

REGISTERED SOCIETY NUMBER: 31727R

SHEFFIELD COMMUNITY MEDIA LIMITED

Report of the Directors and Consolidated Financial Statements

For The Year Ended 31 March 2017

Sheffield Community Media Limited

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For The Year Ended 31 March 2017

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Sheffield Community Media Limited

Legal and Administrative Information
For the Year Ended 31 March 2017

DIRECTORS: S Basudev
S Buckley
J Devereux
R Motley

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

AUDITORS: Hart Shaw LLP
Europa Link
Sheffield Business Park
Sheffield
S9 1XU

Sheffield Community Media Limited

Report of the Directors For The Year Ended 31 March 2017

The directors present their report with the financial statements of the company for the year ended 31 March 2017.

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 2017.

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 the 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 the society maintained a focus on developing the offer of public access media facilities linked to the Sheffield Live! broadcast platform and including hosting the activities of SLTV. SLTV continued to operate the local TV channel, Sheffield Live! TV, which is receivable on Freeview channel 7, Virgin cable channel 159 and on broadband via sheffieldlive.org, as well as delivering video production and social enterprise support services. The society and SLTV continued to work in close partnership with Commedia Sheffield, hosting Sheffield Live! community radio, providing technical support and sharing technical facilities. Commedia Sheffield is a volunteer run 24/7 community radio service with around 18 hours/day of local content.

Among over 20 original local productions broadcast by SLTV in a typical week have been programmes featuring poetry, local music, sports, outdoors, comedy and independent film-making. The Sheffield Live! news team have generated a daily bulletin and over 15 video news stories every week covering local public bodies, community and voluntary sector, culture, sports and business. SLTV also completed a 14 week assignment as guest producer for the BBC commissioned 'Digital Nation'.

FINANCIAL REVIEW

The year was marked by significant changes in the revenue profile of the group including a sharp reduction in BBC revenues to SLTV with the tapering of the BBC news supply agreement, part of a sector-wide BBC policy to pull back from local TV. Commercial revenue from advertising and sponsorship has not been sufficient to replace the reduction in BBC revenue.

On the positive side grant funding was secured from Power to Change to support the renewal and upgrading of facilities and towards revenue costs. SLTV also secured a three year partnership agreement (2016 – 2019) for provision of social enterprise support services as part of the Social Enterprise Exchange, part-funded by the European Regional Development Fund.

SLTV received investment income during the year in the form of distributions from its shareholding in Comux UK Ltd, the local TV transmission provider, which it co-owns on a one share per local TV licence basis with other local TV channels. By the year end Comux UK Ltd distributions had risen to meet 100 per cent of the costs of transmission services for Sheffield Live! TV.

At the year end the reserves of the group, including community shares funding, were in deficit. This is attributed to an operating deficit due to reduced revenues together with a deficit brought forward from the start up period of SLTV. Since the year end the directors have undertaken steps to address this situation, to restore the reserves to a positive balance and to improve the position in the future. The directors have reviewed the financial circumstances of the society and group and have concluded that adequate resources continue to be available to fund the activities and that the society and group are a going concern.

PLANS FOR FUTURE PERIODS

Looking ahead, the society aims to increase the range and diversity of media content carried on Sheffield Live! as well as to increase the numbers of volunteers involved in production and related activities. This will be supported by equipment upgrades for both radio and TV production and new calls for programme proposals and volunteers. Opportunities to extend audience reach have been under active development leading to launch of a relay transmitter for Sheffield Live! TV that will increase household coverage by 80 per cent. In the longer term the society and group maintain an ambition to identify a suitable property for acquisition that would enable a reduction in net premises costs and additional revenues from office rental, studio hire, co-working membership, events and promotions. This project is expected to require significant new capital investment.

Sheffield Community Media Limited

Report of the Directors
For The Year Ended 31 March 2017 (continued)

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 2016 to the date of this report except where indicated:

S Basudev
S Buckley
J Devereux
R Motley
M Neale (resigned 1 November 2017)

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.

Disclosure of information to the auditors

We, the Directors of the society who held office at the date of approval of these financial statements as set out below each confirm, so far as we are aware, that:

- There is no relevant audit information of which the company's auditors are unaware: and
- We have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the board of directors on 11 March 2020

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 2017 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 January 2015) (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 2016 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

