



**THE TANGMERE MILITARY AVIATION
MUSEUM TRUST**

**REPORT OF THE COUNCIL
& FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31ST DECEMBER 2017

Company Number 02206865

Charity Number 299327

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THE TANGMERE MILITARY AVIATION MUSEUM TRUST

REPORT OF THE COUNCIL

YEAR ENDED 31ST DECEMBER 2017

Chairman's Report


It is gratifying to note that with a figure of 31,711, the total number of visitors to the Museum in 2017 exceeded that of the previous year by 23.2% with paying visitor numbers up by a welcome 25%. It is apposite in this context that of 97% of the some 160 reviews posted by visitors on the Trip Advisor website during the year rated the Museum at either excellent or above average, a combined score which gave us 3rd place for 'Things to do in Chichester'. It was therefore no surprise to be awarded Trip Advisor's Certificate of Excellence once again and also to retain our Visit England accreditation as a 'Quality Assured Visitor Attraction' for the second year in succession.

Throughout the year, our objectives remained rooted in education and conservation to inspire visitors and educate them in the UK's rich military aviation heritage. Of particular note in this context was the work of our dedicated Education Section in hosting 30 school visits (a 15% increase on the previous year) and introducing a choice of 3 work options for the pupils.

It was a successful year in terms of events. The temporary exhibition on Polish and Czech pilots during the summer was a new venture for us and it was pleasing to see both the media interest and people coming from afar to view what we had on offer. The Family Day held in August was extremely successful with an attendance of some 1,300 visitors; whilst providing something of interest for all age groups, we concentrated on the young and this appeared to pay dividends with the presence of a considerable number of very happy children, The two vintage car days mounted in partnership with the Southern Classics Society draw several hundred enthusiasts and collaboration with Chichester University on the history project covering the arrival of American aviators in West Sussex in 1918 was stimulating.

Without doubt, the year's major event was the Museum's receipt of the Queen's Jubilee Award for Voluntary Service, announced by Buckingham Palace of 2nd June. An English Crystal and the Citation associated with this prestigious award were presented formally to the Museum by the Lord Lieutenant of West Sussex, Mrs Susan Pyper, at a ceremony on 26th September, attended by the High Sheriff of West Sussex, the MP for Chichester, and an assortment of other dignitaries and special guests.

As recorded by the Treasurer, income during the year exceeded expenditure by £2,794,223 – a significant surplus largely due to the legacy of £2,690,000 received from the estate of the late Mrs Ena Lopez. This was particularly welcome given the need for essential repairs to the roofs of our two aircraft 'hangars', surface and sub-surface work to manage rainwater drainage from the larger of these and the purchase of three new portacabins at a total cost of £28,788. We are grateful for the Deed of Covenant payment by the Museum Trading Company of £14,251 and it was immensely pleasing at year end to see an increase in the value of our fixed assets, investments and cash deposits to £3,926,985.



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Gp. Capt. D. Baron O.B.E.

Date: 13 March 2018
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THE TANGMERE MILITARY AVIATION MUSEUM TRUST

REPORT OF THE COUNCIL

YEAR ENDED 31ST DECEMBER 2017

The trustees are pleased to present their annual trustees' report together with the financial statements of the charity for the year ending 31st December 2017 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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) (effective 1 January 2015).

Legal and Administrative Information

The Tangmere Military Aviation Museum Trust is a company limited by guarantee. The Trust's governing document is the Memorandum and Articles of Association. Registered address of the charity is: Tangmere, Chichester, West Sussex, PO20 2ES. The registered charity number is 299327.

Principal Activity

The Trust is principally engaged in advancing the education of the public by the display of aircraft, military equipment and artefacts relating to military aviation history.

Aims and Organisation

The charity's objects are set out in the Memorandum of Association and are as follows:

"To advance the education of the public by the construction and provision of a Museum for the public display of aircraft and aeronautical equipment and other items related to aviation and aviation history."

The Trustees confirm that they have paid due regard to the guidance given by the Charity Commission on public benefit.

The Museum exists to promote awareness of the UK military aviation heritage and to educate present and future generations in military aviation by:

- Exhibiting the history of aircraft and personnel involved in military aviation with particular reference to RAF Tangmere and its unique place in that history.
- Serving as a memorial to those allied airmen and airwomen who gave their lives in the service of this country.

