THE MIDLANDS AIR MUSEUM LIMITED

England & Wales · Charity number 508326

Details

Status	Registered
Legal form	Charitable company
Company number	01357553
Registered	1978-12-22
Register	View on the Charity Commission register

Contact

Address	Midland Air Museum Coventry Road Baginton Coventry CV8 3AZ
Phone	02476301033
Email	midlandairmuseum@btconnect.com
Website	www.midlandairmuseum.co.uk

Activities

Objects: TO ADVANCE THE EDUCATION OF THE PUBLIC IN THE PRESERVATION OF AIRCRAFT AND AERONAUTICAL EQUIPMENT OF HISTORICAL, TECHNICAL OR OTHER PUBLIC INTEREST AND IN AVIATION GENERALLY.

Activities: Advance the education of the public in the preservation of aircraft and aeronautical equipment of historical, technical or other public interest relating to Coventry in particular and to the Midlands and aviation generally.The Museum's mission is to be recognised as one of the leading independent collections, renowned for its friendly atmosphere and exceptional standards of customer service.

Classification

- **How:** Other Charitable Activities
- **What:** Education/training, Environment/conservation/heritage
- **Who:** The General Public/mankind

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Geography

- Birmingham City
- Coventry City
- Dudley
- Sandwell
- Solihull
- Walsall
- Warwickshire
- Wolverhampton

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£235,321	£259,006	-	-
2023-12-31	£226,284	£224,607	-	-
2022-12-31	£220,630	£193,263	-	-
2021-12-31	£181,763	£147,415	-	-
2020-12-31	£94,431	£141,449	-	-

Trustees

Name	Role	Appointed
BARRY JAMES	Chair	
ANTHONY EVANS		
Daniel Martin Woodrow		2021-10-29
David Carter		2024-11-07
IVOR WELFORD		
MARK PAINTER		

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THE MIDLANDS AIR MUSEUM LIMITED

England & Wales - Charity number 508326

Accounts

Charity registration number 508326

Company registration number 01357553 (England and Wales)

MIDLAND AIR MUSEUM

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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MIDLAND AIR MUSEUM

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr M T Painter	
	Mr G L Talbot	
	Mr I P Welford	
	Mr B W James	
	Mr A R Evans	
	Mr D Woodrow	
	Mr D Carter	(Appointed 7 November 2024)
Charity number	508326	
Company number	01357553	
Registered office	Coventry Airport Rowley Road Coventry United Kingdom CV8 3AZ	
Independent examiner	Azets Audit Services 3Mc Middlemarch Business Park Siskin Drive Coventry United Kingdom CV3 4FJ	
Bankers	HSBC P.O. Box 24 City Branch Coventry United Kingdom CV1 1QJ	
Solicitors	Mander Hadley Limited Solicitors 1 The Quadrant Coventry West Midlands United Kingdom CV1 2DW	
Curatorial Advisor	C van Schaardenburgh Head of Collections The Tank Museum Bovington Dorset BH20 6JG United Kingdom	

MIDLAND AIR MUSEUM

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MIDLAND AIR MUSEUM

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees present their annual report and financial statements for the year ended 31 December 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 [governing document], 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 objects of the charity are to advance the education of the public in the preservation of aircraft and aeronautical equipment of historical, technical, archive or other public interest relating to Coventry, in particular, and to the Midlands and aviation generally. The museum incorporates the Sir Frank Whittle Jet Heritage Centre with the object of presenting the life and work of Coventry born Sir Frank Whittle and his influence on the world through the development of the jet engine.

The Midland Air Museum's mission is to continue to be recognised as one of the leading independent collections, renowned for its friendly atmosphere and exceptional standards of customer service. Feedback from our customers is continuously reviewed.

Opportunities are provided for visitor participation and interaction with exhibits. The museum has an outstanding record of successful innovation in the use of an aviation museum as an educational resource for schools and for places of further and higher education.

The Museum's objective is to be known for the range and quality of aircraft, engines and its regional collection and additionally for a continuous improvement in its standards of restoration and conservation and also for the scale and scope of its partnerships with the community at large.

The key aims of the Charity are to acquire aircraft, aircraft components and associated items to further the purpose of the museum and to record aviation history relating to the declared statement of purpose.

Additionally to promote the museum and its purpose by outside exhibitions, lectures, media articles, publications, and public interaction and to take such steps that may be thought necessary for the raising of additional funds to promote the Museum's purpose such as donations, grants and annual subscriptions.

The Museum has a strategy to develop the skills of the current membership and staff with emphasis on the care of the collection, the quality of service to visitors and the excellence of displays. Additionally there is a strategy of generating greater funding opportunities to supplement the Museum's own financial assets which will be targeted in an effective way. Our National Accreditation status is very important in this respect.

The Museum's long term strategy is to consolidate our customer base while looking for a wider participation and greater diversity. Major future developments will require funding opportunities to be explored and the continuation of accreditation status will assist in this objective.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Regular visits from schools and cubs, scouts and beaver groups continued during the year together with visitor numbers maintaining good levels. The challenge for the museum staff and volunteers was to maintain a welcoming environment while recovering the time lost in the maintenance of and presentation of the collection.

A summary of the main achievements of the Charity during the year:

- The 3 major events during the year were the resumption of the Summer Model Show, the autumn Aviation Fair and the December Fair which were all well attended.
- A repaint of the Phantom aircraft was completed during the year with the aircraft continuing to be displayed in its Vietnam War era colour scheme
- The restored Flettner Kolibri helicopter has been displayed prominently and was included in the filming of a TV series featuring workshop restorations together with a long stnading member of the museum who carried out much of the restoration. The Flettner engine restoration progressed during the year and, after completion, will be displayed alongside the helicopter in the new public display building.
- A repaint of the lockheed Starfighter was completed during the year.
- A repaint of the Meteor Night Fighter was completed during the year
- The new display building was commissioned and opened to the public before the summer period and has provided a welcome addition to the inside aircraft display areas.
- The museum continues its educational association with Coventry University and with many local schools for educational visits
- The museum has continued its association with local community groups and hosts regular meetings for 3 clubs throughout the year
- The display celebrating the 75th anniversary of Airfix was completed by Easter and was prominent for the remainder of the year, resulting in much visitor interest

The Trustees are very much aware of the support given by staff and volunteers and they would like to record their thanks and appreciation for all their efforts during this year.
The Trustees maintain that the musem contributes to the regional economy with the employment of paid staff, the number of countrywide and overseas visitors and a policy of using local traders and stockists where ever possible
The Trustees would also like to thank those individuals and organisations who have loaned exhibits and supported the Museum during the year.

Financial review

The Museum maintained a strong financial position through 2024.

Total incoming resources for the year were £235,321 (2023: £226,284) and net outgoing resources were (£23,685) (2023, net incoming resources: £1,677)

Total available funds at the end of the year were £726,211 (2023: £749,896)

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

Structure, governance and management

The Charity is constituted in accordance with its Memorandum and Articles. It is a membership organisation governed by a Board of Trustees, the members of which are elected from within the membership at the AGM. The Board of Trustees also acts as the management committee of the Charity with a structure that enables delegation of responsibilities, with an appropriate reporting mechanism to the Board.
The Board of Trustees meet at least six times annually in a formal manner, and a specific training and mentoring programme is established for new trustees.

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:

Mr K Dixon	(Resigned 2 October 2024)
Mr M T Painter	
Mr G L Talbot	
Mr I P Welford	
Mr B W James	
Mr A R Evans	
Mr D Woodrow	
Mr D Carter	(Appointed 7 November 2024)

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Heritage assets

The whole collection of heritage assets are not capitalised because of the significant costs that would be involved in the valuation which are onerous compared with the additional benefit that would be gained by users of the accounts. However, major acquisitions of heritage assets have been capitalised since 1st January 2005 and depreciated in accordance with the stated rate.

Plans for future periods

Future plans are defined and monitored by means of the Forward Planning which is approved by the Board and reviewed in conjunction with the Professional Curatorial Adviser and updated annually.

A summary of the main items from the plan for the current planning cycle is :

- The collection is to be developed in accordance with the Charity's Acquisition and Disposal Policy.
- The Museum will continue to hold a summer model show in association with Coventry and Warwickshire International Plastic Model Society, a Museum Christmas Fair and an Aviation Fair.
- The Museum will continue with the acquisition and fitment of Tornado aircraft parts to enhance the public display of the aircraft.
- To continue with the programme of reviewing and improving all the cabinet displays within the display hall.
- The area in the main hanger, used for specific displays for up to 12 months, will house an exhibition featuring the iconic Boeing 747 airliner during 2025. This aircraft has now finished passenger services after 55 years and has revolutionised leisure and business travel.
- To consolidate the skills training of paid staff and volunteer members.
- To initiate the repaint of the Vickers Viscount and the Armstrong Whitworth Argosy aircraft..
- To continue with the ongoing programme of aircraft collection preservation for which the immediate schedule includes the Lightning F.6, the Armstrong Whitworth Sea Hawk, the Westland Whirlwind, the de Havilland Dove and the North American F86 Sabre..
- To continue with the ongoing programme of engine collection preservation, specifically the Goblin and Elan engines, and to prepare an Orenda engine for display.
- Continue with the collection cataloguing in accordance with the accreditation plan and incorporating the extensive Leopard aircraft archive.
- To continue to use 3D Printer technology in the Museum's restoration projects as appropriate.
- Continue the planning of further improvements to the general Museum infrastructure including the provision of a hard surface pathway from the main display hall to the Robin hanger.
- The Museum continues its educational associations with Coventry University and maintains long standing associations with many local and regional schools.
- It is planned to continue a programme of visits by schools to the Museum and of outreach talks.
- In addition to the above programme planning will be continued for development of the main entrance, shop and additional inside visitor and display areas.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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

Mr B W James
Chairman

Dated: 7-5-25

Mr A R Evans
Treasurer

Dated: 7-5-25

MIDLAND AIR MUSEUM

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF MIDLAND AIR MUSEUM

I report to the Trustees on my examination of the financial statements of Midland Air Museum (the charity) for the year ended 31 December 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

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.

