

THE MEDIA TRUST

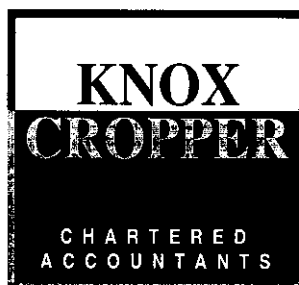
(Limited by Guarantee)

Company Reg. No. 2895790
Registered Charity No. 1042733

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31st MARCH 2006



THE MEDIA TRUST**DIRECTORS' REPORT****LEGAL AND ADMINISTRATIVE DETAILS**

The Media Trust was incorporated as a company limited by guarantee on 8th February 1994. The company was registered as a charity with the Charity Commission on 12th December 1994. The governing instrument is the Memorandum and Articles of Association.

Reg. Charity No.	1042733
Reg. Company No.	2895790
Reg. Office	
	2 – 6 Cannon Street
	London EC4M 6YH

The directors of the company who are also the charity trustees are:

- A. Duncan (Director and Chairman from 11 July, 2006)
- M. Green (Chairman until 11 July, 2006, re-elected Director 5 July, 2005)
- J. Snow (Deputy Chairman, re-elected Director 5 July, 2005)
- A. Ball (re-elected 5 July, 2005)
- D. Airey
- D. Carrington (retired July 2005)
- N. Coker (retired July 2005)
- P. Coulter (re-elected 11 July, 2006)
- S. Davies (re-elected 11 July, 2006)
- G. Dyke (re-elected 11 July, 2006)
- J. Reed (re-elected 11 July, 2006)
- M. Thompson (re-elected 5 July, 2005)
- A. Whyte (re-elected 11 July, 2006)

Honorary Treasurer
R. Yasue

Company Secretary:
K. Stanley

Chief Executive
C. Diehl

PROFESSIONAL ADVISORS**Solicitors:**

Bates, Wells and Braithwaite
2 – 6 Cannon St
London EC4M 6YH

Bankers:

Co-operative Bank
City of London Business
Centre, 9 Prescott Street,
London E1 8SG

Auditors:

Knox Cropper
16 New Bridge Street
London EC4V 6AX

THE MEDIA TRUST

DIRECTORS' REPORT (Continued)

OBJECTS

The objects for which the company is established, as set out in the Memorandum of Association, are:

- a. To promote the efficient and effective application of resources for charitable purposes by the provision of advice on the use of all forms of communication media; and
- b. To advance the education and training of the public and in particular members of charitable and non-charitable voluntary organisations in all forms of communication media.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Directors are invited to stand for election by the board to ensure a range of media and charity sector skills are represented. The Directors are planning to undertake a review of governance under the leadership of the new chairman. At least one third of the Directors stand for re-election each year.

The Directors are responsible for setting the strategy and direction of the charity, day to day management is devolved to the executive management team. The Directors meet at least three times a year and have formally constituted an Audit Committee which meets at least twice a year.

ACTIVITIES AND DEVELOPMENTS DURING THE YEAR

This section of the report summarises our achievements for 2005/06 and the progress we have made against our aims and objectives as outlined in our 2005-2008 plan.

- **To provide communications and media resources for the voluntary and community sectors and their partners in the corporate and public sectors.**
During the year the Media Trust continued to provide a "one-stop shop" specialising in charity, voluntary and community communications.

Communications services

We delivered over 200 training seminars, workshops and surgeries across the UK, reaching over 3,000 delegates. We provided direct communications advice and contacts in response to over 1,500 individual queries, with c. 8,000 unique users each month of the Media Trust website. We matched 350 charitable organisations with volunteer and pro-bono communications support.

The Community Newswire, had a successful year with the number of stories distributed to journalists increasing from 20 to 30 a day on average. The effectiveness of the service was demonstrated by the wide range of media coverage obtained for the stories, including 12 national newspapers covering the Hindu Forum's response to the Royal Mail Christmas stamps.

