

THE MEDIA TRUST

(Limited by Guarantee)

Company Reg. No. 2895790
Registered Charity No. 1042733

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31st MARCH 2008

WEDNESDAY



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COMPANIES HOUSE



KNOX CROPPER
chartered accountants

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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 | | Principal Office |
| 2 – 6 Cannon Street | | Riverwalk House |
| London | | 157-161 Millbank |
| EC4M 6YH | | SW1P 4RR |

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

A. Duncan (Director and Chairman) (re-elected 15 July, 2008)
 J. Snow (Deputy Chairman, re-elected 3 July, 2007)
 D. Airey (re-elected 15 July, 2008)
 A. Ball (re-elected 3 July, 2007)
 P. Coulter (re-elected 15 July, 2008)
 S. Davies (re-elected 15 July, 2008)
 J. Reed (re-elected 15 July, 2008)
 M. Thompson (re-elected 3 July, 2007)

M. Green stood down as Chairman on the 11th July, 2006 and did not put himself forward for re-election as a Director on 3rd July, 2007, G.Dyke resigned on 15th December, 2007. A. Whyte did not put himself forward for re-election as a Director on 15th July, 2008.

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
 8/9 Well Court
 London EC4M 9DN

THE MEDIA TRUST

DIRECTORS' REPORT (Continued)

OBJECTS AND PUBLIC BENEFIT

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.

The Media Trust delivers public benefit by skilling charities and individuals to make a difference within their communities. Media Trust charges for a number of its services, but also seeks grant funding to ensure that disadvantaged individuals and organisations based in areas of deprivation can access services as well. Examples of this are training programmes funded by Capacity Builders (Improving Reach), City Bridge and Youth mentoring's work with young people at risk of exclusion.

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. Directors are introduced to the charity by the Chief Executive including a tour of the projects undertaken and meeting staff and are provided with an induction pack of master documents including Charity Commission guidance. The Directors undertook a governance review during the year. 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.

OBJECTIVES, ACTIVITIES AND ACHIEVEMENTS

This section of the report summarises our achievements for 2007/08 and the progress we have made against our aims and objectives as outlined in our 2005-2008 plan and our 2006/07 report.

Our aims and objectives for the year

- To provide communications and media resources for the voluntary and community sector, maintaining our existing services whilst expanding in new media.
- To increase voluntary and community activity, reaching the widest possible audience, across all communities through our campaigns unit, inspirational films and Community Channel, our own broadcast platform and securing continued funding and resources for the channel.
- To develop young people in media skills and give them a voice, concentrating on those at risk of exclusion.
- To increase the media and communications industry's support for the voluntary and community sector.
- To continue to strengthen and grow the Media Trust, reflecting and respecting diversity.

THE MEDIA TRUST

DIRECTORS' REPORT (Continued)

Our activities and achievements during the year

During the year the Media Trust continued to provide a "one-stop shop" for charity, voluntary and community sector media and communications. 2007/08 saw us consolidate our growth in activities. All our activity was underpinned by the creativity and resources of our media partners.

Communications services

We held training and communications events in 24 towns and cities across the UK, including Aberdeen, Bradford, Bristol, Cardiff, Colchester, Edinburgh, Glasgow, Ipswich, Leicester, Liverpool, Manchester, Newcastle and York.

We delivered over 206 training seminars, workshops and surgeries across the UK, reaching over 3128 delegates. We provided targeted training, including in 'new media', to small voluntary organisations across England supported by the ICT Hub and City Bridge Trust. We also provided bespoke media training for a range of organisations, including Volunteering England, and the charities short-listed for ITV's People's Millions competition. Our evaluation ratings for our training were at a consistently high level throughout the year.

We matched 513 charitable organisations with volunteer and pro-bono communications support. We reached an average 6,700 unique users each month for the Media Trust website. Google hosted an event "online and inspired" where 120 staff from smaller charities received tips on new media techniques. As part of Media Connections we placed 24 charity pr officers into 35 one-week placements with media organisations ranging from the BBC to Emap to Sky News, to enhance the charities' skills and experience.

On the "Improving Reach" project, funded by CapacityBuilders, we trained 883 delegates from small organisations across England from black and minority ethnic, refugee and migrant, faith and isolated rural groups in communications and media management.

Following on from our publication of "Reporting Diversity" the Joseph Rowntree foundation commissioned us to produce "Reporting Poverty" in conjunction with the Society of Editors to guide journalists. The Equality and Human Rights Commission has grant-funded us for 2008-9 to carry out research and produce a further publication for the media industry on "Reporting Human Rights".

We continued to respond to both Third Sector and communications industry policy reviews, playing a lead role in engaging the wider Third Sector in Ofcom's Digital Dividend Review, through email and print consultation, and a joint conference with Ofcom and Public Voice for the Third Sector.

