

Company number: 06621203

Charity number: 1128789

**Media Legal Defence Initiative**

**Report and Financial Statements**

**31 December 2014**

**sayer vincent**

auditors and advisors

## Media Legal Defence Initiative

### Reference and administrative details

For the year ended 31 December 2014

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**Company number** 06621203

**Charity number** 1128789

**Registered office and operational address**  
The Grayston Centre  
28 Charles Square  
LONDON  
N1 6HT

**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	
Robert JOBBINS	
Joshua CASTELLINO	(appointed 22/10/2014)
Matthew Richard FRANCIS	(appointed 22/04/2015)
Smita SHAH	(appointed 23/07/2014)
Olexiy SOLOHUBENKO	(appointed 22/10/2014)
Philip Royston LEACH	
Leo SKYNER	
Korieh DUODO	
Stephen Guy TOUGH	(resigned 29 January 2014)

**Principal staff** Mr Peter Noorlander Chief Executive

<b>Bankers</b>	Triodos Bank	The Co-operative Bank Plc
	Deanery Street	PO Box 101
	BRISTOL	1 Balloon Street
	BS1 5AS	MANCHESTER
		M60 4EP

**Solicitors** Bates Wells & Braithwaite  
2-6 Cannon Street  
LONDON  
EC4M 6YH

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

## **Media Legal Defence Initiative**

### **Report of the trustees**

#### **For the year ended 31 December 2014**

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The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity for the year ending 31 December 2014 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

#### **Structure, governance & 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 was established under a Memorandum of Association, which sets out its objects and powers, and is governed under its Articles of Association.

#### **Recruitment and 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 the MEDIA LEGAL DEFENCE INITIATIVE, and a copy of the Charity Commission's guidance on the role and responsibilities of trustees.

The Trustees of the 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.

There are currently twelve Trustees:

- Gary Brian BORN
- Sarah Carolyn BULL
- Joshua CASTELLINO (appointed 22/10/2014)
- Korieh DUODU
- Matthew Richard FRANCIS (appointed 22/04/2015)
- Gwyneth Ellen HENDERSON (Chairperson)
- Gordana JANKOVIC
- Robert JOBBINS
- Philip Royston LEACH
- Smita SHAH (appointed 23/07/2014)
- Leo SKYNER (Treasurer)
- Olexiy SOLOHUBENKO (appointed 22/10/2014)

All trustees give their time voluntarily and receive no benefit from the charity. Any expenses reclaimed from the charity are set out in note 4 to the accounts.

## **Media Legal Defence Initiative**

### **Report of the trustees**

**For the year ended 31 December 2014**

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#### **Risk Review**

On an on-going and regular basis, the Trustees conduct a wide ranging risk review process and consider that systems are in place to mitigate exposure to the major risks. They are satisfied that systems are in place to ensure the charity remains sufficiently funded at all times, and that its activities are within its mandate.

#### **Organisational Structure**

The MEDIA LEGAL DEFENCE INITIATIVE is an independent and autonomous UK charity. Day to day operations are carried out by its London staff. This includes decisions on financial support for the defence of individual journalists up to a maximum of £1,500.

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.

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.

#### **Charitable objects and activities**

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's helps journalists and independent media pay legal fees, and it also provides legal back-up 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 support 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 implementation 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.

#### **Activities**

2014 was a strong year for the Media Legal Defence Initiative, in the face of strong downward pressures politically. Our biggest success by far was a victory at the African Court of Human Rights where we won a judgment condemning imprisonment of journalists for defamation in strong terms and urging that criminal restrictions be imposed on journalists only in extreme cases of hate speech or incitement to violence. This was the Court's first freedom of expression case and our submission, on behalf of a journalist from Burkina Faso who had been imprisoned for a year on charges of defamation, was supported by a coalition of nearly two dozen media freedom and human rights groups from across the continent and further afield. This illustrated the importance of the case not just for the journalist concerned, but for media as well as human rights defenders across the continent who face prison for their work. Judgment was delivered in December 2014 and we will be working through 2015 on implementation both in regards of the journalist concerned, who is now entitled to compensation, but also in regards to the significant broader policy implications.

## **Media Legal Defence Initiative**

### **Report of the trustees**

#### **For the year ended 31 December 2014**

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We continued to handle numerous other cases under our emergency defence programme; 111 by the end of the year. Of these we won 29; nine of these were lost (one with a suspended sentence), and ten went on appeal. Three were discontinued and the rest remain ongoing. Some of these cases had significant policy implications: in Zambia, one of the cases we supported resulted in a criminal law that prohibited publishing ‘false news’ being struck down; in Singapore, we won a judgment that recognised a journalist’s right to protect his sources; and in Latvia, one of our cases resulted in the change of the law to ensure that defamation claimants can no longer freeze the assets of a media outlet.

We developed media law training curricula and piloted a smaller version of this, focused on defamation law, in four Southern European countries, in partnership with the International Press Institute. These curricula will be developed further in 2015.

