
MEDIA TRUST
REPORT AND FINANCIAL
STATEMENTS
Year ended 30 June 2024

MEDIA TRUST

REPORT AND FINANCIAL STATEMENTS 2024

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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 2024.

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 £31,368 (2023: deficit £41,800). The balance on the capital account carried forward is £104,836 (2023: £136,204).

BASIS OF PREPARATION

As at 30 June 2024 the Trust has net current assets of £99,131 (2023: £118,117) and cash of £108,561 (2023: £122,844). 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 years to 30 June 2024 and 2025 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

Penguin News

The Penguin News aims to be self-funding from the sales of paper copies, online subscriptions, and advertising. However, with costs increasing from inflation and income levels falling due to the impact of social media on the newspaper market, the receipt of a small subvention of £20,000 has been welcome to keep the operation above breakeven. Consideration has been given to raising the sale price of the paper and advertising, but it was considered that this would lead to further moves to social media. Costs are already well controlled, so there are limited options to make savings. Instead, it is likely that the Penguin News will continue to require a small amount of financial support from the Falkland Islands Government on an annual basis going forward.

Falklands Radio

A larger deficit was recorded this year than 2022/23, but this was not unexpected given rising costs including a cost of living increase in salaries as payroll is the largest area of expenditure. Also, following a successful period in a supported internship, a new post of Broadcast Assistant was created. There are limited options available to increase turnover, and Falklands Radio will continue to depend on the financial support from the Falkland Islands Government to fund its operations. Going forward there will be a focus on cost saving measures to ensure that the radio station is providing the most cost-effective service to the listening public.

TRUSTEES

The Trustees during the year and subsequent to 30 June 2024 were as follows:

Deborah James (chair)
Daniel Fowler
Nigel Leach
Matthew Eccles
Oliver Thompson

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 7 February 2025

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 AUDITOR'S REPORT TO THE TRUSTEES OF MEDIA TRUST

Opinion

We have audited the financial statements of Media Trust (the 'trust') for the year ended 30 June 2024 which comprise the Profit and Loss Account, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies.

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 the Trust's affairs as at 30 June 2024 and of its deficit for the year then ended;
- have been prepared in accordance with the requirements of the Media Trust Ordinance 1989, the Finance and Audit Ordinance 1988.

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 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustees report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Board report.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MEDIA TRUST (CONTINUED)

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 5, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of 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 trust's 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 intend to liquidate the trust or to cease operations, or have 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the trust and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the trust is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the trust which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Media Trust Ordinance 1989, the Finance and Audit Ordinance 1988.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MEDIA TRUST
(CONTINUED)**

a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the trust's members as a body. Our audit work has been undertaken so that we might state to the trust'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 trust and the trust's members as a body for our audit work, for this report, or for the opinions we have formed.

Forvis Mazars LLP
Forvis Mazars LLP (Feb 27, 2025 16:37 GMT)

Forvis Mazars LLP

Chartered Accountants and Statutory Auditor

90 Victoria Street, Bristol, BS1 6DP

Date:

27/02/2025

MEDIA TRUST

PROFIT AND LOSS ACCOUNT Year ended 30 June 2024

	Note	Media Trust 2024 £	Penguin News 2024 £	FIRS 2024 £	Total 2024 £	Media Trust 2023 £	Penguin News 2023 £	FIRS 2023 £	Total 2023 £
TURNOVER	2	-	194,775	15,592	210,367	-	200,286	12,775	213,061
Distribution costs		-	(56,270)	(9,887)	(66,157)	-	(57,292)	(14,681)	(71,973)
Administrative expenses		(142)	(145,042)	(302,950)	(448,134)	(25)	(152,660)	(304,615)	(457,300)
(Deficit)/Surplus before other operating income		(142)	(6,537)	(297,245)	(303,924)	(25)	(9,666)	(306,521)	(316,212)
Other operating income	3	-	20,332	252,224	272,556	1,905	321	272,186	274,412
(DEFICIT)/SURPLUS FOR THE YEAR	4, 9	(142)	13,795	(45,021)	(31,368)	1,880	(9,345)	(34,335)	(41,800)