Hart Shaw LLP
Chartered Accountants
Statutory Auditor

Europa Link
Sheffield Business Park
Sheffield
S9 1XU

Date: 17.3.20

Sheffield Community Media Limited

Consolidated Income and Expenditure Account
For The Year Ended 31 March 2017

	2017 £	2016 £
TURNOVER	198,637	245,862
Cost of sales	<u>147,823</u>	<u>162,220</u>
GROSS SURPLUS	50,814	83,642
Administrative expenses	<u>95,974</u>	<u>133,157</u>
	(45,160)	(49,515)
Other operating income	<u>0</u>	<u>0</u>
OPERATING SURPLUS/(DEFICIT)	(45,160)	(49,515)
Interest receivable and similar income	2	26
Investment income	<u>14,607</u>	<u>29,474</u>
	(30,551)	(20,015)
Interest payable and similar charges	<u>7,256</u>	<u>5,545</u>
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION	(37,807)	(26,560)
Tax on (deficit) on ordinary activities	<u>0</u>	<u>0</u>
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR AFTER TAXATION	<u>(37,807)</u>	<u>(25,560)</u>
SURPLUS/(DEFICIT) FOR THE YEAR	(37,807)	(25,560)
Retained deficit brought forward	(91,564)	(66,004)
RETAINED SURPLUS/(DEFICIT) CARRIED FORWARD	<u>(129,371)</u>	<u>(91,564)</u>

Sheffield Community Media Limited

Society Income and Expenditure Account
For The Year Ended 31 March 2017

	2017 £	2016 £
TURNOVER	22,478	72,837
Cost of sales	<u>0</u>	<u>0</u>
GROSS SURPLUS	22,478	72,837
Administrative expenses	<u>93,008</u>	<u>72,351</u>
	(70,530)	486
Other operating income	<u>0</u>	<u>0</u>
OPERATING SURPLUS	(70,530)	486
Interest receivable and similar income	<u>-</u>	<u>10</u>
	(70,530)	496
Interest payable and similar charges	<u>7,256</u>	<u>5,546</u>
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION	(77,786)	(5,050)
Tax on (deficit) on ordinary activities	<u>0</u>	<u>0</u>
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR AFTER TAXATION	<u>(77,786)</u>	<u>(5,050)</u>
SURPLUS/(DEFICIT) FOR THE YEAR	(77,786)	(5,050)
Retained deficit brought forward	(26,170)	(21,120)
RETAINED SURPLUS/(DEFICIT) CARRIED FORWARD	<u>(103,956)</u>	<u>(26,170)</u>

Sheffield Community Media Limited

**Balance Sheets
31 March 2017**

	Notes	2017		2016	
		Group £	Society £	Group £	Society £
FIXED ASSETS					
Tangible assets	3	36,457	36,457	62,194	62,194
Investment	4	1	0	1	0
		<u>36,458</u>	<u>36,457</u>	<u>62,195</u>	<u>62,194</u>
CURRENT ASSETS					
Debtors	5 & 6	77,508	78,434	81,324	100,608
Cash at bank and in hand		130,103	107,909	24,906	13,319
		<u>207,611</u>	<u>186,343</u>	<u>106,230</u>	<u>113,927</u>
CREDITORS					
Amounts falling due within one year	7	199,460	152,776	97,959	40,261
NET CURRENT ASSETS		<u>8,151</u>	<u>33,567</u>	<u>8,271</u>	<u>73,666</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		44,609	70,024	70,466	135,860
CREDITORS					
Amounts falling due after more than one year	8	73,980	73,980	62,030	62,030
NET ASSETS		<u>(29,371)</u>	<u>(3,956)</u>	<u>8,436</u>	<u>73,830</u>
RESERVES					
Share capital	11	100,000	100,000	100,000	100,000
Retained surplus		(129,371)	(103,956)	(91,654)	(26,170)
		<u>(29,371)</u>	<u>(3,956)</u>	<u>8,436</u>	<u>73,830</u>

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

The financial statements were approved and authorised for issue by the Board of Directors on 11 March 2020 and signed on its behalf by:



Stephen Bucktey
Secretary



Jacqueline Devereux
Director



Richard Motley
Director

The notes on pages 8 to 11 form part of these financial statements.

Company registration number 31727R

Sheffield Community Media Limited

Notes to the Financial Statements
For The Year Ended 31 March 2017

1. ACCOUNTING POLICIES

General information and basis of preparation

Sheffield Community Media Ltd (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 Ltd (SLTV), a company limited by guarantee. These are the consolidated financial statements of SCM and SLTV for the year to 31 March 2017.

The financial statements are presented in sterling which is the functional currency of the company and is rounded to the nearest £0.

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

These financial statements for the year ended 31 March 2017 are the first financial statements of Sheffield Community Media Limited prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The financial statements have been prepared under the historical cost convention.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

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.

Plant and machinery -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.

