused on two areas: (1) challenging the abuse of criminal laws against journalists, bloggers and independent media outlets; and (2) protecting and promoting media freedom online. Under the first heading, MEDIA LEGAL DEFENCE INITIATIVE took cases involving the abuse of anti-terror laws, criminal defamation or sedition against journalists and challenged these at national constitutional courts or before international human rights courts. Under the second category, MEDIA LEGAL DEFENCE INITIATIVE spearheaded litigation on issues such as the liability of news websites for comments left by their users and internet filtering or blocking. It did so by representing journalists as well as intervening in 13 potentially standard-setting cases before regional courts including the African Court on Human and Peoples' Rights, the European Court of Human Rights, the East African Court of Justice, and the Inter-American Court of Human Rights.

¹ Success rate is calculated by adding the proportion of cases with a successful outcome for the client against the proportion of cases with an unsuccessful outcome for the client in relation to the case objective set. Cases in which the recorded outcome is 'won-being appealed' or 'lost-being appealed' are not included in the calculation as they have not reached a final outcome and proceedings are still ongoing.

In addition to assisting the individual journalists concerned, the MEDIA LEGAL DEFENCE INITIATIVE's strategic litigation widens the space for media freedom and freedom of expression. For example, MEDIA LEGAL DEFENCE INITIATIVE won a landmark ruling at the African Court on Human and Peoples' Rights in the case of Lohé Issa Konaté, a journalist from Burkina Faso who was imprisoned for reporting on corruption. Konaté had been found guilty of defamation by the courts in Burkina Faso and spent a year in detention. The African Court on Human and Peoples' Rights ruled that Konaté's rights had been violated and that no journalist should ever be imprisoned under defamation laws. The Court also awarded damages of \$70,000. The judgement is having a far reaching impact: Burkina Faso has started the process of amending its laws; our partner organisation in Uganda, Human Rights Network for Journalists, is using the judgement in its challenge of Uganda's criminal defamation laws at the East African Court of Justice; Dakar-based human rights lawyer Adamou Kane, the Vice Chair of the African Court Coalition, is relying on the judgment in a case in Senegal; and in India, the judgement has been used in a case before the Supreme Court challenging the constitutional validity of penal provisions relating to defamation. Universities are also including the judgment in their training and teaching curricula.

During the year, MEDIA LEGAL DEFENCE INITIATIVE achieved a number of notable successes in its strategic litigation programme, including:

- In February, in a case hailing from Switzerland, the European Court of Human Rights held that journalists can use hidden cameras in investigative journalism. MEDIA LEGAL DEFENCE INITIATIVE had intervened in the case to push this standard and the Court followed the guidance suggested in the intervention.
- In March, the Supreme Court of India held that India's law on offensive communications, in particular section 66A of the Information Technology Act, was unconstitutional. This decision was a relief for the hundreds of netizens who had been charged under the law and faced prison sentences. MEDIA LEGAL DEFENCE INITIATIVE had provided co-funding for the lawyers.
- In May, in its first judgment on media freedom, the East African Court of Justice found Burundi's 2013 Press Law to be in breach of fundamental principles of the rule of law and democracy. This was the first time the East African Court recognized media freedom as a general principle of democracy. The landmark ruling sets a precedent for all members of the East African Community to advance media rights. MEDIA LEGAL DEFENCE INITIATIVE represented the applicant, the Burundi Journalists' Union, assisted by a team of lawyers.
- In June, the Inter-American Court on Human Rights ruled, in a case from Venezuela, that broadcasting laws should not be used arbitrarily to deny licences. MEDIA LEGAL DEFENCE INITIATIVE had intervened in the case to support the applicants.
- In November, 10 years after French magazine *Paris Match* published an interview with the former lover of Prince Albert II of Monaco revealing that they had an illegitimate child together and showing photographs, the Grand Chamber of the European Court of Human Rights held that the award of damages by a French Court for invasion of the Prince's privacy had breached *Paris Match's* right to freedom of expression. MEDIA LEGAL DEFENCE INITIATIVE had intervened in the case to elaborate on the correct standard to be applied in cases involving a 'conflict' between privacy and the right to freedom of expression.

Media Legal Defence Initiative

Trustees' annual report

For the year ended 31 December 2015

By the end of 2015, MEDIA LEGAL DEFENCE INITIATIVE had interventions pending or was advising applicants on cases at the European Court of Human Rights involving the following issues:

- the criminalisation of “false news”
- the use of defamation damages as a way of bankrupting newspapers
- systemic harassment of journalists and bloggers
- the need for diversity in broadcasting
- the liability of news websites for comments left on their pages
- the use of criminal libel laws to silence criticism of public officials
- the criminalisation of publishing political opinion during election times

At the African Commission on Human and Peoples' Rights, MEDIA LEGAL DEFENCE INITIATIVE is challenging the use of draconian anti-terror and insult laws in Ethiopia and Rwanda. In Zambia, MEDIA LEGAL DEFENCE INITIATIVE is supporting a petition challenging the banning of independent media from the press gallery in parliament.

