

## **Carn Media**

### **Directors' report and unaudited financial statements for the year ended 28 February 2018**

**Registration No: NI053949 (Northern Ireland)**

**Charity No: XT27271**

***Carn Media***

***Unaudited financial statements for the year ended 28 February 2018***

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## Directors and advisors

### Directors

Declan Devlin  
Cathal Hasson  
Sean Kerr  
Niall O’Cathain

### Accountants

ASM (M) Ltd  
Chartered Accountants  
The Diamond Centre  
Market Street  
Magherafelt

### Company Secretary

Leanne Noonan

### Bankers

Bank of Ireland (UK) plc  
55 Main Street  
Maghera

### Registered Office

An Carn  
Tirkane Road  
Maghera

### Solicitors

PJ McGuckin  
Hall Street  
Maghera

## Strategic report

### Principal activities

The principal activity of the Company is to develop and produce short films, educational products and training and consultancy in multimedia skills, and also to offer in-house animation production services incorporating workshop based programmes in schools and colleges.

### Business review

Both the level of business and the year end financial position were considered satisfactory given the objectives of the Company, and the directors expect that the current level of activity will be improved for the foreseeable future.

The results for the year are set out in the Statement of financial activities on page 7 and in the related notes.

### Principal risks and uncertainties

The key business risks and uncertainties affecting the Company are maintaining sales levels and donations.

The Company's management endeavour to mitigate these risks by implementing regular strategic and operational reviews.

### Key performance indicators

The Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

### Financial risk management

The Company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risks and cash flows associated with selling on credit and manage these risks through credit control procedures.

The majority of the Company's activities are conducted in sterling, with the amount of trade in other currencies being minimal. Therefore the currency risk to the Company is minimal.

### Future outlook

The directors remain confident that the current level performance will be improved in the future and it is the Directors' intention to develop the present activities of the Company.

### By Order of the Board

DocuSigned by:



Niall O'Connell

Director

29 November 2018

## **Directors' report**

The directors present their report and the unaudited financial statements for the year ended 28 February 2018.

### **Results**

The Statement of financial activities for the year is set out on page 7.

### **Directors**

The directors of the Company at 28 February 2018, who have all been directors for the whole of the year ended on that date, are listed on page 1.

### **Corporate governance**

Carn Media is a company limited by guarantee and as such it does not have share capital.

Every director being a member of the Executive Committee undertakes to contribute to the assets of the Company, in the event of same being wound up while he is a member, or within one year after he ceases to be a member, for payment of debts and liabilities of the Company contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required not exceeding £1.00.

The Company was incorporated on 17 February 2005 and its governing instruments are the Memorandum and Articles of Association. The address of the Company's registered office, which is also its principal address, is given on page 1.

The Company registered with the HM Revenue & Customs as a charitable body for taxation purposes (HM Revenue & Customs Charity No XT27271) on 10 December 2010.

### **Remuneration**

The directors of the Company received no remuneration other than the reimbursement of out of pocket expenses.

### **Commentary on the financial statements**

#### ***Financial statements presentation***

The Company's financial statements have been presented in the format set out as best practice by the Statement of Recommended Practice ("SORP"), "Accounting by Charities" issued by the Charity Commissioners in England and Wales.

## **Directors' report**

The Statement of Financial Activities ("SOFA") set out on page 7, focuses on showing the total incoming resources, both revenue and capital, which have been made available to the Company during the year and the way in which those resources have been used, whether as direct charitable expenditure in carrying out and supporting the Company's community driven activities, or in the management and administration of the organisation itself. The SOFA also shows those incoming resources for the year received from sources which place restrictions on the way in which the Company can use the funds, and the level of incoming resources that can be used by the Company without restriction, within the Company's charitable objects.

### ***Financial results and the funding of future work***

Both the level of activity and the year end financial position were considered satisfactory given the objects of the Company, and the directors expect that this level of activity will be improved for the foreseeable future.

The Statement of Financial Activities shows a net decrease in unrestricted funds of £1,374 and no movement in restricted funds.

### ***Expenditure on equipment***

The movements in fixed assets during the year are set out in note 7 to the financial statements.

### ***Reserves***

The Company had net liabilities of £5,656 at 28 February 2018.

### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the Company and the profit or loss of the Company for that year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 Company will continue in business.

## **Directors' report**

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Internal financial control**

The directors have overall responsibility for ensuring that the Company has in place an appropriate system of controls, financial and otherwise, to provide reasonable assurance that:

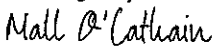
- the Company is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the Company or for publication is reliable; and
- the Company complies with relevant laws and regulations.