The Museum aims are to:

- Secure and conserve all artefacts that together form the heritage collection.
- Present and exhibit artefacts in a respectful manner for the education of visitors.
- Monitor and review the operation with a view to ensuring a long-term future.
- Maintain a strong sense of commitment and partnership amongst all volunteers and to develop their skills and abilities in the interests of excellence.
- Build and maintain appropriate links with other relevant organisations.

In delivering these aims, the Museum is staffed entirely by volunteers. Members of the staff work across a wide range of activities including visitor services, curating the collection, education, special events and engineering.

THE TANGMERE MILITARY AVIATION MUSEUM TRUST
REPORT OF THE COUNCIL
YEAR ENDED 31ST DECEMBER 2017

Achievements and performance

The Museum, having set a number of objectives for the 2017 season (February to November 2017), achieved the following:

- A change in the organisational management structure to meet the challenges of a moderately sized aviation museum staff entirely by an all-volunteer workforce. A Deputy Director was appointed to assist the Director and a management team was set up with specific roles and responsibilities.
- An increase in the number of visitors which over the last five years had remained static or decreasing. During the year, 31,711 souls visited the Museum, thereby exceeding the number in 2016 by 23.2%, with paying visitors increasing by 25%
- A temporary exhibition on Polish and Czech pilots in Sussex was mounted during the summer holidays to attract more visitors.
- An improvement was made to our summer main event to attract more visitors. An Events Team was established and the strategy changed from holiday a themed occasion to a Family Day.
- Refurbishment of the Museum's McDonnell-Douglas Phantom FGR2 airframe was completed and a Supermarine Spitfire Mk IX cockpit built. Both projects were undertaken by our engineering workforce.
- The award of the Queen's Award for Voluntary Service in 2017 announced from Buckingham Palace on 2nd June. The Museum again achieved Visit England's 'Quality Assured Visitor Attraction' status and Trip Advisor's Certificate of Excellence.

Events Report

The Museum collaborated with the Southern Classics Society in running two successful vintage car dayson the old airfield. During the summer holidays the temporary exhibition on Polish and Czech Pilots in Sussex ran for 44 days and attracted an estimated 4,000 visitors. It was considered a success and attracted considerable media attention. The Family Day held in August was extremely successful with an attendance of 1,300 people. For this event, particular attention was paid to provide activities for our little visitors.

Museum Collection

The Museum was donated the McDonnell-Douglass Phantom FGR2 by the RAF Museum. Artefacts continue to be donated to the Museum including medals and pilot log books associated with famous Second World War pilots who flew from RAF Tangmere including Robin Hooper and Leonard Ratcliff. The Museum now has some 45,000 artefacts in its collection.

Buildings and site maintenance

Considerable work was undertaken during 2017 on the repairs to the roofs of the Museum's two aircraft hangers and to the management of water draining from the roof of the larger Merston Hall. The total cost of this work was £28,788. Two of the portacabins used to house the document collection and provide an electrical workshop were replaced and an additional portacabin added.

Activities for Young Visitors

A family table was introduced during the year offering activities for children during visits with their parents. The activities were enhanced following their successful use on the Museum's Family Day. The Museum's simulators continue to be a popular interactive attraction for our young visitors. Three new booklets for children were published by the Museum on famous pilots who flew from RAF Tangmere.

Working with Schools

During 2017, the Museum's Education Department managed 850 pupils on school visits to the Museum (an increase of 10% on the previous year). The Education Department also introduced an additional 'project based' visit option, which was well received by those schools who elected to use it.

THE TANGMERE MILITARY AVIATION MUSEUM TRUST
REPORT OF THE COUNCIL
YEAR ENDED 31ST DECEMBER 2017

Working with Adults

The Museum provided 'Out of Museum' talks on topics associated with RAF Tangmere to adult groups throughout the county of Sussex and into Hampshire. A total of 18 such talks were given by Museum staff. A University of Chichester history department student was taken on for work placement at the beginning of the year continuing this annual service to the University.

Community engagement

The Museum collaborated with the Chichester University on a history project featuring the arrival of American aviators in Sussex in 1918. The findings of this project were presented in September at an 'Over Here' Conference at the University.

