
Registered name: Media Legal Defence Initiative.
Registered charity in England and Wales (1128789).
A company limited by guarantee in England and Wales (06621203).

Trustees' Annual Report and Financial Statements

For the year ended 31 December 2022

Contents

Reference and administrative information	3
Trustees' annual report	4
Independent auditor's report	21
Statement of financial activities (incorporating an income and expenditure account)	24
Balance sheet	25
Statement of cash flows	26
Notes to the financial statements	27

Reference and administrative information

Company number Country of incorporation

06621203
England and Wales

Charity number Country of registration

1128789
England and Wales

Registered office and operational address

5 Chancery Lane, London, WC2A 1LG

Trustees

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Sarah BULL (Chair)
Matthew FRANCIS (Chair of the Finance, Risk and Audit Committee)
David JONES
Steven FINIZIO
Caroline FROST
Catherine ANITE
María Teresa RONDEROS
Galina ARAPOVA (from March 2022)
Peter HYDE (from August 2022)
Chivonne PRESTON (from August 2022)
Victoria DEAN (from October 2022)
Elizabeth RIVERA (from October 2022)
Smita SHAH (resigned from the board in February 2022) and
Richard BROPHY (resigned from the board in August 2022).

Key management

Alinda VERMEER (Chief Executive Officer until February 2023)
Carlos GAIO (Chief Executive Officer from March 2023)

Bankers

Triodos Bank	Barclays Bank
Deanery Street	1 Churchill Place
Bristol	London
BS1 5AS	E14 5HP

Auditor



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

Trustees' Annual Report

The trustees present their report and the audited financial statements for the year ended 31 December 2022.

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

Reference and administrative information set out on page 3 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and Activities

Charitable Objectives

Media Defence's charitable objectives are to promote human rights throughout the world, in particular through protecting freedom of speech and the right to free expression, and to advance education in law, including human rights and media law.

Mission

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

Mandate

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

Main activities

Emergency Defence

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

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

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

Strategic Litigation

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

Our strategic litigation priorities are: 1) obtaining redress for journalists who have become victims of violence and harassment and 2) protecting free speech online. In order to respond to the rapidly changing freedom of expression landscape, we also litigate other strategic cases that offer an important opportunity to advance media freedom standards.

Local Legal Capacity Building

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

1. Grants to partner organisations

Media Defence provided grants of up to £25,000 in 2022 and added value support to partner organisations in countries or regions where there is a strong need for legal support for journalists and where it can be difficult for independent media to obtain quality and affordable legal support. This support enables them to provide legal defence to journalists in their countries.

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

We assess partnership applications on the following criteria:

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

2. Training of lawyers

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

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

2020-2024 Strategy

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

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

By 2024, we aim to:

- support at least 100 new emergency defence cases per year, with at least 70% of supported; journalists continuing to report on public interest issues;
- support at least 40 new strategic cases per year, maintaining a success rate of 70%+;
- support at least 21 partner organisations in providing legal defence to the media in their countries or regions;
- run regional litigation surgeries for lawyers in Latin America, Europe, sub-Saharan Africa and Asia; and
- facilitate cross-partner learning, promote best practices in media defence litigation and strengthen legal advocacy across the world.

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

Achievements And Performance

Impact of COVID-19 related measures on our achievements

The measures taken by the UK government as well as governments in countries in which we operate, continued to impact the delivery of and the demand for Media Defence's activities in the following ways.

- Journalists continue to work in a pressured working environment as a result of the pandemic.¹ We continue to see high levels of journalists in need of legal support, reflecting the deterioration of the operating environment of the media around the world.
- 2022 saw an end to court closures and most backlogs were resolved. We saw very high numbers of applications for case support.
- Uncertainty around travel restrictions decreased, so we returned to in-person litigation surgeries in 2022. Trainings originally planned for 2021, such as a litigation surgery in South Asia and in Latin America, took place in 2022. We were also able to carry out a site visit to a partner organisation in 2022. We continue to deliver trainings and peer learning events online and bolster the sustainability of our local legal capacity building by sharing our legal expertise through on our website as well as a dedicated Training Resource Hub that makes our training materials available.
- Delays in growing our local legal capacity building during 2020-2021 meant that we had to revise down our strategic goal of supporting 25 partners by 2024 to 21 to ensure the pace of growth is sustainable.

Despite the disruption caused by the pandemic, and economic and political crises in many countries where we operate, Media Defence continues to make good progress toward achieving the goals set out in our 2020-2024 strategy. During 2022, we exceeded the strategic goals for our emergency defence and strategic litigation programmes due to the high level of demand for our support.

Overall picture

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

We supported journalists and media outlets in 188 new cases in 2022, exceeding our target of taking on 130 new cases.² As litigation can be enduring, these new cases only form a small part of our overall case load. In total, our team worked on 543 cases during the year, in 82 countries. As a comparison, in 2021 we worked on 466 cases throughout the year.

We supported 18 local organisations to deliver legal defence to media in their countries,³ which enabled them to litigate at least a further 500 cases across a range of freedom of expression issues and courts in countries where the need for support is the highest. We also trained 47 lawyers, expanding our training programme into Latin America and South Asia.

With the pandemic accelerating the decline in media freedom, it has become more difficult to obtain a successful outcome in cases and we saw our success rate in strategic cases decrease to 60%. The decrease in the success rate was visible in particular in cases at the domestic level, with cases at regional courts and international bodies retaining a strong success rate of 84% (compared to 88% in 2021). Legal threats and sanctions used to deter independent journalism can be overcome, if necessary by progressing cases to the regional or international level, and access to high quality legal support free of charge is more important than ever to stem the tide.

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

² In 2021 we took on 124 new cases.

³ 20 grants were approved in 2022, but 2 were not contracted by the year end.

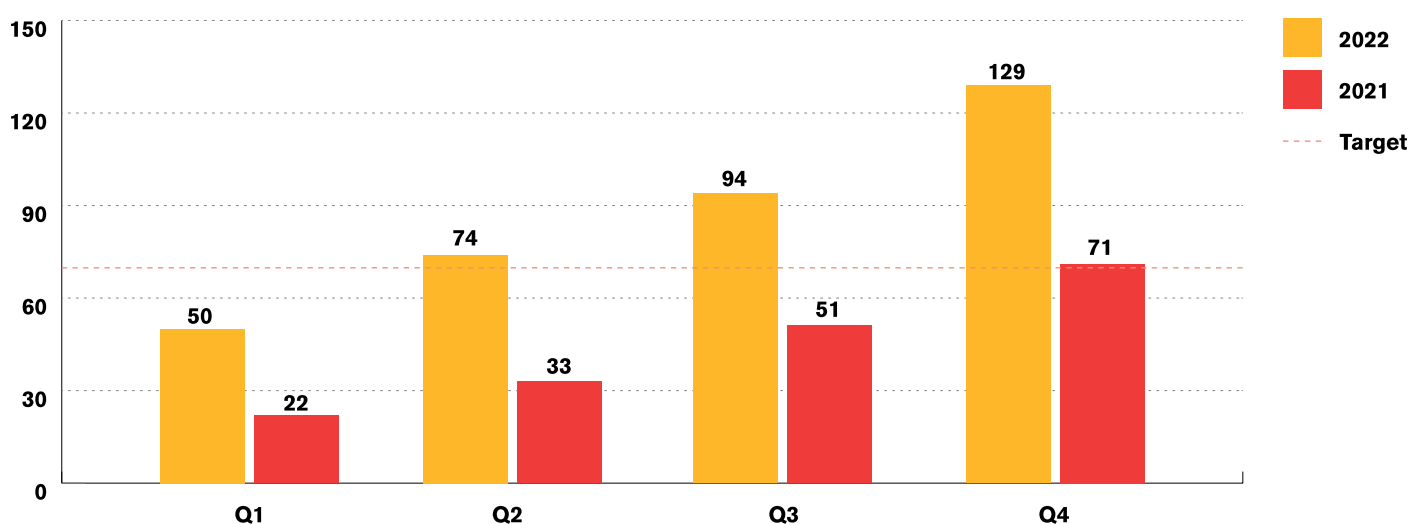
Emergency defence

Out of the 188 new cases, 129 cases fell under our emergency defence programme.⁴ We worked on 245 cases in total under this programme throughout the year. Journalists, citizen journalists and media houses in need of legal help applied for support by submitting an application form to our grants team. Grant requests were on average approved within 10 business days after receipt of a complete application.

