

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

**Report and Financial Statements**  
**For the year ended 31<sup>st</sup> October 2017**  
**Scottish Charity Number: SC035189**  
**Company Number: SC257787**

## Legal and Administration Information

Directors	David Reid Charlie Ewing Jym Francey Joe Burns John Charteris John Hilsley Peter Howieson Jim Kilbride John Lange Mike Lavery Paul Mackey Douglas Oberhiem Robert Sloan Robert Sloan Jnr Helen Wall
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

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# Dumfries & Galloway Aviation Museum - Report and Financial Statements

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## Trustee's Report (including Director's Report)

For the year ended 31<sup>st</sup> October 2017

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 31<sup>st</sup> October, 2017. 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 applicable in the UK and Republic of Ireland (FRS 102) as amended.

### 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

This year the museum celebrated its 40<sup>th</sup> Anniversary in style by unveiling the newly restored Loch Doon Spitfire in its own dedicated display building at our annual summer event. The event was a great success with hundreds of visitors attending on the day to witness the unveiling. The Loch Doon Spitfire continues to be a very popular attraction and has helped to increase visitor numbers throughout the season which in turn has contributed to a 43% increase in trading income over the previous year.

Other significant landmarks in the museum's development this year were the completion and opening of the new workshop building and the completion of the Nissen hut which will eventually house an updated display on RAF Dumfries. The museum is hugely grateful to Museums and Galleries Scotland, The Holywood Trust and The Pilgrim Trust for major grants towards all these projects and also for many smaller donations and donations in kind that have helped along the way. We are also grateful to Museums and Galleries Scotland for supporting the creation of a new storage area for large objects. This provides sheltered and secure storage for our growing collection while we work to build more new display areas.

### Future Plans

The work on the new RAF Dumfries display, which was expected to be completed in 2016-17, is still ongoing and we are now hopeful of having this ready for the 2018 season. 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. We hope to be in a position to commence work on erecting the Airborne Forces building early in 2018.

### 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 £51,304 (2016 - £23,800 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 £18,821 as opposed to a surplus of £10,696 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 £12,000. Unrestricted reserves as at 31st October 2017 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 Trustee's Report

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The directors are appointed in accordance with the Memorandum and Articles of Association. Directors are put forward for re-election every three years.

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

Training on the roles and responsibilities of charity trustees was arranged through Arts and Business Scotland during 2015-16. 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  
Charlie Ewing  
Jym Francey  
Joe Burns  
John Charteris (D&G Council Nominee – appointed 5 July 2017)  
John Hilsley  
Peter Howieson  
Jim Kilbride  
Mike Lavery  
John Lange  
Paul Mackey  
Douglas Oberhiem  
Robert Sloan  
Robert Sloan Jnr  
Ted Thompson (D&G Council Nominee – resigned 5 July 2017)  
Helen Wall

# Dumfries & Galloway Aviation Museum - Report and Financial Statements Trustee's Report

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## Statement of Trustee's Responsibilities

The trustees, who are also directors for the purpose of company law, are responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

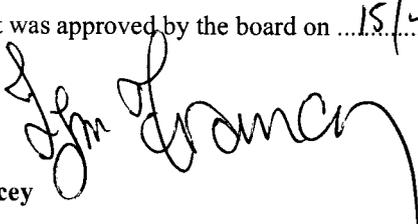
Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing 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 ...15/4/2018... and signed on its behalf by

  
**Jym Francey**

**Director**

# Dumfries & Galloway Aviation Museum - Report and Financial Statements

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## 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 2017 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: 20/4/18

# Dumfries & Galloway Aviation Museum - Report and Financial Statements

## Statement of Financial Activities

Including income and expenditure account

For the year ended 31<sup>st</sup> October 2017

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Income:					
Donations and legacies	3	36,437	14,597	51,034	39,510
Charitable activities	4	25,274		25,274	18,783
Other trading activities	5	20,623		20,623	12,005
Investments				0	0
Other	6	250		250	400
Total incoming resources		82,584	14,597	97,181	70,698
Expenditure:					
Raising funds	7	8,910		8,910	5,191
Charitable activities	8	36,596	371	36,967	41,707
Other					
Total expenditure		45,506	371	45,877	46,898
Net income before transfers		37,078	14,226	51,304	23,800
Transfers		74,669	(74,669)	0	0
Net income for the year		111,747	(60,443)	51,304	23,800
Total funds brought forward		699,023	117,115	816,138	792,338
Total funds carried forward		810,770	56,672	867,442	816,138

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

The statement of financial activities also complies with the requirement for an income and expenditure account under the Companies Act 2006.

