

**Dumfries & Galloway Aviation
Museum**
(A company limited by guarantee)

Report and Financial Statements
For the year ended 31st October 2016
Scottish Charity Number: SC035189
Company Number: SC257787

Legal and Administration Information

Directors	David Reid 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 Helen Wall Peter Howieson (elected 17th January 2015)
Secretary	Charlie Ewing
Company Number	SC257787
Charity Number	SC035189
Registered Office	Old Control Tower Heathhall Industrial Estate Heathhall Dumfries DG1 3PH
Independent Examiner	John Simpson FCA Montpelier Chartered Accountants 1 Dashwood Square Newton Stewart DG8 6EQ

Table of Contents

Legal and Administration Information	i
Director's Report	1
Independent Examiner's Report	4
Statement of Financial Activities.....	5
Balance Sheet.....	6
Notes to the Accounts.....	7

Dumfries & Galloway Aviation Museum - Report and Financial Statements

Director's Report

For the year ended 31st October 2016

The trustees of the charity, who are also directors of the company for the purpose of the Companies Act, present their report and the financial statements for the year ended 31st October, 2016. The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities.

Objectives 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 & Galloway.

Achievements and Performance

During the year work continued on the ongoing development of the museum site. A huge amount of volunteer time has been invested in erecting, skinning and finishing the new Romney sheds and Nissen hut that will provide new display and workshop areas for the museum. We are grateful to the Annandale & Nithsdale Community Benefit Company for funding for a new perimeter fence which has been erected along the expanded boundary of the museum. And we are also grateful to Amd Contract Services for work donated to extend the carpark at the museum. At the end of the financial year, the buildings are nearing completion and we expect to have them signed off and ready for use for the start of the new season in 2017.

We have continued to ensure that any disruption to visitors from the building works is minimised. Visitor numbers have been similar to last year and overall trading income has increased by approximately 3%.

Future Plans

The immediate future will be taken up with commissioning the new buildings and new displays within them. The additional space provided by new display areas already built will allow the museum to mount new thematic exhibitions during 2016-17 which is a key objective from the museum's strategic plan. Developing new buildings continues to be a major objective in the museum's strategic plan with priorities including a new Airborne Forces display building and a new library and archive facility. However the workload for the current projects means we do not expect to progress new building works until late in 2016-17 at the earliest.

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 £23,800 (2015 - £74,923 surplus).

Adjusting the net surplus for the effect of site improvement projects, donations in kind, depreciation and a single large private donation received during the year gives a surplus from ongoing activities of £10,696 as opposed to a surplus of £13,096 last year.

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 £9,000. Unrestricted reserves as at 31st October 2016 are in excess of this amount.

Structure, Governance and Management

Dumfries & 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.

Dumfries & Galloway Aviation Museum - Report and Financial Statements

Director's Report

The directors are appointed in accordance with the Memorandum and Articles of Association. 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.

Training on the roles and responsibilities of charity trustees was arranged through Arts and Business Scotland during the year. This training was attended by the majority of trustees.

Reference and Administrative Details

The company registration number is SC257787.

The company is registered as a charity under reference SC035189.

The company's registered address is:-

Old Control Tower
Heathhall Industrial Estate
Heathhall
Dumfries
DG1 3PH

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

David Reid
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
Helen Wall
Peter Howieson (elected 17th January 2015)

Dumfries & Galloway Aviation Museum - Report and Financial Statements

Director's Report

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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website.

This report was approved by the board on 21-1-17 and signed on its behalf by

Jym Francey

Director



Dumfries & Galloway Aviation Museum - Report and Financial Statements

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 2016 which are set out on pages 5 to 11.

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.



John Simpson FCA
Montpelier Chartered Accountants
1 Dashwood Square
Newton Stewart
DG8 6EQ

Dated: 10/4/17

Dumfries & Galloway Aviation Museum - Report and Financial Statements

Statement of Financial Activities Including income and expenditure account For the year ended 31st October 2016

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Income:					
Donations and legacies	3	17,562	21,948	39,510	94,027
Charitable activities	4	18,783		18,783	18,266
Other trading activities	5	12,005		12,005	11,602
Investments				0	0
Other	6	400		400	0
Total incoming resources		48,750	21,948	70,698	123,895
Expenditure:					
Raising funds	7	5,191		5,191	5,486
Charitable activities	8	35,707	6,000	41,707	43,486
Other					0
Total expenditure		40,898	6,000	46,898	48,972
Net income before transfers		7,852	15,948	23,800	74,923
Transfers		15,948	(15,948)	0	0
Net income for the year	9	23,800	0	23,800	74,923
Total funds brought forward		675,223	117,115	792,338	717,415
Total funds carried forward		699,023	117,115	816,138	792,338

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure relate to continuing activities.

