

Company number: 06621203

Charity number: 1128789

# **Media Legal Defence Initiative**

**(trading as Media Defence)**

*Report and financial statements  
For the year ended 31 December 2020*

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## Reference and administrative information

Company number 06621203  
Country of incorporation England and Wales

Charity number 1128789  
Country of registration England and Wales

Registered office and operational address 5 Chancery Lane, London, WC2A 1LG

**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:

Robert JOBBINS (served as Chair up to 3 March 2021)  
Sarah Carolyn BULL (Vice Chair, Chair from 3 March 2021)  
Matthew Richard FRANCIS (Treasurer)  
Richard BROPHY  
Joshua CASTELLINO  
David JONES  
Steven FINIZIO  
Caroline FROST  
Smita SHAH  
Leo SKYNER (served as Treasurer up to July 2020)  
Catherine ANITE and María Teresa RONDEROS were elected as trustees on 25 November 2020

**Key management** Lucy FREEMAN (Chief Executive Officer, on maternity leave from February 2020 – August 2021)  
Alinda VERMEER (Acting Chief Executive Officer, from February 2020)

### Bankers

|  |   |
|--|---|
| Triodos Bank<br>Deanery Street<br>Bristol<br>BS1 5AS | Barclays Bank<br>1 Churchill Place<br>London<br>E14 5HP |
|--|---|

**Auditor** Sayer Vincent LLP  
Chartered Accountants and Statutory Auditor  
Invicta House  
108-114 Golden Lane, London, EC1Y 0TL

## **TRUSTEES' ANNUAL REPORT**

The trustees present their report and the audited financial statements for the year ended 31 December 2020.

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

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, 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**

### **Charitable Objectives**

Media Defence's charitable objectives 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 and media law.

### **Mission**

Media Defence's core mission is to ensure legal protection of journalists and media workers under threat for reporting on issues of public interest, in the belief that freedom of expression is essential to holding power to account.

### **Mandate**

Media Defence works globally, where there is the greatest need, to ensure legal defence and protection of journalists, citizen journalists and media outlets from legal threats related to their journalism that violate the right to freedom of expression, ensuring that they can continue to report on issues of public interest.

### **Main activities**

#### **Emergency Defence**

We provide free emergency legal assistance to journalists and independent media in need across the world. We support the legal defence of journalists and media houses when they are sued or prosecuted, and we help them bring legal action to compel the state to protect their rights where these have been violated, including to investigate abuses and bring perpetrators of attacks to justice.

Our assistance can be in the form of a grant to a local lawyer to fund the legal defence of a journalist or media outlet, and/or pro bono legal support by our in-house legal team. We also help identify a lawyer where necessary.

We provide assistance to all requests for emergency legal support that fall within our mandate where we are the only realistic avenue to provide the help required. In the event that we do not have the financial ability to support all cases within our mandate, we prioritise cases where there is a real risk that the case will result in the imprisonment of the journalist concerned, or the case is of potential strategic importance.

## **Strategic Litigation**

We undertake strategic litigation to improve the climate for press freedom worldwide. We directly represent journalists in cases before influential domestic courts and international tribunals, intervene in cases that are already under way, and we support local lawyers to do the same.

Our strategic litigation priorities are obtaining redress for journalists who have become victims of violence and harassment and protecting free speech online. In order to respond to the rapidly changing freedom of expression landscape, we also litigate other strategic cases that offer an important opportunity to advance media freedom standards.

## **Local Legal Capacity Building**

We build local legal capacity to defend journalists in two ways:

### **1. Grants to partner organisations**

Media Defence provides grants of up to £25,000 per year and added value support to partner organisations in countries or regions where there is a strong need for legal support for journalists and where it can be difficult for independent media to obtain quality and affordable legal support. This support enables them to provide legal defence to journalists in their countries.

By strategically selecting partner organisations in regions around the world and building and strengthening their legal capacity we are able to establish a more sustainable infrastructure for quality media defence at the national level. Working with and through partner organisations also boosts the availability, speed, value for money and sustainability of legal defence for journalists at a national level. Partners are knowledgeable of domestic laws and the political and cultural context; they are able to move nimbly, providing support faster and with lower cost than would otherwise be possible.

We assess partnership applications on the following criteria:

- The need in the country or region concerned;
- Legal capacity within the applicant organisation;
- Administrative and financial capacity within the applicant organisation;
- The existence of other organisations offering legal defence to journalists and media in the applicant organisation's country;
- Financial need / availability of alternative sources of funding; and
- The applicant organisation's ability to apply and report in English.

## 2. Training of lawyers

Lawyers are our primary partners in defending the media and it is of paramount importance that they have the expertise necessary to successfully defend journalists under threat. We run litigation surgeries and provide 'on the job' mentoring for lawyers to develop their technical expertise in litigating freedom of expression cases, ultimately building strong legal communities able to defend journalists, citizen journalists and media outlets and promote media freedom through the courts.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit. All Media Defence's charitable activities focus on ensuring legal protection of journalists in the belief that freedom of expression is essential to hold those with power to account. They are undertaken to further our charitable purposes for the public benefit. Media Defence does not engage in political campaigning.

### **2020-2024 Strategy**

In 2020, we embarked on an ambitious strategy for the period 2020 - 2024. Press freedom has seen a sharp decline over the past few years and the context in which we operate is only forecast to worsen as insecurity and populism spread, while governments copy restrictive and abusive practices from others. Increasingly, journalists face legal threats alone, without the protection of resourced media houses or effective legal representation. The COVID-19 pandemic has only accelerated this downward spiral.

In 2020, we have set out to increase our impact, ensuring more journalists and independent media have access to affordable legal support. We will focus on increasing and deepening our support we offer to our partners to enhance the availability of quality legal defence for journalists around the world and the coordination of strategic litigation on press freedom and freedom of expression.

By 2024, we aim to:

- support at least 100 new emergency defence cases per year, maintaining a success rate of 70%+;
- support at least 40 new strategic cases per year, maintaining a success rate of 70%+;
- support at least 25 partner organisations in providing legal defence to the media in their countries or regions;
- run regional litigation surgeries for lawyers in each region in which we operate; and
- facilitate cross-partner learning, promote best practices in media defence litigation and strengthen legal advocacy across the world.

In order to deliver on this ambitious strategy, we will also prioritise increasing our income and strategically communicating our work to broaden our reach and become recognised globally as a centre of expertise in legal defence of press freedom.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Impact of COVID-19 related measures on our achievements**

The measures taken by the UK government as well as governments in countries in which we operate continue to involve a high degree of social disruption. This has impacted the delivery of and the demand for Media Defence's activities in the following ways.

- The COVID-19 pandemic resulted in increased attacks on the media, including the use of emergency regulations to target those who inform the public. Media houses were under increased financial pressure, which meant that it was more difficult for journalists to defend themselves against legal threats. After a dip in applications for support during the first months of the pandemic, we have seen an increase in applications during the last quarter of 2020, reflecting the deterioration of the operating environment of the media around the world.
- Our work was also impacted by court closures and delays to proceedings. There was less progress in the cases we supported and we obtained judgments in fewer cases than in previous years. There were also fewer opportunities for strategic litigation. Our partner organisations experienced similar issues, with two of our partners requesting that renewal of their grant would be postponed until 2021.
- Travel restrictions impacted our local legal capacity building. We were unable to carry out any planned site visits to our partner organisations in 2020. We explored alternative ways of delivering trainings online, which were highly successful, and we stepped up our efforts to bolster the sustainability of our local legal capacity building by sharing our legal expertise through a legal resources section on our website as well as a resource hub that will house our training materials. An eReader makes training modules on our website more accessible and easier to navigate.
- Delays in securing the income for our local legal capacity building meant that we were able to support fewer partner organisations to deliver legal support at the domestic level than planned.

Despite the disruption caused by the ongoing pandemic, Media Defence successfully laid the groundwork to deliver on its 2020-2024 strategy, increasing staff numbers to meet the ever growing demand for our support. We strengthened our development team with a view to raising the funds required to meet the objectives of our 2020-2024 strategy and further diversifying our income sources. We also strengthened our finance team to increase our operational effectiveness, streamline our grant making and support our fundraising.

### **Emergency defence**

Despite the initial dip in applications for support due to the pandemic, we supported 241 new cases<sup>1</sup> in 2020, the highest number since we were founded in 2008, and a 206% increase compared to 2019 when we supported 117 cases. We exceeded our target number of 110 new cases.

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<sup>1</sup> We record each instance in a court case (e.g. first instance, appeal or cassation appeal) as a separate case.

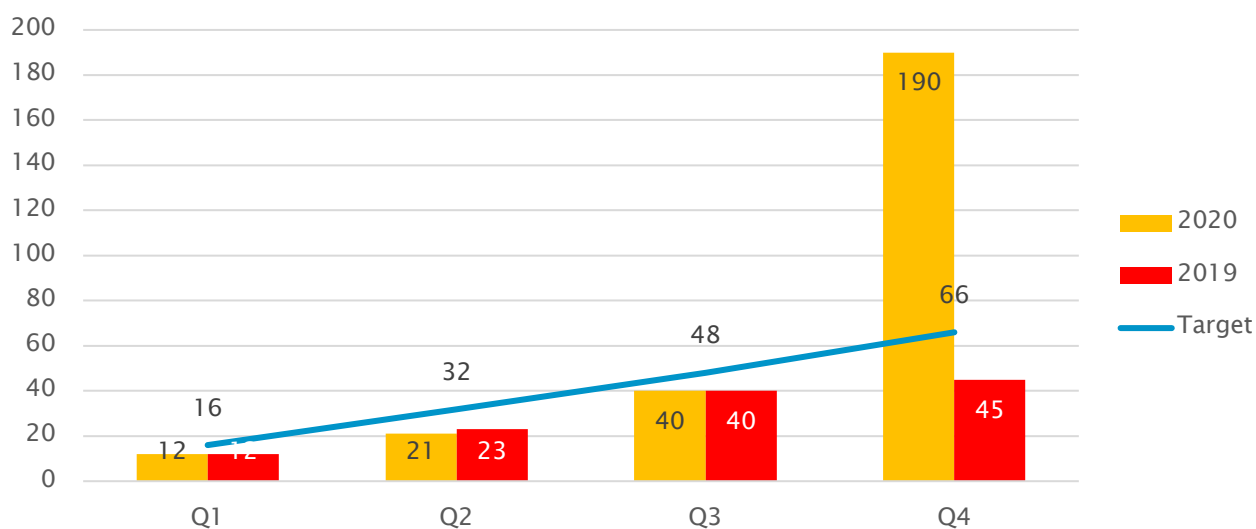
Out of the 241 cases in total, 190 cases fell under our emergency defence programme.<sup>2</sup> Journalists, citizen journalists and media houses in need of legal help applied for support through our website. Typically, we responded to requests for assistance by providing funding to hire a local lawyer and working with the local lawyer to secure a good outcome for the journalist concerned. Our in-house legal team provided technical legal support in 80 cases.

We supported the highest number of new cases in Brazil (142), where 131 cases were initiated against one journalist as part of a coordinated campaign to silence him and distract him from his reporting. In addition, we also supported a high number of cases in Cameroon (8), Tanzania (8) Azerbaijan (7), Russia (7) and Nigeria (6).

