

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 March 2023
for
Caithness F.M. Limited

Reid & Fraser
Chartered Accountants
15 Princes Street
Thurso
Caithness
KW14 7BQ

**Contents of the Financial Statements
for the Year Ended 31 March 2023**

	Page
Report of the Trustees	1 to 3
Independent Examiner's Report	4
Statement of Financial Activities	5
Balance Sheet	6 to 7
Notes to the Financial Statements	8 to 14

**Report of the Trustees
for the Year Ended 31 March 2023**

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 2023. 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Caithness FM Ltd (CFM) was set up as a company limited by guarantee in 1998 listed as SC185596. It was originally envisaged as a charity, but under the rules of the day, did not qualify. However, its aims and objectives were set up as though it was a charity. They are:

- The prevention and relief of poverty.
- The advancement of citizenship and community development.
- The advancement of the arts, heritage culture or science.

Included in these objects are:

- Run a community radio service to encourage disadvantaged and isolated rural populations to be fully aware of community affairs and opportunities.
- Liaise with other voluntary sector bodies, local authorities, UK or Scottish government departments and agencies, and other bodies, all with a view to furthering the company's objects.
- Establish and/or support any other charity and make donations for any charitable purpose falling within the company's objects. In support of this object, we run a Christmas Toy Appeal, with donated toys etc distributed throughout the county of Caithness to disadvantaged families.

In 2005 the charity governance for Scotland was changed when the Office of the Scottish Charities Regulator (OSCR) was set up. The new arrangements included community radio as an organisation eligible to be a charity. So in 2021 we applied for and were awarded charity status, listed as SC050922. This gave us several benefits such as exemption from business rates and water charges.

CFM broadcasts on 106.5 FM in the county of Caithness and on the internet. As such, we are regulated by OfCom [CR102144\ for the FM broadcast and also by PRS/PPL for music rights on both broadcast and internet. These licences represent a considerable cost which needs to be covered by advertising and sponsorship. To date we have six regular sponsored shows and numerous short-term advertisements which need continual administration to maintain.

The station is run entirely by volunteers. Our current list of presenters is 15, each contributing an average of 2.6 broadcast hours per week. The directors contribute considerably more in terms of management and maintenance.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Due to ever increasing energy costs, we took advice from Business Energy Scotland and were successful in obtaining a grant and loan via the government's Energy Savings Trust for a new air-source heating system. We also investigated replacing the flat roof, following a serious leak which could have destroyed our studio equipment. The leak was repaired by our own volunteers. We will seek grants for a new roof, with a better insulation value than the current one.

Our sustaining service, originally Moray Firth Radio, then the internet based MFR2 has changed again. Bauer Media replaced MFR2 with Greatest Hits Radio for the North of Scotland, (GHR) so this is the 24-hour output (known as our sustaining service) on FM and internet when we are off air. We also use GHR for our news service. We maintain 39 live broadcast hours per week, our Ofcom obligation (condition of licence) is for 35 hours.

We programmed a couple of extra broadcasts at Christmas and Easter, providing a breakfast show for both weeks. We also used our show-van for an outside broadcast and fundraiser for Thurso's 'Fun Day' promoting shopping locally at Christmas time. We continue to offer free advertising for local charities, arts etc events and interviews with local people and community organisations.

The décor of our building constantly needs refreshed. A local employer has offered the services of volunteer help to redecorate. Grass cutting on our extensive plot is a big maintenance chore for our volunteers in the summer months. Local criminal justice payback helps with the most difficult bits. These two things taken together show our contribution to local wellbeing is appreciated.

**Report of the Trustees
for the Year Ended 31 March 2023**

FINANCIAL REVIEW

Reserves policy

The charity has always operated a reserves policy based on the possibility of equipment failure. Our main audio desk, for example has never been replaced in our 24 years of operation. In the event of total loss through fire for example, we would be unlikely to recover its value as it will have depreciated to zero. We always have a certain turnover of equipment failure to cover.

