
MEDIA DIVERSITY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021

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

**Company registered
number** 04886768

**Charity registered
number** 1110263

Registered office 85-87 Bayham Street
 London
 NW1 0AG

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 2021

The Trustees present their annual report together with the audited financial statements of the company for the 1 January 2021 to 31 December 2021. 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 2021

Objectives and activities (continued)

b. Our Key challenges and highlights

The year 2021 was another pandemic year which meant: a continuation of remote working, organising and hosting MDI events online and offline, and preparation for post-pandemic modus operandi - from deciding on hiring new office space to the recruitment of a Deputy Executive Director.

The pandemic did not negatively impact the implementation of projects. A total of 17 funding applications were submitted by MDI and its sister organisations, MDI Global and MDI Western Balkans. In each case, MDI decided on the activities and partners, as well as providing the know-how and fees for fundraising consultants. Three applications were successful, totalling EUR 8.2m, of which MDI's part was over EUR 500,000.

It was a year when MDI's Board of Trustees had a meeting with the entire MDI team, resulting in the Board's decision to proceed with a Governance Review, aware that MDI had reached the stage when it needed to move from a small organisation to a mid-sized one. All procedures and policies were to be reviewed and updated through a Governance Review, which was to be carried out over 6 – 9 months. As part of the Review, a new Deputy Executive Director was recruited in 2022.

Despite our efforts to return to North Africa and South Caucasus, our three applications for these regions were unsuccessful. The plans to search for a part-time MDI US Head of Operations scheduled for 2021 and to develop the option of linking all MDI sister organisations under a single umbrella of one Board were postponed due to the planned Governance Review.

2021 proved what we had assumed earlier: the post-Brexit worsening of the UK-EU relationship, which further reduced MDI's possibilities for seeking EU funding, pushing MDI to search for other funding opportunities such as the UK Government, the UNDEF, the Dutch Government and the embassies. The biggest challenge in 2021 was the increase of diversity-based discrimination by the media, relating to the pandemic when certain sections of the media held minority communities and/or individuals coming from a minority background responsible for spreading the virus.

Ironically as in 2020, the worsening media ecosystem caused by the challenges made MDI's work even more important as an implementer of programmes dealing with these issues. In addition, MDI had to strengthen our Communications team. For the first time in MDI's history, two more people were recruited onto the team, enabling MDI to cope with a massive amount of negative diversity-related media content across the globe.

In 2021, the eleventh generation of students from across the world enrolled in the **Diversity and the Media MA Course** at the University of Westminster. The marking of its tenth anniversary in 2020, **postponed to 2021, to develop an in-person event**, did not materialise. The MDI Communication Team and the University of Westminster jointly decided to move it to 2022.

In summary, the year 2021 was devoted to:

- a) The continual implementation, finalisation or setting up of new programmes.
- b) The search for a Deputy Executive Director.
- c) Preparations for the Diversity and the Media MA Course Anniversary.
- d) The further financial solidification of MDI in 2021 and beyond. In total, 17 applications were submitted to various donors: 14 grant applications and 3 tender bids. Most of them were related to the countries and regions where MDI has already been operating.
- e) Raising the profile of MDI in the UK and abroad.

MEDIA DIVERSITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Objectives and activities (continued)

c. Fundraising and implementation of the grants

In 2021, a total of 3 grants were obtained, two of which, **MEDIADELCOM** (three years; EUR3m) and **MAGIC** (two years; EUR206,000), came via MDI Global (Brussels) and one, **COVINFORM** (three years; 5m) came via MDI UK. All three grants were obtained from the EC, and in each MDI is a partner.

With the existing funding obtained before 2021, MDI's annual turnover in this given year was £2,167,631 (2020 - £1,337,811).

