

---

**MEDIA TRUST**  
**REPORT AND FINANCIAL**  
**STATEMENTS**  
**Year ended 30 June 2017**

---

---

**MEDIA TRUST**

**REPORT AND FINANCIAL STATEMENTS 2017**

<b>CONTENTS</b>	<b>Page</b>
<b>Trustees' report</b>	<b>3</b>
<b>Statement of Trustees' responsibilities</b>	<b>4</b>
<b>Independent auditors' report</b>	<b>5 - 6</b>
<b>Profit and loss account</b>	<b>7</b>
<b>Balance sheet</b>	<b>8</b>
<b>Notes to the financial statements</b>	<b>9 - 13</b>
<b>Additional financial information - unaudited</b>	<b>14 - 15</b>

---

# 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 2017.

### 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 deficit for the year was £(3,701) (2016 surplus - £30,845). The balance on the capital account carried forward is £138,089 (2016 - £141,790).

### BASIS OF PREPARATION

As at 30 June 2017 the Trust has net current assets of £124,608 (2016: £134,798) and cash of £106,040 (2016: £129,178). 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 2017 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

The Penguin News and FIRS have reviewed their income streams and whilst it is pleasing to see profits in Penguin News, 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 2017 were as follows:

Janet Robertson – Resigned 9<sup>th</sup> May 2016  
Nancy Jennings – Resigned 9<sup>th</sup> May 2016  
Ailie Biggs – Resigned 9<sup>th</sup> May 2016  
Mark Pollard – Resigned 4<sup>th</sup> November 2017  
Melanie Gilding – Resigned 20<sup>th</sup> August 2017  
Stacy Bragger – Resigned 4<sup>th</sup> November 2017  
Farrah Peck – Appointed 28<sup>th</sup> February 2017  
Daniel Fowler – Appointed 28<sup>th</sup> February 2017  
Rodrigo Cordeiro – Appointed 28<sup>th</sup> February 2017 and resigned April 2018  
James Bates – Appointed 9<sup>th</sup> May 2016  
Tiphonie May – Appointed 9<sup>th</sup> May 2016

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 *28/6/18*

Chair



---

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 auditor's report to those charged with governance of the Media Trust

## Opinion

We have audited the financial statements of Media Trust for the year ended 30 June 2017 which comprise 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.

In our opinion, the financial statements:

- give a true and fair view of the state of Media Trusts' affairs as at 30 June 2017 and of its deficit for the year then ended;
- have been properly prepared in accordance with the Media Trust Ordinance 1989, the Finance and Audit Ordinance 1988 and the accounting policies set out therein

## 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 Media Trust 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- those charged with governance have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Media Trusts' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

Those charged with governance are responsible for the other information. The other information comprises the information included in the introduction, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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

In light of the knowledge and understanding of the Media Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the other information.

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 4, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they present a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of the 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 Media Trust' 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 intends to cease operations, or has 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



Mazars LLP

Chartered Accountants and Statutory Auditor

90 Victoria Street, Bristol, BS1 6DP, United Kingdom



**MEDIA TRUST**

**PROFIT AND LOSS ACCOUNT**  
**Year ended 30 June 2017**

	Note	Media Trust 2017 £	Penguin News 2017 £	FIRS 2017 £	Total 2017 £	Media Trust 2016 £	Penguin News 2016 £	FIRS 2016 £	Total 2016 £
<b>TURNOVER</b>	2	100	204,260	25,092	229,452	-	196,413	32,124	228,537
Distribution costs		59	(3,099)	(8,872)	(11,912)	-	(2,964)	(3,784)	(6,748)
Administrative expenses		(5,372)	(197,491)	(212,447)	(415,310)	(6,057)	(174,640)	(203,972)	(384,669)
<b>Surplus/(Deficit) before other operating income</b>		<u>(5,213)</u>	<u>3,670</u>	<u>(196,227)</u>	<u>(197,770)</u>	<u>(6,057)</u>	<u>18,809</u>	<u>(175,632)</u>	<u>(162,880)</u>
Other operating income	3	-	34	194,035	194,069	-	74	193,651	193,725
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	4, 9	<u>(5,213)</u>	<u>3,704</u>	<u>(2,192)</u>	<u>(3,701)</u>	<u>(6,057)</u>	<u>18,883</u>	<u>18,019</u>	<u>30,845</u>

All amounts relate to continuing operations.

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

---

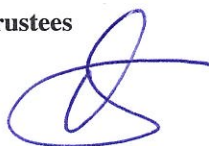
# MEDIA TRUST

## BALANCE SHEET At 30 June 2017

	Note	2017 £	2016 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	6	<u>13,481</u>	<u>6,992</u>
<b>CURRENT ASSETS</b>			
Debtors	7	52,185	31,705
Cash at bank and in hand		<u>106,040</u>	<u>129,178</u>
		158,225	160,883
<b>CREDITORS</b>			
Amounts falling due within one year	8	<u>(33,617)</u>	<u>(26,085)</u>
<b>NET CURRENT ASSETS</b>		<u>124,608</u>	<u>134,798</u>
<b>NET ASSETS</b>		<u><u>138,089</u></u>	<u><u>141,790</u></u>
<b>CAPITAL</b>			
Capital account	9	<u><u>138,089</u></u>	<u><u>141,790</u></u>

Approved by the Board of Trustees on *23/6/17*

Trustees





**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 June 2017**

**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 2017 the Trust has net current assets of £124,608 and cash of £106,040. 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 2017 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 2017**

**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**

	<b>Media Trust 2017 £</b>	<b>Penguin News 2017 £</b>	<b>FIRS 2017 £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Bank interest	-	34	35	69	115
Deferred training income	-	-	-	-	-
Grants received	-	-	194,000	194,000	193,610
	<u>-</u>	<u>34</u>	<u>194,035</u>	<u>194,069</u>	<u>193,725</u>

The Media Trust received £194,000 (2016: £193,610) 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 was released to the profit and loss, with a further £1,335 being released in 2014.

