



Company number: 06621203

Charity number: 1128789

Media Legal Defence Initiative

(trading as Media Defence)

*Report and financial statements
For the year ended 31 December 2021*

Contents

Reference and administrative information	2
Trustees' annual report	3
Independent auditor's report	25
Statement of financial activities (incorporating an income and expenditure account)	29
Balance sheet	30
Statement of cash flows	31
Notes to the financial statements	32

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:

Sarah Carolyn BULL (Chair)
Matthew Richard FRANCIS (Treasurer)
Richard BROPHY
David JONES
Steven FINIZIO
Caroline FROST
Smita SHAH
Catherine ANITE
María Teresa RONDEROS
Joshua CASTELLINO resigned from the board in May 2021.

Key management Alinda VERMEER (Chief Executive Officer)

Bankers

Triodos Bank	Barclays Bank
Deanery Street	1 Churchill Place
Bristol	London
BS1 5AS	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 2021.

The trustees review the aims, objectives and activities of the Media Legal Defence Initiative (hereinafter 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: 1) obtaining redress for journalists who have become victims of violence and harassment and 2) 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 had regard to the Charity Commission's 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

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.

Since 2020, we have set out to increase our impact, ensuring more journalists and independent media have access to affordable legal support. We are focused on increasing and deepening the 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 have also prioritised 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.

- Journalists continue to work in a severely pressured working environment as a result of the pandemic, which has been described as a potential journalism "extinction event" and "the most enduringly difficult professional period many have experienced during their careers".¹ We continue to see high levels of journalists in need of legal support, reflecting the deterioration of the operating environment of the media around the world.

¹ International Center for Journalists (ICFJ) and the Tow Center for Digital Journalism, *Journalism & the Pandemic: a global snapshot of impacts*, available at: <https://www.icfj.org/our-work/journalism-and-pandemic-survey>.

- Our work was also impacted by court closures and delays to proceedings. There was less progress in some of the cases we and our partner organisations supported.
- Uncertainty around travel restrictions impacted our local legal capacity building. We were unable to carry out any planned site visits to our partner organisations in 2021. We continued to deliver trainings and peer learning events online, which were successful, and we continued 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 makes our training materials available.
- 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 continues to make good progress toward achieving the goals set out in our 2020-2024 strategy.

Overall picture

Journalists faced increasingly challenging and dangerous circumstances around the world, and the need for legal support to the media continued to grow.

We supported journalists and media outlets in 124 new cases in 2021, exceeding our target of taking on 120 new cases.² As litigation can be enduring, these new cases only form a small part of our overall case load. In total, our team worked on 466 cases during the year, in 61 countries. This represents an increase from 2020 when we worked on 443 cases during the year in 63 countries.

We expanded our grant making to support local organisations to deliver legal defence to media in their countries, which enabled our partners to litigate at least a further 350 cases across a range of freedom of expression issues and courts in countries where the need for support is the highest. We also trained 54 lawyers and launched our Training Hub, making all our training modules and supporting materials available and easy to navigate.

With the ongoing pandemic accelerating the decline in media freedom, it has become more difficult to obtain a successful outcome in cases and we saw our success rate decrease for the second year in a row, with 57% of cases either fully or partially achieving objectives. The decrease in the success rate was visible in particular in cases at the domestic level, with cases at regional courts and international bodies retaining a strong success rate of 88%. Legal threats and sanctions used to deter independent journalism can be overcome, if necessary by progressing cases to the regional or international level, and access to high quality legal support free of charge is more important than ever to stem the tide.

Emergency defence

Out of the 124 new cases, 71 cases fell under our emergency defence programme.³ Journalists, citizen journalists and media houses in need of legal help applied for support through our website or by submitting an application form to our grants team. Grant requests were on average approved within eight business days after receipt of a complete application.

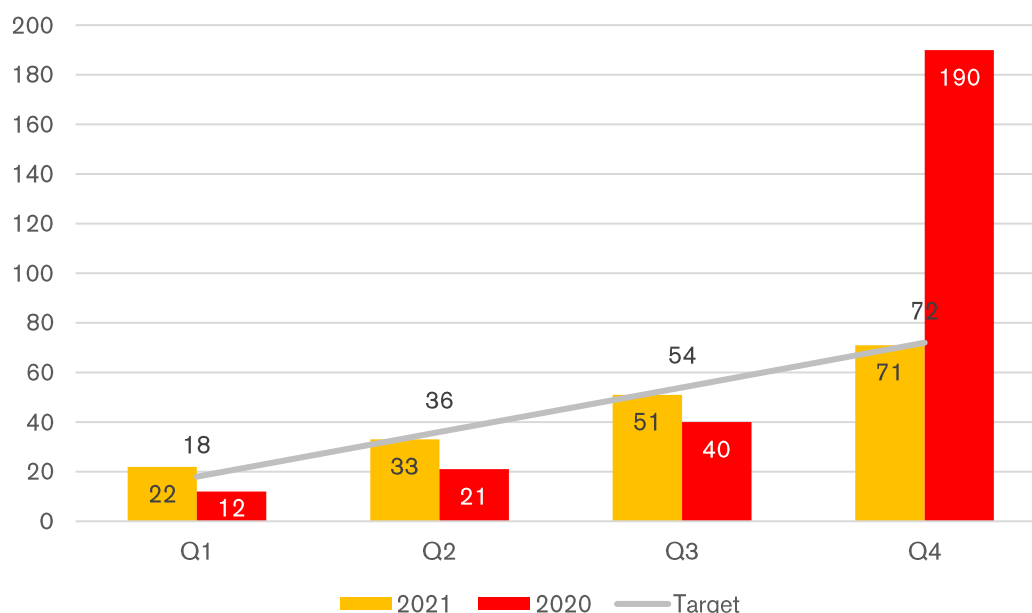
² In 2020, we took on 241 new cases, which included an exceptional coordinated campaign of 131 cases initiated against one journalist to distract him from his reporting.

³ The emergency defence work is reflected in the SOFA as 'Support to Individuals for Legal Defence'.

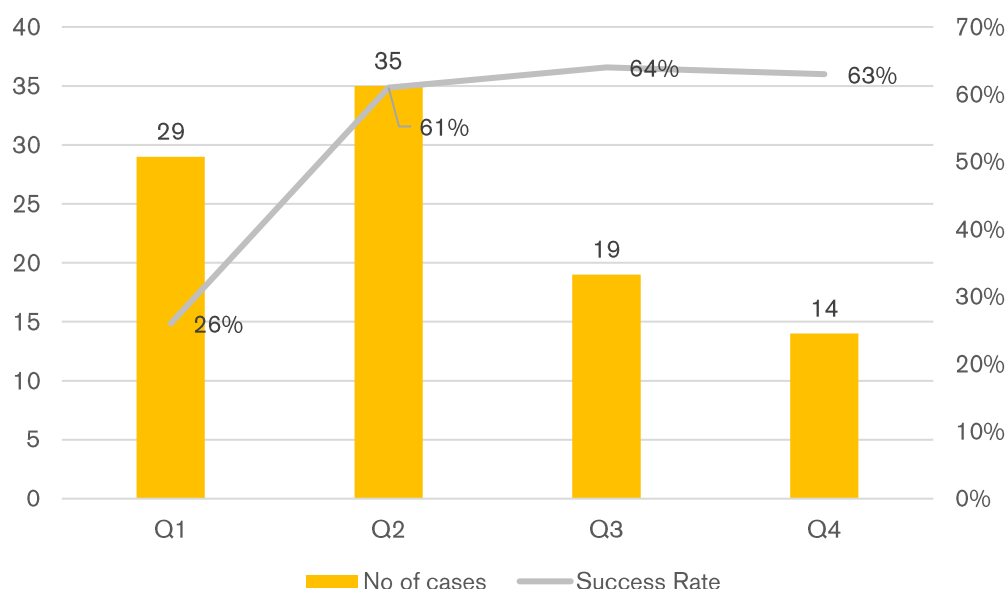
Typically, we responded to requests for assistance by providing funding to hire a local lawyer and working with the local lawyer to secure a good outcome for the journalist concerned. Our in-house legal team provided technical legal support in nine cases.

