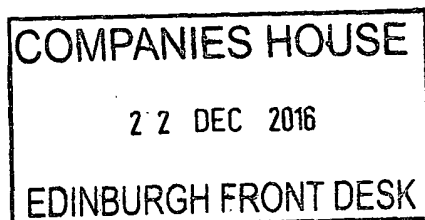


REGISTERED COMPANY NUMBER: SC197570
REGISTERED CHARITY NUMBER: SC029114

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016
FOR
NEW MEDIA SCOTLAND**



THURSDAY



S5MDDPHK
SCT 22/12/2016 #306
COMPANIES HOUSE

Martin Aitken & Co Ltd
Chartered Accountants
Caledonia House
89 Seaward Street
Glasgow
G41 1HJ

NEW MEDIA SCOTLAND

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FOR THE YEAR ENDED 31 MARCH 2016**

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NEW MEDIA SCOTLAND

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2016

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 31 March 2016. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The company's objects are "to advance education, in particular through the promotion of the arts."

In service to the principal objects are our aims and objectives as follows:

Mission - New Media Scotland is a national development agency fostering artist and audience engagement with all forms of new media practice.

Aims and Objectives

To support artists' work in art and technology within a Scottish context and internationally

- Increase opportunities for commissioning new work
- Develop opportunities for exhibition
- Improve professional development provision for artists

To provide information services, promote critical debate and aid research and development in contemporary arts practice in relation to technology

- Improve the circulation of information and opportunities in the field to constituents
- Enhance the level of critical debate and dialogue around new media art and technology
- Support research and development in art and technology and the creative application of new technologies by artists

To build awareness for the art and technology sector in Scotland and the work of New Media Scotland

- Act as a leader and national advocate for the art and technology sector
- Raise the profile of Scottish based artists
- Raise the profile of New Media Scotland's work

Principal Activities

The company is a charity formed for the promotion of the arts. Its principal activities comprise the facilitation of the application of new technologies to the creation of artworks.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The main areas of charitable activity are the provision of arts projects, programmes, education/outreach workshops, talks and events for the general public. In addition, we also provide commissioning, bursary and training/professional development opportunities to artists.

Activities during the year ended 31 March 2016

For the first time Latelab at 2015 Edinburgh International Science Festival was distributed across the city centre, using six different spaces. We opened with an Atmosphere of Tron V Tron: Legacy at the National Museum of Scotland. We continued with Encounters, PechKucha, Dialogues and GastroLab at Summerhall and wrapped up with Beauty by Design at the Scottish National Portrait Gallery. Each venue provided an opportunity to experiment with the format in a new context with new audiences.

The first Alt-w exhibition of the financial year opened at the Embassy Gallery in Edinburgh, curated by Dane Sutherland, the first curator to receive an Alt-w award. This dynamic exhibition is one of two, with the second show opening at Voidoid Archive in Glasgow in 2016. Cycle 10 of the Alt-w Fund will see seven projects supported.

After a couple of years without a presence at the Edinburgh International Film Festival, we were invited to speak about the Atmosphere programme to industrial delegates at this year's event. The positive response to the presentation produced an immediate response from the Director of the Centre for the Moving Image to re-establish the partnership in the future. We will be looking to present Michael Powell's 'The Edge of the World' as the first instance of this new relationship in either 2016 or 2017.

NEW MEDIA SCOTLAND

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2016

ACHIEVEMENT AND PERFORMANCE – CONTINUED

June saw the selection of artist collective boredom research to produce a new piece of work under the auspices of the £25k UWS Alt-w Paisley Digital Art Commission. A series of workshops for students and members of the community will be delivered, with work in progress presented at the 2016 Edinburgh Art Festival before a premiere at Paisley Museum and Art Gallery in support of Paisley's bid to be UK City of Culture 2021.