We also continue to support many cases that were ongoing from previous years. In total, including new and ongoing cases, we worked on 443 cases during the year, in 63 countries. This represents a 34% increase from 2019 when we worked on 330 cases during the year in 57 countries.

Despite the increasingly challenging and dangerous circumstances journalists are facing worldwide, we achieved many successes over the year, with 65% of cases either fully or partially achieving objectives. This success rate demonstrates that legal threats and sanctions used to deter independent journalism can be overcome. As outlined above, due to court closures and delays to proceedings in 2020, fewer cases closed than in previous years (43 compared to 77 in 2019). In 2019 we also achieved a higher success rate of 73%. This decrease reflects that the media operates in an increasingly challenging environment with the ongoing pandemic accelerating the decline of media freedom, making it more difficult to obtain a successful outcome in court in many countries.

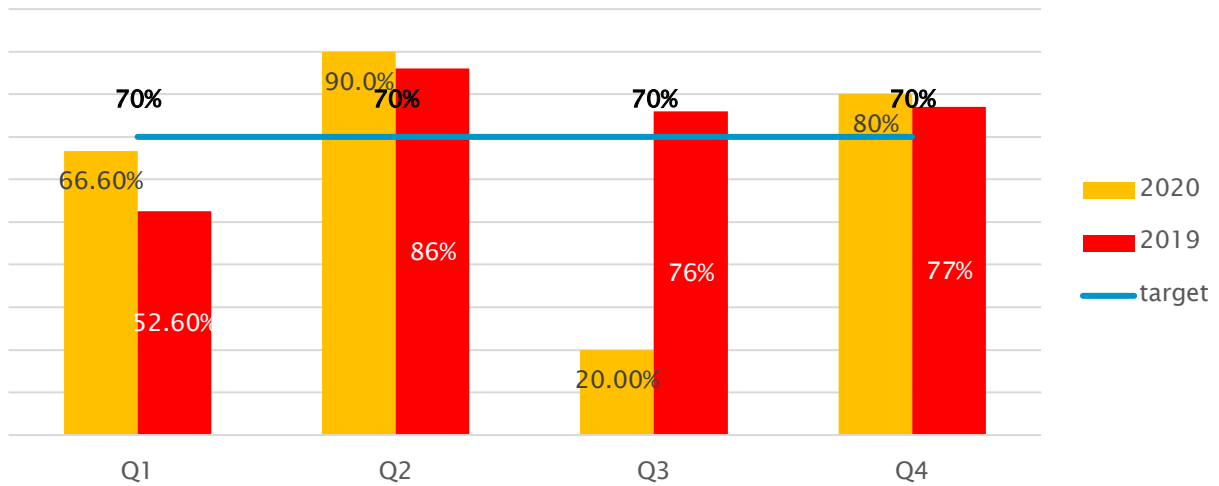
### Number of new emergency defence cases supported (cumulative)



<sup>2</sup> This includes 131 cases that were initiated against one journalist as part of a coordinated campaign to silence him and distract him from his reporting.



**% of cases with objectives fully or partially met (of cases closed per quarter)**

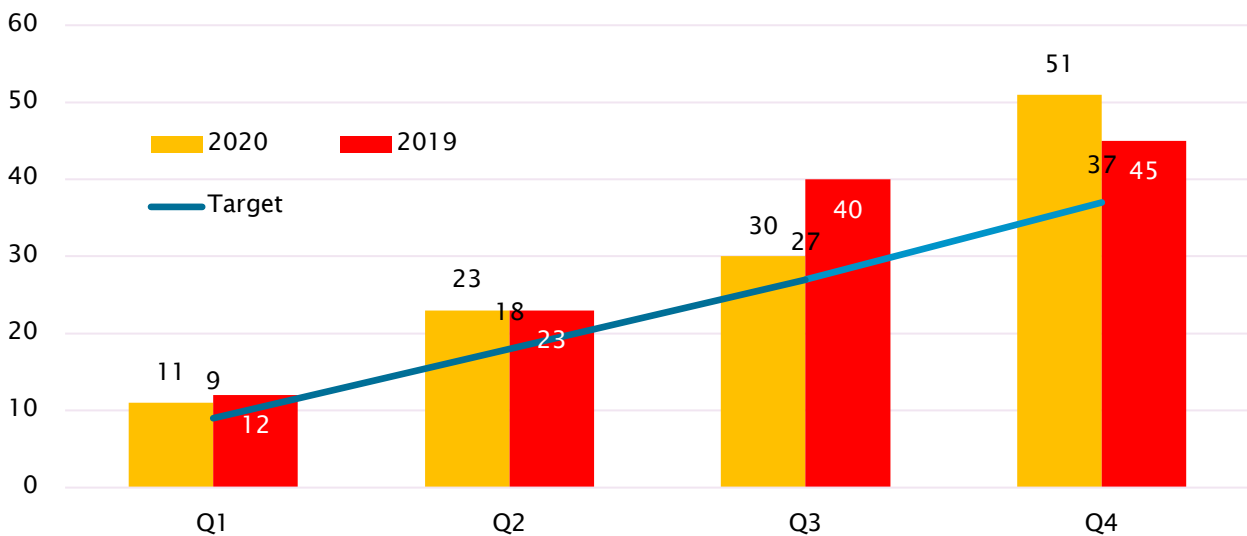


**Strategic litigation**

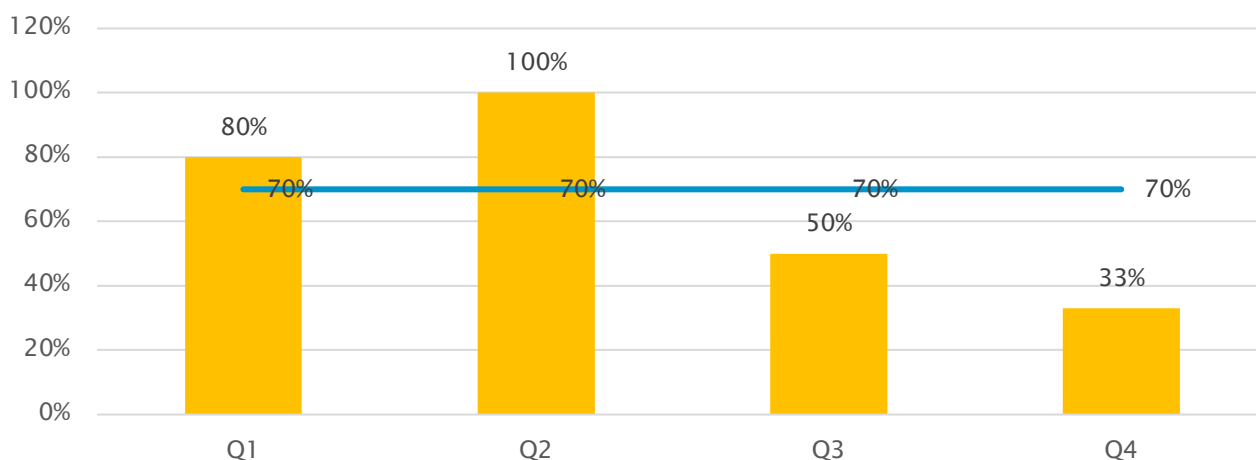
As set out above, the pandemic and related court closures resulted in delays in proceedings and fewer opportunities for strategic litigation in 2020. Nonetheless, through increased outreach we took on 51 new strategic cases, compared to 37 in 2019. As strategic cases can be pending for a long time, over 40% of our live cases at the end 2020 were strategic. We continued to work on 126 existing strategic cases, bringing the total number of strategic cases worked on in 2020 to 177.

The 51 new strategic cases originated from 23 countries (Argentina, Azerbaijan, Bangladesh, Cameroon, Colombia, Ecuador, Egypt, India, Indonesia, Italy, Kenya, Mexico, Nigeria, Pakistan, Poland, Russia, Rwanda, Singapore, Slovakia, Tanzania, United Kingdom, United States and Vietnam). 11 strategic cases came to an end during the year, of which 55% were successful or partially successful.

**Number of new strategic cases (per quarter)**



### % of strategic cases with objectives fully or partially met (of cases closed per quarter)



## Local legal capacity building

### Grants to partner organisations

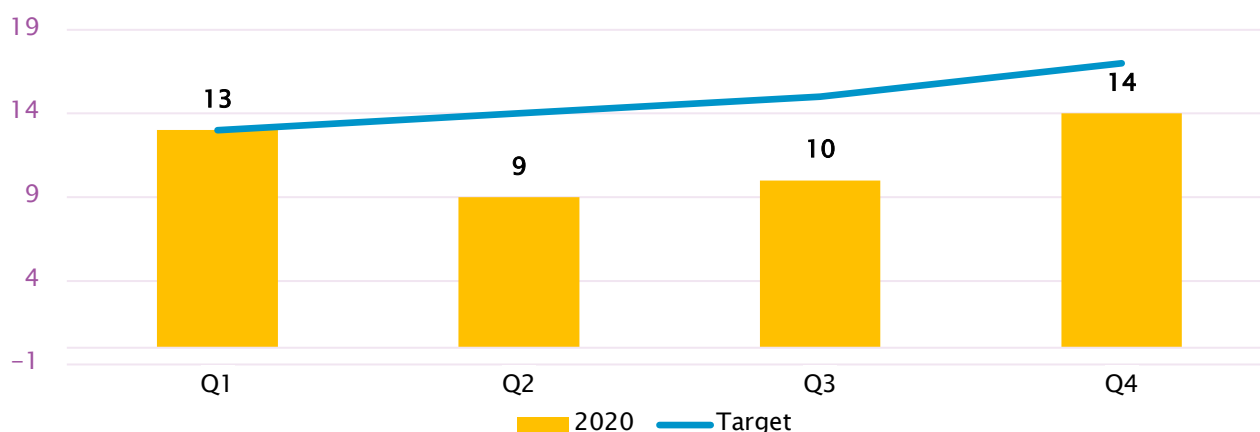
In 2020, we expanded our support to partners by providing 14 grants to support local organisations in delivering legal defence to media in their countries, compared to 13 in 2019. This enabled our partners to litigate a total of 242 cases across a range of freedom of expression issues and courts.<sup>3</sup>

Our partners in 2020 were Media Policy Institute (Kyrgyzstan), C-Libre (Honduras), Foundation for Press Freedom (Colombia), Helsinki Foundation for Human Rights (Poland), Human Rights Platform (Ukraine), Media Foundation for West Africa (Ghana), Digital Rights Lawyers Initiative (Nigeria), Unwanted Witness (Uganda), Media and Law Studies Association (Turkey), Hungarian Civil Liberties Union (Hungary), Ossigeno per l'Informazione (Italy), Centre for Journalism, Innovation and Development (Nigeria), a partner in Russia and a partner in the MENA region.<sup>4</sup>

In light of court closures and delayed proceedings, two partner organisations we supported throughout the year requested that renewal of their grant be postponed to February 2021. Due to travel restrictions we were unable to carry out any planned site visits in 2020.

<sup>3</sup> This figure is based on grantee reports submitted during 2019.

<sup>4</sup> Name withheld to protect the identity of the organisation.

**Number of partner grants awarded in 2019 (new grants – cumulative)****Training of lawyers****Advanced litigation surgeries and networking events**

Building on the success of our regional litigation surgeries for lawyers in sub-Saharan Africa, in 2020 we ran advanced litigation surgeries for lawyers from East Africa and Southern Africa. As a result of the pandemic and related travel restrictions, both litigation surgeries took place online.