Listed below are projects whose implementation began in earlier years, but continued throughout 2021, as well as projects whose implementation started in 2021:

- a) Finalising Phase 3 of '**Get the Trolls Out**' September 2016 – January 2021.
- b) Finalising the '**Quality Infotainment for Eurasia**' project, 2016-2021.
- c) Implementing the '**Media Literacy**' programme in China, 2018-2021, which got another extension due to the political situation in China, with a plan to end it in 2022.
- d) Finalizing the '**New Neighbours**' project, 2018-2021.
- e) Implementing the '**Open Information Programme**', 2018-2021, which was given another extension due to Covid.
- 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 '**Disinformation and Diversity**' project, Middle East, 2019-2021.
- i) Implementing the **GERIS** project, 2020-2022.
- j) Implementing the **RDN2.0** project, 2020-2024.
- k) Implementing Phase 4 of the '**Get the Trolls Out**' project, 2020-2023.
- l) Implementing the **Inclusive Media, Cohesive Society** project, Lebanon, 2020-2023.
- m) Implementing the '**Get the Trolls Out!**' Sri Lanka project, 2020-2023.
- n) Setting up and running the **MEDIADELCOM** project, 2021-2024.
- o) Setting up and running the **MAGIC** project, 2021-2023.
- p) Setting up and running the **COVINFORM** project, 2021-2024.
- q) Co-running an **MA in Diversity and the Media** at the University of Westminster.

MEDIA DIVERSITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Objectives and activities (continued)

d. MDI'S Challenges in 2021

The following challenges were faced in 2021:

- a) **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. This was also due to a plan to have the new Deputy Executive Director work with all MDI sister organisations on a new 5-year strategy which will be a solid basis to go to potential, mainly private donors/ foundations for which strategic plans are among the key criteria for providing funding. In 2021, MDI again had to use its reserves to cover running costs. The reserves came mainly from non-paid overtime and/or the same MDI team members covering several project roles.
- b) **Hiring new team members remotely.** In 2021, MDI needed five new team members: a Communication Manager Assistant, a GTTO project assistant, the RDN Social Media Campaigner, a new MDI Global Head of Operations, and the EDD. Interviewing and hiring employees without meeting them in person was slightly easier in this year due to MDI's experience from 2020. But, working with people whom one has never met in person was, and is, a continuing learning process.

e. Management Decisions

In 2021 it became evident that the 2020 choice of a part-time Head of MDI Global was not the most suitable solution for the organisation. This was due to several reasons, including lack of the right contacts at the EC and other Brussels-based policymakers; lack of experience in fundraising; the Belgian lockdown; failure to develop MDIG's Development strategy; and lack of contacts with offline and online advocacy groups, which continued to communicate with and about EC policies. Attempts to include her in other MDI projects in 2021 did not materialise. She resigned in June 2021. The new person was selected among MDI consultants who took over in November 2021.

In the same year, and after working for MDI for three months, the Social Media Campaign Manager in the RDN project (Western Balkans), hired through an open call for applications, resigned without giving us an opportunity to discuss his resignation. As in the case of the MDIG Head, a solution was found within two months among contributors to the MDI Western Balkans.

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 of 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 2021

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) *Arab States Broadcasting Union's Media in the time of Covid-19 pandemic* Conference, online, January 14.
- b) **EU'S RESPONSIBLE REPORTING ON ROMA INCLUSION** Conference, online, January 25.
- c) **AIBD/IOM's MEDIA MATTERS: DISPELLING DISINFORMATION ABOUT MIGRANTS AND REFUGEES** Conference, hybrid, March 16 -23.
- d) Weekend programme, BBC World Service Radio, 2h, April 4.
- e) **UNESCO World Press Freedom Day** Conference, online, April 29-May 3.
- f) **JEUNES EUROPEENS FEDERALISTES INTERNET GOVERNANCE** Seminar, Alicante (online), July 9.
- g) European Broadcasting Union's **EUROVISION INTERCULTURAL AND DIVERSITY** Conference, Zagreb, July 15.
- h) **MEDIENDIENST INTEGRATION NETWORKING** Workshop, Berlin, September 9-10.
- i) **TRUST, SECURITY AND PROTECTION OF VULNERABLE GROUPS** Workshop, Youth & Policy Makers Trust, online, September 23.
- j) **EU's PSM RADIO, TV AND ONLINE CONTENT FOR ETHNIC MINORITIES IN THE WESTERN BALKANS** Conference, Novi Sad, October 7-8.
- k) **ODIHR/KAICIID's High-Level Dialogue on Social Cohesion** Conference, Lisbon, October 19-21.
- l) **UNESCO SEE Regional Conference on Media Literacy GLOBAL MIL WEEK**, online, October 21, 2021
- m) **Stereotyped Race and Gender: Importance of Media Monitoring**, Bournemouth, online, UK, October 25.
- n) **Conference on Migration and Media Awareness**, Hamburg, Germany, October 28-30. Panel **"Youth initiatives in Europe on countering hate speech: good practices and challenges"**, online, November 9, 2021.
- o) MAX Event, AEIDL, Brussels, November 25-26.
- p) **'Conspiracies of Hate: Antisemitism in Online Anti-Vax Discourse'**, Graduate Centre for Europe, University of Birmingham [online], November 30, 2021.
- q) Council of Europe's **Intercultural Dialogue in the infodemic era** Conference, Lisbon, December 9.
- r) UNESCO Internet Government Conference, December 9.
- s) **JEUNES EUROPEENS FEDERALISTES INTERNET GOVERNANCE** Final Conference, Belgium, online, December 8-10.