Application surgeries for Alt-w Cycle 11 took place across Scotland in late July and early August. The focus of this cycle was architecture as part of national celebrations in 2016. The exhibition will be delivered in partnership with the Travelling Gallery and four static locations across Scotland from August 2016. Selection took place in September 2015 with ~ in the fields, Charles Young, Dennis & Debbie Club and The Bothy Project with Torsten Lausmann chosen to receive £10k production awards.

August also saw the return of Alt-w supported Requiem for Edward Snowden to Edinburgh as part of the Fringe. This has proved to be a perennially popular piece of work which has toured internationally.

In September, it was Sanctuary in the Galloway Dark Skies Park, a 24 hour art laboratory. We supported both the overall delivery and three specific commissions. Of these, the work of Tim Shaw and Sebastien Piquemal and their work, Murmurate stood out, and we will be looking to work with them again in 2016. Sanctuary is a unique event, and will be the focus of development support from New Media Scotland as they move towards their next event in September 2017.

As Associate Curator of the NEoN Digital Art Festival, New Media Scotland has also played a strategic role in the development of this annual event in Dundee. November 2015 saw the commission of Japanese artist Ei Wada to create an installation and performance at Dundee Contemporary Art. The Alt-w Fund enabled this important international artist to make new work for the festival, demonstrating the level of ambition of the festival.

Our collaboration with the Society of Scottish Artists in 2014, enables us to have a guest artist at the annual exhibition in December 2015. Three pieces by Alt-w supported artist Alan Brown were installed at the Royal Scottish Academy earning 4**** reviews and leading images published in national print press. Visitor figures are always exemplary, and this collaboration will continue into 2016 and beyond.

January saw an invitation by the University of Leiden in the Netherlands to speak about Alt-w supported Cybraphon at an international conference about digital museum practice. Cybraphon, the BAFTA winning autonomous emotional band, will feature in the new art and design galleries at the National Museum of Scotland when they reopen in July 2016.

In late February, a second international opportunity arose and our Chief Executive was invited to visit Indonesia by the British Council as part of a UK delegation of digital art curators. The visit has enabled investment by the British Council into the Alt-w Fund, and the opportunity to export best practice with respect to arts funding to a pilot city of Bandung.

FINANCIAL REVIEW

Principal funding sources

Principal funding is from Creative Scotland and the Scottish Government for the Alt-w Fund. Core funding from the University of Edinburgh ceased at the end of July 2014 due to the closure of Inspace, and this will remain closed until 2018 when it is due to re-open. We will renegotiate funding with the University of Edinburgh at this time.

As shown in the Statement of Financial Activities (SOFA) on page 7, there was net income for the year of £9,876 compared to a deficit of £39,675 the previous year. The main reasons for this increase is reduced costs and acceleration of income recognition.

Reserves policy and going concern.

No reserves policy is in place as this was not sustainable without core funding being present. Our operational base within the University of Edinburgh is provided without charge and no overhead.

The Board of Trustees have reviewed the likely outcome for the next 12 months taking account of historic trends and performance since the balance sheet date. The trustees consider the charity to be a going concern as it is in a position to meet its financial liabilities as they fall due and will be able to do so for a period of at least 12 months from the date the accounts are signed.

NEW MEDIA SCOTLAND

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2016

FUTURE PLANS

The interim business model for New Media Scotland is based on consultancy, principally through the commissioning of work. Consultancy with the University of the West of Scotland has recently completed, and a new partnership with Ginkgo Projects will see £120k of investment into three fellowships that New Media Scotland is project curator for. The last cycle of Alt-w was supported by Creative Scotland's open project fund to the same amount as previous cycles received investment from the Innovation Fund. We are just about to submit the next application for open project funding for the next cycle of Alt-w. This will be for £95k. In addition, New Media Scotland will look to secure three years of regular funding from Creative Scotland from April 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a charitable company limited by guarantee, incorporated and recognised as a charity on 25 June 1999. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Recruitment and appointment of new trustees

The directors of the company are also charity trustees for the purpose of charity law and under the company's articles are known as members of the Board of Directors, which is the Management Committee of the company. Under the requirements of the Memorandum and Articles of Association, the members of the Board of Directors are elected to serve for a period of 3 years after which they may be invited by the other members to renew their membership for another 3 years before having to step down from the Board of Directors.