Film production

Media Trust Productions produced over 60 films for broadcast and non-broadcast purposes, including 27 films for small charities made 'pro-bono' by the television and independent production industry as part of the Media Trust's 'Volunteer Films' initiative. Broadcast films included 'Abnormally Funny People' on Sky, and a further series of MadforArts on Five, as well as a mix of charity content for the Community Channel.

Community Channel

We gave 250 charities a television platform, and promoted many thousands more through the Community Channel's website, fact sheets, red button interactive service and telephone helpline.

THE MEDIA TRUST

DIRECTORS' REPORT (Continued)

- **To increase voluntary and community activity across all communities**

Working in partnership with the voluntary sector and the media industry, and with the public and corporate sectors, the Media Trust aims to inspire an increase in community involvement, voluntary activity, active citizenship, charitable giving and take-up of voluntary sector services – for specific target groups and among the wider public.

Voluntary sector campaigns

In 2005-06 we played a major part in delivering the 2005 Year of the Volunteer, raising awareness of voluntary activity among the wider public and inspiring them to volunteer. As part of the Volunteering England consortium for the Year we placed over 50 volunteering stories and features into mainstream television, including storylines in Coronation Street (ITV1) and Hollyoaks (C4). We encouraged media partners to promote volunteering through their telephone, web and on-screen cross-promotion, ensuring that viewers across the UK could easily contact a charity of their choice. We launched the Billion Minutes media campaign on June 21st, running a continuous campaign across all media over the second half of 2005. The Home Office commissioned evaluation of the year commented: "Those registering to volunteer were most likely to be the unemployed and those who had seen the Billion Minutes campaign."

Community Channel

In partnership with BSkyB, the Home Office and the charity Youthnet, we launched the first ever interactive red button volunteering service, which sits behind the Community Channel 24 hours a day, and is used by mainstream broadcasters on the Sky platform including ITV, C4 and Sky. Sky viewers can now press red and contact local volunteering opportunities in their area. The interactive red button donations service was widely used by broadcasters on the Sky platform including the BBC, ITV, C4 and Sky.

- **To increase the media and communications industry's support for the voluntary and community sector**

As the media industry's charity we aim to inspire and enable the media and communications industry to support and promote the voluntary sector. We want the media and communications industry to use the Media Trust for research, contacts and information, to channel donated media resources and employee volunteering through our services, to support and extend their own campaigns and for their CSR, social action and community initiatives.

Communications services

The Media Trust Weber Shandwick Bursary awards were launched during the year, selecting 3 small charities that each received 30 hours of pro-bono pr support from a Weber Shandwick team of pr professionals. The other short-listed applicants were matched with pro-bono support through the Media Trust online matching service. The awards are now running for a second year. We increased the number of media professionals registered to 2,000 who volunteer through the Media Trust.

Film production

The "Volunteer films" initiative this year expanded out from mainly freelance producers to television and independent production houses making 26 films for the very small charities and voluntary groups who cannot afford to commission one themselves.

THE MEDIA TRUST

DIRECTORS' REPORT (Continued)

Community Channel

The UK broadcasters signed the Broadcasters' Joint Declaration of Support for the Community Channel, pledging "to make the Community Channel a key external television partner in our efforts to bring news, information and enthusiasm about the work of the voluntary, charitable and community sectors to our viewers, ...to make relevant programming available to Community Channel, ...and to use on-air references and pointers to inform our viewers about the programming and information available on Community Channel."

UK broadcasters on the Sky platform, now in 7 million homes, made growing use of the Community Channel's interactive red button enabling their viewers to make donations and search for volunteering opportunities.

Voluntary sector campaigns

The Media Trust worked closely with the media industry to ensure its extensive support for the Year of the Volunteer, and then, following directly on from the Year, acted as the lead catalyst for continued support for the Russell Commission's youth volunteering initiative, resulting in pledges of many millions of pounds of in-kind support for the new youth charity V from the media industry.

- **To continue to strengthen and grow the Media Trust**

2005/06 saw us maintain our fee income from training and production, in spite of a significant amount of our resources being dedicated to the Year of the Volunteer. Marketing and fundraising remain a priority for the future.