Robert Anderson FCA
Azets Audit Services

3mc Middlemarch Business Park
Siskin Drive
Coventry
CV3 4FJ
United Kingdom

Dated: 16/7/2025

MIDLAND AIR MUSEUM

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from:			
Donations and legacies	3	1,748	2,744
Charitable activities	4	126,921	125,087
Other trading activities	5	97,396	93,538
Investments	6	9,256	4,915
Total income		235,321	226,284
Expenditure on:			
Raising funds	7	495	326
Charitable activities	8	258,511	224,281
Total expenditure		259,006	224,607
Net (expenditure)/income for the year/ Net movement in funds		(23,685)	1,677
Fund balances at 1 January 2024		749,896	748,219
Fund balances at 31 December 2024		726,211	749,896

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

All income and expenditure derive from continuing activities.

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

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MIDLAND AIR MUSEUM

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	13		235,834		239,039
Current assets					
Stocks	14	23,201		22,163	
Debtors	15	3,245		2,197	
Cash at bank and in hand		472,660		494,371	
		499,106		518,731	
Creditors: amounts falling due within one year	16	(8,729)		(7,874)	
Net current assets			490,377		510,857
Total assets less current liabilities			726,211		749,896
Income funds					
Unrestricted funds					
Designated funds	18	625,834		629,042	
General unrestricted funds		100,377		120,854	
			726,211		749,896
			726,211		749,896

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 December 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.

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

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.

The accounts were approved by the Trustees on 7-5-25.

B. James

Mr B W James
Chairman

A R Evans

Mr A R Evans
Treasurer

Company Registration No. 01357553

1 Accounting policies

Charity information

Midland Air Museum is a private company limited by guarantee incorporated in England and Wales. The registered office is Coventry Airport, Rowley Road, Coventry, CV8 3AZ, United Kingdom.

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, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. 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 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.

1 Accounting policies **(Continued)**

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which the expenditure arose.

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:

Leasehold land and buildings	2% - 5% on original cost
Fixtures and fittings	10% - 33% on original cost
Site assets	10% on original cost

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.

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.

1 Accounting policies **(Continued)**

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 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.12 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.

1.13 Retirement benefits

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

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 Donations and legacies

	Unrestricted funds	Total
	2024	2023
	£	£
Donations and gifts	1,748	2,744

4 Charitable activities

	Admission fees	Hire of facilities	Subscriptions	Total 2024	Admission fees	Hire of facilities	Subscriptions	Total 2023
	2024	2024	2024		2023	2023	2023	
	£	£	£	£	£	£	£	£
Sales within charitable activities	122,895	1,270	2,756	126,921	120,869	1,313	2,905	125,087

5 Other trading activities

	Unrestricted funds	Total
	2024	2023
	£	£
Shop and cafe sales	97,396	93,538

6 Investments

	Unrestricted funds	Total
	2024	2023
	£	£
Interest receivable	9,256	4,915

7 Raising funds

	2024	2023
	£	£
Fundraising and publicity		
Advertising	495	326
	495	326

8 Charitable activities

	2024	2023
	£	£
Staff costs	97,794	87,726
Depreciation and impairment	16,505	15,797
Cost of sales	62,180	63,983
Gift Aid Donations Expired	1,096	705
	177,575	168,211
Share of support costs (see note 9)	76,464	51,628
Share of governance costs (see note 9)	4,472	4,442
	258,511	224,281

9 Support costs

	Support costs	Governance costs	2024	2023	
	£	£	£	£	
Rent and rates	5,593	-	5,593	3,846	
Insurance	8,872	-	8,872	9,393	
Light and heat	9,322	-	9,322	11,484	
Site expenses	35,715	-	35,715	17,529	
Office expenses	960	-	960	1,141	
Telephone	2,364	-	2,364	2,075	
Transport and travelling expenses	944	-	944	748	
Restoration	1,665	-	1,665	1,459	
Sundry expenses	10,795	-	10,795	3,720	
Bank charges	234	-	234	233	
Legal and professional	-	4,472	4,472	4,442	Governance
	76,464	4,472	80,936	56,070	
Analysed between					
Charitable activities	76,464	4,472	80,936	56,070	

Governance costs includes payments to the Independent Examiners of £3,748 (2023 - £3,495) for Independent Examination and other services.

10 Trustees

None of the Trustees received any remuneration or benefits from the charity during the year.

11 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
	5	6

Employment costs	2024 £	2023 £
Wages and salaries	94,702	85,282
Other pension costs	3,092	2,444
	97,794	87,726

No single employee received total employee benefits of over £60,000

12 Taxation

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

13 Tangible fixed assets

	Leasehold land and buildings	Fixtures and fittings	Site assets	Total
	£	£	£	£
Cost				
At 1 January 2024	336,688	123,455	13,377	473,520
Additions	13,300	-	-	13,300
At 31 December 2024	349,988	123,455	13,377	486,820
Depreciation and impairment				
At 1 January 2024	116,981	104,123	13,377	234,481
Depreciation charged in the year	12,802	3,703	-	16,505
At 31 December 2024	129,783	107,826	13,377	250,986
Carrying amount				
At 31 December 2024	220,205	15,629	-	235,834
At 31 December 2023	219,707	19,332	-	239,039

14 Stocks

	2024	2023
	£	£
Raw materials and consumables	23,201	22,163

15 Debtors

	2024	2023
Amounts falling due within one year:	£	£
Other debtors	1,102	2,197
Prepayments and accrued income	2,143	-
	3,245	2,197

16 Creditors: amounts falling due within one year

	2024	2023
	£	£
Other taxation and social security	4,646	3,926
Other creditors	918	-
Accruals and deferred income	3,165	3,948
	8,729	7,874

17 Retirement benefit schemes

Defined contribution schemes

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.

The charge to profit or loss in respect of defined contribution schemes was £3,092 (2023 - £2,444).

18 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				Movement in funds		
	Balance at 1 January 2023	Incoming resources	Resources expended	Balance at 1 January 2024	Incoming resources	Resources expended	Balance at 31 December 2024
	£	£	£	£	£	£	£
Fixed assets fund	188,560	66,276	(15,794)	239,042	13,300	(16,508)	235,834
Building development fund	255,000	-	-	255,000	-	-	255,000
Acquisition fund	55,000	-	-	55,000	-	-	55,000
Reserve fund	80,000	-	-	80,000	-	-	80,000
	578,560	66,276	(15,794)	629,042	13,300	(16,508)	625,834

The trustees have designated various funds this year as follows:

- The Building Development fund is to provide funds to enable more exhibits to be displayed under cover to improve the visitor experience and to protect exhibits for the future.
- The Acquisition fund is to provide funds to enable suitable exhibits to be acquired when they become available to continue to develop and improve the museum's collection.
- The Reserve fund is considered sufficient to cover the operating costs of the museum for a period of six months.

19 Financial commitments, guarantees and contingent liabilities

In 2001 the Museum acquired a MIG21 aircraft with the assistance of Prism funding. The amount received was £2,000 which would become repayable should the Museum sell the aircraft.

20 Related party transactions

During the year, the wife and daughters of Mr B. James were employed by the museum at open market rates. Mr B. James was excluded from all discussions and decisions related to their employment.

THE MIDLANDS AIR MUSEUM LIMITED

England & Wales - Charity number 508326

Accounts

Charity registration number 508326

Company registration number 01357553 (England and Wales)

MIDLAND AIR MUSEUM

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

MIDLAND AIR MUSEUM

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr K Dixon Mr M T Painter Mr G L Talbot Mr I P Welford Mr B W James Mr A R Evans Mr D Woodrow
Charity number	508326
Company number	01357553
Registered office	Coventry Airport Rowley Road Coventry United Kingdom CV8 3AZ
Independent examiner	Azets Audit Services 3Mc Middlemarch Business Park Siskin Drive Coventry United Kingdom CV3 4FJ
Bankers	HSBC P.O. Box 24 City Branch Coventry United Kingdom CV1 1QJ
Solicitors	Mander Hadley Limited Solicitors 1 The Quadrant Coventry West Midlands United Kingdom CV1 2DW
Curatorial Advisor	C van Schaardenburgh Head of Collections The Tank Museum Bovington Dorset BH20 6JG United Kingdom

MIDLAND AIR MUSEUM

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their annual report and financial statements for the year ended 31 December 2023.

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 [governing document], 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 objects of the charity are to advance the education of the public in the preservation of aircraft and aeronautical equipment of historical, technical, archive or other public interest relating to Coventry, in particular, and to the Midlands and aviation generally. The museum incorporates the Sir Frank Whittle Jet Heritage Centre with the object of presenting the life and work of Coventry born Sir Frank Whittle and his influence on the world through the development of the jet engine.

The Midland Air Museum's mission is to continue to be recognised as one of the leading independent collections, renowned for its friendly atmosphere and exceptional standards of customer service. Feedback from our customers is continuously reviewed.

Opportunities are provided for visitor participation and interaction with exhibits. The museum has an outstanding record of successful innovation in the use of an aviation museum as an educational resource for schools and for places of further and higher education.

The Museum's objective is to be known for the range and quality of aircraft, engines and its regional collection and additionally for a continuous improvement in its standards of restoration and conservation and also for the scale and scope of its partnerships with the community at large.

The key aims of the Charity are to acquire aircraft, aircraft components and associated items to further the purpose of the museum and to record aviation history relating to the declared statement of purpose.

Additionally to promote the museum and its purpose by outside exhibitions, lectures, media articles, publications, and public interaction and to take such steps that may be thought necessary for the raising of additional funds to promote the Museum's purpose such as donations, grants and annual subscriptions.

The Museum has a strategy to develop the skills of the current membership and staff with emphasis on the care of the collection, the quality of service to visitors and the excellence of displays. Additionally there is a strategy of generating greater funding opportunities to supplement the Museum's own financial assets which will be targeted in an effective way. Our National Accreditation status is very important in this respect.

