

Charity registration number 262995

Company registration number 00960329 (England and Wales)

SOLENT SKY LTD
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2024

SOLENT SKY LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J G U Clark	
	N L Hallett	
	A Jones	
	Mrs K E Jones	
	R A R Little	
	N D S Boulting	(Appointed 3 February 2025)
Secretary	Mrs K E Jones	
Charity number	262995	
Company number	00960329	
Registered office	Albert Road South Southampton Hampshire SO14 3FR	

SOLENT SKY LTD

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SOLENT SKY LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MAY 2024

The trustees present their annual report and financial statements for the year ended 31 May 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's memorandum and articles of association, the Companies Act 2006 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 2019).

Objectives and activities

The principal activity of the Charity 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 Spitfire aircraft and the Schneider Trophy S6 Seaplane and the 26 aircraft companies in the Solent Area.

The Charity also continues to host on the site the exhibits and memorabilia from Hampshire Police and Fire Trust, also contributing to the overall ethos of the Museum.

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 and the Museum shop and to pay for new exhibits and exhibitions.

Public benefit

The Trustees consider that they have considered the Charity Commission's published guidance on the public benefit requirement under the Charities Act 2011.

Achievements and performance

Significant activities and achievements against objectives

A significant measure of achievement is 40 years of uninterrupted opening to the public. As ever the Charity has operated on minimum funds, receiving no revenue grants from Local Authorities. However, the Museum now has international as well as national recognition in the area of aviation history it covers which has given it more scope for funding.

The Heritage Lottery Fund grants received have helped cover increased exhibition and display costs.

Financial review

Reserves policy

The trustees 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 fixed asset value of the Charity, which they consider to be nearer £2.5 million, as there is a lease value, with 122 years to run and, museum exhibits and archives worth in excess of £2 million.

In addition, the museum artefacts and the displays and equipment have been donated and restored over many years and are therefore likely to exceed their value shown in the financial statements. As a result of this, the trustees have agreed these assets should not be depreciated.

Structure, governance and management

The Charity was incorporated on the 15th of August 1969 and is governed by Memorandum and Articles of Association. It was also registered as a charity no 262995. The Charity's working name is Solent Sky.

SOLENT SKY LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MAY 2024

The new persons have been adopted on the Board of Trustees, and all are registered with Companies House. All have something to offer, two having experience in museum work.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

J G U Clark	
N L Hallett	
A Jones	
Mrs K E Jones	
R A R Little	
N D S Boulting	(Appointed 3 February 2025)
P D Dimmick	(Resigned 30 November 2023)

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

£1 ordinary shares
at the beginning and end of the 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.

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.

The trustees' report was approved by the Board of Trustees.

.....
J G U Clark
Trustee

Date:

SOLENT SKY LTD

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SOLENT SKY LTD

I report to the trustees on my examination of the financial statements of Solent Sky Ltd (the Charity) for the year ended 31 May 2024.

Responsibilities and basis of report

As the trustees of the Charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of [ENTER IN DATABASE cy1015], which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

David Gamblin Limited
Chartered Accountants
71 The Hundred
Romsey
Hampshire
SO51 8BZ

Dated:

SOLENT SKY LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MAY 2024

	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from:			
Donations and legacies	3	160,690	105,653
Charitable activities	4	135,441	117,024
Investments	5	2,073	869
Total income		<u>298,204</u>	<u>223,546</u>
Expenditure on:			
Raising funds	6	14,856	1,795
Charitable activities	7	267,516	225,027
Total expenditure		<u>282,372</u>	<u>226,822</u>
Net income/(expenditure) and movement in funds		15,832	(3,276)
Reconciliation of funds:			
Fund balances at 1 June 2023		<u>392,345</u>	<u>395,621</u>
Fund balances at 31 May 2024		<u>408,177</u>	<u>392,345</u>

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

SOLENT SKY LTD

BALANCE SHEET

AS AT 31 MAY 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		165,322		170,574
Current assets					
Stocks	14	19,219		23,391	
Debtors	15	53,515		982	
Cash at bank and in hand		179,467		221,035	
		<u>252,201</u>		<u>245,408</u>	
Creditors: amounts falling due within one year	16	<u>(9,346)</u>		<u>(23,637)</u>	
Net current assets			<u>242,855</u>		<u>221,771</u>
Total assets less current liabilities			<u>408,177</u>		<u>392,345</u>
The funds of the Charity					
Share capital	18		2		2
Unrestricted funds	19		408,175		392,343
			<u>408,177</u>		<u>392,345</u>

SOLENT SKY LTD

BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2024

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 May 2024.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the trustees on

.....
J G U Clark

Trustee

Company registration number 00960329 (England and Wales)

SOLENT SKY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2024

1 Accounting policies

Charity information

Solent Sky Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Albert Road South, Southampton, Hampshire, SO14 3FR.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 2019). The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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 historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

