

REGISTERED SOCIETY NUMBER: 31727R

SHEFFIELD COMMUNITY MEDIA LIMITED

Report of the Directors and Consolidated Financial Statements

For The Year Ended 31 March 2015

Sheffield Community Media Limited

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For The Year Ended 31 March 2015

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Sheffield Community Media Limited

Legal and Administrative Information  
For the Year Ended 31 March 2015

DIRECTORS:	S Basudev S Buckley J Devereux R Motley H Smith
SECRETARY:	S Buckley
REGISTERED OFFICE:	15 Paternoster Row SHEFFIELD South Yorkshire S1 2BX
REGISTERED NUMBER:	31727R
BANKERS:	Co-operative Bank plc Olympic House 6 Olympic Court Salford Manchester M50 2QP

## Sheffield Community Media Limited

### Report of the Directors For The Year Ended 31 March 2015

The directors present their report with the financial statements of the company for the year ended 31 March 2015.

#### **LEGAL STATUS**

Sheffield Community Media Limited (SCM) is incorporated as a registered society under the Co-operative and Community Benefit Societies Act 2014. SCM has a wholly owned subsidiary, Sheffield Local Television Limited (SLTV), a company limited by guarantee. These are the consolidated financial statements of SCM and SLTV for the year to 31 March 2015.

#### **PRINCIPAL ACTIVITIES**

The principal activity of SCM is to invest in public access media facilities and services that enable production and distribution of media content, the promotion of access to information, encouragement of creative expression and the provision of training.

The principal activity of SLTV is the operation of a local digital television channel for Sheffield. SLTV is the holder of Ofcom licences to operate the Local Digital Television Programme Service for Sheffield and a Television Licensed Content Service.

SCM and SLTV work in partnership with Commedia Sheffield, which operates Sheffield Live! 93.2fm community radio and sheffieldlive.org, to deliver a cross platform media service – on radio, TV, web and mobile – under the Sheffield Live! brand.

#### **BUSINESS REVIEW**

During the year SCM raised £150,000 through a mix of community shares and social investment loans. Together with additional project funding this enabled the establishment of public access facilities for a new local TV channel for Sheffield.

SCM subsidiary company SLTV commenced trading on 1 July 2014 and launched the local TV channel on 23 September 2014 as Sheffield Live! TV, receivable on Freeview channel 8, Virgin Cable channel 159 and on broadband via sheffieldlive.org.

SCM and SLTV have worked closely with Commedia Sheffield, co-locating the local TV channel with existing community radio facilities and studios, and developing joint strategies for content, sales, marketing, technical support and public engagement.

#### **PLANS FOR FUTURE PERIODS**

SLTV is one of 20 local TV channels launched during the last two years in the roll out of local digital TV in the UK. Future development of local TV and community radio is linked to the wider media policy and regulatory environment, including the current review of the BBC Charter, and communications market trends, notably the rapid growth of mobile consumption.

At the date of this report SLTV had completed its first full year of Sheffield Live! TV broadcast operations as the new local digital TV channel for Sheffield, while Sheffield Live! 93.2fm community radio celebrated 15 years of community radio broadcasting.

SCM will maintain a continued focus on strengthening public access media facilities and services linked to the Sheffield Live! media production studios and broadcasting platform while supporting the development of a wider network of contributors and partners across Sheffield City Region. The directors seek to consolidate a sustainable medium term strategy for Sheffield Live!, including investment in television coverage enhancement, upgrading of radio studios, development of mobile and interactive services, integration of news delivery across all platforms, audience engagement and further outreach to Sheffield City Region's many diverse communities to maximize the social, cultural and economic benefits of access to media facilities and know-how.

The longer term focus for the SCM and SLTV partnership with Commedia Sheffield will include building based development. The board of directors are actively seeking building acquisition and conversion opportunities for media studios and facilities.

#### **INTEREST AND TRANSFER TO RESERVES**

The directors did not pay interest on members' shares held during the year. The society has stated its objective to offer interest in the future on members' shares at a projected rate of 3% per annum after the third year following the share issue.

The actual rate of interest will be determined by the board of directors closer to the time and according to financial performance. It is capped at 5% per annum or 2% above the base lending rate of the Co-operative Bank, whichever is the greater.

#### **FIXED ASSETS**

Full disclosure of all matters relating to fixed assets is set out in the notes to the financial statements.