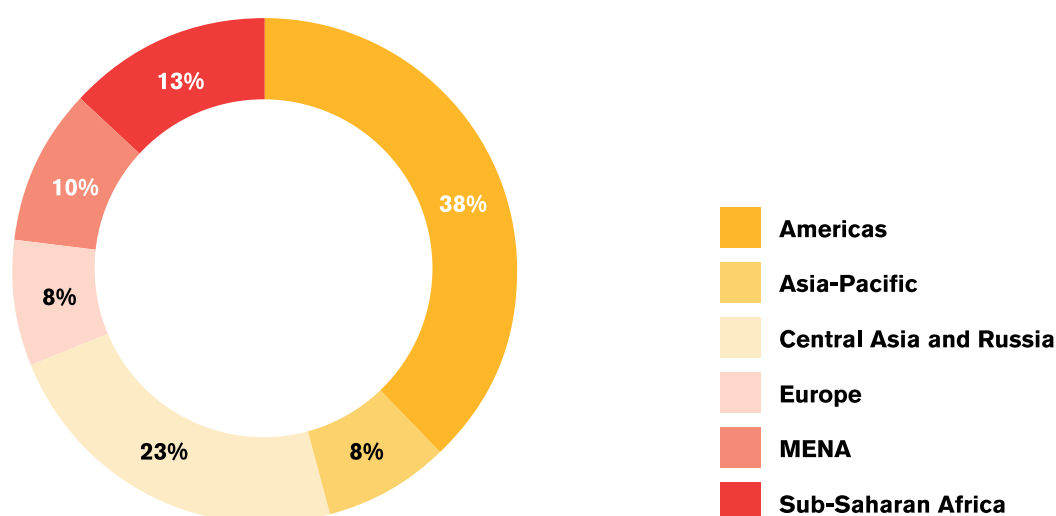
Typically, we responded to requests for assistance by providing funding to hire a local lawyer and working with the local lawyer to secure a good outcome for the journalist concerned. Our in-house legal team provided technical legal support in seven cases.

We supported the highest number of new cases in Brazil (49). In addition, we also supported a high number of cases in Azerbaijan (23), Yemen (6) and Ethiopia (4).

Number of new emergency defence cases supported (cumulative)



Emergency defence cases by region, 2022.



⁴ The emergency defence work is reflected in the Statement of Financial Activities (a record of all income and expenditure in 2022) as 'Support to Individuals for Legal Defence'.

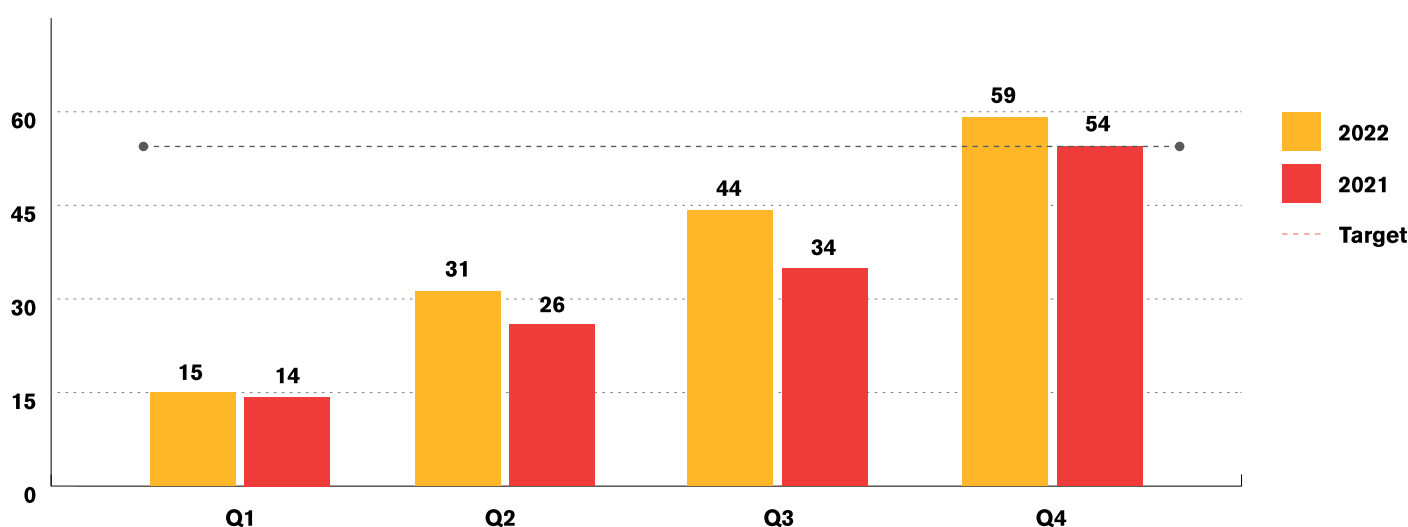
Strategic litigation

We took on 59 new strategic cases, compared to 53 in 2021,⁵ bringing the total number of active strategic cases we supported in 2022 to 216.

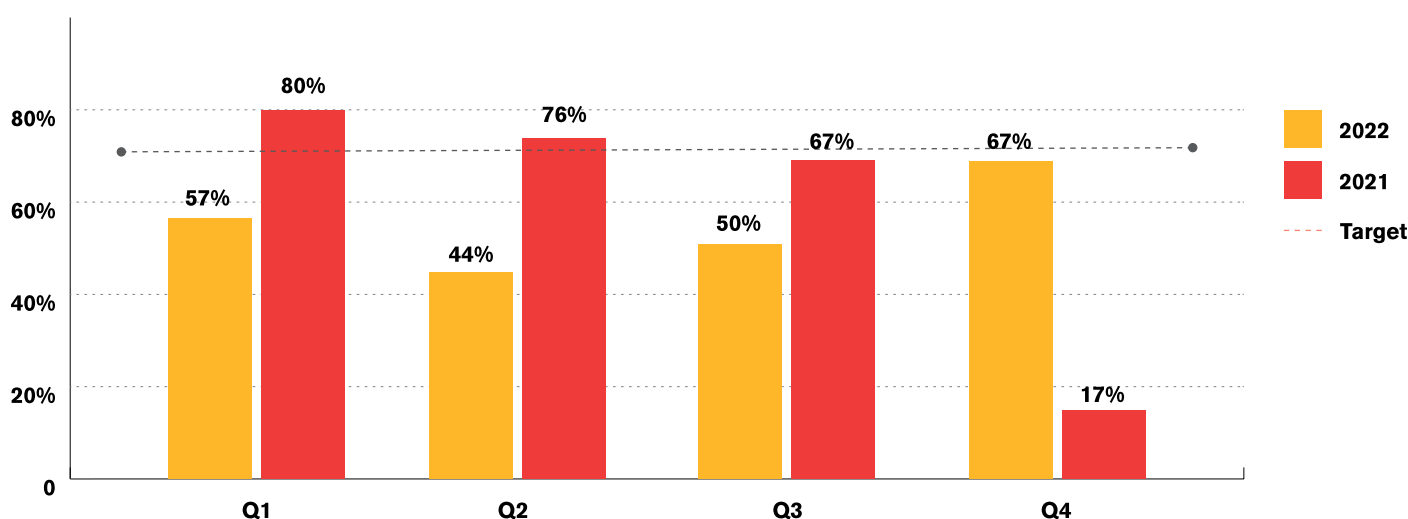
Most new strategic cases originated from Azerbaijan (14), Colombia (6), Nigeria (5), Hungary (4) and Russia (3).

