
MEDIA DIVERSITY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

MEDIA DIVERSITY

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MEDIA DIVERSITY

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees Julian Blake, Trustee
 Paresh Solanki, Trustee
 Joy Francis, Trustee
 Christina Pribichevich - Zoric, Trustee

**Company registered
number** 04886768

**Charity registered
number** 1110263

Registered office 78 Brading Crescent
 London
 E11 3RS

Company secretary Julian Blake

Chief executive officer Milica Pesic

Independent auditors Desaur LLP
 Chartered Certified Accountants
 Statutory Auditor
 CEME Campus
 Marsh Way
 Rainham
 Essex
 RM13 8EU

Bankers Barclay Bank Plc
 15 Great Portland Street
 London
 W1W 8QA

MEDIA DIVERSITY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their annual report together with the audited financial statements of the company for the 1 January 2020 to 31 December 2020. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

The Media Diversity Institute (MDI) – its official name being Media Diversity - is a charity which works internationally to encourage accurate and nuanced reporting on race, religion, ethnic, class, disability, gender and sexual identity issues in media landscapes around the world. While our work is grounded in the principles of freedom of expression and the values of diversity and inclusion, our day-to-day work focuses on cultivating practical skills to combat negative stereotypes and disinformation and to improve media and information literacy.

Objectives and activities

a. Policies and objectives

The policies adopted in the furtherance of objectives are to provide the education and training of persons who are or who may be engaged in such conflict or potential conflict environments through the activities of the media or otherwise. In addition, the charity advances the education of the public through research, monitoring and analysing the causes and effects of such conflicts, the best means of promoting their prevention, management, amelioration and resolution and the best means of educating and training persons in relation thereto and disseminating the useful results of such research, monitoring and analysis. There has been no changes in the year.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

MEDIA DIVERSITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Objectives and activities (continued)

b. Our Key challenges and highlights

The year 2020 was marked by several challenges, the main being the pandemic and an urgent need for the MDI team to switch from in-person to remote work, while making sure that the projects' implementation would go smoothly enough so that we wouldn't need to freeze any of our 18 projects. For, any freezing of a project would mean that MDI team members in charge of the frozen projects could be made redundant if the British Government did not come up with a relevant solution for such cases. We are pleased to say that this main challenge was dealt with successfully. Moving all MDI data to the Cloud and turning almost all our 2020 scheduled activities into virtual events took some time, and therefore some of the plans we had for the year had to be abandoned or moved to the following year, as was the case with the following 2020 objectives:

- a) Exploring options for MDI US: a part-time Head of Operations;
- b) Returning to the regions of North Africa and South Caucuses;
- c) Further search for management solutions in the London office.

Additional challenges came in the following forms: the post-Brexit worsening of the UK-EU relationship, which further reduced MDI's possibilities for seeking EU funding; a further tightening of media freedoms in China which, twinned with Covid-19, made the implementation of the China programme highly complicated; further increase in diversity-based discrimination by the media, this time related to the pandemic when unprofessional media held minority communities as a whole, or individuals coming from a minority background, responsible for spreading the virus. Ironically – but, similar to the previous year – the worsening media ecosystem caused by the above challenges has made MDI's work more significant and MDI more sought after as an implementer of programmes dealing with these issues.

This resulted in five new grants, new partnerships, and, to our delight, two of them to our sister organizations, Media Diversity Institute Global (Brussels) and Media Diversity Institute Western Balkans (Belgrade).

In 2020 the tenth generation of students from across the world enrolled in the Diversity and the Media MA course at the University of Westminster – a unique collaboration between a charity (MDI) and an academic institution. Unlike previous years, the number of students dropped due to the pandemic and the move to virtual teaching, which seemed to be unattractive to those who wanted not only to learn through the Course but also to personally experience the multiculturalism concept of the UK. Keeping the fee at the same level did not help to enhance the attractiveness of the Course.

This year was devoted to:

- a) Moving MDI data to Cloud.
- b) Moving from in-person to remote work.
- c) The further implementation, finalisation or setting up of new programmes.
- d) The further financial solidification of MDI in 2020 and beyond. In total, 31 applications were submitted to various donors: 23 grant applications and 8 bids for tenders. Most of them were related to the countries and regions where MDI has already been operating.
- e) Effecting USA funding through MDI US or MDI Headquarters.
- f) Effecting the funding for MDI Global in Brussels, Belgium.
- g) Raising the profile of MDI in the UK and abroad.

