

SOLENT SKY LIMITED

**Directors' Report and Unaudited Financial Statements
for the year ended 31 May 2020**

Company No. 960329

SOLENT SKY LIMITED

Company Information

DIRECTORS:	J G U Clark P D Dimmick A Jones Mrs KE Jones RAR Little
SECRETARY:	Mrs K E Jones
REGISTERED OFFICE:	Solent Sky Albert Road South Southampton Hampshire SO14 3FR
COMPANY NUMBER:	960329
CHARITY NUMBER:	262995
ACCOUNTANTS:	David Gamblin Limited Chartered Accountants 71 The Hundred Romsey Hampshire SO41 8BZ
BANKERS:	National Westminster Bank Plc 12 High Street Southampton Hampshire SO14 2BF

SOLENT SKY LIMITED

Contents

	<u>Page</u>
Directors' Report	1 - 3
Accountants' Report	4
Statement of Financial Activities	5
Balance Sheet	6 - 7
Notes to the Financial Statements	8 - 16
The following pages do not form part of the Statutory accounts	
Notes to the Profit and Loss Account	17 - 20

SOLENT SKY LIMITED

Directors' Report on the Unaudited Financial Statements for the year ended 31 May 2020

Governance

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

Whilst the directors wish to enlarge the board, they have found it difficult to recruit directors who have the time to make a contribution to the running of the museum. From past experience it has been decided that there is no useful purpose served by appointing directors who are not prepared to become actively involved with the running of the company and museum.

Objectives, Achievement and Performance

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

On 11 September 2005 the charity set up a company limited by guarantee to be its sole trading arm. Solent Sky Ltd took over the shop activities at this date.

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

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

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

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

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

SOLENT SKY LIMITED

Directors' Report on the Unaudited Financial Statements for the year ended 31 May 2020

Directors and Directors' Interests

The directors who served during the year were:

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

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

£1 ordinary shares at
beginning and end of period

J G U Clark	1
A Jones	1

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

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

Reserves

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

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

Risk Management Statement

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

SOLENT SKY LIMITED

Directors' Report on the Unaudited Financial Statements for the year ended 31 May 2020

Directors' Responsibilities

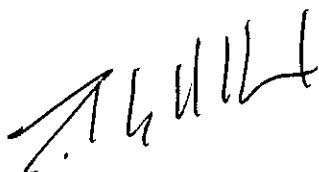
Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company at the end of the period and of its surplus or deficit for the period. In preparing these accounts, the directors are required to: -

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

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

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

Approved by the board on 28 February 2020, and signed on its behalf.



J G U Clark
Director

SOLENT SKY LIMITED

INDEPENDENT EXAMINERS REPORT TO THE DIRECTORS OF SOLENT SKY LIMITED

We report on the Unaudited Financial Statements of the company for the year ended 31 May 2020, which are set out on pages 5 to 16.

Respective responsibilities of Trustees and Examiners

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

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

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

Basis of Independent examiners' report

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

Independent examiner's statement

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

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

DAVID GAMBLIN LIMITED
Chartered Accountants

71 The Hundred
ROMSEY
Hampshire SO51 8BZ

.....

..... Dated

SOLENT SKY LIMITED

**Unaudited Statement of Financial Activities
for the year ended 31 May 2020
(including Income and Expenditure Account)**

	<u>Notes</u>	<u>Restricted Funds</u>	<u>Unrestricted funds</u>	<u>Total 2020</u>	<u>Total 2019</u>
		£	£	£	£
Income					
Income and endowments from:					
Donations and legacies	3.1	-	130936	130936	56814
Generated funds	3.1	-	66930	66930	70864
Bank interest		-	144	144	70
Grants	3.1	-	37100	37100	9900
Funds transferred	3.2	-	-	-	-
Total		-	235100	235100	137648
Expenditure					
Costs of generating funds					
Fundraising trading: costs of goods sold and other costs		-	4975	4975	125
Charitable activities	4	-	174737	174737	155128
Governance costs	5	-	2800	2800	2800
Total		-	182512	182512	158053
Net income/(expenditure) for the year		-	52588	52588	(20405)
Total funds at 31 May 2019		120262	45885	166147	186552
Total funds at 31 May 2020		120262	98473	218735	166147

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

All incoming resources and resources expended derive from continuing activities.

