

Dumfries & Galloway Aviation Museum
(Company Limited by guarantee)

Legal and Administration Information

Directors	David Reid Stuart James Robert Sloan Ted Thompson – D&G Council Nominee Joe Burns Jym Francey John Hilsley Jim Kilbride Mike Lavery John Lange Paul Mackey Douglas Oberhiem Robert Sloan Jnr Charlie Ewing Helen Wall
Secretary	Stuart James
Company Number	SC257787
Charity Number	SC035189
Registered Office	Old Control Tower Heathhall Industrial Estate Heathhall Dumfries DG1 3PH
Independent Examiner	Ian M Bell Chartered Accountant 11 Great King Street Dumfries DG1 1BA

Dumfries & Galloway Aviation Museum
(Company Limited by guarantee)

Contents

	Page
Directors' Report	1 - 2
Independent Examiner's Report	3
Statement of Financial Activities	4
Balance Sheet	5
Notes to the Financial Statements	6 - 9

Dumfries & Galloway Aviation Museum
(Company Limited by guarantee)

Directors' Report
For the year ended 31st October 2014

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 31st October 2014. 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 17th 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:

David Reid
Aideen Sloan (resigned 18th January 2014)
Stuart James
Robert Sloan
Ted Thompson
Joe Burns
Jym Francey
John Hilsley
Jim Kilbride
Mike Lavery
John Lange
Paul Mackey
Douglas Oberhiem
Robert Sloan Jnr
Charlie Ewing (elected 18th January 2014)
Helen Wall (elected 5th June 2014)

The company's Articles of Association do not require the directors to retire by rotation. Directors put themselves forward for re-election every three years by rotation.

Dumfries & Galloway Council have the right to appoint one Director – currently this is Cllr Ted Thompson.

Organisation

A board of directors of up to 15 members, who meet regularly, administers the charity.

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 £10,879 as opposed to a net surplus of £68,355 in the previous year.

Following the acquisition of the museum site last year, we are continuing to invest in improving the museum facilities. During the financial year, major re-wiring work took place in the tower and other museum buildings. This was partially funded by a grant from the South West Environmental Action Trust (SWEAT). Also, the museum

Dumfries & Galloway Aviation Museum
(Company Limited by guarantee)

applied for planning permission for new buildings to include a Spitfire hangar and a new RAF Dumfries display area. This work is being funded by Museums Galleries Scotland (MGS).

Also during the year, the museum received a legacy of £5000 from the estate of the late Mrs. Rene Ross.

Adjusting the net surplus for the above mentioned projects, donations-in-kind, the legacy from Mrs. Ross and depreciation gives a surplus from ongoing activities of £12,113 as opposed to a surplus of £5,816 last 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 31st October 2014 are in excess of this amount.

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:

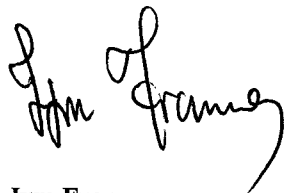
- a) select suitable accounting policies and then apply them consistently;
- b) observe the methods and principles in the Charities SORP;
- c) make judgements and estimates that are reasonable and prudent;
- d) state whether applicable UK Accounting Standards have been followed, subject to any material 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.

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 17th January 2015 and signed on its behalf by



Jym Francey
Director

Dumfries & Galloway Aviation Museum
(Company Limited by guarantee)

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

I report on the accounts of the charity for the year ended 31st October 2014 which are set out on pages 4 to 9.

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.

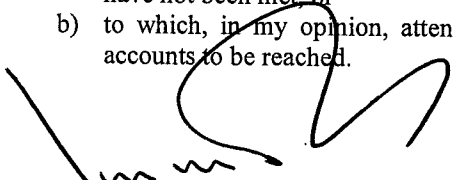
Independent examiner's statement

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 Regulations

have 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.