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 2024

	Note	2024 £	2023 £
FIXED ASSETS			
Tangible fixed assets	6	16,095	28,165
CURRENT ASSETS			
Debtors	7	37,751	41,603
Cash at bank and in hand		108,561	122,844
		146,312	164,447
CREDITORS: amounts falling due within one year	8	(47,181)	(46,330)
NET CURRENT ASSETS		99,131	118,117
TOTAL ASSETS LESS CURRENT LIABILITIES		115,226	146,282
CREDITORS: amounts falling due after more than one year	8	(10,390)	(10,078)
NET ASSETS		104,836	136,204
CAPITAL			
Capital account	9	104,836	136,204

Approved by the Board of Trustees on


Trustees February 7th 2025

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 June 2024

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 2024 the Trust has net current assets of £99,131 and cash of £108,561. The Trust is set up primarily to break even after receipt of grant income. The Trust is funded primarily through subscription and advertising earnings and grant income from the Falkland Islands Government.

As a consequence of the funding received and approved for the year to 30 June 2025 and the continuing support of the Falkland Islands Government, the Trustees believe that the Trust is well placed despite the current uncertain economic outlook and the Trust operating at a deficit for a number of years. 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. Grants in respect of capital expenditure are recorded in the balance sheet as deferred income within creditors and released to the income and expenditure account over the life of the related fixed assets.

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%

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 June 2024

3. OTHER OPERATING INCOME

	Media Trust 2024 £	Penguin News 2024 £	FIRS 2024 £	Total 2024 £	Total 2023 £
Bank interest	-	55	224	279	222
Deferred training income	-	-	-	-	1,905
Profit on fixed asset disposal	-	-	-	-	-
Sundry income	-	277	-	277	285
Grants received	-	20,000	252,000	272,000	272,000
	<u>-</u>	<u>20,332</u>	<u>252,224</u>	<u>272,556</u>	<u>274,412</u>

The Media Trust received £272,000 (2023: £272,000) from FIG as a direct subsidy for FIRS and Penguin News. In the year ending June 2010 it received £21,000 from the BBC to assist with training expenses, and this is released to the profit and loss with the balance being deferred to match training expenses as they are incurred.

4. (DEFICIT)/SURPLUS FOR THE YEAR

	Media Trust 2024 £	Penguin News 2024 £	FIRS 2024 £	Total 2024 £	Total 2023 £
The (deficit)/surplus for the year is stated after charging:					
Auditors' remuneration	-	1,000	3,745	4,745	6,725
Trustees' remuneration	-	-	-	-	-
Wages and salaries	-	108,008	233,072	341,080	336,337
Pension costs and other staff costs	-	12,695	20,577	33,272	35,728
Depreciation	-	389	12,341	12,730	12,734
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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 2024

6. TANGIBLE FIXED ASSETS

Cost	At 1 July 2023 £	Additions £	Disposals £	At 30 June 2024 £
Fixtures and fittings	9,509	-	(1,220)	8,289
Equipment	83,015	660	(4,509)	79,166
Motor vehicles	13,000	-	-	13,000
	<u>105,524</u>	<u>660</u>	<u>(5,729)</u>	<u>100,455</u>
Accumulated depreciation	At 1 July 2023 £	Charge for the year £	Disposals in the year £	At 30 June 2024 £
Fixtures and fittings	9,490	19	(1,220)	8,289
Equipment	61,369	9,461	(4,509)	66,321
Motor vehicles	6,500	3,250	-	9,750
	<u>77,359</u>	<u>12,730</u>	<u>(5,729)</u>	<u>84,360</u>
Net book value	At 1 July 2023 £			At 30 June 2024 £
Fixtures and fittings	19			-
Equipment	21,646			12,845
Motor vehicles	6,500			3,250
	<u>28,165</u>			<u>16,095</u>