50 strategic cases came to an end in 2022. In those cases we obtained an average success rate of 60%. This is a decrease compared to 2021, when 65% of cases were successful or partially successful. This indicator increases to 84% for strategic cases litigated at a regional court or international mechanism.

Number of new strategic cases (per quarter, cumulative)



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



⁵ The strategic litigation work is reflected in the Statement of Financial Activities (a record of all income and expenditure in 2022) as 'Strategic Litigation', which includes grants to cover legal fees of local lawyers in strategic cases supported by in-house lawyers acting pro bono, as well as filing and translation costs.

Local legal capacity building

Grants to partner organisations⁶

In 2022, we provided 18 grants to support local organisations to deliver legal defence to media in their countries, compared to 15 in 2021. In total, we had 19 active partners in 2022. The grants awarded in 2022 enabled our partners to litigate over 500 cases across a range of freedom of expression issues and courts.⁷ Throughout the year, we provided additional legal support in 10 cases taken by partner organisations.

Our partners in 2022 were Media Policy Institute (Kyrgyzstan), Foundation for Society and Legal Studies (TOHAV, Turkey), Fundación para la Libertad de Prensa (Colombia), Helsinki Foundation for Human Rights (Poland), Human Rights Platform (Ukraine), Media and Law Studies Association (MLSA, Turkey), Hungarian Civil Liberties Union (Hungary), Ossigeno per l'Informazione (Italy), Legal Aid for Cambodia (Cambodia), Abraj (Brazil), Le Collectif des Associations Contre l'Impunité au Togo (CACIT, Togo), Volunteers for Sustainable Development in Africa (VOSIEDA, Liberia), Campaign for Free Expression (CFE, South Africa), the Network of Public Interest Lawyers (NETPIL, Uganda), a partner in Russia, three partners in South Asia and a partner in the MENA region.⁸

As part of our strategic goal to deepen the support we provide to our partners, we collaborated on litigation and provided fundraising support to some of our partners. We also hosted two lawyers from our partner organisations in Turkey and Brazil for a fellowship with Media Defence's legal team.

We were gradually able to return to site visits in 2022, visiting our partner in Uganda in August.

Training of lawyers⁹

Litigation surgeries, workshops and peer learning events

We returned to in-person litigation surgeries again in 2022, expanding our training programme into Latin America and South Asia in addition to sub-Saharan Africa. We trained a total of 47 lawyers in four litigation surgeries.

We also ran know-how events, in which 10 sub-Saharan African training alumni came together for different sessions relating to freedom of expression online. These sessions built on the content of litigation surgeries and helped strengthen the network of litigators who have attended our trainings.

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

Training Resource Hub

The sustainability of our training programme and accessibility of our training materials is bolstered by our online Training Resource Hub.¹⁰ In 2022, the Training Resource Hub was expanded to support litigation surgeries in South Asia and Latin America, including a wider range of topics and languages. The Training Hub nearly doubled its page views in 2022 with 4,201 unique views.

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

⁶ This is reflected in the Statement of Financial Activities (a record of all income and expenditure in 2022) as 'Support to NGOs for Legal Justice'.

⁷ This figure is based on agreed outputs.

⁸ Names withheld to protect the identity of the organisations.

⁹ This is reflected in the Statement of Financial Activities (a record of all income and expenditure in 2022) as 'Support for training and capacity building'.

¹⁰ See <https://www.mediadefence.org/resource-hub/>.

Collaboration with University of Edinburgh

As part of our ongoing partnership with the University of Edinburgh,¹¹ we organise and supervise a one-year freedom of expression clinic during the academic year 2022-2023. We assist students in drafting two petitions to the UN Working Group on Arbitrary Detention (UNWGAD) on behalf of a human rights defender and a blogger from Vietnam, both arbitrarily detained following their peaceful reporting on human rights issues in their countries. Media Defence assists students in drafting the petitions which will be submitted to the UNWGAD in 2023.

Beneficiaries of our services

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

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

Journalist Impact Survey

In 2022, we carried out our sixth annual Journalist Impact Survey to look at the longer-term impact of our support on our primary beneficiaries, journalists.

Our Journalist Impact Survey is designed to understand the quality of our legal and financial support to journalists in addition to gaining a greater appreciation of the role of legal defence in ensuring journalists can continue to report, which informs Media Defence's future case work. The survey therefore allows us to test our theory of change: access to legal defence enables journalists to continue reporting and holding governments and authorities to account for the public.

86 cases supported under our Emergency Defence and Strategic Litigation programmes came to an end in 2022. We directly contacted 23 journalists¹² and asked lawyers to contact another 28 journalists on our behalf. 22 responded to our Journalist Impact Survey.

95% of the journalists who responded to the Journalist Impact Survey continue to report on issues of public interest. In addition, many felt that their case had a positive impact by increasing public support of/respect for journalism and encouraged other journalists to seek justice. 95% were satisfied with their legal representation by Media Defence directly or through the lawyer we engaged on their behalf and 100% would recommend our support to other journalists who are in legal trouble. 64% were satisfied with the outcome of their case.

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

¹¹ The clinic is usually attended by students from Edinburgh Law School who are in the third or fourth year of their undergraduate programme. The clinic provides a unique opportunity for students to work alongside practicing lawyers on international casework. Each year, there are introductory sessions delivered by Media Defence and course supervisors (external barristers) on matters of freedom of expression and human rights law before the students are introduced to two live case studies. The clinic educates law students on matters of freedom of expression and human rights law, inspiring them to pursue a career in the field, but also delivers concrete results in real cases.

¹² We were unable to contact journalists for whom we did not have contact details or who were in detention. We also excluded cases in which we submitted third party interventions, as we represented ourselves in these cases.

	2018 Survey	2019 Survey	2020 Survey	2021 Survey	2022 Survey
% that would recommend MD to other journalists	98%	100%	95%	100%	100%
% that have continued to report on public interest topics	90%	100%	90%	84%	95%
% satisfied with their legal representation	100%	82%	90%	77%	95%
% satisfied with the outcome of their case	85%	50%	95%	68%	64%

91% believe that their journalistic activity will result in more legal challenges in the future. Whilst our legal defence is therefore having an impact, the environment in many countries remains repressive and Media Defence will continue to adapt its litigation strategies accordingly. The full report can be accessed on our website.¹³

Project and programme evaluations

Media Defence carried out a number of evaluations in order to measure outcomes, impact, and identify learnings for improvement. In addition to the Journalist Impact Survey outlined above, this included a survey that looks at the impact our support has on the lawyers we work with as well as the partner organisations we fund. We also evaluated the Sub Award programme in sub-Saharan Africa and conducted a baseline evaluation of a new partner in the region.

At the midpoint of our strategy period, we also conducted an interim evaluation of our progress towards achieving the goals set out in the 2020-2024 strategy, assessing whether our goals needed adjusting to take into account the impact of the pandemic. We worked with external evaluators to assess the impact of our projects in the Indo Pacific region and in sub-Saharan Africa.