We supported the highest number of new cases in Cameroon (8). In addition, we also supported a high number of cases in India (6), Peru (6), Turkey (5), and North Macedonia (4).

Number of new emergency defence cases supported (cumulative)⁴



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

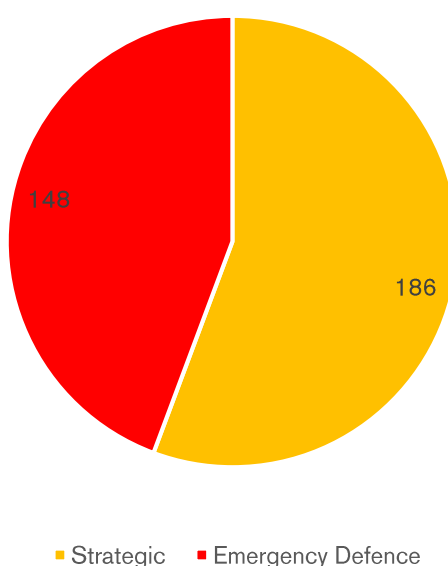
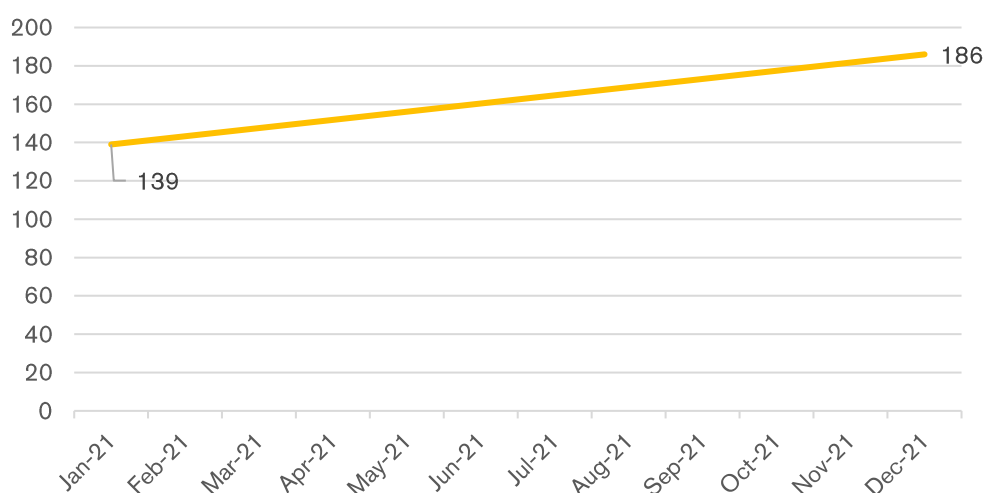


⁴ The number of cases in quarter four of 2021 were significantly lower corresponding period in 2020. In quarter of four of 2020, 131 cases were initiated against one journalist as part of a coordinated campaign to silence him and distract him from his reporting.

Strategic litigation

We took on 53 new strategic cases, compared to 51 in 2020.⁵ As strategic cases can be enduring, 40% of our live cases at the end of 2021 were strategic. We continued to work on 139 existing strategic cases, bringing the total number of strategic cases worked on in 2021 to 192, 186 still active.

