

STATION HOUSE MEDIA UNIT (SHMU)

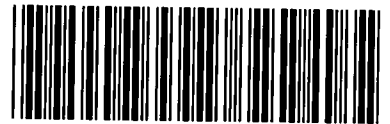
OPERATING AS SHMU

REGISTERED CHARITY NUMBER SC034211

COMPANY NUMBER SC332413

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

TUESDAY



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SCT

20/12/2016

#317

COMPANIES HOUSE

**MESTON REID & CO
CHARTERED ACCOUNTANTS
12 CARDEN PLACE
ABERDEEN
AB10 1UR**

**STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
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**STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
TRUSTEES' REPORT**

FOR THE YEAR ENDED 31 MARCH 2016

The Trustees present their report and financial statements for the year ended 31 March 2016.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities applicable in the UK and Republic of Ireland (effective 1 January 2015).

Objectives and activities

The charity's objects are to:

- relieve poverty among the residents of Aberdeen, particularly those who reside within the seven regeneration areas of North and Central Aberdeen - namely Northfield, Cummings Park, Middlefield, Woodside, Tillydrone, Seaton and Torry ("the operating area");
- advance education amongst the residents of the operating area, particularly those facing social and/or economic exclusion; and
- promote, establish and operate other schemes of a similar charitable nature for the benefit of the community within the operating area.

The main activities of the charity are the furtherance of the aims and objectives through the following significant activities:

- to relieve poverty through engagement in community media production; by developing platforms and providing training in media based transferable skills, which will assist the residents of the operating area to obtain paid employment or develop their skills in the interest of social welfare and so that their conditions of life may improve and their voices can be heard;
- to advance education and lifelong learning by delivering, in partnership with community organisations, agencies, schools, colleges and universities, accredited and informal courses in community media production including video and radio production, magazine and online publications, and any other courses not otherwise provided as part of the statutory responsibility of the education authorities, in response to identified community need.

Achievements and performance

The financial year 2015/16 saw a continued and sustained period of development for the Organisation.

2015/16 has been the eighth full year for the Organisation operating as a Company Limited by Guarantee and the Trustees have become more confident in the challenges they face. The Trustees have worked hard to identify the collective training requirements of the Board in order to meet the demands of an expanding organisation and have developed a strategic, skills-based approach. The Trustees and the staff team have been working towards the delivery of the 5-Year Strategic Plan for the organisation which was launched at an event in November 2012. The Plan explores 6 key areas for development; Governance, People, Services, Assets, Finance and Communication. These strategic objectives have been worked up into an Action Plan with progress against these actions being measured by the Trustees at each monthly Board meeting.

shmuCORE: the Organisation was included in Aberdeen City Council's cultural review and was successful in securing an 'in principle' agreement for three years' funding to support the Organisation's strategic development. This led to a grant in 2015-16 of £55,000.

**STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2016

shmuTRAIN: The Organisation continued to invest the funding secured through Inspiring Scotland and the Fairer Aberdeen Fund in order to further develop the shmuTRAIN strand, which delivers support to 14-19 year olds who are not currently in education, employment or training. In 2015-16 the strand ran 4 Positive Transitions courses for young people aged 16-19, working with 31 young people in total. 21 positive destinations were recorded: 12 into employment and 9 into college/education. In 2015-16 the strand was again successful in its bid to run the SDS Employability Fund Stage 2 course and was granted 14 licences for the period, which led to two Positive Transition courses being run as Employability Fund courses.

