

Charity Registration No. SC017625 (Scotland)

Company Registration No. SC130066 (Scotland)

GRAMPIAN TRANSPORT MUSEUM TRUST
COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

**GRAMPIAN TRANSPORT MUSEUM TRUST
COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION**

Directors	Miss S Catchpole	(Appointed 30 March 2020)
	Mrs T Collie	(Appointed 7 October 2019)
	Mr J Dorey	
	Mr G Gunn	
	Mr M Jeffery	
	Dr P Lawson	
	Mr R Matheson	
	Mr K McCormick	(Appointed 7 October 2019)
	Mr D Millar	
	Mr G Neish	(Appointed 20 May 2019)
	Mr J Rahtz	
	Mr M Rasmussen	(Appointed 7 October 2019)
Secretary	Mr J Dorey	
Charity number (Scotland)	SC017625	
Company number	SC130066	
Registered office	Grampian Transport Museum Alford AB33 8AE	
Auditor	Azets Audit Services 3 West Craibstone Street Bon Accord Square Aberdeen AB11 6YW	

**GRAMPIAN TRANSPORT MUSEUM TRUST
COMPANY LIMITED BY GUARANTEE
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GRAMPIAN TRANSPORT MUSEUM TRUST COMPANY LIMITED BY GUARANTEE DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and the audited financial statements for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the trust's Memorandum and Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The aims of the trust are detailed in its constitution and are summarised below:

- To advance and educate the general public and in particular those in the Grampian Region, without distinction of sex, political or religious opinions, race;
- Bring together, house, conserve and document the collection of historical and scientific interest relation to land transport;
- Stimulate public interest in the museum as a focal point of education and of historic, artistic and scientific interest thereby improving the facilities available for general public amenity and education, and;
- Display and publicise the collection for the public benefit; permitting access to research workers and school children.

The Directors believe these aims are being adhered to, although there is a continuous effort to improve.

Achievements and performance

In addition to the core exhibits there were a number of exciting developments to the exhibition.

We were proud to launch the exciting 'Probing the Future' exhibition in 2019. The exhibition on our mezzanine floor is a walk through 'sight and sound' experience that focuses on the fast growing electric car revolution including autonomous vehicles. The exhibition would not have been possible without the support of global organisations including BP, BMW and Tesla. The exhibition was very well received and we will continue to develop and keep it topical with support from industry experts.

The 2019 season was the second year of our exciting 'It's Electric' exhibition which tells the story of Robert Davidson, from Aberdeen, who demonstrated the first passenger carrying electric vehicle in the city. The working replica of the Davidson Reluctance Motor and the book on Robert Davidson have continued to be popular.

Our link with Guy Martin continues and Guy again lent several new items for the 2019 exhibition; we are grateful to Guy for his continued generosity to the Grampian Transport Museum (GTM).

The exhibition 'Our Roads; Who Built Them and Why' which tells the story of road construction from Roman times to the present day has continued to be of interest to visitors.

The Trustees would like to thank GTM+ Members, members of staff and volunteers who have ably supported the GTM during the year; your continued delivery, help and support is greatly appreciated.

Financial review

The financial year 2019/20 ended with a deficit of £19,846 compared to a surplus of £26,499 the previous year.

Visitor numbers to the museum were 24,064 compared with 25,345 the prior year. Income generated by admissions, which is the key financial measure for the Trust, was up by £6,931 over the prior year.

GRAMPIAN TRANSPORT MUSEUM TRUST COMPANY LIMITED BY GUARANTEE DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

The Directors have established a policy to hold unrestricted reserves at a level which equates to three months of the resources expended. Whilst reserves may not reach this level in the near future it is considered desirable to work towards this to enable the current activities of the company to continue in the event of a significant drop in funding. This is expected to be of ever growing importance given the impact of the coronavirus pandemic on GTM and wider society.

It is the policy of the Trust to invest any surplus funds in interest bearing bank accounts.

The Grampian Transport Museum Trust has been active in risk management since adopting a rolling development programme in 1987. The main risk to the operation remains financial stability and much effort and management time is dedicated to careful control of finance. All internal risks are assessed to the satisfaction of the Insurers and mitigated largely by written procedure manuals for museum activities, operation, events and projects. In addition, all staff have and sign up to their individual procedure manuals and the Trust's Safety Plan.

The 2019 events programme ran well; this included events such as How Many Left, AllFord and the inaugural Alford 10K running race which was well attended.

The external investigations into the accident at the museum on 23 August 2017 have now concluded. We continue to engage with our insurers and legal team as required.