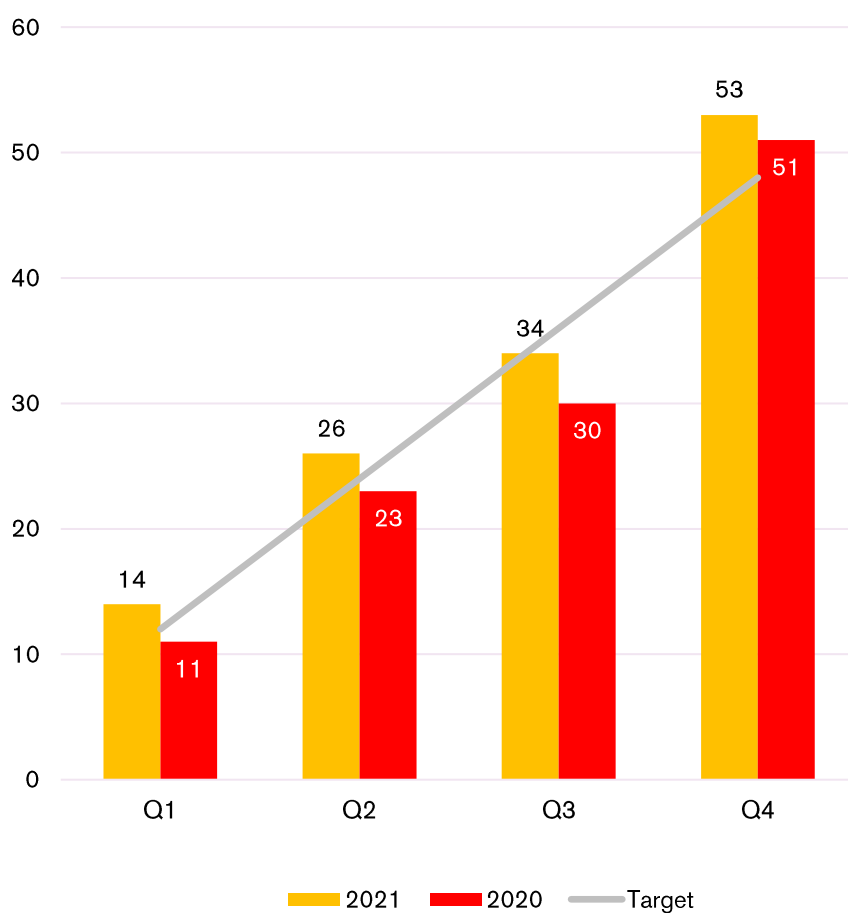
Number of Active Strategic Cases



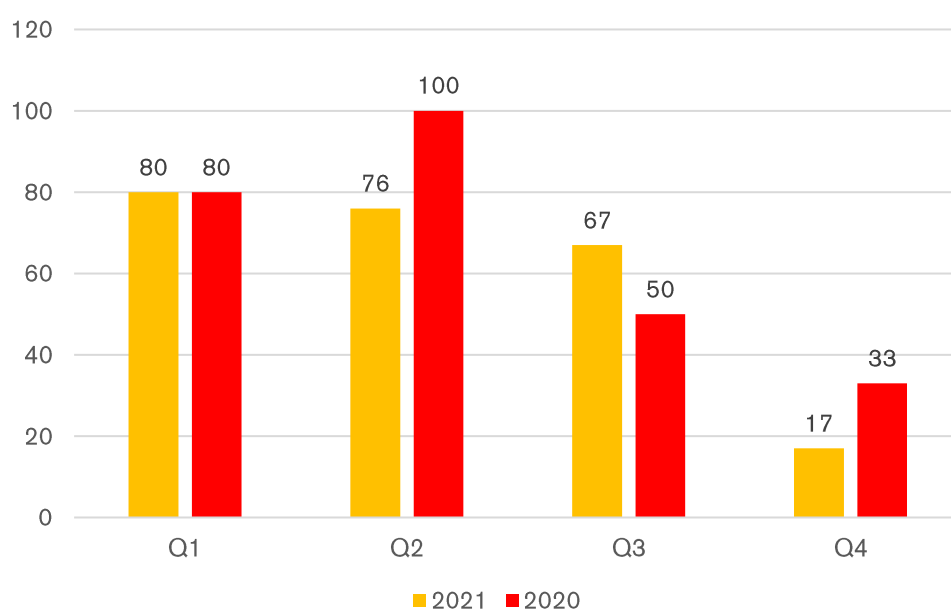
The 53 new strategic cases originated from 19 countries in total, with the highest number of strategic cases relating to Azerbaijan (11), Russia (8), Colombia (5), Nigeria (4) and Uganda (4). 45 strategic cases came to an end during the year, of which 65% were successful or partially successful, which is an increase from 2020 when only 55% of cases were successful or partially successful. Strategic cases at regional or international human rights forums had an 88% success rate.

⁵ The strategic litigation work is reflected in the SOFA as 'Strategic Litigation', which includes grants to cover legal fees of local lawyers in strategic cases supported by in-house lawyers acting pro bono, as well as filing and translation costs.

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 organisations⁶

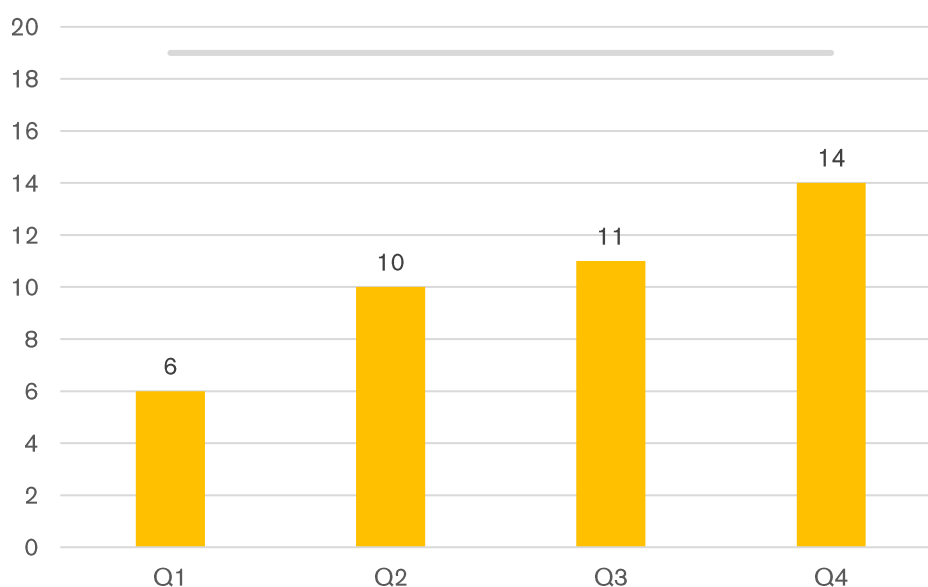
In 2021, we approved 15 grants to support local organisations to deliver legal defence to media in their countries,⁷ compared to 14 in 2020. The grants awarded in 2021 enable our partners to litigate at least 350 cases across a range of freedom of expression issues and courts.⁸ Throughout the year, we provided additional legal support in ten cases taken by partner organisations.

Our partners in 2021 were Media Policy Institute (Kyrgyzstan), Foundation for Society and Legal Studies (TOHAV, Turkey), Foundation for Press Freedom (Colombia), Helsinki Foundation for Human Rights (Poland), Human Rights Platform (Ukraine), Media and Law Studies Association (Turkey), Hungarian Civil Liberties Union (Hungary), Ossigeno per l'Informazione (Italy), a partner in Kenya, a partner in Russia, three partners in South Asia and a partner in the MENA region.⁹ A grant to a partner in Cambodia is pending approval by our donor.

Throughout the year, we worked with 19 partners who had active grants. Delays in securing funding for this area of our work meant that four additional grants became available to partner organisations in sub-Saharan Africa towards the end of 2021, with the selection process for these partners still ongoing at the end of 2021.

Due to travel restrictions we were unable to carry out any planned site visits in 2021.

Number of partner grants contracted in 2021 (new grants – cumulative)



⁶ This is reflected in the SOFA as 'Support to NGOs for Legal Justice'.

⁷ We contracted 14 grants, as one grant is pending approval by our donor. The total amount of grants also includes one grant to a local lawyer (rather than an organisation) to take multiple cases as and when they arise.

⁸ This figure is based on agreed outputs.

⁹ Names withheld to protect the identity of the organisations.

Training of lawyers¹⁰

Training Hub

In light of the ongoing pandemic and uncertainty around delivering trainings in person, a major focus of 2021 was to bolster the sustainability of our trainings by making our training materials accessible online in both English and French and by launching our Training Hub.¹¹ The Training Hub had 2,639 unique page views in 2021.

The Training Hub contains our training modules and supporting materials, such as case law and guidance, in an easy to navigate format. This enables lawyers who have not (yet) been able to attend our trainings to access any relevant materials independently. The Training Hub also serves as an invaluable resource for lawyers working on relevant cases against the media.

The Training Hub currently focuses on freedom of expression online, with a particular emphasis on cases in sub-Saharan Africa. In the coming years, we will be expanding this by adding a wider range of topics and regions.

Litigation surgeries, workshops and peer learning events

We trained a total of 54 lawyers in 2021 through litigation surgeries and peer learning events.

We further strengthened the sustainability of our training programme by inviting alumni of our litigation surgeries in sub-Saharan Africa to hold litigation surgeries for lawyers in their respective countries. In order to support them in doing so, we organised a Training of Trainers workshop, which was attended by 11 alumni. In addition to making our training materials available, we provided grants that covered the cost of the litigation surgeries they went on to organise.

Training alumni held seven litigation surgeries in five countries (Democratic Republic of Congo, Kenya, Ethiopia, Nigeria and Malawi), training 153 lawyers in total. These litigation surgeries were conducted in English, Amharic and French.

Building on the success of our online advanced litigation surgeries for lawyers in sub-Saharan Africa held in 2020, in 2021 we ran an online Francophone litigation surgery for lawyers from West Africa. This litigation surgery was originally planned to take place in person, but the ongoing pandemic and related travel restrictions necessitated its move online.

In partnership with DLA Piper, we trained a total of ten Francophone 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.

We also ran two peer learning events, in one of which 27 sub-Saharan African training alumni came together for different sessions relating to freedom of expression online. These sessions built on the content of litigation surgeries and helped strengthen the network of litigators who have attended our trainings.