A key element of MEDIA LEGAL DEFENCE INITIATIVE's strategy is to multiply its impact by enabling its partners to engage in strategic litigation. For example, MEDIA LEGAL DEFENCE INITIATIVE is supporting the Human Rights Network for Journalists – Uganda (HRNJ-U) in their challenge to Uganda's criminal defamation laws.

Media Legal Defence Initiative

Trustees' annual report

For the year ended 31 December 2015

Funding national media legal defence centres

Building local capacity is key to achieving the mission of MEDIA LEGAL DEFENCE INITIATIVE. In 2015, MEDIA LEGAL DEFENCE INITIATIVE provided financial support to organisations in Egypt, Hungary, India, Indonesia, Kazakhstan, Kyrgyzstan, Macedonia, Moldova, the Philippines, Turkey, and Uganda to run media legal defence centres. In 2015, the media defence centres handled nearly 230 cases with an 87% success rate for concluded cases. MEDIA LEGAL DEFENCE INITIATIVE also worked with the lawyers working for these organisations to provide legal advice as and when required. During the year, MEDIA LEGAL DEFENCE INITIATIVE reviewed its partnerships in order to realign our grant making to the areas of highest need and where our partners are most effective. As a result, MEDIA LEGAL DEFENCE INITIATIVE discontinued some partnerships and initiated new programmes of work in Turkey, India, Egypt and Italy.

MEDIA LEGAL DEFENCE INITIATIVE's new partners in both India and Egypt have started projects to train lawyers as well as to provide them with continued mentoring by experienced Indian lawyers as well as MEDIA LEGAL DEFENCE INITIATIVE legal staff. MEDIA LEGAL DEFENCE INITIATIVE's Indian partner, the Committee for Legal Aid to Poor (CLAP), trained 11 lawyers in media legal defence and undertook 23 cases in 10 States of North-East India. MEDIA LEGAL DEFENCE INITIATIVE worked closely with CLAP, providing materials and advice for the content and evaluation of the training. MEDIA LEGAL DEFENCE INITIATIVE's Legal Director delivered sessions at both trainings to bring an international perspective. Both CLAP and MEDIA LEGAL DEFENCE INITIATIVE will continue to assist the lawyers with their legal strategies if needed. MEDIA LEGAL DEFENCE INITIATIVE's Egyptian partner, the Center for Public Policy Studies (ECPPS), delivered three-day training workshops in media defence to three different groups of lawyers from across Egypt. The workshops trained 76 lawyers in media legal defence and created a network of media defence lawyers across the country. ECPPS estimates that the lawyers will be handling around 160 cases by the end of the project, most of them out-of-court interventions at an early stage, such as police station representation, which are key to reducing legal threats to the media.

MEDIA LEGAL DEFENCE INITIATIVE continued its capacity building work with its Ugandan partner to strengthen its legal department and engage in strategic litigation. MEDIA LEGAL DEFENCE INITIATIVE also supported its long-term partner in Kyrgyzstan in their strategic planning and will be working with them on developing a monitoring and evaluation system in 2016.



"MLDI is very important. It is our main source of finance and a source of expertise on freedom of expression law, particularly as regards defamation. The most challenging part of my job is preparing cases for the European Court of Human Rights in Strasbourg. It is very good that I can use MLDI's experience in this."

– Filip Medarski, lawyer for the Media Development Centre in Macedonia.

Media Legal Defence Initiative

Trustees' annual report

For the year ended 31 December 2015

Media law training and workshops

In 2015, MEDIA LEGAL DEFENCE INITIATIVE expanded its media-law training programme. At the beginning of the year, MEDIA LEGAL DEFENCE INITIATIVE piloted a set of legal training manuals in workshops on media law and defamation organised in partnership with the International Press Institute for lawyers and journalists in Macedonia, Croatia, Spain and Portugal. This resulted in the publication of a training manual on European legal standards related to freedom of expression, media law and defamation.

In July, MEDIA LEGAL DEFENCE INITIATIVE and its partner, Human Rights Network for Journalists – Uganda (HRNJ-U), delivered a '*Freedom of Expression Litigation Surgery*' – an intensive weeklong workshop building the freedom of expression litigation skills of nine lawyers in East Africa. The workshop also provided an opportunity for MEDIA LEGAL DEFENCE INITIATIVE to identify potentially strategic cases, expand its network of local partners and encourage networking amongst legal practitioners in the region. Following the training, MEDIA LEGAL DEFENCE INITIATIVE worked closely with participants on two cases of potential strategic importance in Sudan and Tanzania. MEDIA LEGAL DEFENCE INITIATIVE evaluated the effectiveness, efficiency and appropriateness of the training to inform future litigation surgeries.

