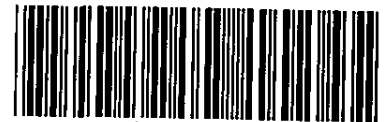


Registers C&S

REGISTERED COMPANY NUMBER 2277759 (England and Wales)
REGISTERED CHARITY NUMBER 802376

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2010
FOR
SIGNALS ESSEX MEDIA CENTRE LIMITED

TUESDAY



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A25 21/12/2010 343
COMPANIES HOUSE

A19 11/12/2010 296
COMPANIES HOUSE

SIGNALS ESSEX MEDIA CENTRE LIMITED

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FOR THE YEAR ENDED 31ST MARCH 2010**

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SIGNALS ESSEX MEDIA CENTRE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2010

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2010. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

2277759 (England and Wales)

Registered Charity number

802376

Registered office

Victoria Chambers
St Runwalds Street
Colchester
Essex
CO1 1HF

Trustees

P Howell (Chair)
R Wilson
Dr S Chauhan
P Kevlin

Company Secretary

D Bishop

Auditors

Baker Chapman & Bussey
Statutory Auditor
3 North Hill
Colchester
Essex
CO1 1DZ

Observers

Georgia Ward

Essex County Council

Administration Staff

Rachel Hipkiss

Chief Executive Officer

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is constituted as a company limited by guarantee and is therefore governed by a memorandum and articles of association.

Recruitment and appointment of new trustees

Signals appointment of trustees is by invitation from the existing board. Signals strive to have a balance of expertise and experience represented on the board of trustees.

A structured recruitment programme was implemented throughout the year.

Induction and training of new trustees

Signals have a board development pack which is aimed at providing members of the board with all the relevant information to make them aware of their responsibilities.

Organisational structure

The charity is organised so that the trustees meet bi-monthly with the funders. Ad hoc meetings of the board are also called when the trustees see fit.

SIGNALS ESSEX MEDIA CENTRE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2010

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

The charity has a very close relationship with Essex County Council, which provides observers who attend regular meetings with the trustees, and provides funding to enable the charity to carry out its charitable activities

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error

Signals board meetings include a review of the charity's accounts as well as a detailed analysis of the cashflow forecast for the coming period

Signals board also consult with the CEO through smaller working groups to look at the operational elements of the organisation

OBJECTIVES AND ACTIVITIES

Objectives and aims

To advance education, promote understanding, appreciation of, and participation in digital art, film and media for the benefit of the public Through

Maintaining a media arts centre for the benefit of the public

Helping young people and the disadvantaged enjoy and achieve through creative activities, allowing them to develop skills, advance in life and contribute positively to society

Encouraging the development of the art of digital media and film

Signals aims to support media working in the region, encouraging people to participate in production and increase understanding of media Signals does this through courses, projects, film and media exhibition, providing equipment and facilities and through guidance, information and sharing skills

Public Benefit

In deciding a programme of activity and development the Trustees have paid due regard to the Charity Commission guidance on public benefit In seeking to achieve our aims Signals is strongly committed to working inclusively with all people in the community it serves, much of its project work is aimed at disadvantaged young people who would not usually have access to media production It is fundamental to Signals' belief that everyone should be able to increase his or her understanding of media

Signals is a public facility that offers guidance, facilities and courses to all Signals operate primarily in Essex but also across the Eastern region and works in partnership with other organisations and schools Signals provides projects for disadvantaged groups that are free for participants and is able to provide resources at its centre or travel to groups enabling full access to our resources Signals is especially interested in inspiring people to learn and develop personal skills and prioritises groups that face barriers in formal education, either through exclusion from mainstream education or a disadvantage that prevents participation This could be behavioural, physical or lack of opportunity

Volunteers

Signals worked with 6 regular volunteers this year who provided valuable support in workshops, projects and in the office Many of Signals volunteers go on to full-time training or careers in media Signals has a volunteer policy and agrees a plan of work and training with each volunteer on commencement