¹⁰ This is reflected in the SOFA as 'Support for training and capacity building'.

¹¹ See <https://www.mediadefence.org/resource-hub/>.

The other peer learning event focused on lawyers working with our partner organisations from Council of Europe countries. This event focused on intimidation lawsuits (SLAPPs), including the abusive use of data protection claims.

We 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.

Training activities that are more suited to an in-person format were postponed until 2022, such as two litigation surgeries for lawyers in Latin America.

Empowering Women in Digital Rights Advocacy project

In September 2021, we embarked on a new project, Empowering Women in Digital Rights Advocacy. This 30-month project will empower female lawyers to defend and promote digital rights and online freedoms in sub-Saharan Africa. Through a program of training and networking, we will build capacity and encourage close collaboration. This will strengthen advocacy for digital human rights in the region.

Collaboration with University of Edinburgh

As part of our ongoing partnership with the University of Edinburgh,¹² 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.

The clinic has taken a break during the academic year 2021-2022 due to the sabbatical of the relevant staff member at the University of Edinburgh.

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.

¹² 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.

Journalist Impact Survey

In 2021, we carried out our fifth 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.

109 cases supported under our Emergency Defence and Strategic Litigation programmes came to an end in 2021. We contacted 47 journalists¹³ and 31 responded to our Journalist Impact Survey (a response rate of 66%, compared to 32% in 2019 to 54% in 2020).

84% of the journalists who responded to the Journalist Impact Survey are continuing to report on issues of public interest. 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. 78% were satisfied with their legal representation by Media Defence directly or the lawyer we engaged on their behalf and 100% would recommend our support to other journalists who are in legal trouble. 68% 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	2021 survey
% that would recommend MD to other journalists	95%	98%	100%	95%	100%
% that have continued to report on public interest topics	87%	90%	100%	90%	84%
% satisfied with their legal representation	85%	100%	82%	90%	77%
% satisfied with the outcome of their case	65%	85%	50%	95%	68%

84% believe that their journalistic activity will result in more legal challenges in the future. Whilst our legal defence is therefore having an impact, the environment in many countries remains repressive and Media Defence will continue to alter its litigation strategies accordingly. The full report can be accessed on our website.¹⁴

¹³ We were unable to contact journalists for whom we did not have contact details or who were in detention. We also excluded cases in which we submitted third party interventions, as we represented ourselves in these cases.

¹⁴ See <https://www.mediadefence.org/impact-publication/journalist-impact-survey-2021/>

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 evaluating two of our partner organisations: C-Libre in Honduras, and Media Foundation for West Africa, whose headquarters are in Ghana.

In addition, we continued to collect evidence for our strategic impact assesment, using the case of *FAJ v The Gambia* judgment obtained in 2018 to gain a deeper understanding of our impact in 12 different areas. We also interviewed lawyers and journalists to get a more in depth understanding of their experience with Media Defence, using their feedback to ensure our programmes remain relevant and informed by beneficiaries.

Our evaluations are summarised in our 2021 Learning Report which can be found on our website.¹⁵

Fundraising

In line with our 2020 – 2024 strategy, Media Defence aims to increase its income each year to enable us to help more journalists who are facing legal threats as a result of their work. We are also diversifying our income stream and increasing our unrestricted income.

Throughout 2021 our fundraising continued to be impacted by the pandemic, in particular due to travel restrictions and a challenging funding environment, but in spite of this we successfully secured sufficient funds to continue our work during 2021. Our efforts continued to be focussed on diversifying our income in order to strengthen our resilience. Our Development Cluster, fully staffed since 2020, is supported in these efforts through the Development Committee. The Development Cluster will integrate learnings from fundraising initiatives in 2021 into our fundraising plans for 2022.

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.

Media Defence is grateful for the continued support of all our donors.¹⁶ Their support has enabled continuity in delivery of our strategic objectives.

¹⁵ See <https://www.mediadefence.org/news/>

¹⁶ For a full overview of our donors, see <https://www.mediadefence.org/our-organisation/>.

Donated services

In 2021, Media Defence benefited from the donated services of some of the world's leading lawyers and law firms. Jointly, law firms contributed 735 hours of pro bono legal services. The highest contributing firms were Shearman and Sterling LLP and DLA Piper.

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 the Cyrus R. Vance Centre for International Justice, TrustLaw and the Thomson Reuters Foundation for assisting us in establishing new pro bono partnerships during 2021.

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 2021, travel restrictions and homeworking guidance meant that some volunteer engagements were postponed to 2022. During the year we worked with four volunteers, who committed a total of approximately 1410 hours. Three volunteers assisted with legal research in relation to our cases, covering a broad range of human rights related topics such as freedom of expression, universal jurisdiction, foreign agent laws, judicial independence, SLAPP suits, and case law of regional courts. One volunteer also supported our communications.

ORGANISATIONAL MANAGEMENT / ADMINISTRATION

IT Infrastructure

In line with our plans for 2021, we replaced and upgraded some of our IT infrastructure. We also continued to build and implement a new Customer Relationship Management (CRM) / Enterprise Resource Planning (ERP) system. This system combines functions of our financial management software, grant making software and fundraising support into a centralised database. Once the implementation is complete, this will increase our operational effectiveness by creating visibility and accessibility of data, eliminating duplication of efforts, and improving collaboration and reporting.