We were awarded continuation of project funding from the Home Office Volunteering and Charitable Giving Unit for the Community Channel and Community Newswire, ensuring the ongoing success of these two ground-breaking services for another year. In 2006 the Media Trust was selected for two development grants for youth volunteering services in media and communications. At the end of 2005/06 the Media Trust successfully bid to be the lead 'Project Partner' for a new 2 year volunteering campaign funded by the Home Office targeting those most at risk of social exclusion. This work will build on the Trust's unique mix of partnerships with the media and the voluntary sector.

The Media Trust invested time, with the support of a secondee from BBC Human Resources and Ashridge School of Management, in initiating a staff appraisal scheme, reviewing objectives and carrying out a staff survey. The Trust also reviewed how it delivered film production services across the organisation, leading to a successful re-structure and increase in efficiency.

Jane Mote, Controller of the Community Channel, returned to the BBC after an extended two and a half year secondment, and Nick Ware was recruited as the new Controller.

- **To reach the widest possible audience through the Media Trust's own broadcast platform, The Community Channel.**

The channel seeks to motivate and inspire audience participation in their communities through volunteering and charitable giving, and to promote the work of the charitable and voluntary sector.

We succeeded in growing our audience this year reaching 1.2m million viewers in January 2006. Our partnerships with the broadcast industry on the Year of the Volunteer resulted in valuable cross promotion of our programmes around Coast, Groundforce Africa, Picture of Britain, With a Little Help from my Friends and a second series of the Jon Snow interviews with Dame Tanni Grey-Thompson and Victor Adebawale. The interactive red button service launched a unique service whereby users could look for volunteering opportunities on YouthNet's database. This was then linked by ITV to an episode of Coronation Street.

THE MEDIA TRUST**DIRECTORS' REPORT (Continued)****Future Developments**

Our aims for 2006-7 are:

- to maintain our existing services and activities
- to deliver additional services in new media through our core activities, our media industry partners, and our contract with ICT Hub
- to increase activity that supports young people and the voluntary organisations that target young people
- to deliver high impact campaigns for socially excluded groups around England through the Cabinet Office 'Volunteering for All' initiative
- to respect and reflect diversity
- to secure continued funding and resources for the Community Channel
- to continue to strengthen and grow the Media Trust

FINANCIAL POSITION

Total income decreased by £1.3 million in 2005/06 as the £1m Year of the Volunteer grant received in March 2004 was an exceptional grant for the year. Expenditure increased by £0.8m as this grant was expended. A surplus has been built during the year for two purposes: the marketing and development of the Media Trust as a whole and a designated fund of £80,000 to create a designated reserve for the cost of moving offices. The lease on our current premises expires in the autumn of 2006. British Land have kindly indicated their willingness to extend our rent free lease in the short term with the ability to break it to re-develop the site. The Cabinet Office's Office of the Third Sector (formerly Home Office Active Communities' Directorate) continues to provide vital funding for our services, notably the Community Channel.

INVESTMENT POLICY

Our investment policy is to invest cash balances in high interest bearing deposit accounts.

RISK ASSESSMENT

The Trustees review the risks to which the organisation is exposed throughout the year and systems have been established to mitigate those risks. The risks cover all potential threats to the business including, financial, legal and reputational

RESERVES


The current target for unrestricted reserves is £250,000 to cover six months of core expenditure including the potential increased cost of new premises plus a designated reserve of £80,000 for the cost of moving premises, totalling £330,000. The majority of the additional surplus generated in excess of the policy will be expended in 2005/6 on marketing and development of our services for charities.

THE MEDIA TRUST**DIRECTORS' REPORT (Continued)****STATEMENT OF DIRECTORS' RESPONSIBILITIES**

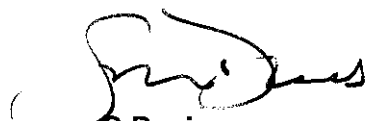
The accounts are prepared under the Charities accounting SORP (2005). The Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the income and expenditure of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985.²⁰ 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. The Directors confirm that they have taken appropriate steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of such information. As far as the Directors are aware, there is no relevant audit information which has not been disclosed to the auditors.