We trained a total of 23 lawyers in international freedom of expression standards, litigation before regional human rights mechanisms, and providing legal defence to journalists, citizen journalists and independent media. The trainings highlighted new threats to freedom of expression online, legal remedies and strategies to advance jurisprudence in the fast-evolving field of digital rights.

The trainings took place as part of our Digital Rights Advocates Project, under which a number of training participants were also supported to attend international conferences to assist with building their professional networks with civil society organisations, identifying cases to litigate, and facilitating their engagement with digital rights and freedom of expression issues.

In addition to the regional litigation surgeries, we organised participation at two networking events for lawyers who had attended the surgeries: 34 lawyers participated in RightsCon and 15 lawyers participated in FIFAfrica. As these events took place online in light of the ongoing pandemic, we were able to facilitate access for a larger group of lawyers than in previous years.

Training activities that are more suited to an in-person format were postponed until 2021, such as a training-of-trainers and network building and peer learning opportunities for training alumni due to take place in sub-Saharan Africa.

We also collaborated with relevant institutions to provide training on freedom of expression law to journalists and lawyers and where appropriate other professionals working in the freedom of expression field.

## Collaboration with University of Edinburgh

As part of our ongoing partnership with the University of Edinburgh,<sup>5</sup> we organised and supervised a one-year freedom of expression clinic during the academic year 2020-2021. We assisted students in drafting two petitions to the UN Working Group on Arbitrary Detention (UNWGAD) on behalf of a human rights defender and blogger from Vietnam and a freelance journalist and filmmaker from Cameroon, both arbitrarily detained following their peaceful reporting on human rights issues in their countries. Media Defence assisted students in drafting the petitions which were submitted to the UNWGAD. The cases are currently ongoing.

## Beneficiaries of our services

Our primary beneficiaries are journalists, citizen journalists and media outlets who are facing legal threats for their reporting. The local organisations we fund and the lawyers we train and connect to others are also beneficiaries. Indirectly, as a result of supporting and encouraging a free and independent media able to publish in the public interest, the general public are also a beneficiary of our activities.

Our partners are the lawyers we work with, support, mentor and learn from, as well as the local organisations we fund and support to provide legal representation and defence to hundreds of journalists each year.

## Journalist Impact Survey

In 2020, we carried out our fourth annual Journalist Impact Survey to look at the longer-term impact of our support on our primary beneficiaries, journalists. Our Journalist Impact Survey is designed to understand the quality of our legal and financial support to journalists in addition to gaining a greater appreciation of the role of legal defence in ensuring journalists can continue to report, which informs Media Defence's future case work. The survey therefore allows us to test our theory of change: access to legal defence enables journalists to continue reporting and holding governments and authorities to account for the public.

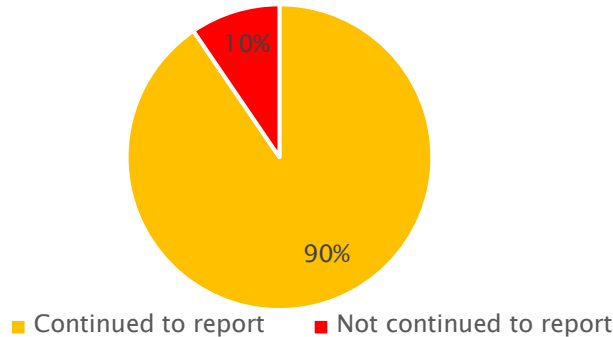
We changed the way in which we obtain responses from journalists we have supported which successfully increased the response rate from 32% in 2019 to 54% in 2020. As set out above, due to court closures and delays to court proceedings around the world, fewer cases concluded in 2020 than in previous years. This means that the findings set out below are based on 21 responses received (compared to 22 last year).<sup>6</sup>

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<sup>5</sup> The clinic is usually attended students from Edinburgh Law School who are in the third or fourth year of their undergraduate programme. The clinic provides a unique opportunity for students to work alongside practicing lawyers on international casework. Each year, there are introductory sessions delivered by Media Defence and course supervisors (external barristers) on matters of freedom of expression and human rights law before the students are introduced to two live case studies. The clinic educated law students on matters of freedom of expression and human rights law, inspiring them to pursue a career in the field, but also delivered concrete results in real cases.

<sup>6</sup> In 2020, 43 cases came to an end, including six third party interventions where Media Defence represented itself. The 37 remaining cases related to 29 journalists, as some journalists faced multiple cases. In addition, the survey was shared with ten partner organisations. Out of these 29 journalists and ten partner organisations, 21 journalists

90% of the journalists who responded to the Journalist Impact Survey are continuing to report on issues of public interest. 67% said they made no changes to their journalistic practice. In addition, many felt that their case had a positive impact by increasing public support of/respect for journalism and encouraged other journalists to seek justice.



90% were satisfied with their legal representation by Media Defence directly or the lawyer we engaged on their behalf and 95% would recommend our support to other journalists who are in legal trouble. 95% were satisfied with the outcome of their case.

Looking at these key findings compared to previous years, we see that satisfaction with the impact of our support continues to be at a high level.

|   | 2017 Survey | 2018 Survey | 2019 survey | 2020 survey      |
|---|-------------|-------------|-------------|------------------|
| <b>% that would recommend MLDI (or partner) to journalists in a similar situation</b> | 95%         | 98%         | 100%        | 95%              |
| <b>% that have continued to report on public interest topics</b>                      | 87%         | 90%         | 100%        | 90%              |
| <b>% that are satisfied with their legal representation</b>                           | 85%         | 100%        | 82%         | 90%              |
| <b>% are satisfied with the outcome of their case</b>                                 | 65%         | 85%         | 50%         | 95% <sup>7</sup> |

95% believe they were somewhat likely to face more legal challenges as a result of their journalism in the future. Whilst our legal defence is therefore having an impact, the environment in many countries remains

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responded to our Journalist Impact Survey. All responses were received to the English language survey; we did not receive any responses to the Russian or Spanish language surveys.

<sup>7</sup> Respondents who answered 'satisfied', or 'extremely satisfied'. This percentage excludes one respondent who answered 'N/A or unsure'.

repressive and Media Defence will continue to alter its litigation strategies accordingly. The full report can be accessed on our website.<sup>8</sup>

## **Project and programme evaluations**

Media Defence carried out a number of evaluations in order to measure outcomes, impact and identify learnings for improvement. These included a case study using the Most Significant Change method to assess how our Ukraine-based partner, the Human Rights Platform, has used strategic litigation to defend press freedom in Ukraine. We also revised our Monitoring and Evaluation Strategy in light of our 2020-2024 organisational strategy.

Our evaluations are summarised in our 2020 Learning Report which can be found on our website.<sup>9</sup>

## **Fundraising**

Media Defence started 2020 with the target to increase our income in order to enable us to deliver on our 2020 – 2024 strategy. We also set out to diversify our income stream and increase our unrestricted income, including to replace the funding we received from the Sigrid Rausing Trust, as we were coming to the end of their 10-year funding period.

Throughout 2020 our fundraising was impacted by the pandemic, in particular due to travel restrictions and a more challenging funding environment, but in spite of this we successfully secured sufficient funds to continue our work during 2020. Our efforts continued to be focussed on diversifying our income in order to strengthen our resilience in light of the economic downturn and funding being allocated to COVID response. We strengthened our ability to do so by bringing on board a Development Director and Fundraising Officer, which means our Development Cluster is now fully staffed. The trustees support these efforts through the newly established Development Committee. The Development Cluster will integrate learnings from fundraising initiatives in 2020 into our fundraising plans for 2021.

Media Defence is committed to ensuring that all of our fundraising activities are carried out in an ethical manner, that any funds accepted come from ethical sources, and that our fundraising respects and protects our independence, impartiality and mission:

- We are transparent about the source of our funding, with donor information made publicly available.
- Decisions on whether to accept funds from a new source are taken by Media Defence's board, after the potential donor has been carefully vetted by the CEO or a delegated authority.
- We do not engage in direct fundraising from the public.
- We also do not engage commercial or professional fundraisers or outsource any of our fundraising activities.

Media Defence's complaints policy and procedure, available on our website, outlines the process for lodging a complaint with Media Defence and how that complaint will be dealt with.

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<sup>8</sup> See <https://www.mediadefence.org/news/journalist-impact-survey-2020/>.

<sup>9</sup> See <https://www.mediadefence.org/impact-publication/a-year-in-review-our-2020-learning-report/>.

Media Defence is grateful for the continued support of all our donors. Their support has enabled continuity in delivery of our strategic objectives.

## **Donated services**

In 2020, Media Defence benefited from the donated services of some of the world's leading lawyers and law firms. Jointly, law firms contributed 2006 hours of pro bono legal services. The highest contributing firms were Shearman & Sterling LLP, Latham and Watkins and Wilmer Cutler Pickering Hale and Dorr LLP. A further 160 hours were donated in the form of advice given on partner grant contracts, website content and rebranding.

We are extremely grateful to all our pro bono partners, whose contribution of free legal services made our work possible. We are also grateful to TrustLaw and the Thomson Reuters Foundations for assisting us in establishing new pro bono partnerships during 2020.

## **Volunteers**

Media Defence engages volunteers on a rolling basis to support our legal and communications work. Our volunteer engagement is designed to be mutually beneficial for Media Defence and the volunteer - providing valuable experience to the volunteer and additional capacity to Media Defence.

Volunteers bring new ideas, creative ways of thinking and a different perspective to our work, while at the same time being engaged in meaningful activities that provide them with new challenges and learning experiences. We aim to make volunteering a challenging, worthwhile and enjoyable experience.

In 2020, travel restrictions and homeworking guidance meant that some volunteer engagements were postponed to 2021. During the year we worked with one volunteer, who committed 2.5 days a week for 3.5 months, totalling approximately 280 hours. Our volunteer assisted with legal research in relation to our cases, covering a broad range of human rights related topics such as freedom of expression, privacy, torture and ill treatment, fair trial rights, arbitrary detention, and procedure at regional and domestic courts. They also carried out factual research, for example into a country's human rights record or the background of our cases, and they drafted submissions before domestic courts and regional and international human rights mechanisms.

# **ORGANISATIONAL MANAGEMENT / ADMINISTRATION**

## **IT Infrastructure**

In line with our plans for 2020, we replaced and upgraded some of our IT infrastructure. We also built and started implementing a new Customer Relationship Management (CRM) / Enterprise Resource Planning (ERP) system. This system will combine functions of our financial management software, grant making software and fundraising support into a centralised database. This will increase our operational effectiveness by creating visibility and accessibility of data, eliminating duplication of efforts, and improving collaboration and reporting.

## **Visual identity and website**

In July 2020, we started trading as Media Defence and launched our new visual identity and website. Our rebrand was driven by the deteriorating press freedom situation and increased demand for our work. Our clean and modern branding and easy to navigate website help us reach more journalists in need and make it easier for them to access our support. As part of our new website, we are also building an extensive library of legal resources readily available to assist lawyers in their defence of the media. An eReader ensures that our training materials are easily accessible and searchable. In 2021 we will launch a resource hub which will house our training modules and supporting materials, making our trainings accessible to lawyers who are unable to attend our trainings.

