

STATION HOUSE MEDIA UNIT (SHMU)

OPERATING AS SHMU

REGISTERED CHARITY NUMBER SC034211

COMPANY NUMBER SC332413

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**



**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 2017

The Trustees present their report and financial statements for the year ended 31 March 2017.

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) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

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 2016/17 saw a continued and sustained period of development for the Organisation.

2016/17 has been the ninth full year for the Organisation operating as a Company Limited by Guarantee, and the thirteenth as a charity 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 continued to oversee 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 monthly Board meetings.

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 of £55,000 in 2016/17.

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

FOR THE YEAR ENDED 31 MARCH 2017

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 2016/17 the strand ran 4 Positive Transitions courses for young people aged 16-19, working with 36 young people in total. 23 positive destinations were recorded: 15 into employment and 8 into college/education. In 2016-17 the strand was again successful in its bid to run the SDS Employability Fund Stage 2 course and was granted 20 licences for the period, which led to two Positive Transition courses being run as Employability Fund courses.

In the period 1st April 2016 to 31st March 2017 the strand completed Early Interventions work in Kincorth, St Machar, Harlaw and Hazelhead Academies, where 75 young people participated in shmuTRAIN programmes and 35 people achieved positive destinations: 3 moved into employment, 26 re-engaged with education and 6 moved on to training courses. 24 young people achieved SQA Awards as part of the course, with 51 SQA Awards in Employability, Film and Radio being secured.

shmuFM: Our community radio station, shmuFM, which receives a significant financial 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 175 individuals participating in training sessions throughout the year, with ages ranging from 11 to 84 years. On average, 95 of those participants are actively volunteering on a weekly basis. Over the course of the year, participants contributed 18,500 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 41 active volunteers, all local residents from our target areas, with 85 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 14 commissioned film projects and a number of in-house and partnership-funded film and video training projects.

The strand delivered the second Aberdeen BFI Film Academy during this reporting period, which supported 20 young people with a passion in film-making the opportunity to work alongside industry mentors and produce two short films. Delivered in partnership with NESCOL and the Belmont Filmhouse, the course culminated in a very successful premier of the two films attended by family and friends.

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 2016 and the end of March 2017, 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.

The shmuSOUND strand secured funding from Creative Scotland's Youth Music Initiative to deliver a follow-up programme to the highly successful shmu Rap Music Project which ran up until October 2015. The Young Artists Music Project (YAMP) is an early-career artist development project for young people from three priority categories: BME groups, those who have previously offended and those resident in the regeneration areas of Aberdeen. Participants were supported to access tutor expertise and music resources as well as studio time and high-profile performing opportunities.

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

FOR THE YEAR ENDED 31 MARCH 2017

Youth Media: The Youth Media strand encourages young people, prioritising those living in the regeneration areas of Aberdeen, to actively participate and engage with our enhanced youth media platforms; increasing confidence and self-esteem and encouraging communication with the wider world in a creative, balanced and informed way. Over the reporting period, 320 young people attending youth media training sessions, with 66 of those young people being involved on a regular basis. Of those, 19 young people secured SQA's, 13 young people secured Dynamic Youth Awards, 16 young people secured Saltire Awards and 8 young people progressing onto a positive destination. Youth Media participants contributed 8365 hours of volunteering to the project.

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 2016/17. 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 reporting period, 133 individuals have participated in assessment, planning and review within the prison, with 29 participants engaging directly with MAP services post-release. Of those 16 went on to volunteer in the community, 2 into further education, and 8 secured employment.

shmuTRADE: is the trading arm of shmu. A broad range of media services are provided to partners within a tiered pricing structure that are 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 7 shmuDESIGN projects, 6 shmuDIGITAL projects and 14 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, which total £70,645 at 31 March 2017, are only expended by the Trustees for the specific projects to which they were granted. Unrestricted funds totalling £148,029 at 31 March 2017, are expended according to how the Trustees see fit in the furtherance of the aims and objectives of the Organisation as a whole.