In September, MEDIA LEGAL DEFENCE INITIATIVE contributed to a Freedom of Expression Litigation Workshop organised by the Southern Africa Litigation Centre by facilitating a litigation surgery. 12 lawyers from Botswana, Zimbabwe, Zambia, Swaziland and Malawi attended the workshop and workshopped cases related to defamation, sedition, insult, protection of sources, and registration of newspapers/media outlets.

In December 2015, MEDIA LEGAL DEFENCE INITIATIVE published a training manual on international and comparative media and freedom of expression law, together with workshop training materials. MEDIA LEGAL DEFENCE INITIATIVE also published a training manual on freedom of expression litigation in East Africa, designed to assist lawyers representing journalists and media outlets at the regional level in East Africa. Both manuals were piloted at the East Africa litigation surgery in Uganda, in July 2015.

MEDIA LEGAL DEFENCE INITIATIVE also mainstreamed training into the other work by providing advice and guidance to the lawyers it contracts for individual cases as well as the lawyers employed by partner organisations. MEDIA LEGAL DEFENCE INITIATIVE provided expert technical advice to local lawyers working on media cases in nearly half of the 142 cases directly supported in 2015.

Pro bono legal services

MEDIA LEGAL DEFENCE INITIATIVE relies extensively on legal services provided by a network of pro bono counsel, particularly to support its strategic litigation. MEDIA LEGAL DEFENCE INITIATIVE is particularly grateful for the ongoing contributions provided by international law firm WilmerHale, which provided nearly 5,000 hours of pro bono work on strategic cases at the European Court of Human Rights and the African Court of Human and Peoples' Rights. MEDIA LEGAL DEFENCE INITIATIVE is similarly grateful to the law firms White and Case, DLA Piper, De Brauw Blackstone

Media Legal Defence Initiative

Trustees' annual report

For the year ended 31 December 2015

Westbroek, Covington & Burling and Howard Kennedy. MEDIA LEGAL DEFENCE INITIATIVE is also grateful to the numerous individual lawyers who provided many hundreds of hours of legal services pro bono, including Heather Rogers QC, Richard Clayton QC, Professor Dirk Voorhoof, Caoilfhionn Gallagher, Christopher Knight, Can Yeginsu, Anthony Jones, Christopher Knight, Conor McCarthy, Keina Yoshida and Otto Volgenant.

Financial review

There was a managed deficit for the year of £130,628 (2014 – surplus of £103,423). This is represented by a deficit of £72,448 in restricted funds and a deficit of £58,180 in unrestricted funds. This was broadly in line with budgeted expectations ensuring that both restricted and unrestricted reserves held from 2014 were utilised in the most efficient manner.

During 2015, MEDIA LEGAL DEFENCE INITIATIVE received incoming resources amounting to £2.2 million (2014 – £2.1 million), out of which £2.3 million (2014 – £2.0 million) was expended on charitable activities. This was the third year that the MEDIA LEGAL DEFENCE INITIATIVE recorded the value of pro bono support given by lawyers/law firms to its activities. The value of that support was estimated to be £1.3 million (2014 £1.0 million).

The MEDIA LEGAL DEFENCE INITIATIVE has introduced a new system to monitor the apportionment of expenditure and income to specific grants, activities and funds. This has enhanced the already effective reporting mechanism and will result in greater efficiencies going forwards.

Principal risks and uncertainties

MEDIA LEGAL DEFENCE INITIATIVE faces a number of risks in delivering its work. Some of these are related to specific cases; others are broader and relate to the operating environment.

External threats include the following:

- Politics: often, cases against journalists are politically driven and a wider advocacy strategy as well as a legal strategy is required to win them in addition to astute local counsel. MEDIA LEGAL DEFENCE INITIATIVE seeks to ensure that all these are in place.
- Hostile legal environments: the legal environment for the media is highly restrictive across the world. It is very difficult for the media to win cases in some countries and because of that, there is a high risk of failure in many individual cases. MEDIA LEGAL DEFENCE INITIATIVE mitigates by bringing high quality legal arguments and litigating internationally when necessary.
- Weak implementing partners: MEDIA LEGAL DEFENCE INITIATIVE seeks to mitigate against this by having a competitive partnering process requiring its implementing partners to review their work plans and proposals on an annual basis. MEDIA LEGAL DEFENCE INITIATIVE also vets the individual lawyers they work with.
- Corruption: MEDIA LEGAL DEFENCE INITIATIVE mitigates against corruption amongst implementing partners by conducting background checks when a relationship is established,

Media Legal Defence Initiative

Trustees' annual report

For the year ended 31 December 2015

and on an ongoing basis by contractual requirements not to engage in bribery or other corrupt activities.