The "Spring and Autumn Rover Ticket" schemes with other visitor attractions continued into the 2019 season and is being continually assessed.

In February 2020 the Chair took the four member of the GTM staff team to the National Motor Museum at Beaulieu where a schedule of meetings over two days with the Beaulieu team to discuss ways of working proved to be a very stimulating experience for all concerned. This is the second year we have visited another museum - we hope to continue with a similar exercise in future years.

As we entered March 2020, the world began to see the devastating effects of the global coronavirus pandemic. The Trustees and staff will take the necessary steps to focus on the health and wellbeing of themselves and their families. Focus will also grow on maintaining and strengthening the "wellbeing and sustainability" of the GTM.

Plans for future periods

The Trust's future is documented in the Development Plan. This is a five year rolling plan produced by the Trust Council with guidance from the visitor surveys, museum and visitor attraction trends and consultation with a broad range of stakeholders. The Development Plan was updated in 2019. While continuing to stay true to its roots as a serious museum of land travel and transport and improving our visitors' understanding of past transport systems, the plan will also focus on financial sustainability, business development and customer satisfaction.

The 'Exceeding Visitor Expectations' (EVE) initiative continued with great success during the 2019 season. The scheme concentrates staff focus on exceeding the expectations of our visitors; the staffing structure has been adjusted to facilitate this. In marketing terms, 'referral' following a great experience, is by far the most quoted reason for decisions to visit the Museum.

Structure, governance and management

The Grampian Transport Museum Trust is a company limited by guarantee that grew from an unincorporated association that was established originally in 1977. The incorporation took place in 1991 with charitable status reconfirmed at that time. The liability of members is limited to £1.

**GRAMPIAN TRANSPORT MUSEUM TRUST
COMPANY LIMITED BY GUARANTEE
DIRECTORS' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2020

The directors who served during the year and up to the date of signature of the financial statements were:

Miss S Catchpole	(Appointed 30 March 2020)
Mrs T Collie	(Appointed 7 October 2019)
Mr J Dorey	
Mr G Gunn	
Mr M Jeffery	
Dr P Lawson	
Mr R Matheson	
Mr K McCormick	(Appointed 7 October 2019)
Mr D Millar	
Mr G Neish	(Appointed 20 May 2019)
Mr J Rahtz	
Mr M Rasmussen	(Appointed 7 October 2019)
Mr S Biddle	(Resigned 24 January 2020)
Mr S Fraser	(Resigned 26 August 2019)

The Council of Management are elected at the Annual General Meeting and subject to a system of rotation laid down in the Memorandum and Articles of Association. Directors are selected according to the skills needed at any time by the Trust to ensure expertise in all relevant fields. During the year five Trustees were appointed and two Trustees resigned from the Board of Trustees.

The Trust Council meet every eight weeks at the Museum. The Curator attends all meetings and at times other staff will also be invited to attend. The minutes are taken by a Director who accepts that duty and are prepared for mailing by the Museum Office. The Trust Council consider all policy issues and also consider any major issues or changes to routine operations. Decisions are then implemented through the Curator and his staff team.

We received funding support from MGS for Trust Development; the Trustees have had two sessions with a coach from the Social Enterprise Scheme. The focus of our discussions has been on organisation design, staff succession planning and sustainability.

ACCESS TO ADVICE AND SUPPORT

The Grampian Transport Museum Trust is an active member of:

***Museums Galleries Scotland
Association of Independent Museums
Museums Association
Association of Scottish Visitor Attractions***

The Trust also works in liaison with:

***Visit Scotland
Visit Aberdeenshire
Aberdeenshire Council***

**GRAMPIAN TRANSPORT MUSEUM TRUST
COMPANY LIMITED BY GUARANTEE
DIRECTORS' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2020

Statement of directors' responsibilities

The directors, who also act as trustees for the charitable activities of Grampian Transport Museum Trust, are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the directors 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the trust will continue in operation.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the trust and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

A resolution to appoint Auditors for the ensuing year will be proposed at the Annual General Meeting.