Community Newswire

Community Newswire, our partnership with the Press Association, funded by the Cabinet Office, was used by 2949 organisations during the year, including 621 new users. The Newswire distributed 30 charity and voluntary sector stories a day to journalists across England, securing a wide range of Third Sector coverage in national and regional media. The Community Newswire advisory board has been formed with Rt Hon David Blunkett MP and leading figures from the media and charity communications world.

Film production

Festival goers at Glastonbury 2007 got a unique view of the very best of Media Trust Productions work when the Big Screens showed a film about Winston's Wish, a charity working to support bereaved children. The film, shot on 35mm, was completed almost entirely with pro bono support from the TV and Film industry, from Kodak through to AFM lighting.

THE MEDIA TRUST

DIRECTORS' REPORT (Continued)

The promo was just one example of the varied output from Media Trust Productions that included 31 films, amongst which were a 5x30' series – What Can Science Do For me? – funded by The Wellcome Trust; a further series of the Mad For... "format" dealing with mental health, this time with music as its theme; and a 3 part series, Giving Nation Challenge, exploring social enterprise in the context of the school curriculum. A developing relationship with The Post Office has resulted in three very high quality films created to help Post Office employees vote for their charity of the year, and encouraging signs of further business. Returning business from Breast Cancer Care produced a powerful film, Take Each Day, about living with Secondary Breast Cancer. The films has been widely distributed through practice nurses and via BCC's own website.

Working closely with the campaigns team, Media Trust Productions produced a number of films designed to encourage volunteering amongst traditionally hard-to-reach groups including Lai See, a drama set in the Chinese community, and Extra Time, a compelling look at the transforming power of volunteering and sport.

Media Trust Productions continued to encourage production professionals to volunteer time and donate production facilities for charity film productions via Volunteer Films; 25 films were produced covering charities dealing with bullying, conflict resolution, UK Youth Parliament and Bee Keeping! Some of the UK's most respected independent producers participated including Darlow Smithson and Brook Lapping. The films are widely used by the beneficiary charities for raising funds and awareness of their work, and to attract volunteer support.

Community Channel

The Channel's push into the digital space with the revamping of the website and the launch of the broadband player has paid dividends. In April 2007 our monthly average for unique users was 29,818, rising to 39,209 by April 2008. A total of 453,310 unique users visited the site during the year, viewing more the 1.45 million pages; our best month coincided with the November campaign around What Can Science Do For Me? yielding more than 50,000 unique users during the month.

A first for the Channel was live programming with the broadcast of The Scout Association 100th anniversary Jamboree celebrations from Brownsea Island, which also proved a hit with viewers and produced another notable spike in activity on the website.

Whilst our web unique users increased by 31%, our viewers on digital TV declined 20% in line with the general broadcasting environment. Our BARB 3 minute reach is 4 million viewers. This January saw the introduction of a revamped video player on the website. To date the library of 106 films has produced very encouraging results with more 240,000 views, and new films are being added every week.

The Channel has continued to benefit from its continuing strong relationship with broadcasters. Using footage shot for the BBC2 series Long Way Down the Channel was able to edit a series focusing exclusively on the UNICEF projects visited by Ewan McGregor and Charley Boorman on their journey through Africa. The 3 x 30' films proved a hit with viewers and also resulted in more than 11,000 views of the films on-line in just 3 weeks.

THE MEDIA TRUST

DIRECTORS' REPORT (Continued)

More than 1,000 charities were featured across the year on the Channel, and our Online Searchable Database grew by 10% to feature 1,027 charities.

Our fortnightly e-newsletter has seen tremendous take up during the year growing from 2,017 in Feb 07 to 4,023 in Mar 08. And more than 17,000 viewers, and users of the Channel's website, were referred to volunteer opportunities via our link to Do-it.org.

The Office of the Third Sector in the Cabinet Office agreed continued funding for the Channel through to March 2011, albeit at a declining value. We are grateful for their ongoing support and continue to seek additional major funders. BSkyB continued to provide a generous brand marketing contribution. 'At cost' programming continued to be supplied by the BBC, Channel 4, ITV, MTV and many independent production companies. A range of corporate, public sector and charitable funders commissioned original programming for the Channel through Media Trust Productions. The media industry continued to support the Channel with significant contributions of donated technical, programming and marketing support. BSkyB, Virgin Media and BBC continued to provide the Channel with significant donated bandwidth on satellite, cable and Freeview.

Third Sector Campaigns

In 2007-8 Media Trust Campaigns ran four campaigns for Volunteering for All, an initiative funded through the Office of the Third Sector.