- Funding shortfalls: MEDIA LEGAL DEFENCE INITIATIVE has set itself ambitious fundraising targets for 2016–18. Missing targets is an inherent risk in fundraising. MEDIA LEGAL DEFENCE INITIATIVE mitigates against this by diversifying its donor pool, increasing its fundraising efforts, not committing to expenditure before funding is secured, reforecasting income and expenditure throughout the year and contingency planning against fundraising shortfalls.

The principal internal risks relate to funding and ensuring that MEDIA LEGAL DEFENCE INITIATIVE has the right resources to deliver its mission. MEDIA LEGAL DEFENCE INITIATIVE's work is highly specialised and requires an unusual mix of legal advocacy and grant making skills. This is kept under regular review by the Trustees. At the end of 2015, MLDI conducted a staff restructuring process to ensure that the organisation has the right skills and expertise in place.

Reserves policy and going concern

MEDIA LEGAL DEFENCE INITIATIVE has a reserves policy, which defines the level of funds that should be held to ensure the continuity of programmes. The reserves policy identifies and distinguishes between restricted and unrestricted reserves, and the level of unrestricted reserves held is informed by income and expenditure forecasts based on planned activities and analysis of potential risk.

The reserves policy requires:

- reserves to be maintained at a level which ensures that the MEDIA LEGAL DEFENCE INITIATIVE can meet any costs of closing the organisation, whilst remaining operational for a period of six months, without any new grant making activity; and
- a proportion of reserves to be maintained in a readily realisable form.

Calculation of the required level of reserves and general funds is an integral part of the organisation's planning, budget and forecast cycle. It takes into account:

- risks associated with each stream of income and expenditure being different from that budgeted;
- planned activity level; and
- organisational commitments.

The level of designated reserves for 2016 has been set at £235,000; MEDIA LEGAL DEFENCE INITIATIVE is also carrying forward general funds of £167,445. This is intended to cover planned activities in 2016 and to act as a contingency against anticipated funding not being realised.

There are no material uncertainties that would prevent the charity from continuing its charitable activities for the near future. The reasons for this affirmation are:

- MEDIA LEGAL DEFENCE INITIATIVE has adequate reserves to cover foreseeable expenditure and or transfer of funds;

Media Legal Defence Initiative

Trustees' annual report

For the year ended 31 December 2015

- MEDIA LEGAL DEFENCE INITIATIVE has adequate management, programme and support expertise in place to discharge the day-to-day and long-term programme of activities.

Plans for the future

MEDIA LEGAL DEFENCE INITIATIVE's 2016 priorities are guided by two simple but powerful objectives:

- 1) To provide and facilitate high quality legal defence for independent media, bloggers and journalists under threat; and
- 2) To ensure a high impact for MEDIA LEGAL DEFENCE INITIATIVE's work.

This fulfils MEDIA LEGAL DEFENCE INITIATIVE's vision of ensuring that journalists are able to defeat abusive legal challenges and continue to report on issues of public interest. MEDIA LEGAL DEFENCE INITIATIVE's four key tools and working methods – providing emergency defence, making grants, engaging in strategic litigation, and providing training on media law – are all in the service of these two objectives, and MEDIA LEGAL DEFENCE INITIATIVE maximises its resources to this end. MEDIA LEGAL DEFENCE INITIATIVE's operational priorities for 2016 are the following:

- to prioritise East Africa and Russia and increase its ability to provide assistance to journalists, bloggers and independent media under threat;
- to pursue strategic litigation to end the abuse of criminal laws and promote media freedom online;
- to respond to requests for assistance from around the world, within its ability;
- to provide training to lawyers in geographic and thematic areas of focus;
- to engage in advocacy partnerships on one of the two thematic areas of focus.

Structure, governance and management

The MEDIA LEGAL DEFENCE INITIATIVE is a company limited by guarantee, incorporated 16 June 2008, as amended 19 November 2012, and was registered as a charity on 24 March 2009. The company is governed under its Articles of Association, which sets out its objects and powers.

MEDIA LEGAL DEFENCE INITIATIVE is an independent and autonomous UK charity. The Trustees of the MEDIA LEGAL DEFENCE INITIATIVE set the strategic aims and directions for the organisation. They also approve grants made by the charity for amounts over £15,000. The chair of the trustees approves grants of amounts between £1,500 and £15,000, on the recommendation of senior staff. Its London-based staff carry out day-to-day operations; this includes decisions on financial support for the defence of individual journalists up to a maximum of £1,500.

The MEDIA LEGAL DEFENCE INITIATIVE determines its resource requirements in a thorough financial planning process, and on an annual basis the trustees consider and approve the detailed plans and budget. The trustees empower the chair to monitor, control and ensure delivery of the plans within the resources available.