Our evaluations are summarised in our 2022 Learning Report which can be found on our website.¹⁴

Fundraising

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

We have successfully secured sufficient funds to continue our work and secured over 93% of our income for 2023. Our efforts continue to be focussed on diversifying our income in order to strengthen our resilience. Our Development Cluster, fully staffed since 2020, is supported in these efforts through the Development Committee, which is composed of five trustees. The Development Cluster will integrate learnings from fundraising initiatives in 2022 into our fundraising plans for 2023.

¹³ See <https://www.mediadefence.org/news/our-journalist-impact-survey-2022/>

¹⁴ The report is available at <https://www.mediadefence.org/our-impact/>.

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

- We are transparent about the source of our funding, with donor information made publicly available.¹⁵
- Decisions on whether to accept funds from a new source are taken by Media Defence's board, after the potential donor has been carefully vetted by the CEO or a delegated authority.
- We do not engage commercial or professional fundraisers or outsource any of our fundraising activities.
- Media Defence is grateful for the continued support of all our donors. Their support has enabled continuity in the delivery of our strategic objectives.

Donated services

In 2022, Media Defence benefited from the donated services of some of the world's leading lawyers and law firms. Jointly, law firms contributed 720 hours of pro bono legal services. The highest contributing firm was WilmerHale. We are extremely grateful to all our pro bono partners, whose contribution of free legal services made our work possible.

Volunteers

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

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

During the year we worked with one volunteer, who committed a total of approximately 270 hours assisting with legal research into procedural regulations of African human rights mechanisms, laws relating to online violence against journalists, and international freedom of expression standards applicable to cartoonists. Two volunteers also supported our communications.

Organisational Management and Administration

IT Infrastructure

In line with our plans for 2022, we replaced and upgraded some of our IT infrastructure. We put the further development and implementation of our Customer Relationship Management (CRM) / Enterprise Resource Planning (ERP) system on hold due to staff changes in the finance and operations team. Once the implementation is complete, this system will combine functions of our financial management software, grant making software and fundraising support into a centralised database with a view to increasing our operational effectiveness by creating visibility and accessibility of data, eliminating duplication of efforts, and improving collaboration and reporting.

¹⁵ For a full overview of our donors, see <https://www.mediadefence.org/our-organisation/>.

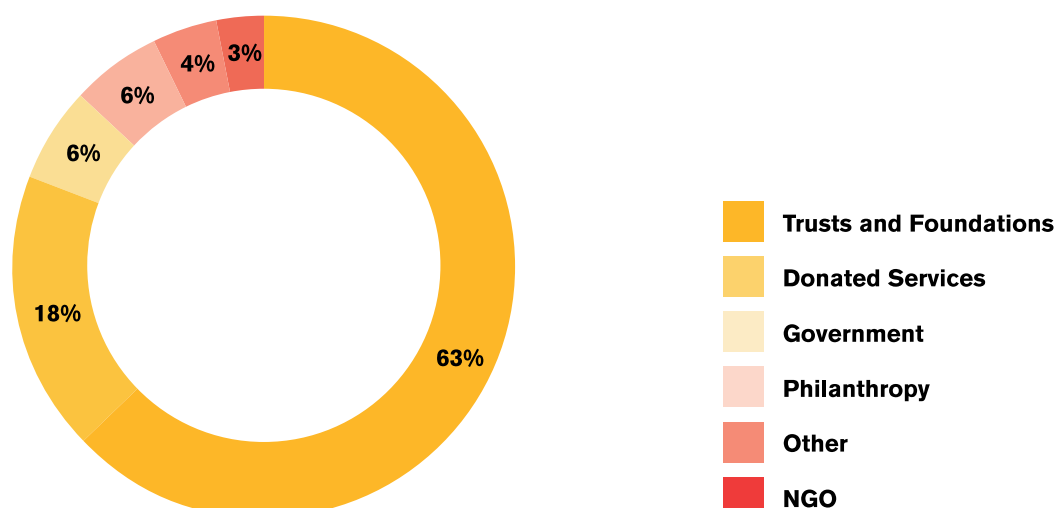
Financial Review

Income

In 2022, we received total incoming resources of £2.6 million, of which £484,000 were donated services. Due to the increase in unrestricted funds, our overall income increased by 26%, and financial donations continued to increase by 19% as a result of our investment in a development team in 2020.

47% of the incoming resources were restricted to either a region or a theme. 53% of funding was unrestricted. Donated services constituted 39% of the restricted incoming resources, compared to 26% in 2021.

2022 Incoming Resources

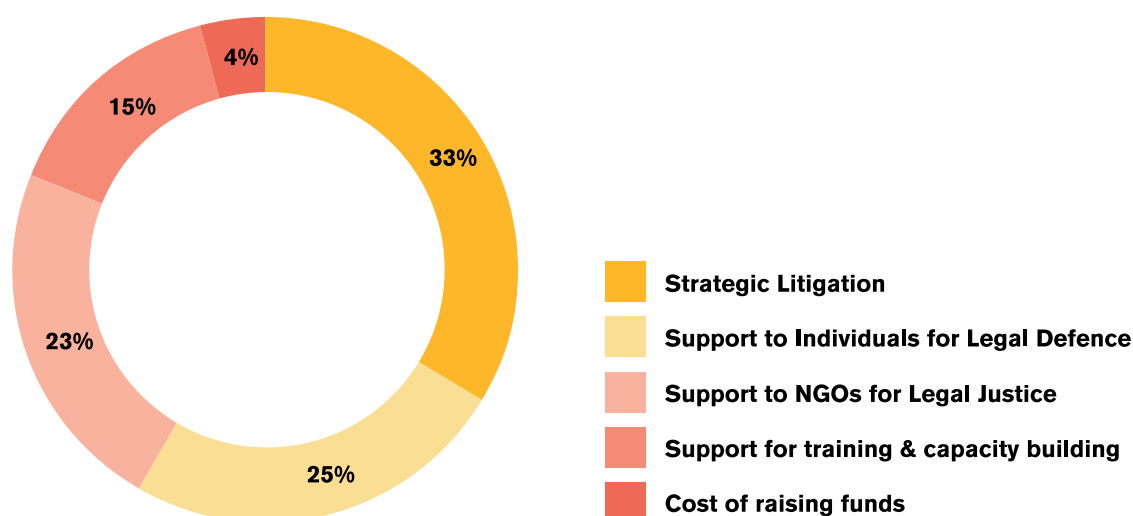


As shown in the chart above financial donations form a high portion of incoming resources in 2022, with Trusts and Foundations continuing to be the main source of our funding. Nonetheless, pro bono legal support continues to play an essential role in enabling the delivery of activities.

Expenditure

2022 saw a 15% increase in expenditure from £2 million in 2021 to £2.3 million in 2022. Overall, there is an almost equitable spend between Emergency Defence and Grants to partner organisations and a higher amount spent on Strategic Litigation, due in part to the growth in pro-bono support in 2022. The below shows the split during 2022 of expenditure between each of our charitable activities.

