
MEDIA TRUST
REPORT AND FINANCIAL
STATEMENTS

Year ended 30 June 2016

MEDIA TRUST

REPORT AND FINANCIAL STATEMENTS 2016

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MEDIA TRUST

TRUSTEES' REPORT

The Trustees present their annual report, together with the audited financial statements of Media Trust ("the Trust") for the year ended 30 June 2016.

ESTABLISHMENT

The Media Trust was established in the Falkland Islands on 16 June 1989 in accordance with the Media Trust Ordinance 1989. The Trust commenced publishing in October 1989. It took over the radio station from the Falkland Islands Government ('FIG') in August 2005 and continued to broadcast throughout the Falkland Islands.

RESULTS AND DIVIDENDS

The surplus for the year was £30,845 (2015 surplus - £49,946). The balance on the capital account carried forward is £141,790 (2015 - £110,945).

BASIS OF PREPARATION

As at 30 June 2016 the Trust has net current assets of £134,798 (2015: £103,739) and cash of £129,178 (2015: £109,880). The Trust is set up primarily to break even after receipt of grant income. The Trust is funded primarily through retained earnings and grant income from FIG.

As a consequence of the funding received and approved for the year to 30 June 2016 and the previously unspent reserves, the Trustees believe that the Trust is well placed despite the current uncertain economic outlook and accordingly the financial statements have been prepared on a going concern basis.

REVIEW OF THE BUSINESS

The business continues to operate as in previous years, with three sub entities that operate autonomously. It does not have an aim to make large profits, but always sets a budget to break even. It has made a profit in all aspects of the Trust in the year except the core body that does not have an income generator.

The Penguin News and FIRS have reviewed their income streams and whilst it is pleasing to see profits increase, there continues to be monitoring of the income levels and budgeted expenditure.

It is hoped that a further profit can be achieved in the next 12 months.

TRUSTEES

The Trustees during the year and subsequent to 30 June 2016 were as follows:

Janet Robertson - Resigned
Nancy Jennings - Resigned
Ailie Biggs - Resigned
Mark Pollard
Melanie Gilding
Stacy Bragger – Appointed
Farrah Peck – Appointed
Tiphonie May – Appointed
Roddy Cordero – Appointed
Daniel Fowler - Appointed

In accordance with The Media Trust Ordinance 1989, the Trustees shall hold office for a period of four years but, subject to the Ordinance, are eligible for re-appointment.

Signed on behalf of the Board of Trustees on 25th September 2017

Chair



STATEMENT OF TRUSTEES' RESPONSIBILITIES

In accordance with the Falkland Islands Finance and Audit Ordinance 1988 the Trustees have prepared financial statements for each financial year in accordance with the accounting requirements of the Falkland Islands of the state of affairs of the Trust at the end of the financial year and of the surplus or deficit of the Trust for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Media Trust Ordinance 1989. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for preparing the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MEDIA TRUST

We have audited the financial statements of Media Trust for the year ended 30 June 2016 which comprise of the Profit and Loss Account, the Balance Sheet and related notes. The financial reporting framework that has been applied in their preparation is the Media Trust Ordinance 1989, the Finance and Audit Ordinance 1988 and the accounting policies set out therein.

Respective responsibilities of members and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable Falkland Islands 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. This report is made solely to the members of the Media Trust as a body in accordance with our engagement terms. Our audit work has been undertaken so that we might state to the Trust's Trustees 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 Trust and the Trustees as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit

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 Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all financial and non-financial information in the Members' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatement or inconsistencies we consider the implications for our audit report.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 30 June 2016 and of its surplus for the year then ended;
- have been properly prepared in accordance with accounting policies; and
- have been prepared in accordance with the Media Trust Ordinance 1989 and the Finance and Audit Ordinance 1988.