The Museum's long term strategy is to consolidate our customer base while looking for a wider participation and greater diversity. Major future developments will require funding opportunities to be explored and the continuation of accreditation status will assist in this objective.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Regular visits from schools and cubs, scouts and beaver groups continued during the year together with visitor numbers maintaining good levels. The challenge for the museum staff and volunteers was to maintain a welcoming environment while recovering the time lost in the maintenance of and presentation of the collection.

A summary of the main achievements of the Charity during the year:

- The 3 major events during the year were the resumption of the Summer Model Show, the autumn Aviation Fair and the December Fair which were all well attended.
- A repaint of the Phantom aircraft was completed during the year with the aircraft continuing to be displayed in its Vietnam War era colour scheme
- The restored Fletner Kolibri helicopter has been displayed prominently and was included in the filming of a TV series featuring workshop restorations together with a long stnading member of the museum who carried out much of the restoration. The engine restoration progressed during the year and, after completion, will be displayed alongside the helicopter in the new public display building.
- A repaint of the lockheed Starfighter was completed during the year.
- A repaint of the Meteor Night Fighter was started during the year
- The plan to demolish the original workshop building and enlarge the area to position a larger building as a public display area was progressed during the year. Plans were submitted to the local planning office and, following approval, the workshop was disassembled and removed, the site was enlarged and prepared and the building was ordered and delivered by year end ready for on site assembly. The public area will include an additional toilet facility and there is a separate area for a staff toilet and washing facility.

The Trustees are very much aware of the support given by staff and volunteers and they would like to record their thanks and appreciation for all their efforts during this year.
The Trustees maintain that the musem contributes to the regional economy with the employment of paid staff, the number of countrywide and overseas visitors and a policy of using local traders and stockists where ever possible
The Trustees would also like to thank those individuals and organisations who have loaned exhibits and supported the Museum during the year.

Financial review

The Museum maintained a strong financial position through 2023, building upon the 2022 position, and continuing recovery from the effects of the pandemic.

Total incoming resources for the year were £226,284 (2022: £220,630) and net incoming resources were £1,677 (2022: £27,367)

Total available funds at the end of the year were £749,896 (2022: £748,219)

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management
The Charity is constituted in accordance with its Memorandum and Articles. It is a membership organisation governed by a Board of Trustees, the members of which are elected from within the membership at the AGM. The Board of Trustees also acts as the management committee of the Charity with a structure that enables delegation of responsibilities, with an appropriate reporting mechanism to the Board.
The Board of Trustees meet at least six times annually in a formal manner, and a specific training and mentoring programme is established for new trustees.

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:

Mr K Dixon
Mr M T Painter
Mr G L Talbot
Mr I P Welford
Mr B W James
Mr A R Evans
Mr D Woodrow

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Heritage assets
The whole collection of heritage assets are not capitalised because of the significant costs that would be involved in the valuation which are onerous compared with the additional benefit that would be gained by users of the accounts. However, major acquisitions of heritage assets have been capitalised since 1st January 2005 and depreciated in accordance with the stated rate.

Plans for future periods

Future plans are defined and monitored by means of the Forward Planning which is approved by the Board and reviewed in conjunction with the Professional Curatorial Adviser and updated annually.

A summary of the main items from the plan for the current planning cycle is :

- The collection is to be developed in accordance with the Charity's Acquisition and Disposal Policy.
- It is planned that the new public display building will be assembled, fully commissioned and open to thje public during the first half of 2024.
- The museum will continue with the aquisition and fitment of Tornado aircraft parts to enhane the public display of the aircraft
- To continue with the programme of reviewing and improving all the cabinet displays within the display hall.
- An area in the main hanger is to be used for specific displays for up to 12 months. It is planned that during 2024 there will be a display to recognise the 75th anniversary of Airfix Models.
- The Tornado Aircraft display will be modified to recognise the 70th anniversary of the initial prototype first flight.
- A new display featuring airfields, past and present, within 25 miles of Coventry Airport will be completed in 2024
- To consolidate the skills training of paid staff and volunteer members.
- To complete the repaint of the Meteor NF Aircraft
- To continue with the ongoing programme of aircraft collection preservation for which the immediate schedule includes the Vickers Viscount, the Armstrong Whitworth Argosy, and the Meteor NF14 aircraft.
- To continue with the ongoing programme of engine collection preservation, specifically the Goblin and Elan engines, and to prepare an Orenda engine for display.
- Continue with the collection cataloguing in accordance with the accreditation plan and incorporating the extensive Leopard aircraft archive.
- To continue to use 3D Printer technology in the Museum's restoration projects as appropriate.
- Continue the planning of further improvements to the general Museum infrastructure including the provision of a hard surface pathway from the main display hall to the Robin hanger
- Complete the refurbishment of the toilet facilities. The planning has been completed and a quotation agreed with a contractor for completion early in 2024.
- The Museum will continue to hold a major model show in association with Coventry and Warwickshire International Plastic Model Society and the Museum Christmas Fair.
- Following the success of the Aviation Fairs in recent years the Museum Plans to hold another Aviation Fair during 2024.
- The Museum continues its educational association with Coventry University and maintains long standing associations with many local and regional schools.
- It is planned to continue a programme of visits by schools to the Museum and of outreach talks.
- In addition to the above programme planning will be continued for development of the main entrance, shop and additional inside visitor and display areas.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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

B. James.

Mr B W James
Chairman

Dated: 21-5-24.

A R Evans.

Mr A R Evans
Treasurer

Dated: 21/5/24

MIDLAND AIR MUSEUM

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF MIDLAND AIR MUSEUM

I report to the Trustees on my examination of the financial statements of Midland Air Museum (the charity) for the year ended 31 December 2023.

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

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.

Robert Anderson FCA
Azets Audit Services

3mc Middlemarch Business Park
Siskin Drive
Coventry
CV3 4FJ
United Kingdom

Dated: 31/5/24

MIDLAND AIR MUSEUM

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income from:			
Donations and legacies	3	2,744	14,547
Charitable activities	4	125,087	116,511
Other trading activities	5	93,538	89,122
Investments	6	4,915	450
Total income		226,284	220,630
Expenditure on:			
Raising funds	7	326	95
Charitable activities	8	224,281	193,168
Total expenditure		224,607	193,263
Net income for the year/ Net movement in funds		1,677	27,367
Fund balances at 1 January 2023		748,219	720,852
Fund balances at 31 December 2023		749,896	748,219

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

All income and expenditure derive from continuing activities.

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

MIDLAND AIR MUSEUM

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	13		239,039		188,560
Current assets					
Stocks	14	22,163		24,607	
Debtors	15	2,197		3,327	
Cash at bank and in hand		494,371		538,306	
		518,731		566,240	
Creditors: amounts falling due within one year	16	(7,874)		(6,581)	
Net current assets			510,857		559,659
Total assets less current liabilities			749,896		748,219
Income funds					
Unrestricted funds					
Designated funds	18	629,042		578,560	
General unrestricted funds		120,854		169,659	
			749,896		748,219
			749,896		748,219

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 December 2023.

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.

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

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.

The accounts were approved by the Trustees on April 9th 2024

B. James

Mr B. W James
Chairman

A R Evans

Mr A R Evans
Treasurer

Company Registration No. 01357553

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

Midland Air Museum is a private company limited by guarantee incorporated in England and Wales. The registered office is Coventry Airport, Rowley Road, Coventry, CV8 3AZ, United Kingdom.

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, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. 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 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.

1 Accounting policies **(Continued)**

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which the expenditure arose.

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:

Leasehold land and buildings	2% - 5% on original cost
Fixtures and fittings	10% - 33% on original cost
Site assets	10% on original cost

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.

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.

1 Accounting policies **(Continued)**

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 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.12 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.

1.13 Retirement benefits

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

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 Donations and legacies

	Unrestricted funds	Total
	2023	2022
	£	£
Donations and gifts	2,744	1,547
Other	-	13,000

4 Charitable activities

	Admission fees 2023	Hire of facilities 2023	Subscriptions 2023	Total 2023	Admission fees 2022	Hire of facilities 2022	Subscriptions 2022	Total 2022
	£	£	£	£	£	£	£	£
Sales within charitable activities	120,869	1,313	2,905	125,087	113,076	844	2,591	116,511

5 Other trading activities

	Unrestricted funds	Total
	2023	2022
	£	£
Shop and cafe sales	93,538	89,122

6 Investments

	Unrestricted funds	Total
	2023	2022
	£	£
Interest receivable	4,915	450

7 Raising funds

	2023	2022
	£	£
Fundraising and publicity		
Advertising	326	95
	326	95

8 Charitable activities

	2023	2022
	£	£
Staff costs	87,726	76,474
Depreciation and impairment	15,797	15,231
Cost of sales	63,983	55,714
Gift Aid Donations Expired	705	3,136
	168,211	150,555
Share of support costs (see note 9)	51,628	38,703
Share of governance costs (see note 9)	4,442	3,910
	224,281	193,168

9 Support costs

	Support costs	Governance costs	2023	2022	
	£	£	£	£	
Rent and rates	3,846	-	3,846	4,596	
Insurance	9,393	-	9,393	8,504	
Light and heat	11,484	-	11,484	7,631	
Site expenses	17,529	-	17,529	11,324	
Office expenses	1,141	-	1,141	878	
Telephone	2,075	-	2,075	1,519	
Transport and travelling expenses	748	-	748	587	
Restoration	1,459	-	1,459	2,404	
Sundry expenses	3,720	-	3,720	995	
Bank charges	233	-	233	265	
Legal and professional	-	4,442	4,442	3,910	Governance
	51,628	4,442	56,070	42,613	
Analysed between					
Charitable activities	51,628	4,442	56,070	42,613	

Governance costs includes payments to the Independent Examiners of £3,495 (2022 - £2,950) for Independent Examination and other services.

10 Trustees

None of the Trustees received any remuneration or benefits from the charity during the year.