In the period 1st April 2015 to 31st March 2016 the strand completed Early Interventions work in Northfield, St. Machar, Torry and Kincorth Academies, where 79 young people participated in shmuTRAIN programmes and 35 people achieved positive destinations: 8 moved into employment, 21 re-engaged with education and 6 moved on to training courses. 28 young people achieved their Employability SQA award. The shmuTRAIN strand also began work with a new set of pupils in August 2015, working with 9 in St. Machar, 9 in Kincorth, 6 in Northfield and 16 in Harlaw Academies, with Harlaw functioning as a cluster school bringing together pupils from Harlaw, Hazlehead and Aberdeen Grammar.

shmuFM: Our community radio station, shmuFM, which receives a significant contribution from the Fairer Aberdeen Fund, continued to broadcast over 100 hours of live radio per week. A comprehensive programme of training and support for the participants was delivered with 186 individuals participating in training sessions throughout the year, with ages that ranged from 11 to 84 years. On average, 91 of those participants are actively volunteering on a weekly basis. Over the course of the year, participants contributed 16,326 hours of volunteering towards this strand of the Organisation's work.

shmuPRESS: The shmuPRESS strand of work has continued to focus on supporting the 7 Community Magazines in the Neighbourhoods of Torry - Torry's Vision, Seaton - Seaton Scene, Tillydrone - Tilly Tattle, Woodside - Woodside Freepress, Middlefield - Middlefield Mirror, Northfield & Cummings Park - Cumming North and Mastrick - Mastrick Matters. Over the year the strand worked with 44 active volunteers, all local residents from our target areas, with 102 Editorial Team meetings taking place in the communities and 6 Joint Editorial meetings. 21 Community magazines were produced and delivered through every door in their target community. In total, 67,500 full-colour magazines were printed over the course of the year, with 200 partner organisations contributing articles. In addition to overseeing the design process for the magazines, the organisation's Design Development Worker continues to develop income-generating opportunities for the strand.

shmuTV: Over the course of the year the strand worked on 9 commissioned film projects and a number of in-house and partnership-funded film and video training projects.

The strand continued to deliver the Youth TV project funded by the Cashback for Creativity through Creative Scotland. The team continued to develop the provision of high quality films to core partners, with the aim of building up a portfolio of corporate productions to support shmuTRADE, with income surpluses used to help provide training and opportunities within the community.

shmuSOUND: The shmuSOUND strand supports people (predominantly those living in the city's regeneration areas) to explore and experience the world of music and sound. The dedicated Band of the Week show on shmuFM has enabled the station to focus on local music for two hours every week, with local music showcased on our primetime shows three times per weekday. Between April 2015 and the end of March 2016, 48 acts were featured on the Band of the Week shows, resulting in 113 local musicians becoming actively involved in the project, with 102 hours of live radio dedicated to local music and significant time devoted to unique live performances. Over 950 hours of programming were devoted to local music.

Between August 2014 and March 2016, the shmuSOUND strand delivered the Collective Compositions project, which was funded by the Public Engagement Fund at Creative Scotland. The multi-media project was the first of its kind in Aberdeen and brought together creative people from a diverse range of minority ethnic groups to collectively produce two main pieces as a celebration of Aberdeen's full cultural landscape. The project worked with 17 artists/groups and 7 film volunteers to stage two high profile performances promoting minority ethnic music, release a compilation of the music and create a film of the project. At our final, sell-out performance there were 130 people in the audience.

**STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2016

The shmuSOUND strand secured funding from Creative Scotland's Youth Music Initiative to deliver the highly successful shmu Rap Music Project up until October 2015. The project was designed to encourage and assist those interested in rap and hip hop to develop their music-related skills and knowledge and thus aid the creation of a vibrant hip hop scene in the north east of Scotland. 73 young people participated directly in sessions, while a further 60 people engaged regularly with the project's wider activities such as gigs. The majority of project participants were from the city's regeneration areas (80%), with 23% from minority ethnic backgrounds. When including those who attended one-off events such as project gigs, open mic nights, industry events, the number involved rises to 150.