## **FINANCIAL REVIEW**

### **Income**

In 2020, we received total incoming resources of £2.8 million, of which £1.1 million were donated services,<sup>10</sup> thereby maintaining the same income levels as in 2019 (£2.8 million of which £1.1 million were donated services) in spite of the challenges posed by the pandemic in 2020.

66% of the incoming resources were restricted to either a region or a theme. 34% of funding was unrestricted. Donated services constituted 63% of the restricted incoming resources, compared to 56% in 2019.

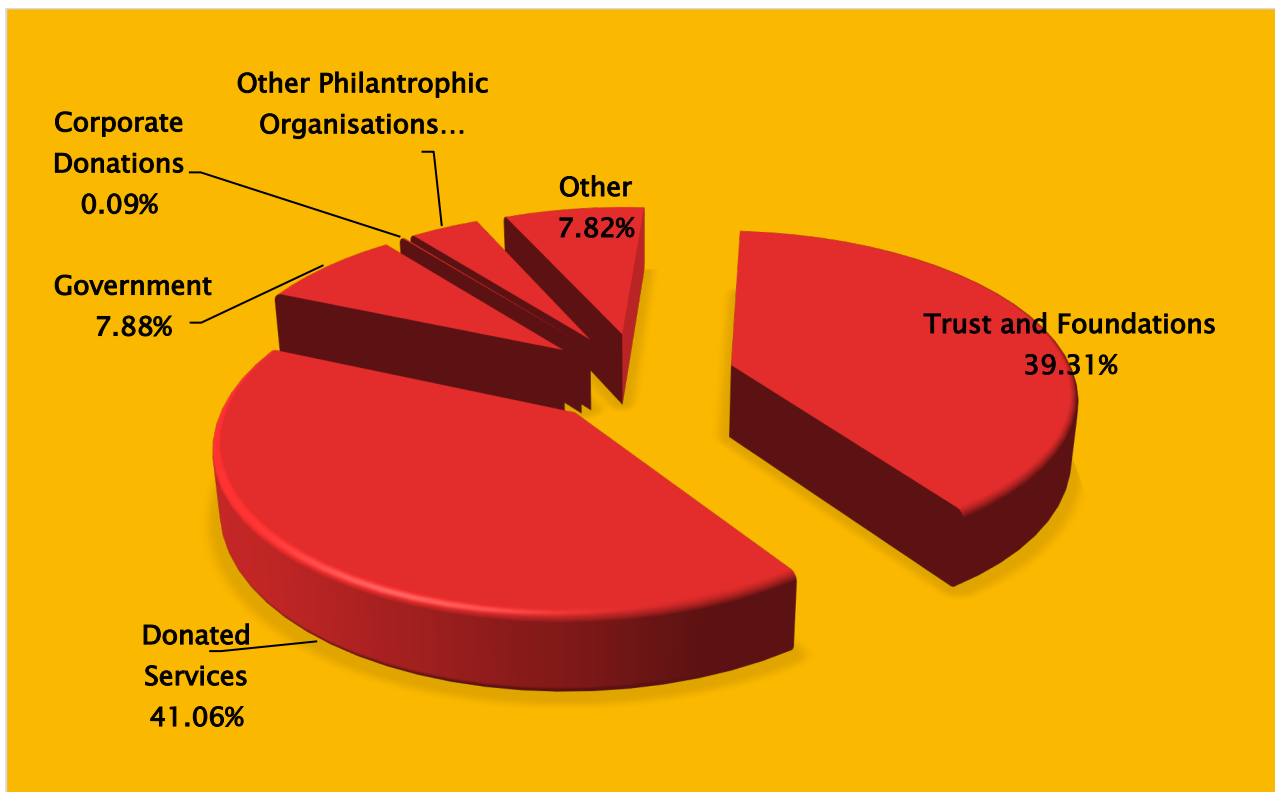
Overall, our unrestricted incoming resources during 2020 increased by 15% as a result of new funding streams generated from our fundraising efforts, compared to 91% in 2019. Our restricted incoming resources fell by 8% (compared to 156% increase in 2019).

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<sup>10</sup> 160 hours of donated services have been excluded as these were valued at \$129,000, which is more than Media Defence would pay for these services in the open market. We were unable to generate quotes on the open market to adequately value these donated services.



## 2020 Incoming Resources

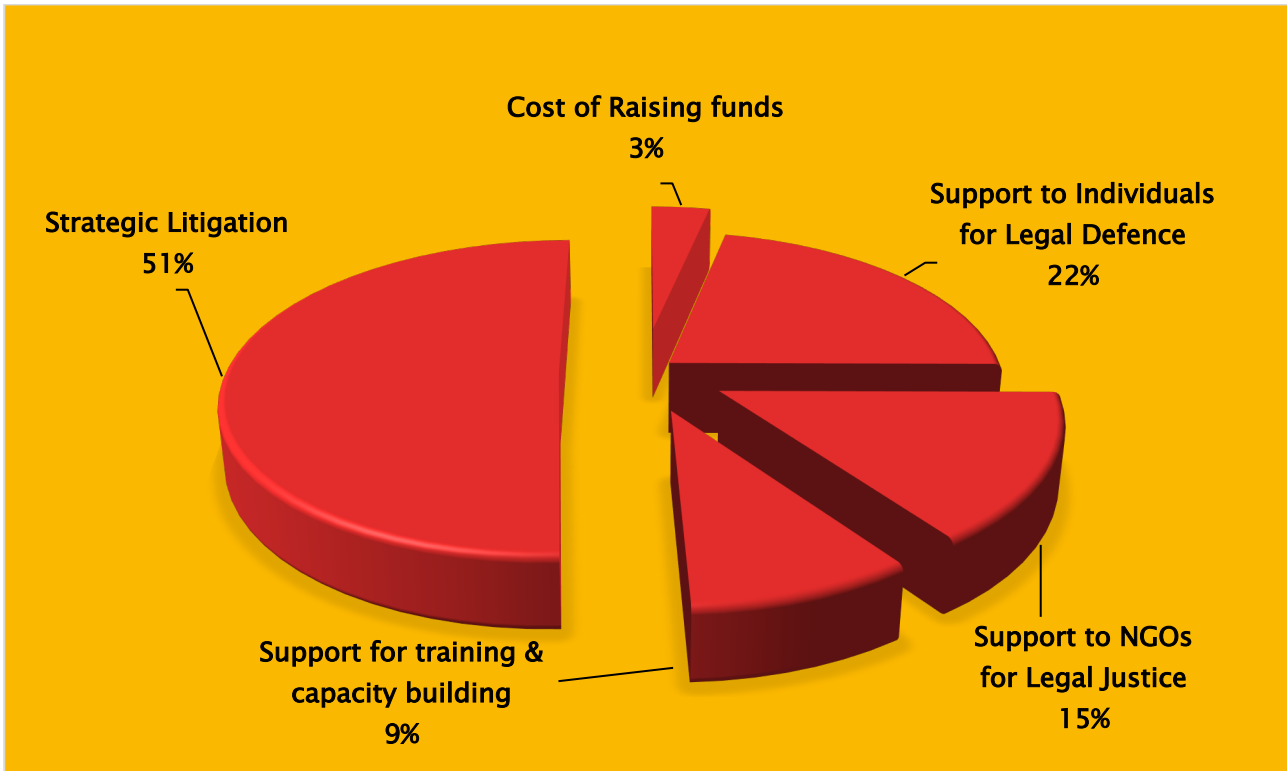


As shown in the chart above, donated services, such as pro bono legal support, play a significant part in enabling the delivery of activities, while Trusts and Foundations continue to be the main source of our funding. We however continue to diversify our funding sources.

## Expenditure

2020 saw a 7% increase in expenditure from £2.6 million in 2019, to £2.8 million in 2020. The below shows the split during 2020 of expenditure between each of our charitable activities.

## 2020 Expenditure



In 2020, MLDI recorded a 15% increase in funds spent on 'Support to Individuals for Legal Defence' and supported 90% more cases (2020: 190, 2019: 100).

We however spent less on "Support to NGOs for Legal Justice" and awarded one more grant than we did in 2019 (2019: 13 grants awarded and 2020: 14 grants awarded).

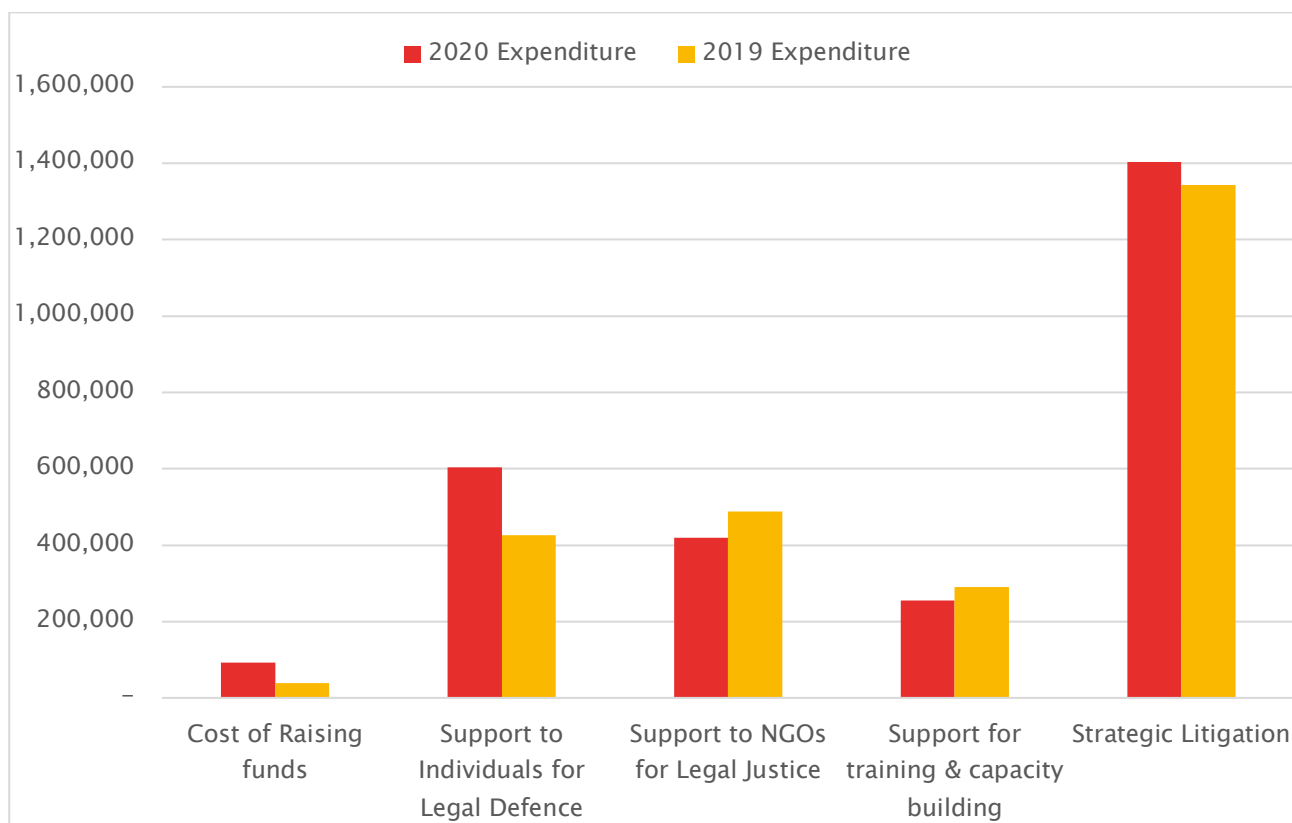
Our total support cost in 2020 was £373,695, compared to £324,319 in 2019, representing 14% of our total expenditure (compared to 13% in 2019).<sup>11</sup> This increase is a reflection of the increase in headcount. 3% of our total expenditure was spent on raising funds, this being a reflection of a fully staffed Development Cluster mentioned above. Support costs include salary and overhead costs and have been allocated across activities on the basis shown in Note 1(i) of the Financial Statements.