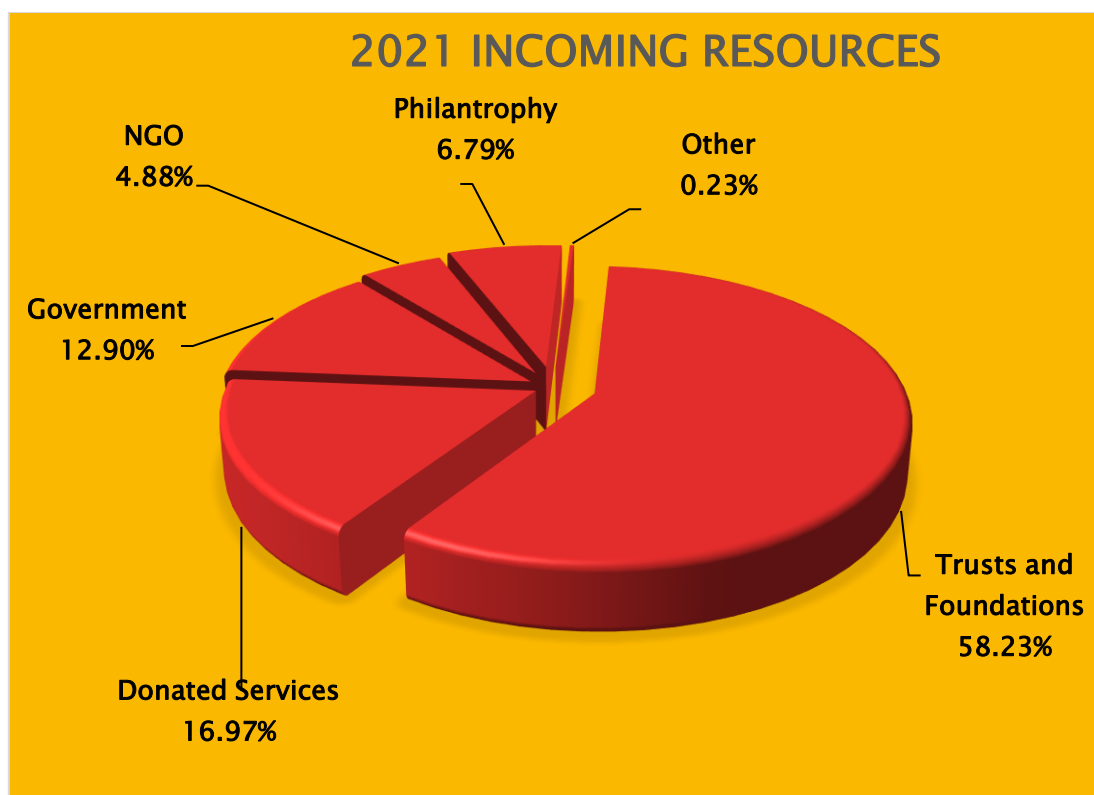
FINANCIAL REVIEW

Income

In 2021, we received total incoming resources of £2 million, of which £355K were donated services. Due to the lower level of donated services and unrestricted funds, our overall income decreased by 25%, but financial donations increased by 5% as a result of our investment in a development team in 2020.

64% of the incoming resources were restricted to either a region or a theme. 36% of funding was unrestricted. Donated services constituted 26% of the restricted incoming resources, compared to 63% in 2020.

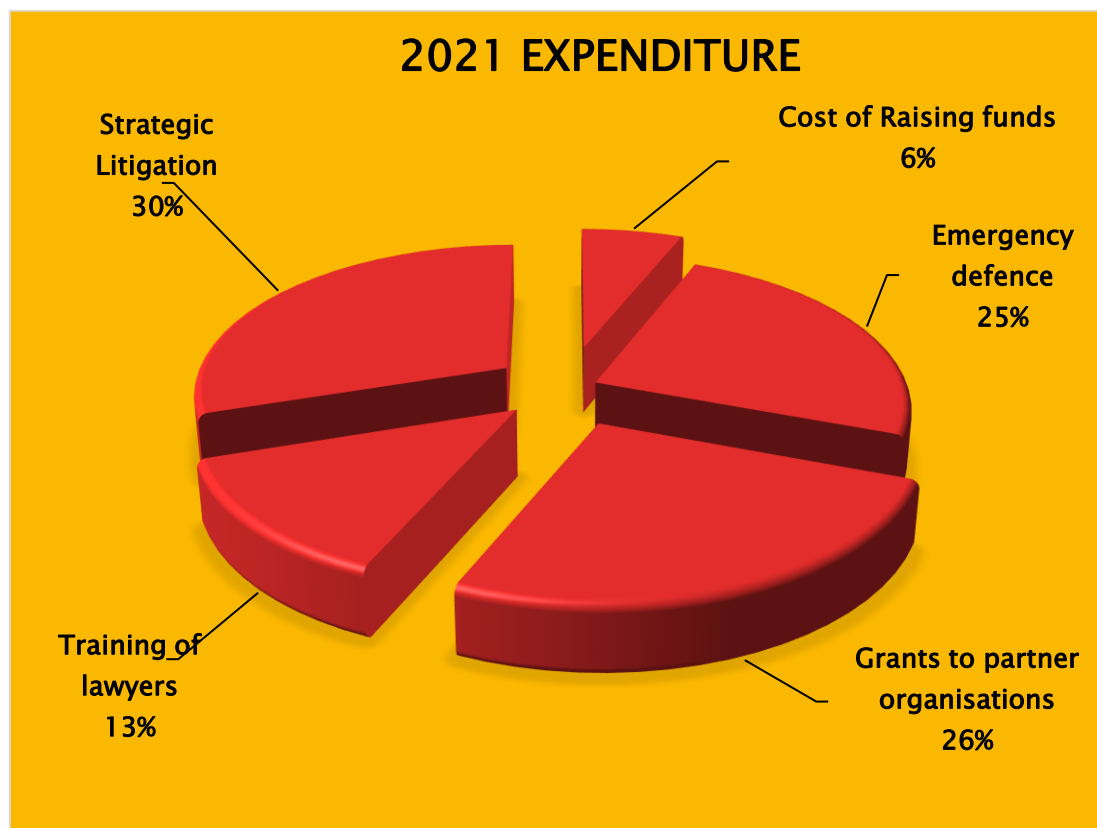
2021 Incoming Resources



As shown in the chart above, even though pro bono legal support continues to play an important part in enabling the delivery of activities, financial donations form a higher portion of incoming resources in 2021, with Trusts and Foundations continuing to be the main source of our funding. We however continue to diversify our funding sources.

Expenditure

2021 saw a 28% decrease in expenditure from £2.8 million in 2020, to £2 million in 2021. The decrease in donated services contributed to this decrease. Overall, there is an almost equitable spend between Emergency Defence, Strategic Litigation and Grants to partner organisations. The below shows the split during 2021 of expenditure between each of our charitable activities.



In 2021, Media Defence recorded a 5% decrease in funds spent on 'Emergency Defence', excluding the exceptional grant awarded in 2020, but a 13% increase in number of grants awarded (2021: 99, 2020: 88).

We also spent less on Grants to partner organisations while awarding one more grant than we did in 2020 (2021: 15 grants awarded, and 2020: 14 grants awarded).¹⁷

Our total support cost in 2021 was £308,486, compared to £373,695 in 2020, representing 15% of our total expenditure (compared to 13% in 2020).¹⁸

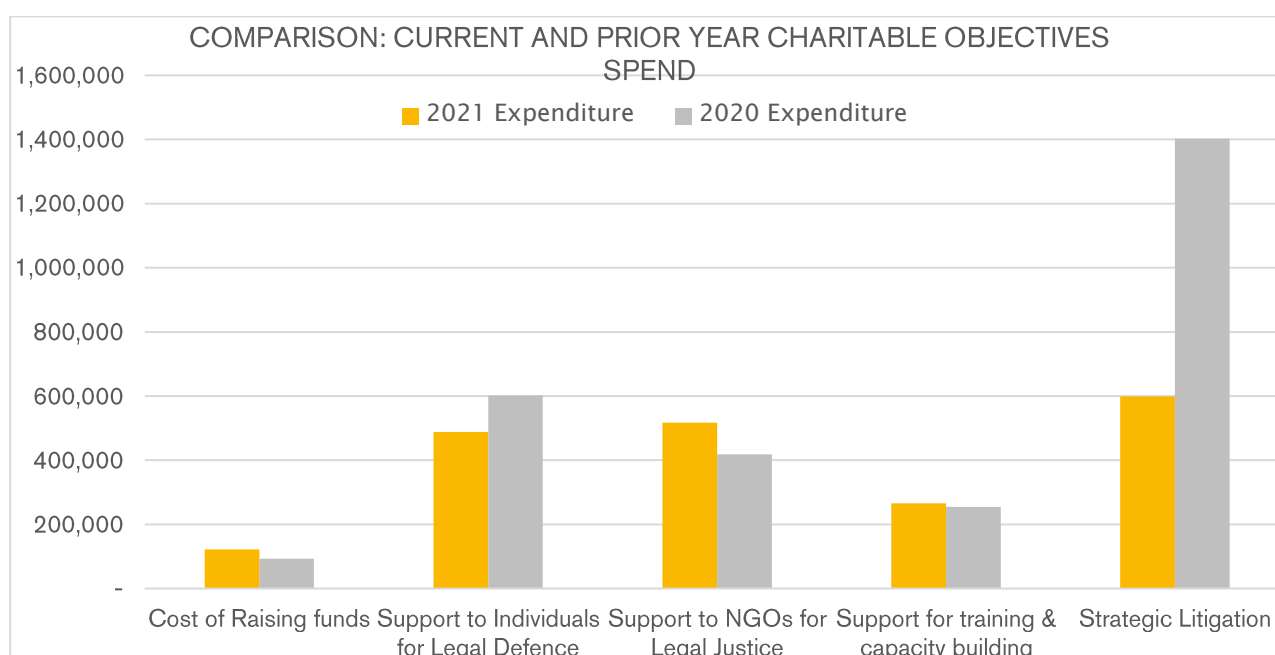
6% of our total expenditure was spent on raising funds, which reflects that 2021 was the first year in which we had a fully staffed development team in place and the subsequent increase in fundraising activity, including donor reporting. Support costs include salary and overhead costs, and have been allocated across activities on the basis shown in Note 1(i) of the Financial Statements.