SOLENT SKY LIMITED
Company No. 960329

Unaudited Balance Sheet as at 31 May 2020

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
Fixed assets			
Tangible assets	9	£ 136935	£ 115811
Current assets			
Stock	10	£ 20058	£ 20058
Debtors	11	5444	647
Cash at bank and in hand		74500	49634
		_____	_____
		100002	70339
Creditors: amounts falling due within one year	12	(19546)	(20001)
		_____	_____
Net current assets		80456	50338
		_____	_____
Net assets		£ 217391	£ 166149
		_____	_____
 Capital and reserves			
Called-up share capital	14	£ 2	£ 2
Accumulated restricted funds	15	120262	120262
Accumulated unrestricted funds	16	97127	45885
		_____	_____
Total charitable funds		£ 217391	£ 166149
		_____	_____

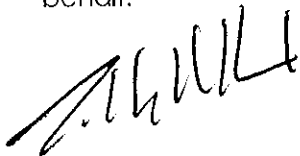
SOLENT SKY LIMITED
Company No. 960329

Unaudited Balance Sheet as at 31 May 2020

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of S.477 of the Companies Act 2006. Members have not required the company under S.476 of the Companies Act 2006, to obtain an audit for the year ended 31 May 2020. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with S.386 of the Companies Act 2006, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31 May 2020, and of its result for the financial year in accordance with the requirements of the Companies Act 2006, so far as applicable to the company.

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

The accounts were approved by the Board on 4 March 2021, and signed on its behalf.

A handwritten signature in black ink, appearing to read 'J G U Clark', written in a cursive style.

J G U Clark
Director

SOLENT SKY LIMITED

Notes to the unaudited financial statements for the year ended 31 May 2020

1 Accounting policies

1.1 Accounting convention

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

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

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

1.2 Change of accounting policy

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

Museum artefacts

The directors have decided not to continue to depreciate the carrying value of the museum artefacts as shown in note 9. This reflects more accurately the value of these items. This has resulted in lower costs of £2910 in the 2020 accounts.

1.3 Changes to accounting estimates

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

1.4 Material prior year errors

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

SOLENT SKY LIMITED

Notes to the unaudited financial statements for the year ended 31 May 2020

1.5 Fund accounting

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

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

1.6 Tangible fixed assets

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

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

Museum buildings	40 years straight line
Displays and equipment	15% reducing balance
Museum artefacts	Nil (from 2019)
Vehicles	15% reducing balance

1.7 Stock

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

1.8 Incoming resources

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

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

1.9 Tax reclaims on donations and gifts

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

SOLENT SKY LIMITED

Notes to the unaudited financial statements for the year ended 31 May 2020

2.0 Debtors

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

2.1 Volunteer help

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

2.2 Resources expended

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

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

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

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

2.3 Creditors:

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

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

2.4 Going concern

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

SOLENT SKY LIMITED

Notes to the unaudited financial statements for the year ended 31 May 2020

3.1	Voluntary income	<u>Restricted funds</u> £	<u>Unrestricted funds</u> £	<u>Total 2020</u> £	<u>Total 2019</u> £
	Donations	-	130936	130936	56814

Charitable activities:	<u>Restricted funds</u> £	<u>Unrestricted funds</u> £	<u>Total 2020</u> £	<u>Total 2019</u> £
Admission fees	-	55110	55110	56976
Sale of goods	-	11820	11820	11957
Rent	-	-	-	1931
Advertising revenue	-	-	-	-
Hire fees	-	-	-	-
	-	66930	66930	70864

3.2 Funds transferred

During the 2017 year, the Charity combined with the Hampshire Police Authority charity and, the Hampshire Fire and Rescue Authority charity.

No transfers were received during the 2020 year.

	<u>Restricted funds</u> £	<u>Unrestricted funds</u> £	<u>Total 2020</u> £	<u>Total 2019</u> £
4 Expenditure – Other costs				
Staff costs	-	76334	76334	71037
Premises costs	-	35322	35322	28177
Insurance	-	5191	5191	5181
Repairs, maintenance and equipment hire	-	19374	19374	6635
Travel and exhibitions	-	-	-	-
Office costs	-	29178	29178	33604
Finance costs	-	1859	1859	1988
Depreciation	-	7479	7479	8506
	-	174737	174737	155128

