

SOLENT SKY LIMITED

**Directors' Report and Unaudited Financial Statements
for the year ended 31 May 2022**

Company No. 960329

SOLENT SKY LIMITED

Company Information

DIRECTORS:

J G U Clark
P D Dimmick
A Jones
Mrs KE Jones
RAR Little

SECRETARY:

Mrs K E Jones

REGISTERED OFFICE:

Solent Sky
Albert Road South
Southampton
Hampshire
SO14 3FR

COMPANY NUMBER:

960329

CHARITY NUMBER:

262995

ACCOUNTANTS:

David Gamblin Limited
Chartered Accountants
71 The Hundred
Romsey
Hampshire
SO41 8BZ

BANKERS:

National Westminster Bank Plc
12 High Street
Southampton
Hampshire
SO14 2BF

SOLENT SKY LIMITED

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SOLENT SKY LIMITED

Directors' Report on the Unaudited Financial Statements for the year ended 31 May 2022

Governance

The company was incorporated on 15 August 1969, and is governed by memorandum and articles of association. It was also registered as a charity, number 262995. The company's working name is Solent Sky.

Three new persons have come forward to serve on the Board of Trustees. They all have something to offer and have experience in museum work. They will be appointed to the Board of Trustees shortly.

Objectives, Achievement and Performance

The principal activity of the company is to advance the education of the public in matters relating to aviation by the maintenance of a museum as a permanent memorial to R J Mitchell, the designer of the Schneider Trophy S6B Seaplane and the Spitfire and as a memorial to the 26 aircraft companies from the Solent area, plus other Southampton engineering heritage.

The directors, who are also the charity trustees, consider the state of affairs of the company to be satisfactory and that the level of funds held is sufficient to enable it to continue to meet its charitable objectives.

The main purpose of the charity is to keep the museum open for public viewing and to promote its educational opportunities. All other activities are directed towards raising funds to supplement the income from admission charges, the museum shop and obtaining new exhibits. The Trustees consider that they have considered the Charities Commission's published guidance on the public benefit requirement under the Charities Act 2011.

A significant measure of achievement is 35 years uninterrupted opening to the public. As ever the company has operated on minimal finance, receiving no grants from local authorities but, as the museum now has international as well as national recognition as the authority on the aviation history it covers, this has given more scope for fund raising.

The company also continues to host on the site, exhibits and volunteers from the Hampshire Police and Hampshire Fire Authorities memorabilia. These were installed at the museum during 2017 and remain to be on display.

The lottery grant has helped to cover the increased display and information costs.

SOLENT SKY LIMITED

Directors' Report on the Unaudited Financial Statements for the year ended 31 May 2022

Directors and Directors' Interests

The directors who served during the year were:

J G U Clark
P D Dlmnick
A Jones
Mrs KE Jones
R A R Little

The interest of the directors at the year end in the share capital of the company were as follows: -

£1 ordinary shares at
beginning and end of period

J G U Clark	1
A Jones	1

The Companies House registered number is: - 960329
The Charity registration number is: - 262995

The Charity operates from: - Albert Road South, Southampton, Hampshire. SO14 3FR, which is also the Charity's registered office.

Reserves

The directors are satisfied that the level of reserves maintained by the charity, of approximately three to six months of total expenditure, are sufficient to meet its needs.

The trustees consider that the balance sheet value does not correctly reflect the true asset value of the Company, which they consider to be nearer £2.5 million pounds, as there is a lease value, with 123 years to run and, museum exhibits and archives worth in excess of £2 million.

Risk Management Statement

The trustees are satisfied that the major risks to which the charity is exposed, as identified by the trustees, are being reviewed, and systems are being established to mitigate those risks.

SOLENT SKY LIMITED

Directors' Report on the Unaudited Financial Statements for the year ended 31 May 2022

Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company at the end of the period and of its surplus or deficit for the period. In preparing these accounts, the directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the statement of recommended practice: Accounting and Reporting by Charities (FRS102) and, in accordance with the special provisions relating to companies' subject to the small companies' regime.

Approved by the board on 23 December 2022, and signed on its behalf.

J G U Clark
Director

SOLENT SKY LIMITED

**INDEPENDENT EXAMINERS REPORT TO THE DIRECTORS
OF SOLENT SKY LIMITED**

We report on the Unaudited Financial Statements of the company for the year ended 31 May 2022, which are set out on pages 5 to 16.

