

COMPANY REGISTRATION NUMBER: 00682542

CHARITY REGISTRATION NUMBER: 313614

PENDON MUSEUM TRUST LIMITED
Company Limited by Guarantee
Unaudited Financial Statements
31 December 2017



NOCKELS GEE ACCOUNTANTS LTD

Chartered Certified Accountants
5 The Chambers
Vineyard
Abingdon-on-Thames

PENDON MUSEUM TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31 December 2017

The Trustees have adopted the provisions of the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 December 2017.

OBJECTIVES AND ACTIVITIES

OBJECTIVES OF PENDON MUSEUM TRUST LIMITED

The principal activity is the construction and operation of an exhibition of landscape, model buildings and railways at Long Wittenham, Abingdon, Oxfordshire, together with supporting interpretative material and exhibits.

The Museum continues to work on developing and building its major exhibit, whilst at the same time maintaining existing displays and relics. Openings continue at every weekend and selected additional dates (bank holidays, half term and summer Wednesdays), where volunteers staff the Museum. The additional opening on Summer Thursdays has proved successful and has been incorporated in the opening schedule. Special showings are also arranged for pre-booked groups on request. Study visits were arranged for 50 Year 5 and Year 6 students from our local primary school. Maintaining visitor numbers above the 10,000 per annum level is desirable, although this has proved problematic over the past few years. During 2017 in excess of 7,200 people visited the Museum during a public opening, private opening, or for a workshop, evening lecture etc.

Marketing took a number of forms, notably press advertisements and an increasing presence on social media. Overall visitor numbers improved slightly over the 2016 level but we recognise that we need to make further improvements. Response from visitors to their experience continues to be positive, as demonstrated by Trip Advisor entries, Facebook ratings and very positive comments in our visitor's book. The Masterclass programme was expanded and continues to see strong demand.

PUBLIC BENEFIT

The activities of the Museum provide public benefit and can be divided into three main areas:

- Maintenance of archive records of landscape, buildings and railways, primarily from the Vale of White Horse area.
- Development of the Museum's major exhibits and displays which are of general interest and educational value to families and special interest groups.
- Provide facilities to volunteers and the public for training and to develop modelling and operational skills to maintain and improve the exhibits.

The museum is open to the public on typically 120 days per year plus additional openings for booked groups.

The Trustees regularly review the activities of the Museum and visitor arrangements especially for special interest groups. The Trustees actively encourage the wider involvement from Friends and Volunteers of the Museum.

The provision of lectures for Friends and Masterclasses and Workshops for the public has continued, with particular success for the newly introduced and complimentary Introduction to Modelling sessions for children.

PENDON MUSEUM TRUST LIMITED

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Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2017

The Trustees confirm that they have had regard to the Charity Commission's guide on public benefit and are satisfied that the activities of the Museum are of public benefit. The extensive involvement of volunteers and flexible visitor arrangements ensure that the facilities of the Museum are widely available to the public. Steps are being taken to enhance the availability of archive material for Friends of the Museum and members of the public through the development of an on-line archive.

The award of Arts Council Accredited Museum Status, awarded after the presentation of an extensive application portfolio and assessment visit, highlights our public benefit.

VOLUNTEERS

Our volunteers are an essential resource for the charity. The Trustees are grateful for the unstinting efforts of the volunteers who are involved in the activities. It is estimated that over 10,000 volunteer hours were provided during the year. If this is conservatively valued at £8 an hour the volunteer effort amounts to over £80,000.

The software based rota tool introduced in 2013 has continued in use. This allows volunteers to offer their availability remotely, choosing days that suit them best. Much of the Volunteer communication has also been put on line to help the dissemination of information in a more equitable and effective manner. Printed material is sent to volunteers not able to receive communications electronically, to ensure that no-one is disenfranchised.

Training for Volunteers has continued with Trustees taking the decision to close the Museum for January 2017 to enable all volunteers to undergo systematic training in running the Museum. Training covered a number of topics ranging from technical improvements to working with our visitors. This has become a regular feature. Social events for volunteers were also held.