The Company's systems of financial control are designed to provide reasonable, but not absolute, assurance against material mis-statement or loss.

### **Special provisions relating to small sized companies**

This report has been prepared in accordance with the special provisions of Part XV of the Companies Act 2006 relating to small sized companies.

### **By Order of the Board**

DocuSigned by:  
  
66E0F22098E742B...

**Niall O' Cathain**  
**Director**

**29 November 2018**

## **Independent Examiner's report to the Directors' of Carn Media**

We report to the directors' on our examination of the financial statements of Carn Media for the year ended 28 February 2018.

### **Responsibilities and basis of report**

The director's of the Company are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act (Northern Ireland) 2008. You are satisfied that our charity is not required by charity law to be audited and have chosen instead to have an independent examination.

We report in respect of our examination of the charity's financial statements as carried out under Section 65 of the 2008 Act. In carrying out our examination we have followed the general directions by the Charity Commission for Northern Ireland under Section 65(9) (b) of the 2008 Act.

### **Independent examiner's statement**

We have completed our examination and we confirm that no matters have come to our attention in connection with our examination giving us cause to believe that in any material aspect.

1. Accounting records were not kept as required by with Section 63 of the 2008 Act; or
2. The financial statements do not accord with those records; or
3. The financial statements do not comply with the accounting requirements of the 2008 Act; or
4. The financial statements do not comply with the applicable requirements concerning the form and contents of accounts set out in the Charities (Accounts and Reports) Regulation 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

We confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.



**Michael McAllister**

**ASM (M) Ltd**  
**Chartered Accountants**  
**The Diamond Centre**  
**Market Street**  
**Magherafelt**

**29 November 2018**

## Statement of Financial Activities and Statement of Comprehensive Income

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>Incoming resources</b>					
Income from funding bodies		-	-	-	-
Other income		31,175	-	31,175	39,055
<b>Total incoming resources</b>	1	<u>31,175</u>	<u>-</u>	<u>31,175</u>	<u>39,055</u>
<b>Resources expended</b>					
Direct charitable expenditure		14,136	-	14,136	13,298
Management and administration		18,413	-	18,413	20,199
<b>Total resources expended</b>	2	<u>32,549</u>	<u>-</u>	<u>32,549</u>	<u>33,497</u>
Taxation	6	-	-	-	-
<b>Net movement in funds</b>	5	<u>(1,374)</u>	<u>-</u>	<u>(1,374)</u>	<u>5,558</u>
Other comprehensive income for the year		-	-	-	-
<b>Total comprehensive income for the year</b>		<u>(1,374)</u>	<u>-</u>	<u>(1,374)</u>	<u>5,558</u>
<b>Reconciliation of movement in funds</b>					
At 1 March 2017		(4,282)	-	(4,282)	(9,840)
Net movement in funds for the year		(1,374)	-	(1,374)	5,558
<b>At 28 February 2018</b>		<u>(5,656)</u>	<u>-</u>	<u>(5,656)</u>	<u>(4,282)</u>
<b>Net movement in funds</b>		(1,374)	-	(1,374)	5,558
Fixed assets funded via direct charitable expenditure		-	-	-	-
<b>Net movement in funds available for future activities</b>		<u>(1,374)</u>	<u>-</u>	<u>(1,374)</u>	<u>5,558</u>

All amounts above relate to the continuing operations of the Company.

There is no difference between the net movement in funds for the year stated above and their historical cost equivalents.

The notes on pages 11 to 15 form part of these financial statements

## Statement of Financial Position

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Property, plant and equipment	7	<u>3,576</u>	<u>5,321</u>
<b>Current assets</b>			
Cash at bank		<u>724</u>	<u>724</u>
		<u>724</u>	<u>724</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>9,918</u>	<u>10,214</u>
<b>Net current assets/(liabilities)</b>		<u>(9,194)</u>	<u>(9,490)</u>
<b>Total assets less current liabilities</b>		<u>(5,618)</u>	<u>(4,169)</u>
<b>Deferred income</b>	9	<u>38</u>	<u>113</u>
<b>Net assets/(liabilities)</b>		<u>(5,656)</u>	<u>(4,282)</u>
<b>Funds employed</b>			
Unrestricted funds		<u>(33,211)</u>	<u>(31,837)</u>
Restricted funds		<u>27,555</u>	<u>27,555</u>
		<u>(5,656)</u>	<u>(4,282)</u>

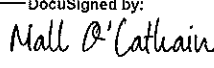
The directors have taken advantage of the exemption conferred by Article 257A of the Companies (Northern Ireland) Order 1986 not to have these financial statements audited and confirm that no notice has been deposited under Article 257B(2) of the Companies (Northern Ireland) Order 1986.