11 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	6	6

Employment costs

	2023 £	2022 £
Wages and salaries	85,282	74,329
Other pension costs	2,444	2,145
	87,726	76,474

No single employee received total employee benefits of over £60,000

12 Taxation

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

13 Tangible fixed assets

	Leasehold land and buildings	Fixtures and fittings	Site assets	Total
	£	£	£	£
Cost				
At 1 January 2023	270,412	123,455	13,377	407,244
Additions	66,276	-	-	66,276
At 31 December 2023	336,688	123,455	13,377	473,520
Depreciation and impairment				
At 1 January 2023	107,593	97,717	13,377	218,687
Depreciation charged in the year	9,388	6,406	-	15,794
At 31 December 2023	116,981	104,123	13,377	234,481
Carrying amount				
At 31 December 2023	219,707	19,332	-	239,039
At 31 December 2022	162,819	25,738	3	188,560

14 Stocks

	2023	2022
	£	£
Raw materials and consumables	22,163	24,607

15 Debtors

	2023	2022
Amounts falling due within one year:	£	£
Other debtors	2,197	3,327

16 Creditors: amounts falling due within one year

	2023	2022
	£	£
Other taxation and social security	3,926	1,639
Other creditors	-	844
Accruals and deferred income	3,948	4,098
	7,874	6,581

17 Retirement benefit schemes

Defined contribution schemes
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.

The charge to profit or loss in respect of defined contribution schemes was £2,444 (2022 - £2,145).

18 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

		Movement in funds			Movement in funds		
	Balance at 1 January 2022	Incoming resources	Resources expended	Balance at 1 January 2023	Incoming resources	Resources expended	Balance at 31 December 2023
	£	£	£	£	£	£	£
Fixed assets fund	190,791	13,000	(15,231)	188,560	66,276	(15,794)	239,042
Building development fund	255,000	-	-	255,000	-	-	255,000
Acquisition fund	55,000	-	-	55,000	-	-	55,000
Reserve fund	80,000	-	-	80,000	-	-	80,000
	580,791	13,000	(15,231)	578,560	66,276	(15,794)	629,042

The trustees have designated various funds this year as follows:

- The Building Development fund is to provide funds to enable more exhibits to be displayed under cover to improve the visitor experience and to protect exhibits for the future.
- The Acquisition fund is to provide funds to enable suitable exhibits to be acquired when they become available to continue to develop and improve the museum's collection.
- The Reserve fund is considered sufficient to cover the operating costs of the museum for a period of six months.

19 Financial commitments, guarantees and contingent liabilities

In 2001 the Museum acquired a MIG21 aircraft with the assistance of Prism funding. The amount received was £2,000 which would become repayable should the Museum sell the aircraft.

20 Related party transactions

During the year, the wife and daughters of Mr B. James were employed by the museum at open market rates. Mr B. James was excluded from all discussions and decisions related to their employment.

THE MIDLANDS AIR MUSEUM LIMITED

England & Wales - Charity number 508326

Accounts

Charity registration number 508326

Company registration number 01357553 (England and Wales)

MIDLAND AIR MUSEUM

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

MIDLAND AIR MUSEUM

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr K Dixon Mr M T Painter Mr G L Talbot Mr I P Welford Mr B W James Mr A R Evans Mr D Woodrow
Charity number	508326
Company number	01357553
Registered office	Coventry Airport Rowley Road Coventry United Kingdom CV8 3AZ
Independent examiner	Azets Audit Services 3Mc Middlemarch Business Park Siskin Drive Coventry United Kingdom CV3 4FJ
Bankers	HSBC P.O. Box 24 City Branch Coventry United Kingdom CV1 1QJ
Solicitors	Mander Hadley Limited Solicitors 1 The Quadrant Coventry West Midlands United Kingdom CV1 2DW
Curatorial Advisor	C van Schaardenburgh Head of Collections The Tank Museum Bovington Dorset BH20 6JG United Kingdom

MIDLAND AIR MUSEUM

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MIDLAND AIR MUSEUM

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report and financial statements for the year ended 31 December 2022.

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 [governing document], 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 objects of the charity are to advance the education of the public in the preservation of aircraft and aeronautical equipment of historical, technical, archive or other public interest relating to Coventry, in particular, and to the Midlands and aviation generally. The museum incorporates the Sir Frank Whittle Jet Heritage Centre with the object of presenting the life and work of Coventry born Sir Frank Whittle and his influence on the world through the development of the jet engine.

The Midland Air Museum’s mission is to continue to be recognised as one of the leading independent collections, renowned for its friendly atmosphere and exceptional standards of customer service. Feedback from our customers is continuously reviewed.

Opportunities are provided for visitor participation and interaction with exhibits. The museum has an outstanding record of successful innovation in the use of an aviation museum as an educational resource for schools and for places of further and higher education.

The Museum’s objective is to be known for the range and quality of aircraft, engines and its regional collection and additionally for a continuous improvement in its standards of restoration and conservation and also for the scale and scope of its partnerships with the community at large.

The key aims of the Charity are to acquire aircraft, aircraft components and associated items to further the purpose of the museum and to record aviation history relating to the declared statement of purpose.

Additionally to promote the museum and its purpose by outside exhibitions, lectures, media articles, publications, and public interaction and to take such steps that may be thought necessary for the raising of additional funds to promote the Museum’s purpose such as donations, grants and annual subscriptions.

The Museum has a strategy to develop the skills of the current membership and staff with emphasis on the care of the collection, the quality of service to visitors and the excellence of displays. Additionally there is a strategy of generating greater funding opportunities to supplement the Museum’s own financial assets which will be targeted in an effective way. Our National Accreditation status is very important in this respect.

The Museum’s long term strategy is to consolidate our customer base while looking for a wider participation and greater diversity. Major future developments will require funding opportunities to be explored and the continuation of accreditation status will assist in this objective.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Following 2 years of difficulties and periods of government defined closures and restrictions due to the Covid pandemic the Museum was able to resume 7 day a week opening to the public throughout the year with the exception of 4 days at Christmas and a closure on the day of the funeral of her Late Majesty, Queen Elizabeth II, as a mark of respect.
Regular visits from schools and cubs, scouts and beaver groups resumed during the year together with visitor numbers returning to pre-pandemic levels. The challenge for the museum staff and volunteers was to maintain a welcoming environment while recovering the time lost in the maintenance of and presentation of the collection.

A summary of the main achievements of the Charity during the year :

- The 3 major events during the year were the resumption of the Summer Model Show, the autumn Aviation Fair and the December Fair which were all well attended.
- An opportunity arose during the year when the Royal Air Force, after assessing their collection, invited proposals from other museums to take items into their own collections. The museum submitted proposals for 2 aircraft and were successful with both. The aircraft were transferred before the year end and will be displayed inside.
- A repaint of the Vulcan was initiated with the majority of the upper surfaces completed during the year with the exception of the tail markings.
- Restoration of the Fletner Kolibri was completed during the year and the helicopter is now displayed in the main display hall. The engine has now been moved from long term store and a restoration to display condition has commenced.
- Restoration of the Kaman Huskie was completed during the year and the helicopter will continue to be positioned in the Robin Hanger.
- The Gloster Javelin restoration was completed during the year.
- The repaint of the Iskra aircraft was completed during the year..

The Trustees are very much aware of the support given by staff and volunteers and they would like to record their thanks and appreciation for all their efforts during this year.
The Trustees would also like to thank those individuals and organisations who have loaned exhibits and supported the Museum during the year.

Financial review

The Museum maintained a strong financial position through 2022, building upon the 2021 position, and continuing recovery from the effects of the pandemic.

Total incoming resources for the year were £220,630 (2021: £181,763) and net incoming resources were £27,367 (2021: £34,348)

Total available funds at the end of the year were £748,219 (2021: £720,852)

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month’s expenditure. The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity’s current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The Charity is constituted in accordance with its Memorandum and Articles. It is a membership organisation governed by a Board of Trustees, the members of which are elected from within the membership at the AGM. The Board of Trustees also acts as the management committee of the Charity with a structure that enables delegation of responsibilities, with an appropriate reporting mechanism to the Board.
The Board of Trustees meet at least six times annually in a formal manner, and a specific training and mentoring programme is established for new trustees.

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:

Mr K Dixon
Mr M T Painter
Mr G L Talbot
Mr I P Welford
Mr B W James
Mr A R Evans
Mr D Woodrow

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Heritage assets

The whole collection of heritage assets are not capitalised because of the significant costs that would be involved in the valuation which are onerous compared with the additional benefit that would be gained by users of the accounts. However, major acquisitions of heritage assets have been capitalised since 1st January 2005 and depreciated in accordance with the stated rate.

Plans for future periods

Future plans are defined and monitored by means of the Forward Planning which is approved by the Board and reviewed in conjunction with the Professional Curatorial Adviser and updated annually.

A summary of the main items from the plan for the current planning cycle is :

- The collection is to be developed in accordance with the Charity's Acquisition and Disposal Policy.
- The Museum will continue with the acquisition and fitment of Tornado aircraft parts to enhance the public display of the aircraft.
- To continue with the programme of reviewing and improving all the cabinet displays within the display hall.
- An area in the main hanger is to be used for specific displays for up to 12 months. This area was used in 2022 for the 40th Anniversary of the Falkland Islands.
  The Fletner Kolibri helicopter will be the next exhibition in this area together with its engine as soon as the engine restoration to display condition is completed.
- To consolidate the skills training of paid staff and volunteer members.
- To complete the repaint of the Avro Vulcan, Phantom and Beaver aircraft.
- To continue with the ongoing programme of aircraft collection preservation for which the immediate schedule includes the Vickers Viscount, the Armstrong Whitworth Argosy, and the Meteor NF14 aircraft.
- To continue with the ongoing programme of engine collection preservation, specifically the Goblin and Elan engines, and to prepare an Orenda engine for display.
- Continue with the collection cataloguing in accordance with the accreditation plan and incorporating the extensive Leopard aircraft archive.
- To continue to use 3D Printer technology in the Museum's restoration projects as appropriate.
- Continue the planning of further improvements to the general Museum infrastructure including the provision of a hard surface pathway from the main display hall to the Robin hanger and a refurbishment of the toilet facilities.
- It is planned to demolish the original workshop building and to build a larger building in the same area which would be used as a visitor display area to include items such as engines and aircraft cockpits. Plans should be submitted to the council for approval in early 2023.
- The Museum will continue to hold a major model show in association with Coventry and Warwickshire International Plastic Model Society and the Museum Christmas Fair.
- Following the success of the Aviation Fairs in recent years the Museum Plans to hold another Aviation Fair during 2023.
- The Museum continues its educational associations with both Coventry and Warwick Universities and is hoping to further develop links with Leicester University and to continue long standing associations with many local and regional schools.
- It is planned to continue a programme of visits by schools to the Museum and of outreach talks.
- In addition to the above programme planning will be continued for development of the main entrance, shop and additional inside visitor and display areas.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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

B W James

Mr B W James
Chairman

Dated: 7-6-23.