Ian M Bell
Chartered Accountant
11 Great King St
Dumfries
DG1 1BA

Dated: 17th January 2015

Dumfries & Galloway Aviation Museum
(Company Limited by guarantee)

Statement of Financial Activities for the year ended 31st October 2014

		2014	2014	2014	2013
	Notes	£ Restricted Funds	£ Unrestricted Funds	£ Total Funds	£ Total Funds
Incoming Resources					
Incoming resources from generated funds					
Voluntary Income					
			9,528	9,528	3,436
			9,870	9,870	30,000
			1,774	1,774	1,415
	6		0	0	0
Incoming resources from charitable activities					
		14,780		14,780	52,616
	3		24,538	24,538	23,084
Total Incoming Resources		<u>14,780</u>	<u>45,710</u>	<u>60,490</u>	<u>110,550</u>
Resources Expended					
			197	197	559
	4	14,780	34,596	49,376	38,855
	5		38	38	2,781
Total resources expended		<u>14,780</u>	<u>34,831</u>	<u>49,611</u>	<u>42,195</u>
Net Income/(Expenditure) for the year	2	0	10,879	10,879	68,355
Fund Balance Brought Forward		50,000	656,536	706,536	634,181
Revaluation of Heritage Assets		<u>0</u>	<u>0</u>	<u>0</u>	<u>4,000</u>
Fund Balance Carried Forward		<u><u>50,000</u></u>	<u><u>667,415</u></u>	<u><u>717,415</u></u>	<u><u>706,536</u></u>

The results for the year derive from continuing activities and there are no gains or losses other than those shown above.

Details of Incoming resources and resources used are given in the notes to the financial statements.

Dumfries & Galloway Aviation Museum
(Company Limited by guarantee)

Balance Sheet
As at 31st October 2014

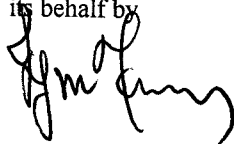
	Notes	£	2014	£	£	2013	£
Fixed Assets							
Tangible assets	9			106,377		107,321	
Heritage assets	9			588,963		584,605	
				<u>695,340</u>		<u>691,926</u>	
Current Assets							
Stocks				1,500		650	
Debtors	10			3,371		3,148	
Cash at bank and in hand				<u>27,008</u>		<u>14,846</u>	
				31,879		18,644	
Creditors: amounts falling due within one year	11			<u>9,804</u>		<u>4,034</u>	
Net current assets				22,075		14,610	
Net assets				<u>717,415</u>		<u>706,536</u>	
Funds							
Unrestricted funds:							
Unrestricted income funds	12/13			40,252		32,831	
Designated funds	12/13			627,163		623,705	
				<u>667,415</u>		<u>656,536</u>	
Restricted Funds	12/13			<u>50,000</u>		<u>50,000</u>	
Total funds				<u>717,415</u>		<u>706,536</u>	

The trustees are satisfied that the charity is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the period by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act. The trustees acknowledge their responsibilities for:

- (i) ensuring that the charity keeps proper accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the charity as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the charity.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the Board on the 17th January 2015 and signed on its behalf by



Jym Francey
Director

Dumfries & Galloway Aviation Museum
(Company Limited by guarantee)

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

Tangible fixed assets are stated at cost or valuation less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Land and Buildings	- 1% Straight line
Heritage assets	- 1% Straight line
Equipment	- 15% Reducing balance

Heritage assets comprise the museum's collection of primarily aviation related artefacts and memorabilia. The museum maintains detailed policies for the acquisition, preservation, management and disposal of heritage assets which are in line with the requirements of Museums Galleries Scotland. Revaluation of heritage assets is carried out from time to time - typically every five to ten years. These valuations are the trustees' best estimates of realisable value taking into account the open market value of similar items and the requirements of the museum's disposal policy to offer first refusal of any assets to the charitable museum sector.

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.

Restricted funds are subject to restrictions on their expenditure imposed by the donors or which have been raised by the charity for particular purposes.

Dumfries & Galloway Aviation Museum
(Company Limited by guarantee)

2.	Net Income/(Expenditure) for the year	2014	2013
		£	£
	Net Income/(Expenditure) for the year is stated after charging:		
	Depreciation and other amounts written off tangible assets	<u>7,673</u>	<u>7,551</u>

3.	Charitable income			
		Unrestricted	Restricted	Total
		2014	2014	2014
		£	£	£
	Income from trading activities	20,868	0	20,868
	Membership income	3,670	0	3,670
		<u>24,538</u>	<u>0</u>	<u>24,538</u>
				<u>Unrestricted</u>
				<u>Funds</u>
				<u>2013</u>
				<u>£</u>
				19,232
				3,852
				<u>23,084</u>