In the event of loss of the building we would want to be back on air as soon as possible to keep business disruption to a minimum. We think £12k reserve sufficient.

Reserves are also needed in the event of loss of income. We believe a further £10k is needed.

Also, we operate the Toy Appeal as though it is a separate entity, being moneys donated by individuals and corporations for this purpose. This account stands at around £18k and is regarded as reserved funds.

FUTURE PLANS

The music mixing desk equipment is the original one installed in 1998. This remains good quality and has definitely paid for itself but is showing its age. Whilst it could be maintained, a decision has been made to replace it with modern equipment. This project will be a major refurbish of most of our studio equipment, including computerisation of some existing hardware functions. This will also mean a big retraining task for our volunteers.

As in previous years, we accept donations of cash and new toys for our Christmas Toy Appeal. The Toy Appeal has been running for longer than we have been on air and continues to be well received and supported by the generous people and businesses of Caithness. Several local businesses and stores operate collection points for toys. The recipients are identified by volunteers from the Council's Social Work department. In Christmas 2022 the toys we supplied were distributed to an estimated 350 children in our home county of Caithness.

We will explore the possibility of making the CFM Toy Appeal a separate SCIO charity from the Community Radio aspects of the business. They already are operated as such, with different bank accounts, but this will result in additional registration with OSCR.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

The charity encourages those members who wish to be considered for appointment as trustee to give written notice to the company prior to the AGM. The board is able to co-opt trustees at any time. All directors retire annually but are eligible for re-election.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC185596 (Scotland)

Registered Charity number

SC050922

Registered office

Neil Gunn Drive
Ormlie Industrial Estate
Thurso
Caithness
KW14 7QU

Trustees

R Saxon
J Johnson
R Johnson
R Young
B Saxon
K S McArthur
S MacDonald
S Owsnett

**Report of the Trustees
for the Year Ended 31 March 2023**

REFERENCE AND ADMINISTRATIVE DETAILS

Company Secretary

J Johnson

Independent Examiner

Reid & Fraser

Chartered Accountants

15 Princes Street

Thurso

Caithness

KW14 7BQ

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Caithness F.M. Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Approved by order of the board of trustees on 23 August 2023 and signed on its behalf by:

J Johnson - Trustee

**Independent Examiner's Report to the Trustees of
Caithness F.M. Limited (Registered number: SC185596)**

I report on the accounts for the year ended 31 March 2023 set out on pages five to fourteen.

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 (as amended). 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.

Linda Cameron FCCA CTA CA
The Institute of Chartered Accountants of Scotland

Reid & Fraser
Chartered Accountants
15 Princes Street
Thurso
Caithness
KW14 7BQ

Date:

Caithness F.M. Limited

**Statement of Financial Activities
for the Year Ended 31 March 2023**

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	21,384	20,525	41,909	38,684
Charitable activities					
Radio Show	4	7,991	10,000	17,991	44,960
Investment income	3	<u>2</u>	<u>-</u>	<u>2</u>	<u>-</u>
Total		<u>29,377</u>	<u>30,525</u>	<u>59,902</u>	<u>83,644</u>
EXPENDITURE ON					
Charitable activities					
Radio Show		35,687	3,675	39,362	38,113
Toy Appeal		<u>-</u>	<u>16,125</u>	<u>16,125</u>	<u>12,797</u>
Total		<u>35,687</u>	<u>19,800</u>	<u>55,487</u>	<u>50,910</u>
NET INCOME/(EXPENDITURE)					
Transfers between funds	15	(6,310)	10,725	4,415	32,734
		<u>(3,484)</u>	<u>3,484</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(9,794)</u>	<u>14,209</u>	<u>4,415</u>	<u>32,734</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		52,769	35,331	88,100	55,366
TOTAL FUNDS CARRIED FORWARD		<u>42,975</u>	<u>49,540</u>	<u>92,515</u>	<u>88,100</u>