A colourful and high impact mix of campaigns included partnerships with key charitable and community organisations such as the British Trust for Conservation Volunteers (BTCV), Voluntary Arts England, the Chinese community sector, and YouthNet (www.do-it.org.uk), as well as supporting almost 300 small organisations through the activity carried out. We also worked with agencies such as the Learning and Skills Council to augment existing activity, adding important messaging around volunteering. Our strength in developing these types of relationships enabled us to bring on board substantial media partners, both from within and outside of our Corporate Members, and both national and more regionally targeted. These included the BBC, Metro Newspapers (DMGT), GCap, Tyne Tees Television (ITV), ITV Local, Emap Radio and WPP companies, among others.

These partnerships and a mix of targeted media and marketing activity enabled us to achieve some impressive research results in terms of the desired outcomes of Volunteering for All - increased awareness of volunteering amongst our target audiences - and we can also attribute some of the positive regional results of the 2007 Citizenship Survey to this activity. The Office of the Third Sector's response to the Commission on the Future of Volunteering has specifically recommended continuation of the work which Media Trust Campaigns pioneered around the UN's International Volunteer Day in December 2007. Further funding for Campaigns has been agreed for 2008-9 by the Cabinet Office.

THE MEDIA TRUST

DIRECTORS' REPORT (Continued)

Youth Media

Charge, the Youth zone on Community Channel, funded by Vodafone Foundation and youth charity v, produced 45 original one-hour episodes from content generated by young people. These shows have been watched by 1.4m people. 417 young volunteers have created profiles on the website and uploaded 700 films and the website has 11,000 unique users with 706,000 hits. Over 120 charities have been featured, including Rathbone, Youth Parliament and Fairbridge. Continuation funding for 2008-9 has been received from Vodafone, v and Channel4.

In partnership with the UK Film Council, Skillset and First Light Movies and funded by Department for Children, Schools and Families, Mediabox distributes grants for making media to disadvantaged young people and the organisations that support them. The Media Trust plays a key role in distributing the content produced by the young people to wider audiences. BBC Switch (Blast, Slink and 1Xtra), ITV Local, Channel 4 and FourDocs, Bebo, MTV and MySpace have distributed content generated by young people, and upcoming broadcasts have been booked for Channel 4, Yorkshire Television and MTV. National press coverage has included The Guardian, The Daily Telegraph, The Independent, Five News, Radio 1xtra, Radio 5 Live, Russell Brand on Radio 1 and Radio 4. Local press coverage has included Birmingham Post, South Yorkshire Post, The Merseyside, ITV Local, Blue Peter Online, Slink and Ouch.

Our media mentoring scheme funded by Department of Culture, Media and Sport (DCMS) had 252 mentors sign up for training during the year. We made 124 matches between media professionals and reached 457 young people. Our mentors came from a wide variety of organisations including Channel 4, BBC, Warner Bros, Turner and we placed our mentors through charities including Headliners, London Youth, Ideas Foundation, Open House, Foyer, Manchester's LGG, Leeds' Interplay. Continuation funding has been awarded by DCMS for a further 3 years.

Media Trust Corporate Members

Media Trust corporate members are at the heart of everything we achieve. Our corporate members contribute an annual membership fee or donation, plus a wide range of volunteer and pro-bono resources via the Media Trust to the thousands of organisations we support each year. 4 of our corporate members are currently represented on our board of trustees.

Media Trust corporate members during the year were BBC, BSkyB, Channel 4, Daily Mail and General Trust, Discovery Networks Europe, Disney Channel UK, Emap plc, Guardian Media Group, IPC Media, ITV, MTV Networks UK & Ireland, News International, Newsquest Media Group, OMD, Time Warner and WPP Group.

Hosting events

Media companies across the UK provided donated venues for Media Trust training, seminars, workshops, speed-matching events, meetings and networking. This enables us to minimize charges to the charities, but also brings the voluntary and community sector into the media's environment, breaking down barriers and increasing contacts and networking opportunities.

THE MEDIA TRUST

DIRECTORS' REPORT (Continued)

Media industry volunteers, mentors and secondments

We recruited an additional 352 media professionals as volunteer Advisors. We held 8 'speed matching' events during the year, at OMD, ITV, Channel 4, BBC in London and expanding for the first time into Wales with Precedent. 172 matches took place.

The media and communications industry continued to provide high quality volunteer speakers for Media Trust events across the UK. Media companies enthusiastically supported our new youth media mentoring scheme across England, and we look forward to growing and extending this over the next 3 years.

The BBC agreed to further their partnership with Media Trust through 3 secondments, one as Director of New Media and Innovation, who joined us in December 2007 to lead the development of our broadband hub for Community Channel, one to lead on Community Sport (from January 2008), and a further New Media Senior Producer (from June 2008).

Media Trust staff and volunteers

British Land, after seven years of generous support, asked us to leave our Euston Square premises so they could redevelop. We moved offices in April 2008 to Riverwalk House, co-located with the Government Office for London. This lease is due to expire in 2009/10, depending on redevelopment plans and we continue to explore longer term options. The diversity review and training planned for 2007/8 has been deferred to 2008/9 with the recruitment of an HR Advisor in March 2008 to strengthen our staff and volunteer management.