BY ORDER OF THE BOARD

A Whyte
Trustee



S Davies
Trustee

11th July 2006

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
THE MEDIA TRUST

We have audited the financial statements of the Media Trust for the year ended 31st March 2006 which comprise the Statement of Financial Activities, incorporating the Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Directors' Report the Company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards. (United Kingdom Generally Accepted Accounting Practice).

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 properly prepared in accordance with the Companies Act 1985 and whether the information in the directors report is consistent with the financial statements. We also report to you if, the Company has not kept proper accounting records; if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

We read the Directors' Report 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 Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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 affairs of the Company and of the Group as at 31st March 2006 and of the income and expenditure of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.
- the information given in the directors report is consistent with the financial statements.

16 New Bridge Street
London EC4V 6AX
 11th July 2006

Knox Cropper
Knox Cropper
Chartered Accountants
Registered Auditors

THE MEDIA TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2006

		----- 2006 -----		
	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds £
INCOMING RESOURCES				
Incoming Resources from Generated Funds				
Voluntary income	2	196,000	-	196,000
Investment income		52,020	27,572	79,592
		<u>248,020</u>	<u>27,572</u>	<u>275,592</u>
Incoming Resources From Charitable Activities				
Community Channel	3	342,319	1,359,771	1,702,090
Voluntary sector campaigns		-	34,971	34,971
Film production		558,676	100,000	658,676
Communications services		270,861	436,243	707,104
		<u>1,171,856</u>	<u>1,930,985</u>	<u>3,102,841</u>
TOTAL INCOMING RESOURCES		<u>1,419,876</u>	<u>1,958,557</u>	<u>3,378,433</u>
RESOURCES EXPENDED				
Costs of Generating Funds				
Costs of generating voluntary income		39,400	-	39,400
Charitable Activities				
Community Channel		334,721	1,603,834	1,938,555
Voluntary sector campaigns		-	840,898	840,898
Film Production		569,741	112,052	681,793
Communications services		214,751	309,117	523,868
		<u>1,119,213</u>	<u>2,865,901</u>	<u>3,985,114</u>
Governance costs		<u>14,840</u>	<u>36,360</u>	<u>51,200</u>
TOTAL RESOURCES EXPENDED		<u>1,173,453</u>	<u>2,902,261</u>	<u>4,075,714</u>
Net Income/(Expenditure) for the year		246,423	(943,704)	(697,281)
Fund balances brought forward		250,193	1,890,557	2,140,750
Fund balances carried forward		<u>496,616</u>	<u>946,853</u>	<u>1,443,469</u>

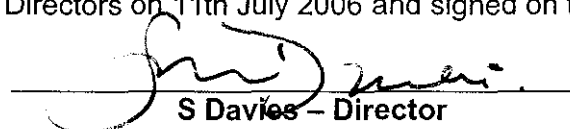
All recognised gains and losses are included in the above statement of financial activities.

THE MEDIA TRUST
CONSOLIDATED AND COMPANY BALANCE SHEET

AS AT 31ST MARCH 2006

	Notes	Group 2006 £	2005 £	Company 2006 £	2005 £
FIXED ASSETS	7	113,051	80,578	13,965	10,367
CURRENT ASSETS					
Work in progress		6,248	56,758	-	27,843
Debtors	8	250,872	193,684	175,614	78,575
Cash at Bank and in Hand		1,481,171	2,212,709	1,481,171	2,090,470
		<u>1,738,291</u>	<u>2,463,151</u>	<u>1,656,785</u>	<u>2,196,888</u>
CREDITORS					
Amounts falling due within one year	9	<u>(407,873)</u>	<u>(402,979)</u>	<u>(765,583)</u>	<u>(866,570)</u>
NET CURRENT ASSETS		<u>1,330,418</u>	<u>2,060,172</u>	<u>891,202</u>	<u>1,330,318</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,443,469</u>	<u>2,140,750</u>	<u>£905,167</u>	<u>1,340,685</u>
FUNDS					
Restricted	12				
Held by company		418,959	1,100,900	418,959	1,100,900
Retained by subsidiary		<u>527,894</u>	<u>789,657</u>	<u>-</u>	<u>-</u>
		<u>946,853</u>	<u>1,890,557</u>	<u>418,959</u>	<u>1,100,900</u>
Unrestricted	13				
General Reserves:					
Held by Company		406,208	239,785	406,208	239,785
Retained by Subsidiary		10,408	10,408	-	-
Designated reserve		<u>80,000</u>	<u>-</u>	<u>80,000</u>	<u>-</u>
		<u>496,616</u>	<u>250,193</u>	<u>486,208</u>	<u>239,785</u>
TOTAL FUNDS		<u>1,443,469</u>	<u>2,140,750</u>	<u>905,167</u>	<u>1,340,685</u>

