

Charity Registration No. SC002982

Company Registration No. SC288686 (Scotland)

**ORKNEY WIRELESS MUSEUM**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

THURSDAY



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# ORKNEY WIRELESS MUSEUM

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Directors</b>	A J Firth J R Grieve E Holt K W MacDonald M I MacDonald P M MacDonald A W Wright
<b>Secretary</b>	P Stokes
<b>Charity number</b>	SC002982
<b>Company number</b>	SC288686
<b>Registered office</b>	Kiln Corner Junction Road Kirkwall Orkney KW15 1LB
<b>Independent examiner</b>	A J B Scholes Ltd 8 Albert Street Kirkwall Orkney KW15 1HP

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# ORKNEY WIRELESS MUSEUM

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# **ORKNEY WIRELESS MUSEUM**

## **DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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The directors present their report and accounts for the year ended 31 December 2016.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)"

### **Objectives and activities**

The charity's objects are to advance and promote the education of the general public by associating voluntary organisations, local authorities and other bodies of whatever status together with the inhabitants of Orkney in a common effort to preserve the Orkney Wireless Museum.

### **Achievements and performance**

The Museum maintained its normal programme of opening throughout the year.

### **Financial review**

Incoming resources for the year totalled £7,141 whilst resources expended amounted to £4,922, therefore the charity's funds increased by £2,219 to £26,929 as at the year end. The balance of funds reported in these accounts does not include the value of the charity's collection of wireless exhibits.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The directors consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The directors have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

### **Structure, governance and management**

The charity is a company limited by guarantee not having a share capital, and is governed according to its Memorandum and Articles of Association.

The directors who served during the year were:

A J Firth  
J R Grieve  
E Holt  
K W MacDonald  
M I MacDonald  
P M MacDonald  
A W Wright

Directors may be nominated by certain bodies specified in the charity's articles of association or co-opted by the existing directors. Newly appointed directors are briefed fully on the aims and activities of the charity.

None of the directors has any beneficial interest in the company. All of the directors are members of the company and guarantee to contribute £1 in the event of a winding up.

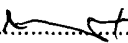
# **ORKNEY WIRELESS MUSEUM**

## **DIRECTORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2016**

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This report has been prepared in accordance with the special provisions contained within Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board of directors

.....  


**A W Wright**

Director

Dated: ..... 1 APRIL 2017

# ORKNEY WIRELESS MUSEUM

## INDEPENDENT EXAMINER'S REPORT

### TO THE DIRECTORS OF ORKNEY WIRELESS MUSEUM

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I report on the accounts of the charity for the year ended 31 December 2016, which are set out on pages 4 to 12.

#### Respective responsibilities of directors and examiner

The directors are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The directors consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

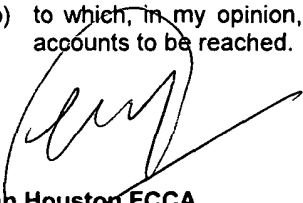
#### Basis of independent examiner's report

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts. I have carried out such investigations as were necessary to enable me to form an opinion as to whether proper accounting records adequate for the purposes of the charity have been kept and whether the accounts of the charity were in accordance with the accounting records.

#### Independent examiner's statement

In connection with my examination, no matter has come to my attention

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
  - (i) to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
  - (ii) to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations have not been met, or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Ivan Houston FCCA  
Certified Accountant  
Independent Examiner

8 Albert Street  
Kirkwall  
Orkney  
KW15 1HP

Dated: 23/11/17

# ORKNEY WIRELESS MUSEUM

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
<b><u>Income from:</u></b>			
Donations and legacies	3	1,147	978
Charitable activities	4	5,699	5,909
Other trading activities	5	269	139
Investments	6	26	23
<b>Total income</b>		<b>7,141</b>	<b>7,049</b>
<b><u>Expenditure on:</u></b>			
Raising funds	7	633	553
Charitable activities	8	4,467	4,549
<b>Total resources expended</b>		<b>5,100</b>	<b>5,102</b>
<b>Net income for the year/ Net movement in funds</b>		<b>2,041</b>	<b>1,947</b>
Fund balances at 1 January 2016		24,710	22,763
<b>Fund balances at 31 December 2016</b>		<b>26,751</b>	<b>24,710</b>

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.