MEDIA DIVERSITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Objectives and activities (continued)

c. Fundraising and implementation of the grants

In 2020 a total of 5 grants and tenders was obtained: one extension grant and one new grant came from the US State Department (regional funding for **Get the Trolls Out!** and a grant for Lebanon), while three came from the EC (**GERIS**, **RDN2.0**, **GTTO Sri Lanka**).

With the existing funding obtained before 2020, MDI's annual turnover in this given year was £1,337,811 (2019 - £1,718,912).

Listed below are projects whose implementation began in earlier years, but continued throughout 2019, as well as projects whose implementation started in 2019:

- a) Implementing Phase 3 of '**Get The Trolls Out**', September 2016 –January 2021.
- b) Implementing and finalising the '**Quality Infotainment for Eurasia**' project, 2016-2020.
- c) Implementing and finalising the '**Media Literacy**' programme in China, 2018-2021.
- d) Continuing the implementation of the '**New Neighbours project**, 2018-2021.
- e) Continuing the implementation of the '**Open Information Programme**', 2018-2021.
- f) Continuing the implementation of the '**MLADI**' project in Serbia, 2019-2022.
- g) Implementing and finalising the '**DeTact**', run by MDIG, 2019-2021.
- h) Implementing and finalising the '**FACE**' project, run by MDIG, 2019-2021.
- i) Implementing and finalising the '**Disinformation and Diversity**' project, Middle East, 2019-2021.
- k) Setting up and running the '**GERIS**' project, 2020-2022.
- l) Setting up and running the '**RDN2.0**' project, 2020-2024.
- m) Implementing Phase 4 of the '**Get the Trolls Out**' project, 2020-2023.
- n) Setting up and running the '**Inclusive Media**' project, Lebanon, 2020-2023.
- o) Setting up and running the '**Get the Trolls Out**' Sri Lanka project, 2020-2023.
- p) Co-running of an '**MA in Diversity and the Media**' at the University of Westminster.

MEDIA DIVERSITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Objectives and activities (continued)

d. MDI'S Challenges in 2020

The following challenges were faced in 2020:

- a) **Moving MDI data from MDI central PC to Cloud.** A massive data transfer (some 22 years of MDI work) took several months but was done just before the pandemic lockdown started, thus once we moved to remote work the data was already on Cloud and accessible to the MDI team.
- b) **Switching MDI activities from in-person to virtual.** Due to the Pandemic and the UK Government relevant decisions, MDI had to close the office in March 2020 and move to remote work. This is a challenge for any organisation whose core activities are workshops, seminars, conferences. Thanks to MDI team members, who are very familiar with and fond of digital technology, it took us two months to start organising virtual versions of our planned in-person activities for 2020. MDI even helped some organisations, such as the Washington DC-based National Democratic Institute, to do four workshops in Central Europe. And while doing virtual activities in Spring and Summer 2020 was very appealing to potential attendees, in the Fall the mood was different: 'Zoom fatigue' affected even Governments. For instance, the US State Department, whose International Religion Freedom Ministerial usually attracts 400-500 participants, averaged only 130 attendees per virtual session. MDI Middle East's four workshops attracted only 48 participants instead of 80, so the fifth workshop was organised in 2021, when hybrid events started taking place.

Due to the UK Government's different lockdown decisions throughout 2020, MDI Board decided already in June 2020 to monitor the situation and advise the MDI team on whether to go back to the office or continue working remotely. The situation was assessed by the Board again in September 2020 and at the December 2020 Board meeting resulting in the Board decision to keep the MDI working remotely while continuing to assess the lockdown situation.

- c) **Continuing lack of core funding.** No attempts in this respect were made in the given year, primarily because of the huge amount of work involved in obtaining new grants and implementing current and new projects. The attempts made in previous years led us to conclude that the best way to obtain core funding is through private donors/ foundations. In 2020 MDI again had to use its reserves to cover running costs. Also such costs were reduced, to some extent, through the same MDI team members covering several roles in a project.
- d) **Hiring new team members remotely.** In 2020 MDI needed two new team members: a Communication Manager (the previous one moved to the position of a mentor in our Middle East Project) and a Social Media Campaigner. Interviewing and hiring employees without meeting them in person was a new experience no one had thought of before. We still have people whom we have never met in person.