Approved by the Board of Directors on 11th July 2006 and signed on their behalf by:


S Davies – Director


A Whyte – Director

THE MEDIA TRUST**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31ST MARCH 2006****1. ACCOUNTING POLICIES**

- (a) The accounts have been prepared under the historical cost convention and in accordance with United Kingdom Accounting and Financial Reporting Standards and the Statement of Recommended Practice : Accounting by Charities (2005).
- (b) Depreciation is calculated to write off the cost of fixed assets on a straight line basis over the useful economic lives of the assets concerned which are predominantly 3 years.
- (c) Grants and Donations are accounted for on a received basis.
- (d) Donations in Kind are included in the statement of financial activities at their economic value to the Company where quantifiable and measurable.
- (e) Services income is accounted for when the service is delivered and income earned.
- (f) Support costs represent general management costs (including finance and human resources) and premises and facilities costs (including IT). These are allocated by reference to the resources allocated to the staff and volunteers for each area and the percentage of time spent by the relevant employees.
- (g) Work in progress represents recoverable costs incurred on film productions and multi media projects not yet delivered.
- (h) Rentals applicable to operating leases, where substantially all the benefits and risk of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the lease term.
- (i) Under Financial Reporting Standard No. 1 the company is not required to produce a Cash Flow Statement.
- (j) Consolidation: The Community Channel Limited is a subsidiary of The Media Trust and is consolidated in accordance with Financial Reporting Standard No. 2. The statement of financial activities is consolidated on a line by line basis.

2. VOLUNTARY INCOME

	2006 Total £	2005 Total £
Corporate donations and sponsorship	121,500	133,595
Donation in kind - premises	74,500	44,000
Total	<u>196,000</u>	<u>177,595</u>

The group receives a wide range of discounted and donated services from the media industry, particularly BSkyB, BBC, Telewest, ntl and News International, which include bandwidth, programming, staff secondments and cross promotion both on air and in press advertisements and listings. These services have not been included in the Statement of Financial Activities because their value is not readily quantifiable or measurable. The Trust's corporate members include the BBC, BSkyB, Channel 4, Discovery Networks Europe, Guardian Media Group, ITV, MTV Networks UK & Ireland, News International, Newsquest Media Group, Romeike, Turner Broadcasting System Europe, Weber Shandwick, WPP.

THE MEDIA TRUST**NOTES TO THE ACCOUNTS (Continued)****FOR THE YEAR ENDED 31ST MARCH 2006****3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	-----2006-----					
	Community Channel £	Voluntary Sector Campaigns £	Film Production £	Communications Services £	Total £	Total 2005 £
Home Office Active Communities Directorate	1,326,571	34,971	100,000	286,310	1,747,852	3,094,357
Big Lottery Fund	-	-	-	-	-	85,000
Coalfields Regeneration Trust	-	-	-	-	-	15,000
Screen Yorkshire	-	-	-	-	-	13,500
Bridge House Trust	-	-	-	75,596	75,596	-
City Parochial Foundation	-	-	-	-	-	7,500
Lloyds TSB Foundation For Scotland	-	-	-	15,000	15,000	-
Lloyds TSB Foundation for England & Wales	-	-	-	30,248	30,248	-
Russell Commission	-	-	-	24,100	24,100	-
Comic Relief	33,200	-	-	-	33,200	-
Other grants	-	-	-	4,989	4,989	1,000
Fee income	342,319	-	558,676	270,861	1,171,856	1,266,615
Total	<u>1,702,090</u>	<u>34,971</u>	<u>658,676</u>	<u>707,104</u>	<u>3,102,841</u>	<u>4,482,972</u>

The Trust received a grant of £1 million in 2004-05 to run a marketing campaign from April to December 2005 promoting the Year of the Volunteer 2005. This has resulted in a £1million of cash inflow and income in 2004 which has been expended in 2005-06 and accounts for the significant decrease in cash at bank at the year end. The above grants are all restricted.