MEDIA DIVERSITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Objectives and activities (continued)

- t) **The EU Investigative Journalism Award** Juror, Montenegro, January – November.
- u) **The Fetisov Journalism Awards:** MDI rep as a member of the Expert Council, April – November.
- v) **Global Forum for Media Development,** MDI Rep at its Steering Committee, 2021 – on.

Achievements and performance

a. Main achievements of the company

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

b. Review of activities

The Statement of Financial Activities shows grants received of £2,163,706 (2020: £1,316,209) and expenditure of £1,497,300 (2020: £1,259,630). This has resulted in a net surplus of £670,331 (2020: £78,181) 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.

b. Reserves policy

The Trustees have examined the charity's requirements for reserves needed to meet the working capital requirements of the charity and they are confident that the charity is able to continue the current charitable activities.

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.

MEDIA DIVERSITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management (continued)

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.

Plans for future periods

Key 2022 Objectives:

- a) Appointment of Deputy Executive Director
- b) Development of MDI's 5-year Development Strategy.
- c) Development of MDI's 5-year Communication Strategy.
- d) Improvement and development of MDI policies.
- e) Further support to MDI Global and MDI WB.
- f) Continuation of efforts to return to the regions of North Africa and South Caucasus.
- g) The search for and move to new office premises.
- h) Applying for the **Negotiated Indirect Cost Rate Agreement (NICRA)** - indirect cost rate to be negotiated between the US State Department and a Grantee's organisation which reflects the indirect costs (facilities and administrative costs) and fringe benefit expenses incurred by the organisation.

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.

MEDIA DIVERSITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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.

Disclosure of information to auditors

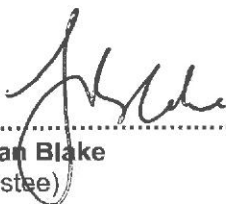
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- 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 21 September 2022 and signed on their behalf by:



.....
Julian Blake
(Trustee)

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 2021 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 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; 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 the provisions available for small entities, in the circumstances set out in note 25 to the financial statements, 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.

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 is detailed below:

Based on our understanding of the company and industry, we identified the principal risks of non-compliance with laws and regulations. We also considered those laws and regulations that have both a direct and non-direct impact on the financial statements.

Audit procedures performed included:

- Enquiring with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

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 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.

MEDIA DIVERSITY

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



Desaur LLP

Chartered Certified Accountants

Statutory Auditor

CEME Campus

Marsh Way

Rainham

Essex

RM13 8EU

21 September 2022

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 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	773,627	1,390,079	2,163,706	1,316,209
Investments	4	361	-	361	1,690
Other income	5	3,564	-	3,564	19,912
Total income		777,552	1,390,079	2,167,631	1,337,811
Expenditure on:					
Raising funds	6	43,435	-	43,435	35,319
Charitable activities		908,372	545,493	1,453,865	1,224,311
Total expenditure		951,807	545,493	1,497,300	1,259,630
Net (expenditure)/income		(174,255)	844,586	670,331	78,181
Transfers between funds	14	529,950	(529,950)	-	-
Net movement in funds		355,695	314,636	670,331	78,181
Reconciliation of funds:					
Total funds brought forward		599,298	343,485	942,783	864,602
Net movement in funds		355,695	314,636	670,331	78,181
Total funds carried forward		954,993	658,121	1,613,114	942,783

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

The notes on pages 18 to 30 form part of these financial statements.