Below is depiction of the above comparables.

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<sup>11</sup> Excluding donated services, our support cost in 2020 represented 23% of total expenditure (compared to 22% in 2019).

## Comparison: Current and Previous Year Spend on Charitable Objectives



## Overall Picture

In 2020, we lay the foundation for the next four years, in line with our 2020 – 2024 strategy. While this was ongoing, in spite of the challenge of a mostly new team, we proved to be resilient, by continuing to successfully increase our impact and delivery on our charitable objectives, as is reflected in the Achievements section and in the income and expenditure summary above. We closed the year with a net surplus of £33,809 (2019: £235,507 surplus) and maintain a similar liquidity ratio of 2.8:1 as in 2019.

At the end of 2020, we carried forward total funds of £839,541 of which £224,472 were restricted funds (funding with a thematic and/or regional restriction) and £614,070 were general, unrestricted funds.

## Principal risks and uncertainties

Strategic risks are owned by the Board and considered at least annually, while management of other risks is delegated to management who report the effectiveness of key controls to the Board.

### COVID-19

The most significant risks currently facing the organisation relate to the COVID-19 pandemic. This has created uncertainty in the short term around our ability to deliver on our objectives, for example due to illness among staff and partners, court closures, delays in courts proceedings and travel restrictions, and

also in the longer term around the wider economic political and economic environment, the health of our donor base and our ability to achieve the operational model on which our strategy is dependent.

Management has responded to the pandemic with frequent re-forecasting and cash flow modelling, scenario planning that covers lockdowns of differing length and severity, and consideration of new and existing funding streams for increased resilience in anticipation of economic downturns, further periods of lockdown and changes in business practice across our global network. Management has been successful in finding alternative options for delivery of Media Defence's strategy and will continue to review the situation as it develops. This review is an iterative process and will continue to be refined as the shape of the post-crisis world becomes clearer.

### **Financial Risk**

Risks to the financial health of Media Defence, specifically being unable to raise sufficient income to fund our operations. We will mitigate this risk by investing in our fundraising and communications and by diversifying our funding streams. We will regularly report on our financial performance and position to ensure that the financial risks of expanding our organisation over this strategy period are well understood and appropriately managed.

### **Compliance and Reputational Risk**

Non-compliance with data protection, employment or environment laws and regulations or Media Defence's ethics and principles results in fines or other sanctions, bad publicity or negative relationships with partners, beneficiaries, donors or the general public. We will mitigate this risk by engaging external experts to advise on compliance issues, by ensuring our staff are regularly trained in the legal and regulatory frameworks applicable to their work, and by monitoring the quality of our work to ensure it meets our expectations and standards.

### **Innovation Risk**

Media Defence rapidly expands its partnership model, increasing the risk of quality problems. We will mitigate this risk by ensuring our due diligence checks on partners remain robust and our grant making process is simplified and streamlined. We will monitor the quality and success of our partners' work and assist them where these fall short of our expectations.

## **Reserves policy and going concern**

We have a reserves policy, which defines the level of funds that should be held to ensure we can continue to operate. 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 Board of Trustees has determined that Media Defence requires unrestricted reserves to be held to ensure, that as a minimum, we can meet any costs of closing the organisation whilst remaining operational for a period of six months, to be able to ethically exit existing agreements, cases and partnerships.

The Board of Trustees have set an unrestricted reserves target at £350,000 (a 19% increase from previous year, given the increased headcount and risks posed by COVID-19) - being the amount required to stay

operational based on planned activities in 2021. This target is reviewed at least annually to ensure it remains relevant to the realities of current operations and the associated risks.

Any unrestricted reserves held above the required amount necessary for meeting costs associated with closure, may be used:

- to fund unexpected expenditure, e.g. if projects overrun, or unplanned events occur;
- to fund shortfalls in income if expected levels are not reached;
- to fund working capital; and
- to allow Trustees resources and time to act promptly in an unforeseen emergency situation.

Media Defence will not accumulate a level of reserve funding that is greater than that which it judges necessary to provide financial security.

The unrestricted reserves at year end stood at £614,070 (2019: £494,918) which represents about seven months of Media Defence's planned core operational costs for 2021. The current excess of unrestricted reserves over the targeted level is due to trustees' commitment to spend donor funds within agreed funding period and in line with strategic priorities.

As outlined above, the current COVID-19 pandemic and the lockdowns, travel restrictions and general social disruption as a result have impacted and will continue to impact Media Defence's operations during the next financial year. Media Defence's donors have so far continued to support our work and have offered flexibility around re-purposing grants and, in some cases, have partially lifted funding restrictions. In addition, new funding opportunities have become available. Some operational expenditure (office running cost) were not being incurred and more consideration continues to be given to the necessity of other expenditure, before it is incurred. As a result, the pandemic has not impacted on our level of reserves.

In addition, cash flow forecasts are prepared on a monthly, rather than (the pre-pandemic) quarterly basis.

Trustees have made an assessment of the impact of these risks on the charity's operations and have concluded that, despite the wider risks and uncertainties facing large sectors of society, the charity has the ability and intention to continue as a going concern. The reasons for this affirmation are:

- Cash flow forecasts for the next 18 months have been reviewed and Media Defence is confident that adequate resources are available (with 100% of funding confirmed) to cover foreseeable expenditure;
- Media Defence has adequate reserves to cover any unrealised expected funding; and
- Media Defence 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**

As outlined above, 2020 was the first year of Media Defence's ambitious four-year strategy. We have set out to magnify our impact by increasing and deepening the support we offer to our partners. This support will enhance the availability of quality legal defence for journalists around the world and the coordination of strategic litigation on press freedom and freedom of expression. We will also continue to provide emergency legal defence to journalists and media organisations around the world in countries where we do not yet

have partners and where we are the only realistic avenue to provide the assistance required. We will continue to pursue high-impact strategic litigation to win landmark cases, clarifying or changing laws, bringing them in line with international standards on freedom of expression.

#### Impact of the ongoing pandemic

While we have ambitious plans for this strategic period, we acknowledge that under the current circumstances there is overriding uncertainty resulting from the COVID-19 pandemic and the accompanying social, legal and economic disruption. Over the course of 2020 we have successfully adopted new ways of working, for instance working remotely and moving part of our training programme online, but we expect that the pandemic will continue to impact our work, including in the following ways:

- The pandemic has accelerated the decline in media freedom around the world. Credible, independent news is more important than ever, but media outlets are under severe financial pressure and face additional legal threats. We will continue to increase and diversify our income to enable us to meet the ever-growing demand for support.
- Courts closures will result in delays to proceedings and fewer strategic litigation opportunities. We will remedy this as much as possible by monthly monitoring of key performance indicators and increasing our outreach.
- Travel restrictions will impact our ability to deliver trainings in person. We will remedy this by moving our training programme online as much as possible.
- The economic downturn may make it more difficult to secure the income we need to deliver on our strategic priorities. We will remedy this by continuing to diversify our income on the one hand and prudent expenditure and regular reforecasting on the other hand.
- The pandemic, remote working and (partially) returning to the office may impact staff wellbeing, which we will continue to monitor through regular wellbeing surveys and where necessary remedy through appropriate support.

We acknowledge that emerging from the current lockdowns may be an uneven process around the world and that measures may need to be reintroduced or may be subject to change at short notice. We will apply the lessons we have learned over the course of 2020 to our future operating model.

We will continue to prioritise digital security during 2021. Over the first half of 2021, we will migrate to a CRM/ERP system, as outlined above, to increase operational effectiveness.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

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.

Our trustees 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 Board approves grants of amounts between £1,500 and £15,000, on the recommendation of senior staff. Media Defence's 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.

Media Defence determines its resource requirements in a thorough financial planning process, which comprises an annual review and approval of detailed plans and budget, and a mid-year review of same, in addition to quarterly forecasting. The trustees empower the chair to monitor, control and ensure delivery of the plans within the resources available.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts.

The CEO is Lucy Freeman. Alinda Vermeer was appointed Acting CEO from February 2020 onwards for the duration of Lucy's maternity leave, until August 2021. Lucy resigned in March 2021.

## **Appointment of trustees**

Under Media Defence'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.

On appointment, trustees are provided with the Articles of Association of Media Defence and a copy of the Charity Commission's guidance on the role and responsibilities of trustees.

The trustees of Media Defence meet once every three months and receive detailed reports to retain effective control over the organisation and to monitor the work of the Acting CEO and her team.

## **Trustee induction and training**

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 Defence.

Trustees have a responsibility to attend appropriate training in order for them to perform their legal duties. The trustees are offered training opportunities throughout the year.

## **Remuneration policy for key management personnel**

The trustees have specific responsibility for remuneration matters. They make final recommendations on annual increases to the salary budget through the budget setting process for the forthcoming financial year.

The trustees make decisions on starting salaries for a new CEO. The CEO makes decisions on starting salaries for new staff based on job function and market conditions prevailing in the location of the job (London) and the Media Defence Performance and Reward Pay Procedure. The CEO makes decisions on performance related increases for existing staff subject to approval of the budget by the Board.

## **Employee information**

Media Defence's staff is integral to the meaningful work that we do and the delivery of our charitable objects. The staff is led by the CEO and comprises legal, finance, monitoring and evaluation, and grant making specialists. Media Defence provides its staff with training to ensure skills are kept up to date and has in place a range of mechanisms to ensure smooth operational functioning.

Media Defence expanded in 2020, with the addition of four new posts (Development Director, Fundraising Officer, Finance and Operations Manager and Finance and Compliance Officer) to strengthen our Development and Finance teams. In response to staff turnover during 2019, we welcomed two new staff members in 2020 (Communications Officer, Senior Legal Officer). In response to staff turnover in 2020, we had to fill two additional posts (Monitoring, Evaluation and Learning Officer and Grants Officer (Individuals)).

## **Statement of responsibilities of the trustees**

The trustees (who are also directors of Media Defence for the purpose 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 adequate 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 auditor is 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 auditor is 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 2020 was 9 (2019:10). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

## **Auditor**

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The directors' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 12 May 2021 and signed on their behalf by

Sarah Bull  
Chair of the Board of Trustees

Independent auditor's report to the members of Media Legal Defence Initiative

## **Opinion**

We have audited the financial statements of Media Legal Defence Initiative (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2020 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
- Have been prepared in accordance with the requirements of the Companies Act 2006

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Media Legal Defence Initiative's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## **Other Information**

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the

other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which 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 directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

## **Capability of the audit in detecting irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Independent auditor's report

To the members of

Media Legal Defence Initiative

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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Use of our report**

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 auditor's 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.