57 North: Funding from Creative Scotland allowed shmu to develop and build 57° North; an online music hub for Aberdeen and Aberdeenshire designed to provide a one-stop shop for music related information across the region. A successful Aberdeen City Council Cultural grant allowed the continuation and development of the site throughout 2015/16. The site is a not for profit venture that belongs to the music community of Aberdeen and Aberdeenshire, with an emphasis on encouraging the local music community itself to get involved in the site content and delivery. The site features the region's only comprehensive gig guide, news, reviews, interviews and a huge resources section with individual pages for bands, solo artists, promoters, labels, recording studios, venues, tutors, shops, colleges/universities, music schools, community facilities, early years music, sound and lighting technicians and music writers/broadcasters. A number of volunteers contributed vital content for the site and partnerships with key individuals and organisations such as Aberdeen Performing Arts, AIYF, The Aberdeen Jazz Festival and the SOUND Festival continued to strengthen.

MAP: The Media Access Project (MAP), is a 5-year Big Lottery Funded project that was established in April 2015, which supports prisoners in HMP & YOI Grampian to return positively into the community having used media as a unique development platform to address and overcome a range of issues prior to release. The project engages with both adult male and female prisoners. The project, a partnership with HMP & YOI Grampian, is delivering the first cross-platform, peer-led, Creative Media Unit within a UK prison. The Unit offers a range of innovative opportunities for engagement in a radio station, training in all aspects of filmmaking and a music production programme.

Over the first year of the project, 84 individuals have participated in assessment, planning and review within the prison, with 54 engaging directly with MAP services. 9 MAP participants who were released during the year continued to be supported by the project, with 3 engaging in volunteering activities post-release, and 3 securing employment.

shmuTRADE: is the trading arm of shmu. A broad range of media services are provided to partners within a tiered pricing structure that is affordable and attractive to community groups, individuals, small businesses and third sector organisations. The intention is to position the trading arm as "The GO TO Digital Design Agency" for the third, not-for-profit and small SME sector in Aberdeen and across the North-east. Over the year the strand delivered 6 shmuDESIGN projects, 6 shmuDIGITAL projects and 9 shmuTV projects.

Financial review

The charity holds both restricted and unrestricted funds dictated by the funding agreement entered into with the various funding bodies.

Restricted funds are only expended by the Trustees for the specific projects to which they were granted. Unrestricted funds are expended according to how the Trustees see fit in the furtherance of the aims and objectives of the Organisation as a whole. Details of the movement in the restricted funds are included in note 15 to the accounts. A breakdown of the assets and liabilities between the funds is detailed at note 16 to the accounts.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Due to accounting requirements, the charity recognises income when there is legal entitlement to the income and the amount can be quantified with reasonable accuracy.

Capital grants received during the year appear as income in the accounts and are used for the purchase of equipment. However although these items have been purchased and reported to the funders they are transferred to assets at the end of the financial year and depreciated over three years using a 33% straight-line method.

**STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2016

Note 16 to the financial statements shows the split of the unrestricted and restricted reserves between tangible assets and current assets (which is made up of cash funds and debtors) so that part of the restricted fund at the year-end is held as fixed assets rather than being readily available cash.

The Trustees previously conducted a review of the major risks to which the charity is exposed. Policies were subsequently created and are currently in operation to mitigate these identified risks; the policies continue to be reviewed regularly. Prior to entering into an agreement with external funders, a risk analysis is undertaken based upon the best interests of the organisation. As employers, the Trustees have procured the services of a specialist Employment Law and Health and Safety advisory company to protect the charity and its staff members.

Plans for the future

Over the next financial year the Organisation plans to continue to build upon its existing core services that are delivered to the seven regeneration areas of the city, namely:

- access and training to the community radio station through the shmuFM strand;
- support with the local community magazines through the shmuPRESS strand;
- support and training in video production through the shmuTV strand;
- the development of our Wi-Fi community network and community websites as a tool for inclusion through the shmuONLINE strand;
- support and access for young people to participate in a coordinated programme of Youth Media activities;
- support, access and training for young people to successfully create, record and distribute their own music through the shmuSOUND strand.

The organisation also plans to build on its work with other disadvantaged groups from across the city over the year by:

- continuing the progress that has been made within its shmuTRAIN programme and developing a city-centre based element to the work offered to pupils across the city;
- continuing the progress that has been made by MAP in the community media centre and associated programme of support within HMP & YOI Grampian.