The Museum attended the local RAFA Armed Forces Day at Bognor Regis and the local village summer fete. The Curatorial team provided monthly articles on the 'People of Tangmere' during the year for publication in the Chichester Observer. A new book entitled 'Tangmere's Own: Pilots who served King and Country from a Sussex Airfield 1918-1958' was published by the Museum in April, bringing together fifty-eight portraits-in-words of some who served at RAF Tangmere.

Risk Management

The trustees prepare and review at regular intervals an appropriate register of risks to the Museum, and has established procedures for the review and approval of financial transactions. These matters are subject to ongoing review, and the trustees are satisfied that systems are in place to mitigate the Trust's exposure.

Results

The surplus for the year was £2,794,223 (2016: £65,830). The financial condition of the Trust as at 31st December 2017 and currently is satisfactory and the trustees consider that the Trust's financial resources are adequate to enable it to continue its activities at planned levels.

Reserves Policy

The trustees consider that it is necessary to maintain a minimal level of free reserves to cover ongoing operations (that is to say, unrestricted funds not invested in fixed assets or designated for other purposes), because the Museum is operated entirely by volunteers, and ongoing receipts from commercial activities and voluntary sources can reasonably be expected to cover operating and other costs. However, the Museum may develop the current site in order to create further display and visitor facilities and therefore the trustees consider it prudent to accumulate funds to finance the associated potential costs. The free reserves at 31st December 2017 amounted to £397,908.

Objectives for 2018

- To reconfigure the Museum's carpark
- The Introduction of a building maintenance plan
- The development of further fundraising strategy objectives
- To manage the day-to-day to increase visitor numbers
- Continue a policy of energy saving and environmentally friendly practices
- Introduce a policy of having deputies for all Museum key staff
- To continue to develop collaborative projects with Chichester University

THE TANGMERE MILITARY AVIATION MUSEUM TRUST
REPORT OF THE COUNCIL
YEAR ENDED 31ST DECEMBER 2017

Professional Advisers

- Bankers:** Lloyds Bank plc, East Street, Chichester; and
CAF Bank, 24 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ
- Solicitors:** Wannops LLP, York Road Chambers, Bognor Regis, West Sussex, PO21 1LT
- Independent Auditors:** Watling & Hirst Limited, Cawley Place, 15 Cawley Road, Chichester, West Sussex, PO19 1UZ
- Investment Managers:** Thesis Asset Management Ltd, Exchange Building, St John's Street, Chichester, West Sussex, PO19 1UP

Directors and trustees

The directors of the charitable company are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

Gp Capt. D. Baron O.B.E. (Chairman)	D Hooley
F Barber (appointed 27 Apr / Died 27 Dec)	L Outridge
D Burleigh M.B.E.	K Shepherd (appointed 27 Apr)
Dr R Byron (resigned 27 Apr)	W Walker
D Coxon	Mrs J Warren (resigned 27 Apr)

Trustees are elected by the Trust membership at large.

New trustees are made familiar with their legal obligations under charity and company law, the contents of the Memorandum and Articles of Association, the committee and decision-making process and the recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Trustees' Responsibilities in respect of the financial statements

The charity trustees (who are also the directors of The Tangmere Military Aviation Museum Trust for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

THE TANGMERE MILITARY AVIATION MUSEUM TRUST

REPORT OF THE COUNCIL

YEAR ENDED 31ST DECEMBER 2017

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. They are also responsible for safeguarding the assets of the charitable company 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 charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the charitable company's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees



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Gp. Capt. D. Baron O.B.E.

Date: 13 March 2018

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE TANGMERE MILITARY AVIATION MUSEUM TRUST

Opinion

We have audited the financial statements of The Tangmere Military Aviation Trust for the year ended 31 December 2017 set out on pages 10 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Charities SORP (FRS 102) 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) (effective 1 January 2015).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE TANGMERE MILITARY AVIATION MUSEUM TRUST

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Other matters

In the previous accounting period, the trustees of the charitable company took advantage of audit exemption as total incoming resources did not exceed the threshold required for an audit under the Charities Act. Therefore, the prior period financial statements were not subject to audit.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Trustees' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report

Responsibilities of trustees

As explained more fully in the Trustee's Responsibilities Statement set out on pages 5 and 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE TANGMERE MILITARY AVIATION MUSEUM TRUST