THE MEDIA TRUST**NOTES TO THE ACCOUNTS (Continued)****FOR THE YEAR ENDED 31ST MARCH 2006****4. ANALYSIS OF RESOURCES EXPENDED**

	----- 2006 -----			2005
	Direct costs	Support costs	Total	Total
	£	£	£	£
Generating funds	-	39,400	39,400	35,000
Community Channel	1,743,255	195,300	1,938,555	1,810,535
Voluntary sector campaigns	792,045	48,853	840,898	19,228
Film production	574,450	107,343	681,793	747,877
Communications services	472,444	51,424	523,868	641,120
Governance	4,400	46,800	51,200	37,500
Total resources expended	3,586,594	489,120	4,075,714	3,291,260

ANALYSIS OF SUPPORT COSTS

	----- 2006 -----			2005
	General management	Premises & facilities	Total	Total
	£	£	£	£
Generating funds	33,800	5,600	39,400	35,000
Community Channel	63,892	131,408	195,300	166,500
Voluntary sector campaigns	15,982	32,871	48,853	1,463
Film production	35,117	72,226	107,343	134,956
Communications services	16,823	34,601	51,424	76,581
Governance	43,569	3,231	46,800	37,500
Total resources expended	209,183	279,937	489,120	452,000

THE MEDIA TRUST**NOTES TO THE ACCOUNTS (Continued)****FOR THE YEAR ENDED 31ST MARCH 2006****5. NET INCOMING RESOURCES IS STATED AFTER CHARGING:**

	Group	
	2006	2005
	£	£
Depreciation	53,624	43,722
Audit Fee	4,400	4,250

6. STAFF COSTS

	Group	
	2006	2005
	£	£
Salaries and Wages	1,220,079	1,084,357
Social Security Costs	129,345	114,874
Pension Costs (salary sacrifice)	8,289	4,308
	<u>1,357,713</u>	<u>1,203,539</u>
	No.	No.
The average number of staff employed during the period was:	<u>42</u>	<u>40</u>
Employees whose remuneration exceeded £60,000		
Range:		
£60,000 - £70,000	<u>1</u>	<u>1</u>

No director / trustee received remuneration or expenses in the period.

7. FIXED ASSETS

	Group Equipment		Company Equipment	
	2006	2005	2006	2005
	£	£	£	£
Cost :				
Balance brought forward	321,967	235,831	127,446	118,737
Additions	86,097	86,136	11,187	8,709
Balance carried forward	<u>408,064</u>	<u>321,967</u>	<u>138,633</u>	<u>127,446</u>
Depreciation:				
Balance brought forward	241,389	197,667	117,079	103,063
Charge for year	53,624	43,722	7,589	14,016
Balance carried forward	<u>295,013</u>	<u>241,389</u>	<u>124,668</u>	<u>117,079</u>
Net book value	<u>113,051</u>	<u>80,578</u>	<u>13,965</u>	<u>10,367</u>

THE MEDIA TRUST**NOTES TO THE ACCOUNTS (Continued)****FOR THE YEAR ENDED 31ST MARCH 2006****8. DEBTORS**

	2006	2005	2006	2005
	£	£	£	£
Trade Debtors	148,335	78,388	117,616	62,369
Prepayments and Accrued Income	102,313	102,157	57,774	15,706
Other Debtors	224	13,139	224	500
	<u>250,872</u>	<u>193,684</u>	<u>175,614</u>	<u>78,575</u>

9. CREDITORS

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Trade Creditors	32,968	76,699	18,212	16,861
Other Creditors including taxation and social security	43,983	56,638	43,983	56,639
Overdrafts	56,773	-	-	-
Accruals & Deferred	274,149	269,642	194,839	160,607
Amounts due to group Undertakings	-	-	511,549	632,463
	<u>407,873</u>	<u>402,979</u>	<u>765,583</u>	<u>866,570</u>

Cash is managed on behalf of the group by the parent charity. Thus the overdraft in the subsidiary is due to un-presented cheques where the matching cash is on deposit in the charity.