The organisation also plans to continue to develop a sustainable and resilient financial strategy by:

- further developing and implementing the shmuTRADE arm of the organisation that will expand its income generating activities specifically within the Video, Design, Sound and Digital strands of the Organisation.

**STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2016

Structure, governance and management

The charity is a company limited by guarantee, governed by its Memorandum and Articles of Association and recognised as a charity by the Office of the Scottish Charity Regulator in accordance with the provisions of The Charities and Trustee Investment (Scotland) Act 2005. In accordance with the Memorandum of Association, every member is liable to contribute a sum of £1 in the event of the company being wound up.

As set out in the Articles of Association the Trustees serve for a period of two years after which they shall be eligible to stand for re-election at an Annual General Meeting. Any person who wishes to become a Trustee shall lodge with the Organisation a written application in such form, as the Trustees require. Each application will be considered by the Trustees at the Annual General Meeting after receipt by the Organisation of the written application.

The Board includes one employee (the Company Secretary). All other Trustees are voluntary and receive no remuneration or expenses.

The Trustees elect from among themselves a Chair, Vice-Chair and a Treasurer, and such other Office Bearers (if any) as they consider appropriate, at their first meeting following an Annual General Meeting. All of the Office Bearers cease to hold office at the conclusion of each Annual General Meeting, but shall then be eligible for re-election.

Where an Office Bearer has held a particular office for three consecutive years, they shall not be eligible for re-election to that office until a further year has elapsed. This restriction may be waived in exceptional circumstances with the unanimous agreement of the Trustees present at the meeting.

All Trustees undertake an induction and engage with ongoing training.

The Trustees have delegated day to day management of the charity to employee and Company Secretary, M Dawson.

The Trustees, of no more than 15 and no less than 4, meet on a monthly basis to administer the charity. Items of business for discussion are made known to the Trustees in advance by means of an agenda. No business shall be dealt with at a meeting of the Trustees unless a quorum is present; the quorum being 4 or one third, whichever is greater. The staff team provide reports to the Board to facilitate discussions and to ensure that informed decisions are made. Non-voting advisors may also be present to assist Trustees during the decision-making process. Agenda items are discussed with decisions being reached by consensus or voted upon. Each Trustee has one vote, which, whether on a show of hands or by secret ballot, must be given personally. If there are an equal number of votes for and against, the Chairperson of the meeting shall be entitled to a casting vote.

**STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2016

Reference and administrative information

Charity name	Station House Media Unit (shmu)
Charity number	SC034211
Company number	SC332413
Secretary	M Dawson
Chief executive	M Dawson
Principal address	Station Road Woodside Aberdeen AB24 2WB

Registered office

Station Road, Woodside, Aberdeen, AB24 2WB

Auditors

Meston Reid & Co, 12 Carden Place, Aberdeen, AB10 1UR

Bankers

The Co-Operative Bank plc, PO Box 250, Delf House, Skelmersdale, WN8 6WT

Trustees

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

R McDermid	(Resigned 25 November 2015)
A Robertson	
S Strachan	(Resigned 3 September 2015)
D White	
N Youngson	
J Evans	
A Erskine	
D Ironside	
A Eladany	(Appointed 4 February 2016)
S McLean	(Appointed 4 February 2016)

**STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2016

Statement of Trustees' responsibilities

The Trustees, who are also the Directors of Station House Media Unit (shmu) for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

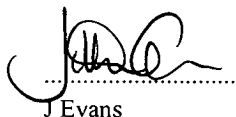
Auditor

A resolution proposing that Meston Reid & Co be reappointed as auditors of the company will be put to the members.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.



J Evans

Trustee

12 December 2016

**STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF STATION HOUSE MEDIA UNIT (SHMU)

We have audited the financial statements of Station House Media Unit (shmu) for the year ended 31 March 2016 set out on pages 10 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As described in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purposes of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view.