MEDIA DIVERSITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Objectives and activities (continued)

e. Management Decisions

MDI has hired a part time Head of MDI Global who started in 2020. Her main task was to make MDI more present at decision-making events of the EC and other Brussels-based policy makers. Unfortunately, within a month of the hiring, Belgium imposed a lockdown, thus preventing her from doing her main task. Her second key task was to come up with MDI's Development strategy. It did not materialise in 2020 for several reasons: the impossibility of meeting EC contacts in person; lack of contacts with off-line and on-line advocacy groups which continued to communicate with and about EC policies. Attempts to have her included in other MDI projects as an adviser succeeded only once when MDI Western Balkans needed someone for a selection committee involved in assessing applications for subgrants by local CSOs.

In 2020, one of MDI's project managers resigned with 30-days notice. Luckily, the person who had managed the same project for the previous two years was available to take over, thus ensuring that the transition and handover ran smoothly, which was very important since this is one of MDI's flagship projects and very much liked by the donor who welcomed the return of the original project manager.

MDI continued to hire volunteers and interns to help with work on MDI communication platforms, as well as with several projects and research for applications, etc. The main source for this kind of help has been MDI's MA course, as well as academics who serve as MDI curriculum advisers.

MEDIA DIVERSITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Objectives and activities (continued)

f. Raising the profile of MDI in the UK and abroad

Representatives of MDI were invited to join several high-level events, as speakers, trainers or contributors. Some of the most important events attended were the following:

- a) UK Diversity in Journalism Publication, MDI Contribution
- b) Gender and Media in East of Africa Conference, Dakar, February 9-14.
- c) International Religious Freedom, UN Conference, Geneva, March 2
- d) Media and Diversity in Serbia, Conference, May 22, virtual
- e) FAZANA International Media Festival, MDI co-organiser, Sept 6-12
- f) Mutual Learning Virtual Regional Conference, Ljubljana, Oct 14-15, virtual
- g) Antisemitism and Media, Conference, US State Dept, October 21-22, virtual
- h) Facebook Roundtable with EU Code of Conduct on Hate Speech, October 7, virtual
- i) Twitter #StandUpToHate Campaign Launch Event, October 13, virtual
- j) Inclusion & Diversity Virtual Event with Twitter, October 26, virtual
- k) Twitter/NGO Hate Speech Code of Conduct Event, November 24, virtual
- l) Interview about MDI, M Pesic, PRIZMA, HTV, November 12
- m) International Religious Freedom, US State Dept Conf., November 17, virtual
- n) Global Media Freedom Conference, UK/Canada Govs, virtual, November 16
- o) Media and Conflict, South Caucasus Conference, Dec 17, virtual
- p) PRAGUE MEDIA POINT Conference, December 1-11, virtual
- q) Interview for 021 Radio, M Pesic, Serbia, December 22
- r) EIYN - Religions for Peace, Hate speech Conference, 22 December, virtual

Achievements and performance

a. Main achievements of the company

The Charity's achievements and performance are fully detailed in the section above.

MEDIA DIVERSITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance (continued)

b. Review of activities

The Statement of Financial Activities shows grants received of £1,316,209 (2019: £1,716,112) and expenditure of £1,259,630 (2019: £1,858,097). This has resulted in a net surplus of £78,181 (2019: deficit of £139,185) after taking into account the amounts received as investment and other income. It is the policy of the charity that funds are sought well in advance of its activities in order to ensure that it will be able to continue the charity's current objectives while consideration is given to ways in which additional funds may be raised.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Structure, governance and management

a. Constitution

Media Diversity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

b. Methods of appointment or election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

c. Financial risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

MEDIA DIVERSITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Plans for future periods

Key 2021 Objectives:

- a) Further support to MDI Global – to establish itself and MDI as a relevant Brussels-based promoter of diversity and media accountability.
- b) Continuation of efforts to return to the regions of North Africa and South Caucasus.
- c) Further search for management solutions in the London office (Director of Operations plans to switch to part-time from 2021).
- d) Updating the MDI Communication Strategy.
- e) Searching for new office premises due to the expiry of the current contract (max 10 years) in 2021.

