

**Dumfries & Galloway Aviation Museum**  
**(Company Limited by guarantee)**

**Company Information**

Directors	Jym Francey David Reid Stuart James John Hilsley Robert Sloan Douglas Oberhiem Robert Sloan Jnr Jim Kilbride Paul Mackey Mike Lavery John Lange Jack Groom – D&G Council Nominee
Secretary	Stuart James
Company Number	SC257787
Charity Number	SC035189
Registered Office	Old Control Tower Heathhall Industrial Estate Heathhall Dumfries DG1 3PH
Independent Examiner	Charles Hardy ACA 5 Granville Gardens Jesmond Vale Newcastle upon Tyne NE2 1HL

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**Dumfries & Galloway Aviation Museum**  
**(Company Limited by guarantee)**

**Directors' Report**  
**For the year ended 31<sup>st</sup> October 2012**

The trustees of the company, who are also directors of the charity for the purpose of the Companies Act, present their report and the financial statements for the year ended 31<sup>st</sup> October 2012. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005 in preparing the annual report and financial statements of the charity.

**Structure, governance and management**

Dumfries and Galloway Aviation Museum was constituted as a company limited by guarantee and not having a share capital by Memorandum and Articles of Association. The company was incorporated on 17<sup>th</sup> October 2003 and the liability of the members is limited to £1.00 each. The directors are appointed in accordance with the Memorandum and Articles of Association. The company is registered as a charity under reference SC035189.

The directors who served during the year are as stated below:

Jym Francey  
David Reid  
Alan Lammin – resigned 21/1/2012  
Stuart James  
John Hilsley  
Robert Sloan  
Douglas Oberhiem  
Susan Lammin – resigned 21/1/2012  
Robert Sloan Jnr  
Jim Kilbride  
Glyn Wall – deceased 20/2/2012  
Paul Mackey  
Mike Lavery  
John Lange  
Jack Groom

The company's Articles of Association do not require the directors to retire by rotation.

***Statement of trustee's responsibilities***

The trustees are responsible for preparing the Director's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing these financial statements, the trustees are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) observe the methods and principles in the Charities SORP;
- c) make judgements and estimates that are reasonable and prudent;
- d) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- e) prepare the financial statements on the going concern basis unless it is inappropriate to presume the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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*Risk Management*

The directors have assessed the major risks to which the charity is exposed, in particular those relating to the operations and financing of the company and are satisfied that systems are in place to mitigate exposure to these.

**Objects and activities**

The principle activity of the company is the running and maintenance of the Aviation Museum. The company's objects are the education of the general public and school children by the presentation of aviation artefacts and memorabilia with an emphasis on the aviation history of Dumfries and Galloway.

**Financial review**

The accounts have been prepared in accordance with the current statutory requirements and the company's Memorandum and Articles of Association. The results for the year show a net surplus of £56,174 as opposed to a net surplus of £9,978 in the previous year.

*Reserves Policy*

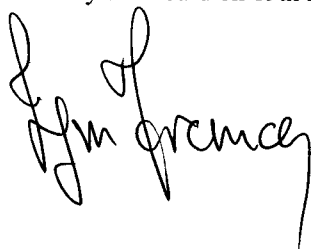
The directors have identified the need to maintain a reserve sufficient to cover the costs of approximately three months expenditure relating to overhead costs, estimated at £9000. Unrestricted reserves as at 31<sup>st</sup> October 2012 are in excess of this amount.

**Small Company Exemptions**

This report is prepared taking advantage of the small companies exemption of Section 415A of the Companies Act 2006.

This report was approved by the Board on 19th January 2013 and signed on its behalf by

**Jym Francey**  
**Director**

A handwritten signature in black ink, appearing to read 'Jym Francey', written over a light blue horizontal line.

**Dumfries & Galloway Aviation Museum**  
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**Independent Examiner's Report to the Trustees of**  
**Dumfries & Galloway Aviation Museum**

[ report on the accounts of the charity for the year ended 31<sup>st</sup> October 2012 which are attached as part of this document.