Media Legal Defence Initiative

Trustees' annual report

For the year ended 31 December 2015

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note six to the accounts.

Appointment of trustees

Under the charity's Articles of Association, the first directors of the company became its first trustees when the charity was registered on 24 March 2009. Additional trustees are selected and appointed by the board.

Trustees are appointed for a three-year term under the Articles of Association and can serve a maximum of two consecutive terms. They are then eligible for re-appointment following at least a one-year absence from the position.

Trustees are familiar with either the fields of charity finance/management, law, human rights and/or journalism and undergo an induction on their role and responsibilities as well as the work of the MEDIA LEGAL DEFENCE INITIATIVE. On appointment, trustees are provided with the Articles of Association of MEDIA LEGAL DEFENCE INITIATIVE and a copy of the Charity Commission's guidance on the role and responsibilities of trustees.

The Trustees of MEDIA LEGAL DEFENCE INITIATIVE meet once every three months and receive detailed reports to retain effective control over the organisation and to monitor the work of the Chief Executive Officer and his team. The Chief Executive Officer is Peter Noorlander.

Related parties and relationships with other organisations

- MEDIA LEGAL DEFENCE INITIATIVE trustee, Gary Born, is a partner at Wilmer Cutler Pickering Hale and Dorr LLP, which provided extensive pro bono support to MLDI;
- MEDIA LEGAL DEFENCE INITIATIVE trustee, Sarah Bull, provided pro bono employment law advice;
- MEDIA LEGAL DEFENCE INITIATIVE trustee, Smita Shah, provided pro bono support on a media law training workshop.

Employee information

The staff of the MEDIA LEGAL DEFENCE INITIATIVE is crucial to the delivery of its charitable objects. The staff is led by the CEO and comprises legal, finance, monitoring and evaluation, and grant-making specialists. MLDI provides its staff with training to ensure skills are kept up to date and has in place a range of mechanisms to ensure the smooth handling of its caseload. A staff restructuring in 2015 resulted in the posts of Chief Operating Officer and Grants Officer being made redundant and the posts of Finance and Office Manager and Legal and Grants Officer being added.

Media Legal Defence Initiative

Trustees' annual report

For the year ended 31 December 2015

Statement of responsibilities of the trustees

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

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

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2015 was 12 (2014: 13). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Media Legal Defence Initiative

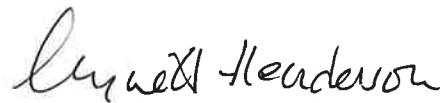
Trustees' annual report

For the year ended 31 December 2015

Auditors

Sayer Vincent LLP were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 20 July 2016 and signed on their behalf by



Gwyneth Henderson
Chair

Independent auditors' report

To the members of

Media Legal Defence Initiative

We have audited the financial statements of Media Legal Defence Initiative for the year ended 31 December 2015 which comprise statement of financial activities, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

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

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

Scope of the audit of the financial statements

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

Independent auditors' report

To the members of

Media Legal Defence Initiative

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.


Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- Adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or.
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the report of the trustees and take advantage of the small companies' exemption from the requirement to prepare a strategic report.



Jonathan Orchard (Senior statutory auditor)

24 August 2016

for and on behalf of Sayer Vincent LLP, Statutory Auditors

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

Media Legal Defence Initiative

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2015

	Note	Unrestricted £	Restricted £	2015 Total £	Unrestricted £	Restricted £	2014 Total £
Income from:							
Donations and legacies	2	619,903	1,568,562	2,188,465	641,123	1,437,822	2,078,945
Other		3,681	–	3,681	5,159	–	5,159
Total income		623,584	1,568,562	2,192,146	646,282	1,437,822	2,084,104
Expenditure on:							
Raising funds	3	40,906	–	40,906	29,919	–	29,919
Charitable activities							
Support to Individuals for Legal Defence	3	205,821	120,115	325,936	219,720	53,600	273,320
Support to NGO's for Legal Justice	3	157,809	52,309	210,118	197,994	89,510	287,504
Support for training & capacity building	3	162,579	40,603	203,182	118,352	84,359	202,711
Strategic Litigation	3	114,648	1,427,984	1,542,632	97,236	1,089,990	1,187,226
Total expenditure		681,763	1,641,011	2,322,774	663,222	1,317,459	1,980,681
Net income / (expenditure) for the year	5	(58,179)	(72,449)	(130,628)	(16,940)	120,363	103,423
Transfers between funds		22,494	(22,494)	–	–	–	–
Net movement in funds		(35,685)	(94,943)	(130,628)	(16,940)	120,363	103,423
Reconciliation of funds:							
Total funds brought forward		438,131	245,505	683,636	455,071	125,142	580,213
Total funds carried forward		402,446	150,562	553,008	438,131	245,505	683,636