On 7 September 2020 Group Audit Services Limited trading as Campbell Dallas Audit Services changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

**GRAMPIAN TRANSPORT MUSEUM TRUST
COMPANY LIMITED BY GUARANTEE
DIRECTORS' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2020

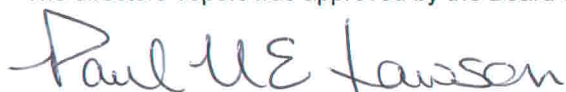
Reference and administration

Charity Name:	Grampian Transport Museum Trust
Registered Charity No:	SC017625
Company No:	SC130066
Company Secretary	Mr Jason Dorey
Registered Museum Number:	1022 (Full Accreditation)
Registered Office and Operational Address:	Grampian Transport Museum Alford AB33 8AE
Chair:	Dr Paul Lawson
Vice Chair:	Mr David Millar
Treasurer:	Mr Gordon Gunn
Aberdeenshire Council Nominees:	Cllr Robert Withey
Curator:	Michael Ward MBE
Auditors:	Azets Audit Services 3 West Craibstone Street Bon Accord Square Aberdeen AB11 6YW
Bankers:	Clydesdale Bank plc Business OnLine

Disclosure of information to auditor

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

The directors' report was approved by the Board of Directors.



Dr P Lawson

director

Dated: 2 October 2020

GRAMPIAN TRANSPORT MUSEUM TRUST COMPANY LIMITED BY GUARANTEE INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GRAMPIAN TRANSPORT MUSEUM TRUST

Opinion

We have audited the financial statements of Grampian Transport Museum Trust (the 'trust') for the year ended 31 March 2020 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as COVID-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the charity's future prospects and performance.

COVID-19 and Brexit are amongst the most significant events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We adapted our audit procedures in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**GRAMPIAN TRANSPORT MUSEUM TRUST
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF GRAMPIAN TRANSPORT MUSEUM TRUST**

In our evaluation of the directors' conclusions, we considered the risks associated with the charity's business, including effects arising from macro-economic uncertainties such as COVID-19 and Brexit, and analysed how those risks might affect the charity's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charity will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report, prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

**GRAMPIAN TRANSPORT MUSEUM TRUST
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE MEMBERS OF GRAMPIAN TRANSPORT MUSEUM TRUST

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body, and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Kathleen Kirkland (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor**

2 October 2020

3 West Craibstone Street
Bon Accord Square
Aberdeen
AB11 6YW

Azets Audit Services is eligible for appointment as auditor of the trust by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

GRAMPIAN TRANSPORT MUSEUM TRUST
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	38,045	9,002	47,047	70,422	1,591	72,013
Charitable activities	4	227,949	4,994	232,943	254,510	-	254,510
Other trading activities	5	65,380	-	65,380	70,854	-	70,854
Investments	6	517	-	517	394	-	394
Other income	7	9,343	-	9,343	-	-	-
Total income		341,234	13,996	355,230	396,180	1,591	397,771
<u>Expenditure on:</u>							
Raising funds	8	53,363	-	53,363	56,335	-	56,335
Charitable activities	9	309,758	11,955	321,713	314,937	-	314,937
Total resources expended		363,121	11,955	375,076	371,272	-	371,272
Gross transfers between funds	13	-	-	-	2,750	(2,750)	-
Net (expenditure)/income for the year/							
Net movement in funds		(21,887)	2,041	(19,846)	27,658	(1,159)	26,499
Fund balances at 1 April 2019		420,395	12,470	432,865	392,737	13,629	406,366
Fund balances at 31 March 2020		398,508	14,511	413,019	420,395	12,470	432,865

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.

**GRAMPIAN TRANSPORT MUSEUM TRUST
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET**

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	14		310,432		325,721
Current assets					
Stocks	16	6,854		6,673	
Debtors	17	21,437		5,622	
Cash at bank and in hand		88,294		112,954	
		<u>116,585</u>		<u>125,249</u>	
Creditors: amounts falling due within one year	18	<u>(13,998)</u>		<u>(18,105)</u>	
Net current assets			102,587		107,144
Total assets less current liabilities			<u>413,019</u>		<u>432,865</u>
Income funds					
Restricted funds	21		14,511		12,470
<u>Unrestricted funds</u>					
Designated funds	22	70,177		94,878	
General unrestricted funds		<u>328,331</u>		<u>325,517</u>	
			398,508		420,395
			<u>413,019</u>		<u>432,865</u>

The financial statements were approved by the Directors on 2 October 2020



Dr P Lawson
Trustee

Company Registration No. SC130066

GRAMPIAN TRANSPORT MUSEUM TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Charity information

Grampian Transport Museum Trust is a private company limited by guarantee incorporated in Scotland. The registered office is Grampian Transport Museum, Alford, AB33 8AE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the trust's Memorandum and Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) 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 trust is a Public Benefit Entity as defined by FRS 102.