Respective responsibilities of Trustees and Examiners

The Trustees (who are also the Directors of the Company for the purposes of Company Law) are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under Section 144 (2) of the Charities Act 2011 (the 2011 Act) and, that an independent examination is needed.

Having satisfied ourselves that the company is not subject to an audit under company law and is eligible for independent examination, it is our responsibility to: -

- examine the accounts under Section 145 of the 2011 Act
- follow the procedures laid down in the general Directions given by the Charity Commission under Section 145 (5) (b) of the 2011 Act and,
- to state whether particular matters have come to our attention.

Basis of Independent examiners' report

Our examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a full 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 seeking explanations from you, as Trustees, concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently, no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with the examination, no matter has come to our attention:

1. which gives us reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 386 of the Companies Act 2006, and;
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of Section 396 of the Companies Act 2006 and with the method and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met, or
2. to which, in our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

DAVID GAMBLIN LIMITED
Chartered Accountants

71 The Hundred
ROMSEY
Hampshire SO51 8BZ

..... Dated

SOLENT SKY LIMITED

**Unaudited Statement of Financial Activities
for the year ended 31 May 2022
(Including Income and Expenditure Account)**

	<u>Notes</u>	<u>Unrestricted funds</u>	<u>Total 2022</u>	<u>Total 2021</u>
		£	£	£
Income				
Income and endowments from:				
Donations and legacies	3.1	212874	212874	212279
Generated funds	3.1	81817	81817	27725
Bank Interest		35	35	11
Grants	3.1	-	-	47785
Funds transferred	3.2	1185	1185	-
Total		295911	295911	287800
Expenditure				
Costs of generating funds				
Fundraising trading: costs of goods sold and other costs		6434	6434	14598
Charitable activities	4	195607	195607	183244
Governance costs	5	2800	2800	2800
Total		204841	204841	200642
Net Income for the year		91070	91070	87158
Total funds at 31 May 2021		304547	304547	97127
Transferred		-	-	120262
Total funds at 31 May 2022		395617	395617	304547

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

All incoming resources and resources expended derive from continuing activities.

SOLENT SKY LIMITED
Company No. 960329

Unaudited Balance Sheet as at 31 May 2022

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
Fixed assets			
Tangible assets	9	£ 149182	£ 137251
Current assets			
Stock	10	£ 9271	£ 9271
Debtors	11	647	3796
Cash at bank and in hand		253079	170219
		<hr/>	<hr/>
		262997	183286
Creditors: amounts falling due within one year	12	(16560)	(15988)
		<hr/>	<hr/>
Net current assets		246437	167298
		<hr/>	<hr/>
Net assets		£ 395619	£ 304549
		<hr/>	<hr/>
Capital and reserves			
Called-up share capital	13	£ 2	£ 2
Accumulated unrestricted funds	14	395617	304547
		<hr/>	<hr/>
Total charitable funds		£ 395619	£ 304549
		<hr/>	<hr/>

SOLENT SKY LIMITED
Company No. 960329

Unaudited Balance Sheet as at 31 May 2022

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of S.477 of the Companies Act 2006. Members have not required the company under S.476 of the Companies Act 2006, to obtain an audit for the year ended 31 May 2022. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with S.386 of the Companies Act 2006, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31 May 2022, and of its result for the financial year in accordance with the requirements of the Companies Act 2006, so far as applicable to the company.

The accounts have been prepared in accordance with the provisions applicable to small companies, subject to the small companies' regime and, in accordance with FRS102 SORP.

The accounts were approved by the Board on 23 December 2022, and signed on its behalf.

J G U Clark
Director

SOLENT SKY LIMITED

Notes to the unaudited financial statements for the year ended 31 May 2022

1 Accounting policies

1.1 Accounting convention

The accounts have been prepared under the historical cost convention, with items recognised at cost or transaction value.

The accounts have been prepared in accordance with the Statement of Recommended Practice, the Financial Reporting Charities Standard applicable in the United Kingdom and Republic of Ireland (FRS102) Statement of recommended practice and, with the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The Charity constitutes a public benefit entity as defined by FRS102.

1.2 Change of accounting policy

The accounts present a true and fair view and include the following changes to accounting policy: -

Museum artefacts

The directors have decided not to continue to depreciate the carrying value of the museum artefacts as shown in note 9. This reflects more accurately the value of these items. This has resulted in lower costs of £2910 in the 2022 accounts.

1.3 Changes to accounting estimates

No changes to accounting estimates have occurred in the reporting period.

1.4 Material prior year errors

No material prior year errors have been identified in the reporting period.