The Board of Directors is made up of a mix of traditional business skills and those with specialist skills in the arts and education sector. In order to maintain this broad mix, we conduct a skills audit of our existing members annually and actively recruit to attract those skills currently not on the Board through Arts & Business Board Bank, advertising, individual solicitation (trustees make approaches) and through cultivation events (special exhibitions, open days etc).

Organisational structure

New Media Scotland has a Board of Directors of up to 13 members who meet 5 times a year and are responsible for the strategic direction and policy of the organisation. At present, the Board has 5 members from a variety of professional backgrounds relevant to the work of the charity. The Secretary, who is also the Executive Director, sits on the Board but has no voting rights.

A scheme of delegation is in place and day to day responsibility for the organisation rests with the Chief Executive (Executive Director). The Chief Executive is responsible for oversight, reporting, planning, fundraising and operational management - ensuring that the charity delivers the programmes and services specified and that key performance indicators are met in line with the organisation's strategic plan, mission, aims and objectives. As at 31 March 2015, there was 1 staff position in the organisation. As from 31 August 2015, this staff member transitioned from full time to freelance. A simple line management structure operates that starts with the Board of Directors, followed by the Executive Director who reports to the Board and line manages various co-producers, paid interns and/or volunteers. The organisation works to ensure that all of the staff team continue to develop their skills and working methods in line with best practice.

Induction and training of new trustees

The existing trustees, who are already familiar with the work of New Media Scotland, attend an annual training, evaluation and planning Away Day with the senior staff member of the organisation. We use this day-long session to assess the work of the organisation and the Board over the previous year, to forward plan, and to offer any trustee legal guidance updates.

NEW MEDIA SCOTLAND

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT - CONTINUED

Additionally, new trustees, before coming on to the Board, attend one Board meeting as an observer then meet with the Chair and the Executive Director for a short induction session (usually an hour long) to familiarise themselves with the charity and the context in which it operates. These sessions cover:

- The obligations of the Board of Directors
- The main documents which set out the operational framework for the charity including the Memorandum and Articles of Association
- Resourcing and the current financial position as set out in the latest published accounts
- Future strategic and programme plans and the organisation's aims and objectives

A Board Book has also been prepared and is given to every new trustee as both a hard copy and electronically. It provides all the necessary information on being a trustee as published in "Care, Diligence and Skill" published by the Scottish Arts Council, but also all of the documents for the organisation (past meeting minutes and Board papers, annual reports, annual accounts, governing documents etc.). The induction process has been favourably received by the trustees.

Related parties

In so far as it is complimentary to the charity's objects, the charity is guided by local, national and international policy and best practice. At a Scottish level, we work within the published guidance and business plans of Creative Scotland. In particular, we attempt to work within the key priorities of the University of Edinburgh's School of Informatics with which we have a 10 year joint research partnership in the form of the Inspace laboratory.

Staff members of the organisation are encouraged to serve on committees, panels and action/policy working groups at a local, national and international level in order to improve links and knowledge within our field. These links are invaluable to achieving our aims and objectives and in particular, our ability to inform policy developments and generate prospective funding.

Principal risks

The trustees have conducted their own review of major risks to the charity and have implemented systems to mitigate these. Key risks that we have identified are reliance upon Creative Scotland grant for the delivery of our core services and continuing our Alt-w project.

Key management remuneration

The directors consider that the Board of Directors, who are the charity's trustees, and the Chief Executive/Company Secretary comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. All directors/trustees give of their time freely and no director/trustee received any remuneration or expenses during the year.