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Matthew Robert James Housden FCCA (Senior Statutory Auditor)
for and on behalf of Watling & Hirst Limited

19.3.18

Chartered Certified Accountants
Statutory Auditor

Cawley Place
15 Cawley Road
Chichester
West Sussex, PO19 1UZ

THE TANGMERE MILITARY AVIATION MUSEUM TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31ST DECEMBER 2017**

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Income and endowments from:					
Donations and legacies	2	2,734,128	-	2,734,128	91,606
<i>Income from charitable activities:</i>					
Museum entrance fees		199,629	-	199,629	163,410
Investment income	3	17,434	-	17,434	73,054
Total		2,951,191	-	2,951,191	328,070
Expenditure on:					
Raising funds		4,503	-	4,503	-
<i>Charitable activities:</i>					
Museum	4	152,720	-	152,720	239,960
Other expenditure	5	37,745	-	37,745	25,674
Total		194,968	-	194,968	265,634
Net income		2,756,223	-	2,756,223	62,436
Other recognised gains					
Gains on investments		38,000	-	38,000	3,394
Net movement in funds		2,794,223	-	2,794,223	65,830
Reconciliation of funds:					
Total funds brought forward		1,158,032	-	1,158,032	1,092,202
Total funds carried forward	13	3,952,255	-	3,952,255	1,158,032

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure are derived from continuing activities.

The notes on pages 13 to 19 form part of these financial statements

THE TANGMERE MILITARY AVIATION MUSEUM TRUST


BALANCE SHEET

AS AT 31ST DECEMBER 2017

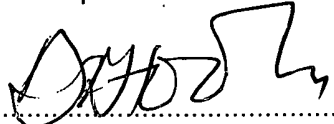
	Note	£	2017 £	£	2016 £
Fixed Assets					
Tangible assets	8		334,412		314,016
Heritage assets	9		30,300		30,300
Investments	10		<u>3,189,635</u>		<u>21,074</u>
			3,554,347		365,390
Current assets					
Stock		12,889		13,088	
Debtors	11	23,581		5,200	
Cash at bank and in hand		<u>372,638</u>		<u>778,182</u>	
		409,108		796,470	
Creditors: Amounts falling due within one year	12	(11,200)		(3,828)	
			<u>397,908</u>	<u>792,642</u>	
Net Assets	13		<u>3,952,255</u>		<u>1,158,032</u>
The funds of the charity					
Unrestricted funds	13		<u>3,952,255</u>		<u>1,158,032</u>

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Council on: 13th March 2018



 K. W. Shepherd



 D. Hooley

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) (Trustees and Directors)

The notes set out on pages 13 to 19 form part of these financial statements.

TANGMERE MILITARY AVIATION MUSEUM TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2017

	Notes	2017 £	2016 £
Cash flows from operating activities	15	<u>2,746,269</u>	<u>314,269</u>
Cash used in investing activities			
Interest income		2,013	2,909
Rents received		5,150	5,188
Coupon on maturity of investment bond		-	64,957
Dividend and interest from investments		10,271	-
Purchase of tangible fixed assets		(39,849)	(5,153)
Purchase of fixed asset investments		(3,167,674)	-
Sale of fixed asset investments		38,276	-
Cash provided by (used in) investing activities		<u>(3,151,813)</u>	<u>67,901</u>
Increase / (decrease) in cash and cash equivalents in the year		<u>(405,544)</u>	<u>382,170</u>
Cash and cash equivalents at the beginning of the year		<u>778,182</u>	<u>396,012</u>
Cash and cash equivalents at the end of the year		<u>372,638</u>	<u>778,182</u>

THE TANGMERE MILITARY AVIATION MUSEUM TRUST

NOTES TO THE ACCOUNTS

YEAR ENDED 31ST DECEMBER 2017

Note

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of accounting

The financial statements have been prepared in accordance 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) (effective January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in UK and the Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The financial statements have been prepared under the historic cost convention, modified to include the revaluation of listed investments and to include listed investments and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The Accounts include the activities and assets of the Society of Friends of the Trust.

b) Unrestricted funds

Unrestricted funds are incoming resources which are generated for the objects of the Trust without further specified purpose and are available as General Funds.

c) Restricted funds

Restricted funds are funds which have been donated or otherwise raised for particular purposes and projects. There are currently no restricted funds.

d) Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

e) Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at all with banks, other short-term liquid investments and bank overdrafts.