2022 Expenditure



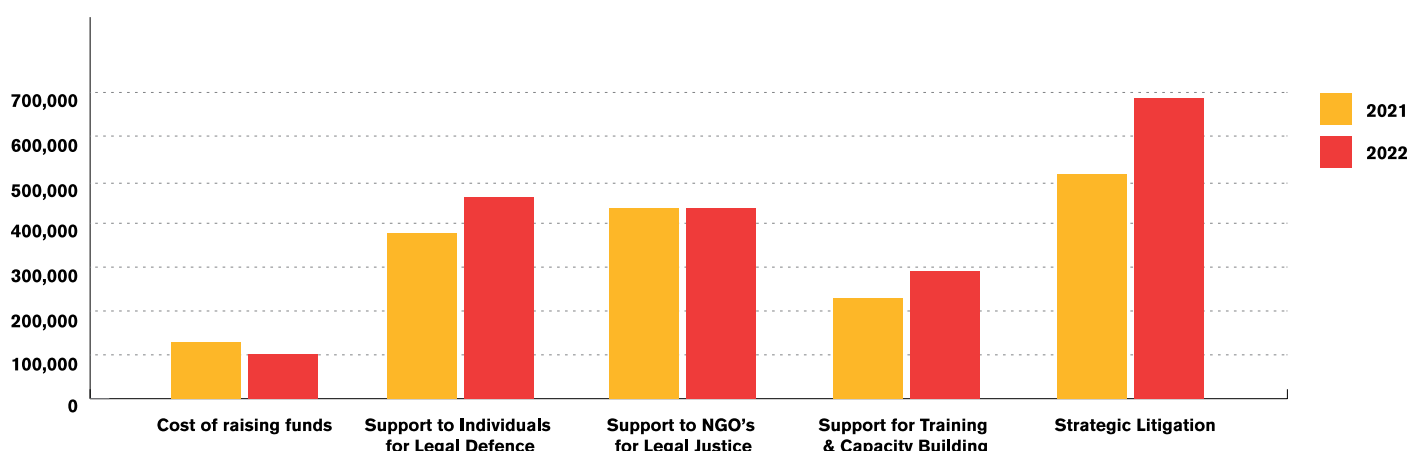
In 2022, Media Defence recorded a 7% increase in grants spent on 'Emergency Defence', but a 30% increase in number of grants awarded (2022: 129, 2021: 99).

We also spent less on Grants to Partner Organisations while awarding three more grants than we did in 2021 (2022: 18 grants contracted, 2021: 15 grants awarded).

Our total support and governance costs in 2022 was £307,742, compared to £308,487 in 2021, representing 13% of our total expenditure (compared to 15% in 2021)¹⁶.

4% of our total expenditure was spent on raising funds, which reflects that 2022 was the second year in which we had a fully staffed development team in place and the subsequent increase in fundraising activity, including donor reporting. Support costs include salary and overhead costs, and have been allocated across activities on the basis shown in Note 1(i) of the Financial Statements.

Comparison: Current and Prior Year Charitable Objectives Spend



We closed the year with a net income of £352,106 (2021: £100,781) and have an improved liquidity ratio of 3.3:1 (from 2.4:1 in 2021).

¹⁶ Excluding donated services, our support cost in 2022 represented 17% of total expenditure (compared to 19% in 2021).

At the end of 2022, we carried forward £1,292,428, of which £169,355 were restricted funds (funding with a thematic and/or regional restriction) and £1,123,073 were unrestricted funds (£365,175 of designated reserves and £757,898 of donor funds carried forward for ongoing activities). The latter balance is abnormally high due to several receipts arriving just before year end.

Principal risks and uncertainties

The Board of Trustees, management team and staff actively discuss, manage and mitigate risk throughout the year. Media Defence has a risk policy and risk register which are reviewed and updated regularly. Strategic risks are owned by the Board and considered at least annually, while management of other risks is delegated to management who report the effectiveness of key controls to the Board.

The following risks have the greatest overall potential impact on Media Defence in 2023.

Cyber Security and Information Technology Risk

The most significant risk currently facing the organisation relates to cyber security and information technology. A malicious cyber-attack could lead to inability to access data and/or loss of data, including information that might endanger our beneficiaries, and loss of funds. We mitigate this risk by performing regular internal and external reviews of digital security threats, upgrading procedures and planning, increasing staff awareness and regular penetration testing of our website.

Financial risk, including worldwide inflationary pressures

Rising energy and food prices have fuelled higher inflation. While we are not dependant on individual giving and therefore not impacted by a decrease in individual donations, the value of our multi-year funding decreased. At the same time, the demand for our support as well as our operational costs increased.

We mitigate this risk by investing in fundraising and communications and by diversifying our funding streams. We regularly report on our financial performance and position to ensure that the financial risks to our organisation over this strategy period are well understood and appropriately managed. We also conduct periodic reviews of staff salaries and salary scales to ensure staff retention and monitor budgets and forecasts on a monthly basis. We also monitor the impact of inflation on our funded partners.

Reserves policy and going concern

We have a reserves policy, which defines the level of funds that should be held to ensure we can continue to operate. The reserves policy identifies and distinguishes between restricted and unrestricted reserves, and the level of unrestricted reserves held is informed by income and expenditure forecasts based on planned activities and analysis of potential risk.

The Board of Trustees has determined that Media Defence requires reserves to be held to ensure, that as a minimum, we can meet any costs of closing the organisation whilst remaining operational for a period of six months, to be able to ethically exit existing agreements, cases and partnerships.

The Board of Trustees set the reserves target at £365,175 for 2022 (based on the increased headcount planned for 2023). This target is reviewed at least annually to ensure it remains relevant to the realities of current operations and the associated risks.

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

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

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

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

- Cash flow forecasts for the next 18 months have been reviewed and Media Defence is confident that adequate resources are available to cover foreseeable expenditure;
- Media Defence has adequate reserves to cover any unrealised expected funding; and
- Media Defence has adequate management, programme and support expertise in place to discharge the day-to-day and long-term programme of activities.

Plans for the Future

As outlined above, our 2020-2024 strategy is aimed at magnifying our impact by increasing and deepening the support we offer to our partners. This support will enhance the availability of quality legal defence for journalists around the world and the coordination of strategic litigation on press freedom and freedom of expression. We will also continue to provide emergency legal defence to journalists and media organisations around the world in countries where we do not yet have partners and where we are the only realistic avenue to provide the assistance required. We will continue to pursue high-impact strategic litigation to win landmark cases, clarifying or changing laws, bringing them in line with international standards on freedom of expression.

The pandemic has accelerated the decline in media freedom around the world. Credible, independent news became more important than ever while pressure on media outlets increased. This demand for our support has grown at a faster pace than we envisaged in our 2020 – 2024 strategy. The amount of cases we took on in 2022 exceeded the level of support we planned to provide by end of 2024. We therefore continue to increase and diversify our income to keep up with the pace of the growing demand for support. Our ability to meet the demand will depend on the availability of funds.

Worldwide inflationary pressures have made it more difficult to secure the income we need to deliver on our strategic priorities. We continue to remedy this by seeking to diversify our income on the one hand and prudent expenditure and regular reforecasting on the other hand.

Due to the ongoing war in Ukraine there is overriding uncertainty about our ability to deliver support in both Ukraine and Russia. For instance, court closures in Ukraine will result in delays to ongoing proceedings and fewer opportunities for strategic litigation. The crackdown on independent media and human rights defenders in Russia has intensified, which impacts our ability to deliver support. As Russia ceased to be party to the European Convention on Human Rights on 16 September 2022, we are no longer able to take cases relating to violations of human rights committed by Russia after this date to the ECtHR. We will continue to monitor the situation and deliver support where possible.

Structure, Governance And Management

Media Legal Defence Initiative, trading as Media Defence, is a company limited by guarantee, incorporated 16 June 2008, as amended 19 November 2012, and was registered as a charity on 24 March 2009. The company is governed under its Articles of Association, which sets out its objects and powers. Media Legal Defence Initiative is an independent and autonomous UK charity.

Media Defence is governed by a Board of Trustees. The Board of Trustees is currently composed of 12 members. The trustees set the strategic aims and directions for the organisation. They also approve grants made by the charity for amounts over £15,000. The chair of the Board approves grants of amounts between £5,000 and £15,000, on the recommendation of senior staff. Media Defence's London-based staff carry out day-to-day operations. This includes decisions on financial support for the defence of individual journalists up to a maximum of £5,000. The trustees of Media Defence meet once every three months and receive detailed reports to retain effective control over the organisation and to monitor the work of the CEO and team.