ACHIEVEMENT AND PERFORMANCE

Achievements

Signals has had a successful year significantly increasing the number of people it works with by 100% New partnerships were developed and Signals continued to develop its programme and implement the 5-year business plan Signals also held a stakeholder workshop, this helped Signals develop new branding and influenced the development of the programme The meeting also highlighted the importance that creative media projects have on improving lives and helping communities, 36 people attended the facilitated and documented workshop

ACHIEVEMENT AND PERFORMANCE

Key projects

Signals continues its work with young people and disadvantaged groups. This year Signals worked with over 2,000 young people developing media and life skills and worked with a range of disadvantaged groups including social deprivation, and children with disabilities. Signals actively seeks to work with groups it has not worked with before.

First Light Films

Three short films were created with young people from: 1. The Chinese community who created an animation in three languages that combined Chinese folk stories with the modern world. 2. The Ormiston Trust's children of offenders group made a puppet film about isolation and redemption. 3. Cherry Tree Primary School and Speech and Language Centre produced 'Wonderful Word' an animation that has had international festival screenings and was nominated for best Animation at the prestigious First Light Movies awards in London.

Sexual Health

Family Mosaic commissioned Signals to work with a group of young, supported housing residents on a film about sexual health, the film was completed in April 09 and included ASDAN accreditation delivered by the Signals Education Co-ordinator. This film will be shown to young people as a teaching aid. A second film on STDs was also made in this year.

GiFT - Step in to History

A one day event at Hollytrees House as part of Colchester Gift Festival. Signals worked with St Helenas School and EAFA to create a 'green screen' room and archive screenings, the green screen allowed visitors to dress up and enter film archive scenes. This was popular with the 390 people who took part.

Media Club

Signals worked with a group of young people to develop a proposal for an after school media club where 11 to 16 year olds can learn practical skills and make films. Members of the group will also serve as a youth advisory panel for youth work. This project received funding through the Essex Community Foundation and will run next year.

Calendar

Signals worked with Essex Children's Services to produce 1,200 calendars designed by 'looked after children' in Essex.

'Time Bomb'

Signals was asked to work with excluded children from Langdon Hills Pupil Referral Unit on a short film about peer pressure. This project proved very successful and has increased Signals interest in working with excluded children and young people.

'Stories of the World'

Signals is a key partner in the 'Eastern Exchanges' Cultural Olympiad project where we will be working with museums in the Eastern region providing media expertise, documenting events and contributing to exhibitions. The project began with an opening at the Fitzwilliam Museum Cambridge in February 2010 and will continue until 2012.

'Explore Culture One World Festival'

In partnership with Essex County Council Signals began work on a cross-Essex film exhibition programme that takes place from March to October 2010. Signals will be showing films that have an Essex theme and reflect diverse resident cultures in a mixture of venues.

Courses

Signals worked with Extended Services to provide 24 low cost courses in school holidays for young people in economically deprived areas of Colchester, over 250 children attended. This enabled Signals to reach new participants. Signals continued its own public access courses, which are increasingly fully booked. In evaluation 95% of participants graded Signals courses as excellent or good with 70% of the total excellent.

The University of Essex practical filmmaking modules from the BA and MA took place again at Signals.

Production

The Colchester Filmmakers Network continued to be supported by Signals. This group encourages local filmmakers to collaborate on production and share skills. Signals provides space and reduced camera hire rates to the group. The network held 30 sessions this year and produced 12 films.

Exhibition

Signals held 18 exhibition events this year including feature films and shorts made by Signals projects. Next year will see Signals full participation in 'Explore Culture One World Festival' exhibiting films around Essex.

ACHIEVEMENT AND PERFORMANCE

Organisational

Signals continues to review and update policy and procedures and consult with stakeholders. It seeks to increase quality and productivity in all that it does and inspire those qualities in the people it works with. Due to the reduction in core funding this year and the challenging current general economic situation Signals did not replace the 2 part time members of staff who left in April and May 09. Signals will continue to do all possible to keep overheads to a minimum and diversify its income streams. Signals employed a professional bookkeeper on a freelance basis to ensure a high level of accurate financial reporting in the years ahead. In this new economic climate Signals will regularly review and revise its business plan. Signals is pleased to receive on going support and partnership commitment from Essex County Council and have developed several joint projects for which Signals will be taking forward next year.

