

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

Report and Financial Statements
For the year ended 31st October 2020
Scottish Charity Number: SC035189
Company Number: SC257787

Legal and Administration Information

Directors	David Reid Charlie Ewing Joe Burns John Charteris John Hilsley Peter Howieson Jim Kilbride Mike Lavery Douglas Oberhiem Robert Sloan Robert Sloan Jnr
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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Trustee's Report (including Director's Report)

For the year ended 31st October 2020

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 2020. 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) (effective 1 January 2019).

Objectives and Activities

The principle activity of the company is the running and maintenance of the Aviation Museum. The company's objectives 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 has been seriously impacted by the current COVID-19 pandemic. The museum closed to the public on the 14th March 2020 and has remained closed since then. The initial months of lockdown saw only 2 directors accessing the site to ensure security and environmental conditions were met.

Limited numbers of volunteers were able to return to the museum in the summer and a program of work to care for our exhibits has been re-established. We have been unable to re-open to the public due to the medical concerns around our volunteers who are predominately retired and so vulnerable through a combination of age and health concerns.

With the onset of the second wave of COVID-19 any display development has been seriously hindered by the physical restrictions on movement which has impacted those volunteers who have been available.

We have attracted support funding during the period to assist with the costs of running the Museum, but this has been limited and the museum has had to draw on its reserves. Current reserves are sufficient for the Museum to remain solvent until Autumn 2021 if the current situation remains as is.

Future Plans

The Museum is planning to reopen to the public in 2021 but the date remains unclear. We will be restricted in our opening times to 2 days per week for the 2021 season due a drop in volunteer numbers and the difficulties of running the site under COVID guidelines. It is hoped to have the refurbished Homefront display and the new Great War and Airborne Forces displays ready for this time.

Initiatives are ongoing to try to reduce the cost base of running the Museum to enhance our resilience with ongoing campaigns to install solar panels sufficient to make the Museum a net zero consumer of electricity, and a crowd funding appeal to allow us to pay off the remaining balance of the mortgage (circa £12,500). These actions, if successful would reduce our cost base by 40% and enhance the resilience of the Museum to future events of this nature.

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 deficit of £15,285 (2019 - £48,517 surplus).

The directors support the need to maintain a reserve sufficient to cover the costs of approximately twelve months expenditure relating to overhead costs, and this funding currently sits at £14,000. Unrestricted reserves as at 31st October 2020 match this amount.

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Trustee's Report

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.

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 and the skills required to enable them to perform these roles has been further enhanced with the Museums' board participating in the National Board Development Programme (for Independent Museums) run by Museums Galleries Scotland. This training completed in early 2020.

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 (Chair)
Charlie Ewing (Secretary/Treasurer)
Joe Burns
John Charteris (Appointed by Dumfries and Galloway Council)
John Hilsley
Peter Howieson
Jim Kilbride
Mike Lavery
Douglas Oberhiem
Robert Sloan
Robert Sloan Jnr

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Trustee's Report

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 and signed on its behalf by

Charlie Ewing

Director

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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 2020 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
Chartered Accountant Ireland
Montpelier Chartered Accountants
1 Dashwood Square
Newton Stewart
DG8 6EQ

Dated:

Dumfries & Galloway Aviation Museum - Report and Financial Statements

Statement of Financial Activities

Including income and expenditure account
For the year ended 31st October 2020

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Income:					
Donations and legacies	3	11,680	9,141	20,821	71,352
Charitable activities	4	5,069	0	5,069	32,012
Other trading activities	5	1,287	0	1,287	20,140
Investments		0	0	0	0
Other	6	70	0	70	5,618
Total incoming resources		18,106	9,141	27,247	129,122
Expenditure:					
Raising funds	7	5,830	0	5,830	6,481
Charitable activities	8	33,603	3,099	36,702	74,124
Other		0	0	0	0
Total expenditure		39,433	3,099	42,532	80,605
Net income before transfers		(21,327)	6,042	(15,285)	48,517
Transfers		6,207	-6,207	0	0
Net income for the year		(15,120)	-165	(15,285)	48,517
Total funds brought forward		871,034	60,063	931,097	882,580
Total funds carried forward		855,914	59,898	915,812	931,097

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.

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Balance Sheet

As at 31st October 2020

	Note	2020 £	2019 £
Fixed assets:			
Tangible assets		231,739	236,614
Heritage assets		665,478	669,370
	11	<u>897,217</u>	<u>905,984</u>
Current assets:			
Stocks		8,031	8,959
Debtors	12	0	0
Cash at bank and in hand		25,213	33,128
		<u>33,244</u>	<u>42,087</u>
Liabilities:			
Creditors: Amounts falling due within one year	13	3,000	3,000
Net current assets		<u>30,244</u>	<u>39,087</u>
Total Assets less current liabilities		927,461	945,071
Creditors: Amounts falling due after more than one year	14	11,649	13,974
Net assets		<u>915,812</u>	<u>931,097</u>
Funds:			
Unrestricted income funds		29,901	38,818
Designated funds		826,013	832,216
Restricted funds		59,898	60,063
Total funds	15/16	<u>915,812</u>	<u>931,097</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 and signed on its behalf by

_____ Charlie Ewing

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 accrual 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 accrual 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.