Limited numbers of volunteers, both for Front of House and Backroom activities continues to be a challenge. Our volunteers are essential to Pendon's future.

STRATEGIC REPORT

The following sections for achievements and performance and financial review form the strategic report of the charity.

ACHIEVEMENTS AND PERFORMANCE

REVIEW OF DEVELOPMENTS, ACTIVITIES AND ACHIEVEMENTS

The Trust continued to develop the exhibition during the year and has continued to operate Gift Aid Visitor admissions taking advantage of the Gift Aid scheme available through H M Revenue & Customs. This is a significant source of additional revenue to the Trust.

The Trust continues to provide access to its unique archive of life and transport in the Vale of White Horse during the 1920s and 30s period, with ancillary information from the post war period and other locations.

Pendon Museum Trust Limited's position is an exemplar of fine scale miniature modelling continues to attract visitor and press coverage as well as the support of modellers eminent in their field. Work of these people supports the development of the principal exhibit, which is developing new techniques to represent life in the 1920s and 30s. A series of fee-earning 'Masterclasses' conducted by eminent modellers and covering a wide range of topics was offered and were well subscribed in 2017. Notable were the complimentary modelling workshops for children which proved very popular and help introduce the young generation to the delights and possibilities of models.

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Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2017

Work continues on the exhibits, both maintenance and development. The Madder Valley exhibit has seen improvements to locomotives, rolling stock and the control system. The Dartmoor exhibit has seen continuing work on the control system and maintenance of the locomotives and rolling stock, the mileages run are significant, plus installation of a CCTV system to facilitate operation. Remedial work on various aspects of the scenery and structures has also been carried out - the exhibit itself is now a historic artifact with elements up to 60 years old. Completion of elements of the Vale Scene has continued with new rolling stock and buildings completed and installed and scenic modelling filling more of the scene.

Following redecoration of parts of the museum in 2015 the Reception area was remodelled and renewed in the winter closure 2016/17. This took into account the views of volunteers and has given a more welcoming and practical Reception and Cafe area. The Shop stock and display were also reviewed and refreshed with the help of a grant-aided consultant. During the winter closure 2017 the refurbishment of our men's, women's and disabled toilets facilities took place bringing them up to modern day standards.

The Audio Guides introduced in 2015 were reviewed and refreshed in light of customer feedback and continue to be offered as an adjunct to the good work of our volunteer guides who remain a key feature of the museum.

A Childrens' Trail was introduced and has proved very popular with families - around 25% of visitors are children.

A collaborative project with a 3D scanning company, Modelu, has successfully provided us with figures, dressed in period costume for inclusion in our scene. The company scanned a number of volunteers in various poses, 3D printed the results and provided realistic figures for us to complete. The process formed the basis of a talk to volunteers.

Pendon Museum provides educational facilities and community talks on its subject to schools and adults over a wide geographical and demographic area, and brings a significant number of visitors to the Long Wittenham area. These come from across the region and beyond (the Museum holds a unique position and attracts visitors from home and abroad). It also continues to develop the skills of its volunteer force with training and education in order to enhance the presentation and accuracy of information to visitors.

Work has continued on the activities needed to become accepted as an Accredited Museum, an application has been made and the Arts Council auditor has visited Pendon.

The Museum was awarded Accredited Museum status from the Arts Council in February 2018 (Accreditation No. 963). Trustees are confident that the work undertaken to achieve this award has improved our processes and procedures in the Museum, helping us to improve and maintain our professionalism.

The support of the Oxfordshire Museum Development Officer is acknowledged with thanks - support helps financially to get new projects off the ground and also encourages the Trust to innovate in the way that the exhibits are interpreted by our visitors.

Friends, who subscribe to the Museum, have access to a number of events at a reduced rate, which include lecture evenings.

FINANCIAL REVIEW

The total funds were £449,688 (2016 - £459,638) which is comprised of unrestricted funds at 31st December 2017 £447,688 (2016 - £459,638) and restricted funds of £2,000 (2016 - £ Nil).