Staffing

Two part-time member of staff left early in the year. The Finance Officer was replaced by a trained accountant employed on a freelance basis.

Staff Structure

CEO - Full Time

Finance Officer- Part time (resigned May 2009)

Operations Co-ordinator - Part Time

Education Project Co-ordinator - Full Time

Production Co-ordinator - Full Time

Projects Co-ordinator - Part Time (resigned April 2009)

FINANCIAL REVIEW

Financial position

In this difficult financial climate Signals has experienced financial pressure and the organisation's income was significantly reduced from the previous year. This was due to reduction in trust and foundation funds available and less earned income through commissions and hire. In response to this Signals revised its business plan and produced a short term Action Plan that looked at the steps needed to create an increased, diverse and stable income. It was recognised that some steps toward the full implementation on the business plan would be slower due to the reduction in funds available however Signals is largely on track to achieve its goals on time. Signals has mitigated financial difficulties by having diverse income from commissioned work, equipment, space and skill hire, experienced fundraising skills and strength through partnership working. Going in to the new year Signals has secured funds for the 'Explore Culture One World Festival', funding from First Light for 3 production projects, funding for the new media club and a two year commitment from the Museums Eastern Exchanges project. Signals is pleased that Essex County Council continue to support and fund the organisation.

Reserves policy

Signals strives to ensure that it develops a reserve fund of 3 months operational costs. At this time it has not achieved this figure. It aims to build up reserves annually from earned income at the level of around £4,000 per year.

FUTURE DEVELOPMENTS

Signals listened to the stakeholder's feedback at the July 2009 workshop and has taken steps to develop in accordance with some suggestions. Future developments include:

To develop Signals profile locally and regionally and within the sector by creating a new brand logo as a 'Centre' and increasing marketing and publicity.

To seek to develop the studio space and improve resources. Signals will apply through Biffa to fund a refurbishment to the studio and increase signage.

To develop an events programme including film screenings and opportunities for artists.

To increase capacity Signals will seek to employ two people through the Future Jobs Fund programme to assist with marketing and media production and will consider an ongoing internship or apprenticeship programme.

SIGNALS ESSEX MEDIA CENTRE LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2010**

FUTURE DEVELOPMENTS

New Projects

With funding from Essex Community Foundation the Youth Media club will start in 2010. This will be a term time weekly after-school club for 11 to 16 year olds.

Signals has been awarded £30,000 by First Light for 3 film productions for 2010 and will be working with young people from the local African Caribbean community, a group from Maldon PRU and a group of 'looked after children'.

Signals has been commissioned to develop a media project for primary and secondary schools through the Brentwood Youth Arts Partnership.

The Explore Culture One World Festival will largely take place in 2010/11. This will include a 'Made in Essex' film festival that will celebrate the creativity of local filmmakers. Other screenings will take place across the county and include films selected by the members of the diverse community represented in the county.

In partnership with Essex County Council, Signals began work on a cross-Essex film exhibition programme that takes place from March to October 2010. Signals will be showing films that have an Essex theme and reflect diverse resident cultures in a mixture of venues.

Signals is developing several new projects and is seeking Lottery funding for a three year project based in Harlow and a project looking at the role of the Polish in WWII through an HLF grant. Signals also intends to continue to seek development opportunities for an artists programme.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Signals Essex Media Centre Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

ON BEHALF OF THE BOARD


P Howell - Trustee

Black
ink.

Date 14/10/2010

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SIGNALS ESSEX MEDIA CENTRE LIMITED

We have audited the financial statements of Signals Essex Media Centre Limited for the year ended 31st March 2010 on pages seven to fifteen. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 43 of the Charities Act 1993 and regulations made under Section 44 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the charitable company for the purposes of company law) responsibilities for preparing the Report of the Trustees 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 are set out on page five.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 1993 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under Section 43 of the Charities Act 1993 and report in accordance with Section 44 of that Act.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are prepared in accordance with the Companies Act 2006. We also report to you if, in our opinion, the information given in the Report of the Trustees is not consistent with those financial statements, if the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, or if we have not received all the information and explanations we require for our audit.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31st March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended, and
- the financial statements have been prepared in accordance with the Companies Act 2006.