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.

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

FOR THE YEAR ENDED 31 MARCH 2017

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.

The charity is a participating employer in the Local Government Pension Scheme (LGPS) under arrangements with the North East Scotland Pension Fund. Details of the fund and the charity's share of the fund, reported in accordance with FRS 102, are set out in note 15 of these accounts.

The charity's share of the fund fluctuates with changes in actuarial assumptions and market conditions that are reflected in the actuarial calculations. The share of the fund attributable to the charity at 31 March 2017 was a deficit of £38,000 compared to a surplus of £5,000 at 31 March 2016 and a deficit of £4,000 in the year ended 31 March 2015. The Trustees are aware of the pension fund's volatility and will continue to monitor fund balances annually. The Trustees also recognise that any such deficit will crystallise when the last employee in the scheme leaves the organisation and have opted to provide additional disclosure at Note 18 in order to show a true and fair view of the charity's unrestricted funds.

SHMU also operates a defined contribution scheme for other employees in line with auto enrolment legislation.

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.

Note 17 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.

SHMU 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.

The organisation also plans to secure the remaining funding required for the redevelopment of our main headquarters in Woodside, Aberdeen, with the aim of commencing the programme of work by the end of August 2017.

**STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

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, and have also given authority and responsibility for planning, directing and controlling the activities of the charity to Brian Woodcock, Brian Webb, Gary Dawson and Denise Reid.

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 2017**

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:

A Eladany
A Erskine
J Evans (Chairperson)
D Ironside
S McLean
A Robertson
D White
N Youngson

**STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

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.

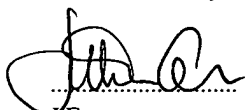
Auditor

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
..5/12/17..

**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 2017 set out on pages 10 to 28. 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), including Financial Reporting Standard 102.

This report is made solely to the charitable company's members, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, Chapter 3 of Part 16 of the Companies Act 2006 and regulations made under those Acts. 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 explained more fully in the statement of Trustees' responsibilities set out on pages 1 - 7, the Trustees, who are also the directors of Station House Media Unit (SHMU) for the purposes of company law, are responsible for the preparation of the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards and for being satisfied that they give a true and fair view.

We have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes 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 the 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 2017 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) require 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

7/12/17

**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 2017

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Income from:					
Donations and legacies	3	1,206	-	1,206	4,353
Charitable activities	4	152,621	587,825	740,446	754,559
Investments	5	1,540	-	1,540	668
Total income		155,367	587,825	743,192	759,580
Expenditure on:					
Charitable activities	6	161,810	647,435	809,245	737,368
Net (outgoing)/incoming resources before transfers		(6,443)	(59,610)	(66,053)	22,212
Gross transfers between funds		(7,028)	7,028	-	-
Net (expenditure)/income for the year/ Net (outgoing)/incoming resources		(13,471)	(52,582)	(66,053)	22,212
Other recognised gains and losses					
Actuarial (loss)/gain on defined benefit pension schemes		(39,000)	-	(39,000)	14,000
Net movement in funds		(52,471)	(52,582)	(105,053)	36,212
Fund balances at 1 April 2016		200,500	123,227	323,727	287,515
Fund balances at 31 March 2017		148,029	70,645	218,674	323,727

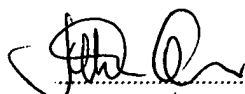
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
BALANCE SHEET
AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	10		35,848		44,331
Current assets					
Debtors	12	30,669		45,249	
Cash at bank and in hand		207,922		265,394	
		<u>238,591</u>		<u>310,643</u>	
Creditors: amounts falling due within one year	13	<u>(17,765)</u>		<u>(36,247)</u>	
Net current assets			220,826		274,396
Net assets excluding pension (liability)/surplus			256,674		318,727
Defined benefit pension (liability)/surplus	15		(38,000)		5,000
Net assets			<u>218,674</u>		<u>323,727</u>
Income funds					
Restricted funds	16		70,645		123,227
Unrestricted funds	18		148,029		200,500
			<u>218,674</u>		<u>323,727</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Trustees on 5.12.17