Our own effectiveness this year was strengthened by unifying our PR and marketing resources into one team under a Director and a review and strengthening of our financial controls in light of our recent growth.

THE MEDIA TRUST

DIRECTORS' REPORT (Continued)

FUTURE DEVELOPMENTS

The board and management carried out a strategy review in 2006/07 and agreed that the Media Trust's core purpose should be:

- To provide media and communications for and about the Third Sector:
high quality, creative, innovative, practical and accessible
- To harness the media and communications industry's support for the Third Sector:
skills, creativity, people, platforms, content and resources

We confirmed that our primary beneficiaries are the small and medium-sized Third Sector organisations. We also work with the larger Third Sector organisations, media and communications industry, public and corporate sectors, in order to increase the effectiveness and impact of our work.

We agreed to deliver this through

- a 'one stop shop' for Third Sector media and communications services, including major growth in the 'new media' services we provide.
- Community Channel: the 24 hour digital hub for distribution of third sector content, voice, connections and communications with the wider public, on all platforms – television, online, broadband and mobile.
- Strong and established partnerships with media and communications companies, large and small, harnessing their creative, editorial, CSR, HR and corporate priorities to maximise support for the Third Sector.
- Research, policy and debate around communications and media issues for the Third Sector.
- UK wide infrastructure and a few strategic international partnerships.
- Strong governance, management, marketing, diversity, and internal systems.

Our aims for 2008/09 are

- to increase the number and range of organisations benefiting from our communications services and platforms, delivering the marketing and communications workstream as a Capacitybuilders' National Support Service
- to secure continued funding and partnerships for Community Channel, delivering high impact volunteering campaigns and films
- to expand the reach of our youth projects
- to continue developing a digital hub, rich in video and interactivity, offering comprehensive opportunities for immediate involvement; creating a thriving community both online and on-air
- to widen and strengthen our partnerships with the media and communications industry
- to invest in marketing and communications, appointing a marketing manager to deliver our strategy across the Media Trust
- to carry out a review of, and training around, our diversity policy and practice

THE MEDIA TRUST**DIRECTORS' REPORT (Continued)****FUNDRAISING**

Donations are received from corporate members, and grants are received from government departments and a range of other trusts and companies to fund specific projects. Details of amounts received are set out in notes 2 and 3 to the financial statements and fundraising achievements are set out in the review of the Financial Position.

FINANCIAL POSITION

Total income increased by £0.3 million in 2007/08 with increases across all of our activities. Expenditure increased by £1.3m in line with the increase in activities at the end of 2006/7 which had a 30 % increase in income. The deficit of £503,203 is due primarily to utilising restricted reserves (£442,555), moving offices (£45,664 out of the designated reserve) and a deficit in our training and production streams (£14,984) due to pressure on costs. This will be kept under review in view of the economic outlook. The commitment by the Office of the Third Sector, and Department of Culture, Media and Sport, to part - fund for three years Community Channel, Community Newswire, Volunteer Films, and Youth Mentoring is a foundation from which we can raise more money. We are delighted that Mediabox funding from the Department for Children, Schools and Families has been continued for a further year, and we hope for a further three years from 2009.

INVESTMENT POLICY

Our investment policy is to invest cash balances in high interest bearing deposit accounts with an ethical bank.

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 unrestricted reserves (net of unrestricted fixed assets and excluding designated reserves) held by the Media Trust are to ensure continuity in the event of a significant variation in income and to bridge shortfalls in working capital. The target level of reserves is currently £450,000 which is expected to rise to £650,000 in 2 year's' time to take account of the risks associated with signing a longer term property lease. The current level of reserves as at 31st March 2008 is £586,583 and the trustees intend building reserves to the target level over the next two years. The policy is reviewed annually as part of the budget setting process.

Additionally it is proposed that the unspent balance on the designated reserve for moving costs is retained (after the costs of moving in April 2008) and rebuilt over the next two years.

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. 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.

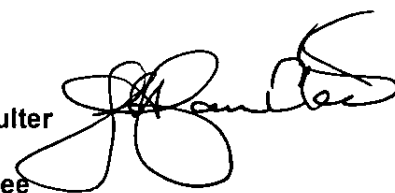
ON BEHALF OF THE BOARD

J Snow
Deputy Chair
Trustee



15 July 2008

P Coulter
Trustee



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 2008, 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 2008 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.