Baker Chapman & Bussey
Statutory Auditor
3 North Hill
Colchester
Essex
CO1 1DZ

Date 7th December 2010

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2010

| | | Unrestricted funds | Restricted funds | 2010 Total funds | 2009 Total funds as restated |
|--|-------|-----------------------|---------------------|------------------------|---------------------------------------|
| | Notes | £ | £ | £ | £ |
| INCOMING RESOURCES | | | | | |
| Incoming resources from generated funds | | | | | |
| Activities for generating funds | 2 | 25,343 | - | 25,343 | 17,974 |
| Investment income | 3 | 8 | - | 8 | 484 |
| Incoming resources from charitable activities | | | | | |
| Charitable activities | 4 | <u>86,171</u> | <u>15,827</u> | <u>101,998</u> | <u>218,207</u> |
| Total incoming resources | | 111,522 | 15,827 | 127,349 | 236,665 |
| RESOURCES EXPENDED | | | | | |
| Costs of generating funds | | | | | |
| Fundraising trading cost of goods sold and other costs | 5 | 431 | - | 431 | 1,067 |
| Charitable activities | | | | | |
| Charitable activities | 6 | 123,156 | 38,558 | 161,714 | 200,166 |
| Governance costs | 8 | <u>6,165</u> | <u>-</u> | <u>6,165</u> | <u>7,364</u> |
| Total resources expended | | 129,752 | 38,558 | 168,310 | 208,597 |
| NET INCOMING/(OUTGOING) RESOURCES | | (18,230) | (22,731) | (40,961) | 28,068 |
| RECONCILIATION OF FUNDS | | | | | |
| As previously reported | | 20,636 | 46,431 | 67,067 | 38,999 |
| Prior year adjustment | 12 | <u>17,000</u> | <u>(17,000)</u> | <u>-</u> | <u>-</u> |
| As Restated | | 37,636 | 29,431 | 67,067 | 38,999 |
| TOTAL FUNDS CARRIED FORWARD | | <u>19,406</u> | <u>6,700</u> | <u>26,106</u> | <u>67,067</u> |

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities

The notes form part of these financial statements

SIGNALS ESSEX MEDIA CENTRE LIMITED (Registered Company number 2277759)

**BALANCE SHEET
AT 31ST MARCH 2010**

| | | 2010 | 2009 |
|--|--------------|---------------|--------------------------|
| | | £ | as restated £ |
| FIXED ASSETS | Notes | | |
| Tangible assets | 13 | 7,982 | 9,396 |
| CURRENT ASSETS | | | |
| Stocks | | 300 | 325 |
| Debtors | 14 | 13,969 | 20,272 |
| Cash at bank and in hand | | <u>37,351</u> | <u>51,630</u> |
| | | 51,620 | 72,227 |
| CREDITORS | | | |
| Amounts falling due within one year | 15 | (33,496) | (14,556) |
| NET CURRENT ASSETS | | <u>18,124</u> | <u>57,671</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 26,106 | 67,067 |
| NET ASSETS | | <u>26,106</u> | <u>67,067</u> |
| FUNDS | 17 | | |
| Unrestricted funds | | 19,406 | 37,636 |
| Restricted funds | | <u>6,700</u> | <u>29,431</u> |
| TOTAL FUNDS | | <u>26,106</u> | <u>67,067</u> |

The notes form part of these financial statements

BALANCE SHEET - CONTINUED
AT 31ST MARCH 2010

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2010

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company

These financial statements have been audited under the requirements of Section 43 of the Charities Act 1993

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies

The financial statements were approved by the Board of Trustees on 14 October 2010 and were signed on its behalf by