J Evans
Trustee

Company Registration No. SC332413

STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	22		(48,670)		27,499
Investing activities					
Purchase of tangible fixed assets		(10,342)		(48,414)	
Interest received		1,540		668	
Net cash used in investing activities			(8,802)		(47,746)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(57,472)		(20,247)
Cash and cash equivalents at beginning of year			265,394		285,641
Cash and cash equivalents at end of year			207,922		265,394

**STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

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 the charity's Memorandum and Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities Accounts (Scotland) Regulations 2006 (as amended) only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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 £ except where specified in note 15.

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

These financial statements for the year ended 31 March 2017 are the first financial statements of Station House Media Unit (SHMU) prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 23.

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.

STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

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.

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.

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
--------------------------------	---------------------

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

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its 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 2017

1 Accounting policies

(Continued)

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 payments 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 costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

1.11 Retirement benefits

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.

In addition, the charity participates in the North East Scotland Pension Fund, a defined benefit pension scheme, for one member of staff.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice. The detail assumptions relating to surplus/(deficit) recognised on the defined benefit scheme can be found in note 15.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

Actuarial gains or losses are recognised on the profit and loss, through other comprehensive income. The pension scheme asset/liability is shown separately on the face of the balance sheet and separately within reserves.

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 16 to the financial statements.

STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

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.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Donations and gifts	1,206	-	1,206	4,353
	<u>1,206</u>	<u>-</u>	<u>1,206</u>	<u>4,353</u>
For the year ended 31 March 2016	<u>4,150</u>	<u>203</u>		<u>4,353</u>

4 Charitable activities

	2017 £	2016 £
Fee income	90,947	100,695
Grants received	649,499	653,864
	<u>740,446</u>	<u>754,559</u>
Analysis by fund		
Unrestricted funds	152,621	
Restricted funds	587,825	
	<u>740,446</u>	
For the year ended 31 March 2016		
Unrestricted funds		128,445
Restricted funds		626,114
		<u>754,559</u>

STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

5 Investments

	2017	2016
	£	£
Interest receivable	1,540	668

Investment income was unrestricted in the current and previous year.

6 Charitable activities

	2017	2016
	£	£
Staff costs	541,209	488,915
Depreciation and impairment	18,550	17,765
Property costs	9,239	2,852
Travel costs	12,128	13,186
Office support costs	99,628	78,072
Legal and professional fees	8,120	7,200
Project costs	120,371	129,378
	<u>809,245</u>	<u>737,368</u>

Analysis by fund

Unrestricted funds	161,810
Restricted funds	647,435
	<u>809,245</u>

For the year ended 31 March 2016

Unrestricted funds	120,042
Restricted funds	617,326
	<u>737,368</u>

Included within costs of legal and professional fees are auditors fees of £8,120 (2016 - £7,200).

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 2017

8 Employees

Number of employees

The average monthly number employees during the year was:

	2017	2016
	Number	Number
Tutor/support	17	15
Management	6	6
	<u>23</u>	<u>21</u>

Employment costs

	2017	2016
	£	£
Wages and salaries	481,255	441,460
Social security costs	42,396	32,494
Other pension costs	13,558	9,961
	<u>537,209</u>	<u>483,915</u>

During the year key management received remuneration packages, including pension contributions, amounting to £172,867 (2016 - £168,308) in the year.

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 2017

10 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2016	177,759
Additions	10,342
Disposals	(275)
At 31 March 2017	<u>187,826</u>
Depreciation and impairment	
At 1 April 2016	133,428
Depreciation charged in the year	18,550
At 31 March 2017	<u>151,978</u>
Carrying amount	
At 31 March 2017	<u>35,848</u>
At 31 March 2016	<u>44,331</u>

11 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>234,609</u>	<u>306,220</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>17,765</u>	<u>36,247</u>

12 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	16,688	15,575
Other debtors	9,999	25,251
Prepayments	3,982	4,423
	<u>30,669</u>	<u>45,249</u>

STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

13 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	1,404	11,556
Accruals and deferred income	16,361	24,691
	<u>17,765</u>	<u>36,247</u>

14 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 2017 there were eight members.