A R Evans

Mr A R Evans
Treasurer

Dated: 7th June 2023

MIDLAND AIR MUSEUM

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF MIDLAND AIR MUSEUM

I report to the Trustees on my examination of the financial statements of Midland Air Museum (the charity) for the year ended 31 December 2022.

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

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.

Robert Anderson FCA
Azets Audit Services

3mc Middlemarch Business Park
Siskin Drive
Coventry
CV3 4FJ
United Kingdom

Dated: .....

MIDLAND AIR MUSEUM

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Income from:			
Donations and legacies	**3**	14,547	58,488
Charitable activities	**4**	116,511	72,252
Other trading activities	**5**	89,122	50,288
Investments	**6**	450	735
Total income		220,630	181,763
Expenditure on:			
Raising funds	**7**	95	495
Charitable activities	**8**	193,168	146,920
Total expenditure		193,263	147,415
Net income for the year/ Net movement in funds		27,367	34,348
Fund balances at 1 January 2022		720,852	686,504
Fund balances at 31 December 2022		748,219	720,852

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

All income and expenditure derive from continuing activities.

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

MIDLAND AIR MUSEUM

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	**12**		188,560		190,791
Current assets					
Stocks	**13**	24,607		23,770	
Debtors	**14**	3,327		6,138	
Cash at bank and in hand		538,306		504,482	
		566,240		534,390	
Creditors: amounts falling due within one year	**15**	(6,581)		(4,329)	
Net current assets			559,659		530,061
Total assets less current liabilities			748,219		720,852
Income funds					
Unrestricted funds					
Designated funds	**16**	578,560		580,791	
General unrestricted funds		169,659		140,061	
			748,219		720,852
			748,219		720,852

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 December 2022.

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.

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

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.

The accounts were approved by the Trustees on 7-6-23.

Mr B W James
Chairman

Mr A R Evans
Treasurer

Company Registration No. 01357553

1 Accounting policies

Charity information

Midland Air Museum is a private company limited by guarantee incorporated in England and Wales. The registered office is Coventry Airport, Rowley Road, Coventry, CV8 3AZ, United Kingdom.

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, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. 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 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.

1 Accounting policies **(Continued)**

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which the expenditure arose.

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:

Leasehold land and buildings	2% - 5% on original cost
Fixtures and fittings	10% - 33% on original cost
Site assets	10% on original cost

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.

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.

1 Accounting policies **(Continued)**

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 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.12 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.

1.13 Retirement benefits

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

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 Donations and legacies

	Unrestricted funds	Total
	2022	2021
	£	£
Donations and gifts	1,547	6,522
Business Rates Relief and Job Support Grants	-	51,966
Other	13,000	-
	14,547	58,488

Local Council Reliefs received amounted to £0 (2021 £37,425) and Job Support Grants received were £0 (2021 £14,541) in the year.

4 Charitable activities

	Admission fees	Hire of facilities	Subscriptions	Total 2022	Admission fees	Hire of facilities	Subscriptions	Total 2021
	2022	2022	2022		2021	2021	2021	
	£	£	£	£	£	£	£	£
Sales within charitable activities	113,076	844	2,591	116,511	67,597	275	4,380	72,252

5 Other trading activities

	Unrestricted funds	Total
	2022	2021
	£	£
Shop and cafe sales	89,122	50,288

6 Investments

	Unrestricted funds	Total
	2022	2021
	£	£
Interest receivable	450	735

7 Raising funds

	2022	2021
	£	£
Fundraising and publicity		
Advertising	95	495
	95	495

8 Charitable activities

	2022	2021
	£	£
Staff costs	76,474	67,147
Depreciation and impairment	15,231	16,408
Cost of sales	55,714	31,712
Gift Aid Donations Expired	3,136	-
	150,555	115,267
Share of support costs (see note 9)	38,703	28,133
Share of governance costs (see note 9)	3,910	3,520
	193,168	146,920

9 Support costs

	Support costs	Governance costs	2022	2021	
	£	£	£	£	
Rent and rates	4,596	-	4,596	4,257	
Insurance	8,504	-	8,504	7,618	
Light and heat	7,631	-	7,631	4,338	
Site expenses	11,324	-	11,324	3,388	
Office expenses	878	-	878	746	
Telephone	1,519	-	1,519	1,240	
Transport and travelling expenses	587	-	587	340	
Restoration	2,404	-	2,404	1,251	
Sundry expenses	995	-	995	2,106	
Bank charges	265	-	265	2,849	
Legal and professional	-	3,910	3,910	3,520	Governance
	38,703	3,910	42,613	31,653	
Analysed between					
Charitable activities	38,703	3,910	42,613	31,653	

Governance costs includes payments to the Independent Examiners of £2,950 (2021 - £2,820) for Independent Examination and other services.

10 Trustees

None of the Trustees received any remuneration or benefits from the charity during the year.

11 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	6	5

Employment costs	2022 £	2021 £
Wages and salaries	74,329	65,191
Other pension costs	2,145	1,956
	76,474	67,147

No single employee received total employee benefits of over £60,000

12 Tangible fixed assets

	Leasehold land and buildings	Fixtures and fittings	Site assets	Total
	£	£	£	£
Cost				
At 1 January 2022	270,412	110,455	13,377	394,244
Additions	-	13,000	-	13,000
At 31 December 2022	270,412	123,455	13,377	407,244
Depreciation and impairment				
At 1 January 2022	98,765	91,314	13,374	203,453
Depreciation charged in the year	8,828	6,403	-	15,231
At 31 December 2022	107,593	97,717	13,374	218,684
Carrying amount				
At 31 December 2022	162,819	25,738	3	188,560
At 31 December 2021	171,647	19,141	3	190,791

13 Stocks

	2022	2021
	£	£
Raw materials and consumables	24,607	23,770

14 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Other debtors	3,327	6,138

15 Creditors: amounts falling due within one year

	2022	2021
	£	£
Other taxation and social security	1,639	(185)
Other creditors	844	445
Accruals and deferred income	4,098	4,069
	6,581	4,329

16 Retirement benefit schemes

Defined contribution schemes

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.

The charge to profit or loss in respect of defined contribution schemes was £2,145 (2021 - £1,956).

17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

		Movement in funds				Movement in funds		
	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Balance at 1 January 2022	Incoming resources	Resources expended	Balance at 31 December 2022
	£	£	£	£	£	£	£	£
Fixed assets fund	203,199	4,000	(16,408)	-	190,791	13,000	(15,231)	188,560
Building development fund	225,000	-	-	30,000	255,000	-	-	255,000
Acquisition fund	55,000	-	-	-	55,000	-	-	55,000
Reserve fund	55,000	-	-	25,000	80,000	-	-	80,000
	538,199	4,000	(16,408)	55,000	580,791	13,000	(15,231)	578,560

The trustees have designated various funds this year as follows:

- The Building Development fund is to provide funds to enable more exhibits to be displayed under cover to improve the visitor experience and to protect exhibits for the future.
- The Acquisition fund is to provide funds to enable suitable exhibits to be acquired when they become available to continue to develop and improve the museum's collection.
- The Reserve fund is considered sufficient to cover the operating costs of the museum for a period of six months.

18 Financial commitments, guarantees and contingent liabilities

In 2001 the Museum acquired a MIG21 aircraft with the assistance of Prism funding. The amount received was £2,000 which would become repayable should the Museum sell the aircraft.

19 Related party transactions

During the year, the wife and daughters of Mr B. James were employed by the museum at open market rates. Mr B. James was excluded from all discussions and decisions related to their employment.

THE MIDLANDS AIR MUSEUM LIMITED

England & Wales - Charity number 508326

Accounts

CM1989

Charity Registration No. 508326

Company Registration No. 01357553 (England and Wales)

MIDLAND AIR MUSEUM

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

MIDLAND AIR MUSEUM

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr K Dixon Mr M T Painter Mr G L Talbot Mr I P Welford Mr B W James Mr A R Evans Mr D Woodrow
Charity number	508326
Company number	01357553
Registered office	Coventry Airport Rowley Road Coventry United Kingdom CV8 3AZ
Independent examiner	Azets Audit Services 3Mc Middlemarch Business Park Siskin Drive Coventry United Kingdom CV3 4FJ
Bankers	HSBC P.O. Box 24 City Branch Coventry United Kingdom CV1 1QJ
Solicitors	Mander Hadley Limited Solicitors 1 The Quadrant Coventry West Midlands United Kingdom CV1 2DW
Curatorial Advisor	C van Schaardenburgh Head of Collections The Tank Museum Bovington Dorset BH20 6JG United Kingdom

MIDLAND AIR MUSEUM

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MIDLAND AIR MUSEUM

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their report and financial statements for the year ended 31 December 2021.

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 [governing document], 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)".

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The Museum has a strategy to develop the skills of the current membership and staff with emphasis on the care of the collection, the quality of service to visitors and the excellence of displays. Additionally there is a strategy of generating greater funding opportunities and our National Accreditation status is very important in this respect.