7. DEBTORS

	2024 £	2023 £
Amounts due within one year:		
Trade debtors	18,796	28,484
Prepayments and accrued income	18,955	13,119
	<u>37,751</u>	<u>41,603</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 30 June 2024

8. CREDITORS

	2024	2023
	£	£
Amounts falling due within one year:		
Trade creditors	3,469	6,491
Prepaid subscriptions and deferred income	19,955	18,324
Accruals and other creditors	17,769	16,471
Deferred capital grants	5,988	5,044
	<u>47,181</u>	<u>46,330</u>
Amounts falling due after more than one year:		
Deferred capital grants	10,390	10,078
	<u>10,390</u>	<u>10,078</u>

9. RESERVES

The movement on reserves during the year was as follows:

	Capital account £
At 1 July 2023	136,204
Deficit for the year	(31,368)
	<u>104,836</u>
At 30 June 2024	<u>104,836</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
Daniel Fowler	Nil	Nil
Oliver Thompson	Nil	Nil
Nigel Leach	Nil	Nil
Deborah James	Nil	Nil
Matthew Eccles	Nil	Nil

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 June 2024

11. OTHER FINANCIAL COMMITMENTS

At 30 June 2024 Media Trust was committed to making the following payments under non-cancellable operating leases in the next financial year:

	Land and Buildings		Other	
	2024	2023	2024	2023
	£	£	£	£
Operating leases which expire:				
Within 1 year	4,800	4,800	-	-
Within 2 to 5 years	-	-	-	-
After 5 years	-	-	-	-
	<u>4,800</u>	<u>4,800</u>	<u>-</u>	<u>-</u>

In 2021, Media Trust entered into a contract to obtain printing services for £52,020 per annum for three years, increasing by 3% p.a. for the next two years, which will expire on 31 May 2026.

ADDITIONAL FINANCIAL INFORMATION - UNAUDITED

The additional information on page 17 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 6 to 15 and the independent auditors' report thereon.

ANALYSIS OF COSTS AND EXPENSES - UNAUDITED
Year ended 30 June 2024

	Media Trust 2024 £	Penguin News 2024 £	FIRS 2024 £	Total 2024 £	Total 2023 £
DISTRIBUTION & PRODUCTION COSTS					
Postage	-	1,301	-	1,301	1,750
Production costs	-	54,969	9,887	64,856	70,223
	-	56,270	9,887	66,157	71,973
ADMINISTRATIVE EXPENSES					
General expenses:					
Wages and salaries	-	108,008	233,072	341,080	336,337
Pension costs and other staff costs	-	12,695	20,577	33,272	35,728
Printing, paper and stationery	-	168	1,418	1,586	1,471
Telephone and fax	-	3,125	12,013	15,138	15,261
Motor running expenses	-	1,323	969	2,292	2,960
Rent and rates	-	4,934	312	5,246	5,211
Insurance	-	2,755	2,784	5,539	5,094
Training	-	40	165	205	1,905
Sundry expenses	142	8,192	17,969	26,303	31,379
	142	141,240	289,279	430,661	435,346
Financial expenses:					
Audit	-	1,000	3,745	4,745	6,725
Accountancy and legal costs	-	1,955	2,321	4,276	6,180
Bank charges	-	458	180	638	664
Bad debt expense	-	-	127	127	694
	-	3,413	6,373	9,786	14,263
Depreciation:					
Fixtures and fittings	-	-	-	-	-
Equipment	-	389	9,091	9,480	9,484
Motor vehicles	-	-	3,250	3,250	3,250
Amortisation of deferred capital grant	-	-	(5,043)	(5,043)	(5,043)
	-	389	7,298	7,687	7,691
Total Administrative Expenses	142	145,042	302,950	448,134	457,300