Our partnership and capacity building programme enjoyed successes as well as a significant setback – in Azerbaijan. In Uganda, we worked successfully with the Legal Department of the Human Rights Network for Journalists, which is now seen as the ‘go to’ place for journalists in Uganda in need of legal assistance. This has come after several years of working closely alongside them on cases as well as organisational development, with the support of other donors. Our work in Azerbaijan was less successful: due to political pressures, our local partner, the Media Rights Institute, was forced to stop operating. Other human rights and media freedom groups in Azerbaijan have suffered a similar fate, as a result of which there is no longer any institutional support for journalists and bloggers under legal threat in the country. This is a serious concern for the remaining independent media in the country.

The situation in Azerbaijan is illustrative of a downward trend as regards respect for media freedom and human rights in many countries. While MLDI has achieved some important success in 2014, we cannot ignore that the number of cases against journalists globally has gone up, and that the number of journalists and bloggers imprisoned for their reporting has remained constant. This trend has been particularly visible in countries such as Russia and India, both of which are trendsetters within their region, as well as in countries such as Malaysia where political pressures have led to a spate of prosecutions for sedition. MLDI will therefore be stepping up its work in these and other countries where its work is needed most.

#### ***The impact of our work***

In October 2014, we published our first ‘impact report’ (available on our website). This covers the 12 months from mid-September 2013 and shows the overall impact of our and our partners’ work, as well as three specific examples: our capacity building work with the Ugandan Human Rights Network for Journalists; our work with Bytes for All in Pakistan challenging the ban of YouTube; and the longer-term impact of our legal defence of two journalists in Rwanda whose convictions for “genocide denial”, endangering national security and insulting President Kagame we challenged before Rwanda’s Supreme Court and at the African Commission on Human and Peoples’ Rights. Our legal work on the latter case resulted in a sentence reduction and both journalists are now free and able to publish again. One of them, Agnes Uwimana, commented that “I’m very happy to have left prison and I’m going to pursue my journalism career. I’m not afraid.” The second, Saidati Mukakibibi, similarly commented that, “As I walked free from prison, I immediately told people that I will continue to do my job - with difficulty, but with courage.”

The direct impact of our casework has been high. By the end of December 2014, we were working on a total of 111 cases in 43 different countries, with an average ‘success’ rate of 70% (we measure ‘success’ as a satisfactory outcome for the journalist concerned, which might include getting a case settled on favourable terms or withdrawn). Some of our strategic partners have a success rate that exceeds even that – the Center for International Law in the Philippines, for example, has a 100% success rate for its work on the defence of libel cases. Our partners defended a total of 188 cases, the majority of them in the Philippines (mostly arising from litigation around the Maguindanao massacre), Hungary, Macedonia, Kyrgyzstan and Azerbaijan.

MLDI measures its impact not only by reference to the number of cases handled and their outcome, but also by examining whether the journalists involved in these cases continue to be active and whether their journalism continues to be of a good quality and on issues of public interest - in other words, that they haven’t been so scarred by the experience of having been sued that they retreat into other jobs or ‘safe’ journalism. We commission an ongoing series

## Media Legal Defence Initiative

### Report of the trustees

#### For the year ended 31 December 2014

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of short impact stories on individual cases, five of which are currently on our website (at <http://www.mediadefence.org/what-happened-next>). One clear example of this kind of impact is from the journalist at the centre of our case at the African Court of Human and Peoples' Rights. He reported to us that he feels so strengthened by our support that he has restarted his publication after coming out of prison - since he was the managing editor, his newspaper had not published during his time in prison. Another powerful example of long-term impact is provided by Sahara Reporters, a website that publishes on issues of corruption in Nigeria. It publishes from exile in New Jersey and has been targeted with numerous threats of lawsuits. While US law protects free speech strongly, lawyers are expensive and Sahara Reporters has called on MLDI's services several times over the past years. MLDI's legal help was important in keeping the site running: the editor told us that without it, he "would have become bankrupt and by extension unable to do my work as a citizen reporter. It wouldn't have been possible to fight this case without getting distracted and in doing so I'd have been unable to keep doing what we're doing. By having a robust legal response and protection we were able to continue expanding our horizon so that Sahara Reporters has become what it is today."

A final measurement of longer-term impact is in our strategic litigation, when a decision in a case may lead to a change in law or practice in a country that improves media freedom. This can only be measured over the longer term and we will be working with our partners to collect this during 2015. We are seeing early evidence of serious impact in our African Court of Human Rights judgment on criminal defamation: we have reports from lawyers in Senegal and South Africa who are already using the judgment before their local courts, and the Rapporteur on Freedom of Expression at the African Commission on Human and Peoples' Rights has referred to the ruling as "a landmark decision that will change the free expression landscape on the African continent ... give impetus to the continent wide campaign to decriminalise defamation [and] also pave the way for the decriminalisation of similar laws such as insult laws and publication of false news".