The directors acknowledge their responsibilities for ensuring that:

- i. the Company keeps accounting records which comply with Section 386 of the Companies Act 2006; and
- ii. the financial statements give a true and fair view of the state of affairs of the Company as at 28 February 2018 and of its deficit for the year then ended in accordance with the requirements of Section 396, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

These financial statements have been prepared in accordance with the special provisions of Part XV of the Companies Act 2006 relating to small sized companies.

The financial statements on pages 7 to 15 were approved and authorised for issue by the Board of Directors on 29 November 2018 and were signed on its behalf by:

DocuSigned by:  
  
**Niall O' Cathain**  
00E25F29089742B  
**Director**

**Registration Number: NI053949**

The notes on pages 11 to 15 form part of these financial statements

**ASM**

## Statement of Cash Flows

	2018	2017	
	£	£	
<b>Net cash inflow from operating activities</b>	<b>352</b>	6,726	
<b>Returns on investments and servicing of finance</b>			
Interest paid	-	-	
<b>Net cash inflow/(outflow) for returns on investments and servicing of finance</b>	<b>-</b>	<b>-</b>	
<b>Taxation</b>	<b>-</b>	<b>-</b>	
<b>Capital expenditure</b>			
Purchase of property, plant and equipment	-	(6,501)	
<b>Net cash outflow for capital expenditure</b>	<b>-</b>	<b>(6,501)</b>	
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>352</b>	<b>225</b>	
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
	2018	2017	
	£	£	
Surplus/(deficit) for the year	(1,374)	5,558	
Depreciation on property, plant and equipment	1,745	1,501	
Amortisation of capital grants and deferred income	(75)	(75)	
Increase/(decrease) in trade creditors	-	-	
Increase/(decrease) in other taxation and social security	56	87	
Increase/(decrease) in other creditors and accruals	-	(345)	
<b>Net cash inflow/(outflow) from operating activities</b>	<b>352</b>	<b>6,726</b>	
<b>Analysis of changes in net debt</b>			
	2018	2017	
	£	£	
Opening balance	(4,737)	(4,962)	
Net cash flow	352	225	
<b>Closing balance</b>	<b>(4,385)</b>	<b>(4,737)</b>	
	2018	2017	Change in year
	£	£	£
<b>Analysis of balances</b>			
Cash at bank and in hand	724	724	-
Bank overdraft	(5,109)	(5,461)	352
	<b>(4,385)</b>	<b>(4,737)</b>	<b>352</b>

The notes on pages 11 to 15 form part of these financial statements

**Unaudited financial statements for the year ended 28 February 2018****Statement of Changes in Equity**

	Share capital £	Unrestricted funds £	Restricted funds £	Total £
At 1 March 2016		(37,395)	27,555	(9,840)
Total comprehensive income for the year		5,558	-	5,558
At 28 February 2017	-	(31,837)	27,555	(4,282)
Total comprehensive income for the year		(1,374)	-	(1,374)
At 28 February 2018		(33,211)	27,555	(5,656)

The notes on pages 11 to 15 form part of these financial statements

**ASM**

## Notes to the financial statements

### 1. Principal accounting policies

Carn Media is a Company limited by guarantee incorporated in Northern Ireland.

The Company's financial statements have been prepared in compliance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as it applies to the financial statements of the Company for the year ended 28 February 2018.

#### ***Basis of accounting***

The financial statements of Carn Media were approved for issue by the Board of Directors' on 29 November 2018. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the Company.

The financial statements have been prepared in accordance with the recommendations contained in the Statement of Recommended Practice ("SORP") "Accounting by Charities".

#### ***Going concern***

The Company made a deficit for the year ended 28 February 2018 and, at that date, the Company's liabilities exceeded its assets.

The ability of the Company to continue as a going concern is dependent upon continued support of funders, the continuing availability of banking facilities and the return to profitability.

The directors consider that the Company will be able to renew its banking facilities and no matters have been drawn to their attentions to suggest that renewal may not be forthcoming on acceptable terms. In addition, the directors are confident that the Company will return to profitable trading.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

#### ***Judgement and key sources of estimation uncertainty***

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made are summarised below.

**Notes to the financial statements*****Property, plant and equipment***

Property, plant and equipment are stated at their purchase cost, net of depreciation and any provision for impairment.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are as follows:

	%
Office equipment	25

***Key accounting policies******Income***

All incoming resources are recognised in the Statement of Financial Activities when the conditions for receipt have been met and there is reasonable assurance of receipt. When an incoming resource relating to a future accounting period is received, the amount is treated as deferred income and it is included within creditors in the balance sheet.