#### **DIRECTORS**

The directors shown below held office from 1 April 2014 to the date of this report except where indicated:

S Buckley  
R Motley  
S Basudev (appointed 18 September 2014)  
J Devereux (appointed 18 September 2014)  
H Smith (appointed 18 September 2014)  
P Gregory (resigned 18 September 2014)

Report of the Directors  
For The Year Ended 31 March 2015 (continued)

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The law governing Co-operative and Community Benefit Societies requires the directors to prepare financial statements for each financial year which give a true and fair record of the state of affairs of the society and the group at the end of the period and of the income and expenditure of the society and the group for that period. In preparing those financial statements the directors are required to:-

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the society and the group will continue operation
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the society and the group and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. The directors are responsible for safeguarding the assets of the society and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the board of directors on 29 October 2015

**SIGNED ON BEHALF OF THE BOARD:**



Stephen Buckley  
Secretary



Jacqueline Devereux  
Director



Richard Motley  
Director

**Sheffield Community Media Limited**

**Independent Auditor's Report**  
**to the Members of Sheffield Community Media Limited**

We have audited the financial statements of Sheffield Community Media Limited for the year ended 31 March 2015 which comprise the group and society Income and Expenditure Accounts, the group and society Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the society's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society'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 society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors and Consolidated Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the society's affairs as at 31 March 2015 and of the group's and the society's income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities and with the Co-operative and Community Benefit Societies Act 2014.

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

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the society has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation;
- the Income and Expenditure Account, any other accounts to which our report relates, and the Balance Sheet are not in agreement with the society's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.



Hart Shaw LLP  
Chartered Accountants  
Statutory Auditor

Europa Link  
Sheffield Business Park  
Sheffield  
S9 1XU

Date: 29.12.15 .....

Sheffield Community Media Limited

Consolidated Income and Expenditure Account  
For The Year Ended 31 March 2015

	Notes	2015 £	2014 £
<b>TURNOVER</b>		196,804	5,119
Cost of sales		<u>115,534</u>	<u>0</u>
<b>GROSS SURPLUS</b>		81,270	5,119
Administrative expenses		<u>143,193</u>	<u>5,169</u>
		(61,923)	(50)
Other operating income		<u>0</u>	<u>0</u>
<b>OPERATING (DEFICIT)</b>	2	(61,923)	(50)
Interest receivable and similar income		<u>74</u>	<u>19</u>
		(61,849)	(31)
Interest payable and similar charges		<u>3,529</u>	<u>595</u>
<b>(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(65,378)	(626)
Tax on (deficit) on ordinary activities	3	<u>0</u>	<u>0</u>
<b>(DEFICIT) FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>(65,378)</u>	<u>(626)</u>
<b>(DEFICIT) FOR THE YEAR</b>		(65,378)	(626)
Retained deficit brought forward		(626)	0
<b>RETAINED (DEFICIT) CARRIED FORWARD</b>		<u>(66,004)</u>	<u>(626)</u>

Sheffield Community Media Limited

Society Income and Expenditure Account  
For The Year Ended 31 March 2015

	Notes	2015 £	2014 £
<b>TURNOVER</b>		75,752	5,119
Cost of sales		<u>0</u>	<u>0</u>
<b>GROSS SURPLUS</b>		75,752	5,119
Administrative expenses		<u>92,761</u>	<u>5,169</u>
		(17,009)	(50)
Other operating income		<u>0</u>	<u>0</u>
<b>OPERATING (DEFICIT)</b>	2	(17,009)	(50)
Interest receivable and similar income		<u>44</u>	<u>19</u>
		(16,965)	(31)
Interest payable and similar charges		<u>3,529</u>	<u>595</u>
<b>(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(20,494)	(626)
Tax on (deficit) on ordinary activities	3	<u>0</u>	<u>0</u>
<b>(DEFICIT) FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>(20,494)</u>	<u>(626)</u>
<b>(DEFICIT) FOR THE YEAR</b>		(20,494)	(626)
Retained deficit brought forward		(626)	0
<b>RETAINED (DEFICIT) CARRIED FORWARD</b>		<u><u>(21,120)</u></u>	<u><u>(626)</u></u>



