

Registered number: 03092670

Manston Spitfire and Hurricane Memorial Trust Limited

Unaudited

Directors' report and financial statements

For the year ended 31 August 2017



Manston Spitfire and Hurricane Memorial Trust Limited

Company Information

Directors

Mr J I de Rose
Mr M J Russell
Mr S R Farmer
Mr P A Verdemato
Mrs R E Sear

Registered number

03092670

Registered office

Spitfire & Hurricane Memorial Museum
The Airfield, Manston Road
Ramsgate
Kent
CT12 5DF

Accountants

Kreston Reeves LLP
Chartered Accountants
Canterbury
Kent
CT1 2TU

Manston Spitfire and Hurricane Memorial Trust Limited

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Manston Spitfire and Hurricane Memorial Trust Limited

Directors' report

For the year ended 31 August 2017

The directors present their report and the financial statements for the year ended 31 August 2017.

Principal activity

The principal activity of the company is the sale of goods in order to provide financial support to the RAF Manston Spitfire & Hurricane Memorial Museum.

Directors

The directors who served during the year were:

Mr J I de Rose
Mr M J Russell
Mr S R Farmer
Mr P A Verdemato
Mrs R E Sear

Charitable contributions

During the year, the company paid a donation of £17,544 to R.A.F. Manston Spitfire & Hurricane Memorial Museum.

The company has made a donation to the RAF. Manston Spitfire & Hurricane Memorial Museum of £20,354 since the year end, based on the trading results for the year ended 31 August 2017 and those achieved since the year end.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 16 May 2018 and signed on its behalf.



Mr P A Verdemato
Director

Manston Spitfire and Hurricane Memorial Trust Limited

Chartered accountants' report to the board of directors on the preparation of the unaudited statutory financial statements of Manston Spitfire and Hurricane Memorial Trust Limited for the year ended 31 August 2017

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Manston Spitfire and Hurricane Memorial Trust Limited for the year ended 31 August 2017 which comprise the Statement of income and retained earnings, the Balance sheet and the related notes from the Company accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of directors of Manston Spitfire and Hurricane Memorial Trust Limited, as a body, in accordance with the terms of our engagement letter. 20 June 2017 work has been undertaken solely to prepare for your approval the financial statements of Manston Spitfire and Hurricane Memorial Trust Limited and state those matters that we have agreed to state to the Board of directors of Manston Spitfire and Hurricane Memorial Trust Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Manston Spitfire and Hurricane Memorial Trust Limited and its Board of directors, as a body, for our work or for this report.

It is your duty to ensure that Manston Spitfire and Hurricane Memorial Trust Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit or loss of Manston Spitfire and Hurricane Memorial Trust Limited. You consider that Manston Spitfire and Hurricane Memorial Trust Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Manston Spitfire and Hurricane Memorial Trust Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Kreston Reeves LLP

Kreston Reeves LLP

Chartered Accountants

Canterbury
17 May 2018

Manston Spitfire and Hurricane Memorial Trust Limited

Statement of income and retained earnings For the year ended 31 August 2017

	Note	2017 £	2016 £
Turnover		62,235	59,909
Cost of sales		(36,816)	(35,672)
Gross profit		25,419	24,237
Administrative expenses		(5,564)	(6,045)
Other operating income		2	10
Operating profit		19,857	18,202
Tax on profit	4	-	-
Profit after tax		19,857	18,202
Retained earnings at the beginning of the year		15,527	20,641
Profit for the year		19,857	18,202
Gift aid payments to parent charity		(17,544)	(23,316)
Retained earnings at the end of the year		17,840	15,527

The notes on pages 5 to 9 form part of these financial statements.

Manston Spitfire and Hurricane Memorial Trust Limited
Registered number: 03092670

Balance sheet
As at 31 August 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	823	1,320
		<u>823</u>	<u>1,320</u>
Current assets			
Stocks	6	22,217	20,043
Debtors: amounts falling due within one year	7	23	127
Cash at bank and in hand	8	15,287	17,220
		<u>37,527</u>	<u>37,390</u>
Creditors: amounts falling due within one year	9	(20,410)	(23,083)
Net current assets		<u>17,117</u>	<u>14,307</u>
Total assets less current liabilities		<u>17,940</u>	<u>15,627</u>
Net assets		<u><u>17,940</u></u>	<u><u>15,627</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		17,840	15,527
		<u>17,940</u>	<u>15,627</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 May 2018.