The notes form part of these financial statements

Balance Sheet
31 March 2023

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Intangible assets	9	226	-	226	266
Tangible assets	10	<u>4,173</u>	<u>24,821</u>	<u>28,994</u>	<u>22,154</u>
		4,399	24,821	29,220	22,420
CURRENT ASSETS					
Debtors	11	4,799	10,589	15,388	20,221
Cash at bank and in hand		<u>34,777</u>	<u>24,092</u>	<u>58,869</u>	<u>46,459</u>
		39,576	34,681	74,257	66,680
CREDITORS					
Amounts falling due within one year	12	(1,000)	(6,994)	(7,994)	(1,000)
NET CURRENT ASSETS		<u>38,576</u>	<u>27,687</u>	<u>66,263</u>	<u>65,680</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		42,975	52,508	95,483	88,100
CREDITORS					
Amounts falling due after more than one year	13	-	(2,968)	(2,968)	-
NET ASSETS		<u>42,975</u>	<u>49,540</u>	<u>92,515</u>	<u>88,100</u>
FUNDS					
Unrestricted funds	15			42,975	52,769
Restricted funds				<u>49,540</u>	<u>35,331</u>
TOTAL FUNDS				<u>92,515</u>	<u>88,100</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2023 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.

Balance Sheet - continued
31 March 2023

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 23 August 2023 and were signed on its behalf by:

J Johnson - Trustee

**Notes to the Financial Statements
for the Year Ended 31 March 2023**

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

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.

INTANGIBLE ASSETS

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised at the following annual rates:

Licences - 15% reducing balance

TANGIBLE FIXED ASSETS

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

Equipment - 20% straight line

TAXATION

The charity is exempt from corporation tax on its charitable activities.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

DONATED GOODS AND SERVICES

Donated goods and services are recognised as income when the charity has control over the item, any conditions associated with the donated items have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably.

GRANTS RECEIVED

Grants received in respect of capital expenditure are credited to the statement of financial activities in the period received in accordance with the guidance contained in the Statement of Recommended Practice.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

2. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations and gifts received	18,725	17,863
Membership Fees	70	95
Donated goods and services	23,114	20,726
	<u>41,909</u>	<u>38,684</u>

3. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	<u>2</u>	<u>-</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023	2022
		£	£
Sponsorship income	Radio Show	3,293	4,299
Commercial income	Radio Show	4,698	20,192
Grants	Radio Show	10,000	19,932
Government grants amortised	Radio Show	-	537
		<u>17,991</u>	<u>44,960</u>

Grants received, included in the above, are as follows:

	2023	2022
	£	£
Halkirk District Benefit Fund - Building refurbishment	-	2,500
Adapt & Thrive - Online broadcasting	-	5,108
Baillie Wind Farm Benefit Fund - Building refurbishment	-	12,324
Energy Savings Trust - Building refurbishment	10,000	-
	<u>10,000</u>	<u>19,932</u>

5. NET INCOME/(EXPENDITURE)

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

	2023	2022
	£	£
Depreciation - owned assets	6,696	3,987
Patents and licences amortisation	<u>40</u>	<u>47</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

7. STAFF COSTS

The average number of employees in the year was Nil (2022 - Nil).

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	20,971	17,713	38,684
Charitable activities			
Radio Show	25,028	19,932	44,960
Total	<u>45,999</u>	<u>37,645</u>	<u>83,644</u>
EXPENDITURE ON			
Charitable activities			
Radio Show	34,009	4,104	38,113
Toy Appeal	-	12,797	12,797
Total	<u>34,009</u>	<u>16,901</u>	<u>50,910</u>
NET INCOME	11,990	20,744	32,734
RECONCILIATION OF FUNDS			
Total funds brought forward	40,779	14,587	55,366
TOTAL FUNDS CARRIED FORWARD	<u>52,769</u>	<u>35,331</u>	<u>88,100</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