***Capital grants***

Prior to adoption of the SORP, grants specifically for capital expenditure were credited to a deferred credit account and released to income and expenditure over the expected useful lives of the related assets.

In accordance with the SORP, capital grants receivable are recognised immediately in the Statement of Financial Activities unless they are restricted to future accounting periods or may become repayable under the terms attached.

***Funds***

Carn Media has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

- ◆ restricted income funds: income which is earmarked by the donor for specific purposes. Such purposes are within the overall aims of the Company; and
- ◆ unrestricted funds: funds which are expendable at the discretion of the directors in furtherance of the objects of the Company. Such funds may be held in order to finance capital investment and working capital.

***Management and administration costs***

Management and administration costs relate to the costs of running the Company such as the costs of meetings, accounting and statutory compliance and include any costs which cannot be specifically identified to another expenditure classification.

## Notes to the financial statements

### Deferred income

Deferred income relates to incoming resources in the current year which are specifically to fund activities in future accounting periods.

### 2. Analysis of total resources expended

	Staff costs	Depreciation	Other costs	Total 2018	Total 2017
	£	£	£	£	£
Direct charitable expenditure	-	1,745	12,391	14,136	13,298
Management and administration	17,051	-	1,362	18,413	20,199
	<u>17,051</u>	<u>1,745</u>	<u>13,753</u>	<u>32,549</u>	<u>33,497</u>

### 3. Directors' emoluments

The directors received no emoluments during the year.

### 4. Employee information

The average number of persons (including executive directors) employed by the Company during the year was:

By activity	2018 Number	2017 Number
Administration	5	5
Production	1	1
	<u>6</u>	<u>6</u>
	2018	2017
Staff costs (for the above persons)	£	£
Wages and salaries	16,814	17,369
Social security costs	243	122
	<u>17,057</u>	<u>17,491</u>

### 5. Net movement in funds

	2018 £	2017 £
<b>Net movement in funds is stated after charging:</b>		
Accountants' remuneration	870	870
Depreciation charge for the year:		
Property, plant and equipment - owned	<u>1,745</u>	<u>1,501</u>
<b>And after crediting:</b>		
Capital grant amortisation	<u>75</u>	<u>75</u>

**Notes to the financial statements****6. Taxation**

No provision for taxation is required as the Company has charitable status approved by HM Revenue & Customs.

**7. Property, plant and equipment**

	Office equipment £	Total £
<b>Cost</b>		
At 1 March 2017	32,270	32,270
Additions	-	-
Disposals	-	-
<b>At 28 February 2018</b>	<u>32,270</u>	<u>32,270</u>
<b>Depreciation</b>		
At 1 March 2017	26,949	26,949
Charge for the year	1,745	1,745
Disposals	-	-
<b>At 28 February 2018</b>	<u>28,694</u>	<u>28,694</u>
<b>Net book value</b>		
<b>At 28 February 2018</b>	<u>3,576</u>	<u>3,576</u>
At 28 February 2017	<u>5,321</u>	<u>5,321</u>

**8. Creditors: amounts falling due within one year**

	2018 £	2017 £
Trade creditors	870	870
Bank overdraft	5,109	5,461
Payroll taxes	190	134
Accruals	2,026	2,026
Other creditors	1,723	1,723
	<u>9,918</u>	<u>10,214</u>

The bank overdraft is secured by a letter of guarantee from the Company directors.

## Notes to the financial statements

### 9. Deferred income

	Capital grants £
<b>Cost</b>	
At 1 March 2017	300
Grants received during the year	-
<b>At 28 February 2018</b>	<u>300</u>
<b>Amortisation</b>	
At 1 March 2017	187
Amortisation for the year	75
<b>At 28 February 2018</b>	<u>262</u>
<b>Net book value</b>	
<b>At 28 February 2018</b>	<u>38</u>
At 28 February 2017	<u>188</u>

### 10. Contingent liabilities

A contingent liability exists to repay grants received should certain conditions not be fulfilled by the Company. In the opinion of the directors the terms of the letters of offer have been complied with and a liability is not expected to arise.

There were no other contingent liabilities at 28 February 2018 or at 28 February 2017.

### 11. Capital commitments

The Company had no capital commitments at 28 February 2018 or at 28 February 2017.

### 12. Share capital

The Company is a company limited by a guarantee and it does not have a share capital.

Every director being a member of the Executive Committee undertakes to contribute to the assets of the Company, in the event of same being wound up while he is a member, or within one year after he ceases to be a member, for payment of debts and liabilities of the Company contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required not exceeding £1.00.

### 13. Ultimate controlling party

The Company has no controlling party.