PENDON MUSEUM TRUST LIMITED**COMPANY LIMITED BY GUARANTEE****Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*****Year ended 31 December 2017**

PRINCIPAL FUNDING SOURCES

Income for the year is £112,033 (2016 - £103,587) comprising admission income, subscriptions, donations, investment income and the gift aid payment from the subsidiary. This year the expenditure exceeded income by £9,950 (2016 – surplus £14,235). All surpluses are re-invested into the Charity to further the objectives. The Trustees review current and future funding needs on a regular basis.

RESERVES POLICY

The Trustees have reviewed the reserves of the charity. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves. The review concluded that to allow the charity to be managed efficiently and to provide a buffer for uninterrupted services, a general reserve of £75,000 (about one year's operating costs) should be maintained for the unrestricted funds ("the free reserves") not committed or invested in tangible fixed assets. Our reserves meet this requirement at the present time.

The Trustees have reviewed this policy in light of their plans and expectations for the future. Given the commitments and income streams on which the charity depends, they have confirmed it is prudent to maintain the current policy.

RESULTS

The results for the year and the charity's financial position at the end of the year are shown in the attached financial statements.

The funds of the Trust are held in bank accounts and no financial investments are made. In order to maximise bank interest a proportion of the funds are held in saving accounts with the balance needed for day to day operation being held in bank current accounts. Holdings are split over a range of banking groups such that all would be covered by the Financial Services Compensation Scheme should a bank get into difficulties.

RISK MANAGEMENT

The Trustees have carried out a detailed review of the charity's activities and have produced a comprehensive Forward Plan setting out the major opportunities available to the charity and the risks to which it is exposed. The Trustees monitor progress against the strategic objectives set out in the plan annually. The plan covers the period 2017 – 2022.

As part of this process, the Trustees have implemented a risk management strategy which comprises:

- an annual review of the risks which the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan;
- the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

A number of decisions previously taken by trustees, having due regard to advice briefings from the Charity Commission, have been maintained. These include increasing the operating cash reserve, placing reserves with a range of banks, and imposing strict controls on expenditure across all activities.

As in previous years a schedule of potential projects has been identified, with those most likely to proceed being ones to ensure compliance with legislation, having direct relevance to the work of the Museum, the control of running costs, or a positive impact on visitors' appreciation of Pendon.

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Year ended 31 December 2017

Work continues to ensure that the Museum acts in a safe environment, with regular Health and Safety reviews. Volunteers carry out a safety briefing prior to each opening to the public. Provision has been made to ensure continued safe operation.

The trustees are aware of their responsibilities to ensure compliance with all statutory legislation.

PLANS FOR FUTURE PERIODS

Following extensive consultation with a range of stakeholders the Museum Development Group proposed a new draft Five Year Action Plan for the Museum for the period 2017 – 2022. Following a consultation period, Trustees have formally adopted this plan. The plan focuses on continuing to enhance interpretation and increasing the public space to allow more displays. The Interpretative Strategy developed a few years ago has been updated and forms a major input into the Trust's plans. Following the redesign and rebuild of the Museum's toilet facilities, focus has now moved developing a new library resources centre and administration area to gain more space for use with visitors and researchers.

LEGAL STATUS

The organisation is a charitable company limited by guarantee, incorporated on 3 February 1961 and registered as a charity.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company as defined by the Companies Act 2006 and is governed under its Articles of Association which were last amended on 3rd November 2012.

The Trustees are aware of their responsibility to ensure compliance with the legislation governing charitable companies.

Bank National Westminster Bank Plc, 11 Market Place, Abingdon, OX14 3HH

Accountants Nockels Gee
Chartered Certified Accountants
5 The Chambers
Vineyard
Abingdon-on-Thames

STRUCTURE, GOVERNANCE AND MANAGEMENT

ORGANISATION

The Charity is administered by the Trustees, supported by a management team appointed by Trustees.

The Charity has a wholly owned trading subsidiary, Pendon Museum Sales Limited carrying out non-charitable trading activities for the charity. During the year the company made a gift aid payment of £7,517 (2016 - £4,165) transferring all its taxable profits to the charity. The directors of the subsidiary are C J Webber and Dr K J Brown.