Members' liability

The Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the company in the event of winding up.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MEDIA DIVERSITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Disclosure of information to auditors


Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Desaur LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 17 September 2021 and signed on their behalf by:



.....
Julian Blake

MEDIA DIVERSITY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MEDIA DIVERSITY

Opinion

We have audited the financial statements of Media Diversity (the 'charitable company') for the Year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure for the Year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 the charitable company'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.

MEDIA DIVERSITY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MEDIA DIVERSITY (CONTINUED)

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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.

MEDIA DIVERSITY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MEDIA DIVERSITY (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

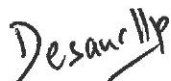
We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Desaur LLP
Chartered Certified Accountants
Statutory Auditor
CEME Campus
Marsh Way
Rainham
Essex
RM13 8EU

17 September 2021

Desaur LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006

MEDIA DIVERSITY

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	3	200,887	1,115,322	1,316,209	1,716,112
Investments	4	1,690	-	1,690	2,800
Other income	5	19,912	-	19,912	-
Total income		222,489	1,115,322	1,337,811	1,718,912
Expenditure on:					
Raising funds	6	35,319	-	35,319	28,265
Charitable activities		513,724	710,587	1,224,311	1,829,832
Total expenditure		549,043	710,587	1,259,630	1,858,097
Net (expenditure)/income		(326,554)	404,735	78,181	(139,185)
Transfers between funds	14	116,272	(116,272)	-	-
Net movement in funds		(210,282)	288,463	78,181	(139,185)
Reconciliation of funds:					
Total funds brought forward		809,580	55,022	864,602	1,003,787
Net movement in funds		(210,282)	288,463	78,181	(139,185)
Total funds carried forward		599,298	343,485	942,783	864,602

The Statement of Financial Activities includes all gains and losses recognised in the Year.

The notes on pages 18 to 29 form part of these financial statements.

MEDIA DIVERSITY
REGISTERED NUMBER: 04886768

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	847	1,130
		<u>847</u>	<u>1,130</u>
Current assets			
Debtors	12	25,004	380,187
Cash at bank and in hand		1,051,785	531,796
		<u>1,076,789</u>	<u>911,983</u>
Creditors: amounts falling due within one year	13	(134,853)	(48,511)
Net current assets		<u>941,936</u>	<u>863,472</u>
Total assets less current liabilities		<u>942,783</u>	<u>864,602</u>
Net assets excluding pension asset		<u>942,783</u>	<u>864,602</u>
Total net assets		<u><u>942,783</u></u>	<u><u>864,602</u></u>
Charity funds			
Restricted funds	14	343,485	55,022
Unrestricted funds	14	599,298	809,580
Total funds		<u><u>942,783</u></u>	<u><u>864,602</u></u>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the Year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

MEDIA DIVERSITY
REGISTERED NUMBER: 04886768

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

The financial statements were approved and authorised for issue by the Trustees on 17 September 2021 and signed on their behalf by:


.....
Julian Blake
(Trustee)

The notes on pages 18 to 29 form part of these financial statements.

MEDIA DIVERSITY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
	£	£
Cash flows from operating activities		
Net cash used in operating activities	519,989	(388,709)
Cash flows from investing activities		
Net cash provided by investing activities	-	-
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the Year	519,989	(388,709)
Cash and cash equivalents at the beginning of the Year	531,795	920,504
Cash and cash equivalents at the end of the Year	1,051,784	531,795

The notes on pages 18 to 29 form part of these financial statements

MEDIA DIVERSITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Media Diversity is a private company limited by guarantee incorporated in England and Wales. The registered office is 78 Brading Crescent, London, E11 3RS.

The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Media Diversity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

At the time of approving the accounts, the trustees have reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Despite the impact of COVID-19, the charity continues to generate income and plans on continuing business as normal following the gradual return to operations after the national lockdown period. On this basis, the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

2.3 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from grants is recognised when the charity has entitlements to the funds, any performance conditions attached to the grants have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably..