# Dumfries & Galloway Aviation Museum - Report and Financial Statements

## Balance Sheet

As at 31<sup>st</sup> October 2017

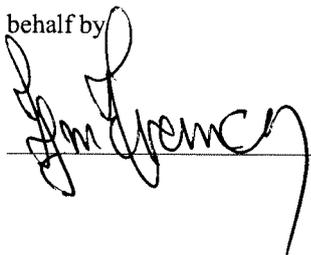
	Note	2017 £	2016 £
<b>Fixed assets:</b>			
Tangible assets		236,318	225,934
Heritage assets		615,738	593,352
	11	<u>852,056</u>	<u>819,286</u>
<b>Current assets:</b>			
Stocks		4,370	2,500
Debtors	12	2,752	2,948
Cash at bank and in hand		33,161	15,467
		<u>40,283</u>	<u>20,915</u>
<b>Liabilities:</b>			
Creditors: Amounts falling due within one year	13	6,584	3,732
Net current assets		<u>33,699</u>	<u>17,183</u>
Total Assets less current liabilities		885,755	836,469
Creditors: Amounts falling due after more than one year	14	18,313	20,331
<b>Net assets</b>		<u>867,442</u>	<u>816,138</u>
<b>Funds:</b>			
Unrestricted income funds		57,361	36,900
Designated funds		753,409	662,123
Restricted funds		56,672	117,115
<b>Total funds</b>	15/16	<u>867,442</u>	<u>816,138</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.

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

The financial statements were approved and authorised for issue by the Board on 15/4/2018 and signed on its behalf by

  
Jym Francey

## 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 Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and with 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) as amended. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies are set out below.

#### 1.2 Going Concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operation for the foreseeable future. The trustees therefore continue to adopt the going concern basis for preparing accounts.

#### 1.3 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.

#### 1.4 Resources expended

Resources expended are included in the statement of financial activities on an accruals; inclusive of any VAT which cannot be recovered.

#### 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 & 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.

# Dumfries & Galloway Aviation Museum - Report and Financial Statements

## Notes to the Accounts

### 1.6 Stock

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

### 1.7 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.

## 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

	2017 £	2016 £
Heritage Assets donations in kind	18,650	7,760
Building works and materials donations in kind	0	6,000
Other donations in kind	2,000	0
Private donations and legacies	16,158	9,802
ANCBC - towards perimeter fence	0	15,948
The Holywood Trust - towards construction of new workshop	5,000	0
Museums and Galleries Scotland - towards Large Object Store	4,487	
Museums and Galleries Scotland - towards construction of new buildings	4,739	0
Total Donations and Legacies	51,034	39,510

The income from donations and legacies was £51,034 (2016: £39,510) of which £14,597 (2016: £21,948) was restricted and £36,437 (2016: £7,760) unrestricted. Restricted donations in 2017 consisted of the grants from MGS and the Holywood Trust together with £371 cash collected from donation boxes specifically for the upkeep of aircraft.

## 4. Income from Charitable Activities

	2017 £	2016 £
Admissions charges	21,409	14,968
Membership fees	3,865	3,815
Total Income from Charitable Activities	25,274	18,783

## 5. Other Trading Activities

	2017 £	2016 £
Income from fundraising events	6,763	2,425
Shop sales	13,860	9,580
Total Other Trading Activities	20,623	12,005

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## Notes to the Accounts

### 6. Other Income

	2017 £	2016 £
Profit on sale of fixed asset	250	400

### 7. Raising Funds

	2017 £	2016 £
Cost of fundraising events	977	401
Shop cost of sales	7,933	4,790
<b>Total Raising Funds</b>	<b>8,910</b>	<b>5,191</b>

### 8. Charitable Activities

	2017 £	2016 £
Volunteer training	0	660
Loan interest	982	1,075
Light and heat	2,714	3,218
Insurance	3,930	3,884
Telephone and fax	726	663
Computer	1,313	1,767
Travel Expenses	729	394
Maintenance and cleaning	6,419	5,075
Stationery and advertising	3,349	1,846
Subscriptions	250	280
Display costs	1,118	0
Exhibit restoration	813	700
Governance	732	541
Site improvements	1,096	10,543
Depreciation	12,796	11,061
<b>Total Charitable Activities</b>	<b>36,967</b>	<b>41,707</b>

Expenditure on charitable activities in the year was £36,967 (2016: £41,707) of which £371 (2016: £6,000) was restricted and £36,596 (2016: £35,707) unrestricted. The costs detailed above do not include any allocation of support costs. Governance costs includes expenditure on the AGM, independent examination of the accounts and travel expenses for the Curatorial Advisor.