Dumfries & Galloway Aviation Museum - Report and Financial Statements

Balance Sheet

As at 31st October 2016

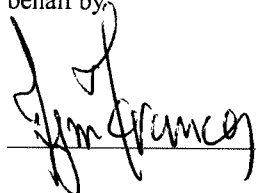
	Note	2016 £	2015 £
Fixed assets:			
Tangible assets		225,934	204,027
Heritage assets		593,352	591,290
	12	<u>819,286</u>	<u>795,317</u>
Current assets:			
Stocks		2,500	1,700
Debtors	13	2,948	2,832
Cash at bank and in hand		15,467	18,995
		<u>20,915</u>	<u>23,527</u>
Liabilities:			
Creditors: Amounts falling due within one year	14	3,732	4,250
Net current assets		<u>17,183</u>	<u>19,277</u>
Total Assets less current liabilities		836,469	814,594
Creditors: Amounts falling due after more than one year	15	20,331	22,256
Net assets		<u>816,138</u>	<u>792,338</u>
Funds:			
Unrestricted income funds		36,900	22,506
Designated funds		662,123	652,717
Restricted funds		117,115	117,115
Total funds	16/17	<u>816,138</u>	<u>792,338</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 21/11/2017 and signed on its behalf by,



Jym Francey

Dumfries & Galloway Aviation Museum - Report and Financial Statements

Notes to the Accounts

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 January 2015) and with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities.

1.2 Incoming resources

Income from donations is included 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.

Sales receipts from the museum shop are amalgamated with admissions income at the point of sale. Shop sales as reported under 'Other trading activity' in the statement of financial activities are an estimate based on the cost of goods sold.

1.3 Resources expended

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

1.4 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 & Buildings – 1% Straight Line

Heritage Assets – 1% Straight Line

Equipment – 15% Reducing Balance

Depreciation is not charged on assets under construction.

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.

1.5 Stock

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

1.6 Fund accounting

Unrestricted income funds are those 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 which have been set aside by the trustees for particular purposes.

Restricted funds are those funds 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 - Report and Financial Statements

Notes to the Accounts

2. 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.

3. Donations and Legacies

	2016 £	2015 £
Heritage Assets donations in kind	7,760	8,210
Building works and materials donations in kind	6,000	2,050
Private donations and legacies	9,802	6,678
ANCBC - towards perimeter fence	15,948	0
The Holywood Trust - towards construction of new workshop	0	16,784
Museums and Galleries Scotland - towards construction of new buildings	0	29,531
The Pilgrim Trust - towards construction of new workshop	0	15,000
Foyle Foundation - towards the purchase of land for construction	0	5,000
The Charles Hayward Foundation - towards the purchase of land	0	2,500
SWEAT - towards new windows in Control Tower	0	8,274
Total Donations and Legacies	39,510	94,027

The income from donations and legacies was £39,510 (2015: £94,027) of which £21,948 (2015: £82,139) was restricted and £7,760 (2015: £11,888) unrestricted. Restricted donations in 2016 consisted of the grant from ANCBC for the perimeter fence and donations in kind of building works and materials.

4. Income from Charitable Activities

	2016 £	2015 £
Admissions charges	14,968	14,341
Membership fees	3,815	3,925
Total Income from Charitable Activities	18,783	18,266

5. Other Trading Activities

	2016 £	2015 £
Income from fundraising events	2,425	1,084
Shop sales	9,580	10,518
Total Other Trading Activities	12,005	11,602

6. Other Income

	2016 £	2015 £
Profit on sale of fixed asset	400	0

Dumfries & Galloway Aviation Museum - Report and Financial Statements

Notes to the Accounts

7. Raising Funds

	2016 £	2015 £
Cost of fundraising events	401	227
Shop cost of sales	4,790	5,259
Total Raising Funds	5,191	5,486

8. Charitable Activities

	2016 £	2015 £
Volunteer training	660	480
Loan interest	1,075	1,163
Light and heat	3,218	2,252
Insurance	3,884	4,339
Telephone and fax	663	602
Computer	1,767	0
Travel Expenses	394	85
Maintenance and cleaning	5,075	2,776
Stationery and advertising	1,846	1,805
Subscriptions	280	286
General expenses	0	361
Exhibit restoration	700	309
Governance	541	2,638
Site improvements	10,543	18,018
Depreciation	11,061	8,372
Total Charitable Activities	41,707	43,486

Expenditure on charitable activities in the year was £41,707 (2015: £43,486) of which £6,000 (2015: £15,025) was restricted and £35,707 (2015: £28,461) unrestricted.