9. INTANGIBLE FIXED ASSETS

	Patents and licences £
COST	
At 1 April 2022 and 31 March 2023	<u>600</u>
AMORTISATION	
At 1 April 2022	334
Charge for year	<u>40</u>
At 31 March 2023	<u>374</u>
NET BOOK VALUE	
At 31 March 2023	<u>226</u>
At 31 March 2022	<u>266</u>

10. TANGIBLE FIXED ASSETS

	Land and buildings £	Equipment £	Totals £
COST			
At 1 April 2022	15,068	71,294	86,362
Additions	-	<u>13,536</u>	<u>13,536</u>
At 31 March 2023	<u>15,068</u>	<u>84,830</u>	<u>99,898</u>
DEPRECIATION			
At 1 April 2022	-	64,208	64,208
Charge for year	-	<u>6,696</u>	<u>6,696</u>
At 31 March 2023	-	<u>70,904</u>	<u>70,904</u>
NET BOOK VALUE			
At 31 March 2023	<u>15,068</u>	<u>13,926</u>	<u>28,994</u>
At 31 March 2022	<u>15,068</u>	<u>7,086</u>	<u>22,154</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	<u>15,388</u>	<u>20,221</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Other loans (see note 14)	443	-
Trade creditors	7,551	1,000
	<u>7,994</u>	<u>1,000</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Other loans (see note 14)	<u>2,968</u>	<u>-</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>443</u>	<u>-</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>443</u>	<u>-</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>1,328</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Other loans more 5yrs instal	1,197	-

15. MOVEMENT IN FUNDS

	At 1.4.22	Net movement in funds	Transfers between funds	At 31.3.23
	£	£	£	£
Unrestricted funds				
General fund	52,769	(6,310)	(3,484)	42,975
Restricted funds				
Toy Appeal	19,502	4,400	-	23,902
Property refurbishment	14,444	6,931	3,484	24,859
Online broadcasting	1,385	(606)	-	779
	<u>35,331</u>	<u>10,725</u>	<u>3,484</u>	<u>49,540</u>
TOTAL FUNDS	<u>88,100</u>	<u>4,415</u>	<u>-</u>	<u>92,515</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

15. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	29,377	(35,687)	(6,310)
Restricted funds			
Toy Appeal	20,525	(16,125)	4,400
Property refurbishment	10,001	(3,070)	6,931
Online broadcasting	(1)	(605)	(606)
	<u>30,525</u>	<u>(19,800)</u>	<u>10,725</u>
TOTAL FUNDS	<u>59,902</u>	<u>(55,487)</u>	<u>4,415</u>

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	40,779	11,990	52,769
Restricted funds			
Toy Appeal	14,587	4,915	19,502
Property refurbishment	-	14,444	14,444
Online broadcasting	-	1,385	1,385
	<u>14,587</u>	<u>20,744</u>	<u>35,331</u>
TOTAL FUNDS	<u>55,366</u>	<u>32,734</u>	<u>88,100</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	45,999	(34,009)	11,990
Restricted funds			
Toy Appeal	17,712	(12,797)	4,915
Property refurbishment	14,824	(380)	14,444
Online broadcasting	5,109	(3,724)	1,385
	<u>37,645</u>	<u>(16,901)</u>	<u>20,744</u>
TOTAL FUNDS	<u>83,644</u>	<u>(50,910)</u>	<u>32,734</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

16. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2023.

17. DONATED GOODS AND SERVICES

During the year, donated goods with the approximate value of £1,800 (2022 - £1,850) were received for the Toy Appeal and have been recorded as income with a corresponding expense recognised in the SOFA.

Volunteers' time in running the radio station has been valued at £19,022 (2022 - £16,487) and management time has been valued at £2,292 (2022 - £2,389) and has been recorded as income and a corresponding expense recognised in the SOFA.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.