Jonathan Orchard (Senior statutory auditor)

24 May 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
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 2020

|  | Note | Unrestricted<br>£ | Restricted<br>£  | 2020<br>Total<br>£ | Unrestricted<br>£ | Restricted<br>£  | 2019<br>Total<br>£ |
|--|------|-------------------|------------------|--------------------|-------------------|------------------|--------------------|
| <b>Income from:</b>                            |      |                   |                  |                    |                   |                  |                    |
| Donations and legacies                         | 2    | 959,215           | 1,840,507        | <b>2,799,722</b>   | 836,479           | 1,980,806        | 2,817,285          |
| Investments                                    |      | 2,292             | –                | <b>2,292</b>       | 3,257             | –                | 3,257              |
| Other  |      | 3,035             | –                | <b>3,035</b>       | 1,849             | –                | 1,849              |
| <b>Total income</b>                            |      | <b>964,542</b>    | <b>1,840,507</b> | <b>2,805,049</b>   | <b>841,585</b>    | <b>1,980,806</b> | <b>2,822,391</b>   |
| <b>Expenditure on:</b>                         |      |                   |                  |                    |                   |                  |                    |
| Raising funds                                  | 3    | 92,511            | –                | <b>92,511</b>      | 38,302            | –                | 38,302             |
| Charitable activities                          |      |                   |                  |                    |                   |                  |                    |
| Support to Individuals for Legal Defence       | 3    | 267,710           | 334,371          | <b>602,081</b>     | 233,433           | 192,710          | 426,143            |
| Support to NGO's for Legal Justice             | 3    | 192,669           | 226,057          | <b>418,726</b>     | 213,589           | 275,236          | 488,825            |
| Support for training & capacity building       | 3    | 133,350           | 121,729          | <b>255,080</b>     | 119,160           | 171,523          | 290,683            |
| Strategic Litigation                           | 3    | 159,150           | 1,243,691        | <b>1,402,841</b>   | 155,233           | 1,187,698        | 1,342,931          |
| <b>Total expenditure</b>                       |      | <b>845,390</b>    | <b>1,925,850</b> | <b>2,771,240</b>   | <b>759,717</b>    | <b>1,827,167</b> | <b>2,586,884</b>   |
| <b>Net income / (expenditure) for the year</b> | 5    | <b>119,152</b>    | <b>(85,343)</b>  | <b>33,809</b>      | <b>81,868</b>     | <b>153,639</b>   | <b>235,507</b>     |
| Transfers between funds                        |      | –                 | –                | –                  | 46,403            | (46,403)         | –                  |
| <b>Net movement in funds</b>                   |      | <b>119,153</b>    | <b>(85,344)</b>  | <b>33,809</b>      | <b>128,270</b>    | <b>107,236</b>   | <b>235,507</b>     |
| <b>Reconciliation of funds:</b>                |      |                   |                  |                    |                   |                  |                    |
| Total funds brought forward                    |      | 494,916           | 310,815          | <b>805,732</b>     | 366,646           | 203,579          | 570,225            |
| <b>Total funds carried forward</b>             |      | <b>614,070</b>    | <b>225,472</b>   | <b>839,541</b>     | <b>494,916</b>    | <b>310,815</b>   | <b>805,732</b>     |

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 2020

|  | Note | £                | 2020<br>£             | £                | 2019<br>£             |
|--|------|------------------|-----------------------|------------------|-----------------------|
| <b>Fixed assets:</b>                           |      |                  |                       |                  |                       |
| Tangible fixed assets                          | 10   |                  | <u>7,275</u>          |                  | <u>8,433</u>          |
| <b>Current assets:</b>                         |      |                  |                       |                  |                       |
| Debtors  | 11   | 278,634          |                       | 87,925           |                       |
| Cash at bank and in hand                       | 18   | <u>1,040,104</u> |                       | <u>1,182,807</u> |                       |
|  |      |                  | <u>1,318,738</u>      |                  | <u>1,270,732</u>      |
| <b>Liabilities:</b>                            |      |                  |                       |                  |                       |
| Creditors: amounts falling due within one year | 12   | <u>486,472</u>   |                       | <u>473,433</u>   |                       |
| <b>Net current assets</b>                      |      |                  | <u>832,266</u>        |                  | <u>797,299</u>        |
| <b>Total net assets</b>                        | 15   |                  | <u><u>839,541</u></u> |                  | <u><u>805,731</u></u> |
| <b>The funds of the charity:</b>               |      |                  |                       |                  |                       |
| Restricted income funds                        | 16   |                  | 225,472               |                  | 310,814               |
| Unrestricted income funds:                     |      |                  |                       |                  |                       |
| Designated funds                               |      | 350,000          |                       | 293,000          |                       |
| General funds                                  |      | <u>264,069</u>   |                       | <u>201,918</u>   |                       |
| Total unrestricted funds                       |      |                  | <u>614,069</u>        |                  | <u>494,918</u>        |
| <b>Total charity funds</b>                     |      |                  | <u><u>839,541</u></u> |                  | <u><u>805,731</u></u> |

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the trustees on 12 May 2021 and signed on their behalf by Sarah Bull

SARAH CAROLYN BULL  
Chair

Media Legal Defence Initiative

Statement of cash flows

For the year ended 31 December 2020

|  | Note | 2020      | 2019      |
|--|------|-----------|-----------|
|  |      | £         | £         |
| Cash flows from operating activities                   | 17   |           |           |
| Net cash (used in) operating activities                |      | (142,516) | 240,069   |
| Cash flows from investing activities:                  |      |           |           |
| Dividends, interest and rents from investments         |      | 2,292     | 3,257     |
| Purchase of fixed assets                               |      | (2,479)   | (4,773)   |
| Net cash (used in) investing activities                |      | (187)     | (1,516)   |
| Change in cash and cash equivalents in the year        |      | (142,703) | 238,553   |
| Cash and cash equivalents at the beginning of the year |      | 1,182,807 | 944,254   |
| Cash and cash equivalents at the end of the year       | 18   | 1,040,104 | 1,182,807 |



**1 Accounting policies**

**a) Statutory information**

Media Legal Defence Initiative is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is 5 Chancery Lane, LONDON, WC2A 1LG.

**b) 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 2019 (Charities SORP FRS 102–2019), 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.

**c) Public benefit entity**

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

**d) Going concern**

The trustees' report contains information on the uncertainties around the Covid-19 pandemic and the resulting social, legal and economic disruption, and on the steps the charity is taking to manage these risks and uncertainties. The trustees have made an assessment of the impact of these risks on the charity's operations (such as collapse of the financial system, which could impact the charity's income, or the collapse of regional courts and international human rights bodies, which would limit opportunities for achieving social change). The Trustees have concluded that, despite these risks and the wider risks and uncertainties facing large sectors of society, the charity has taken the relevant measures to mitigate the impact of these risks and uncertainties on its operations.

The Trustees are confident that the charity has the ability and intention to continue as a going concern because adequate resources are available (100% funding confirmed for next 18 months), adequate reserves are available to cover unrealised expected funding and Media Defence has adequate management programme.

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.

**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.

**1 Accounting policies (continued)**

**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.

- |  |     |
|--|-----|
| ● Support to Individuals for Legal Defence | 36% |
| ● Support to NGO's for Legal Justice       | 25% |
| ● Strategic Litigation                     | 25% |
| ● Support for Training & Capacity Building | 14% |

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.

**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 £1,000. 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 |

## Media Legal Defence Initiative

### Notes to the financial statements

For the year ended 31 December 2020

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#### 1 Accounting policies (continued)

##### 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 match pension contribution for individuals from 5% up to 8% of employees' qualifying earnings.

##### p) Foreign currency translations

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the average rate of exchange for the year. Exchange differences are taken into account in arriving at the net incoming resources for the year.

#### 2 Income from donations and legacies

|                   | Unrestricted<br>£ | Restricted<br>£  | 2020<br>Total<br>£ | 2019<br>Total<br>£ |
|-------------------|-------------------|------------------|--------------------|--------------------|
| Gifts & Donations | 962,250           | 688,808          | 1,651,058          | 1,699,178          |
| Legacies          | -                 | -                | -                  | -                  |
| Donated services  | -                 | 1,151,699        | 1,151,699          | 1,118,106          |
|                   | <u>962,250</u>    | <u>1,840,507</u> | <u>2,802,757</u>   | <u>2,817,285</u>   |

In 2019 there were unrestricted gifts and donations of £836,479, the balance of donations and legacies were restricted.

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 2020

3a Analysis of expenditure

|   | Notes | Fundraising<br>£ | Charitable activities                                  |   |  |                              |               | Governance<br>costs<br>£ | Support costs<br>£ | 2020<br>Total<br>£ | 2019<br>Total<br>£ |
|---|-------|------------------|--|---|--|------------------------------|---------------|--------------------------|--------------------|--------------------|--------------------|
|   |       |                  | Support to<br>Individuals<br>for Legal<br>Defence<br>£ | Support to<br>NGO's for<br>Legal Justice<br>£ | Support for<br>training &<br>capacity<br>building<br>£ | Strategic<br>Litigation<br>£ |               |                          |                    |                    |                    |
| Staff Costs                               | 6     | 91,343           | 170,146  | 85,073  | 113,430  | 85,073                       | 28,358        | 85,073                   | 658,496            | 521,913            |                    |
| Other Staff Costs                         |       | -                | 3,946  | 1,973   | 5,251  | 1,973                        | 658           | 1,973                    | 15,775             | 26,856             |                    |
| Grants payable                            | 4a    | -                | 293,156  | 238,163                                       | 55,681   | 1,215,262                    | -             | -                        | 1,802,263          | 1,614,668          |                    |
| Translation services                      |       | -                | -  | -   | -  | 5,014                        | -             | -                        | 5,014              | 27,332             |                    |
| Fundraising costs                         |       | 1,168            | -  | -   | -  | -                            | -             | -                        | 1,168              | 2,710              |                    |
| Volunteers' expenses                      |       | -                | 6  | 3   | 4  | 3                            | 1             | 3                        | 21                 | 1,815              |                    |
| Travel and subsistence                    |       | -                | -  | -   | -  | 498                          | -             | 5,323                    | 5,821              | 30,825             |                    |
| Meetings and events                       |       | -                | -  | -   | 5,176  | 1,574                        | -             | -                        | 6,750              | 143,130            |                    |
| Marketing and promotion                   |       | -                | -  | -   | -  | -                            | -             | 7,930                    | 7,930              | 1,035              |                    |
| Monitoring, Evaluation & Research         |       | -                | -  | -   | 23,130   | -                            | -             | 13                       | 23,143             | 6,132              |                    |
| Premises                                  |       | -                | -  | -   | -  | -                            | -             | 90,749                   | 90,749             | 91,464             |                    |
| Depreciation                              |       | -                | -  | -   | -  | -                            | -             | 3,637                    | 3,637              | 1,830              |                    |
| Office costs                              |       | -                | -  | -   | -  | -                            | -             | 73,071                   | 73,071             | 63,829             |                    |
| Bank Charges & Exchange<br>(gains)/losses |       | -                | 296  | 90  | 90   | 20                           | -             | 43,278                   | 43,774             | 9,654              |                    |
| Board expenses                            |       | -                | -  | -   | -  | -                            | 840           | -                        | 840                | 481                |                    |
| Audit and accountancy                     |       | -                | -  | -   | -  | -                            | 8,520         | -                        | 8,520              | 8,520              |                    |
| Legal and professional                    |       | -                | -  | -   | -  | -                            | -             | 24,269                   | 24,269             | 34,690             |                    |
| <b>Sub-total</b>                          |       | <b>92,511</b>    | <b>467,551</b>   | <b>325,303</b>                                | <b>202,763</b>   | <b>1,309,417</b>             | <b>38,376</b> | <b>335,319</b>           | <b>2,771,240</b>   | <b>2,586,884</b>   |                    |
| Support costs                             |       | -                | 120,715  | 83,830  | 46,945   | 83,830                       | -             | (335,319)                | -                  | -                  |                    |
| Governance costs                          |       | -                | 13,816   | 9,594   | 5,373  | 9,594                        | (38,376)      | -                        | -                  | -                  |                    |
| <b>Total expenditure 2020</b>             |       | <b>92,511</b>    | <b>602,081</b>   | <b>418,726</b>                                | <b>255,080</b>   | <b>1,402,841</b>             | <b>-</b>      | <b>-</b>                 | <b>2,771,240</b>   | <b>2,586,884</b>   |                    |
| Total expenditure 2019                    |       | 38,302           | 426,143  | 488,825                                       | 290,683  | 1,342,931                    | -             | -                        | -                  | -                  |                    |

Of the total expenditure, £845,390 was unrestricted and £1,925,850 was restricted.