SOLENT SKY LIMITED

Notes to the unaudited financial statements for the year ended 31 May 2022

1.5 Fund accounting

Unrestricted funds: Funds which can be used in accordance with the charitable objects at the discretion of the trustees. These are donations and other incoming resources receivable or generated for the objects of the charity.

Restricted funds: Funds to be used for specific purposes as laid down by the donor. Expenditure which meet these criteria is charged to the fund.

1.6 Tangible fixed assets

Tangible fixed assets are capitalised for ongoing use within the company, where the individual cost of the asset exceeds £200. Assets are stated in the balance sheet at cost, less depreciation.

Depreciation is charged on tangible fixed assets over their estimated useful lives as follows:

Museum buildings	40 years straight line
Displays and equipment	15% reducing balance
Museum artefacts	Nil (from 2021)
Vehicles	15% reducing balance

1.7 Stock

Stock is stated in the balance sheet at the lower of the cost and estimated sale price, less estimated costs to realise.

1.8 Incoming resources

Donations are recognised as the gross amount when received, or on the date at which the company becomes absolutely entitled to it, if earlier. Admissions income and shop sales are included, where applicable, net of value added tax. Grants are recognised in full in the statement of financial activities in the year in which they become receivable.

Advertising income is included at the time of invoice for the services, or receipt of monies if earlier.

1.9 Tax reclaims on donations and gifts

Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid recovered is considered as part of the original gift and is included in the same fund.

SOLENT SKY LIMITED

Notes to the unaudited financial statements for the year ended 31 May 2022

2.0 Debtors

Debtors are measured at settlement amounts, less any provisions or impairments.

2.1 Volunteer help

The value of any volunteer help received is not included in the accounts. Volunteers generally provide their services for exhibit and building maintenance.

2.2 Resources expended

Resources expended have been wholly allocated to the relevant SOFA heading for expenditure as appropriate and have been recognised in the period in which they are incurred.

Costs of generating funds: These are costs incurred by the charitable company in raising funds for the charitable work.

Charitable activities: Resources expended on charitable activities comprise all the resources applied by the charity in undertaking its work to meet its charitable objectives.

Governance costs: Governance costs include those costs associated with meeting the statutory requirements of the charity and include the accountancy fees.

2.3 Creditors:

Creditors: The Charity has creditors, which are measured at settlement amounts, less any trade discounts.

No material item of deferred income has been included in the accounts.

2.4 Going concern

At the date of approval of these accounts, there are no material uncertainties about the Charity's ability to continue to trade.

SOLENT SKY LIMITED

**Notes to the unaudited financial statements
for the year ended 31 May 2022**

3.1	Voluntary Income	Unrestricted funds	Total 2022	Total 2021
		£	£	£
	Donations	212874	212874	212279

Charitable activities:

	Unrestricted funds	Total 2022	Total 2021
	£	£	£
Admission fees	68811	68811	23677
Sale of goods	13006	13006	4048
Rent	-	-	-
Advertising revenue	-	-	-
Hire fees	-	-	-
	81817	81817	27725

3.2 Funds transferred

During the 2017 year, the Charity accommodated the collections of the Hampshire Police Authority and the Hampshire Fire and Rescue Authority

No transfers were received during the 2022 year.

	Unrestricted funds	Total 2022	Total 2021
	£	£	£
4 Expenditure – Other costs			
Staff costs	78556	78556	77436
Premises costs	25197	25197	19068
Insurance	8118	8118	7246
Repairs, maintenance and equipment hire	27917	27917	27762
Office costs	41972	41972	39576
Finance costs	2829	2829	1338
Depreciation	11018	11018	10818
	195607	195607	183244

SOLENT SKY LIMITED

**Notes to the unaudited financial statements
For the year ended 31 May 2022**

5	Governance costs	<u>2022</u>	<u>2021</u>
	Accountancy and examination	2800	2800
		<hr/>	<hr/>
	Independent examiner's fees	800	800
		<hr/>	<hr/>
	Accountancy work	2000	2000
		<hr/>	<hr/>
6	Staff costs	<u>2022</u>	<u>2021</u>
	Salaries and wages	£ 78556	£ 75343
	Employee's national insurance	2041	1628
	Pension costs	338	465
		<hr/>	<hr/>
	Total staff costs	£ 80935	£ 77436
		<hr/>	<hr/>

The above payments were made to individuals for work done for the company.