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

Media Legal Defence Initiative

Balance sheet

Company no. 06621203

As at 31 December 2015

	Note	£	2015 £	£	2014 £
Fixed assets:					
Tangible fixed assets	10		—		2,288
Current assets:					
Debtors	11	17,982		34,427	
Cash at bank and in hand	18	847,082		1,037,139	
		<u>865,064</u>		<u>1,071,566</u>	
Liabilities:					
Creditors: amounts falling due within one year	12	312,056		390,218	
Net current assets			<u>553,008</u>		<u>681,348</u>
Total net assets / (liabilities)	15		<u><u>553,008</u></u>		<u><u>683,636</u></u>
The funds of the charity:					
Restricted income funds	16		150,562		245,505
Unrestricted income funds:					
Designated funds		235,000		235,000	
General funds		167,446		203,131	
Total unrestricted funds			<u>402,446</u>		<u>438,131</u>
Total charity funds			<u><u>553,008</u></u>		<u><u>683,636</u></u>

Approved by the trustees on 20 July 2016 and signed on their behalf by



Gwyneth Henderson
Chair

Media Legal Defence Initiative

Statement of cash flows

For the year ended 31 December 2015

	Note	2015	2014
		£	£
Cash flows from operating activities	17		
Net cash provided by / (used in) operating activities		(193,370)	285,657
Cash flows from investing activities:			
Dividends, interest and rents from investments		3,313	4,564
Purchase of fixed assets		-	(3,365)
Net cash provided by / (used in) investing activities		3,313	1,199
Change in cash and cash equivalents in the year		(190,057)	286,856
Cash and cash equivalents at the beginning of the year		1,037,139	750,283
Cash and cash equivalents at the end of the year	18	847,082	1,037,139

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 December 2014.

At the date of transition in applying the requirement to recognise liabilities arising from employee benefits, a liability was recognised for short-term compensated absence arising from employee entitlement to paid annual leave. The liability recognised was for the holiday entitlement carried forward and for the entitlement arising in the year which was due but not taken. No other restatements were required.

In accordance with the requirements of FRS 102, a reconciliation of opening balances and net income / (expenditure) for the year is provided in note 23.

c) Public benefit entity

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

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

Key judgements that the charitable company has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

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

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting policies (continued)

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

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

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of legal defence to individual, legal justice support to NGO's, support for training and capacity building and support towards strategic litigation undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

- | | |
|--|-----|
| ● Support to Individuals for Legal Defence | 30% |
| ● Support to NGO's for Legal Justice | 15% |
| ● Strategic Litigation | 20% |
| ● Support for Training & Capacity Building | 15% |
| ● Support costs | 15% |
| ● Governance costs | 5% |

1 Accounting policies (continued)**j) Operating leases**

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

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Computer Equipment 3 years
- Fittings and Office equipment 4 years

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

o) Pensions

MLDI will matched pension contribution for individuals from 4% up to 8% of gross salary to employees.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2015 total Total £	2014 Total £
Gifts & Donations	619,903	222,015	841,918	988,955
Legacies	-	-	-	-
Donated services	-	1,346,547	1,346,547	1,089,990
	<u>619,903</u>	<u>1,568,562</u>	<u>2,188,465</u>	<u>2,078,945</u>

Donated services are comprised of pro-bono legal support services and are calculated on the basis of the value of the service to MLDI

Media Legal Defence Initiative

Notes to the financial statements

For the year ended 31 December 2015

3 Analysis of expenditure

	Charitable activities							2015 Total £	2014 Total £
	Cost of raising funds £	Support to Individuals for Legal Defence £	Support to NGO's for Legal Justice £	Support for training & capacity building £	Strategic Litigation £	Governance costs £	Support costs £		
Staff costs (Note 6)	30,000	110,718	55,359	73,812	55,359	18,453	53,576	397,277	294,438
Other staff costs	2,488	9,182	4,591	6,121	4,591	1,530	4,591	33,094	13,135
Grants payable (Note 7)	-	98,546	79,880	25,124	1,388,888	-	-	1,592,438	1,412,326
Translation services	-	6,186	-	-	654	-	-	6,840	20,401
Fundraising costs	8,418	-	-	-	-	-	-	8,418	1,119
Volunteers' expenses	-	990	496	660	495	165	495	3,301	1,118
Travel and subsistence	-	-	-	13,037	16,742	-	-	29,779	19,724
Meetings and events	-	-	-	45,603	6,111	-	-	51,714	71,431
Marketing and promotion	-	-	-	-	-	-	25,361	25,361	18,810
Monitoring and Evaluation	-	-	-	-	-	-	19,092	19,092	14,378
Premises	-	-	-	-	-	-	48,769	48,769	28,721
Depreciation	-	-	-	-	-	-	2,288	2,288	8,118
Office costs	-	-	-	-	-	-	43,824	43,824	63,987
Bank Charges & Exchange	-	-	-	-	-	-	7,967	7,967	388
Board expenses	-	-	-	-	-	1,061	-	1,061	80
Other Governance Costs	-	-	-	-	-	-	-	-	487
Audit and accountancy	-	-	-	-	-	-	49,391	49,391	8,760
Legal and professional	-	-	-	-	-	-	2,160	2,160	3,260
Sub-total	40,906	225,622	140,326	164,357	1,472,840	21,209	257,514	2,322,774	1,980,681
Support costs	-	92,679	64,489	35,856	64,490	-	(257,514)	-	-
Governance costs	-	7,635	5,303	2,969	5,302	(21,209)	-	-	-
Total expenditure 2015	40,906	325,936	210,118	203,182	1,542,632	-	-	2,322,774	1,980,681
Total expenditure 2014	-	273,980	287,834	203,152	1,187,556	28,159	-	-	-