### 9. Staff numbers and payments to directors

The museum is entirely volunteer run and employed no staff during the year (2016 - nil).

During the year, Helen Wall received payments totalling £112 (2016 - £142) 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 (2016 - £250).

### 10. Taxation

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

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## Notes to the Accounts

### 11. Tangible Fixed Assets

	Land & Buildings £	Heritage Assets £	Equipment £	Total £
<b>Cost/Valuation</b>				
At 31st October 2016	211,129	617,534	28,795	857,458
Additions				
Heritage Assets - Donation in kind		18,650		18,650
Heritage Assets - Purchased		10,200		10,200
Large Object Store			5,651	5,651
Storage Racking			2,570	2,570
New Buildings - work in progress	8,595			8,595
Disposals			(500)	(500)
At 31st October 2017	219,724	646,384	36,516	902,624
<b>Depreciation</b>				
At 31st October 2016	4,912	24,182	9,078	38,172
Disposals			(400)	(400)
Charge for the year	2,156	6,464	4,176	12,796
As at 31st October 2017	7,068	30,646	12,854	50,568
<b>Net Book Value</b>				
At 31st October 2017	212,656	615,738	23,662	852,056
At 31st October 2016	206,217	593,352	19,717	819,286

### 12. Debtors

	2017 £	2016 £
Prepayments and accrued income	2,752	2,948

### 13. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	3,361	0
Scottish Enterprise Loan	3,000	3,000
Deferred Income - <i>donations and grant received for expenditure in future periods</i>	223	732
Total	6,584	3,732

### 14. Creditors: Amounts falling due after one year

	2017 £	2016 £
Scottish Enterprise Loan	18,313	20,331

# Dumfries & Galloway Aviation Museum - Report and Financial Statements

## Notes to the Accounts

### 15. Movements in Funds

	At 1 Nov 2016 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 Oct 2017 £
<b>Restricted Funds:</b>					
Land and Tower	56,672				56,672
New Buildings	60,443	14,226		(74,669)	0
Aircraft Maintenance	0	371	371		0
<i>Total Restricted Funds</i>	117,115	14,597	371	(74,669)	56,672
<b>Unrestricted Funds:</b>					
Designated Land & Buildings fund	68,771		2,156	71,056	137,671
Designated Heritage Assets fund	593,352	18,650	6,464	10,200	615,738
General Unrestricted fund	36,900	63,934	36,886	(6,587)	57,361
<i>Total Unrestricted Funds</i>	699,023	82,584	45,506	74,669	810,770
<b>Total Funds</b>	816,138	97,181	45,877	0	867,442

#### *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.

Aircraft Maintenance: Restricted donations towards the upkeep of the museum's aircraft.

#### *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 within unrestricted funds.

#### *Analysis of Transfers between funds*

	Restricted New Buildings £	Designated Land & Buildings £	Designated Heritage Assets £	General Unrestricted £
Heritage Assets purchased			10,200	(10,200)
Completed buildings transferred to Designated	(70,182)	70,182		
Large Object Store to General	(4,487)			4,487
Unrestricted funds spent on building projects net of grants received in arrears		(1,144)		1,144
Land purchase: Loan principal due within one year		2,018		(2,018)
<b>Total</b>	<b>(74,669)</b>	<b>71,056</b>	<b>10,200</b>	<b>(6,587)</b>

### 16. Analysis of Net Assets between funds

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	23,662	771,722	56,672	852,056
Current assets	40,283			40,283
Current liabilities	(6,584)			(6,584)
Long-term liabilities		(18,313)		(18,313)
<b>Net assets at 31st October 2016</b>	<b>57,361</b>	<b>753,409</b>	<b>56,672</b>	<b>867,442</b>