**4. SURPLUS/(DEFICIT) FOR THE YEAR**

	<b>Media Trust 2017 £</b>	<b>Penguin News 2017 £</b>	<b>FIRS 2017 £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
The surplus/(deficit) for the year is stated after charging:					
Auditors' remuneration	5,101	450	704	6,255	3,600
Trustees' remuneration					
Wages and salaries	-	100,701	170,013	261,843	250,827
Pension costs and other staff costs	-	12,018	8,976	20,994	29,129
Depreciation	-	1,574	2,723	4,297	3,945
	<u>-</u>	<u>102,673</u>	<u>173,406</u>	<u>276,776</u>	<u>287,501</u>

**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 2017**

**6. TANGIBLE FIXED ASSETS**

<b>Cost</b>	<b>At 1 July 2016 £</b>	<b>Additions £</b>	<b>Disposals £</b>	<b>At 30 June 2017 £</b>
Fixtures and fittings	7,410	250	-	7,660
Equipment	24,442	10,536	-	34,978
Motor vehicles	4,610	-	-	4,610
	<u>36,462</u>	<u>10,786</u>	<u>-</u>	<u>47,248</u>
<b>Accumulated depreciation</b>	<b>At 1 July 2016 £</b>	<b>Charge for the year £</b>	<b>Disposals in the year £</b>	<b>At 30 June 2017 £</b>
Fixtures and fittings	7,408	25	-	7,433
Equipment	17,452	4,272	-	21,724
Motor vehicles	4,610	-	-	4,610
	<u>29,470</u>	<u>4,297</u>	<u>-</u>	<u>33,767</u>
<b>Net book value</b>	<b>At 1 July 2016 £</b>			<b>At 30 June 2017 £</b>
Fixtures and fittings	2			227
Equipment	6,990			13,254
Motor vehicles	-			-
	<u>6,992</u>			<u>13,481</u>

**7. DEBTORS**

	<b>2017 £</b>	<b>2016 £</b>
Amounts due within one year:		
Trade debtors (net of provision)	27,882	23,765
Prepayments and accrued income	24,303	7,940
	<u>52,185</u>	<u>31,705</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 30 June 2017****8. CREDITORS**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year:		
Trade creditors	2,881	340
Prepaid subscriptions and deferred income	30,716	19,007
Accruals and other creditors	20	6,738
	<u>33,617</u>	<u>26,085</u>

**9. RESERVES**

The movement on reserves during the year was as follows:

	<b>Capital account £</b>
At 1 July 2016	141,790
Deficit for the year	<u>(3,701)</u>
At 30 June 2017	<u>138,089</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.

	<b>Purchases from</b>	<b>Sales to</b>
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 2017****11. OTHER FINANCIAL COMMITMENTS**

At 30 June 2017 Media Trust was committed to making the following payments under non-cancellable operating leases in the next financial year:

	<b>Land and Buildings</b>		<b>Other</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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 £54,290.28 per annum which expires 31 May 2021.

**ADDITIONAL FINANCIAL INFORMATION - UNAUDITED**

The additional information on page 15 is prepared from the accounting records of the Trust and is unaudited. It should be read in conjunction with the statutory financial statements set out on pages 7 to 13 and the independent auditors' report thereon.

# MEDIA TRUST

## ANALYSIS OF COSTS AND EXPENSES - UNAUDITED Year ended 30 June 2017

	Media Trust 2017 £	Penguin News 2017 £	FIRS 2017 £	Total 2017 £	Total 2016 £
<b>DISTRIBUTION &amp; PRODUCTION COSTS</b>					
Postage	(59)	3,099	-	3,040	2,964
Production costs	-	-	8,872	8,872	3,784
	<u>(59)</u>	<u>3,099</u>	<u>8,872</u>	<u>11,912</u>	<u>6,748</u>
<b>ADMINISTRATIVE EXPENSES</b>					
<b>General expenses:</b>					
Wages and salaries	-	100,701	170,013	270,714	250,827
Pension costs and other staff costs	-	12,018	8,976	20,994	29,129
Recruitment	-	-	-	-	-
Printing, paper and stationery	-	63,260	2,219	65,479	55,894
Telephone and fax	-	3,283	8,847	12,130	12,231
Motor running expenses	-	1,470	1,260	2,730	2,459
Rent and rates	-	3,600	-	3,600	3,600
Insurance	-	1,660	2,597	4,257	4,532
Training	-	-	100	100	75
Sundry expenses	140	9,186	14,807	24,133	15,423
	<u>140</u>	<u>195,178</u>	<u>208,819</u>	<u>404,137</u>	<u>374,170</u>
<b>Financial expenses:</b>					
Audit	5,101	450	704	6,255	3,600
Book-keeping and legal costs	-	-	-	-	2,275
Bank charges	131	257	201	589	651
Consultancy	-	-	-	-	-
Bad debt expense	-	32	-	32	28
	<u>5,232</u>	<u>739</u>	<u>905</u>	<u>6,876</u>	<u>6,554</u>
<b>Depreciation:</b>					
Fixtures and fittings	-	-	25	25	183
Equipment	-	1,574	2,698	4,272	3,762
Motor vehicles	-	-	-	-	-
	<u>-</u>	<u>1,574</u>	<u>2,723</u>	<u>4,297</u>	<u>3,945</u>
Total Administrative Expenses	<u>5,372</u>	<u>197,491</u>	<u>212,447</u>	<u>415,310</u>	<u>384,669</u>