Mazars

Mazars LLP
Chartered Accountants and Statutory Auditors
90 Victoria Street
Bristol
BS1 6DP

Date: *25/9/17*

MEDIA TRUST

PROFIT AND LOSS ACCOUNT Year ended 30 June 2016

	Note	Media Trust 2016 £	Penguin News 2016 £	FIRS 2016 £	Total 2016 £	Media Trust 2015 £	Penguin News 2015 £	FIRS 2015 £	Total 2015 £
TURNOVER	2	-	196,413	32,124	228,537	-	196,095	33,990	230,085
Distribution costs		-	(2,964)	(3,784)	(6,748)	-	(2,532)	(2,802)	(5,334)
Administrative expenses		(6,057)	(174,640)	(203,972)	(384,669)	(6,085)	(174,012)	(189,205)	(369,302)
Surplus/(Deficit) before other operating income		(6,057)	18,809	(175,632)	(162,880)	(6,085)	19,551	(158,017)	(144,551)
Other operating income	3	-	74	193,651	193,725	-	19	194,478	194,497
SURPLUS/(DEFICIT) FOR THE YEAR	4, 9	(6,057)	18,883	18,019	30,845	(6,085)	19,570	36,461	49,946

All amounts relate to continuing operations.

The Media Trust has no recognised gains or losses other than the above results.

MEDIA TRUST

BALANCE SHEET At 30 June 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Tangible fixed assets	6	6,992	7,206
CURRENT ASSETS			
Debtors	7	31,705	26,719
Cash at bank and in hand		129,178	109,880
		160,883	136,599
CREDITORS			
Amounts falling due within one year	8	(26,085)	(32,860)
NET CURRENT ASSETS		134,798	103,739
NET ASSETS		141,790	110,945
CAPITAL			
Capital account	9	141,790	110,945

Approved by the Board of Trustees on 25th September 2017

Trustees 

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

1. ACCOUNTING POLICIES

The principal accounting policies adopted by the Trust, which have been applied consistently in the current and preceding year, are described below.

The financial statements have been prepared in accordance with United Kingdom accounting standards.

Accounting convention

The financial statements are prepared under the historical cost convention.

Basis of preparation

As at 30 June 2016 the Trust has net current assets of £134,798 and cash of £129,156. The Trust is set up primarily to break even after receipt of grant income. The Trust is funded primarily through retained earnings and grant income from the Falkland Islands Government.

As a consequence of the funding received and approved for the year to 30 June 2016 and the previously unspent reserves, the Trustees believe that the Trust is well placed despite the current uncertain economic outlook and accordingly the financial statements have been prepared on a going concern basis.

Cash flow

The financial statements do not include a cash flow statement because the Trust, as a small entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard No. 1 (Revised 1996) 'Cash Flow Statements'.

Turnover

Turnover represents income from sales of the Penguin News, sale of advertising and broadcast material by FIRS, internet sales, sales of promotional items and advertising revenue.

Subscription income received in advance is deferred and subsequently recognised within turnover in the profit and loss account evenly over the subscription period.

Grant funding

Grant income is recognised in the period to which it is received unless certain conditions are required to be met before it becomes unconditional. Where this is the case the grant is credited to the profit and loss account as the related expenditure is incurred.

Pension costs

The Trust makes contributions to money purchase pension schemes on behalf of certain employees. The assets of the schemes are held separately from those of the Trust. Contributions payable for the year are charged to profit and loss account. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates to write off the cost of each asset on a straight-line basis at the following annual rates:

Fixtures and fittings	15%
Motor Vehicles	25%
Equipment	25%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 30 June 2016

2. TURNOVER

During the year, the Trust engaged in two classes of business in one location, that of newspaper publishers and radio broadcasters in the Falkland Islands. Revenues from these separate sources are shown on the face of the profit and loss account.