Mr P A Verdemato
Director

The notes on pages 5 to 9 form part of these financial statements.

Manston Spitfire and Hurricane Memorial Trust Limited

Notes to the financial statements For the year ended 31 August 2017

1. General information

Manston Spitfire and Hurricane Memorial Trust Limited is a private company limited by shares which was incorporated in England and Wales with the registered number 03092670.

The company's registered office is The Airfield, Manston Road, Ramsgate, Kent, CT12 5DF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Pounds Sterling, and rounded to the nearest pound.

The policies applied under the entity's previous accounting framework are not materially different to FRS102 and have not impacted on equity or profit or loss apart from as disclosed in note 11.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**Notes to the financial statements
For the year ended 31 August 2017**

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	-	33% straight line
Fixtures, fittings and office equipment	-	25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Manston Spitfire and Hurricane Memorial Trust Limited

Notes to the financial statements For the year ended 31 August 2017

2. Accounting policies (continued)

2.9 Taxation

Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

3. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2016 - £NIL).

4. Taxation

Factors affecting tax charge for the year

A donation of £17,544 was made during the year to RAF Manston Spitfire and Hurricane Memorial Museum. This was carried back to offset against taxable profits for the year ended 31 August 2016.

There is no corporation tax liability for the year as a result of the post year end donation to the RAF Manston Spitfire & Hurricane Memorial Museum being carried back to offset against the taxable profits for the year.

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Manston Spitfire and Hurricane Memorial Trust Limited

**Notes to the financial statements
For the year ended 31 August 2017**

5. Tangible fixed assets

	Plant & machinery £	Office equipment £	Total £
Cost or valuation			
At 1 September 2016	4,116	3,381	7,497
At 31 August 2017	4,116	3,381	7,497
Depreciation			
At 1 September 2016	4,116	2,061	6,177
Charge for the year on owned assets	-	497	497
At 31 August 2017	4,116	2,558	6,674
Net book value			
At 31 August 2017	-	823	823
At 31 August 2016	-	1,320	1,320

6. Stocks

	2017 £	2016 £
Goods for resale	22,217	20,043
	22,217	20,043

7. Debtors

	2017 £	2016 £
Prepayments	23	127
	23	127

8. Cash and cash equivalents

	2017 £	2016 £
Bank & cash balances	15,287	17,220
	15,287	17,220

Manston Spitfire and Hurricane Memorial Trust Limited

Notes to the financial statements For the year ended 31 August 2017

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	1,285	1,755
Amounts owed to group undertakings	15,752	17,934
Other taxation and social security	1,048	1,069
Accruals and deferred income	2,325	2,325
	<u>20,410</u>	<u>23,083</u>

10. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

11. Prior year adjustment

The company has adopted the amendments to FRS102 issued by the Financial Reporting Council in December 2017 in so far as they relate to Gift Aid payments made by the company to its parent charity. Such payments are treated as distributions and are recognised as a reduction in the company's equity when paid, although the corporation tax benefits relating to such payments are recognised in the accounting period in which the profits that resulted in the distribution were generated. This represents a change in accounting policy, as in previous accounting periods such payments were recognised by the company in profit and loss. Comparative figures have been restated to reflect the revised accounting policy. The impact of this change in accounting policy on the profit after tax for the year to 31 August 2016 is an increase of £23,316 with no change to the company's net assets at 31 August 2016.

12. Gift aid commitments

The company carries on the trading activities of the RAF Manston Spitfire & Hurricane Memorial Museum. The Company was formed with the intention of donating any trading surplus to the RAF Manston Spitfire & Hurricane Memorial Museum CIO, less any amounts needed to preserve the company's working capital. The directors, therefore, consider that the company has an obligation at the year end to pay a donation to the RAF Manston Spitfire & Hurricane Memorial Museum CIO based on the trading results of the year and so resolved to pay a donation of £20,354 before 31 May 2018. A donation can be paid at this level due to the increase in the company's distributable reserves since the year end.

13. Controlling party

The company is controlled by RAF Manston Spitfire & Hurricane Memorial Museum CIO, a UK registered charity, by virtue of its 100% shareholding.