SOLENT SKY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2024

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Museum Buildings	40% straight line
Motor Vehicles	15% reducing balance
Displays & Equipment	£nil (as of 2023)
Museum Artefacts	£nil (as of 2022)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

SOLENT SKY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2024

1 Accounting policies

(Continued)

1.10 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

SOLENT SKY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2024

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations and gifts	130,690	68,233
Grants	30,000	37,420
	<u>160,690</u>	<u>105,653</u>

4 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Advancement of education		
Admission fees	118,343	99,977
Sale of goods	17,098	17,047
	<u>135,441</u>	<u>117,024</u>

5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Interest receivable	<u>2,073</u>	<u>869</u>

SOLENT SKY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2024

6 Expenditure on raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Fundraising and publicity		
Subcontracted costs	2,517	1,392
Advertising	3,623	2,992
Other fundraising costs	8,716	(2,589)
	<u>14,856</u>	<u>1,795</u>

7 Expenditure on charitable activities

	Advancement of education 2024 £	Advancement of education 2023 £
Direct costs		
Staff costs	93,293	83,396
Depreciation and impairment	5,252	5,533
Motor and travel	1,470	2,731
Postage and stationery	7,501	6,448
Subscriptions	436	532
Telephone	2,845	2,838
Sundry	53	604
Marketing and promotion	24,568	23,023
Other staff costs	861	1,076
Planning costs	10,714	5,856
Rates	5,261	5,463
Light and heat	37,246	38,924
Insurance	9,932	9,801
Repairs	53,207	11,508
Storage	7,200	10,655
Other premises costs	936	1,541
Refuse	189	5,302
Other charitable expenditure	3,552	6,896
	<u>264,516</u>	<u>222,127</u>
Share of support and governance costs (see note 8)		
Governance	3,000	2,900
	<u>267,516</u>	<u>225,027</u>
Analysis by fund		
Unrestricted funds	<u>267,516</u>	<u>225,027</u>

SOLENT SKY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2024

8 Support costs allocated to activities

	Advancement of education 2024 £	Total 2023 £
Governance	3,000	2,900

9 Net movement in funds

	2024 £	2023 £
The net movement in funds is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	5,252	5,533

10 Trustees

Transactions with Trustees are included within the related party transactions note (see note 20).

11 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Museum attendants	1	1
Part-time office staff	3	2
Total	4	3

Employment costs

	2024 £	2023 £
Wages and salaries	92,347	83,166
Other pension costs	946	230
	93,293	83,396

There were no employees whose annual remuneration was more than £60,000.

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

SOLENT SKY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2024

13 Tangible fixed assets

	Museum Buildings £	Motor Vehicles £	Displays & Equipment £	Museum Artefacts £	Total £
Cost					
At 1 June 2023	208,304	5,939	202,629	116,415	533,287
At 31 May 2024	208,304	5,939	202,629	116,415	533,287
Depreciation and impairment					
At 1 June 2023	146,584	5,645	149,550	60,934	362,713
Depreciation charged in the year	5,208	44	-	-	5,252
At 31 May 2024	151,792	5,689	149,550	60,934	367,965
Carrying amount					
At 31 May 2024	56,512	250	53,079	55,481	165,322
At 31 May 2023	61,720	294	53,079	55,481	170,574

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

The trustees undertake an annual impairment review of the museum property. The trustees have agreed not to revalue the museum property at this time.

14 Stocks

	2024 £	2023 £
Finished goods and goods for resale	19,219	23,391

15 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Other debtors	53,515	335
Prepayments and accrued income	-	647
	53,515	982

SOLENT SKY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2024

16 Creditors: amounts falling due within one year

	2024 £	2023 £
Other taxation and social security	2,181	2,687
Trade creditors	1,611	16,207
Other creditors	2,654	1,943
Accruals and deferred income	2,900	2,800
	<u>9,346</u>	<u>23,637</u>

17 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>946</u>	<u>230</u>

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

18 Share capital

	2024 £	2023 £
Ordinary share capital		
Issued and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

19 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 June 2023 £	Incoming resources £	Resources expended £	At 31 May 2024 £
General funds	<u>392,343</u>	<u>298,204</u>	<u>(282,372)</u>	<u>408,175</u>
Previous year:				
	At 1 June 2022 £	Incoming resources £	Resources expended £	At 31 May 2023 £
General funds	<u>395,619</u>	<u>223,546</u>	<u>(226,822)</u>	<u>392,343</u>

SOLENT SKY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 MAY 2024*

20 Related party transactions

Transactions with related parties

During the year the Charity entered into the following transactions with related parties:

Mr A Jones provides workshop accommodation, container storage and open storage for Solent Sky museums reserve collection. The service is provided at £7,200 per year as a gesture at an amount which the Trustees believe is well below the commercial rate.

Mr A Jones 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 cannot derive any financial benefit from this shareholding as it is barred by the Memorandum and Articles of Association.