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Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2017

APPLICATIONS AND NOMINATIONS FOR TRUSTEES

Any member of Pendon Museum Trust Ltd may stand for election at an Annual General Meeting to become a Trustee. Trustees are elected typically for a term of three years. The minimum number of Trustees is three. The Trustees may co-opt any member of the Trust to fill a casual vacancy. Any Trustee so appointed shall remain in office until the next Annual General Meeting and shall then be eligible for re-election.

All Trustees must be at least 18 years old and capable of managing their own affairs.

An induction procedure has been established by way of providing a governance document, including appropriate Charity Commission booklets, which is issued to all Trustees on appointment. Training is given as required.

MEMBERS

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 December 2017 was 86 (2016 - 86).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Pendon Museum Trust Limited
Charity registration number	313614
Company registration number	00682542
Principal office and registered Office	Pendon Museum Long Wittenham Abingdon on Thames OX14 4QD

THE TRUSTEES

J Bowen	(Resigned 3 June 2017)
Dr K J Brown	
P Leonard	
M Moignard	
M Ray	
M Whittick	
P J Wiltshire	

The Trustees who are the directors for the purpose of company law, and Trustees for the purpose of charity law, served during the year and up to the date of this report are as named above.

OFFICERS

All Trustees are officers of the charity. Those elected to specific roles by Trustees during the period were as follows:

Chairman:	P Leonard
Deputy Chair:	J Bowen until 3 rd June 2017 – vacant from that date
Treasurer:	Dr K J Brown
Secretary:	M Moignard

PENDON MUSEUM TRUST LIMITED

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Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 December 2017

PRESIDENT AND VICE PRESIDENTS

The Trust has conferred the following appointments in respect of exceptional services by the individuals to the Trust.

President - P R King C Eng, MI Mech E

Vice Presidents - A Attewell, S Hine, K R Surman

The positions of President and Vice President are considered by Council and the Members to be honorary. Those appointed do not undertake any role in the management of the Trust in that capacity, and therefore are not Trustees by virtue of that position.

TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Pendon Museum Trust for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Standards (United Kingdom Accounting Standards).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees' annual report (incorporating the directors' report) and the strategic report were approved on 5th May 2018 and signed on behalf of the board of trustees by:



Dr K J Brown
Trustee



P Leonard
Trustee

Pendon Museum Trust Limited

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Pendon Museum Trust Limited

Year ended 31 December 2017

I report to the trustees on my examination of the financial statements of Pendon Museum Trust Limited ('the charity') for the year ended 31 December 2017.

Responsibilities and basis of report

As the trustees of the company (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 accounts of the company 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 accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the 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:

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 accounts to be reached.

HELEN GEE FCCA
NOCKELS GEE
Chartered Certified Accountants

5 The Chambers
Vineyard
Abingdon-on-Thames

5 May 2018

Pendon Museum Trust Limited
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)
Year ended 31 December 2017

		Unrestricted funds	2017 Restricted funds	Total funds	2016 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	5	67,766	2,000	69,766	67,020
Other trading activities	6	36,002	–	36,002	29,924
Investment income	7	748	–	748	2,478
Other income	8	7,517	–	7,517	4,165
Total income		<u>112,033</u>	<u>2,000</u>	<u>114,033</u>	<u>103,587</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	9	2,599	–	2,599	2,648
Expenditure on charitable activities	10,11	121,384	–	121,384	86,704
Total expenditure		<u>123,983</u>	<u>–</u>	<u>123,983</u>	<u>89,352</u>
Net (expenditure)/income and net movement in funds		<u>(11,950)</u>	<u>2,000</u>	<u>(9,950)</u>	<u>14,235</u>
Reconciliation of funds					
Total funds brought forward		459,638	–	459,638	445,403
Total funds carried forward		<u>447,688</u>	<u>2,000</u>	<u>449,688</u>	<u>459,638</u>