Of the total expenditure, £681,764 was unrestricted (2014: £663,222) and £1,641,011 was restricted (2014: £1,317,459).

Media Legal Defence Initiative

Notes to the financial statements

For the year ended 31 December 2015

4 Grant making

	Grants to institutions £	Grants to individuals £	Support costs £	2015 £	2014 £
Cost					
Support to Individuals for Legal Defence	-	98,546	127,076	225,622	96,671
Support to NGO's for Legal Justice	79,880	-	60,446	140,326	189,978
Support for Training & Capacity Building	25,124	-	139,233	164,357	25,000
Strategic Litigation	1,388,888	-	83,952	1,472,840	1,100,677
At the end of the year	1,493,892	98,546	410,707	2,003,145	1,412,326

Grants are provided to individuals and institutions from MLDI based on the charitable objectives of the organisation and with consideration for affordability

5 Net income / (expenditure) for the year

This is stated after charging / crediting:

	2015 £	2014 £
Depreciation	2,218	8,118
Operating lease rentals:		
Other	-	-
Auditors' remuneration (excluding VAT):		
Audit	7,400	8,760
Other services	-	-
Foreign exchange gains or losses	7,408	164

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

Staff costs were as follows:

	2015 £	2014 £
Salaries and wages	319,617	241,738
Redundancy and termination costs	16,049	-
Social security costs	33,858	24,375
Employer's contribution to defined contribution pension schemes	25,698	18,322
Other forms of employee benefits	2,055	10,003
	397,277	294,438

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

	2015 No.	2014 No.
£60,000 – £69,999	1	-

The total employee benefits including pension contributions of the key management personnel were £70,431 (2014: £68,426).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2015: £nil). No charity trustee received payment for professional or other services supplied to the charity (2015: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £Nil (2014: £Nil) incurred by members relating to attendance at meetings of the trustees.

Media Legal Defence Initiative

Notes to the financial statements

For the year ended 31 December 2015

7 Staff numbers

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

	2015 No.	2014 No.
Raising funds	0.5	0.5
Support to Individuals for Legal Defence	1.9	1.9
Support to NGO's for Legal Justice	0.9	0.9
Support for Training & Capacity Building	0.9	0.9
Strategic Litigation	1.3	1.3
Support	2.0	2.0
Governance	0.5	0.5
	<hr/>	<hr/>
	8.0	8.0
	<hr/> <hr/>	<hr/> <hr/>

8 Related party transactions

In 2015 the charity received pro bono support from the trustees or related parties of the trustees in the following instances:

- there was extensive pro bono support provided by the law firm of one of our trustees, Gary Born, who is a partner at Wilmer Cutler Pickering Hale and Dorr LLP;
- trustee Sarah Bull, provided pro bono employment law advice;
- trustee, Smita Shah, provided pro bono support on a media law training workshop

9 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At the start of the year	6,008	20,049	26,057
At the end of the year	<hr/> 6,008	<hr/> 20,049	<hr/> 26,057
Depreciation			
At the start of the year	4,625	19,144	23,769
Charge for the year	1,383	905	2,288
At the end of the year	<hr/> 6,008	<hr/> 20,049	<hr/> 26,057
Net book value			
At the end of the year	<hr/> -	<hr/> -	<hr/> -
At the start of the year	<hr/> 1,383	<hr/> 905	<hr/> 2,288

All of the above assets are used for charitable purposes.

