

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

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.

MIDLAND AIR MUSEUM

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

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 Flettner 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.

MIDLAND AIR MUSEUM

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) *FOR THE YEAR ENDED 31 DECEMBER 2020*

MIDLAND AIR MUSEUM

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) *FOR THE YEAR ENDED 31 DECEMBER 2020*

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.

MIDLAND AIR MUSEUM

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

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



Mr A R Evans
Treasurer

Dated: 24 September 2021

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 £
<u>Income from:</u>			
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		<u>94,431</u>	<u>186,447</u>
<u>Expenditure on:</u>			
Raising funds	7	<u>110</u>	<u>1,207</u>
Charitable activities	8	<u>141,339</u>	<u>164,995</u>
Total resources expended		<u>141,449</u>	<u>166,202</u>
Net (expenditure)/income for the year/ Net movement in funds		(47,018)	20,245
Fund balances at 1 January 2020		<u>733,522</u>	<u>713,277</u>
Fund balances at 31 December 2020		<u><u>686,504</u></u>	<u><u>733,522</u></u>

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

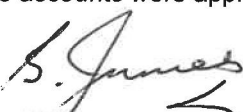
	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12		203,199		198,798
Current assets					
Stocks	13	20,860		24,828	
Debtors	14	7,382		14,888	
Cash at bank and in hand		459,233		498,786	
		487,475		538,502	
Creditors: amounts falling due within one year	15	(4,170)		(3,778)	
Net current assets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

MIDLAND AIR MUSEUM

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.

MIDLAND AIR MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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.

MIDLAND AIR MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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.

MIDLAND AIR MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Donations and legacies

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

4 Charitable activities

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

5 Other trading activities

	Unrestricted funds	Total
	2020 £	2019 £
Shop and cafe sales	<u>33,982</u>	<u>75,093</u>

6 Investments

	Unrestricted funds	Total
	2020 £	2019 £
Interest receivable	<u>1,299</u>	<u>1,850</u>

MIDLAND AIR MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

7 Raising funds

	2020	2019
	£	£
<u>Fundraising and publicity</u>		
Advertising	110	1,207
	<u>110</u>	<u>1,207</u>

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
	<u>103,770</u>	<u>122,262</u>
Share of support costs (see note 9)	34,310	39,058
Share of governance costs (see note 9)	3,259	3,675
	<u>141,339</u>	<u>164,995</u>

MIDLAND AIR MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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
	<u>34,310</u>	<u>3,259</u>	<u>37,569</u>	<u>42,733</u>	
Analysed between					
Charitable activities	<u>34,310</u>	<u>3,259</u>	<u>37,569</u>	<u>42,733</u>	

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
	<u>5</u>	<u>5</u>
Employment costs	2020	2019
	£	£
Wages and salaries	64,663	66,462
Other pension costs	1,905	1,779
	<u>66,568</u>	<u>68,241</u>

MIDLAND AIR MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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

MIDLAND AIR MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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:

	Balance at 1 January 2019	Resources expended	Transfers	Balance at 1 January 2020	Movement in funds		Balance at 31 December 2020
	£	£	£	£	Incoming resources £	Resources expended £	£
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
	<u>558,921</u>	<u>(13,471)</u>	<u>13,348</u>	<u>558,798</u>	<u>18,601</u>	<u>(39,200)</u>	<u>538,199</u>

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.