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

Pendon Museum Trust Limited
Company Limited by Guarantee
Statement of Financial Position
31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible fixed assets	16	101,531	118,930
Current assets			
Debtors	18	16,229	16,640
Investments	19	100	100
Cash at bank and in hand		342,011	324,806
		<u>358,340</u>	<u>341,546</u>
Creditors: amounts falling due within one year	20	10,183	837
Net current assets		348,157	340,709
Total assets less current liabilities		449,688	459,639
Net assets		<u>449,688</u>	<u>459,639</u>
Funds of the charity			
Restricted funds		2,000	–
Unrestricted funds		447,688	459,639
Total charity funds	22	<u>449,688</u>	<u>459,639</u>

For the year ending 31 December 2017 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- 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 directors acknowledge their responsibilities for complying with the requirements of the Act 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.

These financial statements were approved by the board of trustees and authorised for issue on 5 May 2018, and are signed on behalf of the board by:



Dr K J Brown
Trustee



P Leonard
Trustee

Pendon Museum Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 December 2017

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Pendon Museum Trust Limited, Long Wittenham, Abingdon on Thames, OX14 4QD, UK.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Going concern

There are no material uncertainties about the charity's ability to continue.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Disclosure exemptions

The charity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.

Pendon Museum Trust Limited**Company Limited by Guarantee****Notes to the Financial Statements** *(continued)***Year ended 31 December 2017****3. Accounting policies** *(continued)***Consolidation**

The charity has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the entity and its subsidiary undertakings comprise a small group.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires trustees to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome.

Taxation policy

Pendon Museum Trust Limited is a registered charity and accordingly is exempt for taxation on its income and gains where they are to be applied for charitable purposes.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Volunteers

The value of the services provided by volunteers is not incorporated into these financial statements. Further details of their contribution is provided in note 17 to these financial statements and in the Trustees' Report.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.

Pendon Museum Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Incoming resources *(continued)*

- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from admissions, event and lectures are recognised in the appropriate accounting period
- Gift Aid is recognised when received.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold building	-	2% straight line
Equipment	-	20% straight line
Permanent Exhibits	-	Written off in 2017

Pendon Museum Trust Limited

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

The company is registered in England and Wales and is limited by guarantee. The liabilities of the members is limited to £1 per member.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Donations			
Donations	10,374	–	10,374
Friends of Pendon subscriptions	36,960	–	36,960
Gift Aid - Friends, donations and visitors	20,432	–	20,432
Grants			
Grants receivable	–	2,000	2,000
	<u>67,766</u>	<u>2,000</u>	<u>69,766</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Donations			
Donations	9,846	–	9,846
Friends of Pendon subscriptions	37,182	–	37,182
Gift Aid - Friends, donations and visitors	17,992	–	17,992

Pendon Museum Trust Limited

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

5. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Grants			
Grants receivable	—	2,000	2,000
	<u>65,020</u>	<u>2,000</u>	<u>67,020</u>

6. Other trading activities

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Admissions	33,857	33,857	28,798	28,798
Friends, events and lectures	2,145	2,145	1,126	1,126
	<u>36,002</u>	<u>36,002</u>	<u>29,924</u>	<u>29,924</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Bank interest receivable	748	748	2,478	2,478

8. Other income

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Gift Aid donation from subsidiary	7,517	7,517	4,165	4,165

9. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Friends of Pendon expenses	2,599	2,599	2,648	2,648

Pendon Museum Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

10. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Museum expenses	118,667	–	118,667
Support costs	2,717	–	2,717
	<u>121,384</u>	<u>–</u>	<u>121,384</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Museum expenses	83,491	2,000	85,491
Support costs	1,213	–	1,213
	<u>84,704</u>	<u>2,000</u>	<u>86,704</u>

11. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2017 £	Total fund 2016 £
Museum expenses	118,667	–	118,667	85,491
Governance costs	–	2,717	2,717	1,213
	<u>118,667</u>	<u>2,717</u>	<u>121,384</u>	<u>86,704</u>

12. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2017 £	2016 £
Depreciation of tangible fixed assets	<u>17,399</u>	<u>14,399</u>