In November 2014, we appointed a full-time monitoring, evaluation and learning officer. She worked during the last few months of the year to further develop our impact measurement strategy and implement it across our partner network.

#### **Case support**

Our strategic case work in 2014 has been focused around two cases: a case before the African Court of Human Rights challenging imprisonment for libel; and one before the European Court of Human Rights concerning the liability of online media for comments left on their site by their readers.

At the African Court of Human Rights, we won a judgment declaring that imprisonment for defamation violates the right to freedom of expression and that criminal defamation laws should be used only in extreme cases, such as of incitement to hatred or violence. We brought the case on behalf of Lohé Issa Konaté, a journalist from Burkina Faso who was imprisoned for a year, ordered to pay damages and whose newspaper was closed for a piece in which he alleged a local prosecutor was corrupt. His conviction and sentence were upheld on appeal and we brought his case to the African Court. Our legal team was led by our Legal Director, Nani Jansen, and included Steven Finizio from Wilmer Hale and John Jones QC from Doughty Street Chambers. There were interventions in the case from a large group of media freedom organisations from around Africa joined by the World Association of Newspapers, who stressed to the court that criminal libel laws are inimical to media freedom. The judgment had a huge impact on the journalist concerned, who is now entitled to compensation and who will be able to begin to rebuild his professional life as a journalist.

The decision will have a significant impact on the broader issues of imprisonment for defamation and the abuse of criminal defamation laws in Africa. Judgments of the Court are binding across African Union member states, and as a result these countries will no longer be able to impose a sentence of imprisonment on journalists – and they will have to exercise restraint in the use of criminal defamation laws generally. While this will require considerable work on implementation, and potentially further litigation at the domestic level, the African Court has set a very high bar for the protection of freedom of expression which States will have to abide by.

In addition to the Konaté case, we are actively working on cases before other international courts in Africa – we have hearings coming up at the East African Court of Justice on the system of media regulation in Burundi, and cases at the African Commission on Human and Peoples' Rights against Ethiopia and Rwanda are in the admissibility and merits

## **Media Legal Defence Initiative**

### **Report of the trustees**

#### **For the year ended 31 December 2014**

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stage, respectively. We are in the progress of filing new cases at the European Court as well, and we have just filed an intervention at the Inter-American Court of Human Rights on broadcast licensing.

At the European Court of Human Rights, we worked on a case concerning the liability of media outlets for comments left on their sites by readers. We believe that the case will set an important precedent in Europe and will be influential elsewhere as well – it will be recalled that in Thailand, for example, the webmaster of Prachatai was convicted for comments left on the site by users. We succeeded in getting the case referred to the Court’s Grand Chamber by working with the lawyers on their brief and also organising a coalition of media groups to write to the Court in support of the request. We have also submitted a formal ‘intervention’ in the case on behalf of a group of twenty media outlets and organisations including the World Association of Newspapers, the Guardian, News Corp, Forbes and various European media groups. The case was heard in July and a judgment is expected early in 2015.

Our work to support the defence of cases before national courts continued unabated through 2014. Some of these cases, too, had significant policy implications. In Zambia, two journalists won a declaration from the High Court that the criminal law prohibition of publishing “false news” was unconstitutional, putting an end to the thereto forth significant abuse of this prohibition against the independent media. In Singapore, a blogger won a judgment recognising his right to protect his confidential sources of information for a story on corruption, the first time a Singapore court has ever recognised such a right; and in Latvia, a defamation case in which a businessman demanded that the assets of a magazine be frozen pending the case being heard was defeated and led to a change in the law to ensure that such a demand could never be made again. In all of these cases, our support was either financial, to pay for legal fees, or substantive, to provide legal advice – and in a significant number of cases we provided both.

As well as supporting the defence of a journalist’s case directly, we also “intervened” in a small number of cases that we deemed to be of significant importance for their policy implications. In such cases, we file a formal statement before the court highlighting what we believe to be the policy implications of a case, and indicating which way we believe the court should rule. Such interventions can play a strong role in determining the outcome of a case. Our work under this heading included an intervention in the case in the UK High Court launched by the partner of Guardian/Intercept journalist Glen Greenwald, David Miranda, who challenged his detention at Heathrow Airport under anti-terrorism laws. Our intervention argued strongly that this was in breach of international human rights law and was an abuse of Miranda’s rights. The challenge was dismissed by the High Court and has now been appealed to the Court of Appeal where it is slated to be heard early in 2015.

The majority of MLDI’s individual cases were in Africa and Asia, with fewer cases in Europe and only five in the Middle East. The cases in Europe are nearly all before the European Court of Human Rights and concern issues ranging from the right of access to information to the use of hidden recording devices. The cases in Asia and Africa almost all concerned the use of libel, national security or public order laws, and most are before lower level courts. Many of them are long-running, such as the litigation we support in Pakistan to have YouTube unblocked. While we achieved an initial ‘victory’ at the High Court in Lahore, it has been referred to the Supreme Court for a definitive ruling. This pattern of lengthy appeals processes repeats itself in many other cases, resulting in long and drawn-out litigation. It is important that we ‘stand by’ journalists throughout the defence of such cases, giving them the confidence that their legal issues are well looked-after so they can focus on their reporting.