Below is depiction of the above comparables.

¹⁷ As set out above, we contracted 14. The total amount of grants also includes one grant to a local lawyer (rather than an organisation) to take multiple cases as and when they arise.

¹⁸ Excluding donated services, our support cost in 2021 represented 19% of total expenditure (compared to 23% in 2020).

Comparison: Current and Previous Year Spend on Charitable Objectives



We closed the year with a net income of £100,781 (2020: £33,809 surplus) and maintain a similar liquidity ratio of 2:1.

At the end of 2021, we carried forward £940,322, of which £339,339 were restricted funds (funding with a thematic and/or regional restriction) and £600,983 were unrestricted funds (£357,000 of designated reserves and £243,483 of donor funds carried forward for ongoing activities).

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. Media Defence updates its risk policy and risk register regularly. The following identified risks have the greatest overall potential impact on Media Defence.

COVID-19

The most significant risks currently facing the organisation relate to the COVID-19 pandemic. The ongoing pandemic continues to create 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. We are however cautiously optimistic that restrictions and disruption will gradually decrease during 2022.

Media Defence has responded to the pandemic with regular re-forecasting and cash flow modelling, 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. We have also taken measures to support staff health, safety and wellbeing. We have been successful in finding alternative options for delivery of our 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.

Cyber Security Risk

During the pandemic, we have seen an increase in cyber attacks. A malicious cyber attack could lead to inability to access data and/or loss of data, including information that might endanger our beneficiaries, and loss of funds. We mitigate this risk by performing regular internal and external reviews of digital security threats, upgrading procedures and planning, increasing staff awareness and regular penetration testing of our website.

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 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 has set the reserves target at £357,500 (a 2% increase from 2020 given the increased headcount), which is the amount necessary to meet any costs of closing the organisation whilst remaining operational for a period of six months. 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 total unrestricted funds at year end stood at £600,983 (2020: £614,070). This is made up of designated reserves of £357,500 (sufficient to meet any costs of closing the organisation whilst remaining operational for a period of six months) and £243,483 of general funds (being unrestricted donor funds to be utilised for ongoing operational activities in 2022).

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. In addition, new funding opportunities have become available. Some operational expenditure was incurred at a reduced level as a result of increased homeworking 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 continue to be 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 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, our 2020-2024 strategy is aimed at magnifying 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.

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. During the pandemic 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 continues to be more important than ever, but media outlets are under 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. Our ability to meet the ever growing demand will depend on the availability of funds.
- Court closures will continue to result in delays to proceedings. We will remedy this as much as possible by monthly monitoring of key performance indicators and increasing our outreach to ensure we stay on track with our strategy.
- Travel restrictions will impact our ability to deliver trainings in person. We will remedy this by continuing to hold trainings online as much as possible.
- It has become more difficult to secure the income we need to deliver on our strategic priorities. We continue to remedy this by seeking 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 staff surveys and where necessary remedy through appropriate support. We will boost wellbeing by implementing the recommendations from a organisational trauma risk assessment.

We acknowledge that emerging from the pandemic may be an uneven process around the world and that measures may be reintroduced or may be subject to change at short notice. We will apply the lessons we have learned over the course of 2020 and 2021 to our future operating model.

At the time of publishing this report, due to the war in Ukraine there is overriding uncertainty about our ability to deliver support in both Ukraine and Russia. For instance, court closures in Ukraine will result in delays to ongoing proceedings and fewer opportunities for strategic litigation. The crackdown on independent media and human rights defenders in Russia has intensified, which will also impact our ability to deliver support. We will continue to monitor the situation to ensure we deliver support where possible.

We will continue to prioritise digital security during 2022. We will continue developing our new CRM/ERP system, as outlined above, to increase operational effectiveness.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Media Legal Defence Initiative, trading as Media Defence, 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 Alinda Vermeer, who was appointed CEO in May 2021. She was Acting CEO before then.

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 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 Job Evaluation Framework and Salary Scale. 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, fundraising, communication 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.

In response to staff turnover during 2020, we welcomed a new Grants Officer (Individuals) in 2021. In response to staff turnover in 2021, we had to fill three additional posts (Monitoring, Evaluation and Learning Officer, Programme Finance and Compliance Officer and Legal Officer. In March 2021, our former CEO resigned and the Acting CEO was appointed CEO. An additional Finance and Admin Officer strengthened the Finance Team.

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 2021 was 9 (2020: 9). 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 18 May 2022 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

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 2021 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 2021 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

Independent auditor's report

To the members of

Media Legal Defence Initiative

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

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. 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)

25 May 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor

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

Media Legal Defence Initiative (Trading as Media Defence)

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

For the year ended 31 December 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Income from:							
Donations and legacies	2	742,640	1,345,224	2,087,864	959,215	1,840,507	2,799,722
Investments		468	–	468	2,292	–	2,292
Other		4,325	–	4,325	3,035	–	3,035
Total income		747,433	1,345,224	2,092,657	964,542	1,840,507	2,805,049
Expenditure on:							
Raising funds	3	121,853	–	121,853	92,511	–	92,511
Charitable activities							
Support to Individuals for Legal Defence	3	228,584	259,862	488,446	267,710	334,371	602,081
Support to NGO's for Legal Justice	3	147,499	369,186	516,684	192,669	226,057	418,726
Support for training & capacity building	3	126,145	139,874	266,020	133,350	121,729	255,080
Strategic Litigation	3	136,438	462,434	598,872	159,150	1,243,691	1,402,841
Total expenditure		760,519	1,231,357	1,991,876	845,390	1,925,850	2,771,240
Net income / (expenditure) for the year	5	(13,086)	113,867	100,781	119,152	(85,343)	33,809
Transfers between funds		–	–	–	–	–	–
Net movement in funds		(13,086)	113,867	100,781	119,152	(85,343)	33,809
Reconciliation of funds:							
Total funds brought forward		614,068	225,472	839,541	494,916	310,815	805,732
Total funds carried forward		600,983	339,339	940,322	614,068	225,472	839,541

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 (Trading as Media Defence)