**Sheffield Community Media Limited**


**Balance Sheets**  
**31 March 2015**

	Notes	2015		2014	
		Group £	Society £	Group £	Society £
<b>FIXED ASSETS</b>					
Tangible assets	4	73,372	73,372	0	0
Investment		1	0	0	0
		<hr/> 73,373	<hr/> 73,372	<hr/> 0	<hr/> 0
<b>CURRENT ASSETS</b>					
Debtors	5	42,845	59,278	0	0
Cash at bank and in hand		63,102	23,534	37,235	37,235
		<hr/> 105,947	<hr/> 82,812	<hr/> 37,235	<hr/> 37,235
<b>CREDITORS</b>					
Amounts falling due within one year	6	108,771	40,751	37,861	37,861
		<hr/> (2,824)	<hr/> 42,061	<hr/> (626)	<hr/> (626)
<b>NET CURRENT ASSETS</b>					
		<hr/> (2,824)	<hr/> 42,061	<hr/> (626)	<hr/> (626)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<hr/> 70,549	<hr/> 115,433	<hr/> (626)	<hr/> (626)
<b>CREDITORS</b>					
Amounts falling due after more than one year	7	56,793	56,793	0	0
		<hr/> 13,756	<hr/> 58,640	<hr/> (626)	<hr/> (626)
<b>NET ASSETS</b>					
		<hr/> 13,756	<hr/> 58,640	<hr/> (626)	<hr/> (626)
<b>RESERVES</b>					
Share capital	10	79,760	79,760	0	0
Retained surplus		(66,004)	(21,120)	(626)	(626)
		<hr/> 13,756	<hr/> 58,640	<hr/> (626)	<hr/> (626)

The accounts have been prepared in accordance with the Financial Reporting Standards for Smaller Entities (effective 2008).

The financial statements were approved by the Board of Directors on 29 October 2015 and signed on its behalf by:

  
Stephen Buckley  
Secretary

  
Jacqueline Devereux  
Director

  
Richard Motley  
Director

Notes to the Financial Statements  
For The Year Ended 31 March 2015

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008).

**Turnover**

Turnover represents the total value of goods and services rendered during the year exclusive of value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	-25% on cost
Studio equipment	-25% on cost

**Deferred Tax**

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the income and expenditure account on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The society operates a defined contribution pension scheme. Contributions payable to the society's pension scheme are charged to the income and expenditure account in the period to which they relate.

**Government grants**

Grants are credited to deferred revenue. Grants received in respect of fixed assets are treated as deferred income and released to the income and expenditure account over the life of the assets to which they relate. Grants towards revenue expenditure are released to the income and expenditure account as the related expenditure is incurred.

**Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement on the grounds that the group is small.

**Basis for consolidation**

The consolidated financial statements incorporate the results of Sheffield Community Media Limited and its trading subsidiary undertaking using the acquisition method of accounting. The results of the subsidiary undertaking are included from the date of acquisition.

**2. OPERATING (DEFICIT)**

The operating deficit is stated after charging:

	2015		2014	
	Group £	Society £	Group £	Society £
Depreciation of tangible assets	15,524	15,524	-	-
Auditors' remuneration	1,800	540	-	-
	<u>17,324</u>	<u>16,064</u>	<u>-</u>	<u>-</u>

**3. TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2015 (2014: £nil).

**Notes to the Financial Statements  
For The Year Ended 31 March 2015 (continued)**

**4. TANGIBLE FIXED ASSETS (GROUP AND SOCIETY)**

	Fixtures and fittings £	Studio equipment £	Totals £
<b>COST</b>			
At 1 April 2014	-	-	-
Additions	12,969	75,927	88,896
At 31 March 2015	12,969	75,927	88,896
<b>DEPRECIATION</b>			
At 1 April 2014	-	-	-
Charge for year	3,065	12,459	15,524
At 31 March 2015	3,065	12,459	15,524
<b>NET BOOK VALUE</b>			
At 31 March 2014	-	-	-
At 31 March 2015	9,904	63,468	73,372

**5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015		2014	
	Group £	Society £	Group £	Society £
Trade debtors	8,099	-	-	-
Grants receivable	18,060	3,154	-	-
Prepayments	4,727	4,274	-	-
Loan to subsidiary	-	20,000	-	-
Accrued income	11,959	31,850	-	-
	42,845	59,278	-	-

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015		2014	
	Group £	Society £	Group £	Society £
Trade creditors	23,721	4,760	959	959
Taxation and social security	7,976	406	2,021	2,021
Key Fund loans	28,000	28,000	20,000	20,000
Other creditors	14,828	1,464	-	-
Deferred income	34,246	6,121	14,881	14,881
	108,771	40,751	37,861	37,861