#### ***Partnerships***

Our work with partners in 2014 was focused on our ongoing activities with our Azeri, Filipino and Ugandan partners, with each of whom we have concluded long term partnerships through which we provide financial support as well as share legal expertise. As part of the partnerships, litigation strategies have been developed with each of the organisations, and we have conducted a series of workshops with them individually as well as as a group. The partnership with the Human Rights Network for Journalists-Uganda has been particularly effective. As highlighted in our annual impact report, we have been working closely with the head of its legal department, Catherine Anite, throughout most of 2015. HRNJ is now widely seen as the “go-to” organisation for journalists who are in need of legal assistance, and Anite credits this to MLDI: “Without MLDI, we wouldn’t be able to defend journalists like we do now.”

## **Media Legal Defence Initiative**

### **Report of the trustees**

#### **For the year ended 31 December 2014**

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The work with our Philippines partners, the Center for International Law, was also successful. We held an intensive two-day workshop with their senior staff which was focused on strategies and strengthening the organisation - the Center has grown out of a law firm to which it remains attached and we discussed with them ways to strengthen their focus and attract additional funding. This resulted in the Center working with a consultant to draw up a comprehensive organisation-wide strategy for 2015 and beyond, which will significantly help the Center to prioritise its work as well as to attract funding.

Unfortunately, we have had to stop our partnership with the third of our strategic partners, the Media Rights Institute in Azerbaijan. It experienced increasing pressure from the government and was forced to announce in August 2014 that it would cease operating. This has had a significant impact on all independent media in Azerbaijan, who have been deprived of access to pro bono and affordable legal assistance (the other organisation that provided legal advice to journalists and activists was also shut down). This is a serious concern for the remaining independent media in the country. MLDI has taken over legal representation of some of the cases MRI had been working on before the European Court of Human Rights.

Alongside our close work with these three partners, we have continued our partnerships in Indonesia, Kazakhstan, Moldova, Hungary, Kyrgyzstan and Malaysia, and we established new partnerships with two organisations in India as part of a push to increase access to legal defence for small media outlets, freelancers and bloggers.

#### ***Media law training and workshops***

Throughout 2014 we revitalised our training programme centring on the development of a media law curriculum, alongside a 'litigation surgery' project – both are aimed at lawyers.

The media law curriculum is being developed as a series of training modules that can be used to deliver media law skills to lawyers. We have started the development of a 'core module' for this which will address the basics of media law, ranging from international constitutional protections for the right to freedom of expression and threats to media freedom, to a basic understanding of issues in defamation law, public order law, privacy law, access to information and similar themes. Alongside this core module, in-depth modules will be developed on each of these themes. We are working with an external consultant to develop the core module, which will be finalised early in 2015. In the last few months of 2014, we piloted the general approach for the curriculum in a series of four defamation law trainings, in Spain, Portugal, Macedonia and Croatia, as part of a joint training module delivered with the International Press Institute. For these we developed a defamation law training module that draws centrally on European Court of Human Rights case law, which is common across the 48 member states of the Council of Europe – in to this local trainers from each of the four countries 'plugged' local law specifics. As a general approach, this has worked well and will be replicated in the overall media law curriculum.

Alongside this core project, we are working on a concept for litigation 'surgeries' to be conducted with practising media lawyers. These will be hands-on workshops where lawyers will bring some of the cases they have been working on themselves, as well as discuss how they might better use international human rights law norms in their work. Participation in each of these workshops will be limited to no more than a dozen lawyers, and we will be running the initial one in the first half of 2015, in East Africa.

We also ran a small number of other legal trainings through the year:

- (1) A workshop on internet freedom litigation for lawyers in South and Southeast Asia. This two-day event was funded under the Hivos Digital Defenders Partnership and was focused on internet freedom litigation, while taking in 'traditional' elements of defamation defence and the defence of other, mainstream criminal charges. The workshop took place in Bangkok, in September. Participants gave it an overwhelmingly positive evaluation and particularly rated the pan-Asian focus which allowed lawyers from India and Pakistan to share their experiences with their peers in Southeast Asia.
- (2) A legal clinic linked to the Oxford media law moot court, targeted at law students. This took place through September-December 2015, and resulted in the students filing two petitions to the UN Working Group on Arbitrary detention on behalf of two journalists imprisoned for their work in Myanmar and in Vietnam. The clinic was developed in partnership with Oxford University, the University of Zagreb and Garden Court



## **Media Legal Defence Initiative**

### **Report of the trustees**

#### **For the year ended 31 December 2014**

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Chambers. We provided training on the use of international human rights mechanisms, oversaw the drafting of the petitions and provided co-funding for some of the costs. We are currently evaluating the success of the workshop - while the outcome was positive it took a large investment of staff time and we are looking at ways to replicate the clinic in a way that is less of a drain on our resources.