13. Independent examination fees

	2017 £	2016 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>570</u>	<u>540</u>

14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2017 £	2016 £
Wages and salaries	20,620	17,723
Employer contributions to pension plans	64	–
	<u>20,684</u>	<u>17,723</u>

Pendon Museum Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

14. Staff costs *(continued)*

The average head count of employees during the year was 2 (2016: 2). The average number of full-time equivalent employees during the year is analysed as follows:

	2017 No.	2016 No.
Number of museum staff	<u>2</u>	<u>2</u>

No employee received employee benefits of more than £60,000 during the year (2016: Nil).

15. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees in this or the previous year.

16. Tangible fixed assets

	Freehold building £	Equipment £	Permanent Exhibits £	Total £
Cost				
At 1 January 2017 and 31 December 2017	<u>162,460</u>	<u>60,949</u>	<u>3,000</u>	<u>226,409</u>
Depreciation				
At 1 January 2017	77,160	30,319	–	107,479
Charge for the year	<u>3,249</u>	<u>11,150</u>	<u>3,000</u>	<u>17,399</u>
At 31 December 2017	<u>80,409</u>	<u>41,469</u>	<u>3,000</u>	<u>124,878</u>
Carrying amount				
At 31 December 2017	<u>82,051</u>	<u>19,480</u>	<u>–</u>	<u>101,531</u>
At 31 December 2016	<u>85,300</u>	<u>30,630</u>	<u>3,000</u>	<u>118,930</u>

The freehold building is subject to a charge in favour of National Westminster Bank plc.

17. Heritage assets

Many of the Museum's displays and models have been created by volunteers. These models and displays are unique, representing thousands of hours of volunteer time over many decades. The Trustees do not consider that an accurate value can be attached to them and the costs are not capitalised.

18. Debtors

	2017 £	2016 £
Amounts owed by group undertakings	7,542	12,144
Prepayments and accrued income	1,170	330
Other debtors	<u>7,517</u>	<u>4,166</u>
	<u>16,229</u>	<u>16,640</u>

Pendon Museum Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

19. Investments

	2017 £	2016 £
Investments in group undertakings	100	100

Pendon Museum Sales Limited

The trading activity of the Trust is carried out by Pendon Museum Sales Limited. The Trust owns 100% of the £1 Ordinary Shares in this subsidiary. Profit for the year was £7,517 (2016 - £4,165). The reserves are £4,427 (2016 - £4,427). Profits are transferred to Pendon Museum Trust Limited by Gift Aid.

20. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	300	300
Accruals and deferred income	9,883	537
	<u>10,183</u>	<u>837</u>

21. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £64 (2016: £Nil).

22. Analysis of charitable funds

Unrestricted funds

	At 1 January 2017 £	Income £	Expenditure £	At 31 December 2017 £
General funds	326,308	112,033	(106,584)	331,757
Buildings, fixtures and equipment	130,330	–	(14,399)	115,931
Permanent Exhibits	3,000	–	(3,000)	–
	<u>459,638</u>	<u>112,033</u>	<u>(123,983)</u>	<u>447,688</u>

The Unrestricted Funds can be used in accordance with the charitable objectives at the discretion of the trustees. The charity does not have any stipulation on how these funds are spent.

Restricted funds

	At 1 January 2017 £	Income £	Expenditure £	At 31 December 2017 £
Website development	–	2,000	–	2,000

Pendon Museum Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

22. Analysis of charitable funds *(continued)*

The Restricted Funds relate to specific projects that are undertaken.

In 2017 the Restricted Funds relate to a Grant received towards Website Development. This work has yet to be undertaken therefore the funds are carried forward.

23. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Tangible fixed assets	101,531	–	101,531	118,930
Investments	100	–	100	100
Current assets	346,057	2,000	348,057	340,607
Net assets	<u>447,688</u>	<u>2,000</u>	<u>449,688</u>	<u>459,637</u>

24. Related parties

Dr K J Brown is a director of Pendon Museum Sales Limited and received no remuneration in this or the previous year.