

REGISTERED SOCIETY NUMBER: 31727R

SHEFFIELD COMMUNITY MEDIA LIMITED

Report of the Directors and Consolidated Financial Statements

For The Year Ended 31 March 2016

Sheffield Community Media Limited

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For The Year Ended 31 March 2016

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Sheffield Community Media Limited

Legal and Administrative Information
For the Year Ended 31 March 2016

DIRECTORS: S Basudev
S Buckley
J Devereux
R Motley
M Neale

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 2016

The directors present their report with the financial statements of the company for the year ended 31 March 2016.

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 2016.

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 SCM issued a further £20,000 in community shares and secured £30,000 social investment loan funding from The Co-operative Loan Fund on a five year term. This has ensured sufficient working capital for the group's activities.

SCM subsidiary company SLTV has continued to operate the local TV channel as Sheffield Live! TV, receivable on Freeview channel 7, Virgin Cable channel 159 and on broadband via sheffieldlive.org. During the year, additional equipment purchase enabled SLTV to bring playout and scheduling services in house, providing increased functionality and lower operating cost.

SLTV was contracted as guest producer for the BBC commissioned 'Digital Nation' best of local TV programme for a 14 week period, earning additional production revenue and demonstrating the capability to produce to BBC broadcasting standards.

SLTV received investment income during the year in the form of distributions resulting 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.

SCM and SLTV have worked closely with Commedia Sheffield on the basis of a partnership agreement to promote joint working between the local TV channel and community radio and online services, including co-branding, shared content, joint sales and marketing, cross platform technical support and a single point of contact for public engagement and volunteering.

PLANS FOR FUTURE PERIODS

SLTV is one of 21 local TV channels launched during the last three 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 implementation of the new BBC Charter, and wider communications market trends, notably the growth of mobile consumption.

At the date of this report SLTV had completed over two years of Sheffield Live! TV broadcast operations as the local digital TV channel for Sheffield, while Sheffield Live! 93.2fm community radio celebrated 16 years of community radio broadcasting.

In partnership with other community-based organisations, SLTV will contribute to the delivery of 'Social Enterprise Exchange', a new three year programme of work, 2016-2019, to support social enterprise in Sheffield City Region and part-funded by the European Regional Development Fund. SLTV will provide marketing, media production and communications support.

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.

Sheffield Community Media Limited

Report of the Directors
For The Year Ended 31 March 2016 (continued)

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 2015 to the date of this report except where indicated:

S Basudev
S Buckley
J Devereux
R Motley
M Neale (appointed 26 November 2015)
H Smith (resigned 26 November 2015)

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 16 December 2016

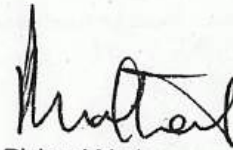
SIGNED ON BEHALF OF THE BOARD:



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 2016 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 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: 16.12.2016

Sheffield Community Media Limited

Consolidated Income and Expenditure Account
For The Year Ended 31 March 2016

	Notes	2016 £	2015 £
TURNOVER		245,862	196,804
Cost of sales		162,220	115,534
GROSS SURPLUS		83,642	81,270
Administrative expenses		133,157	143,193
		(49,515)	(61,923)
Other operating income		0	0
OPERATING (DEFICIT)	2	(49,515)	(61,923)
Interest receivable and similar income		26	74
Investment income		29,474	-
		(20,015)	(61,849)
Interest payable and similar charges		5,545	3,529
(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		(25,560)	(65,378)
Tax on (deficit) on ordinary activities	3	0	0
(DEFICIT) FOR THE FINANCIAL YEAR AFTER TAXATION		(25,560)	(65,378)
(DEFICIT) FOR THE YEAR		(25,560)	(65,378)
Retained deficit brought forward		(66,004)	(626)
RETAINED (DEFICIT) CARRIED FORWARD		(91,564)	(66,004)

Sheffield Community Media Limited

Society Income and Expenditure Account
For The Year Ended 31 March 2016

	Notes	2016 £	2015 £
TURNOVER		72,837	75,752
Cost of sales		<u>0</u>	<u>0</u>
GROSS SURPLUS		72,837	75,752
Administrative expenses		<u>72,351</u>	<u>92,761</u>
		486	(17,009)
Other operating income		<u>0</u>	<u>0</u>
OPERATING (DEFICIT)	2	486	(17,009)
Interest receivable and similar income		<u>10</u>	<u>44</u>
		496	(16,965)
Interest payable and similar charges		<u>5,546</u>	<u>3,529</u>
(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		(5,050)	(20,494)
Tax on (deficit) on ordinary activities	3	<u>0</u>	<u>0</u>
(DEFICIT) FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(5,050)</u>	<u>(20,494)</u>
(DEFICIT) FOR THE YEAR		(5,050)	(20,494)
Retained deficit brought forward		(21,120)	(626)
RETAINED (DEFICIT) CARRIED FORWARD		<u>(26,170)</u>	<u>(21,120)</u>