We have been appointed under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts.

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 Ethical Standards for Auditors, including APB Ethical Standard – Provisions Available for Smaller Entities, in the circumstances set out in note 18 to the financial statements.

Scope of the audit of the accounts

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 charitable company'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 the financial and non-financial information in the Trustees' Annual Report 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 charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**MESTON
REID & CO**
CHARTERED ACCOUNTANTS

**STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE MEMBERS OF STATION HOUSE MEDIA UNIT (SHMU)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**William Anderson BA CA (Senior Statutory Auditor)
for and on behalf of Meston Reid & Co**

Chartered Accountants

Statutory Auditor

12 Carden Place

Aberdeen

AB10 1UR

12 December 2016

**MESTON
REID & CO**
CHARTERED ACCOUNTANTS

STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Income from:					
Donations and legacies	3	4,150	203	4,353	177
Charitable activities	4	128,445	626,114	754,559	674,519
Investments	5	668	-	668	682
Total income		<u>133,263</u>	<u>626,317</u>	<u>759,580</u>	<u>675,378</u>
Expenditure on:					
Charitable activities	6	115,042	617,326	732,368	613,777
Net incoming resources before transfers		<u>18,221</u>	<u>8,991</u>	<u>27,212</u>	<u>61,601</u>
Gross transfers between funds		(1,956)	1,956	-	-
Net income for the year/ Net movement in funds		<u>16,265</u>	<u>10,947</u>	<u>27,212</u>	<u>61,601</u>
Fund balances at 1 April 2015		<u>179,235</u>	<u>112,280</u>	<u>291,515</u>	<u>229,914</u>
Fund balances at 31 March 2016		<u><u>195,500</u></u>	<u><u>123,227</u></u>	<u><u>318,727</u></u>	<u><u>291,515</u></u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

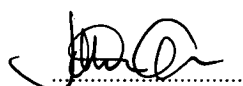
STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
BALANCE SHEET

AS AT 31 MARCH 2016

		2016		2015	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		44,331		13,682
Current assets					
Debtors	11	45,249		20,702	
Cash at bank and in hand		265,394		285,641	
		310,643		306,343	
Creditors: amounts falling due within one year	12	(36,247)		(28,510)	
Net current assets			274,396		277,833
Total assets less current liabilities			318,727		291,515
Income funds					
Restricted funds	15		123,227		112,280
Unrestricted funds			195,500		179,235
			318,727		291,515

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Trustees on 12 December 2016



J Evans
Trustee

Company Registration No. SC332413

STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Company information

Station House Media Unit (shmu) is a private company limited by guarantee incorporated in Scotland. The registered office is Station Road, Woodside, Aberdeen, AB24 2WB.

1.1 Accounting convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (effective 1 January 2015) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Small Entities applicable in the UK and Republic of Ireland (effective 1 January 2015), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees' continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Grant income is recognised once the charity is entitled to the income, can reliably measure the value of the grant income and it is deemed probable that the charity will receive the income. Where performance related restrictions apply the charity will not recognise the income until all of the performance related requirements are met. Where the charity has not met the performance related restrictions on grant income received the income will be deferred until such time as the performance related criteria have been met.

STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

1.5 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes VAT which cannot be recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds incorporates the costs associated with attracting voluntary income.

Costs of charitable expenditure comprises the costs associated with the charity's principal activities and are accounted for when payable. This includes governance costs which are costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

Governance costs were previously shown separately in the SOFA under SORP (FRSSE 2008). The charitable expenditure shown as the 2015 comparatives in the SOFA has been restated to include governance costs of £6,900 consistent with the treatment under SORP 2015 (FRSSE 2015).

All costs are allocated between the expenditure categories of the Statement of Financial Activity on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	33% and 10% on cost
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument.