THE TANGMERE MILITARY AVIATION MUSEUM TRUST

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2017

Note

f) Incoming resources

Income is recognised and included in the accounts when all of the following criteria are met:

- The charity has entitlement to the funds;
- Any performance conditions attached to the income have been met or are fully within the control of the charity;
- There is sufficient certainty concerning receipt of the income; and
- The amount can be measured reliably.

For legacies, entitlement is taken as the earlier of:

- The date on which the charity is aware that probate has been granted;
- The estate has been finalised and notification has been made by the executor(s) to the Museum that a distribution will be made; or
- When distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fixed Assets – tangible assets

Depreciation is calculated to write off the cost or valuation, less estimated residual values, of tangible fixed assets over their useful lives to the business. The annual depreciation rates and methods are as follows:

Improvement to freehold property	- Straight line over 50 years
Fixtures, fittings and equipment	- 25% reducing balance basis
Motor vehicles	- 25% reducing balance basis

h) Investments

The Museum holds listed investments for the purposes of protecting the capital value of funds held in reserve.

The Museum applies a policy of revaluation to market value.

Investments are recorded as fixed asset investments unless they are expected to be realised within a 12 month period from the balance sheet date.

THE TANGMERE MILITARY AVIATION MUSEUM TRUST

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2017

Note

i) Museum collection – Heritage assets

The artefacts comprising the Museum collection are historic in nature and fall within the definition of Heritage Assets within Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)).

The Council considers that it would be difficult and costly to attribute values to donated artefacts because of their unique nature and they are accordingly excluded from the Balance Sheet as permitted by the Statement of Recommended Practice.

Purchased artefacts are recorded within fixed assets at cost price and are not depreciated on the basis that they are considered to have indefinite useful economic lives. An annual review is carried out to consider impairment as a result of, for example, physical deterioration or damage.

j) Stocks

Stocks are valued at the lower of cost and net realisable value.

k) Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

l) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. Donations and legacies

	2017 £	2016 £
Donations	19,753	15,718
Legacies	2,690,000	50,000
Subscriptions	10,124	9,809
Deed of Covenant from The Museum Trading Co Ltd	14,251	16,079
	<u>2,734,128</u>	<u>91,606</u>

3. Investment income

	2017 £	2016 £
Deposit interest receivable	2,013	2,909
Coupon on maturity of Zurich investment bond	-	64,957
Rent receivable	5,150	5,188
Dividends and interest from listed investments	10,271	-
	<u>17,434</u>	<u>73,054</u>

THE TANGMERE MILITARY AVIATION MUSEUM TRUST

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2017

Note

4. Analysis of expenditure on charitable activities

	2017 £	2016 £
Rates and water	4,650	5,241
Light and heat	7,953	10,031
Advertising	15,101	16,368
Travelling expenses	18,446	18,744
Insurance	9,195	9,057
Printing, postage and stationery (stock adjusted)	6,475	5,140
Website development costs	216	511
Maintenance and repairs	62,010	147,308
Exhibition display and transport costs	7,643	9,398
Miscellaneous	2,984	1,020
Security costs and equipment rental	6,092	6,375
The Tangmere Logbook	1,366	2,596
Memorial garden	1,526	453
Depreciation – Freehold property	7,690	7,253
Depreciation – Heritage Assets	-	(1,367)
Depreciation - van	1,373	1,832
	<u>152,720</u>	<u>239,960</u>

5. Analysis of expenditure on other activities

	2017 £	2016 £
Telephone	4,559	4,004
Depreciation – fittings and office equipment	5,051	3,469
Accountancy and Independent Examination	3,372	3,480
Auditors Remuneration	7,200	-
Bank charges and interest	1,632	1,497
Canteen and cleaning	6,891	7,244
Miscellaneous	3,701	4,826
Loss on disposal of fixed assets	5,339	1,154
	<u>37,745</u>	<u>25,674</u>

6. Staff numbers and costs

No staff are employed by the Museum.

The trustees were not paid nor received other benefits from employment with the Museum in the year (2016: £nil).