The Board held three advisory committees which also met at least quarterly to support it in its oversight role:

- The Finance, Risk and Audit Committee, to monitor the financial health of the organisation as well as risk management and compliance.
- The Governance Committee, to support the review of and recommendations on the governance of the organisation, trustee recruitment and policy development.
- The Development Committee, to support fundraising and communications.

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

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

Appointment of trustees

Under Media Defence's Articles of Association, the first directors of the company became its first trustees when the charity was registered on 24 March 2009. Additional trustees are selected and appointed by the board.

Trustees are appointed for a three-year term under the Articles of Association and can serve a maximum of two consecutive terms. They are then eligible for re-appointment following at least a one-year absence from the position.

Trustee induction and training

Trustees are familiar with either the fields of charity finance/management, law, human rights and/or journalism and undergo an induction on their role and responsibilities as well as the work of the Media Defence. On appointment, trustees are provided with the Articles of Association of Media Defence, a Trustee Handbook and a copy of the Charity Commission's guidance on the role and responsibilities of trustees.

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

Remuneration policy for key management personnel

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

The trustees make decisions on starting salaries for a new CEO. The CEO makes decisions on starting salaries for new staff based on job function and market conditions prevailing in the location of the job (London) and the Media Defence Job Evaluation Framework and Salary Scale. The CEO makes decisions on performance related increases for existing staff subject to approval of the budget by the Board. The Job Evaluation Framework and Salary Scale is periodically reviewed, including on the basis of external market benchmarking.

Employee information

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

In response to staff turnover during 2022, we welcomed a new Finance and Operations Director, Finance Manager and Grants Officer in 2022 and a Legal Officer in 2023. We created three new roles to strengthen the staff team and welcomed a Project Assistant, Communications Assistant and Network Coordinator during the year as well. In November 2022, Alinda Vermeer resigned as CEO, departing the organisation on 28 February 2023. She was succeeded by Carlos Gaio per 1 March 2023.

Statement of responsibilities of the trustees

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

In so far as the trustees are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2022 was 12 (2021: 9). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity

Auditor

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

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

The trustees' annual report has been approved by the trustees on 17 May 2023 and signed on their behalf by



Sarah Bull
Chair of the Board of Trustees

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

Opinion

We have audited the financial statements of Media Legal Defence Initiative (the 'charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears

to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Capability of the audit in detecting irregularities

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

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

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

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Orchard (Senior statutory auditor)

for and on behalf of

Sayer Vincent LLP, Statutory Auditor

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

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

For the year ended 31 December 2022

	Note	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Income from:							
Donations and legacies	2	1,298,581	1,241,661	2,540,242	742,640	1,345,224	2,087,864
Investments		43	-	43	468	-	468
Unrealised gains on foreign currency revaluation		98,216	-	98,216	-	-	-
Other		3,547	-	3,547	4,325	-	4,325
Total income		1,400,387	1,241,661	2,642,048	747,433	1,345,224	2,092,657
Expenditure on:							
Raising funds	3	100,529	149	100,678	121,853	-	121,853
Charitable activities							
Support to Individuals for Legal Defence	3	325,523	238,514	564,037	228,584	259,862	488,446
Support to NGOs for Legal Justice	3	154,957	363,163	518,120	147,499	369,186	516,684
Support for training & capacity building	3	145,489	192,102	337,591	126,145	139,874	266,020
Strategic Litigation	3	167,678	601,838	769,516	136,438	462,434	598,872
Total expenditure		894,176	1,395,766	2,289,942	760,519	1,231,357	1,991,876
Net income / (expenditure) for the year	5	506,211	(154,105)	352,106	(13,086)	113,867	100,781
Transfers between funds		15,879	(15,879)	-	-	-	-
Net movement in funds		522,090	(169,984)	352,106	(13,086)	113,867	100,781
Reconciliation of funds:							
Total funds brought forward		600,983	339,339	940,322	614,068	225,472	839,541
Total funds carried forward		1,123,073	169,355	1,292,428	600,983	339,339	940,322

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16 to the financial statements.

Media Legal Defence Initiative (Trading as Media Defence)

Balance sheet

Company no. 06621203

As at 31 December 2022

			2022	2021
	Note	£	£	£
Fixed assets:				
Tangible fixed assets	10		9,441	5,340
Current assets:				
Debtors	11	63,034		48,558
Cash at bank and in hand	18	1,778,089		1,547,900
		1,841,123		1,596,458
Liabilities:				
Creditors: amounts falling due within one year	12	558,136		661,476
Net current assets			1,282,987	934,982
Total net assets	15		1,292,428	940,322
The funds of the charity:				
Restricted income funds	16.i		169,355	339,339
Unrestricted income funds:	16.ii			
Designated funds		365,175		357,500
General funds		757,898		243,483
Total unrestricted funds			1,123,073	600,983
Total charity funds			1,292,428	940,322

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

Approved by the trustees on 17th May 2023 and signed on their behalf by Sarah Bull



SARAH BULL
Chair of the Board of Trustees

Media Legal Defence Initiative (Trading as Media Defence)

Statement of cash flows

For the year ended 31 December 2022

	Note	2022	2021
		£	£
Cash flows from operating activities	17		
Net cash provided by operating activities		237,867	507,412
Cash flows from investing activities:			
Dividends, interest and rents from investments	43	468	
Purchase of fixed assets	(7,721)	(1,914)	
Loss on disposal		1,830	
Net cash (used in)/provided by investing activities		(7,678)	384
Change in cash and cash equivalents in the year		230,189	507,796
Cash and cash equivalents at the beginning of the year		1,547,900	1,040,104
Cash and cash equivalents at the end of the year	18	1,778,089	1,547,900

Media Legal Defence Initiative (Trading as Media Defence)

Notes to the financial statements

For the year ended 31 December 2022

1 Accounting policies

a) Statutory information

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

b) Basis of preparation

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

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

d) Going concern

The trustees' report contains information on the risks of cyber security and IT failure, worldwide inflationary pressures and the loss of donor funding. The Trustees have concluded that, despite these risks and the wider risks and uncertainties facing large sectors of society, the charity has taken the relevant measures to mitigate the impact of these risks and uncertainties on its operations.

The Trustees are confident that the charity has the ability and intention to continue as a going concern because adequate resources are available.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Media Legal Defence Initiative (Trading as Media Defence)

Notes to the financial statements

For the year ended 31 December 2022

1 Accounting policies (continued)

f) Donations of gifts, services and facilities

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

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

g) Fund accounting

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

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

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

h) Expenditure and irrecoverable VAT

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

Expenditure is classified under the following activity headings:

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

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

i) Allocation of support costs

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

● Support to Individuals for Legal Defence	36%
● Support to NGOs for Legal Justice	25%
● Strategic Litigation	25%
● Support for Training & Capacity Building	14%

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

Media Legal Defence Initiative (Trading as Media Defence)

Notes to the financial statements

For the year ended 31 December 2022

1 Accounting policies (continued)

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|---------------------------------|---------|
| ● Computer Equipment | 3 years |
| ● Fittings and Office equipment | 4 years |

l) Debtors

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

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

o) Pensions

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

p) Foreign currency translations

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

Media Legal Defence Initiative (Trading as Media Defence)

Notes to the financial statements

For the year ended 31 December 2022

2 Income from donations and legacies

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Gifts & Donations	1,298,581	757,934	2,056,515	1,732,836
Donated services	-	483,727	483,727	355,028
	1,298,581	1,241,661	2,540,242	2,087,864

In 2021 there were unrestricted gifts and donations of £742,640, the balance of donations and legacies were restricted.