#### **Priorities for 2015**

MLDI has started a strategy review process to learn the lessons from its first five years of operations, re-assess the need for its work in different parts of the world and ensure that its work is focused in areas of high priority and where it can make a difference.

This process will conclude in mid-2015. MLDI intends to build on the strength of what has been achieved in the past, while remaining realistic about its impact and the number of countries it can work in.

MLDI's strategy for 2015 will therefore be transitional. Our strategic litigation programme will remain focused on two themes: the abuse of criminal law restrictions to silence independent journalism and internet freedom. Much of this will be focused around a small cluster of cases before the East African Court of Justice, the Ecowas Court of Justice, and at the European Court of Human Rights. We will also be focusing on the implementation of the positive judgment we obtained at the African Court of Human Rights, which we expect will involve further litigation. Our partnerships run over 12 and 24 month periods, and we will revise those on a rolling basis.

Our emergency response work will remain global in focus – we will be open for requests for assistance from anywhere in the world. However, as part of our overall review, we will be marketing our individual casework more proactively in those countries where the demand is highest. We have also identified East Africa as one of our priority regions for 2015. We have historically been strongly engaged in Uganda, Rwanda and Kenya and we will seek to combine training of lawyers with casework – both regular and strategic – to increase our impact across the region.

#### **Public benefit focus on ensuring that activities achieve charitable aims**

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work within the last twelve months. 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.

#### **Achievements and performance in the delivery of public benefit**

The charity's main activities and whom it tries to help are described above. All its charitable activities focus on, the promotion of human rights throughout the world, in particular through the protection of freedom of speech and the right to free expression, and the advancement of education in law, including human rights law, and journalism, these activities are undertaken to further the Company's charitable objects for the public benefit.

## Media Legal Defence Initiative

### Report of the trustees

For the year ended 31 December 2014

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#### Beneficiaries of the services of the MEDIA LEGAL DEFENCE INITIATIVE

Primary beneficiaries include journalists and media outlets who are prosecuted and/or persecuted for properly pursuing their role; national non-governmental human rights organisations worldwide that defend against infringements of the right of the media to freedom of expression and human rights lawyers working in the field of freedom of expression.

Secondary beneficiaries include the public at large, by benefiting from the free flow of ideas and information in society that has been enabled through the MEDIA LEGAL DEFENCE INITIATIVE's activities in defence of media freedom.

#### Financial review

There was a surplus for the year of £108,399 (2013 – surplus of £253,192). This is represented by an increase of £125,142 in restricted funds and a decrease of £11,964 in unrestricted funds. During 2014, MLDI has received incoming resources amounting to £2,084,205 (2013 - £1,470,260), out of which £1,947,546 (2013 - £1,192,324) 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 £1,089,990 (2013 £533,023).

The trustees have set a reserves policy requiring:

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

The level of reserves for 2014 has been set at £235,000; we are also carrying forward general funds of £208,107. This is intended to cover planned activities in 2014 and to act as a contingency against an expected fall in unrestricted income over the next two years.

The 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
- organisational commitments

The MEDIA LEGAL DEFENCE INITIATIVE has introduced a system to monitor its activities, risks and fund balances to ensure that any unrestricted income over and above its reserves needs is utilised in the most effective manner to implement its charitable objects.

#### Statement of the trustees' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

## **Media Legal Defence Initiative**

### **Report of the trustees**

#### **For the year ended 31 December 2014**

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- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

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

In so far as the trustees are aware:

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

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

#### **Auditors**

Sayer Vincent were re-appointed as the MEDIA LEGAL DEFENCE INITIATIVE's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 22 July 2015 and signed on their behalf by

Gwyneth Henderson, Chair

## **Independent auditor's report**

### **To the members of**

#### **Media Legal Defence Initiative**

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We have audited the financial statements of Media Legal Defence Initiative for the year ended 31 December 2014 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.

#### **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 2014 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.

## **Independent auditor's report**

**To the members of**

**Media Legal Defence Initiative**

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### **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)

4 August 2015

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 2014

		Restricted	Unrestricted	2014 Total	2013 Total
	Note	£	£	£	£
<b>Incoming resources</b>					
<i>Incoming resources from generated funds</i>					
Voluntary Income	2	1,437,822	641,123	<b>2,078,945</b>	1,467,979
Consultancy Income		-	595	<b>595</b>	-
Investment income		-	4,564	<b>4,564</b>	2,281
<b>Total incoming resources</b>		<u>1,437,822</u>	<u>646,282</u>	<b>2,084,104</b>	<u>1,470,260</u>
<b>Resources expended</b>					
<i>Charitable activities</i>					
Support to individuals for legal defence		53,600	218,514	<b>272,114</b>	251,378
Support to NGO's for legal justice		89,510	197,391	<b>286,901</b>	300,067
Support for training and capacity building		84,359	117,549	<b>201,908</b>	70,302
Strategic litigation		1,089,990	96,633	<b>1,186,623</b>	570,577
<i>Governance costs</i>		-	28,159	<b>28,159</b>	24,744
<b>Total resources expended</b>		<u>1,317,459</u>	<u>658,246</u>	<b>1,975,705</b>	<u>1,217,068</u>
<b>Net incoming/(outgoing) resources for the year</b>	4	120,363	(11,964)	<b>108,399</b>	253,192
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>125,142</u>	<u>455,071</u>	<u>580,213</u>	<u>327,021</u>
<b>Total funds carried forward</b>	12	<u>245,505</u>	<u>443,107</u>	<b>688,612</b>	<u>580,213</u>