7. Corporation Tax

The charitable company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE TANGMERE MILITARY AVIATION MUSEUM TRUST

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2017

Note

8. Tangible Fixed Assets

	Freehold Property £	Fittings and Equipment £	Motor Vehicles £	Total £
Cost				
At 1 st January 2017	425,857	34,688	13,888	474,433
Additions	29,508	10,341	-	39,849
Disposals	(7,648)	(1,841)	-	(9,489)
At 31 st December 2017	<u>447,717</u>	<u>43,188</u>	<u>13,888</u>	<u>504,793</u>
Depreciation:				
At 1 st January 2017	127,729	24,295	8,393	160,417
Charge for the year	7,690	5,051	1,373	14,114
Disposals	(2,857)	(1,293)	-	(4,150)
At 31 st December 2017	<u>132,562</u>	<u>28,053</u>	<u>9,766</u>	<u>170,381</u>
Net book value:				
At 31 st December 2017	<u>315,155</u>	<u>15,135</u>	<u>4,122</u>	<u>334,412</u>
At 31 st December 2016	<u>298,128</u>	<u>10,393</u>	<u>5,495</u>	<u>314,016</u>

9. Heritage Assets

	Museum Artefacts £
Cost	
At 1 st January 2017	30,300
Additions	-
Disposals	-
At 31 st December 2017	<u>30,300</u>
Depreciation:	
At 1 st January 2017	-
Charge for the year	-
Disposals	-
At 31 st December 2017	<u>-</u>
Net book value:	
At 31 st December 2017	<u>30,300</u>
At 31 st December 2016	<u>30,300</u>

THE TANGMERE MILITARY AVIATION MUSEUM TRUST
NOTES TO THE ACCOUNTS (continued)
YEAR ENDED 31ST DECEMBER 2017

Note

10. Fixed Asset Investments

	Listed Investments
	£
MARKET VALUE	
At 1 st January 2017	21,074
Additions	3,167,674
Disposals	(38,276)
Revaluations	39,163
At 31 st December 2017	<u>3,189,635</u>
NET BOOK VALUE	
At 31 st December 2016	<u>21,074</u>
At 31 st December 2017	<u>3,189,635</u>

At 31st December 2017, the cost of listed investments was £2,170,632 and £958,766 was held as cash.

11. Debtors

	2017	2016
	£	£
Prepayments and accrued income	23,374	5,200
Other debtors	207	-
	<u>23,581</u>	<u>5,200</u>

12. Creditors: Amounts Falling Due Within One Year

	2017	2016
	£	£
Trade creditors	1,060	1,188
Accruals	10,140	2,640
	<u>11,200</u>	<u>3,828</u>

THE TANGMERE MILITARY AVIATION MUSEUM TRUST

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 2017

Note

13. Analysis of Net Assets Between Funds

	General Fund (unrestricted) £	Designated Fund (unrestricted) £	Restricted Funds £	Total £
Tangible fixed assets	334,412	-	-	334,412
Heritage assets	30,300	-	-	30,300
Fixed asset investment	189,635	3,000,000	-	3,189,635
Cash at Bank and in hand	372,638	-	-	372,638
Other net current assets	25,270	-	-	25,270
	<u>952,255</u>	<u>3,000,000</u>	<u>-</u>	<u>3,952,255</u>

Designated funds were approved to be set aside at a Trustees Meeting held on 10th February 2009 for the future development of a new or extended Museum. At the Trustees Meeting held on 11th March 2014, it was agreed to further raise the level set aside in the Designated Fund to £500,000. During the trustees meeting held on 10th October 2017, it was agreed to increase the Designated Fund to £3,000,000.

14. Legal status of charity

The Trust is limited by guarantee and does not have a share capital. Members undertake to contribute up to a maximum of £1 each to the Trust's assets if it should be wound-up while they are a member or within one year after they cease to be a member, in the event of a deficiency on such winding-up.

15. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £	2016 £
Net movement in funds	2,794,223	65,830
Depreciation charges	14,114	11,187
(Gains)/losses on sale of fixed assets	5,339	1,154
(Gains)/losses on investments	(39,163)	(3,394)
Dividends, interest and rents from investments	(17,434)	(73,054)
(Increase)/decrease in stocks	199	(1,505)
(Increase)/decrease in debtors	(18,381)	553
(Increase)/decrease in current asset investments	-	345,520
Increase/(decrease) in creditors	7,372	(32,022)
	<u>2,746,269</u>	<u>314,269</u>