Financial assets are offset, with the net amounts presented in the accounts when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Taxation

The charity is recognised as a charity for the purposes of applicable taxation legislation and is therefore not subject to taxation on its charitable activities.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.11 Pensions

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

The charity also participates in the North East Scotland Pension Fund, a defined benefit pension scheme, for one member of staff. The defined benefit pension scheme has not been accounted for in line with SORP 2015 (FRSSE 2015) as the Trustees were unable to identify the charity's share of the schemes assets and liabilities with out undue cost and effort. Therefore, the pension contributions to the North East of Scotland Pension Fund have been treated as though there were for a defined contribution scheme.

1.12 Accumulated funds

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes as detailed in note 15 to the financial statements.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

STATION HOUSE MEDIA UNIT (SHMU)
 OPERATING AS SHMU
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2016	Total 2015
	£	£	£	£
Donations and gifts	4,150	203	4,353	177
	<u>4,150</u>	<u>203</u>	<u>4,353</u>	<u>177</u>
For the year ended 31 March 2015	<u>177</u>	<u>-</u>		<u>177</u>

4 Charitable activities

	2016 £	2015 £
Fee income	100,695	94,881
Grants received	653,864	579,638
	<u>754,559</u>	<u>674,519</u>
Analysis by fund		
Unrestricted funds	128,445	
Restricted funds	626,114	
	<u>754,559</u>	
For the year ended 31 March 2015		
Unrestricted funds		148,526
Restricted funds		525,993
		<u>674,519</u>

STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

5 Investments

	2016	2015
	£	£
Interest receivable	<u>668</u>	<u>682</u>

Investment income was unrestricted in the current and previous year.

6 Charitable activities

	2016	2015
	£	£
Staff costs	483,915	405,535
Depreciation and impairment	17,765	10,526
Property costs	2,852	15,743
Travel costs	13,186	10,257
Office support costs	78,072	69,746
Legal and professional fees	7,200	11,100
Project costs	<u>129,378</u>	<u>90,870</u>
	<u>732,368</u>	<u>613,777</u>

Analysis by fund

Unrestricted funds	115,042	
Restricted funds	<u>617,326</u>	
	<u>732,368</u>	

For the year ended 31 March 2015

Unrestricted funds		108,637
Restricted funds		<u>505,140</u>
		<u>613,777</u>

Included within costs of legal and professional fees are auditors fees of £7,200 (2015 - £6,900).

7 Trustees

Trustees do not receive any remuneration and are not paid any expenses for attending meetings.

STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

8 Employees

Number of employees

The average monthly number employees during the year was:

	2016	2015
	Number	Number
Tutor/support	15	12
Management	6	6
	<u>21</u>	<u>18</u>

Employment costs

	2016	2015
	£	£
Wages and salaries	441,460	364,460
Social security costs	32,494	30,659
Other pension costs	9,961	10,416
	<u>483,915</u>	<u>405,535</u>

There were no employees whose annual remuneration was £60,000 or more.

9 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Income and Corporation Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

STATION HOUSE MEDIA UNIT (SHMU)
 OPERATING AS SHMU
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

10 Tangible fixed assets

	Fixtures, fittings & equipment
	£
Cost	
At 1 April 2015	129,345
Additions	48,414
	<u>177,759</u>
At 31 March 2016	
Depreciation and impairment	
At 1 April 2015	115,663
Depreciation charged in the year	17,765
	<u>133,428</u>
At 31 March 2016	
Carrying amount	
At 31 March 2016	<u>44,331</u>
At 31 March 2015	<u>13,682</u>

11 Debtors

	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	15,575	6,237
Other debtors	25,251	10,593
Prepayments	4,423	3,872
	<u>45,249</u>	<u>20,702</u>

12 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	11,556	9,588
Accruals and deferred income	24,691	18,922
	<u>36,247</u>	<u>28,510</u>

STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

13 Limited liability

The charity is incorporated as a company limited by guarantee having no share capital and, in accordance with the Memorandum of Association, every member is liable to contribute a sum of £1 in the event of the company being wound up. At 31 March 2016 there were eight members.