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 12 to the financial statements.

**Media Legal Defence Initiative**

**Balance sheet**

Company no. 06621203

**As at 31 December 2014**

	Note	£	2014 £	2013 £
<b>Fixed Assets</b>				
Furniture and Fixtures	10		<b>2,288</b>	7,041
<b>Current assets</b>				
Debtors	8	<b>34,427</b>		52,566
Short-term deposit		<b>431,224</b>		51,675
Cash at bank and in hand		<b>605,915</b>		698,608
		<b>1,071,566</b>		802,849
<b>Liabilities</b>				
Creditors: amounts due within one year	9	<b>385,242</b>		229,677
<b>Net current assets</b>			<b>686,324</b>	573,172
<b>Net assets</b>			<b>688,612</b>	580,213
<b>The funds of the charity</b>				
Restricted funds	12		<b>245,505</b>	125,142
Unrestricted funds				
Designated funds			<b>235,000</b>	235,000
General funds			<b>208,107</b>	220,071
<b>Total charity funds</b>			<b>688,612</b>	580,213

Approved by the trustees on 22 July 2015 and signed on their behalf by

Gwyneth Henderson  
Chair

## Media Legal Defence Initiative

### Notes to the financial statements

#### For the year ended 31 December 2014

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##### 1. Accounting policies

a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005).

b) Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable.

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

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

d) 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.

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

f) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

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 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.

Support to individuals for legal defence	30%
Support to NGO's for legal justice	15%
Support for training and capacity building	15%
Strategic Litigation	20%
Governance	5%
Support costs	15%

Support costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff costs, of the amount attributable to each activity:

Support to individuals for legal defence	35%
Support to NGO's for legal justice	25%
Support for training and capacity building	25%
Strategic Litigation	13%
Governance	2%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.



## Media Legal Defence Initiative

### Notes to the financial statements

#### For the year ended 31 December 2014

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#### 1. Accounting policies (continued)

- g) Grants payable are charged to the Statement of Financial Activities in the year in which the offer is conveyed to the recipient.
- h) Assets and liabilities in foreign currencies are valued at the rates of exchange at the balance sheet date. Realised exchange rate differences, as well as exchange rate gains or losses resulting from the valuation of receivables and liabilities, are included in the Statement of Financial Activities.
- i) Donated services and facilities are included as incoming resources (with an equivalent amount in resources expended) only where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated cost to the provider of the service or facility received.
- j) The fixed assets policy states that all partner project capital expenditure is expensed as it is incurred and not capitalised in the accounting system. Capital expenditure in the UK of less than £1,500 is expensed as it is incurred. For expenditure above this level in the UK the policy requires that tangible fixed assets are stated at cost (what MLDI paid for them). Depreciation is provided on these capitalised tangible fixed assets as follows: Freehold buildings 2% to 4%; Computer equipment 33.33%; Fittings and office equipment 25%.

#### 2. Voluntary income

	Restricted	Unrestricted	2014 Total	2013 Total
	£	£	£	£
Adessium	-	87,165	<b>87,165</b>	179,572
Sigrid Rausing Trust	-	100,000	<b>100,000</b>	-
Google	50,765	-	<b>50,765</b>	58,022
Foundation for Democracy and Media	-	19,367	<b>19,367</b>	-
Media Development Loans Fund	-	123,818	<b>123,818</b>	130,619
Ford	62,338	-	<b>62,338</b>	61,306
NED	15,020	-	<b>15,020</b>	22,668
Hivos	134,600	-	<b>134,600</b>	62,250
Kality Foundation	3,068	-	<b>3,068</b>	5,967
Norwegian Union of Journalists	-	-	-	1,948
Indievoices	2,919	-	<b>2,919</b>	-
MacArthur	59,716	-	<b>59,716</b>	-
Reporters Respond	-	-	-	2,504
International Press Institute	19,000	-	<b>19,000</b>	-
Open Society Foundation	-	309,417	<b>309,417</b>	409,980
Other donations	406	1,356	<b>1,762</b>	120
Donated services and facilities	<u>1,089,990</u>	<u>-</u>	<u><b>1,089,990</b></u>	<u>533,023</u>
Total	<u><u>1,437,822</u></u>	<u><u>641,123</u></u>	<u><u><b>2,078,945</b></u></u>	<u><u>1,467,979</u></u>

Donated services and facilities represent pro-bono legal support from individual lawyers and law firms as part of MLDI's strategic litigation activities.