15 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 charge to surplus or deficit in respect of defined contribution schemes payable by the charity to the fund amounted to £7,117 (2016- £3,632).

Defined benefit schemes

The company operates a defined benefit scheme for qualifying employees. Under the scheme the employees are entitled to retirement benefits based on final salary on attainment of retirement age. No other post retirement benefits are provided.

The charity makes contributions to the North East of Scotland Pension Fund, a multi-employer defined benefit pension scheme, in respect of one employee. In accordance with the requirements of the FRS102, the most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31 March 2017 by J Livesey, I Kirk, P Middleman and L Johnston of Mercer Limited, all of whom are Fellows of the Institute and Faculty of Actuaries. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method. Monetary values relating to the defined benefit pension scheme are rounded to the nearest £000.

Key assumptions

	2017	2016
	%	%
Discount rate	2.6	3.6
Expected rate of increase of pensions in payment	2.2	2.0
Expected rate of salary increases	3.7	3.5
CPI inflation	2.2	2
Expected return on investment	<u>21.58</u>	<u>2.27</u>

STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

15 Retirement benefit schemes

(Continued)

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2017	2016
	Years	Years
Retiring today		
- Males	22.3	22.2
- Females	24.9	24.8
Retiring in 20 years		
- Males	24.5	24.4
- Females	27.8	27.6

The expected return on investment includes a £46,000 remeasurement gain (2016 - £3,000 loss) on plan assets during the period. These remeasurements are based on differences between actuarial assumptions and actual closing balances.

Amounts recognised in the statement of financial activities:

	2017	2016
	£	£
Current service cost	10,000	11,000

Amounts taken to other comprehensive income:

	2017	2016
	£	£
Actual return on scheme assets	(9,000)	(8,000)
Less: calculated interest element	9,000	8,000
Return on scheme assets excluding interest income	-	-
Actuarial changes related to obligations	85,000	(17,000)
Other gains and losses	(46,000)	3,000
Total costs/(income)	39,000	(14,000)

The amounts included in the balance sheet arising from the charity's obligations in respect of defined benefit plans are as follows:

	2017	2016
	£	£
Present value of defined benefit obligations	351,000	244,000
Fair value of plan assets	(313,000)	(249,000)
Deficit/(surplus) in scheme	38,000	(5,000)

STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

15 Retirement benefit schemes

(Continued)

Movements in the present value of defined benefit obligations:

	2017
	£
Liabilities at 1 April 2016	244,000
Current service cost	10,000
Contributions from scheme members	3,000
Actuarial gains and losses	85,000
Interest cost	9,000
	<u> </u>
At 31 March 2017	<u><u>351,000</u></u>

The defined benefit obligations arise from plans funded as follows:

	2017
	£
Wholly unfunded obligations	38,000
Wholly or partly funded obligations	313,000
	<u> </u>
	<u><u>351,000</u></u>

Movements in the fair value of plan assets:

	2017
	£
Fair value of assets at 1 April 2016	249,000
Interest income	9,000
Contributions by the employer	6,000
Contributions by scheme members	3,000
Other	46,000
	<u> </u>
At 31 March 2017	<u><u>313,000</u></u>

The fair value of plan assets at the reporting period end was as follows:

	2017	2016
	£	£
Equity instruments	212,000	193,000
Debt instruments	40,000	33,000
Property	22,000	21,000
Cash/liquidity	5,000	2,000
Other	34,000	-
	<u> </u>	<u> </u>
	<u><u>313,000</u></u>	<u><u>249,000</u></u>

STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

16 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:

	Balance at 1 April 2016 £	Movement in funds		Transfers £	Balance at 31 March 2017 £
		Incoming resources £	Resources expended £		
CORE	12,133	-	(4,888)	3,148	10,393
shmuONLINE	33,421	-	(16,073)	-	17,348
shmuFM	(1,908)	41,590	(38,521)	-	1,161
shmuTV	-	11,200	(15,903)	-	(4,703)
shmuPRESS	472	54,022	(52,662)	-	1,832
shmuSOUND	(1,113)	32,478	(22,518)	1,398	10,245
shmuTRAIN	2,092	163,137	(155,768)	1,702	11,163
shmuWORKS	1,702	-	-	(1,702)	-
Bridges	5,936	-	-	(5,936)	-
Youth Media	23,031	62,925	(85,790)	1,539	1,705
57 North	2,728	16,440	(20,111)	943	-
Cross Media Projects	-	9,215	(9,459)	-	(244)
MAP	44,733	196,818	(225,742)	5,936	21,745
	<u>123,227</u>	<u>587,825</u>	<u>(647,435)</u>	<u>7,028</u>	<u>70,645</u>

The Core fund represents resources which are to be utilised for the benefit of the charity as a whole. 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 previous financial years numerous sources including a Shell Community Grant, the Fairer Scotland Fund, the Scottish Council for Voluntary Organisations Digital Challenge Fund and the TillyZone Wi-Fi 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 2016/17 were £35,350 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.

STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

16 Restricted funds

(Continued)

The shmuTV fund represents resources which are to be utilised for the sole purpose of video production services. Funding in 2016/17 was £11,200 from the British Film Institute Academy. This fund was expended in accordance with the terms of the agreement with the funder. At 31 March 2017 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 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 2016/17 were £32,320 from Fairer Aberdeen Fund and £21,702 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 2016/17 were two amounts of £5,250 and £27,228 from Creative Scotland. These funds were expended in accordance with the terms of the agreement with the funder.

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 2016/17 were £115,000 from Inspiring Scotland: 14-19 Fund and £34,000 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 2016/17 and amounts remaining have been transferred into the shmuTRAIN fund.

The Bridges fund represents resources to be utilised for the provision of services for prisoners from HM Prison Aberdeen, pre and post release. There was no activity in 2016/17 due to closure of the prison. Amounts have been transferred into the MAP fund to cover music-based costs at HMP Grampian.

The Youth Media Projects 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 2016/17 were £18,258 from the Fairer Aberdeen Fund, £40,000 from Creative Scotland Cashback for Creativity and £3,270 from the YACne Film Fund. These funds were expended in accordance with the terms of the agreements with the funders.

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 2016/17 were £15,000 from Aberdeen City Council Cultural Grant and £1,440 from YACne Music Journalism. These funds were expended in accordance with the terms of the agreements with the funders.

The Cross Media Projects fund represents resources for partnership working requiring delivery across multiple media platforms. The primary source of funding was £9,215 from Employability FM. These funds were expended in accordance with the terms of the agreement with the funder. At 31 March 2017 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 MAP fund represents resources which were utilised for the sole purpose of the provision of educational and motivational activities within HMP Grampian, a support package 'through-the-gate' and continued support for participants post-release within the community. The primary sources of funding in 2016/17 were £173,817 from the Big Lottery Fund in Scotland and £23,001 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 2017

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2017 are represented by:			
Tangible assets	12,874	22,974	35,848
Current assets/(liabilities)	173,155	47,671	220,826
Provisions and pensions	(38,000)	-	(38,000)
	<u>148,029</u>	<u>70,645</u>	<u>218,674</u>

18 Unrestricted fund balances

The unrestricted funds of the charity can be analysed as follows:

	General fund £	Defined benefit pension fund £	Total unrestricted funds £
Balance at 1 April 2016	195,500	5,000	200,500
Income	155,367	-	155,367
Expenditure	(157,810)	(4,000)	(161,810)
Transfers to restricted funds	(7,028)	-	(7,028)
Other recognised gains and losses	15 -	(39,000)	(39,000)
Fund balances at 31 March 2017	<u>186,029</u>	<u>(38,000)</u>	<u>148,029</u>

The table above shows movements relating to both the general and defined benefit pension elements of the total unrestricted fund balance shown in the Statement of Financial Activities. The balance relating to the defined benefit pension scheme represents the potential future obligations for the charity's share of the overall pension deficit as at 31 March 2017.