The Museum's long term strategy is to consolidate our customer base while looking for a wider participation and greater diversity. Major future developments will require funding opportunities to be explored and the continuation of accreditation status will assist in this objective.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance

The plans and performance for the year 2021 were again severely affected by the coronavirus pandemic and the government restrictions which resulted in complete closure of the museum to visitors from the beginning of the year to the last week in May. Apart from essential security and administration tasks carried out by a small team, general voluntary activities could not be carried out during the closure and the staff were furloughed. After re-opening, activities were resumed in accordance with the gradual easing of restrictions, but with an emphasis on ensuring that the Museum was maintained as a Covid secure site.
The Museum took the decision to cancel the main mid year model show with the first event of the year being the Aviation Fair in late October.
Security and maintenance of the site and the collection was one of our prime considerations and, with the co-operation of all the staff and volunteers, it was possible to maintain and secure the Museum in the best possible position despite the circumstances.

A summary of the main achievements of the Charity during the year :

- With the exception of the government defined closure period the Museum maintained 7 day a week opening to the public but with due compliance to the guidance requirements to ensure Covid security.
- The guide book update and re-issue was completed including additional photographs and descriptions of the collection.
- Although the summer model show was cancelled the October Aviation Fair and the Christmas Show both proved to be successful.
- Following the commissioning of the second new workshop the original workshop building was converted to a storage facility and fitted out after the purchase of heavy duty racking.
- Restoration of the Fletner Kolibri and the Kaman Huskie aircraft continued when circumstances allowed with good progress and both are due for completion in 2022.
- Work proceeded to prepare the Gloster Javelin for repainting and a base coat of paint was applied before the year end.
- Work proceeded with the repaint of the Iskra aircraft.

The Trustees are very much aware of the support given by staff and volunteers which demonstrates again the strength of the Museum in dealing with a very difficult period and they would like to record their thanks and appreciation for all their efforts during this year.
The Trustees would particularly wish to acknowledge the role of the Museum manager, Mrs Dianne James, during the year in ensuring that the Museum could operate in a Covid secure way enabling controlled volunteer activities and managing the visitor services within the restrictions of the Government guidelines.
The Trustees would also like to thank those individuals and organisations who have loaned exhibits and supported the Museum during the year.

Financial review

The Museum maintained a strong financial position through 2021, building upon the 2020 position, despite the effect of the pandemic. During the closure periods 4 of the 5 staff were furloughed under the government scheme and further grant funding was claimed through the County Council business programme.

Total incoming resources for the year were £181,763 and net incoming resources were £34,348.
Costs were tightly controlled due to the circumstances with total cash funds at the end of the year of £504,482.

Total Funds Balance for 2021 is £720,852 (2020 £686,504)

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management

The Charity is constituted in accordance with its Memorandum and Articles. It is a membership organisation governed by a Board of Trustees, the members of which are elected from within the membership at the AGM. The Board of Trustees also acts as the management committee of the Charity with a structure that enables delegation of responsibilities, with an appropriate reporting mechanism to the Board.
The Board of Trustees meet at least six times annually in a formal manner, and a specific training and mentoring programme is established for new trustees.

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:

Mr R T Sadler (Retired 28 September 2021)
Mr K Dixon
Mr M T Painter
Mr G L Talbot
Mr I P Welford
Mr B W James
Mr A R Evans
Mr D Woodrow

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Heritage assets

The whole collection of heritage assets are not capitalised because of the significant costs that would be involved in the valuation which are onerous compared with the additional benefit that would be gained by users of the accounts. However, major acquisitions of heritage assets have been capitalised since 1st January 2005 and depreciated in accordance with the stated rate.

Plans for future periods

Future plans are defined and monitored by means of the Five Year Plan which is approved by the Board and reviewed in conjunction with the Professional Curatorial Adviser and updated annually.

A summary of the main items from the plan for the current planning cycle is :

- The collection is to be developed in accordance with the Charity's Acquisition and Disposal Policy.
- The Museum will continue with the acquisition and fitment of Tornado aircraft parts to enhance the public display of the aircraft.
- To continue with the programme of improving the cabinet displays within the display hall.
- A specific display is planned to mark the 40th Anniversary of the Falkland Islands conflict.
- To consolidate the skills training of paid staff and volunteer members.
- To complete the restoration of the Fletner Kolibri and Kaman Huskie helicopters.
- To continue with the ongoing programme of aircraft collection preservation for which the immediate schedule includes the Vickers Viscount, the Iskra, the Vulcan and the Argosy for which a new paint scheme is planned.
- To continue with the ongoing programme of engine collection preservation, specifically the Goblin and Elan engines, and to prepare an Orenda engine for display.
- Continue with the collection cataloguing in accordance with the accreditation plan and incorporating the extensive Leopard aircraft archive.
- Continue the planning of further improvements to the general Museum infrastructure.
- The Museum will continue to hold a major model show in association with Coventry and Warwickshire International Plastic Model Society.
- Following the success of the Aviation Fairs in recent years the Museum Plans to hold another Aviation Fair during 2022.
- The Museum continues its educational associations with both Coventry and Warwick Universities and also long standing associations with many local and regional schools.
- It is planned to resume a programme of visits by schools to the Museum and of outreach talks.
- Following completion of the new buildings for workshop and restoration activities, planning will be started for development of the main entrance, shop and additional inside visitor and display areas.

Coronavirus

The Trustees are confident that the Museum will move forward strongly from the difficulties of the past two years and greatly appreciate the efforts of staff and volunteers and the support of our visitors over this period. The Trustees recognise that the well-being of staff and volunteers is paramount so that our customers can continue to enjoy their visits.

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

Disclosure of information to auditor

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

Mr B W James
Chairman

Dated: 25 August 2022

Mr A R Evans
Treasurer

Dated:25 August 2022

MIDLAND AIR MUSEUM

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF MIDLAND AIR MUSEUM

I report to the Trustees on my examination of the financial statements of Midland Air Museum (the charity) for the year ended 31 December 2021.

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

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.

Robert Anderson FCA
Azets

3mc Middlemarch Business Park
Siskin Drive
Coventry
CV3 4FJ
United Kingdom

Dated: 1 September 2022

MIDLAND AIR MUSEUM

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Income from:			
Donations and legacies	3	58,488	17,706
Charitable activities	4	72,252	41,444
Other trading activities	5	50,288	33,982
Investments	6	735	1,299
Total income		181,763	94,431
Expenditure on:			
Raising funds	7	495	110
Charitable activities	8	146,920	141,339
Total resources expended		147,415	141,449
Net income/(expenditure) for the year/ Net movement in funds		34,348	(47,018)
Fund balances at 1 January 2021		686,504	733,522
Fund balances at 31 December 2021		720,852	686,504

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

All income and expenditure derive from continuing activities.

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

MIDLAND AIR MUSEUM

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12		190,791		203,199
Current assets					
Stocks	13	23,770		20,860	
Debtors	14	6,138		7,382	
Cash at bank and in hand		504,482		459,233	
		534,390		487,475	
Creditors: amounts falling due within one year	15	(4,329)		(4,170)	
Net current assets			530,061		483,305
Total assets less current liabilities			720,852		686,504
Income funds					
Unrestricted funds					
Designated funds	17	580,791		538,199	
General unrestricted funds		140,061		148,305	
			720,852		686,504
			720,852		686,504

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 December 2021.

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.

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

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.
The accounts were approved by the Trustees on 25 August 2022

Mr B W James
Chairman

Mr A R Evans
Treasurer

Company Registration No. 01357553

1 Accounting policies

Charity information

Midland Air Museum is a private company limited by guarantee incorporated in England and Wales. The registered office is Coventry Airport, Rowley Road, Coventry, CV8 3AZ, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], 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)". 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 applying FRS 102 Update Bulletin 1 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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. 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 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.

1 Accounting policies **(Continued)**

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which the expenditure arose.

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:

Leasehold land and buildings	2% - 5% on original cost
Fixtures and fittings	10% - 33% on original cost
Site assets	10% on original cost

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 net income/(expenditure) for the year.

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.

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.

1 Accounting policies **(Continued)**

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 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.12 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.

1.13 Retirement benefits

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

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 Donations and legacies

	Unrestricted funds	Total
	2021	2020
	£	£
Donations and gifts	6,522	724
Business Rates Relief and Job Support Grants	51,966	16,982
	58,488	17,706

Local Council Reliefs received amounted to £37,425 (2020 £6,000) and Job Support Grants received were £14,541 (2020 £10,982) in the year.

4 Charitable activities

	Admission fees	Hire of facilities	Subscriptions	Total 2021	Total 2020
	2021	2021	2021		
	£	£	£	£	£
Sales within charitable activities	67,597	275	4,380	72,252	41,444

5 Other trading activities

	Unrestricted funds	Total
	2021	2020
	£	£
Shop and cafe sales	50,288	33,982

6 Investments

	Unrestricted funds	Total
	2021	2020
	£	£
Interest receivable	735	1,299

7 Raising funds

	2021	2020
	£	£
Fundraising and publicity		
Advertising	495	110
	495	110

8 Charitable activities

	2021	2020
	£	£
Staff costs	67,147	66,568
Depreciation and impairment	16,408	14,200
Cost of sales	31,712	23,002
	115,267	103,770
Share of support costs (see note 9)	28,133	34,310
Share of governance costs (see note 9)	3,520	3,259
	146,920	141,339

9 Support costs

	Support costs	Governance costs	2021	2020	
	£	£	£	£	
Rent and rates	4,257	-	4,257	5,161	
Insurance	7,618	-	7,618	6,960	
Light and heat	4,338	-	4,338	6,413	
Site expenses	3,388	-	3,388	5,378	
Office expenses	746	-	746	699	
Telephone	1,240	-	1,240	1,217	
Transport and travelling expenses	340	-	340	436	
Restoration	1,251	-	1,251	616	
Sundry expenses	2,106	-	2,106	4,989	
Bank charges	2,849	-	2,849	2,441	
Legal and professional	-	3,520	3,520	3,259	Governance
	28,133	3,520	31,653	37,569	
Analysed between					
Charitable activities	28,133	3,520	31,653	37,569	

Governance costs includes payments to the Independent Examiners of £2,820 (2020 - £2,599) for Independent Examination and other services.