SOLENT SKY LIMITED

Notes to the unaudited financial statements For the year ended 31 May 2020

5	Governance costs	<u>2020</u>	<u>2019</u>	<u>2017</u>
	Accountancy and examination	2800	2800	2400
	Independent examiner's fees	800	800	700
	Accountancy work	2000	2000	1700
6	Staff costs	<u>2020</u>	<u>2019</u>	
	Salaries and wages	£ 28426	£ 21992	
	Employee's national insurance	1535	872	
	Pension costs	413	183	
	Total staff costs	£ 30374	£ 23047	

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

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

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

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

7 Pension contributions

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

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

8 Taxation

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

SOLENT SKY LIMITED

**Notes to the unaudited financial statements
for the year ended 31 May 2020**

9 Tangible fixed assets

	<u>Vehicles</u>	<u>Museum Buildings</u>	<u>Displays & equipment</u>	<u>Museum artefacts</u>	<u>Total</u>
	£	£	£	£	£
COST					
Brought forward	5939	168335	152987	116415	443676
Additions	-	-	28603	-	28603
At 31 May 2020	5939	168335	181590	116415	472279
DEPRECIATION					
Brought forward	5375	129808	131748	60934	327865
Charge for the year	85	4208	3186	-	7479
At 31 May 2020	5460	134016	134934	60934	335344
NET BOOK VALUE					
At 31 May 2020	479	34319	46656	55481	136935
At 31 May 2019	564	38527	21239	55481	115811

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

10 Stock	<u>2020</u>	<u>2019</u>
Goods for resale - purchased	£ 20058	£ 20058
- donated	-	-
	£ 20058	£ 20058
11 Debtors	<u>2020</u>	<u>2019</u>
Taxation	£ 4797	£ -
Prepayments	647	647
	£ 5444	£ 647

SOLENT SKY LIMITED

**Notes to the unaudited financial statements
for the year ended 31 May 2020**

12	Creditors: amounts falling due within one year	<u>2020</u>	<u>2019</u>	
	Accruals	£ 5600	£ 2800	
	Trade creditors	5228	7474	
	Social security and other taxes	798	2435	
	Dunkirk Little Ships Restoration Trust	6825	6825	
	Card	1050	422	
	Pension contributions	45	45	
		<hr/>	<hr/>	
		£ 19546	£ 20001	
		<hr/>	<hr/>	
13	Operating lease commitments	<u>2020</u>	<u>2019</u>	
		<u>£</u>	<u>£</u>	
	The company had the following non-cancellable lease commitments at the year end:			
	Due less than one year	3146	3146	
	Greater than one year but less than five years	8691	8691	
	Due greater than five years	141600	141600	
		<hr/>	<hr/>	
		£ 153437	£ 153437	
		<hr/>	<hr/>	
14	Called-up share capital	<u>2020</u>	<u>2019</u>	
	Allotted, issued and fully paid:			
	Ordinary shares of £1 each	2	2	
		<hr/>	<hr/>	
15	Restricted funds			
	Balance at	Incoming	Outgoing	Balance at
	<u>At 1 June 2019</u>	<u>resources</u>	<u>resources</u>	<u>31 May 2020</u>
	£	£	£	£
	Spitfire Fund	44532	-	44532
	Building fund	50544	-	50544
	Air Display Fund	15000	-	15000
	Feasibility Study Fund	10186	-	10186
		<hr/>	<hr/>	<hr/>
		120262	-	120262
		<hr/>	<hr/>	<hr/>

SOLENT SKY LIMITED

Notes to the unaudited financial statements for the year ended 31 May 2020

15 Restricted funds continued.

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

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

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

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

16 Analysis of net assets between funds

	Restricted Funds	Unrestricted funds	Total 2020	Total 2019
	£	£	£	£
Tangible fixed assets	52571	84364	136935	115811
Current assets	67691	32311	100002	70339
Current liabilities	-	(19546)	(19546)	(20001)
	120262	97129	217391	166149

17 Related party transactions

Payments of £45960 (2019: £47990) were made to Retroplan Limited, a management company engaged for the day to day management of the museum. Mr A Jones is a director of Retroplan Limited.

Payments of £7200 (2019: £7200) were made to Timsbury Manor Fishing and Farming, a business operated by Mr A Jones.

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

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

SOLENT SKY LIMITED

Notes to the unaudited financial statements for the year ended 31 May 2020

18 Additional information

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

The registered number is: 960329

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