Donated services are comprised of pro-bono legal support services and are calculated on the basis of the value of the service to Media Defence.

Media Legal Defence Initiative (Trading as Media Defence)

Notes to the financial statements

For the year ended 31 December 2022

3a Analysis of expenditure

	Note	Charitable activities							2022 Total £	2021 Total £
		Fundraising £	Support to Individuals for Legal Defence £	Support to NGOs for Legal Justice £	Support for training & capacity building £	Strategic Litigation £	Governance costs £	Support costs £		
Staff Costs	6	93,373	231,430	115,715	154,286	115,715	38,572	115,715	864,806	735,166
Other Staff Costs		-	9,114	4,558	6,077	4,558	1,519	4,558	30,384	18,875
Grants payable	4a	-	210,857	320,022	-	565,335	-	-	1,096,214	1,006,440
Translation services		-	-	-	-	5,067	-	-	5,067	15,005
Fundraising costs		7,305	2,029	-	-	-	-	-	7,305	1,103
Volunteers' expenses		-	-	1,014	1,352	1,014	338	1,014	6,761	-
Travel and subsistence		-	-	-	-	1,016	-	5,981	6,997	1,160
Meetings and events		-	-	-	95,775	-	-	-	95,775	27,188
Marketing and promotion		-	-	-	-	-	-	6,290	6,290	2,751
Monitoring, Evaluation & Research		-	-	-	37,088	-	-	44,407	37,088	5,280
Premises		-	-	-	-	-	-	-	44,407	62,115
Depreciation		-	-	-	-	-	-	3,620	3,620	2,020
Office costs		-	-	-	-	-	-	65,998	65,998	70,564
Bank Charges & Exchange		-	-	-	-	-	-	-	-	-
Losses		-	-	-	-	-	-	2,326	2,326	15,917
Board expenses		-	-	-	-	-	3,259	-	3,259	4,814
Audit and accountancy		-	-	-	-	-	10,512	-	10,512	8,760
Legal and professional		-	-	-	-	-	-	3,133	3,133	14,718
Subtotal		100,678	453,430	441,309	294,578	692,705	54,200	253,042	2,289,942	1,991,876
Support costs		-	91,095	63,261	35,425	63,261	-	(253,042)	-	-
Governance costs		-	19,512	13,550	7,588	13,550	(54,200)	-	-	-
Total expenditure 2022		100,678	564,037	518,120	337,591	769,516	-	-	2,289,942	
Total expenditure 2021		121,853	488,446	516,684	266,020	598,872	-	-		1,991,876

Media Legal Defence Initiative (Trading as Media Defence)

Notes to the financial statements

For the year ended 31 December 2022

3b Analysis of expenditure (prior year)

	Note	Fundraising £	Charitable activities			Strategic Litigation £	Governance costs £	Support costs £	2021 Total £
			Support to Individuals for Legal Defence £	Support to NGOs for Legal Justice £	Support for training & capacity building £				
Staff Costs	6	120,750	184,325	92,162	122,883	92,162	30,721	92,162	735,166
Other Staff Costs		-	5,663	2,831	3,775	2,831	944	2,831	18,875
Grants payable	4a	-	186,936	344,439	66,006	409,059	-	-	1,006,440
Translation services		-	-	-	-	15,005	-	-	15,005
Fundraising costs		1,103	-	-	-	-	-	-	1,103
Volunteers' expenses		-	-	-	-	-	-	-	-
Travel and subsistence		-	-	-	-	120	-	1,040	1,160
Meetings and events		-	-	-	24,798	2,390	-	-	27,188
Marketing and promotion		-	-	-	-	-	-	2,751	2,751
Monitoring, Evaluation & Research		-	-	-	5,280	-	-	-	5,280
Premises		-	-	-	-	-	-	62,115	62,115
Depreciation		-	-	-	-	-	-	2,020	2,020
Office costs		-	-	-	-	-	-	70,564	70,564
Bank Charges & Exchange losses		-	468	130	90	182	-	15,047	15,917
Board expenses		-	-	-	-	-	4,814	-	4,814
Audit and accountancy		-	-	-	-	-	8,760	-	8,760
Legal and professional		-	-	-	-	-	-	14,718	14,718
Sub- total		121,853	377,391	439,563	222,832	521,751	45,239	263,248	1,991,876
Support costs		-	94,769	65,812	36,855	65,812	-	(263,248)	-
Governance costs		-	16,286	11,310	6,333	11,310	(45,239)	-	-
Total expenditure 2021		121,853	488,446	516,684	266,020	598,872	-	-	1,991,876

Media Legal Defence Initiative (Trading as Media Defence)

Notes to the financial statements

For the year ended 31 December 2022

4a Grant making

	Grants to institutions £	Grants to individuals £	Support costs £	2022 £	2021 £
Cost					
Support to Individuals for Legal Defence	-	210,857	91,095	301,952	281,705
Support to NGOs for Legal Justice	320,022	-	63,261	383,283	410,251
Support for Training & Capacity Building	-	-	35,425	35,425	102,860
Strategic Litigation	483,727	81,608	63,261	628,596	474,871
At the end of the year	803,749	292,465	253,042	1,349,256	1,269,687

4b Grant making prior year

	Grants to institutions £	Grants to individuals £	Support costs £	2021 £	2020 £
Cost					
Support to Individuals for Legal Defence	-	86,936	94,769	281,705	413,871
Support to NGOs for Legal Justice	344,439	-	65,812	410,251	321,993
Support for Training & Capacity Building	-	66,005	36,855	102,860	46,945
Strategic Litigation	355,028	54,031	65,812	474,871	1,299,092
At the end of the year	699,467	306,973	263,248	1,269,687	2,081,900

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

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

5 Net income for the year

This is stated after charging

	2022 £	2021 £
Depreciation	3,620	2,020
Operating lease rentals: Property and Equipment	43,390	54,576
Auditors' remuneration (excluding VAT): Audit	8,195	7,300
Foreign exchange (gains) / losses	(95,890)	15,917

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

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	746,079	642,088
Social security costs	96,220	72,156
Employer's contribution to defined contribution pension schemes	22,507	20,922
	864,806	735,166

Media Legal Defence Initiative (Trading as Media Defence)

Notes to the financial statements

For the year ended 31 December 2022

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

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

	2022 No.	2021 No.
£60,000 - £69,999	-	3
£70,000 - £79,999	2	1
£80,000 - £89,999	1	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £89,626 (2021: £82,206).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil).
No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Trustees' expenses/development was £5,233 (2021: £nil).

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 17 (2021: 16).

8 Related party transactions

In 2022, Media Defence appointed a new Board Member. This individual is the founder of an organisation that is a recipient of Media Defence's Support for NGOs. In 2022, further support to this organisation was approved by the Board of Trustees.

In 2022, there was some pro bono support provided by the law firm of one of our trustees, Steve Finizio, who is a partner at Wilmer Cutler Pickering Hale and Dorr LLP (2022:£467k; 2021:£35K).

One of our Trustees, Catherine Anite, serves on the Board of Directors at the International Centre for Not-For-Profit Law (INCL). INCL gave grants worth £91k to Media Defence in 2022 (2021: £69k).

9 Taxation

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

10 Tangible fixed assets

	Fittings and Office equipment £	Computer equipment £	Total £
Cost or valuation			
At the start of the year	8,900	6,077	14,977
Additions in year	-	7,721	7,721
Disposals in year	-	-	-
At the end of the year	8,900	13,798	22,698
Depreciation			
At the start of the year	4,599	5,038	9,637
Charge for the year	1,681	1,939	3,620
Eliminated on disposal	-	-	-
At the end of the year	6,280	6,977	13,257
Net book value			
At the end of the year	2,620	6,821	9,441
At the start of the year	4,300	1,039	5,340

All of the above assets are used for charitable purposes.