8/9 Well Court
 London EC4M 9DN
 18th July 2008

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 2008**

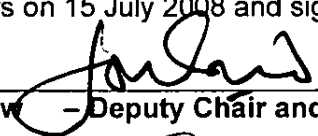
| | Notes | Unrestricted Funds £ | 2008 Restricted Funds £ | Total Funds £ | 2007 Total Funds £ |
|---|-------|----------------------------|----------------------------------|---------------------|-----------------------------|
| INCOMING RESOURCES | | | | | |
| Incoming Resources from Generated Funds | | | | | |
| Voluntary income | 2 | 260,820 | - | 260,820 | 258,500 |
| Investment income | | 40,443 | 38,003 | 78,446 | 67,903 |
| | | <u>301,263</u> | <u>38,003</u> | <u>339,266</u> | <u>326,403</u> |
| Incoming Resources From Charitable Activities | | | | | |
| Community Channel | 3 | 242,978 | 1,063,000 | 1,305,978 | 1,303,944 |
| Voluntary sector campaigns | | - | 721,090 | 721,090 | 700,090 |
| Film production | | 662,102 | 305,786 | 967,888 | 622,801 |
| Communications services | | 316,366 | 478,808 | 795,174 | 901,504 |
| Youth | | - | 680,944 | 680,944 | 619,505 |
| | | <u>1,221,446</u> | <u>3,249,628</u> | <u>4,471,074</u> | <u>4,147,844</u> |
| TOTAL INCOMING RESOURCES | | <u>1,522,709</u> | <u>3,287,631</u> | <u>4,810,340</u> | <u>4,474,247</u> |
| RESOURCES EXPENDED | | | | | |
| Costs of Generating Funds | | | | | |
| Costs of generating voluntary Income and donated services | 4 | 65,100 | - | 65,100 | 64,140 |
| Charitable Activities | | | | | |
| Community Channel | | 243,414 | 1,071,262 | 1,314,676 | 1,398,919 |
| Voluntary sector campaigns | | 4,392 | 877,205 | 881,597 | 676,591 |
| Film Production | | 842,951 | 279,829 | 1,122,780 | 732,267 |
| Communications services | | 403,392 | 610,696 | 1,014,088 | 821,122 |
| Youth | | 6,580 | 858,470 | 865,050 | 243,299 |
| | | <u>1,500,729</u> | <u>3,697,462</u> | <u>5,198,191</u> | <u>3,872,198</u> |
| Governance costs | | <u>17,527</u> | <u>32,724</u> | <u>50,251</u> | <u>51,999</u> |
| TOTAL RESOURCES EXPENDED | | <u>1,583,356</u> | <u>3,730,186</u> | <u>5,313,542</u> | <u>3,988,337</u> |
| Net Income/(Expenditure) for the year | | (60,647) | (442,555) | (503,202) | 485,910 |
| Fund balances brought forward | | <u>691,974</u> | <u>1,237,405</u> | <u>1,929,379</u> | <u>1,443,469</u> |
| Fund balances carried forward | | <u>631,327</u> | <u>794,850</u> | <u>1,426,177</u> | <u>1,929,379</u> |

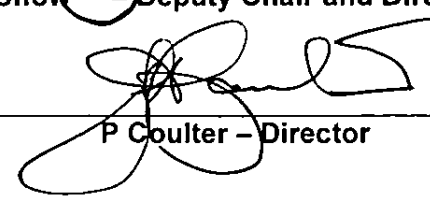
All recognised gains and losses are included in the above statement of financial activities.

THE MEDIA TRUST
CONSOLIDATED AND COMPANY BALANCE SHEET
AS AT 31ST MARCH 2008

| | Notes | Group 2008 £ | Group 2007 £ | Company 2008 £ | Company 2007 £ |
|--|-------|--------------------|--------------------|----------------------|----------------------|
| FIXED ASSETS | 7 | <u>60,431</u> | <u>95,045</u> | <u>36,166</u> | <u>44,895</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 8 | 709,361 | 499,696 | 420,512 | 383,160 |
| Cash at Bank and in Hand | | <u>1,328,295</u> | <u>2,264,468</u> | <u>1,328,295</u> | <u>2,183,673</u> |
| | | <u>2,037,656</u> | <u>2,764,164</u> | <u>1,748,807</u> | <u>2,566,833</u> |
| CREDITORS | | | | | |
| Amounts falling due within one year | 9 | <u>(671,910)</u> | <u>(929,830)</u> | <u>(760,106)</u> | <u>(1,119,846)</u> |
| NET CURRENT ASSETS | | <u>1,365,746</u> | <u>1,834,334</u> | <u>988,701</u> | <u>1,446,987</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,426,177</u> | <u>1,929,379</u> | <u>1,024,867</u> | <u>1,491,882</u> |
| FUNDS | | | | | |
| Restricted | 12 | | | | |
| Held by company | | 403,948 | 810,315 | 403,948 | 810,315 |
| Retained by subsidiary | | <u>390,902</u> | <u>427,090</u> | <u>-</u> | <u>-</u> |
| | | <u>794,850</u> | <u>1,237,405</u> | <u>403,948</u> | <u>810,315</u> |
| Unrestricted | 13 | | | | |
| General Reserves: | | | | | |
| Held by Company | | 586,583 | 601,566 | 586,583 | 601,567 |
| Retained by Subsidiary | | 10,408 | 10,408 | - | - |
| Designated reserve | | <u>34,336</u> | <u>80,000</u> | <u>34,336</u> | <u>80,000</u> |
| | | <u>631,327</u> | <u>691,974</u> | <u>620,919</u> | <u>681,567</u> |
| TOTAL FUNDS | | <u>1,426,177</u> | <u>1,929,379</u> | <u>1,024,867</u> | <u>1,491,882</u> |