P Howell -Trustee



R Wilson -Trustee

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the charitable company qualifies as a small charitable company

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources

Allocation and apportionment of costs

Support costs are those costs which have not been directly allocated to an activity of the charity but nevertheless support those activities. Support costs have been allocated on the basis of the estimated time involved

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

| | |
|-----------------------|----------------------------------|
| Fixtures and fittings | -20% on cost and -10% on cost |
| Computer equipment | -50% on cost and -25% on cost |

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Taxation

The charity is exempt from corporation tax on its charitable activities

Fund accounting

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

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements

2 ACTIVITIES FOR GENERATING FUNDS

| | 2010 | 2009 as restated |
|----------------|---------------|---------------------|
| | £ | £ |
| Equipment Hire | 9,260 | 7,559 |
| Other income | <u>16,083</u> | <u>10,415</u> |
| | <u>25,343</u> | <u>17,974</u> |

SIGNALS ESSEX MEDIA CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2010**

3 INVESTMENT INCOME

| | 2010 | 2009 as restated |
|--------------------------|----------|---------------------|
| | £ | £ |
| Deposit account interest | <u>8</u> | <u>484</u> |

4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | Activity | 2010 | 2009 as restated |
|------------------------------------|-----------------------|----------------|---------------------|
| | | £ | £ |
| Education, training and production | Charitable activities | 40,706 | 86,057 |
| Grants | Charitable activities | <u>61,292</u> | <u>132,150</u> |
| | | <u>101,998</u> | <u>218,207</u> |

Grants received, included in the above, are as follows

| | 2010 | 2009 as restated |
|--------------------------------------|---------------|---------------------|
| | £ | £ |
| Screen East | 6,000 | 25,000 |
| Colchester Borough Council | 18,075 | - |
| Essex County Council | 46,467 | 36,837 |
| Big Lottery | - | 10,355 |
| First Light | 9,000 | 16,238 |
| Consultancy | - | 4,000 |
| Creative Partnership | (24,950) | 24,950 |
| Awards for All | - | 9,970 |
| Rayne Foundation | - | 4,800 |
| Essex FM | 3,000 | - |
| Essex County Council Chairman's Fund | <u>3,700</u> | <u>-</u> |
| | <u>61,292</u> | <u>132,150</u> |

5 FUNDRAISING TRADING COST OF GOODS SOLD AND OTHER COSTS

| | 2010 | 2009 as restated |
|-------|------------|---------------------|
| | £ | £ |
| Stock | <u>431</u> | <u>1,067</u> |

6 CHARITABLE ACTIVITIES COSTS

| | Direct costs | Support costs (See note 7) | Totals |
|-----------------------|---------------|-------------------------------|----------------|
| | £ | £ | £ |
| Charitable activities | <u>42,378</u> | <u>119,336</u> | <u>161,714</u> |

7 SUPPORT COSTS

| | Management |
|-----------------------|----------------|
| | £ |
| Charitable activities | <u>119,336</u> |

Support costs, included in the above, are as follows

SIGNALS ESSEX MEDIA CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2010**

7 SUPPORT COSTS - continued

| | 2010 Charitable activities £ | 2009 Total activities as restated £ |
|--|---------------------------------------|--|
| Wages | 75,191 | 90,222 |
| Social security | 6,992 | 7,806 |
| Rent and rates | 17,810 | 16,628 |
| Insurance | 2,840 | 3,048 |
| Light and heat | 1,911 | 1,924 |
| Repairs and renewals | 2,075 | 1,323 |
| Telephone, postage etc | 3,485 | 3,152 |
| Travel & conference expenses | 505 | 411 |
| Sundries | 2,354 | 2,508 |
| Other costs | 9,143 | 9,425 |
| Depreciation of tangible and heritage assets | 30 | 229 |
| Loss on sale of tangible fixed assets | (3,000) | - |
| | <u>119,336</u> | <u>136,676</u> |