9. Net Income/(Expenditure) for the year

	2016 £	2015 £
Net Income/(Expenditure) for the year is stated after charging:		
Depreciation and other amounts written off tangible assets	11,061	8,372

10. Staff numbers and payments to directors

The museum is entirely volunteer run and employed no staff during the year (2015 - nil).

During the year, Helen Wall received payments totalling £142 (2015 - £56) for crafts sold in the museum shop. These are sold on a consignment basis at a margin similar to other goods in the shop. Robert Sloan Sr was paid £250 to perform PAT testing of museum equipment (2015 - nil).

11. Taxation

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

Dumfries & Galloway Aviation Museum - Report and Financial Statements

Notes to the Accounts

12. Tangible Fixed Assets

	Land & Buildings £	Heritage Assets £	Equipment £	Total £
Cost/Valuation				
At 31st October 2015	202,584	609,297	10,947	822,828
Additions				
Heritage Assets - Donation in kind		7,760		7,760
Heritage Assets - Purchased		677		677
Perimeter fence			15,948	15,948
Shipping containers			2,300	2,300
New Buildings - work in progress	8,545			8,545
Disposals		(200)	(400)	(600)
At 31st October 2016	211,129	617,534	28,795	857,458
Depreciation				
At 31st October 2015	3,506	18,007	5,998	27,511
Disposals			(400)	(400)
Charge for the year	1,406	6,175	3,480	11,061
As at 31st October 2016	4,912	24,182	9,078	38,172
Net Book Value				
At 31st October 2016	206,217	593,352	19,717	819,286
At 31st October 2015	199,078	591,290	4,949	795,317

13. Debtors

	2016 £	2015 £
Prepayments and accrued income	2,948	2,832

14. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	0	0
BAPC Loan	0	250
Scottish Enterprise Loan	3,000	3,000
Deferred Income - <i>donations and grant received for expenditure in future periods</i>	732	1,000
Total	3,732	4,250

15. Creditors: Amounts falling due after one year

	2016 £	2015 £
Scottish Enterprise Loan	20,331	22,256

Dumfries & Galloway Aviation Museum - Report and Financial Statements

Notes to the Accounts

16. Movements in Funds

	At 1 Nov 2015 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 Oct 2016 £
Restricted Funds:					
Land and Tower	56,672				56,672
New Buildings	60,443	21,948	6,000	(15,948)	60,443
<i>Total Restricted Funds</i>	117,115	21,948	6,000	(15,948)	117,115
Unrestricted Funds:					
Designated Land & Buildings fund	61,427		1,406	8,750	68,771
Designated Heritage Assets fund	591,290	7,760	6,175	477	593,352
General Unrestricted fund	22,506	40,990	33,317	6,721	36,900
<i>Total Unrestricted Funds</i>	675,223	48,750	40,898	15,948	699,023
Total Funds	792,338	70,698	46,898	0	816,138

Purposes of Restricted Funds

Land and Tower: Restricted grants towards the purchase of the museum site and towards the purchase and upkeep of the historic Control Tower. This fund was created in 2012-13. It was a requirement of the grant from Solway Heritage/Landfill Communities Fund that the site be retained in perpetuity for running the museum.

New Buildings: Restricted grants towards the construction of new buildings on the museum site.

Purpose of Designated Funds

Land and Buildings: Unrestricted funds put towards the purchase of land for the museum site and for the construction of new buildings on the site.

Heritage Assets: This represents the value of the museum collection with unrestricted funds.

Analysis of Transfers between funds

	Restricted New Buildings £	Designated Land & Buildings £	Designated Heritage Assets £	General Unrestricted £
Heritage Assets purchased			477	(477)
Perimeter Fence transferred to Unrestricted funds	(15,948)			15,948
Unrestricted funds spent on new building construction		6,825		(6,825)
Land purchase: Loan principal due within one year		1,925		(1,925)
Total	(15,948)	8,750	477	6,721

17. Analysis of Net Assets between funds

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	19,717	682,454	117,115	819,286
Current assets	20,915			20,915
Current liabilities	(3,732)			(3,732)
Long-term liabilities		(20,331)		(20,331)
Net assets at 31st October 2016	36,900	662,123	117,115	816,138