Approved by the Board of Directors on 15 July 2008 and signed on their behalf by:


 J Snow – Deputy Chair and Director


 P Coulter – Director

THE MEDIA TRUST**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31ST MARCH 2008****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) Donations are accounted for on a received basis and grants are accounted for when they are unconditionally receivable.
- (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) Fund accounting:
 - a. Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of Media Trust.
 - b. Designated funds comprise unrestricted funds that have been put aside at the discretion of the trustees for particular purposes (see note 13).
 - c. Restricted income funds are funds subject to specific restrictions imposed by donors or by the purpose of the appeal.
- (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

| | 2008 | 2007 |
|-------------------------------------|----------------|----------------|
| | Total | Total |
| | £ | £ |
| Corporate donations and sponsorship | 186,320 | 184,000 |
| Donation in kind - premises | 74,500 | 74,500 |
| Total | 260,820 | 258,500 |

The group receives a wide range of discounted and donated services from the media industry, particularly BSkyB, BBC, Virgin Media 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, Daily Mail and General Trust, Disney Channel UK, Emap PLC, Discovery Networks Europe, Guardian Media Group, ITV, MTV Networks UK & Ireland, News International, Newsquest Media Group, OMD, Time Warner, WPP.

THE MEDIA TRUST

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31ST MARCH 2008

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | 2008 | | | | | |
|--|------------------------|---------------------------------|----------------------|------------------------------|------------|--------------------|
| | Community Channel £ | Voluntary Sector Campaigns £ | Film Production £ | Communications Services £ | Youth £ | Total 2007 £ |
| Office of the Third Sector | 1,063,000 | 721,090 | 25,000 | 162,000 | - | 1,971,090 |
| Department of Culture, Media and Sport | - | - | - | - | 333,000 | 333,000 |
| ICT Hub | - | - | - | 42,553 | - | 42,553 |
| Capacity Builders | - | - | - | 197,405 | - | 197,405 |
| Department for Communities and Local Government | - | - | - | - | - | 28,531 |
| Vodafone Foundation | - | - | - | - | 30,000 | 100,000 |
| V | - | - | 18,000 | - | - | 18,000 |
| VAMU | - | - | - | 5,950 | - | 5,950 |
| Mediabox (Department for Children, Schools and Families) | - | - | - | - | 314,744 | 314,744 |
| The City Bridge Trust | - | - | - | 60,900 | - | 60,900 |
| WCVA | - | - | - | 10,000 | - | 10,000 |
| Wellcome Trust | - | - | 212,786 | - | - | 212,786 |
| Arts council for England and Wales | - | - | 50,000 | - | - | 50,000 |
| Other grants | - | - | - | - | 3,200 | 3,200 |
| Fee income | 242,978 | - | 662,102 | 316,366 | - | 1,221,446 |
| Total | 1,305,978 | 721,090 | 967,888 | 795,174 | 680,944 | 4,471,074 |
| | | | | | | 1,500 |
| | | | | | | 1,242,418 |
| | | | | | | 4,147,844 |

THE MEDIA TRUST**NOTES TO THE ACCOUNTS (Continued)****FOR THE YEAR ENDED 31ST MARCH 2008****4. ANALYSIS OF RESOURCES EXPENDED**

| | 2008 | | | 2007 |
|---------------------------------|---------------------|----------------------|------------------|------------------|
| | Direct costs | Support costs | Total | Total |
| | £ | £ | £ | £ |
| Generating funds | - | 65,100 | 65,100 | 64,140 |
| Community Channel | 1,139,973 | 174,703 | 1,314,676 | 1,398,919 |
| Voluntary sector campaigns | 814,705 | 66,892 | 881,597 | 676,591 |
| Film production | 891,602 | 231,178 | 1,122,780 | 732,267 |
| Communications services | 891,547 | 122,541 | 1,014,088 | 821,122 |
| Youth | 764,833 | 100,217 | 865,050 | 243,299 |
| Governance | - | 50,251 | 50,251 | 51,999 |
| Total resources expended | 4,502,660 | 810,882 | 5,313,542 | 3,988,337 |