MEDIA DIVERSITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs include governance costs incurred directly in support of expenditure and administration of the company in connection for compliance with constitutional and statutory requirements.

Expenditure on raising funds includes all expenditure incurred by the company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Plant and machinery	- 25% reducing balance
Fixtures and fittings	- 25% reducing balance

2.6 Debtors

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

2.7 Cash at bank and in hand

Cash at bank and 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.

MEDIA DIVERSITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.9 Financial instruments

The company 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.

2.10 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the Year.

2.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Grants	200,887	1,115,322	1,316,209	1,716,112
	<u>200,887</u>	<u>1,115,322</u>	<u>1,316,209</u>	<u>1,716,112</u>
Total 2019	238,116	1,477,996	1,716,112	
	<u>238,116</u>	<u>1,477,996</u>	<u>1,716,112</u>	

MEDIA DIVERSITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. Income from donations and legacies (continued)

4. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	1,690	1,690	2,800
	<u>1,690</u>	<u>1,690</u>	
<i>Total 2019</i>	<u>2,800</u>	<u>2,800</u>	

5. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Other operating income	19,912	19,912	-
	<u>19,912</u>	<u>19,912</u>	

6. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Consultation costs	35,319	35,319	28,265
	<u>35,319</u>	<u>35,319</u>	
<i>Total 2019</i>	<u>28,265</u>	<u>28,265</u>	

MEDIA DIVERSITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

7. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Training workshops and conferences	920,577	303,734	1,224,311	1,829,832
<i>Total 2019</i>	<i>1,543,905</i>	<i>285,927</i>	<i>1,829,832</i>	

Analysis of direct costs

	Total funds 2020 £	Total funds 2019 £
Project expenses	920,577	1,543,905

Analysis of support costs

	Activities 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	182,740	182,740	194,525
Depreciation	283	283	377
Audit fees	2,500	2,500	2,250
Rental expense	19,045	19,045	37,953
Consultancy fees	2,167	2,167	18,620
IT Costs	1,848	1,848	11,612
Volunteer expenses	-	-	505
Finance costs	2,015	2,015	14,584
Office costs	52,973	52,973	45,287
Exchange differences	40,163	40,163	(39,786)
	303,734	303,734	285,927
<i>Total 2019</i>	<i>285,927</i>	<i>285,927</i>	

MEDIA DIVERSITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

7. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

8. Auditors' remuneration

	2020 £	2019 £
Fees payable to the company's auditor for the audit of the company's annual accounts	2,500	2,250

9. Staff costs

	2020 £	2019 £
Wages and salaries	162,050	172,086
Social security costs	17,861	19,376
Contribution to defined contribution pension schemes	2,829	3,063
	182,740	194,525

The average number of persons employed by the company during the Year was as follows:

	2020 No.	2019 No.
Executive Director and Co-ordinator	1	1
Project Manager	1	1
Fundraising and charitable activities	2	2
	4	4

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	1

10. Trustees' remuneration and expenses

During the Year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the Year ended 31 December 2020, no Trustee expenses have been incurred (2019 - £NIL).

MEDIA DIVERSITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

11. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2020	2,305	6,283	8,588
At 31 December 2020	2,305	6,283	8,588
Depreciation			
At 1 January 2020	1,911	5,547	7,458
Charge for the Year	99	184	283
At 31 December 2020	2,010	5,731	7,741
Net book value			
At 31 December 2020	295	552	847
At 31 December 2019	394	736	1,130

12. Debtors

	2020 £	2019 £
Due within one year		
Other debtors	25,004	380,187
	25,004	380,187

13. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	6,812	2,734
Other creditors	511	5,653
Accruals and deferred income	127,530	40,124
	134,853	48,511

MEDIA DIVERSITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Statement of funds

Statement of funds - current Year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2020 £
Unrestricted funds					
General Funds	809,580	222,489	(549,043)	116,272	599,298
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds					
European Union	68,315	712,905	(163,430)	(253,879)	363,911
ICFJ - Infotainment	(20,053)	195,354	(206,020)	-	(30,719)
US State Department	(4,375)	207,063	(341,137)	138,449	-
Others	11,135	-	-	(842)	10,293
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	55,022	1,115,322	(710,587)	(116,272)	343,485
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	<hr/> 864,602 <hr/>	<hr/> 1,337,811 <hr/>	<hr/> (1,259,630) <hr/>	<hr/> - <hr/>	<hr/> 942,783 <hr/>