Sheffield Community Media Limited

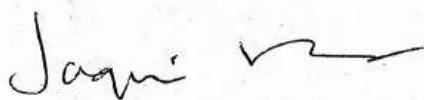
Balance Sheets
31 March 2016

	Notes	2016		2015	
		Group £	Society £	Group £	Society £
FIXED ASSETS					
Tangible assets	4	62,194	62,194	73,372	73,372
Investment	5	1	0	1	0
		<u>62,195</u>	<u>62,194</u>	<u>73,373</u>	<u>73,372</u>
CURRENT ASSETS					
Debtors	6	81,324	100,608	42,845	59,278
Cash at bank and in hand		24,906	13,319	63,102	23,534
		<u>106,230</u>	<u>113,927</u>	<u>105,947</u>	<u>82,812</u>
CREDITORS					
Amounts falling due within one year	7	97,959	40,261	108,771	40,751
		<u>8,271</u>	<u>73,666</u>	<u>(2,824)</u>	<u>42,061</u>
NET CURRENT ASSETS					
		<u>70,466</u>	<u>135,860</u>	<u>70,549</u>	<u>115,433</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>8,436</u>	<u>73,830</u>	<u>13,756</u>	<u>58,640</u>
CREDITORS					
Amounts falling due after more than one year	8	62,030	62,030	56,793	56,793
		<u>8,436</u>	<u>73,830</u>	<u>13,756</u>	<u>58,640</u>
NET ASSETS					
		<u>8,436</u>	<u>73,830</u>	<u>13,756</u>	<u>58,640</u>
RESERVES					
Share capital	11	100,000	100,000	79,760	79,760
Retained surplus		(91,564)	(26,170)	(66,004)	(21,120)
		<u>8,436</u>	<u>73,830</u>	<u>13,756</u>	<u>58,640</u>

The accounts have been prepared in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Directors on 16 December 2016 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 2016

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 January 2015).

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:

	2016		2015	
	Group £	Society £	Group £	Society £
Depreciation of tangible assets	25,233	25,233	15,524	15,524
Auditors' remuneration	1,800	540	1,800	540
	1,800	540	1,800	540

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2016 (2015: £nil).

Sheffield Community Media Limited

Notes to the Financial Statements
For The Year Ended 31 March 2016 (continued)

4. TANGIBLE FIXED ASSETS (GROUP AND SOCIETY)

	Fixtures and fittings £	Studio equipment £	Totals £
COST			
At 1 April 2015	12,969	75,927	88,896
Additions	3,390	10,665	14,055
At 31 March 2016	<u>16,359</u>	<u>86,592</u>	<u>102,951</u>
DEPRECIATION			
At 1 April 2015	3,065	12,459	15,524
Charge for year	3,807	21,426	25,233
At 31 March 2016	<u>6,872</u>	<u>33,885</u>	<u>40,757</u>
NET BOOK VALUE			
At 31 March 2016	<u>9,487</u>	<u>52,707</u>	<u>62,194</u>
At 31 March 2015	<u>9,904</u>	<u>63,468</u>	<u>73,372</u>

5. INVESTMENTS

	2016		2015	
	Group £	Society £	Group £	Society £
Unlisted investments at cost	1	-	1	-
	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016		2015	
	Group £	Society £	Group £	Society £
Trade debtors	38,017	9,251	8,099	-
Grants receivable	-	-	18,060	3,154
Prepayments	3,842	3,197	4,727	4,274
Loan to subsidiary	-	30,700	-	20,000
Accrued income	39,465	57,460	11,959	31,850
	<u>81,324</u>	<u>100,608</u>	<u>42,845</u>	<u>59,278</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016		2015	
	Group £	Society £	Group £	Society £
Trade creditors	17,083	3,559	23,721	4,760
Taxation and social security	7,622	742	7,976	406
Key Fund loans	17,333	17,333	28,000	28,000
Other loans	10,132	10,132	-	-
Other creditors	18,765	1,797	14,828	1,464
Deferred income	27,024	6,698	34,246	6,121
	<u>97,959</u>	<u>40,261</u>	<u>108,771</u>	<u>40,751</u>