The pay of senior staff is reviewed annually, taking account of market conditions and salaries available to staff in similar positions in other organisations.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
SC197570

Registered Charity number
SC029114

Registered office
Evolution House 78 West Port
Edinburgh
EH1 2LE

NEW MEDIA SCOTLAND

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

REFERENCE AND ADMINISTRATIVE DETAILS - CONTINUED

Trustees

G Dunlop
J R Oberlander
A Thomas
J McVeigh
Ms W McMurdo

Company Secretary

C M Daniels

Independent examiner

Ewen Dyer CA FCIE
Martin Aitken & Co Ltd
Chartered Accountants
Caledonia House
89 Seaward Street
Glasgow
G41 1HJ

Bankers

The Cooperative Bank
P.O. Box 101
1 Balloon Street
Manchester
M60 4EP

Approved by order of the Board of trustees on 15 December 2016 and signed on its behalf by:



.....
J R Oberlander - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF NEW MEDIA SCOTLAND

I report on the accounts for the year ended 31 March 2016 set out on pages seven to eighteen.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Ewen Dyer CA FCIE
Martin Aitken & Co Ltd
Chartered Accountants
Caledonia House
89 Seaward Street
Glasgow
G41 1HJ

15 December 2016

NEW MEDIA SCOTLAND

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2016

		Unrestricted funds	Restricted funds	Total	2016 funds	Total	2015 funds
	Notes	£	£		£		£
INCOME FROM							
Donations and legacies		10,000	-		10,000		10,000
Charitable activities							
Project funding	2	3,312	-		3,312		36,616
Alt-w production and R&D award for digital creation in Scotland	2	-	71,000		71,000		53,694
Other trading activities	3	3,520	-		3,520		2,106
Investment income	4	-	6		6		32
Total		16,832	71,006		87,838		102,448
 EXPENDITURE ON							
Charitable activities	5						
Project costs		13,201	-		13,201		46,930
Alt-w production and R&D award for digital creation in Scotland		-	64,761		64,761		95,193
Total		13,201	64,761		77,962		142,123
 NET INCOME/(EXPENDITURE)		3,631	6,245		9,876		(39,675)
 RECONCILIATION OF FUNDS							
Total funds brought forward		(3,000)	3,750		750		40,425
 TOTAL FUNDS CARRIED FORWARD		631	9,995		10,626		750

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

NEW MEDIA SCOTLAND

BALANCE SHEET AT 31 MARCH 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	11	1,425	1,983
CURRENT ASSETS			
Debtors	12	12,280	4,650
Cash at bank		<u>1,000</u>	<u>1,580</u>
		13,280	6,230
CREDITORS			
Amounts falling due within one year	13	(4,079)	(7,463)
NET CURRENT ASSETS/(LIABILITIES)		<u>9,201</u>	<u>(1,233)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,626</u>	<u>750</u>
NET ASSETS		<u>10,626</u>	<u>750</u>
FUNDS	16		
Unrestricted funds		631	(3,000)
Restricted funds		<u>9,995</u>	<u>3,750</u>
TOTAL FUNDS		<u>10,626</u>	<u>750</u>

The notes form part of these financial statements

NEW MEDIA SCOTLAND

BALANCE SHEET - CONTINUED AT 31 MARCH 2016

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2016.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2016 in accordance with Section 476 of the Companies Act 2006.

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 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 15 December 2016 and were signed on its behalf by:



.....
J R Oberlander -Trustee

NEW MEDIA SCOTLAND

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>(1,907)</u>	<u>(28,976)</u>
Net cash provided by (used in) operating activities		<u>(1,907)</u>	<u>(28,976)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(84)	(645)
Interest received		<u>6</u>	<u>32</u>
Net cash provided by (used in) investing activities		<u>(78)</u>	<u>(613)</u>
Change in cash and cash equivalents in the reporting period		(1,985)	(29,589)
Cash and cash equivalents at the beginning of the reporting period	2	<u>1,580</u>	<u>31,169</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>(405)</u></u>	<u><u>1,580</u></u>

The notes form part of these financial statements

NEW MEDIA SCOTLAND

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	9,876	(39,675)
Adjustments for:		
Depreciation charges	642	898
Interest received	(6)	(32)
(Increase)/decrease in debtors	(7,630)	13,223
Decrease in creditors	<u>(4,789)</u>	<u>(3,390)</u>
Net cash provided by (used in) operating activities	<u>(1,907)</u>	<u>(28,976)</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Notice deposits (less than 3 months)	1,000	1,580
Overdrafts included in bank loans and overdrafts falling due within one year	<u>(1,405)</u>	<u>-</u>
Total cash and cash equivalents	<u>(405)</u>	<u>1,580</u>

NEW MEDIA SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

New Media Scotland is a company limited by guarantee incorporated in Scotland. The registered office is Evolution House, 78 West Port, Edinburgh, EH1 2LE.