10. OPERATING LEASES

At 31st March 2006 the Company had annual commitments under non-cancellable operating leases as follows:

Expiry date	£	£
Within one year	100	-
Between one and five years	7,804	5,984
In more than five years	-	-
	<u>7,904</u>	<u>5,984</u>

THE MEDIA TRUST**NOTES TO THE ACCOUNTS (Continued)****FOR THE YEAR ENDED 31ST MARCH 2006****11. SHARE CAPITAL**

The company is limited by guarantee and has no share capital, the liability of the members is limited to £1 per member.

12. RESTRICTED FUNDS

	Brought Forward	Transfers	Movement in Year		Carried Forward
	£	£	Income £	Expenditure £	£
Production					
Home Office	-	50,000	100,203	(114,651)	35,552
Training and Communications Services					
Home Office	65,900	-	289,340	(227,256)	127,984
Big Lottery Fund	34,800	-	1,339	(13,000)	23,139
Bridge House Trust	-	-	77,820	(52,026)	25,794
Other	-	-	75,021	(18,763)	56,258
Voluntary Sector Campaigns					
Home Office	1,000,200	(57,000)	34,971	(848,031)	130,140
Community Channel					
Home Office	789,657	7,000	1,346,663	(1,595,334)	547,986
Comic Relief	-	-	33,200	(33,200)	-
	<u>1,890,557</u>	<u>-</u>	<u>1,958,557</u>	<u>(2,902,261)</u>	<u>946,853</u>

The transfer of funds was with the permission of the Home Office.

13. UNRESTRICTED FUNDS

	Brought Forward	Transfers	Movement in Year		Carried Forward
	£	£	Income £	Expenditure £	£
General Reserves:					
Held by Company	239,785	(80,000)	1,077,557	(831,134)	406,208
Retained by Subsidiary	10,408	-	342,319	(342,319)	10,408
Designated reserve	-	80,000	-	-	80,000
	<u>250,193</u>	<u>-</u>	<u>1,419,876</u>	<u>(1,173,453)</u>	<u>496,616</u>

THE MEDIA TRUST**NOTES TO THE ACCOUNTS (Continued)****FOR THE YEAR ENDED 31ST MARCH 2006****14. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £	Restricted Funds		Total Funds £
		Company £	Subsidiary £	
Fixed Assets	-	13,965	99,086	113,051
Net Current Assets	496,616	404,994	428,808	1,330,418
	496,616	418,959	527,894	1,443,469

15. TAXATION

The company, as a registered charity, is not liable for Income Tax or Corporation Tax because its income falls within the various exemptions available to registered charities.

16. CAPITAL COMMITMENTS

There were £40,000 of capital commitments at the period end (2005 - £21,019)

17. SUBSIDIARY COMPANY

The Community Channel, a company limited by guarantee incorporated in England and Wales, is under the control of The Media Trust which is its sole member. The activities of the Community Channel, which is a primary purpose activity of the Media Trust, are undertaken through this company and the income and expenditure are consolidated on a line by line basis. The total income was £1,709,213, the total expenditure was £1,963,255 and the total net assets at the year end amounted to £538,302.

18. RELATED PARTY TRANSACTIONS

As described in note 2, the Media Trust is supported by a number of major media organisations including BSkyB, BBC, Telewest, ntl and News International. These organisations facilitate programme transmission through the free provision of bandwidth and also provide a range of other support services some of which are provided on normal commercial terms with others provided at reduced rates. The non-executive directors of the Media Trust include directors and senior managers of some of these media organisations who have been appointed because of their experience and knowledge of the sector.