Balance sheet

Company no. 06621203

As at 31 December 2021

	Note	£	2021 £	£	2020 £
Fixed assets:					
Tangible fixed assets	10		<u>5,340</u>		<u>7,275</u>
Current assets:					
Debtors	11	48,558		278,634	
Cash at bank and in hand	18	<u>1,547,900</u>		<u>1,040,104</u>	
		1,596,458		1,318,738	
Liabilities:					
Creditors: amounts falling due within one year	12	<u>661,476</u>		<u>486,472</u>	
Net current assets			<u>934,982</u>		<u>832,266</u>
Total net assets	15		<u><u>940,322</u></u>		<u><u>839,541</u></u>
The funds of the charity:					
Restricted income funds	16.i		339,339		225,471
Unrestricted income funds:	16.ii				
Designated funds		357,500		350,000	
General funds		<u>243,483</u>		<u>264,069</u>	
Total unrestricted funds			<u>600,983</u>		<u>614,069</u>
Total charity funds			<u><u>940,322</u></u>		<u><u>839,541</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 18 May 2022 and signed on their behalf by Sarah Bull

Sarah Bull

SARAH BULL
Chair of the Board of Trustees

Media Legal Defence Initiative (Trading as Media Defence)

Statement of cash flows

For the year ended 31 December 2021

	Note	2021	2020
		£	£
Cash flows from operating activities	17		
Net cash provided by (used in) operating activities		507,412	(142,516)
Cash flows from investing activities:			
Dividends, interest and rents from investments		468	2,292
Purchase of fixed assets		(1,914)	(2,479)
Loss on Disposal		1,830	
Net cash (used in) investing activities		384	(187)
Change in cash and cash equivalents in the year		507,796	(142,703)
Cash and cash equivalents at the beginning of the year		1,040,104	1,182,807
Cash and cash equivalents at the end of the year	18	1,547,900	1,040,104

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 (99% funding of Media Defence's expenditure budget for the current financial year, is confirmed; while funding confirmed for the coming 12 months period is 83%), In the pipeline for the 18 month period are sufficient funds to cover the 17% deficit. 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.

1 Accounting policies (continued)

f) Donations of gifts, services and facilities

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

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

g) Fund accounting

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

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

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

h) Expenditure and irrecoverable VAT

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

Expenditure is classified under the following activity headings:

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

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

i) Allocation of support costs

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

● 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.

Notes to the financial statements

For the year ended 31 December 2021

1 Accounting policies (continued)

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 |

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.

Media Legal Defence Initiative (Trading as Media Defence)

Notes to the financial statements

For the year ended 31 December 2021

2 Income from donations and legacies

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Gifts & Donations	742,640	990,196	1,732,836	1,648,023
Legacies	–	–	–	–
Donated services	–	355,028	355,028	1,151,699
	<u>742,640</u>	<u>1,345,224</u>	<u>2,087,864</u>	<u>2,799,722</u>

In 2020 there were unrestricted gifts and donations of £959,215, 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 Media Defence

Media Legal Defence Initiative (Trading as Media Defence)

Notes to the financial statements

For the year ended 31 December 2021

3a Analysis of expenditure

	Note	Fundraising £	Charitable activities			Strategic Litigation £	Governance costs £	Support costs £	2021 Total £	2020	Total £
			Support to Individuals for Legal Defence £	Support to NGO's for Legal Justice £	Support for training & capacity building £						
Staff Costs	6	120,750	184,325	92,162	122,883	92,162	30,721	92,162.34	735,166		658,496
Other Staff Costs		–	5,663	2,831	3,775	2,831	944	2,831	18,875		15,775
Grants payable	4a	–	186,936	344,439	66,006	409,059	–	–	1,006,440		1,802,263
Translation services		–	–	–	–	15,005	–	–	15,005		5,014
Fundraising costs		1,103	–	–	–	–	–	–	1,103		1,168
Volunteers' expenses		–	–	–	–	–	–	–	–		21
Travel and subsistence		–	–	–	–	120	–	1,040	1,160		5,821
Meetings and events		–	–	–	24,798	2,390	–	–	27,188		6,750
Marketing and promotion		–	–	–	–	–	–	2,751	2,751		7,930
Monitoring, Evaluation & Research		–	–	–	5,280	–	–	–	5,280		23,143
Premises		–	–	–	–	–	–	62,115	62,115		90,749
Depreciation		–	–	–	–	–	–	2,020	2,020		3,637
Office costs		–	–	–	–	–	–	70,564	70,564		73,071
Bank Charges & Exchange (gains)/losses		–	468	130	90	182	–	15,047	15,917		43,774
Board expenses		–	–	–	–	–	4,814	–	4,814		840
Audit and accountancy		–	–	–	–	–	8,760	–	8,760		8,520
Legal and professional		–	–	–	–	–	–	14,718	14,718		24,269
Sub-total		121,853	377,391	439,563	222,832	521,751	45,239	263,248	1,991,876		2,771,240
Support costs		–	94,769	65,812	36,855	65,812	–	(263,248)	–		–
Governance costs		–	16,286	11,310	6,333	11,310	(45,239)	–	–		–
Total expenditure 2021		121,853	488,446	516,684	266,020	598,872	–	–	1,991,876		2,771,240
Total expenditure 2020		92,511	602,081	418,726	255,080	1,402,841	–	–	–		–

Of the total expenditure, £760,519 was unrestricted and £1,231,357 was restricted.

Media Legal Defence Initiative (Trading as Media Defence)

Notes to the financial statements

For the year ended 31 December 2021

3b Analysis of expenditure for prior year

	Note	Fundraising £	Charitable activities				Governance costs £	Support costs £	2020 Total £	2019	Total £
			Support to Individuals for Legal Defence £	Support to NGO's for Legal Justice £	Support for training & capacity building £	Strategic Litigation £					
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	4	–	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 (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
Sub-total		92,511	467,551	325,303	202,763	1,309,417	38,376	335,319	2,771,240		2,586,883
Support costs		–	120,715	83,830	46,945	83,830	–	(335,319)	–		–
Governance costs		–	13,816	9,594	5,373	9,594	(38,376)	–	(0)		–
Total expenditure 2020		92,511	602,081	418,726	255,080	1,402,841	–	–	2,771,240		2,586,883

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

Media Legal Defence Initiative (Trading as Media Defence)

Notes to the financial statements

For the year ended 31 December 2021

4a Grant making

	Grants to institutions £	Grants to individuals £	Support costs £	2021 £	2020 £
Cost					
Support to Individuals for Legal Defence	–	186,936	94,769	281,705	413,871
Support to NGO's for Legal Justice	344,439	–	65,812	410,251	321,993
Support for Training & Capacity Building	–	66,006	36,855	102,860	46,945
Strategic Litigation	355,028	54,031	65,812	474,871	1,299,092
At the end of the year	<u>699,467</u>	<u>306,973</u>	<u>263,248</u>	<u>1,269,688</u>	<u>2,081,900</u>

4b Grant making prior year

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

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 for the year

This is stated after charging / crediting:

	2021 £	2020 £
Depreciation	2,020	3,637
Operating lease rentals: Property and Equipment	54,576	74,565
Auditors' remuneration (excluding VAT): Audit	7,300	7,100
Foreign exchange losses (gains)	15,917	43,774

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

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	642,088	577,399
Social security costs	72,156	63,564
Employer's contribution to defined contribution pension schemes	20,922	17,533
	<u>735,166</u>	<u>658,496</u>

Notes to the financial statements

For the year ended 31 December 2021

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:

	2021 No.	2020 No.
£60,000 – £69,999	3	2
£70,000 – £79,999	1	–

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £82,206 (2020: £79,079).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses/development was £nil (2020: £nil).