3. OTHER OPERATING INCOME

	Media Trust 2016 £	Penguin News 2016 £	FIRS 2016 £	Total 2016 £	Total 2015 £
Bank interest	-	74	41	115	37
Deferred training income	-	-	-	-	-
Grants received	-	-	193,610	193,610	194,460
	<u>-</u>	<u>74</u>	<u>193,651</u>	<u>193,725</u>	<u>194,497</u>

The Media Trust received £193,610 (2015: £194,460) from FIG as a direct subsidy for FIRS. In the year ending June 2010 it also received £21,000 from the BBC to assist with training expenses, however only £2,577 was released to the profit and loss with the balance being deferred to match training expenses as they are incurred. In 2011 a further £748 has been released to the profit and loss, with a further £1,335 being released in 2014.

4. SURPLUS/(DEFICIT) FOR THE YEAR

	Media Trust 2016 £	Penguin News 2016 £	FIRS 2016 £	Total 2016 £	Total 2015 £
The surplus/(deficit) for the year is stated after charging:					
Auditors' remuneration	3,600	-	-	3,600	3,255
Trustees' remuneration	-	89,351	161,476	250,827	233,479
Wages and salaries	-	13,063	16,066	29,129	28,259
Pension costs and other staff costs	-	1,273	2,672	3,945	4,392
Depreciation	-	-	-	-	-

5. TAXATION

In accordance with the Media Trust Ordinance 1989, the income of the Trust is exempt from any form of taxation in the Falkland Islands.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 30 June 2016

6. TANGIBLE FIXED ASSETS

Cost	At 1 July 2015 £	Additions £	Disposals £	At 30 June 2016 £
Fixtures and fittings	7,410	-	-	7,410
Equipment	20,712	3,730	-	24,442
Motor vehicles	4,610	-	-	4,610
	<u>32,732</u>	<u>3,730</u>	<u>-</u>	<u>36,462</u>
Accumulated depreciation	At 1 July 2015 £	Charge for the year £	Disposals in the year £	At 30 June 2016 £
Fixtures and fittings	7,226	182	-	7,408
Equipment	13,690	3,762	-	17,452
Motor vehicles	4,610	-	-	4,610
	<u>25,526</u>	<u>3,944</u>	<u>-</u>	<u>29,470</u>
Net book value	At 1 July 2015 £			At 30 June 2016 £
Fixtures and fittings	184			2
Equipment	7,022			6,990
Motor vehicles	-			-
	<u>7,206</u>			<u>6,992</u>

7. DEBTORS

	2016 £	2015 £
Amounts due within one year:		
Trade debtors (net of provision)	23,765	19,907
Prepayments and accrued income	7,940	6,812
	<u>31,705</u>	<u>26,719</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 30 June 2016

8. CREDITORS

	2016	2015
	£	£
Amounts falling due within one year:		
Trade creditors	340	765
Prepaid subscriptions and deferred income	19,007	23,584
Accruals and other creditors	6,738	8,511
	<u>26,085</u>	<u>32,860</u>

9. RESERVES

The movement on reserves during the year was as follows:

	Capital account £
At 1 July 2015	110,945
Surplus for the year	30,845
	<u>141,790</u>
At 30 June 2016	<u>141,790</u>

10. RELATED PARTY TRANSACTIONS

With the exception of subscriptions to the Penguin News, which all Trustees have, the following transactions were undertaken with Trustees during the year. None received a discount due to their status as Trustees.

	Purchases from	Sales to
Nancy Jennings	Nil	Nil
Ailie Biggs	Nil	Nil
Mark Pollard	Nil	Nil
Melanie Gilding	Nil	Nil
Janet Robertson	Nil	Nil

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 30 June 2016

11. OTHER FINANCIAL COMMITMENTS

At 30 June 2016 Media Trust was committed to making the following payments under non-cancellable operating leases in the next financial year:

	Land and Buildings		Other	
	2016	2015	2016	2015
	£	£	£	£
Operating leases which expire:				
Within 1 year	3,600	3,600	-	-
Within 2 to 5 years	-	-	-	-
After 5 years	-	-	-	-
	<u>3,600</u>	<u>3,600</u>	<u>-</u>	<u>-</u>

During the year Media Trust entered into a contract to obtain printing services for £52,708 per annum which expires 31 May 2016 and there are ongoing negotiations with the printers to renew the contract beyond this date.