10 Trustees

None of the Trustees received any remuneration or benefits from the charity during the year.

11 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	5	5

Employment costs	2021 £	2020 £
Wages and salaries	65,191	64,663
Other pension costs	1,956	1,905
	67,147	66,568

No single employee received total employee benefits of over £60,000

12 Tangible fixed assets

	Leasehold land and buildings	Fixtures and fittings	Site assets	Total
	£	£	£	£
Cost				
At 1 January 2021	270,412	106,455	13,377	390,244
Additions	-	4,000	-	4,000
At 31 December 2021	270,412	110,455	13,377	394,244
Depreciation and impairment				
At 1 January 2021	89,937	83,734	13,374	187,045
Depreciation charged in the year	8,828	7,580	-	16,408
At 31 December 2021	98,765	91,314	13,374	203,453
Carrying amount				
At 31 December 2021	171,647	19,141	3	190,791
At 31 December 2020	180,475	22,721	3	203,199

13 Stocks

	2021	2020
	£	£
Raw materials and consumables	23,770	20,860

14 Debtors

	2021	2020
Amounts falling due within one year:	£	£
Other debtors	6,138	6,832
Prepayments and accrued income	-	550
	6,138	7,382

15 Creditors: amounts falling due within one year

	2021	2020
	£	£
Other taxation and social security	(185)	1,349
Other creditors	445	227
Accruals and deferred income	4,069	2,594
	4,329	4,170

16 Retirement benefit schemes

Defined contribution schemes

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.

The charge to profit or loss in respect of defined contribution schemes was £1,956 (2020 - £1,905).

17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

		Movement in funds				Movement in funds			
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Balance at 31 December 2021
	£	£	£	£	£	£	£	£	£
Fixed assets fund	198,798	18,601	(14,200)	-	203,199	4,000	(16,408)	-	190,791
Building development fund	225,000	-	-	-	225,000	-	-	30,000	255,000
Acquisition fund	55,000	-	-	-	55,000	-	-	-	55,000
Reserve fund	80,000	-	-	(25,000)	55,000	-	-	25,000	80,000
	558,798	18,601	(14,200)	(25,000)	538,199	4,000	(16,408)	55,000	580,791

The trustees have designated various funds this year as follows:

- The Building Development fund is to provide funds to enable more exhibits to be displayed under cover to improve the visitor experience and to protect exhibits for the future.
- The Acquisition fund is to provide funds to enable suitable exhibits to be acquired when they become available to continue to develop and improve the museum's collection.
- The Reserve fund is considered sufficient to cover the operating costs of the museum for a period of six months.

18 Financial commitments, guarantees and contingent liabilities

In 2001 the Museum acquired a MIG21 aircraft with the assistance of Prism funding. The amount received was £2,000 which would become repayable should the Museum sell the aircraft.

19 Related party transactions

During the year, the wife and daughters of Mr B. James were employed by the museum at open market rates. Mr B. James was excluded from all discussions and decisions related to their employment.

THE MIDLANDS AIR MUSEUM LIMITED

England & Wales - Charity number 508326

Accounts

Charity Registration No. 508326

Company Registration No. 01357553 (England and Wales)

MIDLAND AIR MUSEUM

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

MIDLAND AIR MUSEUM

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr R T Sadler Mr K Dixon Mr M T Painter Mr G L Talbot Mr I P Welford Mr B W James Mr A R Evans
Secretary	Mr R T Sadler
Charity number	508326
Company number	01357553
Registered office	Coventry Airport Rowley Road Coventry United Kingdom CV8 3AZ
Independent examiner	Azets Audit Services 6th Floor, Bank House 8 Cherry Street Birmingham Birmingham United Kingdom B2 5AL
Bankers	HSBC P.O. Box 24 City Branch Coventry United Kingdom CV1 1QJ
Solicitors	Mander Hadley Limited Solicitors 1 The Quadrant Coventry West Midlands United Kingdom CV1 2DW
Curatorial Advisor	C van Schaardenburgh Head of Collections The Tank Museum Bovington Dorset BH20 6JG United Kingdom

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MIDLAND AIR MUSEUM

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MIDLAND AIR MUSEUM

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and financial statements for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles, 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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The objects of the charity are to advance the education of the public in the preservation of aircraft and aeronautical equipment of historical, technical, archive or other public interest relating to Coventry in particular and to the Midlands and aviation generally. The museum incorporates the Sir Frank Whittle Jet Heritage Centre with the object of presenting the life and work of Coventry born Sir Frank Whittle and his influence on the world through the development of the jet engine.

The Midland Air Museum's mission is to continue to be recognised as one of the leading independent collections, renowned for its friendly atmosphere and exceptional standards of customer service.

Opportunities are provided for visitor participation and interaction with exhibits. The museum has an outstanding record of successful innovation in the use of an aviation museum as an educational resource for schools, further and higher education.

The Museum's objective is to be known for the range and quality of aircraft, engines and its regional collection, and for a continuous improvement in its standards of restoration and conservation, and additionally for the scale and scope of its partnerships with the community at large.

The key aims of the Charity are to acquire aircraft, aircraft components and associated items to further the purpose of the museum, and to record aviation history relating to the declared statement of purpose.

Additionally to promote the museum and its purpose by outside exhibitions, lectures, media articles, publications, and public interaction and to take such steps that may be thought necessary for the raising of additional funds to promote the Museum's purpose, such as donations, grants and annual subscriptions.

The Museum has a strategy to develop the skills of the current membership and staff with emphasis on the care of the collection, the quality of service to visitors and the excellence of displays. Additionally there is a strategy of generating greater funding opportunities from a position of National Accreditation status.

The Museum's long term strategy is to consolidate our customer base while looking for a widening participation. Major future developments will require funding opportunities to be explored and the continuation of accreditation status will assist in this objective.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

The plans and performance for the year 2020 were obviously severely affected by the coronavirus pandemic and the introduction of a series of government restrictions, following the outbreak in March, which closed the Museum completely to visitors for approximately six months in total during the year and which limited the services that the Museum could offer visitors for the remaining period.
The access for volunteers was limited to ensure sufficient social distancing and to ensure that the Museum was a Covid secure site both during the closure periods and during the periods when the Government guidelines permitted the opening for visitors. Security and maintenance of the site and the collection was one of our prime considerations and the Museum cancelled all of the normal major events of the year. However, with the co-operation of all the staff and volunteers, it was possible to maintain and secure the Museum in the best possible position despite the circumstances.

A summary of the main achievements of the Charity during the year :

- The second new building was delivered and assembled early in the year and the commissioning for its use as a workshop continued through the year.
- The loan of the F86 aircraft tail assembly and other artefacts, including a propeller, 2 engines and a restored sectioned Meteor aircraft wing, was made to Coventry Transport Museum for almost the whole year as part of a special exhibition. These have now been returned following completion of the exhibition.
- Further updated display cabinets have been acquired from the Herbert Museum. These were recycled and used to improve the display of small artefacts and to enhance specific short duration exhibitions. As part of this upgrade an additional display area has been established in the main hangar which currently portrays the V-bomber story.
- Wing pylon interface units were acquired for the Tornado aircraft to enable the auxiliary fuels tanks to be fitted to the wings and these are now displayed on the aircraft. Additionally, a Tornado aircraft radar scanner unit was acquired for display.
- The on-going programme of aircraft and engine preservation has continued. The reconstructed rebuild of the Fletner Kolibri helicopter has continued with much progress made and the Kaman Huskie helicopter is also undergoing a major restoration. This programme included the first use of 3D printing in the museum to fabricate items for the restorations.
- The Museum acquired a pair of Avro Canada Orenda gas turbine engines which had been used in an industrial power generation environment. This will add an additional part of the gas turbine international story to the engine displays.
- School and university educational visits started well early in the year before the restrictions which curtailed these visits. Many local schools have kept contact with the Museum and are keen to resume visits as soon as circumstances allow.

The Trustees are very much aware of the support given by staff and volunteers which demonstrates the strength of the Museum in dealing with a very difficult period and they would like to record their thanks and appreciation for all their efforts during this very difficult time.
The Trustees would particularly wish to acknowledge the role of the Museum manager, Mrs Dianne James, during the year in ensuring that the Museum could operate in a Covid secure way enabling controlled volunteer activities and managing the visitor services within the restrictions of the Government guidelines.
The Trustees would also like to thank those individuals and organisations who have loaned exhibits and supported the Museum during the year

Financial review

The Museum maintained a strong financial position despite the effect of the pandemic. During the closure periods 4 of the 5 staff were furloughed under the government scheme and further grant funding was claimed through the County Council business programme. At the initial closure date £25,000 was transferred from the Museum reserve fund to the general account.
Total incoming resources for the year were £94,431 and net outgoing resources were £47,018
Costs were tightly controlled due to the circumstances with total cash funds at the end of the year of £459,233

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The Charity is constituted in accordance with its Memorandum and Articles. It is a membership organisation governed by a Board of Trustees, the members of which are elected from within the membership at the AGM. The Board of Trustees also acts as the management committee of the Charity with a structure that enables delegation of responsibilities, with an appropriate reporting mechanism to the Board.
The Board of Trustees meet at least six times annually in a formal manner, and a specific training and mentoring programme is established for new trustees.

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:

Mr R T Sadler
Mr K Dixon
Mr M T Painter
Mr G L Talbot
Mr I P Welford
Mr B W James
Mr A R Evans

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Heritage assets

The whole collection of heritage assets are not capitalised because of the significant costs that would be involved in the valuation which are onerous compared with the additional benefit that would be gained by users of the accounts. However, major acquisitions of heritage assets have been capitalised since 1st January 2005 and depreciated in accordance with the stated rate.