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

This is the first year in which the financial statements have been prepared under FRS 102 and the Charities SORP (FRS 102). In preparing the financial statements of the charity, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP (FRS 102) the restatement of comparative items was required. Refer to note 19 for an explanation of the transition and the effect on the financial statements of the charity.

The financial statements are presented in Sterling (£).

Going concern

The financial statements have been prepared on a going concern basis, which the trustees believe to be appropriate for the reasons set out in the Trustees' Report.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably. Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions applying have been met, it is probable that the income will be received and the amount can be reliably measured.

Donated services and facilities

Donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. Donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain the services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. 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.

Governance costs

These consist of the costs of accounts production and any other financial services and expenditure incurred in compliance with the legal requirements of the charity.

Allocation and apportionment of costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated to expenditure on charitable activities.

NEW MEDIA SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Plant and machinery	- 25% on reducing balance
Computer equipment	- 33.3% on cost

Taxation

The company has charitable status and is exempt from taxation. The company is not registered for VAT and accordingly any irrecoverable VAT is included in the expenditure concerned.

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.

Other basic financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at transaction price.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with bank and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from the other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

2. INCOME FROM CHARITABLE ACTIVITIES

	2016	2015
	£	£
Grants	71,000	53,694
Project funding	<u>3,312</u>	<u>36,616</u>
	<u>74,312</u>	<u>90,310</u>

Grants received are as follows:-

	2016	2015
	£	£
Creative Scotland	55,000	37,694
Scottish Government	<u>16,000</u>	<u>16,000</u>
	<u>71,000</u>	<u>53,694</u>

NEW MEDIA SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2016

3. OTHER TRADING ACTIVITIES

	2016	2015
	£	£
Other income	520	2,106
Project management fees	<u>3,000</u>	<u>-</u>
	<u>3,520</u>	<u>2,106</u>

4. INVESTMENT INCOME

	2016	2015
	£	£
Deposit account interest	<u>6</u>	<u>32</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 6)	Totals
	£	£	£
Charitable activity	<u>75,404</u>	<u>2,558</u>	<u>77,962</u>

6. SUPPORT COSTS

	Governance costs
	£
Charitable activities – project costs	<u>2,558</u>

Governance costs consist of the Independent Examination fees (2015 : £2,603).

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2016	2015
	£	£
Depreciation - owned assets	<u>642</u>	<u>898</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2016 nor for the year ended 31 March 2015.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2016 nor the year ended 31 March 2015.

NEW MEDIA SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2016

9. STAFF COSTS

	2016 £	2015 £
Wages and salaries	<u>14,620</u>	<u>24,820</u>

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

	2016	2015
Number of staff	<u>1</u>	<u>1</u>

No employees received emoluments in excess of £60,000 (2015 : nil).

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME FROM			
Donations and legacies	10,000	-	10,000
Charitable activities			
Project funding	36,616	-	36,616
Alt-w production and R&D award for digital creation in Scotland	-	53,694	53,694
Other trading activities	2,106	-	2,106
Investment income	<u>7</u>	<u>25</u>	<u>32</u>
Total	48,729	53,719	102,448
EXPENDITURE ON			
Charitable activities			
Project costs	46,930	-	46,930
Alt-w production and R&D award for digital creation in Scotland	<u>-</u>	<u>95,193</u>	<u>95,193</u>
Total	46,930	95,193	142,123
NET INCOME/(EXPENDITURE)	1,799	(41,474)	(39,675)
RECONCILIATION OF FUNDS			
Total funds brought forward	(4,799)	45,224	40,425
TOTAL FUNDS CARRIED FORWARD	<u>(3,000)</u>	<u>3,750</u>	<u>750</u>