ANALYSIS OF SUPPORT COSTS

| | 2008 | | | 2007 |
|---------------------------------|---------------------------|----------------------------------|----------------|----------------|
| | General management | Premises & facilities | Total | Total |
| | £ | £ | £ | £ |
| Generating funds | 57,500 | 7,600 | 65,100 | 64,140 |
| Community Channel | 44,366 | 130,337 | 174,703 | 109,590 |
| Voluntary sector campaigns | 16,987 | 49,905 | 66,892 | 57,359 |
| Film production | 58,708 | 172,470 | 231,178 | 118,060 |
| Communications services | 31,120 | 91,421 | 122,541 | 141,681 |
| Youth | 25,450 | 74,767 | 100,217 | 45,305 |
| Governance | 46,866 | 3,385 | 50,251 | 51,999 |
| Total resources expended | 280,997 | 529,885 | 810,882 | 588,134 |

5. NET INCOMING RESOURCES IS STATED AFTER CHARGING:

| | Group | |
|---------------------------|--------------|-------------|
| | 2008 | 2007 |
| | £ | £ |
| Depreciation | 58,244 | 63,575 |
| Audit Fee | 4,800 | 4,700 |
| Other accounting services | 3,680 | - |

THE MEDIA TRUST**NOTES TO THE ACCOUNTS (Continued)****FOR THE YEAR ENDED 31ST MARCH 2008****6. STAFF COSTS**

| | Group | |
|-----------------------|------------------|------------------|
| | 2008 | 2007 |
| | £ | £ |
| Salaries and Wages | 1,928,618 | 1,397,752 |
| Social Security Costs | 205,466 | 149,248 |
| Pension Costs | 20,632 | 10,820 |
| | <u>2,154,716</u> | <u>1,557,820</u> |

A defined contribution scheme for all staff was implemented during the year. This commenced with 2% contribution from the employees and 1% from the employer, with a commitment to rise to 4% contribution from the employees and 3% from the employer over the next two years.

| | No. | No. |
|---|------------|------------|
| The average number of staff employed during the period was: | <u>62</u> | <u>45</u> |
| Employees whose remuneration exceeded £60,000 | | |
| Range: | | |
| £60,000 - £70,000 | 1 | 1 |
| £80,000 - £90,000 | <u>-</u> | <u>1</u> |

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

7. FIXED ASSETS

| | Group Equipment | | Company Equipment | |
|-------------------------|------------------------|----------------|--------------------------|----------------|
| | 2008 | 2007 | 2008 | 2007 |
| | £ | £ | £ | £ |
| Cost : | | | | |
| Balance brought forward | 453,633 | 408,064 | 176,909 | 138,633 |
| Additions | 32,330 | 55,986 | 17,028 | 48,693 |
| Scrapped / written off | (215,612) | (10,417) | (92,897) | (10,417) |
| Balance carried forward | <u>270,351</u> | <u>453,633</u> | <u>101,040</u> | <u>176,909</u> |
| Depreciation: | | | | |
| Balance brought forward | 358,588 | 295,013 | 132,014 | 124,668 |
| Charge for year | 58,244 | 63,575 | 17,056 | 7,346 |
| Scrapped / written off | (206,912) | - | (84,196) | - |
| Balance carried forward | <u>209,920</u> | <u>358,588</u> | <u>64,874</u> | <u>132,014</u> |
| Net book value | <u>60,431</u> | <u>95,045</u> | <u>36,166</u> | <u>44,895</u> |

THE MEDIA TRUST**NOTES TO THE ACCOUNTS (Continued)****FOR THE YEAR ENDED 31ST MARCH 2008****8. DEBTORS**

| | Group | | Company | |
|--------------------------------|----------------|----------------|----------------|----------------|
| | 2008 | 2007 | 2008 | 2007 |
| | £ | £ | £ | £ |
| Trade Debtors | 621,332 | 311,439 | 386,483 | 237,865 |
| Prepayments and Accrued Income | 61,798 | 150,852 | 26,230 | 116,289 |
| Other Debtors | 26,231 | 37,405 | 7,799 | 29,006 |
| | <u>709,361</u> | <u>499,696</u> | <u>420,512</u> | <u>383,160</u> |

Debtors have increased due to £70,000 of old debtors which the directors consider recoverable and invoicing being delayed to the last month of the year.

9. CREDITORS

| | Group | | Company | |
|--|----------------|----------------|----------------|------------------|
| | 2008 | 2007 | 2008 | 2007 |
| | £ | £ | £ | £ |
| Trade Creditors | 119,489 | 339,623 | 37,838 | 217,902 |
| Other Creditors including taxation and social security | 117,667 | 102,053 | 93,814 | 102,053 |
| Overdrafts | 40,911 | - | - | - |
| Accruals & Deferred Income | 393,843 | 488,154 | 319,776 | 371,977 |
| Amounts due to group Undertakings | - | - | 308,678 | 427,914 |
| | <u>671,910</u> | <u>929,830</u> | <u>760,106</u> | <u>1,119,846</u> |

Cash is managed on behalf of the group by the parent charity.