The trust 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 trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

As is the case for many organisations, the trust has suffered a significant interruption to its activities as a result of the COVID-19 pandemic. The opening of the season was deferred with employees furloughed or working from home where possible. The length of time this enforced situation will last is currently unknown.

It is the opinion of the directors that this is a temporary restriction of its activities and that the charity, through a carefully planned strategy, will be able to operate as a going concern.

The strategy involves considering and making use of all the relevant government and third party support the charity is eligible for including the Coronavirus Job Retention Scheme and the Business Support Grant.

The current and future financial position of the charity, its cash flows and liquidity position have been reviewed by the directors. Based on the revised cash flow projections, we anticipate that the charity will continue to have adequate cash reserves to meet its liabilities as they fall due.

While it is not possible to reliably estimate the length or severity of the outbreak, at the date of signing the charity's financial position remains stable, and it continues to operate within Government guidelines. The charity acknowledges this could change suddenly depending on how the COVID-19 pandemic evolves in the UK and whether there are further long term interruptions to business.

Nevertheless, having taken the steps detailed above the directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors 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 directors in furtherance of their charitable objectives.

Designated funds are unrestricted funds earmarked by the directors for particular purposes.

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.

**GRAMPIAN TRANSPORT MUSEUM TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

1 Accounting policies

(Continued)

1.4 Income

Income is recognised when the trust 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 trust 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 trust 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.

Donated services and facilities are included at the value to the charity, being the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market.

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Deferred income represents income received in the current year relating to the forthcoming year.

Income from charitable trading activity is accounted for when earned.

Investment income is included when receivable.

1.5 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered. Expenditure is classified under the following activity headings:

Cost of raising funds comprise the costs of fundraising trading including the shop and tea room and their associated support costs

Expenditure on charitable activities includes the costs of operating the museum and activities undertaken to further the purpose of the charity and their associated support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance personnel, payroll and governance costs which support the trusts charitable activities. The basis on which support costs have been allocated have been set out in note 9.

GRAMPIAN TRANSPORT MUSEUM TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies **(Continued)**

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:

Tenant's improvements	Straight line over period of lease to 2045
Plant and equipment	20% reducing balance
Fixtures and fittings	10/20% reducing balance and straight line
Computers	20% reducing balance
Motor vehicles	20% reducing balance

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 Heritage assets

The charity holds heritage assets, which are tangible fixed assets of historical, artistic or scientific importance that are held to advance preservation and conservation objectives of the charity. Purchased assets are expensed in the year and donated assets are not capitalised.

1.8 Impairment of fixed assets

At each reporting end date, the trust 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).

1.9 Stocks

Stocks are stated at the lower of cost and net realisable value.

1.10 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.

1.11 Financial instruments

The trust 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 trust's balance sheet when the trust 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.

**GRAMPIAN TRANSPORT MUSEUM TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

1 Accounting policies

(Continued)

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 trust 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.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the trust's accounting policies, the directors 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.

Key sources of estimation uncertainty

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Impairment of debtors

The company makes an estimate on the recoverability of other debtors. When assessing impairment of other debtors, management consider factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

GRAMPIAN TRANSPORT MUSEUM TRUST
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Donations and gifts	38,045	9,002	47,047	37,422	1,591	39,013
Legacies receivable	-	-	-	33,000	-	33,000
	<u>38,045</u>	<u>9,002</u>	<u>47,047</u>	<u>70,422</u>	<u>1,591</u>	<u>72,013</u>

4 Charitable activities

	Total Funds 2020 £	Total Funds 2019 £
Museum admission fees	125,611	118,680
Members subscriptions	15,647	17,038
Events and catering income	48,079	50,072
Vehicle storage fees	12,584	10,924
Junior driving school sales	6,062	7,046
Aberdeen transport preservation trust	15,443	13,855
Other income	9,517	36,895
	<u>232,943</u>	<u>254,510</u>
Analysis by fund		
Unrestricted funds	227,949	254,510
Restricted funds	4,994	-
	<u>232,943</u>	<u>254,510</u>

GRAMPIAN TRANSPORT MUSEUM TRUST
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Shop income	18,940	19,776
Tea room sales	46,440	51,078
	<u>65,380</u>	<u>70,854</u>
Other trading activities	<u>65,380</u>	<u>70,854</u>

6 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Interest receivable	517	394
	<u>517</u>	<u>394</u>

7 Other income

	Unrestricted funds	Total
	2020	2019
	£	£
Museums and Galleries Exhibition tax relief	9,343	-
	<u>9,343</u>	<u>-</u>