NEW MEDIA SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2016

11. TANGIBLE FIXED ASSETS

	Plant and machinery £	Computer equipment £	Totals £
COST			
At 1 April 2015	12,019	7,506	19,525
Additions	-	84	84
At 31 March 2016	<u>12,019</u>	<u>7,590</u>	<u>19,609</u>
DEPRECIATION			
At 1 April 2015	11,524	6,018	17,542
Charge for year	123	519	642
At 31 March 2016	<u>11,647</u>	<u>6,537</u>	<u>18,184</u>
NET BOOK VALUE			
At 31 March 2016	<u>372</u>	<u>1,053</u>	<u>1,425</u>
At 31 March 2015	<u>495</u>	<u>1,488</u>	<u>1,983</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Prepayments and accrued income	<u>12,280</u>	<u>4,650</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Bank loans and overdrafts (see note 14)	1,405	-
Social security and other taxes	-	4,923
Accruals and deferred income	<u>2,674</u>	<u>2,540</u>
	<u>4,079</u>	<u>7,463</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year on demand:		
Bank overdraft	<u>1,405</u>	<u>-</u>

NEW MEDIA SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2016

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Total 2016 funds	Total 2015 funds
	£	£	£	£
Fixed assets	1,425	-	1,425	1,983
Current assets	3,285	9,995	13,280	6,230
Current liabilities	<u>(4,079)</u>	<u>-</u>	<u>(4,079)</u>	<u>(7,463)</u>
	<u>631</u>	<u>9,995</u>	<u>10,626</u>	<u>750</u>

16. MOVEMENT IN FUNDS

	At 1.4.15 £	Net movement in funds £	At 31.3.16 £
Unrestricted funds			
General fund	(3,000)	3,631	631
Restricted funds			
Alt-w Fund	-	9,995	9,995
Innovation programme	<u>3,750</u>	<u>(3,750)</u>	<u>-</u>
	3,750	6,245	9,995
TOTAL FUNDS	<u>750</u>	<u>9,876</u>	<u>10,626</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	16,832	(13,201)	3,631
Restricted funds			
Alt-w Fund	71,006	(61,011)	9,995
Innovation Fund	<u>-</u>	<u>(3,750)</u>	<u>(3,750)</u>
	71,006	(64,761)	6,245
TOTAL FUNDS	<u>87,838</u>	<u>(77,962)</u>	<u>9,876</u>

The restricted Alt-w Fund is for the distribution of production awards to artists and technologists to make new work.

The restricted Innovation Fund was for the cost of an employee to finalise the project administration. This was fully expended during the year ended 31 March 2016.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016**

17. RELATED PARTY DISCLOSURES

During the year, total remuneration of £14,620 (2015 - £24,820) was paid to key management personnel.

18. ULTIMATE CONTROLLING PARTY

The charitable company is controlled by the Board of Trustees.

19. FIRST YEAR ADOPTION

As required in section 35 of FRS 102, the balances previously reported under the old UK GAAP at the date of transition, 1 April 2014, and the prior year end, 31 March 2015 need to be restated for the changes which have occurred on transition to FRS 102 and the Charities SORP (FRS 102).

In line with the requirements of the Charity SORP (FRS 102), on transition;

Clarification of income definitions resulted in various reallocations across the SORP headings: donations and legacies, charitable activities and other trading activities.

Governance costs have been reclassified under charitable activities.

The reclassifications above have had no effect on the net expenditure reported in the prior period.

No further restatement of the Statement of the Financial Activities, Balance Sheet or the opening fund balances has been required on transition.

Transitional relief

None of the transitional reliefs available under section 35 of the FRS 102, are applicable to the financial statements of the charity as at the date of transition, 1 April 2014.