Media Legal Defence Initiative (Trading as Media Defence)

Notes to the financial statements

For the year ended 31 December 2022

11 Debtors

	2022 £	2021 £
Grants Receivable	-	5,187
Other Debtors	42,507	16,300
Prepayments	20,527	27,072
	63,034	48,558

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade Creditors	23,042	32,860
Other Creditors	11,981	20,458
Grants Payable	508,855	411,622
Deferred Income	-	187,744
Accruals	14,258	8,791
	558,136	661,476

13 Deferred income

There was no deferred income for 2023 activities received in 2022.

	2022 £	2021 £
Balance at the beginning of the year	187,744	65,520
Amount released to income in the year	(187,744)	(65,520)
Amount deferred in the year	-	187,744
Balance at the end of the year	-	187,744

14 Pension scheme

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

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

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	9,441	-	-	9,441
Net current assets	748,457	365,175	169,355	1,282,987
Net assets at the end of the year	757,898	365,175	169,355	1,292,428

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

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	5,340	-	-	5,340
Net current assets	238,143	357,500	339,339	934,982
Net assets at the end of the year	243,483	357,500	339,339	940,322

Media Legal Defence Initiative (Trading as Media Defence)

Notes to the financial statements

For the year ended 31 December 2022

16a Movements in funds (current year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
16.i Restricted funds:					
Adessium	42,032	86,222	(70,602)	-	57,652
Donated Services	-	483,727	(483,727)	-	-
Dow Jones	-	7,356	(7,356)	-	-
DRL EWDR	14,850	156,729	(207,372)	(642)	(36,435)
Evan Cornish Foundation	-	5,000	(3,000)	-	2,000
Ford Foundation	133,200	233,407	(253,881)	-	112,726
Hivos 2022	-	85,093	(85,093)	-	-
ICNL (CAIP)	32,389	90,842	(81,750)	(8,172)	33,309
IWPR (DFID)	4,589	-	(3,357)	(1,232)	-
KAS LATAM	8,527	8,485	(16,527)	(485)	-
Limelight Foundation	-	83,557	(77,359)	-	6,198
Matrix Causes	1,250	-	-	(1,250)	-
National Endowment for Democracy (NED)	66,253	(16,809)	(71,022)	-	(21,578)
Other - Rtd/cncl Grants	10,362	-	473	1,101	11,936
Thomson Reuters Foundation	-	-	(1,272)	1,272	-
UNESCO	116	26,897	(23,466)	-	3,547
USSD DRL	25,771	(8,845)	(10,455)	(6,471)	-
Total restricted funds	339,339	1,241,661	(1,395,766)	(15,879)	169,355
16.ii Unrestricted funds:					
Designated funds	357,500	-	-	7,675	365,175
General funds	243,483	1,400,387	(894,176)	8,204	757,898
Total unrestricted funds	600,983	1,400,387	(894,176)	15,879	1,123,073
Total funds	940,322	2,642,048	(2,289,942)		1,292,428

There was a £7,625 increase in designated funds in the year.

The movement between restricted and unrestricted funds represents management fees earned on restricted funds in 2022.

Media Legal Defence Initiative (Trading as Media Defence)

Notes to the financial statements

For the year ended 31 December 2022

16b Movements in funds (prior year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
16.i Restricted funds:					
Adessium	59,141	42,460	(59,569)	-	42,032
Donated Services	-	355,028	(355,028)	-	-
Dow Jones	-	7,208	(7,208)	-	-
DRL EWDR	-	17,555	(2,704)	-	14,850
Ethiopia Fund	706	-	(706)	-	-
FB - Factcheckers Legal Support Initiative	34,698	-	(34,698)	-	-
Ford Foundation	47,852	203,998	(118,650)	-	133,200
Hivos 2021	-	77,043	(77,043)	-	-
ICNL (CAIP)	-	68,672	(36,284)	-	32,389
IWPR (DFID)	1,167	5,924	(2,502)	-	4,589
KAS LATAM	-	8,527	-	-	8,527
Matrix Causes	-	1,250	-	-	1,250
National Endowment for Democracy (NED)	57,010	108,457	(99,212)	-	66,254
Nicolas Puech Foundation	-	49,123	(49,123)	-	-
Omidyar (Geographies)	21	49,780	(49,801)	-	-
OSF (Non - US) BAN (17 - 18)	16,126	-	(16,126)	-	-
OSI (CB) 2021	-	129,647	(129,647)	-	-
Other - Rtd/cncl Grants	8,751	-	1,611	-	10,362
UNESCO	-	25,157	(25,041)	-	116
USSD DRL	-	195,397	(169,626)	-	25,771
Total restricted funds	225,471	1,345,224	(1,231,357)	-	339,339
16.ii Unrestricted funds:					
Designated funds	350,000	-	-	7,500	357,500
General funds	264,069	747,438	(760,519)	(7,500)	243,488
Total unrestricted funds	614,069	747,438	(760,519)	-	600,988
Total funds	839,541	2,092,657	(1,991,876)	-	940,322

16.i Purposes of restricted funds

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

Donated Services - free legal services provided in support of strategic cases, website design, wellbeing support and capacity building.

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

US State Department - develop legal communities to defend, promote and strengthen freedom of expression online. The negative figure under income for USSD DRL includes a repayment of an unspent grants £8,845. The negative balances on DRL EWDR represents amounts owed by, but not claimed from the donor at the year end.

Evan Cornish Foundation- Legal Defence for Journalists Under Threat

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

Hivos - legal defence to online media and bloggers

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

KAS - Rule of law factsheets, amicus briefs in Latin America.

Limelight Foundation - Support to ensure legal protection of journalists, citizen journalists and media outlets in Europe

National Endowment for Democracy - Defending Independent Media and Protecting at-risk Journalists. The negative figures under income include a repayment of an unspent grant of £42,699.

Thomson Reuters Foundation-Building Resilient and Independent Media Ecosystems

UNESCO - support for a free and safer environment for journalists

Media Legal Defence Initiative (Trading as Media Defence)

Notes to the financial statements

For the year ended 31 December 2022

16.ii Purposes of unrestricted funds

Designated funds - maintained to ensure any significant financial risks to Media Defence are mitigated.

General funds - provided by the following funders: Craig Newmark Philanthropies, Open Society Foundations, Luminate and Wellspring. The balance of unrestricted, general funds was unusually high at 31 December 2022 due to the receipt of several, large unrestricted grants at the end of the year. These funds are allocated to activities in 2023, so Media Defence expect this amount to reduce in the coming year.

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

	2022 £	2021 £
Net Income for the reporting period (as per the statement of financial activities)	352,106	100,781
Depreciation charges	3,620	2,020
Dividends, interest and rent from investments	(43)	(468)
Decrease/(increase) in debtors	(14,476)	230,076
Increase / (decrease) in creditors	(103,340)	175,004
Net cash provided by / (used in) operating activities	237,867	507,412

18 Analysis of cash and cash equivalents

	At 1 January 2022 £	Cash flows £	Other changes £	At 31 December 2022 £
Cash in hand	1,031,311	301,596	-	1,332,907
Notice deposits (less than three months)	516,589	(71,407)	-	445,182
Total cash and cash equivalents	1,547,900	230,189	-	1,778,089

19 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2022 £	2021 £
Less than one year	49,562	13,392
One to five years	16,521	-
	66,083	13,392

20 Capital commitments

At the balance sheet date, the charity had made no capital commitments.

21 Contingent assets or liabilities

There are no contingent assets or liabilities.

22 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.