4.	Charitable activities			
		Unrestricted	Restricted	Total
		2014	2014	Funds
		£	£	2014
		£	£	£
	Opening stock	650	0	650
	Purchases	5,371	0	5,371
	Closing stock	(1,500)	0	(1,500)
	Rent, rates and security charge	0	0	0
	Light and heat	1,840	0	1,840
	Insurance	4,317	0	4,317
	Telephone and fax	645	0	645
	Travel expenses	534	0	534
	Maintenance and cleaning	2,077	0	2,077
	Stationery and advertising	1,304	0	1,304
	Subscriptions	75	0	75
	General expenses	183	0	183
	Exhibit restoration	2,996	0	2,996
	Site Improvements	8,431	14,780	23,211
	Depreciation	7,673	0	7,673
		<u>34,596</u>	<u>14,780</u>	<u>49,376</u>
				<u>Unrestricted</u>
				<u>Funds</u>
				<u>2013</u>
				<u>£</u>
				1,250
				3,869
				(650)
				1,940
				1,469
				2,011
				499
				1,070
				3,139
				2,594
				222
				1,553
				2,427
				9,911
				<u>7,551</u>
				<u>38,855</u>

5.	Governance costs			
		Restricted	Unrestricted	Total
		Funds	Funds	Funds
		2014	2014	2013
		£	£	£
	Accountancy	0	0	0
	AGM expenses	0	38	165
	Legal and professional	0	0	2,616
		<u>0</u>	<u>38</u>	<u>2,781</u>

Dumfries & Galloway Aviation Museum
(Company Limited by guarantee)

6. **Interest receivable**

	Unrestricted Funds 2014 £	Unrestricted Funds 2013 £
Interest – Treasurers account	0	0
Interest – Special projects account	0	0
	0	0
	0	0

7. **Directors' emoluments**

During the year, Robert Sloan Snr received a payment of £250 for PAT testing of the museum's electrical equipment. The cost of this service from an external provider in the previous financial year was £1063. Helen Wall received payments totalling £75 for crafts sold in the museum shop. These are sold on a consignment basis at a margin similar to other goods in the shop. Also during the year, £23 was paid for meal expenses for museum directors while on museum business outside the Dumfries area.

8. **Taxation**

The company has charitable status for taxation purposes and accordingly is not liable to corporation tax. (Charity number SC035189).

9. **Tangible fixed assets**

	Land & Buildings £	Heritage Assets £	Equipment £	Total £
Cost/Valuation				
At 1 st November, 2013	105,000	590,510	7,882	703,392
Additions		10,367	720	11,087
Disposals				
At 31 st October 2014	105,000	600,877	8,602	714,479
Depreciation				
At 1 st November, 2013	1,050	5,905	4,511	11,466
Disposals				
Charge for the year	1,050	6,009	614	7,673
At 31 st October 2014	2,100	11,914	5,125	19,139
Net book value				
At 31 st October 2014	102,900	588,963	3,477	695,340
At 31 st October 2013	103,950	584,605	3,371	691,926

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

	2014 £	2013 £
Prepayments and accrued income	3,371	3,148
	3,371	3,148
	3,371	3,148

Dumfries & Galloway Aviation Museum
(Company Limited by guarantee)

11.	Creditors: amounts falling due within one year	2014	2013
		£	£
	Trade creditors	0	0
	BAPC Loan	1,250	2,250
	Deferred Income - <i>grants received for expenditure in future periods</i>		
	Holywood Trust - Workshop	1,784	1,784
	Charles Hayward Foundation - Land Purchase	2,500	0
	Museums Galleries Scotland - Display Buildings	4,270	0
		9,804	4,034

12.	Funds	Restricted Funds	Designated Funds	Unrestricted Income Funds		Total
		£	£	£		£
	At 1 st November 2013	50,000	623,705	32,831		706,536
	Heritage assets donated		9,870			9,870
	Heritage assets purchased		497	(497)		0
	Depreciation charged		(6,909)	(764)		(7,673)
	Other net income for the year			8,682		8,682
	At 31 st October 2014	50,000	627,163	40,252		717,415

Restricted funds of £50,000 relate to the portion of the museum's fixed assets financed through restricted grant income. This balance arose in the year ending 31st October 2013 from grants received for the purchase of the museum site as detailed below. The museum is required to maintain ownership of the site and use it to further its charitable objectives.

Grantor	Amount (£)
The Holywood Trust	18,216
The Robertson Trust	7,500
Landfill Communities Fund/Solway Heritage	15,000
D&G Council	11,900
Total Grants	52,616
less: project costs not capitalised	2,616
Restricted funds per balance sheet	50,000

13.	Analysis of net assets in funds	Tangible fixed assets	Other net assets		Total
		£	£		£
	Unrestricted income	18,177	22,075		40,252
	Designated funds	627,163	0		627,163
	Restricted funds	50,000	0		50,000
		695,340	22,075		717,415