8 GOVERNANCE COSTS

| | 2010 £ | 2009 as restated £ |
|---|--------------|--------------------------|
| Staff costs | 3,525 | 4,858 |
| Sundry | 40 | 15 |
| Auditors' remuneration | 2,600 | 1,600 |
| Auditors' remuneration for non-audit work | - | 891 |
| | <u>6,165</u> | <u>7,364</u> |

9 NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

| | 2010 £ | 2009 as restated £ |
|------------------------------------|-----------|--------------------------|
| Auditors' remuneration | 2,600 | 1,600 |
| Depreciation - owned assets | 4,177 | 5,594 |
| Surplus on disposal of fixed asset | (3,000) | - |

10 TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2010 nor for the year ended 31st March 2009

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31st March 2010 nor for the year ended 31st March 2009

SIGNALS ESSEX MEDIA CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2010**

11 STAFF COSTS

| | 2010 | 2009 as restated |
|-----------------------|---------------|---------------------|
| | £ | £ |
| Wages and salaries | 78,716 | 95,080 |
| Social security costs | 6,992 | 7,806 |
| | <u>85,708</u> | <u>102,886</u> |

The average monthly number of employees during the year was as follows

| | 2010 | 2009 |
|------------------------|----------|----------|
| | | |
| Production and support | <u>4</u> | <u>5</u> |

12 PRIOR YEAR ADJUSTMENT

Following a review during the year of the charity's activities, it was determined that the arrangements concerning the CYPSP workshops would more accurately be described as a contract won via competitive tender, rather than as the award of a grant to carry out a specific activity. The previous year's accounts have been adjusted to reflect this change of opinion. This adjustment has resulted in an increase in unrestricted funds at 31 March 2009 of £17,000 and a corresponding reduction in restricted funds. The net incoming resources for the year ended 31 March 2009 was unaffected.

13 TANGIBLE FIXED ASSETS

| | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|------------------------|----------------------------|-------------------------|---------------|
| COST | | | |
| At 1st April 2009 | 5,473 | 54,197 | 59,670 |
| Additions | - | 2,763 | 2,763 |
| Disposals | - | (15,769) | (15,769) |
| At 31st March 2010 | <u>5,473</u> | <u>41,191</u> | <u>46,664</u> |
| DEPRECIATION | | | |
| At 1st April 2009 | 5,229 | 45,045 | 50,274 |
| Charge for year | 30 | 4,147 | 4,177 |
| Eliminated on disposal | - | (15,769) | (15,769) |
| At 31st March 2010 | <u>5,259</u> | <u>33,423</u> | <u>38,682</u> |
| NET BOOK VALUE | | | |
| At 31st March 2010 | <u>214</u> | <u>7,768</u> | <u>7,982</u> |
| At 31st March 2009 | <u>244</u> | <u>9,152</u> | <u>9,396</u> |

14 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2010 | 2009 as restated |
|---------------|---------------|---------------------|
| | £ | £ |
| Trade debtors | 10,744 | 7,678 |
| Other debtors | 3,225 | 12,594 |
| | <u>13,969</u> | <u>20,272</u> |

SIGNALS ESSEX MEDIA CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2010**

15 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2010 | 2009 as restated |
|------------------------------|---------------|---------------------|
| | £ | £ |
| Trade creditors | 1,381 | 6,446 |
| Taxation and social security | 4,315 | - |
| Other creditors | <u>27,800</u> | <u>8,110</u> |
| | <u>33,496</u> | <u>14,556</u> |

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds | Restricted funds | 2010 Total funds | 2009 Total funds as restated |
|---------------------|-----------------------|---------------------|------------------------|---------------------------------------|
| | £ | £ | £ | £ |
| Fixed assets | 7,982 | - | 7,982 | 9,396 |
| Current assets | 44,920 | 6,700 | 51,620 | 72,227 |
| Current liabilities | <u>(33,496)</u> | <u>-</u> | <u>(33,496)</u> | <u>(14,556)</u> |
| | <u>19,406</u> | <u>6,700</u> | <u>26,106</u> | <u>67,067</u> |