**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 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.

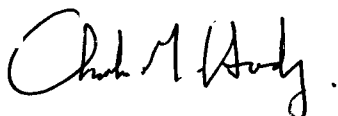
**Basis of the independent examiner's statement**

My examination is 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 seeks explanations from the 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 the course of my examination, no matter has come to my attention

- a) 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 comply with regulation 8 of the 2006 Accounts Regulationshave not been met, or
- b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



**Charles Hardy ACA**  
**5 Granville Gardens**  
**Jesmond Vale**  
**Newcastle upon Tyne**  
**NE2 1HL**  
**Date: 19<sup>th</sup> January 2013**

**Dumfries & Galloway Aviation Museum**  
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**Statement of Financial Activities (All Unrestricted Funds) Including Income and Expenditure Account**  
**for the year ended 31<sup>st</sup> October 2012**

	Notes	2012 £	2011 £
<b>Incoming Resources</b>			
<b>Incoming resources from generated funds</b>			
Voluntary Income			
Donations		3,168	3,322
Gifts in kind		60,105	14,355
Income from fundraising events		1,738	2,768
Interest receivable	6	0	32
<b>Incoming resources from charitable activities</b>			
Grants received			2,083
Charitable income	5	26,276	25,449
<b>Other Income</b>			
Profit/(Loss) on disposal of Heritage Asset		0	0
<b>Total Incoming Resources</b>		91,287	48,009
<b>Resources Expended</b>			
Costs of fundraising events		1,139	2,810
Charitable activities	4	34,003	32,564
Governance costs	5	(29)	2,657
<b>Total resources expended</b>		35,113	38,031
<b>Net Income/(Expenditure) for the year</b>	2	56,174	9,978
<b>Fund Balance Brought Forward</b>		578,007	568,029
<b>Fund Balance Carried Forward</b>		634,181	578,007

The notes on pages 7 to 10 form an integral part of these financial statements.

**Dumfries & Galloway Aviation Museum**  
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**Balance Sheet**  
**As at 31<sup>st</sup> October 2012**

	Notes	2012 £	2011 £
<b>Fixed Assets</b>			
Tangible assets	9	575,109	523,690
<b>Current Assets</b>			
Stocks		1,250	650
Debtors	10	440	445
Cash at bank and in hand		76,782	53,922
		<u>78,472</u>	<u>55,017</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(19,400)</u>	<u>(700)</u>
<b>Net current assets</b>		59,072	54,317
<b>Net assets</b>		<u>634,181</u>	<u>578,007</u>
<b>Funds</b>			
Unrestricted funds:			
Unrestricted income funds	12	25,230	21,305
Designated funds	12	608,951	556,702
<b>Total funds</b>		<u>634,181</u>	<u>578,007</u>

The directors' statements required by Section 475 are shown on the following page which forms part of this Balance Sheet.

The notes on pages 7 to 10 form an integral part of these financial statements.

**Dumfries & Galloway Aviation Museum**  
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**Balance Sheet (continued)**

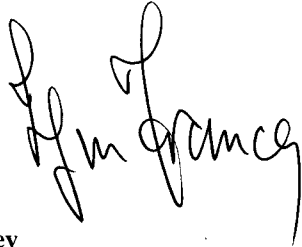
**Director's statements required by Section 475**  
**For the year ended 31<sup>st</sup> October 2012**

In approving these financial statements as trustees of the company, who are also directors of the charity for the purpose of the Companies Act, we hereby confirm:

- (a) that for the year stated above the company was entitled to the exemption from audit conferred by Section 477 of the Companies Act 2006;
- (b) that no notice has been deposited at the registered office of the company pursuant to Section 476 requesting that an audit be conducted for the year ended 31<sup>st</sup> October 2011 and
- (c) that we acknowledge our responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements are prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the Board on the 19<sup>th</sup> January 2013 and signed on its behalf by



**Jym Francey**  
**Director**

**The notes on pages 7 to 10 form an integral part of these financial statements.**



**Dumfries & Galloway Aviation Museum**  
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**Notes to the financial statements**  
**for the year ended 31<sup>st</sup> October 2012**

**1. Accounting policies**

**1.1. Accounting convention**

The financial statements are prepared under the historical cost convention as modified by the revaluation of assets in accordance with the Companies Act 2006, the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005).

**1.2. Incoming resources**

Income from donations is included gross in the statement of financial activities on an accruals basis, except as follows:

- when donors specify that donations are to be used in a future accounting period, the income is deferred until that period;
- when donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred until such pre-conditions have been met.

Government grants in respect of capital expenditure and revenue grants are credited to the statement of financial activities in the period they are receivable. All other charitable income is recorded in the statement of financial activities on an accruals basis.

**1.3. Resources expended**

Resources expended are included in the statement of financial activities on an accruals basis.

**1.4. Company status**

The charity is a company limited by guarantee. The members of the company are the trustees of the charity. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**1.5. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Heritage assets	- 1% Straight line
Equipment	- 15% Reducing balance

**1.6. Stock**

Stock is valued at the lower of cost and net realisable value.