MEDIA DIVERSITY
REGISTERED NUMBER: 04886768

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	635	847
		<u>635</u>	<u>847</u>
Current assets			
Debtors	12	35,209	25,004
Cash at bank and in hand		1,597,177	1,051,785
		<u>1,632,386</u>	<u>1,076,789</u>
Creditors: amounts falling due within one year	13	(19,907)	(134,853)
Net current assets		<u>1,612,479</u>	<u>941,936</u>
Total assets less current liabilities		<u>1,613,114</u>	<u>942,783</u>
Net assets excluding pension asset		<u>1,613,114</u>	<u>942,783</u>
Total net assets		<u>1,613,114</u>	<u>942,783</u>
Charity funds			
Restricted funds	14	658,121	343,485
Unrestricted funds	14	954,993	599,298
Total funds		<u>1,613,114</u>	<u>942,783</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 2021

The financial statements were approved and authorised for issue by the Trustees on 21 September 2022 and signed on their behalf by:


.....
Julian Blake
(Trustee)

The notes on pages 18 to 30 form part of these financial statements.

MEDIA DIVERSITY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	545,393	519,989
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	545,393	519,989
Cash and cash equivalents at the beginning of the Year	1,051,784	531,795
Cash and cash equivalents at the end of the Year	1,597,177	1,051,784

The notes on pages 18 to 30 form part of these financial statements

MEDIA DIVERSITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Media Diversity is a private company limited by guarantee incorporated in England and Wales. The registered office is 85-87 Bayham Street, London, NW1 0AG.

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..

Other income includes reimbursed expenses and rental income which are recognised in the period in which it is receivable.

MEDIA DIVERSITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021

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.

MEDIA DIVERSITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Grants	773,627	1,390,079	2,163,706	1,316,209
<i>Total 2020</i>	<i>200,887</i>	<i>1,115,322</i>	<i>1,316,209</i>	

4. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	361	361	1,690
<i>Total 2020</i>	<i>1,690</i>	<i>1,690</i>	

5. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Other operating income	3,564	3,564	19,912
<i>Total 2020</i>	<i>19,912</i>	<i>19,912</i>	

MEDIA DIVERSITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

6. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Consultation costs	43,435	43,435	35,319
<i>Total 2020</i>	<u>35,319</u>	<u>35,319</u>	

7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Training workshops and conferences	1,045,974	407,891	1,453,865	1,224,311
<i>Total 2020</i>	<u>920,577</u>	<u>303,734</u>	<u>1,224,311</u>	

Analysis of direct costs

	Total funds 2021 £	Total funds 2020 £
Project expenses	1,045,974	920,577

MEDIA DIVERSITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	241,270	241,270	182,740
Depreciation	211	211	283
Audit fees	2,500	2,500	2,500
Rental expense	3,072	3,072	19,045
Consultancy fees	3,227	3,227	2,167
IT Costs	4,027	4,027	1,848
Finance costs	3,567	3,567	2,015
Office costs	112,201	112,201	52,973
Exchange differences	37,816	37,816	40,163
	<u>407,891</u>	<u>407,891</u>	<u>303,734</u>
<i>Total 2020</i>	<u>303,734</u>	<u>303,734</u>	

8. Auditors' remuneration

	2021 £	2020 £
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>2,500</u>	<u>2,500</u>

9. Staff costs

	2021 £	2020 £
Wages and salaries	219,227	162,050
Social security costs	19,027	17,861
Contribution to defined contribution pension schemes	3,016	2,829
	<u>241,270</u>	<u>182,740</u>

MEDIA DIVERSITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

9. Staff costs (continued)

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

	2021 No.	2020 No.
Executive Director and Co-ordinator	1	1
Project Manager	1	1
Fundraising and charitable activities	2	2
	<hr/> 4	<hr/> 4

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

	2021 No.	2020 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 (2020 - £NIL).

During the Year ended 31 December 2021, no Trustee expenses have been incurred (2020 - £NIL).