17 MOVEMENT IN FUNDS

| | As restated at 1 4 09 £ | Net movement in funds £ | At 31 3 10 £ |
|----------------------------|-------------------------------|-------------------------------|-----------------|
| Unrestricted funds | | | |
| General fund | 37,636 | (18,230) | 19,406 |
| Restricted funds | | | |
| First Light 2009 | 4,481 | (4,481) | - |
| Creative Partnerships 2009 | 24,950 | (24,950) | - |
| Youth Film Club | - | 3,700 | 3,700 |
| Harlow project | <u>-</u> | <u>3,000</u> | <u>3,000</u> |
| | 29,431 | (22,731) | 6,700 |
| TOTAL FUNDS | <u>67,067</u> | <u>(40,961)</u> | <u>26,106</u> |

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2010

17 MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|----------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 111,522 | (129,752) | (18,230) |
| Restricted funds | | | |
| First Light 2009 | 30,076 | (34,557) | (4,481) |
| One World | 4,001 | (4,001) | - |
| Creative Partnerships 2009 | (24,950) | - | (24,950) |
| Youth Film Club | 3,700 | - | 3,700 |
| Harlow project | 3,000 | - | 3,000 |
| | 15,827 | (38,558) | (22,731) |
| TOTAL FUNDS | 127,349 | (168,310) | (40,961) |

Resources expended on completed projects exceed incoming resources, by virtue of the staff costs attributable to the project. These costs are included in unrestricted expenditure.

First Light Movies: Futures in Film 2009. To work with The Ormiston Trust, Cherry Tree Primary school and Speech and Language Centre and the Colchester Chinese School on three production projects.

Creative Partnerships 09: Project was cancelled and the grant is refundable to Creative Partnership.

One World: Essex County Council grant towards an Essex wide cultural festival.

Youth Film Club: Essex Community Foundation grant towards the running of an after school media club.

Harlow Project: Essex County Council grant as matched funding for a project to take place in Harlow.

18 OTHER FINANCIAL COMMITMENTS

Signals signed a five year lease on its premises at St Runwalds Street in May 2008. The annual rental charge is £17,000.

19 GOING CONCERN

Like other small charities in this difficult financial climate, Signals has experienced financial pressure. However, Signals has diverse income from earned and project funding, the organisation is experienced in fundraising and has strong partnerships. In the new financial year Signals has secured new funding including £30,000 from First Light, a two year commitment from the museums "Eastern Exchanges" project and Essex County Council's three year service level agreement. The board believes that Signals will be able to maintain positive cash flows for the foreseeable future. As a result the going concern basis of accounting has been adopted.

SIGNALS ESSEX MEDIA CENTRE LIMITED

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2010**

| | 2010 £ | 2009 as restated £ |
|---|----------------|--------------------------|
| INCOMING RESOURCES | | |
| Activities for generating funds | | |
| Equipment Hire | 9,260 | 7,559 |
| Other income | <u>16,083</u> | <u>10,415</u> |
| | 25,343 | 17,974 |
| Investment income | | |
| Deposit account interest | 8 | 484 |
| Incoming resources from charitable activities | | |
| Education, training and production | 40,706 | 86,057 |
| Grants | <u>61,292</u> | <u>132,150</u> |
| | <u>101,998</u> | <u>218,207</u> |
| Total incoming resources | 127,349 | 236,665 |
| RESOURCES EXPENDED | | |
| Fundraising trading cost of goods sold and other costs | | |
| Stock | 431 | 1,067 |
| Charitable activities | | |
| External projects | 19,513 | 12,469 |
| Signals' projects | - | 97 |
| Film Festival | - | 465 |
| Restricted projects | 18,719 | 45,094 |
| Plant and machinery | <u>4,146</u> | <u>5,365</u> |
| | 42,378 | 63,490 |
| Governance costs | | |
| Wages | 3,525 | 4,858 |
| Sundry | 40 | 15 |
| Auditors' remuneration | 2,600 | 1,600 |
| Auditors' remuneration for non-audit work | <u>-</u> | <u>891</u> |
| | 6,165 | 7,364 |
| Support costs | | |
| Management | | |
| Wages | 75,191 | 90,222 |
| Social security | 6,992 | 7,806 |
| Rent and rates | 17,810 | 16,628 |
| Insurance | 2,840 | 3,048 |
| Light and heat | 1,911 | 1,924 |
| Repairs and renewals | 2,075 | 1,323 |
| Telephone, postage etc | 3,485 | 3,152 |
| Travel & conference expenses | 505 | 411 |
| Carried forward | <u>110,809</u> | <u>124,514</u> |