Media Legal Defence Initiative

Notes to the financial statements

For the year ended 31 December 2014

3. Total resources expended

	Support to individuals for legal defence £	Support to NGO's for legal justice £	Support for training and capacity building £	Strategic Litigation £	Governance Costs £	Support Costs £	2014 Total £	2013 Total £
Staff costs (Note 5)	86,839	43,419	43,419	57,893	14,473	43,419	<b>289,462</b>	233,423
Other staff costs	3,941	1,970	1,970	2,627	657	1,970	<b>13,135</b>	6,412
Grants payable (Note 7)	96,671	189,978	25,000	1,100,677	-	-	<b>1,412,326</b>	822,647
Translation services and interpreters' fees and other expenses	5,002	340	13,825	1,234	-	-	<b>20,401</b>	1,573
Fundraising costs	-	-	-	-	-	1,119	<b>1,119</b>	2,701
Volunteers' expenses	335	168	168	223	56	168	<b>1,118</b>	2,338
Travel and subsistence	14,793	4,931	-	-	-	-	<b>19,724</b>	10,085
Meetings and events	-	-	71,431	-	-	-	<b>71,431</b>	30,812
Marketing and promotion	-	-	-	-	-	18,810	<b>18,810</b>	21,960
Monitoring and Evaluation	-	-	-	-	-	14,378	<b>14,378</b>	19,061
Premises	-	-	-	-	-	28,721	<b>28,721</b>	18,879
Depreciation	-	-	-	-	-	8,118	<b>8,118</b>	7,217
Office costs	-	-	-	-	-	63,987	<b>63,987</b>	16,237
Bank Charges & Exchange	-	-	-	-	-	388	<b>388</b>	238
Board expenses	-	-	-	-	80	-	<b>80</b>	84
Other Governance Costs	-	-	-	-	9,206	-	<b>9,206</b>	828
Audit and accountancy	-	-	-	-	-	41	<b>41</b>	11,187
Legal and professional	-	-	-	-	-	3,260	<b>3,260</b>	11,386
	<u>207,581</u>	<u>240,806</u>	<u>155,813</u>	<u>1,162,654</u>	<u>24,472</u>	<u>184,379</u>	<b><u>1,975,705</u></b>	<u>1,217,068</u>
Support Costs	<u>64,533</u>	<u>46,095</u>	<u>46,095</u>	<u>23,969</u>	<u>3,687</u>	<u>(184,379)</u>	<u>-</u>	<u>-</u>
<b>Total resources expended</b>	<b><u>272,114</u></b>	<b><u>286,901</u></b>	<b><u>201,908</u></b>	<b><u>1,186,623</u></b>	<b><u>28,159</u></b>	<b><u>-</u></b>	<b><u>1,975,705</u></b>	<b><u>1,217,068</u></b>

## Media Legal Defence Initiative

### Notes to the financial statements

#### For the year ended 31 December 2014

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#### 4. Net incoming/(outgoing) resources for the year

This is stated after charging / crediting:

	2014	2013
	£	£
Auditors' remuneration:		
▪ audit	8,760	7,150
▪ other services	-	-
Depreciation	8,118	7,217
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	-	579
	<u>          </u>	<u>          </u>

Trustees' reimbursed expenses for 2013 represents the reimbursement of travel and subsistence costs to one trustee relating to attendance at meetings of the trustees.

#### 5. Staff costs and numbers

Staff costs were as follows:

	2014	2013
	£	£
Salaries and wages	236,762	201,713
Social security costs	24,375	21,746
Pension contributions	18,322	9,963
Other staff costs	10,003	-
	<u>289,462</u>	<u>233,422</u>
Total emoluments paid to staff were:	<u>255,084</u>	<u>211,676</u>

No employee earned more than £60,000 during the year.

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2014	2013
	No.	No.
Charitable activities	5.0	3.0
Support	2.0	2.0
	<u>7.0</u>	<u>5.0</u>

## Media Legal Defence Initiative

### Notes to the financial statements

#### For the year ended 31 December 2014

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#### 6. Taxation

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

#### 7. Grants payable

	2014	2013
	£	£
Grants to individuals	102,271	95,062
Grants - training	25,000	-
Grants to institutions	189,978	183,951
Strategic Litigation	<u>1,100,677</u>	<u>543,634</u>
<b>Total commitments made in year</b>	<b><u>1,417,926</u></b>	<b><u>822,647</u></b>
<b>Reconciliation of grants payable</b>		
Commitments brought forward	117,711	62,621
Commitment no longer payable	(5,600)	-
Commitments made in the year	1,417,926	822,647
Grants paid during the year	(250,936)	(234,534)
Donated Pro-bono services	<u>(1,089,990)</u>	<u>(533,023)</u>
<b>Commitments outstanding at 31 December</b>	<b><u>189,111</u></b>	<b><u>117,711</u></b>

All of the above grants were made in accordance with the conditions set by the Board of Trustees of MLDI. The grants have been made to enable journalism and media outlets worldwide to challenge infringements of their right to freedom of expression in court proceedings. Grants are also given to national non-governmental human rights organisations worldwide to defend freedom of expression and promote education and cooperation amongst human rights lawyers.