**1.7. Fund accounting**

Unrestricted income funds – these are funds which can be used in accordance with the charitable objects at the discretion of the directors and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

**2. Net Income/(Expenditure) for the year**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Net Income/(Expenditure) for the year is stated after charging:		
Depreciation and other amounts written off tangible assets	<u>6,878</u>	<u>6,321</u>

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**Notes to the financial statements**  
**for the year ended 31<sup>st</sup> October 2012**

**3. Charitable income**

	<b>Unrestricted 2012 £</b>	<b>Restricted 2012 £</b>	<b>Total 2012 £</b>	<b>Unrestricted Funds 2011 £</b>
Income from trading activities	22,686		22,686	21,279
Membership income	3,590		3,590	4,170
	<hr/> 26,276		<hr/> 26,276	<hr/> 25,449

**4. Charitable activities**

	<b>Unrestricted Funds 2012 £</b>	<b>Unrestricted Funds 2011 £</b>
Opening stock	650	995
Purchases	5,273	4,266
Closing stock	(1,250)	(650)
Rent, rates and security charge	6,005	7,320
Light and heat	2,248	2,516
Insurance	1,953	1,953
Telephone and fax	600	605
Travel expenses	1,015	1,287
Maintenance and cleaning	1,910	2,713
Stationery and advertising	3,631	4,159
Subscriptions	384	221
General expenses	643	858
Exhibit restoration	4,063	0
Depreciation	6,878	6,321
	<hr/> 34,003	<hr/> 32,564

**5. Governance costs**

	<b>Unrestricted Funds 2012 £</b>	<b>Unrestricted Funds 2011 £</b>
Accountancy	(117)	705
AGM expenses	88	120
Legal and professional	0	1,832
	<hr/> (29)	<hr/> 2,657

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**Notes to the financial statements**  
**for the year ended 31<sup>st</sup> October 2012**

**6. Interest receivable**

	<b>Unrestricted Funds 2012 £</b>	<b>Unrestricted Funds 2011 £</b>
Interest – Treasurers account	0	7
Interest – Special projects account	0	25
	0	32
	0	32

**7. Directors' emoluments**

None of the directors received any remuneration or reimbursement of expenses during the year.

**8. Taxation**

The company has charitable status for taxation purposes and accordingly is not liable to corporation tax. (Charity number SCO35189).

**9. Tangible fixed assets**

	<b>Heritage Assets £</b>	<b>Equipment £</b>	<b>Total £</b>
<b>Cost/Valuation</b>			
At 1 <sup>st</sup> November, 2011	560,270	7,282	567,552
Additions	60,105	600	60,705
Disposals	(2,560)	0	(2,560)
At 31 <sup>st</sup> October 2012	617,815	7,882	625,697
<b>Depreciation</b>			
At 1 <sup>st</sup> November, 2011	40,646	3,216	43,862
Disposals	(152)	0	(152)
Charge for the year	6,178	700	6,878
At 31 <sup>st</sup> October 2012	46,672	3,916	50,588
<b>Net book value</b>			
At 31 <sup>st</sup> October 2012	571,143	3,966	575,109
At 31 <sup>st</sup> October 2011	519,624	4,066	523,690

**10. Debtors: all receivable within one year**

	<b>2012 £</b>	<b>2011 £</b>
Prepayments and accrued income	440	445
	440	445
	440	445

**Dumfries & Galloway Aviation Museum**  
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**Notes to the financial statements**  
**for the year ended 31<sup>st</sup> October 2012**

<b>11.</b>	<b>Creditors: amounts falling due within one year</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	Trade creditors	0	700
	Deferred Income – Grants received for the purpose of purchasing the museum site		
	D&G Council	11,900	
	Robertson Trust	7,500	
		19,400	700
		19,400	700

<b>12.</b>	<b>Funds</b>	<b>Designated Funds</b>	<b>Unrestricted Income Funds</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>
	At 1 <sup>st</sup> November 2011	556,702	21,305	578,007
	Heritage assets acquired during the year	60,105		60,105
	Canberra Disposal	(2,408)	2,408	0
	Depreciation charged on heritage assets for the year	(6,178)		(6,178)
	Funeral Collection – Glyn Wall	730		730
	Other net income for the year		1,517	1,517
	At 31 <sup>st</sup> October 2012	608,951	25,230	634,181
		608,951	25,230	634,181

<b>13.</b>	<b>Analysis of net assets in funds</b>	<b>Tangible fixed assets</b>	<b>Other net assets</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>
	Unrestricted income	3,966	21,264	25,230
	Designated funds	571,143	37,808	608,951
		575,109	59,072	634,181
		575,109	59,072	634,181