STATION HOUSE MEDIA UNIT (SHMU)
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

19 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:

	2017 £	2016 £
Within one year	1,350	1,350
Between two and five years	3,264	4,614
	<u>4,614</u>	<u>5,964</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 £1,398 (2016 - £1,403).

20 Related party transactions

There were no disclosable related party transactions during the year (2016- none).

21 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.

22 Cash generated from operations

	2017 £	2016 £
(Deficit)/surplus for the year	(66,053)	22,212
Adjustments for:		
Investment income recognised in statement of financial activities	(1,540)	(668)
Loss on disposal of tangible fixed assets	275	-
Depreciation and impairment of tangible fixed assets	18,550	17,765
Difference between pension charge and cash contributions	4,000	5,000
Movements in working capital:		
Decrease/(increase) in debtors	14,580	(24,547)
(Decrease)/increase in creditors	(18,482)	7,737
Cash (absorbed by)/generated from operations	<u>(48,670)</u>	<u>27,499</u>

STATION HOUSE MEDIA UNIT (SHMU)
OPERATING AS SHMU
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

23 Reconciliations on adoption of FRS 102

Reconciliation of fund balances

	Notes	At 1 April 2015			At 31 March 2016		
		Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Fixed assets							
Tangible assets		13,682	-	13,682	44,331	-	44,331
Current assets							
Debtors		20,702	-	20,702	45,249	-	45,249
Bank and cash		285,641	-	285,641	265,394	-	265,394
		306,343	-	306,343	310,643	-	310,643
Creditors due within one year							
Other creditors		28,510	-	28,510	36,247	-	36,247
Net current assets		277,833	-	277,833	274,396	-	274,396
Total assets less current liabilities		291,515	-	291,515	318,727	-	318,727
Pension surplus		-	(4,000)	(4,000)	-	5,000	5,000
Net assets		291,515	(4,000)	287,515	318,727	5,000	323,727
Income funds							
Restricted funds		112,280	-	112,280	123,227	-	123,227
Unrestricted funds		179,235	(4,000)	175,235	195,500	5,000	200,500
Total funds		291,515	(4,000)	287,515	318,727	5,000	323,727

STATION HOUSE MEDIA UNIT (SHMU)
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

23 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of net movements in funds

Notes	Period ended 31 March 2016		
	Previous UK GAAP £	Effect of transition £	FRS 102 £
Income from:			
Donations and legacies	4,353	-	4,353
Charitable activities	754,559	-	754,559
Investments	668	-	668
	<u>759,580</u>	<u>-</u>	<u>759,580</u>
Expenditure on:			
Charitable activities	(732,368)	(5,000)	(737,368)
	<u>(732,368)</u>	<u>(5,000)</u>	<u>(737,368)</u>
	<u>27,212</u>	<u>(5,000)</u>	<u>22,212</u>
Income/expenditure for the year			
	<u>27,212</u>	<u>(5,000)</u>	<u>22,212</u>
Actuarial gain/(loss) on defined benefit pension scheme	-	14,000	14,000
	<u>27,212</u>	<u>9,000</u>	<u>36,212</u>
Net movement in funds	<u>27,212</u>	<u>9,000</u>	<u>36,212</u>

Notes to reconciliations on adoption of FRS 102

Defined benefit pension surplus/(deficit)

Under the previous UK GAAP, the charity recognised the defined benefit pension scheme as a defined contribution citing the undue cost and effort exemption. However, under FRS102, this exemption is not available and instead allows the project credit method to be applied which enables full disclosure and recognition of a defined benefit plan. An adjustment has been made accordingly to recognise the full pension position, in line with this revised accounting treatment.