Media Legal Defence Initiative

Notes to the financial statements

For the year ended 31 December 2020

3b Analysis of expenditure for prior year

|   | Note | Charitable activities |  |   |  |                              |                          |                    | 2019<br>Total<br>£ |
|---|------|-----------------------|--|---|--|------------------------------|--------------------------|--------------------|--------------------|
|   |      | Fundraising<br>£      | Support to<br>Individuals<br>for Legal<br>Defence<br>£ | Support to<br>NGO's for<br>Legal Justice<br>£ | Support for<br>training &<br>capacity<br>building<br>£ | Strategic<br>Litigation<br>£ | Governance<br>costs<br>£ | Support costs<br>£ |                    |
| Staff Costs                               | 6    | 35,592                | 145,896  | 72,948  | 97,264   | 72,948                       | 24,316                   | 72,948             | 521,913            |
| Other staff costs                         |      | -                     | 8,057  | 4,028   | 5,371  | 4,028                        | 1,343                    | 4,028              | 26,856             |
| Grants Payable                            | 4    | -                     | 154,591  | 303,933                                       | -  | 1,156,144                    | -                        | -                  | 1,614,668          |
| Translation services                      |      | -                     | -  | -   | -  | 27,332                       | -                        | -                  | 27,332             |
| Fundraising costs                         |      | 2,710                 | -  | -   | -  | -                            | -                        | -                  | 2,710              |
| Volunteers' expenses                      |      | -                     | 544  | 272   | 363  | 272                          | 91                       | 272                | 1,815              |
| Travel and subsistence                    |      | -                     | -  | -   | -  | 276                          | -                        | 30,549             | 30,825             |
| Meetings and events                       |      | -                     | -  | -   | 142,280  | 851                          | -                        | -                  | 143,130            |
| Marketing and promotion                   |      | -                     | -  | -   | -  | -                            | -                        | 1,035              | 1,035              |
| Monitoring, Evaluation & Research         |      | -                     | -  | 4,302   | -  | -                            | -                        | 1,830              | 6,132              |
| Premises                                  |      | -                     | -  | -   | -  | -                            | -                        | 91,464             | 91,464             |
| Depreciation                              |      | -                     | -  | -   | -  | -                            | -                        | 1,830              | 1,830              |
| Office costs                              |      | -                     | -  | -   | -  | -                            | -                        | 63,829             | 63,829             |
| Bank Charges & Exchange<br>(gains)/losses |      | -                     | 300  | 58  | -  | -                            | -                        | 9,296              | 9,654              |
| Board expenses                            |      | -                     | -  | -   | -  | -                            | 481                      | -                  | 481                |
| Audit and accountancy                     |      | -                     | -  | -   | -  | -                            | 8,520                    | -                  | 8,520              |
| Legal and professional                    |      | -                     | -  | 22,204  | -  | -                            | -                        | 12,487             | 34,690             |
| <b>Sub-total</b>                          |      | <b>38,302</b>         | <b>309,388</b>   | <b>407,746</b>                                | <b>245,278</b>   | <b>1,261,851</b>             | <b>34,751</b>            | <b>289,568</b>     | <b>2,586,884</b>   |
| Support costs                             |      | -                     | 104,245  | 72,392  | 40,540   | 72,392                       | -                        | (289,568)          | -                  |
| Governance costs                          |      | -                     | 12,510   | 8,688   | 4,865  | 8,688                        | (34,751)                 | -                  | -                  |
| <b>Total expenditure 2019</b>             |      | <b>38,302</b>         | <b>426,143</b>   | <b>488,825</b>                                | <b>290,683</b>   | <b>1,342,931</b>             |                          | <b>-</b>           | <b>2,586,884</b>   |

Media Legal Defence Initiative

Notes to the financial statements

For the year ended 31 December 2020

4a Grant making

|  | Grants to institutions<br>£ | Grants to<br>individuals<br>£ | Support<br>costs<br>£ | 2020<br>£        | 2019<br>£        |
|--|-----------------------------|-------------------------------|-----------------------|------------------|------------------|
| <b>Cost</b>                              |                             |                               |                       |                  |                  |
| Support to Individuals for Legal Defence | -                           | 293,156                       | 120,715               | <b>413,871</b>   | 258,835          |
| Support to NGO's for Legal Justice       | 238,163                     | -                             | 83,830                | <b>321,993</b>   | 376,325          |
| Support for Training & Capacity Building | -                           | -                             | 46,945                | <b>46,945</b>    | 40,540           |
| Strategic Litigation                     | 1,151,699                   | 63,563                        | 83,830                | <b>1,299,092</b> | 1,228,537        |
| At the end of the year                   | <b>1,389,863</b>            | <b>356,719</b>                | <b>335,319</b>        | <b>2,081,900</b> | <b>1,904,237</b> |

4b Grant making prior year

|  | Grants to institutions<br>£ | Grants to<br>individuals<br>£ | Support<br>costs<br>£ | 2019<br>£        | 2018<br>£      |
|--|-----------------------------|-------------------------------|-----------------------|------------------|----------------|
| <b>Cost</b>                              |                             |                               |                       |                  |                |
| Support to Individuals for Legal Defence | -                           | 154,591                       | 104,245               | <b>258,835</b>   | 281,473        |
| Support to NGO's for Legal Justice       | 303,933                     | -                             | 72,392                | <b>376,325</b>   | 325,909        |
| Support for Training & Capacity Building | -                           | -                             | 40,540                | <b>40,540</b>    | 34,548         |
| Strategic Litigation                     | 1,118,106                   | 38,038                        | 72,392                | <b>1,228,537</b> | 191,944        |
| At the end of the year                   | <b>1,422,040</b>            | <b>192,629</b>                | <b>289,568</b>        | <b>1,904,237</b> | <b>833,874</b> |

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

MLDI has a listing of the partner organisations with which it works on its website. MLDI does not provide the detail of the amounts given to individual institutions as it believes these could prejudice the furtherance of the charitable objectives of MLDI and the recipient.

5 Net income / (expenditure) for the year

This is stated after charging / crediting:

|  | 2020<br>£     | 2019<br>£ |
|--|---------------|-----------|
| Depreciation                                       | <b>3,637</b>  | 1,830     |
| Operating lease rentals:<br>Property and Equipment | <b>74,565</b> | 72,423    |
| Auditors' remuneration (excluding VAT):<br>Audit   | <b>7,100</b>  | 7,100     |
| Foreign exchange losses (gains)                    | <b>43,774</b> | 9,654     |

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

Staff costs were as follows:

|   | 2020<br>£      | 2019<br>£      |
|---|----------------|----------------|
| Salaries and wages  | <b>577,399</b> | 459,946        |
| Social security costs   | <b>63,564</b>  | 48,967         |
| Employer's contribution to defined contribution pension schemes | <b>17,533</b>  | 13,000         |
|   | <b>658,496</b> | <b>521,913</b> |

**6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)**

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

|                   | 2020<br>No. | 2019<br>No. |
|-------------------|-------------|-------------|
| £60,000 – £69,999 | 2           | –           |
| £70,000 – £79,999 | –           | 1           |

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £79,079 (2019: £88,472).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

Trustees' expenses/development was £nil (2019: £13).

**7 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 15 (2019: 12).

**8 Related party transactions**

In 2020 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, Steve Finizio, who is a partner at Wilmer Cutler Pickering Hale and Dorr LLP;

**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**

|                          | Fittings and<br>Office<br>equipment<br>£ | Computer<br>equipment<br>£ | Total<br>£ |
|--------------------------|--|----------------------------|------------|
| <b>Cost or valuation</b> |  |                            |            |
| At the start of the year | 14,306                                   | 9,528                      | 23,834     |
| Additions in year        | –  | 2,479                      | 2,479      |
| Disposals in year        | –  | –                          | –          |
| At the end of the year   | 14,306                                   | 12,007                     | 26,313     |
| <b>Depreciation</b>      |  |                            |            |
| At the start of the year | 5,873                                    | 9,528                      | 15,401     |
| Charge for the year      | 3,023                                    | 614                        | 3,637      |
| At the end of the year   | 8,896                                    | 10,142                     | 19,038     |
| <b>Net book value</b>    |  |                            |            |
| At the end of the year   | 5,410                                    | 1,866                      | 7,275      |
| At the start of the year | 8,433                                    | –                          | 8,433      |

All of the above assets are used for charitable purposes.

## 11 Debtors

|                   | 2020<br>£      | 2019<br>£     |
|-------------------|----------------|---------------|
| Grants Receivable | 255,647        | 66,209        |
| Other Debtors     | 8,375          | 7,860         |
| Prepayments       | 14,612         | 13,856        |
|                   | <u>278,634</u> | <u>87,925</u> |

## 12 Creditors: amounts falling due within one year

|                 | 2020<br>£      | 2019<br>£      |
|-----------------|----------------|----------------|
| Trade Creditors | 40,552         | 10,506         |
| Other Creditors | 630            | 1,301          |
| Grants Payable  | 369,960        | 293,113        |
| Deferred Income | 65,520         | 150,000        |
| Accruals        | 9,810          | 18,513         |
|                 | <u>486,472</u> | <u>473,433</u> |

## 13 Deferred income

Deferred income comprises an amount of £150,000 received from Sigrid Rausing for 2020 activities.

|                                       | 2020<br>£     | 2019<br>£      |
|---------------------------------------|---------------|----------------|
| Balance at the beginning of the year  | 150,000       | 150,000        |
| Amount released to income in the year | (150,000)     | (150,000)      |
| Amount deferred in the year           | 65,520        | 150,000        |
|                                       | <u>65,520</u> | <u>150,000</u> |
| Balance at the end of the year        | <u>65,520</u> | <u>150,000</u> |

## 14 Pension scheme

MLDI matches Employee's Pension contribution from 5% and up to 8% of qualifying earnings.