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 16 (2020: 15).

8 Related party transactions

In 2021 the charity received pro bono support from the trustees or related parties of the trustees in the following instances:

- there was some 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 (2021: £35K; 2020: £1.1m).

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 Office equipment £	Computer equipment £	Total £
Cost or valuation			
At the start of the year	14,306	12,007	26,313
Additions in year	1,914	–	1,914
Disposals in year	(7,320)	(5,930)	(13,250)
At the end of the year	8,900	6,077	14,977
Depreciation			
At the start of the year	8,896	10,142	19,038
Charge for the year	1,193	826	2,020
Eliminated on disposal	(5,490)	(5,930)	(11,420)
At the end of the year	4,599	5,038	9,637
Net book value			
At the end of the year	4,300	1,039	5,340
At the start of the year	5,410	1,866	7,275

All of the above assets are used for charitable purposes.

Media Legal Defence Initiative (Trading as Media Defence)

Notes to the financial statements

For the year ended 31 December 2021

11 Debtors

	2021 £	2020 £
Grants Receivable	5,187	255,647
Other Debtors	16,300	8,375
Prepayments	27,072	14,612
	48,558	278,634

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade Creditors	32,860	40,552
Other Creditors	20,458	630
Grants Payable	411,622	369,960
Deferred Income	187,744	65,520
Accruals	8,791	9,810
	661,476	486,472

13 Deferred income

Deferred income comprises an amount of £187,744/\$250,000 received from OSI NY for 2022 activities.

	2021 £	2020 £
Balance at the beginning of the year	65,520	150,000
Amount released to income in the year	(65,520)	(150,000)
Amount deferred in the year	187,744	65,520
	187,744	65,520

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 unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	5,340	–	–	5,340
Net current assets	238,143	357,500	339,339	934,982
Net assets at the end of the year	243,483	357,500	339,339	940,321

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

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	7,275	–	–	7,275
Net current assets	256,794	350,000	225,471	832,265
Net assets at the end of the year	264,069	350,000	225,471	839,541

Media Legal Defence Initiative (Trading as Media Defence)

Notes to the financial statements

For the year ended 31 December 2021

16a Movements in funds (current year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers** £	At the end of the year £
16.i Restricted funds:					
Adessium 201922	59,141	42,460	(59,569)	-	42,032
Donated Services	-	355,028	(355,028)	-	-
Dow Jones 202021	-	7,208	(7,208)	-	-
DRL EWDRA	-	17,555	(2,704)	-	14,850
Ethiopia Fund	706	-	(706)	-	-
FB – Factcheckers Legal Support Initiative	34,698	-	(34,698)	-	-
Ford Foundation	47,852	203,998	(118,650)	-	133,200
Hivos 2021	-	77,043	(77,043)	-	-
ICNL (CAID)	-	68,672	(36,284)	-	32,389
IWPR (DFID)	1,167	5,924	(2,502)	-	4,589
KAS LATAM	-	8,527	-	-	8,527
Matrix Causes	-	1,250	-	-	1,250
National Endowment for Democracy (NED)– 202021	57,010	77,399	(88,427)	-	45,981
NED202123	-	31,058	(10,785)	-	20,273
Nicolas Peuch Fdn	-	49,123	(49,123)	-	-
Omidyar (Geographies)	21	49,780	(49,801)	-	-
OSF (Non – US) BAN (17 – 18)	16,126	-	(16,126)	-	-
OSI (CB) 2021	-	129,647	(129,647)	-	-
Other – Rtd/cncl'd Grants	8,751	-	1,611	-	10,362
UNESCO	-	25,157	(25,041)	-	116
USSD DRL	-	195,397	(169,626)	-	25,771
Total restricted funds	225,471	1,345,224	(1,231,357)	-	339,339
16.ii Unrestricted funds:					
Designated Reserves	350,000	-	-	7,500	357,500
Total designated funds	350,000	-	-	7,500	357,500
General funds	264,069	747,433	(760,519)	(7,500)	243,483
Total unrestricted funds	614,069	747,433	(760,519)	-	600,983
Total funds	839,541	2,092,657	(1,991,876)	-	940,321

Media Legal Defence Initiative (Trading as Media Defence)

Notes to the financial statements

For the year ended 31 December 2021

16b Movements in funds (prior year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
Dow Jones 201920	5,249	–	(5,249)	–	–
FOSI PIJ – LATAM	743	(1)	(742)	–	0
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)	–	0
Hivos 2020.b	–	40,744	(40,744)	–	–
IWPR (DFID)	–	0	23,817	–	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) BAN (17 – 18)	22,036	–	(5,910)	–	16,126
OSIAF Eurasia	8	–	(8)	–	–
National Endowment for Democracy (NED)– 20192C	2,816	28,633	(31,449)	–	–
National Endowment for Democracy (NED)– 202021	–	89,567	(32,558)	–	57,010
Omidyar (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
Total restricted funds	310,814	1,840,507	(1,925,850)	–	225,471
Unrestricted funds:					
Designated Reserves	293,000	–	–	57,000	350,000
Total designated funds	293,000	–	–	57,000	350,000
General funds	201,917	964,542	(845,390)	(57,000)	264,069
Total unrestricted funds	494,917	964,542	(845,390)	–	614,069
Total funds	805,731	2,805,049	(2,771,240)	–	839,540

16.i 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

US State Department – develop legal communities to defend, promote and strengthen freedom of expression online

US State Department – Empowering Women in Digital Rights Advocacy

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/rules of law factsheet and amicus briefs

MacArthur – Defence of journalists and other online media within Russia

NED – Defending Independent Media and Protecting at-risk Journalists

Nicolas Peuche Foundation – legal protection of journalists and media workers

OSF Foundation – support for journalist and online media in Bangladesh

Omidyar Network – 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

UNESCO – support for a free and safer environment for journalist

Notes to the financial statements

For the year ended 31 December 2021

16.ii Purposes of Unrestricted funds

Designated funds – maintained to ensure any significant financial risk to Media Defence are controllable

General funds – provided by the following funders: Chambers and Partners, Craig Newmark Foundation, Foundation for Promotion of Open Society, Luminate and Wellspring. These funds are carried forward to be utilised for ongoing operational activities in the upcoming financial year.

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

	2021 £	2020 £
Net Income for the reporting period (as per the statement of financial activities)	100,781	33,809
Depreciation charges	2,020	3,637
Dividends, interest and rent from investments	(468)	(2,292)
Decrease/(increase) in debtors	230,076	(190,709)
Increase in creditors	175,004	13,039
Net cash provided by / (used in) operating activities	507,412	(142,516)

18 Analysis of cash and cash equivalents

	At 1 January 2021 £	Cash flows £	Other changes £	At 31 December 2021 £
Cash in hand	524,037	507,274	–	1,031,311
Notice deposits (less than three months)	516,067	523	–	516,589
Total cash and cash equivalents	1,040,104	507,796	–	1,547,900

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 2021 £	2020 £
Less than one year	13,392	35,713
	13,392	35,713

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.