14 Retirement benefit schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £3,632 (2015- £1,843). Contributions totalling £893 (2015 - £172) were payable to the pension fund at the year end and are included in accruals.

In addition, the charity also makes contributions to the North East of Scotland Pension Fund, a multi-employer defined benefit pension scheme, in respect of one employee. Although the charity's share of the assets and liabilities could be identified by way of an actuarial report, the Trustees do not consider the risk associated with the pension scheme to be sufficient in order to justify the large actuarial fees they were quoted. The Trustees have not been approached by the pension fund regarding a pension deficit payment plan and are therefore content that any deficit on the fund will be immaterial. As the assets and liabilities of the scheme are unknown, the defined benefit scheme has been treated as a defined contribution scheme, this has been the case in previous years.

Information about the overall funding position of the scheme was provided by the actuary to the fund on the actuarial valuation of the scheme as at 31 March 2014. The actuarial valuation indicated that the scheme has obligations of £3,025 million and assets of £2,834 million at this time. The overall funding position of the scheme as a whole was 94%, the deficit being £191 million. In total there were 57,021 members to this scheme as at 31 March 2014, including active members, deferred pensioners and current pensioners. The next actuarial valuation of the scheme is being carried out with an effective date of 31 March 2018.

The pension costs in respect of the defined benefit pension scheme amounted to £6,329 (2015 - £8,572) for the year. Contributions totalling £791 (2015 - £nil) were payable to the pension fund at the year end and are included in accruals.

STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				
	Balance at 1 April 2015	Incoming resources	Resources expended	Transfers	Balance at 31 March 2016
	£	£	£	£	£
CORE	7,613	5,455	(935)	-	12,133
shmuONLINE	13,239	37,250	(17,068)	-	33,421
shmuFM	3,742	41,240	(46,890)	-	(1,908)
shmuTV	25	-	(25)	-	-
shmuPRESS	288	51,443	(51,259)	-	472
shmuSOUND	13,283	12,841	(29,193)	1,956	(1,113)
shmuTRAIN	31,464	149,000	(178,372)	-	2,092
shmuWORKS	1,702	-	-	-	1,702
Bridges	5,982	-	(46)	-	5,936
Youth Media Project	33,224	102,826	(113,019)	-	23,031
57 North	-	22,960	(20,232)	-	2,728
Cross-Media Projects	-	3,043	(3,043)	-	-
MAP	1,718	200,259	(157,244)	-	44,733
	<u>112,280</u>	<u>626,317</u>	<u>(617,326)</u>	<u>1,956</u>	<u>123,227</u>

The CORE fund represents resources which are to be utilised for the benefit of the charity as a whole. The primary sources of funding in 2015/16 were: £5,455 from the Fairer Aberdeen Fund. These funds were expended in accordance with the terms of the agreement with the funder.

The shmuONLINE fund represents resources which are to be utilised for the sole purpose of the development of the Connected Middlefield Wi-Fi initiative. These funds were secured in a previous financial year through a Shell Community Grant and from the Fairer Scotland Fund. The primary sources of funding in 2015/16 were £10,000 from the Scottish Council for Voluntary Organisations Digital Challenge Fund and £27,250 from TillyZone WiFi Pilot. These funds were expended in accordance with the terms of the agreements with the respective funders.

The shmuFM fund represents resources which are utilised for the sole purpose of the provision of a local community radio station. The primary sources of funding in 2015/16 were £35,000 from the Fairer Aberdeen Fund and £6,240 from the Fairer Aberdeen Fund Community Support Fund. These funds were expended in accordance with the terms of the agreements with the respective funders. At 31 March 2016 there was a deficit on this fund. The Trustees have reviewed the position of the fund and are content that the deficit relates to continuing projects and that future funding will absorb the deficit going forward.

**STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2016

15 Restricted funds

The shmuTV fund represents resources which are to be utilised for the sole purpose of video production services. These funds were expended in accordance with the terms of the agreements with the funders.