Plans for future periods

Future plans are defined and monitored by means of the Five Year Plan which is approved by the Board and reviewed in conjunction with the Professional Curatorial Adviser and updated annually.

A summary of the main items from the plan for the current planning cycle is :

- The collection is to be developed in accordance with the Charity's Acquisition and Disposal Policy.
- The Museum will continue with the acquisition and fitment of Tornado aircraft parts to enhance the public display of the aircraft.
- To continue with the programme of improving the cabinet displays within the display hall.
- To consolidate the skills training of paid staff and volunteer members.
- To complete the restoration of the Fletner Kolibri and Kaman Huskie helicopters.
- To continue with the ongoing programme of aircraft collection preservation for which the immediate schedule includes the Sea Vixen, the Iskra, the Vulcan and the Argosy for which a new paint scheme is planned.
- To complete the commissioning of the new workshop building.
- To continue with the ongoing programme of engine collection preservation, specifically the Goblin and Elan engines, and to prepare an Orenda engine for display.
- Continue with the collection cataloguing in accordance with the accreditation plan and incorporating the extensive Leopard aircraft archive.
- A new updated edition of the museum guide book is planned for issue in 2021.
- Continue with a programme of further improvements to the general Museum infrastructure.
- The Museum will continue to hold a major model show in association with Coventry and Warwickshire International Plastic Model Society.
- Following the success of the Aviation Fairs in recent years the Museum Plans to hold another Aviation Fair during 2021.
- The Museum continues its educational associations with both Coventry and Warwick Universities and also long standing associations with many local schools.
- Following completion of the new buildings for workshop and restoration activities, the process will be started for development of the main entrance, shop and additional inside visitor and display areas.

Coronavirus

The Trustees are confident that the Museum will move forward strongly from the difficulties of the pandemic and greatly appreciate the efforts of staff and volunteers and the support of our visitors over this period. The Trustees recognise that the well-being of staff and volunteers is paramount so that our customers can continue to enjoy their visits.

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

Mr B W James
Chairman

Dated: 24 September 2021

Mr A R Evans
Treasurer

Dated:24 September 2021

MIDLAND AIR MUSEUM

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF MIDLAND AIR MUSEUM

I report to the Trustees on my examination of the financial statements of Midland Air Museum (the charity) for the year ended 31 December 2020.

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

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.

Rob Anderson (Senior Statutory Auditor)
For and on behalf of Baldwins Audit Services

6th Floor, Bank House
8 Cherry Street
Birmingham
Birmingham
B2 5AL
United Kingdom

Dated: 24 September 2021

MIDLAND AIR MUSEUM

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Income from:			
Donations and legacies	**3**	17,706	4,845
Charitable activities	**4**	41,444	104,659
Other trading activities	**5**	33,982	75,093
Investments	**6**	1,299	1,850
Total income		94,431	186,447
Expenditure on:			
Raising funds	**7**	110	1,207
Charitable activities	**8**	141,339	164,995
Total resources expended		141,449	166,202
Net (expenditure)/income for the year/ Net movement in funds		(47,018)	20,245
Fund balances at 1 January 2020		733,522	713,277
Fund balances at 31 December 2020		686,504	733,522

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

All income and expenditure derive from continuing activities.

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

MIDLAND AIR MUSEUM

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	**12**		203,199		198,798
Current assets					
Stocks	**13**	20,860		24,828	
Debtors	**14**	7,382		14,888	
Cash at bank and in hand		459,233		498,786	
		487,475		538,502	
Creditors: amounts falling due within one year	**15**	(4,170)		(3,778)	
Net current assets			483,305		534,724
Total assets less current liabilities			686,504		733,522
Income funds					
Unrestricted funds					
Designated funds	**16**	563,199		558,798	
General unrestricted funds		123,305		174,724	
			686,504		733,522
			686,504		733,522

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 December 2020.

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.

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

The accounts were approved by the Trustees on 24 September 2021

Mr B W James
Chairman

Mr A R Evans
Treasurer

Company Registration No. 01357553

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Midland Air Museum is a private company limited by guarantee incorporated in England and Wales. The registered office is Coventry Airport, Rowley Road, Coventry, CV8 3AZ, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], 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)". 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 applying FRS 102 Update Bulletin 1 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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. 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 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.

1 Accounting policies **(Continued)**

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which the expenditure arose.

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:

Leasehold land and buildings	2% - 5% on original cost
Fixtures and fittings	10% - 33% on original cost
Site assets	10% on original cost

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 net income/(expenditure) for the year.

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.

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.

1 Accounting policies **(Continued)**

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 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.12 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.

1.13 Retirement benefits

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

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 Donations and legacies

	Unrestricted funds	Total
	2020	2019
	£	£
Donations and gifts	724	4,845
Business Rates Relief and Job Support Grants	16,982	-
	17,706	4,845

4 Charitable activities

	Admission fees	Hire of facilities	Subscriptions	Total	Total
	2020	2020	2020	2020	2019
	£	£	£	£	£
Sales within charitable activities	40,713	170	561	41,444	104,659

5 Other trading activities

	Unrestricted funds	Total
	2020	2019
	£	£
Shop and cafe sales	33,982	75,093

6 Investments

	Unrestricted funds	Total
	2020	2019
	£	£
Interest receivable	1,299	1,850

7 Raising funds

	2020	2019
	£	£
Fundraising and publicity		
Advertising	110	1,207
	110	1,207

8 Charitable activities

	2020	2019
	£	£
Staff costs	66,568	68,241
Depreciation and impairment	14,200	13,471
Cost of sales	23,002	40,550
	103,770	122,262
Share of support costs (see note 9)	34,310	39,058
Share of governance costs (see note 9)	3,259	3,675
	141,339	164,995

9 Support costs

	Support costs	Governance costs	2020	2019	
	£	£	£	£	
Rent and rates	5,161	-	5,161	9,976	
Insurance	6,960	-	6,960	6,598	
Light and heat	6,413	-	6,413	6,654	
Site expenses	5,378	-	5,378	7,861	
Office expenses	699	-	699	717	
Telephone	1,217	-	1,217	1,160	
Transport and travelling expenses	436	-	436	903	
Restoration	616	-	616	1,236	
Sundry expenses	4,989	-	4,989	771	
Bank charges	2,441	-	2,441	3,182	
Legal and professional	-	3,259	3,259	3,675	Governance
	34,310	3,259	37,569	42,733	
Analysed between					
Charitable activities	34,310	3,259	37,569	42,733	

Governance costs includes payments to the Independent Examiners of £2,599 (2019 - £3,015) for Independent Examination and other services.

10 Trustees

None of the Trustees received any remuneration or benefits from the charity during the year.

11 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	5	5

Employment costs	2020 £	2019 £
Wages and salaries	64,663	66,462
Other pension costs	1,905	1,779
	66,568	68,241

12 Tangible fixed assets

	Leasehold land and buildings	Fixtures and fittings	Site assets	Total
	£	£	£	£
Cost				
At 1 January 2020	252,611	105,655	13,377	371,643
Additions	-	18,601	-	18,601
At 31 December 2020	252,611	124,256	13,377	390,244
Depreciation and impairment				
At 1 January 2020	82,897	76,574	13,374	172,845
Depreciation charged in the year	7,040	7,160	-	14,200
At 31 December 2020	89,937	83,734	13,374	187,045
Carrying amount				
At 31 December 2020	162,674	40,522	3	203,199
At 31 December 2019	169,714	29,081	3	198,798

13 Stocks

	2020	2019
	£	£
Raw materials and consumables	20,860	24,828

14 Debtors

	2020	2019
Amounts falling due within one year:	£	£
Other debtors	6,832	8,734
Prepayments and accrued income	550	6,154
	7,382	14,888

15 Creditors: amounts falling due within one year

	2020	2019
	£	£
Other taxation and social security	1,349	-
Other creditors	227	1,008
Accruals and deferred income	2,594	2,770
	4,170	3,778

16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

				Movement in funds			
	Balance at 1 January 2019	Resources expended	Transfers	Balance at 1 January 2020	Incoming resources	Resources expended	Balance at 31 December 2020
	£	£	£	£	£	£	£
Fixed assets fund	198,921	(13,471)	13,348	198,798	18,601	(14,200)	203,199
Building development fund	225,000	-	-	225,000	-	-	225,000
Acquisition fund	55,000	-	-	55,000	-	-	55,000
Reserve fund	80,000	-	-	80,000	-	(25,000)	55,000
	558,921	(13,471)	13,348	558,798	18,601	(39,200)	538,199

The trustees have designated various funds this year as follows:

- The Building Development fund is to provide funds to enable more exhibits to be displayed under cover to improve the visitor experience and to protect exhibits for the future.
- The Acquisition fund is to provide funds to enable suitable exhibits to be acquired when they become available to continue to develop and improve the museum's collection.
- The Reserve fund is considered sufficient to cover the operating costs of the museum for a period of six months.

17 Financial commitments, guarantees and contingent liabilities

In 2001 the Museum acquired a MIG21 aircraft with the assistance of Prism funding. The amount received was £2,000 which would become repayable should the Museum sell the aircraft.

18 Events after the reporting date

In early March 2020, the COVID-19 virus was declared a global pandemic. Business continuity, including supply chains and consumer demand across a number of industries and countries, could be severely impacted for months or more, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic.

The trustees are monitoring the ever changing situation and continue to evaluate the charity's ability to continue to trade on an ongoing and foreseeable basis. However, due to the uncertainty surrounding COVID-19 no adjustments have been made to these financial statements which may arise from the impact of COVID-19 on the charity. Despite the unknown impact COVID-19 may or may not have on the charity under normal circumstances the trustees would have had a reasonable expectation that the charity has adequate resources, thus the trustees would have adopted the going concern basis of accounting.

19 Related party transactions

During the year, the wife and daughters of Mr B. James were employed by the museum at open market rates. Mr B. James was excluded from all discussions and decisions related to their employment.