8 Raising funds

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
<u>Trading costs</u>		
Shop purchases	10,273	10,528
Tea room purchases	18,606	18,389
Staff costs	24,484	27,418
	<u>53,363</u>	<u>56,335</u>
	<u>53,363</u>	<u>56,335</u>

GRAMPIAN TRANSPORT MUSEUM TRUST
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FOR THE YEAR ENDED 31 MARCH 2020

9 Charitable activities

	Direct Costs 2020 £	Gov. & Support 2020 £	Total 2020 £	Direct Costs 2019 £	Gov. & Support 2019 £	Total 2019 £
Staff costs	99,155	32,897	132,052	96,228	33,119	129,347
Depreciation and impairment	16,541	-	16,541	17,467	-	17,467
Premises costs	64,751	-	64,751	64,336	-	64,336
Event costs	15,486	-	15,486	22,812	-	22,812
Irrecoverable VAT	10,810	-	10,810	-	-	-
Exhibition developments	1,863	-	1,863	13,241	-	13,241
Transportation costs	3,838	-	3,838	6,524	-	6,524
Restoration and conservation	10,652	-	10,652	23	-	23
Charity mileage	2,025	-	2,025	1,692	-	1,692
Repairs and maintenance	14,768	-	14,768	6,424	-	6,424
Visitor services	3,235	-	3,235	5,133	-	5,133
Advertising and promotion	15,844	-	15,844	16,974	-	16,974
Administration costs	17,842	4,796	22,638	17,608	4,747	22,355
Bank charges	1,820	-	1,820	1,724	-	1,724
Governance - Audit fee	-	3,400	3,400	-	3,753	3,753
Miscellaneous expenses	1,990	-	1,990	3,132	-	3,132
	<u>280,620</u>	<u>41,093</u>	<u>321,713</u>	<u>273,318</u>	<u>41,619</u>	<u>314,937</u>
	<u>280,620</u>	<u>41,093</u>	<u>321,713</u>	<u>273,318</u>	<u>41,619</u>	<u>314,937</u>
Analysis by fund						
Unrestricted funds	268,665	41,093	309,758	273,318	41,619	314,937
Restricted funds	11,955	-	11,955	-	-	-
	<u>280,620</u>	<u>41,093</u>	<u>321,713</u>	<u>273,318</u>	<u>41,619</u>	<u>314,937</u>

10 Net movement in funds

	2020 £	2019 £
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	3,400	3,753
Fees payable to the company's auditor for payroll services	-	1,548
Depreciation of owned tangible fixed assets	16,541	17,467

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FOR THE YEAR ENDED 31 MARCH 2020

11 Directors

None of the directors (or any persons connected with them) received any remuneration or benefits from the trust during the year.

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Full time staff	1	2
Part time staff	5	3
Seasonal staff	12	11
	<u>18</u>	<u>16</u>

Employment costs

	2020 £	2019 £
Wages and salaries	150,125	150,533
Social security costs	4,583	5,058
Other pension costs	1,828	1,174
	<u>156,536</u>	<u>156,765</u>

There were no employees whose annual remuneration was £60,000 or more.

13 Transfers

There were no transfers between funds in the current year (2019 - £2,750).

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FOR THE YEAR ENDED 31 MARCH 2020

14 Tangible fixed assets

	Tenant's improvements £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost						
At 1 April 2019	341,326	53,817	45,996	-	525	441,664
Additions	-	1,000	-	253	-	1,253
At 31 March 2020	341,326	54,817	45,996	253	525	442,917
Depreciation and impairment						
At 1 April 2019	41,168	43,628	30,640	-	507	115,943
Depreciation charged in the year	11,378	2,038	3,071	51	4	16,542
At 31 March 2020	52,546	45,666	33,711	51	511	132,485
Carrying amount						
At 31 March 2020	288,780	9,151	12,285	202	14	310,432
At 31 March 2019	300,158	10,189	15,356	-	18	325,721

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FOR THE YEAR ENDED 31 MARCH 2020

15 Heritage assets

Over a number of years the museum has purchased heritage assets, namely vehicles, costing around £160,000 and has had numerous assets, both vehicles and other vehicle related items, donated. The value attributed to all of these assets for insurance purposes is around £738,000. The heritage assets are not reflected in tangible fixed assets.