#### 8. Debtors

	2014	2013
	£	£
Grants receivable	19,000	40,797
Other Debtors	<u>15,427</u>	<u>11,769</u>
	<b><u>34,427</u></b>	<b><u>52,566</u></b>

#### 9. Creditors: amounts due within one year

	2014	2013
	£	£
Trade creditors	24,832	3,386
Tax and social security	7,454	-
Other creditors	2,703	-
Grants payable (note 7)	189,111	117,711
Deferred income	150,000	100,000
Accruals	<u>11,142</u>	<u>8,580</u>
	<b><u>385,242</u></b>	<b><u>229,677</u></b>

Media Legal Defence Initiative

Notes to the financial statements

For the year ended 31 December 2014

10. Fixed assets

	Fixtures and fittings £	Computer Equipment £	Total £
<b>Cost</b>			
At the start of the year	4,164	18,528	22,692
Additions in year	<u>1,844</u>	<u>1,521</u>	<u>3,365</u>
At the end of the year	<u><b>6,008</b></u>	<u><b>20,049</b></u>	<u><b>26,057</b></u>
<b>Depreciation</b>			
At the start of the year	3,123	12,528	15,651
Charge for the year	<u>1,502</u>	<u>6,616</u>	<u>8,118</u>
At the end of the year	<u><b>4,625</b></u>	<u><b>19,144</b></u>	<u><b>23,769</b></u>
<b>Net book value</b>			
At the end of the year	<u><b>1,383</b></u>	<u><b>905</b></u>	<u><b>2,288</b></u>
At the start of the year	<u><u>1,041</u></u>	<u><u>6,000</u></u>	<u><u>7,041</u></u>

11. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Fixed assets	-	-	2,288	<b>2,288</b>
Net current assets	<u>245,505</u>	<u>235,000</u>	<u>205,819</u>	<u><b>686,324</b></u>
<b>Net assets at the end of the year</b>	<u><b>245,505</b></u>	<u><b>235,000</b></u>	<u><b>208,107</b></u>	<u><b>688,612</b></u>

## Media Legal Defence Initiative

### Notes to the financial statements

For the year ended 31 December 2014

#### 12. Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers between funds £	At the end of the year £
<b>Restricted funds:</b>					
Open Society Stichtung	2,820	-	(2,820)	-	-
Google	36,417	50,765	(28,044)	-	59,138
NED	(865)	15,020	(14,155)	-	-
Ford	50,406	62,338	(75,355)	-	37,389
Hivos	30,417	134,600	(65,359)	-	99,658
Kality Foundation	3,999	3,068	-	-	7,067
Norwegian Union of Journalists	1,948	-	-	-	1,948
Indievoices	-	2,919	-	-	2,919
Donated services and facilities	-	1,089,990	(1,089,990)	-	-
International Press Institute	-	19,000	(19,000)	-	-
MacArthur	-	59,716	(22,736)	-	36,980
General Donations	-	406	-	-	406
<b>Total restricted funds</b>	<b>125,142</b>	<b>1,437,822</b>	<b>(1,317,459)</b>	<b>-</b>	<b>245,505</b>
<b>Unrestricted funds:</b>					
Designated funds - reserves	235,000	-	-	-	235,000
General funds	220,071	646,282	(658,246)	-	208,107
<b>Total unrestricted funds</b>	<b>455,071</b>	<b>646,282</b>	<b>(658,246)</b>	<b>-</b>	<b>443,107</b>
<b>Total funds</b>	<b>580,213</b>	<b>2,084,104</b>	<b>(1,975,705)</b>	<b>-</b>	<b>688,612</b>

#### Purposes of restricted funds

##### Open Society Stichtung

Grant made for the monitoring and support of defendants in the NLA sit-in trial in Thailand.

##### Google

Cases involving bloggers or online media from India, Spain or Italy.

##### NED

To advance media freedom and protect the rights of independent media in Azerbaijan, Uganda and the Philippines by strengthening media legal defence capacity

##### Ford Foundation

Cases and training in East Africa or South Asia

##### Hivos

Cases of bloggers or online media (including 'traditional' news or print that have a widely used website)

##### Adessium Foundation

Cases or grants in countries on DAC list of ODA recipients.

##### Kality Foundation/ Norwegian Union of Journalists/Indievoices

Funding is to support Eskinder & Reeyot case at the African Court of Human Rights

##### MacArthur Foundation

Russia cases, travel and payments to co-ordinator

#### 13. Related Parties

There have been no related party transactions in the reporting period that require disclosure.