Sheffield Community Media Limited

Notes to the Financial Statements
For The Year Ended 31 March 2017 (continued)

2. Average number of employees/directors in the year

	2017	2016
Sheffield Community Media	4	5
Sheffield Local Television	13	16
	<u>17</u>	<u>21</u>

3. TANGIBLE FIXED ASSETS (GROUP AND SOCIETY)

	Plant and Machinery £	Totals £
COST		
At 1 April 2016	102,951	102,951
Additions	<u>-</u>	<u>-</u>
At 31 March 2017	<u>102,951</u>	<u>102,951</u>
DEPRECIATION		
At 1 April 2016	40,757	40,757
Charge for year	<u>25,737</u>	<u>25,737</u>
At 31 March 2017	<u>66,494</u>	<u>66,494</u>
NET BOOK VALUE		
At 31 March 2017	<u>36,457</u>	<u>36,457</u>
At 31 March 2016	<u>62,194</u>	<u>62,194</u>

4. INVESTMENTS

	2017		2016	
	Group £	Society £	Group £	Society £
Unlisted investments at cost	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017		2016	
	Group £	Society £	Group £	Society £
Trade debtors	22,436	15,630	38,017	9,251
Prepayments and accrued income	55,072	2,637	43,307	60,657
Amount owed by group undertakings	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,700</u>
	<u>77,508</u>	<u>18,267</u>	<u>81,324</u>	<u>100,608</u>

Sheffield Community Media Limited

Notes to the Financial Statements
For The Year Ended 31 March 2017 (continued)

6. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017		2016	
	Group £	Society £	Group £	Society £
Amount owed by group undertakings	-	60,167	-	-
	<u>-</u>	<u>60,167</u>	<u>-</u>	<u>-</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017		2016	
	Group £	Society £	Group £	Society £
Bank loans and overdrafts	19,285	19,285	27,465	27,465
Trade creditors	17,974	8,351	17,083	3,559
Taxation and social security	11,617	7,093	7,622	742
Other creditors	27,017	1,872	18,765	1,797
Accruals	7,392	-	20,326	-
Deferred income - ERDF	6,698	6,698	6,698	6,698
Deferred income – Power to Change	109,477	109,477	-	-
	<u>199,460</u>	<u>152,776</u>	<u>97,959</u>	<u>40,261</u>

The loans from Key Fund Investments Ltd (totalling £13,333, 2016 £17,333) and The Co-operative Loan Fund (totalling £5,952, 2016 £5,132) are secured against the assets of the company.

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017		2016	
	Group £	Society £	Group £	Society £
Bank loans and overdrafts	32,917	32,917	52,202	52,202
Deferred income – ERDF	3,130	3,130	9,828	9,828
Deferred income – Power to Change	37,933	37,933	-	-
	<u>73,980</u>	<u>73,980</u>	<u>62,030</u>	<u>62,030</u>

The loans from Key Fund Investments Ltd (totalling £14,000, 2016 £27,334) and The Co-operative Loan Fund (totalling £18,917, 2016 £19,868) are secured against the assets of the company.

9. OPERATING LEASE COMMITMENTS

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

	2017		2016	
	Group £	Society £	Group £	Society £
	7,136	7,136	14,272	14,272
	<u>7,136</u>	<u>7,136</u>	<u>14,272</u>	<u>14,272</u>

Sheffield Community Media Limited

**Notes to the Financial Statements
For The Year Ended 31 March 2017 (continued)**

10. PENSION COMMITMENTS

The group operates a defined contribution pension scheme.

	2017		2016	
	Group £	Society £	Group £	Society £
Pension costs for the year	5,608	-	6,664	
Pension contributions owed at year end	<u>969</u>	<u>168</u>	<u>1,094</u>	<u>168</u>

11. SHARE CAPITAL

Issued and fully paid

	2017 Society £	2016 Society £
Opening share capital	100,000	79,760
£1 shares issued in the year at par	-	20,240
Closing share capital	<u>100,000</u>	<u>100,000</u>

12. MEMBERSHIP

	2017 Society	2016 Society
Members at beginning of year	116	115
Members ceased during year	-	-
Members admitted during year	-	<u>1</u>
Members at end of year	<u>116</u>	<u>116</u>

13. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	2017		2016	
	Group £	Society £	Group £	Society £
Surplus/(Deficit) for the financial year	<u>(37,807)</u>	<u>(77,786)</u>	<u>(25,560)</u>	<u>(5050)</u>
	(37,807)	(77,786)	(25,560)	(5050)
New shares subscribed	-	-	20,240	20,240
Reduction in share capital subscribed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
New addition to members' funds	(37,807)	(77,786)	(5,320)	15,190
Members' funds at beginning of year	<u>8436</u>	<u>73,830</u>	<u>13,756</u>	<u>58,640</u>
Members' funds at year end	<u>(29,371)</u>	<u>(3,956)</u>	<u>8,436</u>	<u>73,830</u>
Share capital	100,000	100,000	100,000	100,000
Retained surplus/(deficit) at year end	<u>(129,371)</u>	<u>(103,956)</u>	<u>(91,564)</u>	<u>(26,170)</u>
	<u>(29,371)</u>	<u>(3,596)</u>	<u>8,436</u>	<u>73,830</u>

14. 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.