Sheffield Community Media Limited

**Notes to the Financial Statements
For The Year Ended 31 March 2016 (continued)**

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

	2016		2015	
	Group £	Society £	Group £	Society £
Key Fund loans	27,334	27,334	42,000	42,000
Other loans	24,868	24,868	-	-
Deferred income	9,828	9,828	14,793	14,793
	<u>62,030</u>	<u>62,030</u>	<u>56,793</u>	<u>56,793</u>

9. OPERATING LEASE COMMITMENTS

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

	2016		2015	
	Group £	Society £	Group £	Society £
Expiring:				
Within one year	24,929	24,929	-	-
Between one and five years	-	-	24,929	24,929
	<u>-</u>	<u>-</u>	<u>24,929</u>	<u>24,929</u>

10. PENSION COMMITMENTS

The group operates a defined contribution pension scheme.

	2016		2015	
	Group £	Society £	Group £	Society £
Pension costs for the year	6,664	-	5,962	924
Pension contributions owed at year end	<u>1,094</u>	<u>168</u>	<u>5,962</u>	<u>924</u>

11. SHARE CAPITAL

Allotted, called up and fully paid

	2016		2015	
	Society £	Society £	Society £	Society £
Opening share capital	79,760	79,760	79,760	79,760
£1 shares issued in the year at par	20,240	-	-	-
Closing share capital	<u>100,000</u>	<u>79,760</u>	<u>79,760</u>	<u>79,760</u>

12. MEMBERSHIP

	2016		2015	
	Society	Society	Society	Society
Members at beginning of year	115	115	3	3
Members ceased during year	-	-	-	-
Members admitted during year	1	1	112	112
Members at end of year	<u>116</u>	<u>116</u>	<u>115</u>	<u>115</u>

Sheffield Community Media Limited

**Notes to the Financial Statements
For The Year Ended 31 March 2016 (continued)**

13. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	2016		2015	
	Group £	Society £	Group £	Society £
(Deficit) for the financial year	<u>(25,560)</u>	<u>(5,050)</u>	<u>(65,378)</u>	<u>(20,494)</u>
	(25,560)	(5,050)	(65,378)	(20,494)
New shares subscribed	20,240	20,240	79,760	79,760
Reduction in share capital subscribed	-	-	-	-
New addition to members' funds	(5,320)	15,190	14,382	59,266
Members' funds at beginning of year	<u>13,756</u>	<u>58,640</u>	<u>(626)</u>	<u>(626)</u>
Members' funds at year end	<u>8,436</u>	<u>73,830</u>	<u>13,756</u>	<u>58,640</u>
Share capital	100,000	100,000	79,760	79,760
Retained (deficit) at year end	<u>(91,564)</u>	<u>(26,170)</u>	<u>(66,004)</u>	<u>(21,120)</u>
	<u>8,436</u>	<u>73,830</u>	<u>13,756</u>	<u>58,640</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.

15. RELATED PARTY TRANSACTIONS

S Buckley, a director of Sheffield Community Media Limited, is a director of Commedia Sheffield, Community Media Solutions Ltd and Comux UK Ltd. Sheffield Community Media Limited is the guarantor of a lease on premises held by Commedia Sheffield, has remunerated Commedia Sheffield for rates and has charged Commedia Sheffield for rent and services. Sheffield Local Television Limited has remunerated Commedia Sheffield for production, management and other costs and has charged Commedia Sheffield for advertising sales and other services. Community Media Solutions Ltd made an interest free loan of £5,000 to Sheffield Community Media Ltd in the year. This loan was repaid in full after the year end. Comux UK Ltd has charged Sheffield Local Television Ltd for the provision of transmission services and has provided investment income to Sheffield Local Television Ltd in the form of post-tax distributions.

	2016		2015	
	Group £	Society £	Group £	Society £
Charges to Commedia Sheffield	14,050	9,584	14,659	6,427
Charges from Commedia Sheffield	<u>(34,217)</u>	<u>(1,089)</u>	<u>(42,113)</u>	<u>(23,040)</u>
Distributions from Comux UK Ltd	29,474			
Charges from Comux UK Ltd	<u>(19,864)</u>		<u>(15,617)</u>	

Related party debtors/(creditors)

	2016		2015	
	Group £	Society £	Group £	Society £
Commedia Sheffield	15,747	16,208	10,587	6,174
Community Media Solutions Ltd	<u>(5,000)</u>	<u>(5,000)</u>	-	-
Comux UK Ltd	<u>6,069</u>		<u>(17,075)</u>	-