Media Legal Defence Initiative

Notes to the financial statements

For the year ended 31 December 2015

11 Debtors

	2015 £	2014 £
Grants Receivable	9,136	19,000
Other Debtors	2,179	15,427
Prepayments	6,667	-
	<u>17,982</u>	<u>34,427</u>

12 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade Creditors	33,233	24,832
Tax & Social Security	-	7,454
Other Creditors	1,732	2,703
Grants Payable	123,898	189,111
Deferred Income	150,000	150,000
Accruals	3,193	16,118
	<u>312,056</u>	<u>390,218</u>

13 Deferred income

Deferred income comprises an amount of £150,000 received from Sigrid Rausing for 2016 activities

	2015 £	2014 £
Balance at the beginning of the year	150,000	100,000
Amount released to income in the year	(150,000)	(100,000)
Amount deferred in the year	150,000	150,000
	<u>150,000</u>	<u>150,000</u>

14 Pension scheme

MLDI makes an unmatched contribution to the Employee's Pension Scheme of 4% and up to 8% of gross salary matched.

15 Analysis of net assets between funds

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	-	-	-
Net current assets	167,446	235,000	150,562	553,008
	<u>167,446</u>	<u>235,000</u>	<u>150,562</u>	<u>553,008</u>

Media Legal Defence Initiative

Notes to the financial statements

For the year ended 31 December 2015

16 Movements in funds

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Restricted funds:					
Google	59,138	-	(3,666)	(6,589)	48,883
Ford 13-15	37,389	-	(57,967)	20,578	-
Hivos 14-15	99,658	81,235	(137,804)	(15,909)	27,180
Ethiopia Fund	11,934	-	(4,574)	-	7,360
MacArthur	36,980	64,253	(36,949)	(20,574)	43,710
General Donations	406	-	(406)	-	-
Ford 15-17	-	64,702	(41,273)	-	23,429
Donated services	-	1,346,547	(1,346,547)	-	-
Other Donors	-	11,825	(11,825)	-	-
Total restricted funds	245,505	1,568,562	(1,641,011)	(22,494)	150,562
Unrestricted funds:					
Designated Reserves	235,000	-	-	-	235,000
Total designated funds	235,000	-	-	-	235,000
General funds	203,131	623,584	(681,763)	22,494	167,446
Total unrestricted funds	438,131	623,584	(681,763)	22,494	402,446
Total funds	683,636	2,192,146	(2,322,774)	-	553,008

Purposes of restricted funds

All transfers are due to re-alignment of annual accounts estimates to donor reporting in 2015. Support cost apportionments are now captured and shown on an actual basis for the period.

Google – Support of online bloggers in the Mediterranean Region

Ford 13-15 – legal assistance to journalists, bloggers and independent media under oppression in South Asia and East Africa

Hivos 14-15 – legal defence to online media and bloggers in South and Southeast Asia

Ethiopia Fund – Support for journalists and online media in Ethiopia

MacArthur – Defence of journalists and other online media within Russia

Ford 15-17 – legal assistance to journalists, bloggers and independent media under oppression in South Asia and East Africa

Purposes of designated funds

Designated funds are maintained to ensure any significant financial risks to MLDI are controllable

Unrestricted funds

Unrestricted funding was provided by the following funders: Adessium; OSF; Sigrid Rausing and AMLDI

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

	2015 £	2014 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(130,628)	108,399
Depreciation charges	2,288	8,118
Dividends, interest and rent from investments	(3,313)	4,564
(Increase)/decrease in debtors	16,445	18,139
Increase/(decrease) in creditors	(78,162)	155,565
Net cash provided by / (used in) operating activities	(193,370)	294,785

18 Analysis of cash and cash equivalents

	At 1 January 2014 £	Cash flows £	Other changes £	At 31 December 2015 £
Cash in hand	605,915	(193,535)	-	412,380
Notice deposits (less than three months)	431,224	3,478	-	434,702
Total cash and cash equivalents	1,037,139	(190,057)	-	847,082

19 Operating lease commitments

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

	Property		Equipment	
	2015 £	2014 £	2015 £	2014 £
Less than one year	15,676	15,523	-	-
One to five years	-	-	-	-
	15,676	15,523	-	-

20 Capital commitments

At the balance sheet date, the charity had made no capital commitments

21 Contingent assets or liabilities

There are no contingent assets or liabilities

22 Legal status of the charity

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

23 Impact of transition to FRS 102 and SORP 2015

Reserves position	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	31 December 2014			1 January 2014		
	£	£	£	£	£	£
Funds previously reported	443,107	245,505	688,612	455,071	125,142	580,213
Adjustments on transition						
Holiday pay provision	(4,976)	-	(4,976)	-	-	-
Funds restated on transition	438,131	245,505	683,636	455,071	125,142	580,213
Impact on income and expenditure	Unrestricted	Restricted	Total			
	31 December 2014					
	£	£	£			
Net income / (expenditure) as previously reported	(11,964)	120,363	108,399			
Adjustments on transition						
Holiday pay provision	(4,976)	-	(4,976)			
Net income / (expenditure) as restated	(16,940)	120,363	103,423			