This page does not form part of the statutory financial statements

SIGNALS ESSEX MEDIA CENTRE LIMITED

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2010**

| | 2010 | 2009 as restated |
|---------------------------------------|------------------------|----------------------|
| | £ | £ |
| Management | | |
| Brought forward | 110,809 | 124,514 |
| Sundries | 2,354 | 2,508 |
| Professional fees | 2,644 | 645 |
| Bank charges and interest | 975 | 766 |
| Subscriptions & publications | 266 | 749 |
| Staff development & recruitment | 1,352 | 688 |
| Bad debt | 500 | 1,868 |
| VAT adjustment | 1,784 | 3,615 |
| Security | 1,622 | 1,094 |
| Fixtures and fittings | 30 | 229 |
| Loss on sale of tangible fixed assets | (3,000) | - |
| | <u>119,336</u> | <u>136,676</u> |
| Total resources expended | 168,310 | 208,597 |
| | | |
| Net (expenditure)/income | <u>(40,961)</u> | <u>28,068</u> |

This page does not form part of the statutory financial statements

ILLUSTRATIVE EXAMPLES OF AUDITOR'S REPORTS ON CHARITIES' FINANCIAL STATEMENTS

Example 1: Charitable company registered only in England and Wales, audited under the Companies Act 2006

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XYZ CHARITY [LIMITED]

We have audited the financial statements of [name of charity] for the year ended [5 April 2009] which comprise [state primary financial statements such as the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement] and the related notes. The financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Annual Report⁷ 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 are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Trustees' Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

[We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only [list all documents published with the financial statements such as the Trustees' Annual Report, the Chairman's Statement]. We consider the implications for our report if we become aware of any

⁷ Use title of the document issued by the charity containing the audited financial statements.

apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information⁸]

OR

[We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it⁹]

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the charity's affairs as at [5 April 2009] and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees' Annual Report is consistent with the financial statements

[Signature]

[Name] Senior Statutory Auditor

for and on behalf of ABC [LLP], Statutory Auditor(s)

Address

Date

8 This paragraph is used where the financial statements are published with surround information in addition to the Trustees' Annual Report

9 This paragraph is used where the financial statements are not published with surround information other than the Trustees' Annual Report

Example 2. Small charitable company registered only in England and Wales where an election has been made for audit exemption under the Companies Act 2006

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF XYZ CHARITY [LIMITED]

We have audited the financial statements of [name of charity] for the year ended [5 April 2009] which comprise [state primary financial statements such as the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement] and the related notes. The financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Annual Report¹⁰ 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 are set out in the Statement of Trustees' Responsibilities.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 1993 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with section 44 of that Act.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are prepared in accordance with the Companies Act 2006. We also report to you if, in our opinion, the information given in the Trustees' Annual Report is not consistent with those financial statements, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, or if we have not received all the information and explanations we require for our audit.

[We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only [list all documents published with the financial statements such as the Trustees' Annual Report, the Chairman's Statement]. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information¹¹.]

¹⁰ Use title of the document issued by the charity containing the audited financial statements.

¹¹ This paragraph is used where the financial statements are published with surround information in addition to the Trustees' Annual Report.

OR

[We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it¹²]

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity as at [5 April 2009], and of its incoming resources and application of resources, including its income and expenditure, for the year then ended, and
- the financial statements have been prepared in accordance with the Companies Act 2006.

[Name of firm]

[Qualification and] Statutory Auditor(s)

[Town/City]

Date

¹² This paragraph is used where the financial statements are not published with surround information other than the Trustees' Annual Report.