**Sheffield Community Media Limited**

**Notes to the Financial Statements**  
**For The Year Ended 31 March 2015 (continued)**

**7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2015		2014	
	Group £	Society £	Group £	Society £
Key Fund loans	42,000	42,000	-	-
Deferred income	14,793	14,793	-	-
	<u>56,793</u>	<u>56,793</u>	<u>-</u>	<u>-</u>

**8. OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

	2015		2014	
	Group £	Society £	Group £	Society £
Expiring:				
Within one year	24,929	24,929	-	-
Between one and five years	24,929	24,929	-	-
	<u>24,929</u>	<u>24,929</u>	<u>-</u>	<u>-</u>

**9. PENSION COMMITMENTS**

The group operates a defined contribution pension scheme.

	2015		2014	
	Group £	Society £	Group £	Society £
Pension costs for the year	5,962	924	-	-
Pension contributions owed at year end	5,962	924	-	-
	<u>5,962</u>	<u>924</u>	<u>-</u>	<u>-</u>

**10. SHARE CAPITAL**

Allotted, called up and fully paid

	2015 Society £	2014 Society £
79,760 ordinary shares of £1 each	<u>79,760</u>	<u>-</u>

**11. MEMBERSHIP**

	2015 Society	2014 Society
Members at beginning of year	3	3
Members ceased during year	-	-
Members admitted during year	112	-
Members at end of year	<u>115</u>	<u>3</u>

**Sheffield Community Media Limited**

**Notes to the Financial Statements**  
**For The Year Ended 31 March 2015 (continued)**

**12. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS**

	2015		2014	
	Group £	Society £	Group £	Society £
(Deficit) for the financial year	(65,378)	(20,494)	(626)	(626)
	<u>(65,378)</u>	<u>(20,494)</u>	<u>(626)</u>	<u>(626)</u>
New shares subscribed	79,760	79,760	-	-
Reduction in share capital subscribed	-	-	-	-
	<u>79,760</u>	<u>79,760</u>	<u>-</u>	<u>-</u>
New addition to members' funds	14,382	59,266	-	-
	<u>14,382</u>	<u>59,266</u>	<u>-</u>	<u>-</u>
Members' funds at beginning of year	(626)	(626)	-	-
	<u>(626)</u>	<u>(626)</u>	<u>-</u>	<u>-</u>
Members' funds at year end	<u>13,756</u>	<u>58,640</u>	<u>(626)</u>	<u>(626)</u>
	<u>13,756</u>	<u>58,640</u>	<u>(626)</u>	<u>(626)</u>
Share capital	79,760	79,760		
Retained (deficit) at year end	<u>(66,004)</u>	<u>(21,120)</u>	<u>(626)</u>	<u>(626)</u>
	<u>13,756</u>	<u>58,640</u>	<u>(626)</u>	<u>(626)</u>

**13. SUBSIDIARY**

The Society has a wholly owned subsidiary, Sheffield Local Television Limited, a private company limited by guarantee incorporated in England and Wales of which the Society is sole member and guarantor. The subsidiary company is included in the consolidated accounts. The principal activity of Sheffield Local Television Limited is the operation of a local digital television channel for Sheffield.

**14. RELATED PARTY TRANSACTIONS**

S Basudev, a director of Sheffield Community Media Limited, is Chief Executive of Commedia Sheffield. S Buckley, a director of Sheffield Community Media Limited, is a director of Commedia Sheffield. Sheffield Community Media Limited is the guarantor of a lease on premises held by Commedia Sheffield, has remunerated Commedia Sheffield for the acquisition of fixture and fittings, studio equipment and other costs, and has charged Commedia Sheffield for rent and services. Sheffield Local Television Limited has remunerated Commedia Sheffield for production, management, communications and other costs and has charged Commedia Sheffield for advertising sales and other services.

	2015		2014	
	Group £	Society £	Group £	Society £
Charges to Commedia Sheffield	14,659	6,427	-	-
Charges from Commedia Sheffield	<u>(42,113)</u>	<u>(23,040)</u>	<u>(2,021)</u>	<u>(2,021)</u>
	<u>(27,454)</u>	<u>(16,163)</u>	<u>(2,021)</u>	<u>(2,021)</u>

**Related party debtors/(creditors)**

	2015		2014	
	Group £	Society £	Group £	Society £
Commedia Sheffield	<u>10,587</u>	<u>6,174</u>	<u>(2,021)</u>	<u>(2,021)</u>