The average number of persons employed by the Company during the year were:

	<u>No.</u>	<u>No.</u>
Museum attendants	1	1
Part-time office staff	2	2
	<hr/>	<hr/>
	3	3
	<hr/>	<hr/>

No employees received employee benefits (excluding employer pension costs) for the reporting period.

7 Pension contributions

The Charity operates a defined contribution scheme for its employees. Contributions are charged against profit as they become payable.

The assets of the scheme are held separately from those of the Charity in a separately administered fund.

8 Taxation

The company is registered as a charity under the Charities Act 2011 and no provision has been made for corporation tax on the understanding that any trading profits will be exempt.

SOLENT SKY LIMITED

**Notes to the unaudited financial statements
for the year ended 31 May 2022**

9 Tangible fixed assets

	<u>Vehicles</u>	<u>Museum Buildings</u>	<u>Displays & equipment</u>	<u>Museum artefacts</u>	<u>Total</u>
	£	£	£	£	£
COST					
Brought forward	5939	168335	192724	116415	483413
Additions	-	22949	-	-	22949
At 31 May 2022	5939	191284	192724	116415	506362
DEPRECIATION					
Brought forward	5532	137764	141932	60934	346162
Charge for the year	61	3339	7618	-	11018
At 31 May 2022	5593	141103	149550	60934	357180
NET BOOK VALUE					
At 31 May 2022	346	50181	43174	55481	149182
At 31 May 2021	407	30571	50792	55481	137251

In the opinion of the directors, the current market value of the museum building and museum artefacts is significantly in excess of the net book values shown above.

10 Stock

	<u>2022</u>	<u>2021</u>
Goods for resale - purchased	£ 9271	£ 9271
- donated	-	-
	£ 9271	£ 9271

11 Debtors

	<u>2022</u>	<u>2021</u>
Taxation	£ -	£ 3149
Prepayments	647	647
	£ 647	£ 3796

SOLENT SKY LIMITED

**Notes to the unaudited financial statements
for the year ended 31 May 2022**

12	Creditors: amounts falling due within one year	<u>2022</u>	<u>2021</u>
	Accruals	£ 2800	£ 2800
	Trade creditors	7133	12298
	Social security and other taxes	2187	188
	Card	4395	657
	Pension contributions	45	45
		<hr/>	<hr/>
		£ 16560	£ 15988
		<hr/>	<hr/>

13	Called-up share capital	<u>2022</u>	<u>2021</u>
	Alotted, issued and fully paid:		
	Ordinary shares of £1 each	2	2
		<hr/>	<hr/>

14 Restricted funds

The Spitfire Fund was established to raise money for the erection of a Spitfire statue.

The Building fund represents the net book value of the museum building improvements as stated in the accounts. The majority of this work was covered by grant funding when it was undertaken.

The Air Display Fund represents a donation from Hampshire County Council, Southampton City Council and Eastleigh Borough Council to put towards the Spitfire 70th Anniversary Air Display in March 2006.

The Feasibility Study Fund relates to a grant from Southampton City Council to review future strategy for the museum.

SOLENT SKY LIMITED

Notes to the unaudited financial statements for the year ended 31 May 2022

15 Analysis of net assets between funds

	Unrestricted funds	Total 2022	Total 2021
	£	£	£
Tangible fixed assets	149182	149182	137251
Current assets	262997	262997	183286
Current liabilities	(16560)	(16560)	(15988)
	<hr/>	<hr/>	<hr/>
	395619	395619	304549
	<hr/>	<hr/>	<hr/>

16 Related party transactions

Payments of £45960 (2021: £45960) were made to Retroplan Limited, a management company engaged for the day to day management of the museum. Mr A Jones is a director of Retroplan Limited.

Mr A Jones provides workshop accommodation, container storage and open storage for Solent Sky museums reserve collection. The service is provided for £7200 per year as a gesture at an amount which the Trustees believe is well below the commercial rate.

Mr A Jones also holds a £1 share in Solent Sky Limited but, cannot derive any financial benefit from this shareholding as it is barred by the Memorandum and Articles of Association.

Mr JGU Clark holds a £1 share in Solent Sky Limited but, is restricted from receiving any financial benefit from this shareholding by the Memorandum and Articles of Association.

SOLENT SKY LIMITED

**Notes to the unaudited financial statements
for the year ended 31 May 2022**

17 Additional information

The company is a charitable company, limited by shares and, registered in England.

The registered number is: 960329

The registered office address is: Albert Road South
Southampton
Hampshire
SO14 3FR