MEDIA DIVERSITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

11. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2021	2,305	6,283	8,588
At 31 December 2021	<u>2,305</u>	<u>6,283</u>	<u>8,588</u>
Depreciation			
At 1 January 2021	2,010	5,731	7,741
Charge for the Year	74	138	212
At 31 December 2021	<u>2,084</u>	<u>5,869</u>	<u>7,953</u>
Net book value			
At 31 December 2021	<u>221</u>	<u>414</u>	<u>635</u>
At 31 December 2020	<u>295</u>	<u>552</u>	<u>847</u>

12. Debtors

	2021 £	2020 £
Due within one year		
Other debtors	35,209	25,004
	<u>35,209</u>	<u>25,004</u>

13. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	4,834	6,812
Other creditors	5,102	511
Accruals and deferred income	9,971	127,530
	<u>19,907</u>	<u>134,853</u>

MEDIA DIVERSITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

14. Statement of funds

Statement of funds - current Year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2021 £
Unrestricted funds					
General Funds	599,298	777,552	(951,807)	529,950	954,993
Restricted funds					
European Union	363,911	437,761	(128,924)	(119,786)	552,962
ICFJ - Infotainment	(30,719)	42,982	(32,512)	20,249	-
US State Department	-	909,336	(384,057)	(430,413)	94,866
Others	10,293	-	-	-	10,293
	343,485	1,390,079	(545,493)	(529,950)	658,121
Total of funds	942,783	2,167,631	(1,497,300)	-	1,613,114

MEDIA DIVERSITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

14. Statement of funds (continued)

Statement of funds - prior 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>
Unrestricted funds					
General Funds	809,580	222,489	(549,043)	116,272	599,298
	<u>809,580</u>	<u>222,489</u>	<u>(549,043)</u>	<u>116,272</u>	<u>599,298</u>
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
	<u>55,022</u>	<u>1,115,322</u>	<u>(710,587)</u>	<u>(116,272)</u>	<u>343,485</u>
Total of funds	<u>864,602</u>	<u>1,337,811</u>	<u>(1,259,630)</u>	<u>-</u>	<u>942,783</u>

15. Summary of funds

Summary of funds - current Year

	<i>Balance at 1 January 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 December 2021 £</i>
General funds	599,298	777,552	(951,807)	529,950	954,993
Restricted funds	343,485	1,390,079	(545,493)	(529,950)	658,121
	<u>942,783</u>	<u>2,167,631</u>	<u>(1,497,300)</u>	<u>-</u>	<u>1,613,114</u>

MEDIA DIVERSITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

15. Summary of funds (continued)

Summary of funds - prior 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>

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	635	-	635
Current assets	974,265	658,121	1,632,386
Creditors due within one year	(19,907)	-	(19,907)
Total	<u>954,993</u>	<u>658,121</u>	<u>1,613,114</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	847	-	847
Current assets	733,304	343,484	1,076,788
Creditors due within one year	(134,853)	-	(134,853)
Total	<u>599,298</u>	<u>343,484</u>	<u>942,782</u>

MEDIA DIVERSITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	670,331	78,181
Adjustments for:		
Depreciation charges	211	283
Decrease/(increase) in debtors	(12,596)	355,183
Increase/(decrease) in creditors	(112,553)	86,342
Net cash provided by operating activities	545,393	519,989

18. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	1,597,177	1,051,784
Total cash and cash equivalents	1,597,177	1,051,784

19. Analysis of changes in net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	1,051,784	545,393	1,597,177
	1,051,784	545,393	1,597,177

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 2021

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 £3,016 (2020: £2,829) were payable to the fund. At the balance sheet date the amount payable was £511 (2020: £511) and is included in creditors.

22. Operating lease commitments

The company had no commitments under non-cancellable operating leases at 31 December 2021.

23. Related party transactions

	2020 £	2020 £
MDI Global	35,209	16,636
	<u>35,209</u>	<u>16,636</u>

24. Controlling party

The charity is under the control of its trustees.

25. Provisions available for audits of small entities

In common with other charities of our size and nature we use our auditors to prepare and submit tax returns to the tax authorities and assist with the preparation of the financial statements.