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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

	2020 £	2019 £
Heritage Assets donations in kind	1,680	62,103
Building works and materials donations in kind	0	1,125
Other donations in kind	0	0
Private donations and legacies	1,143	7,014
Museums and Galleries Scotland (MGS) – balance of grant towards construction of new Archive	5,614	0
National Museum of Scotland – Acquisition Fund	0	1,110
Small Business Support Grant	10,000	0
MGS – Digital Resilience	2,384	0
Total Donations and Legacies	20,821	71,352

The income from donations and legacies was £20,821 (2019: £71,352) of which £9,141 (2019: £4,000) was restricted and £11,680 (2019: £67,352) was unrestricted. Restricted donations in 2020 consisted of –

- Private donations directly in support of Spitfire and Airborne Forces (1,143)
- MGS – Digital Resilience Grant (2,384)
- MGS – Balance of Archive grant. (5,614)

4. Income from Charitable Activities

	2020 £	2019 £
Admissions charges	1,849	27,276
Membership fees	3,220	4,736
Total Income from Charitable Activities	5,069	32,012

5. Other Trading Activity

	2020 £	2019 £
Income from fundraising events	0	2,200
Shop sales	1,287	17,940
Total Other Trading Activities	1,287	20,140

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6. Other Income

	2020 £	2019 £
Gift Aid – Settlement from HMRC	0	5,618
Sale of Scrap	70	0
Total Other Income	70	5,618

7. Raising Funds

	2020 £	2019 £
Cost of fundraising events	216	363
Shop cost of sales	4,172	6,118
Electronic Payment Processing	1,442	0
Total Raising Funds	5,830	6,481

8. Charitable Activities

	2020 £	2019 £
Volunteer training	0	37
Loan interest	674	777
Light and heat	3,861	4,375
Insurance	3,130	5,951
Telephone and fax	1,031	898
Computer	4,132	689
Travel and Subsistence	528	283
Maintenance and cleaning	2,501	10,270
Stationery	664	4,835
Marketing	1,430	0
Subscriptions	30	224
Display costs	1,746	5,413
Exhibit restoration	1,460	3,103
Governance	1,317	1,427
Site improvements/repairs	1,967	20,761
Depreciation	12,044	12,464
General Expenses	187	2,617
Total Charitable Activities	36,702	74,124

Expenditure on charitable activities in the year was £36,702 (2019: £74,124) of which £3,099 (2019: £1,124) was restricted and £ 33,603 (2019: £73,000) 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 (2019 - nil).

During the year 1 director were re-imbursed for travelling expenses made in the year totalling £29 (2019: 1 director £250)

There were no other related party transactions.

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Notes to the Accounts

The charity has Trustee Liability insurance in place.

10. Taxation

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

11. Tangible Fixed Assets

	Land & Buildings £	Heritage Assets £	Equipment £	Total £
Cost/Valuation				
At 31st October 2019	231,197	713,665	36,516	981,378
Additions				
Heritage Assets - Donation in kind		1,680		1,680
Heritage Assets – Purchased		1,597		1,597
At 31st October 2020	231,197	716,942	36,516	984,655
Depreciation				
At 31st October 2019	11,679	44,295	19,420	75,394
Disposals				
Charge for the year	2,311	7,169	2,564	12,044
As at 31st October 2020	13,990	51,464	21,984	87,438
Net Book Value				
At 31st October 2020	217,207	665,478	14,532	897,217
At 31st October 2019	219,518	669,370	17,096	905,984

12. Debtors

	2020 £	2019 £
Prepayments and accrued income	0	0

13. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	0	0
Scottish Enterprise Loan	3,000	3,000
Deferred Income	0	0
Total	3,000	3,000

14. Creditors: Amounts falling due after one year

	2020 £	2019 £
Scottish Enterprise Loan	11,649	13,974

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Notes to the Accounts

15. Movements in Funds

	At 1 Nov 2019 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 Oct 2020 £
Restricted Funds:					
Land and Tower	56,672	0	0	0	56,672
New Buildings	0	5,614	0	-5,614	0
Aircraft Maintenance	3,391	1,143	-773	-593	3,168
Computer Equipment		2,384	-2,326	0	58
<i>Total Restricted Funds</i>	60,063	9,141	-3,099	-6,207	59,898
Unrestricted Funds:					
Designated Land & Buildings fund	162,846	0	-2,311	0	160,535
Designated Heritage Assets fund	669,370	1,680	-7,169	1,597	665,478
General Unrestricted fund	38,818	16,426	-29,953	4,610	29,901
<i>Total Unrestricted Funds</i>	871,034	18,106	-39,433	6,207	859,914
Total Funds	931,097	27,247	-42,532	0	915,812

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, previously spent in the 2018 and 2019 years.

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

Computer Equipment: Restricted grants towards the purchase of IT equipment to aid with the running of the 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 within unrestricted funds.

Analysis of Transfers between funds

	Restricted New Building £	Restricted Aircraft Maintenance £	Designated Heritage Assets £	General Unrestricted £
Building costs transferred to unrestricted	-5,614	0	0	5,614
Fixed asset transferred	0	-593	1,597	-1,004
Total	-5,614	-593	1,597	4,610

16. Analysis of Net Assets between funds

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	14,532	826,013	56,672	897,217
Current assets	30,018	0	3,226	33,244
Current liabilities	-3,000	0	0	-3,000
Long-term liabilities	-11,649	0	0	-11,649
Net assets at 31st October 2020	29,901	826,013	59,898	915,812