MEDIA DIVERSITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

14. Statement of funds (continued)

Statement of funds - prior Year

	<i>Balance at 1 January 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 December 2019 £</i>
Unrestricted funds					
General Funds	983,028	240,916	(655,307)	240,943	809,580
	<u>983,028</u>	<u>240,916</u>	<u>(655,307)</u>	<u>240,943</u>	<u>809,580</u>
Restricted funds					
European Union	27,866	428,056	(282,227)	(105,380)	68,315
ICFJ - Infotainment	(20,054)	564,451	(558,392)	(6,058)	(20,053)
US State Department	1,812	485,489	(362,171)	(129,505)	(4,375)
Others	11,135	-	-	-	11,135
	<u>20,759</u>	<u>1,477,996</u>	<u>(1,202,790)</u>	<u>(240,943)</u>	<u>55,022</u>
Total of funds	<u>1,003,787</u>	<u>1,477,996</u>	<u>(1,858,097)</u>	<u>-</u>	<u>864,602</u>

15. Summary of funds

Summary of funds - current Year

	<i>Balance at 1 January 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 December 2020 £</i>
General funds	809,580	222,489	(549,043)	116,272	599,298
Restricted funds	55,022	1,115,322	(710,587)	(116,272)	343,485
	<u>864,602</u>	<u>1,337,811</u>	<u>(1,259,630)</u>	<u>-</u>	<u>942,783</u>

MEDIA DIVERSITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

15. Summary of funds (continued)

Summary of funds - prior Year

	<i>Balance at 1 January 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 December 2019 £</i>
General funds	983,028	240,916	(655,307)	240,943	809,580
Restricted funds	20,759	1,477,996	(1,202,790)	(240,943)	55,022
	<u>1,003,787</u>	<u>1,718,912</u>	<u>(1,858,097)</u>	<u>-</u>	<u>864,602</u>

16. Analysis of net assets between funds

Analysis of net assets between funds - current period

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	847	-	847
Current assets	733,303	343,485	1,076,788
Creditors due within one year	(134,852)	-	(134,852)
Total	<u>599,298</u>	<u>343,485</u>	<u>942,783</u>

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	1,130	-	1,130
Current assets	856,960	55,022	911,982
Creditors due within one year	(48,510)	-	(48,510)
Total	<u>809,580</u>	<u>55,022</u>	<u>864,602</u>

MEDIA DIVERSITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	78,181	(139,185)
Adjustments for:		
Depreciation charges	283	377
Decrease/(increase) in debtors	355,183	(288,505)
Increase in creditors	86,342	38,604
Net cash provided by/(used in) operating activities	519,989	(388,709)

18. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,051,784	531,795
Total cash and cash equivalents	1,051,784	531,795

19. Analysis of changes in net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	531,795	519,989	1,051,784
	531,795	519,989	1,051,784

20. Contingent liabilities

The accounts do not include any provision in respect of a rent review increase claimed by MDI's previous landlord, which was challenged by MDI and remains unresolved.

The company is also waiting for the outcome of a fraud investigation where funds remitted were not received by the associated partner.

MEDIA DIVERSITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

21. Pension commitments

"The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £2,829 (2019: £3,063) were payable to the fund. At the balance sheet date the amount payable was £511 (2019: £677) and is included in creditors.

22. Operating lease commitments

At 31 December 2020 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	-	18,650
Later than 1 year and not later than 5 years	-	12,433
	<u>-</u>	<u>31,083</u>

23. Related party transactions

	2020 £	2019 £
MDI Global	16,636	28,178
	<u>16,636</u>	<u>28,178</u>

24. Post balance sheet events

The outbreak of COVID-19 at the end of 2019 was followed by a national lockdown order by the government on 23 March 2020 which resulted in closures across the country and affected the charity's projects. This will have an impact on the income from various donors. However the charity continues to obtain funding from various donors on projects and the trustees regularly review the impact of the closures. A reliable estimate of the impact on donor funding could not be made.

25. Controlling party

The charity is under the control of its trustees.