10. OPERATING LEASES

At 31st March 2008 the Company had annual commitments under non-cancellable operating leases as follows:

| | 2008 | 2007 |
|----------------------------|----------------|---------------|
| | £ | £ |
| Expiry date | | |
| Within one year | - | - |
| Between one and five years | 251,876 | 29,500 |
| In more than five years | - | - |
| | <u>251,876</u> | <u>29,500</u> |

Included in operating leases is £250,000 p.a. for the lease on the Company's principal office. This lease includes rates, security, cleaning, furniture as well as rent.

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.

THE MEDIA TRUST**NOTES TO THE ACCOUNTS (Continued)****FOR THE YEAR ENDED 31ST MARCH 2008****12. RESTRICTED FUNDS**

| | Brought Forward | -----Movement in Year----- | | | Carried Forward |
|---|------------------|----------------------------|------------------|--------------------|-----------------|
| | | Income | | | |
| | | Interest | Income | Expenditure | |
| | £ | £ | £ | £ | £ |
| Production | | | | | |
| Welcome Trust | (27,694) | - | 212,786 | (185,092) | - |
| Office of the Third Sector | - | 525 | 25,000 | (25,525) | - |
| Other | - | 1,210 | 68,000 | (69,210) | - |
| Training and Communications Services | | | | | |
| Office of the Third Sector | 78,473 | 2,220 | 162,000 | (183,466) | 59,227 |
| Big Lottery Fund | 18,877 | 617 | - | (19,494) | - |
| The City Bridge Trust | 16,026 | 330 | 60,900 | (68,171) | 9,085 |
| Capacity Builders | 102,371 | 3,352 | 197,405 | (201,744) | 101,384 |
| ICT Hub | 82,185 | 1,904 | 42,553 | (126,642) | - |
| Other | - | 115 | 15,950 | (14,051) | 2,014 |
| Voluntary Sector Campaigns | | | | | |
| Office of the Third Sector | 175,456 | 2,929 | 721,090 | (881,062) | 18,413 |
| Community Channel | | | | | |
| Office of the Third Sector | 439,980 | 14,415 | 1,063,000 | (1,091,480) | 425,915 |
| Youth | 351,731 | 10,386 | 680,944 | (864,249) | 178,812 |
| | <u>1,237,405</u> | <u>38,003</u> | <u>3,249,628</u> | <u>(3,730,186)</u> | <u>794,850</u> |

13. UNRESTRICTED FUNDS

| | Brought Forward | -----Movement in Year----- | | | Carried Forward |
|--------------------------|-----------------|----------------------------|------------------|--------------------|-----------------|
| | | Income | | | |
| | | Interest | Income | Expenditure | |
| | £ | £ | £ | £ | £ |
| General Reserves: | | | | | |
| Held by Company | 601,566 | 40,367 | 1,239,288 | (1,294,638) | 586,583 |
| Retained by Subsidiary | 10,408 | 76 | 242,978 | (243,054) | 10,408 |
| Designated reserve | 80,000 | - | - | (45,664) | 34,336 |
| | <u>691,974</u> | <u>40,443</u> | <u>1,482,266</u> | <u>(1,583,356)</u> | <u>631,327</u> |

The designated reserve is held in respect of the costs of moving offices, as Media Trust has until March 2008 occupied rent free premises. The unutilised balance on this reserve is being retained for the next office move.

THE MEDIA TRUST**NOTES TO THE ACCOUNTS (Continued)****FOR THE YEAR ENDED 31ST MARCH 2008****14. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

| | Unrestricted Funds | Restricted Funds | | Total Funds |
|--------------------|-----------------------|------------------|-----------------|----------------|
| | £ | Company £ | Subsidiary £ | £ |
| Fixed Assets | 36,166 | - | 24,265 | 60,431 |
| Net Current Assets | 595,161 | 403,948 | 366,637 | 1,365,746 |
| | 631,327 | 403,948 | 390,902 | 1,426,177 |

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 no capital commitments at the period end (2007 - £32,300).

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 company has secured funding from the Office of the Third Sector to 31st March 2011 and expenditure for this year has been budgeted on this basis. The company at present, remains dependant upon the continued support of this funder and its major corporate donors BSkyB, BBC, News International and Virgin Media which include bandwidth, programming, staff secondments and cross promotion both on air and in press advertisements and listings. The total income was £1,311,054, the total expenditure was £1,336,133 and the total net assets at the year end amounted to £401,309.

18. RELATED PARTY TRANSACTIONS

As described in note 2, the Media Trust is supported by a number of major media organisations including BSkyB, BBC, News International and Virgin Media. 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. The directors do not believe that these organisations are related to the Media Trust and absent themselves from any transaction involving the media organization they are connected to.