The shmuPRESS fund represents resources which were utilised for the sole purpose of community magazine production and external design services. The primary sources of funding in 2015/16 were £32,000 from Fairer Aberdeen Fund and £19,443 from Fairer Aberdeen Community Support Fund. These funds were expended in accordance with the terms of the agreements with the respective funders.

The shmuSOUND fund represents resources which are to be utilised for the sole purpose of the provision of music based services in the city. The primary sources of funding in 2015/16 were two amounts of £3,750 and £9,091 from Creative Scotland. These funds were expended in accordance with the terms of the agreement with the funder. At 31 March 2016 there was a deficit on this fund. The Trustees have reviewed the position of the fund and are content that the deficit relates to continuing projects and that future funding will absorb the deficit going forward.

The shmuTRAIN fund represents resources which are to be utilised for the sole purpose of the provision of education and training services for young people between the ages of 14-19. The primary sources of funding in 2015/16 were £115,000 from Inspiring Scotland: 14-19 Fund, £34,000 and from the Fairer Aberdeen Fund. These funds were expended in accordance with the terms of the agreements with the funders.

The shmuWORKS fund represents resources which are to be utilised for the sole purpose of the provision of education and training services for people over the age of 19 and also supports current volunteers of all ages. There was no activity in 2015/16.

The Bridges fund represents resources to be utilised for the provision of services for prisoners from HM Prison Aberdeen, pre and post release. These funds were expended in accordance with the terms of the agreement with the funder.

The Youth Media Project fund represents amounts which are to be utilised for the sole purpose of engaging young people (12-18yrs) in community media activities. The primary sources of funding in 2015/16 were £15,000 from the Fairer Aberdeen Fund, £27,500 from Creative Scotland Cashback for Creativity, £29,430 from the YACne Film Fund £21,131 from the British Film Institute and £9,765 from YPCTS in Northfield, Torry and St Machar. These funds were expended in accordance with the terms of the agreements with the funders. Included in the funds carried forwards were amounts totalling £6,868 relating to on going projects at the year end and will be spent in 2016/17.

The 57 North fund represents resources which are to be utilised for the sole purpose of providing an online music hub for Aberdeen and Aberdeenshire designed to provide a one-stop shop for music related information across the region. The primary sources of funding in 2015/16 were £10,000 from Aberdeen City Council Cultural Grant and £12,960 from YACne Music Journalism. These funds were expended in accordance with the terms of the agreement with the funder.

The Cross-Media Projects fund represents resources for partnership working requiring delivery across multiple media platforms. The primary source of funding was £3,043 from Employability FM. These funds were expended in accordance with the terms of the agreements with the funders.

The MAP fund represents resources which were utilised for the sole purpose of undertaking research into the work of a range of other organisations, projects and establishments in the Criminal Justice sector in order to identify current models of good practice linked to our Stage 2 proposal to develop the Media Access Project (MAP) in partnership with HMP & YOI Grampian. The primary source of funding in 2015/16 was £175,259 from the Big Lottery Fund in Scotland and £25,000 from Fairer Aberdeen Fund. These funds were spent in accordance with the terms of the agreement.

STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

16 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 March 2016 are represented by:			
Tangible assets	16,097	28,234	44,331
Current assets/(liabilities)	179,403	94,993	274,396
	<u>195,500</u>	<u>123,227</u>	<u>318,727</u>

17 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016	2015
	£	£
Within one year	1,350	-
Between two and five years	4,614	-
	<u>5,964</u>	<u>-</u>

The operating lease represents a lease of a photocopier from a third party. The lease term is over 5 years and rentals are fixed for the full term of the lease. Expenditure for the year in respect of this lease amounts to £1,403 (2015 - £nil).

18 Auditors' Ethical Standards

The relevant circumstances requiring disclosure in accordance with the requirements of APB Ethical Standard - Provisions Available for Small Entities are that, in common with many charities of our size and nature we use our auditors to assist with the preparation of the accounts.