## 15a Analysis of net assets between funds (current year)

|  | General<br>unrestricted<br>£ | Designated<br>£ | Restricted<br>£ | Total funds<br>£ |
|--|------------------------------|-----------------|-----------------|------------------|
| Tangible fixed assets                    | 7,275                        | -               | -               | 7,275            |
| Net current assets                       | 256,794                      | 350,000         | 225,472         | 832,266          |
|  | <u>264,069</u>               | <u>350,000</u>  | <u>225,472</u>  | <u>839,541</u>   |
| <b>Net assets at the end of the year</b> | <u>264,069</u>               | <u>350,000</u>  | <u>225,472</u>  | <u>839,541</u>   |

## 15b Analysis of net assets between funds (prior year)

|  | General<br>unrestricted<br>£ | Designated<br>£ | Restricted<br>£ | Total funds<br>£ |
|--|------------------------------|-----------------|-----------------|------------------|
| Tangible fixed assets                    | 8,433                        | -               | -               | 8,433            |
| Net current assets                       | 193,485                      | 293,000         | 310,813         | 797,298          |
|  | <u>201,918</u>               | <u>293,000</u>  | <u>310,813</u>  | <u>805,731</u>   |
| <b>Net assets at the end of the year</b> | <u>201,918</u>               | <u>293,000</u>  | <u>310,813</u>  | <u>805,731</u>   |



## 16a Movements in funds (current year)

|  | At the start of the<br>year<br>£ | Income &<br>gains<br>£ | Expenditure<br>& losses<br>£ | Transfers**<br>£ | At the end of the<br>year<br>£ |
|--|----------------------------------|------------------------|------------------------------|------------------|--------------------------------|
| <b>Restricted funds:</b>                       |                                  |                        |                              |                  |                                |
| Dow Jones 201920                               | 5,249                            | -                      | (5,249)                      | -                | -                              |
| FOSI PIJ – LATAM                               | 743                              | (1)                    | (742)                        | -                | -                              |
| FB – Factcheckers Legal Support Initiative     | 104,325                          | 80,382                 | (150,009)                    | -                | 34,698                         |
| Ford Foundation                                | -                                | 103,373                | (55,522)                     | -                | 47,852                         |
| Hivos 2020.a                                   | -                                | 36,306                 | (36,306)                     | -                | -                              |
| Hivos 2020.b                                   | -                                | 40,744                 | (40,744)                     | -                | -                              |
| IWPR (DFID)                                    | -                                | 23,817                 | (22,649)                     | -                | 1,167                          |
| Ethiopia Fund                                  | 3,214                            | -                      | (2,508)                      | -                | 706                            |
| Adessium 16–19                                 | -                                | -                      | -                            | -                | -                              |
| Adessium 201922                                | 30,083                           | 88,729                 | (59,670)                     | -                | 59,141                         |
| Donated Services                               | -                                | 1,151,699              | (1,151,699)                  | -                | -                              |
| OSF (Non – US)                                 | 22,036                           | -                      | (5,910)                      | -                | 16,126                         |
| OSIAF Eurasia                                  | 8                                | -                      | (8)                          | -                | -                              |
| National Endowment for Democracy (NED)– 201920 | 2,816                            | 28,633                 | (31,449)                     | -                | -                              |
| National Endowment for Democracy (NED)– 202021 | -                                | 89,567                 | (32,558)                     | -                | 57,010                         |
| Luminate (Target Geographies)                  | 127,412                          | -                      | (127,391)                    | -                | 21                             |
| Digital Rights Fund                            | 10,647                           | 197,257                | (207,905)                    | -                | -                              |
| Other – Rtd/cncl'd Grants                      | 4,281                            | -                      | 4,469                        | -                | 8,751                          |
|  | -                                | -                      | -                            | -                | -                              |
|  | -                                | -                      | -                            | -                | -                              |
| <b>Total restricted funds</b>                  | <b>310,814</b>                   | <b>1,840,507</b>       | <b>(1,925,850)</b>           | <b>-</b>         | <b>225,472</b>                 |
| <b>Unrestricted funds:</b>                     |                                  |                        |                              |                  |                                |
| Designated Reserves                            | 293,000                          | -                      | -                            | 57,000           | 350,000                        |
| <b>Total designated funds</b>                  | <b>293,000</b>                   | <b>-</b>               | <b>-</b>                     | <b>57,000</b>    | <b>350,000</b>                 |
| <b>General funds</b>                           | <b>201,917</b>                   | <b>964,542</b>         | <b>(845,390)</b>             | <b>(57,000)</b>  | <b>264,069</b>                 |
| <b>Total unrestricted funds</b>                | <b>494,917</b>                   | <b>964,542</b>         | <b>(845,390)</b>             | <b>-</b>         | <b>614,069</b>                 |
| <b>Total funds</b>                             | <b>805,732</b>                   | <b>2,805,049</b>       | <b>(2,771,240)</b>           | <b>-</b>         | <b>839,541</b>                 |

## 16b Movements in funds (prior year)

|  | At the start of the<br>year<br>£ | Income &<br>gains<br>£ | Expenditure<br>& losses<br>£ | Transfers<br>£ | At the end of the<br>year<br>£ |
|--|----------------------------------|------------------------|------------------------------|----------------|--------------------------------|
| <b>Restricted funds:</b>                       |                                  |                        |                              |                |                                |
| Dow Jones 201819                               | 7,034                            | -                      | (7,034)                      | -              | -                              |
| Dow Jones 201920                               | -                                | 7,694                  | (2,444)                      | -              | 5,249                          |
| FOSI PIJ – LATAM                               | 19,374                           | -                      | (18,632)                     | -              | 742                            |
| FB – Factcheckers Legal Support Initiative     | -                                | 153,941                | (49,616)                     | -              | 104,325                        |
| Hivos 2018                                     | (4,230)                          | 4,531                  | (301)                        | -              | -                              |
| Hivos 2019                                     | -                                | 140,769                | (140,769)                    | -              | -                              |
| IWPR (DFID)                                    | -                                | 9,920                  | (9,920)                      | -              | -                              |
| Ethiopia Fund                                  | 4,222                            | -                      | (1,008)                      | -              | 3,214                          |
| Ford 17–19                                     | 35,701                           | -                      | (35,701)                     | -              | -                              |
| Adessium 16 –19                                | 6,888                            | -                      | (6,888)                      | -              | -                              |
| Adessium                                       | -                                | 84,431                 | (54,348)                     | -              | 30,083                         |
| Donated services                               | -                                | 1,118,106              | (1,118,106)                  | -              | -                              |
| KAS 2019                                       | -                                | 11,241                 | (11,241)                     | -              | -                              |
| OSF (Non – US) BAN (17 – 18)                   | 22,036                           | -                      | -                            | -              | 22,036                         |
| OSIAF Eurasia                                  | -                                | 54,918                 | (54,910)                     | -              | 8                              |
| National Endowment for Democracy (NED)2018     | 6,858                            | 10,939                 | (17,797)                     | -              | -                              |
| National Endowment for Democracy (NED)– 201920 | -                                | 38,744                 | (35,928)                     | -              | 2,816                          |
| Luminate (Target Geographies)                  | 72,927                           | 127,412                | (72,927)                     | -              | 127,412                        |
| Digital Rights Fund                            | 28,499                           | 218,159                | (236,011)                    | -              | 10,647                         |
| Other Donors                                   | 4,269                            | -                      | 12                           | -              | 4,281                          |
| <b>Total restricted funds</b>                  | <b>203,578</b>                   | <b>1,980,806</b>       | <b>(1,873,570)</b>           | <b>-</b>       | <b>310,814</b>                 |
| <b>Unrestricted funds:</b>                     |                                  |                        |                              |                |                                |
| Designated Reserves                            | 293,000                          | -                      | -                            | -              | 293,000                        |
| Total designated funds                         | 293,000                          | -                      | -                            | -              | 293,000                        |
| <b>General funds</b>                           | <b>73,647</b>                    | <b>841,585</b>         | <b>(713,314)</b>             | <b>-</b>       | <b>201,918</b>                 |
| <b>Total unrestricted funds</b>                | <b>366,647</b>                   | <b>841,585</b>         | <b>(713,314)</b>             | <b>-</b>       | <b>494,918</b>                 |
| <b>Total funds</b>                             | <b>570,225</b>                   | <b>2,822,391</b>       | <b>(2,586,884)</b>           | <b>-</b>       | <b>805,731</b>                 |

## 16 Purposes of restricted funds

Adessium – Support to ensure legal protection of journalists, citizen journalists and media outlets in Europe.

Donated Services – free legal services provided in support of strategic cases.

Digital Rights Fund – Digital Rights Advocacy.

OS Foundation – support for journalist and online media in Bangladesh.

Dow Jones – support legal defence to independent media, journalists and bloggers facing criminal charges for their reporting.

Ethiopia Fund – Support for journalists and online media in Ethiopia.

Facebook –direct assistance to fact-checkers, connecting them to pro bono legal support where none is available and providing support for local lawyers.

Ford – legal assistance to journalists, bloggers and independent media under oppression.

Hivos – legal defence to online media and bloggers.

IWPR –to explore the freedom of expression landscape in three countries in the MENA region.

KAS – training workshop for media lawyers in West Africa.

MacArthur – Defence of journalists and other online media within Russia.

NED – Defending Independent Media and Protecting at-risk Journalists.

Luminate (Target Geographies) – Emergency defence legal aid in South East Asia and Southern Africa.

OSIAF Eurasia/FOSI LATAM – Support to Media defence centre in Eurasia/to independent media, bloggers and journalists in LATAM region.

**16 Purposes of restricted funds (continued)****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: Foundation of Open Society Institute, Luminate, Sigrid Rausing, Craig Newmark Foundation and Chambers and Partners.

**17 Reconciliation of net income to net cash flow from operating activities**

|   | 2020             | 2019    |
|---|------------------|---------|
|   | £                | £       |
| <b>Net (expenditure)/Income for the reporting period<br/>(as per the statement of financial activities)</b> | <b>33,809</b>    | 235,507 |
| Depreciation charges  | 3,637            | 1,830   |
| Dividends, interest and rent from investments   | (2,292)          | (3,257) |
| (Increase)/decrease in debtors  | (190,709)        | -       |
| Increase/(decrease) in creditors  | 13,039           | -       |
| <b>Net cash provided by / (used in) operating activities</b>  | <b>(142,516)</b> | 234,080 |

**18 Analysis of cash and cash equivalents**

|  | At 1 January<br>2020 | Cash flows       | Other changes | At 31 December<br>2020 |
|--|----------------------|------------------|---------------|------------------------|
|  | £                    | £                | £             | £                      |
| Cash in hand                             | 623,843              | (99,806)         | -             | 524,037                |
| Notice deposits (less than three months) | 558,964              | (42,897)         | -             | 516,067                |
| <b>Total cash and cash equivalents</b>   | <b>1,182,807</b>     | <b>(142,703)</b> | <b>-</b>      | <b>1,040,104</b>       |

**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<br>2020 | 2019          |
|--------------------|------------------|---------------|
|                    | £                | £             |
| Less than one year | 35,713           | 44,641        |
| One to five years  | -                | -             |
|                    | <b>35,713</b>    | <b>44,641</b> |

**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.