The table below summaries transactions relating to heritage assets for the current and previous six accounting periods

Year ended 31 March 2014	Acquisition	£7,000.00 (Donated)
Year ended 31 March 2015	Acquisition	£11,417.42 (Purchased)
Year ended 31 March 2016	Acquisition	£15,500.00 (Donated)
Year ended 31 March 2017	No transactions	
Year ended 31 March 2018	No transactions	
Year ended 31 March 2019	No transactions	
Year ended 31 March 2020	No transactions	

No disposals have been made of heritage assets, and should the museum cease to trade they would all be gifted to like minded charities to carry on similar work to that of the museum.

16 Stocks

	2020	2019
	£	£
Finished goods and goods for resale	6,854	6,673
	<u>6,854</u>	<u>6,673</u>

17 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	7,117	4,542
Other debtors	9,733	1,080
Prepayments and accrued income	4,587	-
	<u>21,437</u>	<u>5,622</u>

18 Creditors: amounts falling due within one year

	2020	2019
	£	£
Other taxation and social security	1,668	-
Deferred income	1,099	1,872
Trade creditors	5,931	10,633
Accruals and deferred income	5,300	5,600
	<u>13,998</u>	<u>18,105</u>

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

19 Deferred income

	2020 £	2019 £
Other deferred income	1,099	1,872

20 Retirement benefit schemes

Defined contribution schemes

The trust operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the trust in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £1,828 (2019 - £1,174).

21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 April 2018 £	Incoming resources £	Transfers £	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Balance at 31 March 2020 £
Development Fund	2,750	-	(2,750)	-	-	-	-
Mortier Fund	8,036	1,255	-	9,290	802	(6,961)	3,131
Sentinel Fund	633	337	-	970	200	-	1,170
Durant Restoration Fund	2,210	-	-	2,210	-	-	2,210
Others	-	-	-	-	12,994	(4,994)	8,000
	<u>13,629</u>	<u>1,591</u>	<u>(2,750)</u>	<u>12,470</u>	<u>13,996</u>	<u>(11,955)</u>	<u>14,511</u>

Development Plan Fund

The Development Plan Fund is dedicated to fulfilling development of the facilities to enhance the museum.

Mortier Fund

The Mortier Fund is dedicated to the conservation and care of the Mortier Dance Organ that is used to add atmosphere.

Sentinel Fund

The Sentinel Fund is used to offset the cost of running and maintaining the 1914 Sentinel Steam Lorry.

Durant Restoration Fund

The Durant Restoration Fund is to be used for the restoration of the Durant Car.

Others

Others comprises of all of other items of restricted income including a rest room donation and MGS cruise ship grant.

GRAMPIAN TRANSPORT MUSEUM TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

22 Designated funds

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

	Movement in funds		Movement in funds			
	Balance at 1 April 2018	Incoming resources	Balance at 1 April 2019	Incoming resources	Resources expended	Balance at 31 March 2020
	£	£	£	£	£	£
Circuit Fund	21,235	-	21,235	-	-	21,235
Reserve Fund	53,282	20,190	73,472	299	(25,000)	48,771
Road Safety Project Fund	171	-	171	-	-	171
	<u>74,688</u>	<u>20,190</u>	<u>94,878</u>	<u>299</u>	<u>(25,000)</u>	<u>70,177</u>

Circuit Fund

The Circuit Fund is to allow planned repair of the museum's tarmac road circuit used for the events programme and club hires.

Reserve Fund

The Reserve Fund is the museum's emergency fund used to buffer unforeseen financial need or the effects of a sudden loss of income.

Road Safety Project Fund

The Road Safety Project Fund is to be used for a future children's road safety facility.

23 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 March 2020 are represented by:						
Tangible assets	310,432	-	310,432	325,721	-	325,721
Current assets/ (liabilities)	88,076	14,511	102,587	94,674	12,470	107,144
	<u>398,508</u>	<u>14,511</u>	<u>413,019</u>	<u>420,395</u>	<u>12,470</u>	<u>432,865</u>

24 Operating lease commitments

At the reporting end date the trust had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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24 Operating lease commitments

(Continued)

	2020	2019
	£	£
Within one year	2,304	-
Between two and five years	7,488	-
	<u>9,792</u>	<u>-</u>

25 Events after the reporting date

The advent of the coronavirus pandemic in March 2020 has had a significant adverse impact on both cash flow and profitability with an enforced closure for several months. As activities are slowly opening up again with social distancing measures in place operations will take some time to return to normal. The charity has managed to secure funding through various government schemes and from charity specific sources.

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020	2019
	£	£
Aggregate compensation	<u>60,720</u>	<u>61,385</u>