# ORKNEY WIRELESS MUSEUM

## BALANCE SHEET

AS AT 31 DECEMBER 2016

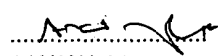
	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	12		4,528		5,282
<b>Current assets</b>					
Stocks	15	522		577	
Debtors	16	1,553		1,033	
Cash at bank and in hand		20,360		18,001	
		<u>22,435</u>		<u>19,611</u>	
<b>Creditors: amounts falling due within one year</b>		<u>(212)</u>		<u>(183)</u>	
Net current assets			22,223		19,428
<b>Total assets less current liabilities</b>			<u>26,751</u>		<u>24,710</u>
<b>Income funds</b>					
Unrestricted funds			26,751		24,710
			<u>26,751</u>		<u>24,710</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2016. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The directors' responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the Directors on 1 April 2017

  
A W Wright  
Director

Company Registration No. SC288686

# ORKNEY WIRELESS MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies

#### Charity information

Orkney Wireless Museum is a private company limited by guarantee incorporated in Scotland. The registered office is Kiln Corner, Junction Road, Kirkwall, Orkney, KW15 1LB.

#### 1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

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

These accounts for the year ended 31 December 2016 are the first accounts of Orkney Wireless Museum prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### 1.2 Going concern

At the time of approving the accounts, the directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the directors' continue to adopt the going concern basis of accounting in preparing the accounts.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the directors in furtherance of their charitable objectives unless the funds have been designated for other purposes.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. The value of services provided to the charity by volunteers is not recognised as income.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

#### 1.5 Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category.

# ORKNEY WIRELESS MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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### 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:

Plant and machinery	10% straight line basis
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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

In the opinion of the directors, reliable information on cost or valuation is not available for the Museum's collection of wireless and other electronic equipment. This is owing to the lack of information on purchase cost; the lack of comparable market values; the diverse nature of the objects; and the volume of items held.

Exhibits which were not acquired by the charity for cash consideration are therefore not recognised in the balance sheet.

#### 1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible 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).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

# ORKNEY WIRELESS MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies

(Continued)

#### 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 charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

### 2 Critical accounting estimates and judgements

In the application of the charity'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.

# ORKNEY WIRELESS MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 3 Donations and legacies

	2016	2015
	£	£
Donations and gifts	647	728
Grants receivable	500	250
	<u>1,147</u>	<u>978</u>

### 4 Charitable activities

	2016	2015
	£	£
Museum admissions	<u>5,699</u>	<u>5,909</u>

### 5 Other trading activities

	2016	2015
	£	£
Other trading income	<u>269</u>	<u>139</u>

### 6 Investments

	2016	2015
	£	£
Interest receivable	<u>26</u>	<u>23</u>

### 7 Raising funds

	2016	2015
	£	£
<u>Fundraising and publicity</u>		
Other fundraising costs	<u>551</u>	<u>545</u>
<u>Costs of goods sold</u>		
Other trading activities	<u>82</u>	<u>8</u>

# ORKNEY WIRELESS MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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**7 Raising funds** **(Continued)**

	633	553
	<u>        </u>	<u>        </u>
<b>For the year ended 31 December 2015</b>		
Fundraising and publicity		545
Costs of goods sold		8
		<u>        </u>
		553
		<u>        </u>

**8 Charitable activities**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Depreciation and impairment	754	754
Museum operation	3,713	3,795
	<u>        </u>	<u>        </u>
	4,467	4,549
	<u>        </u>	<u>        </u>
	4,467	4,549
	<u>        </u>	<u>        </u>

**9 Directors**

None of the directors (or any persons connected with them) received any remuneration during the year. None were reimbursed for any personal expenses incurred.

**10 Employees**

There were no employees during the year.

**11 Taxation**

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

# ORKNEY WIRELESS MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 12 Tangible fixed assets

	Plant and machinery £
<b>Cost</b>	
At 1 January 2016	7,544
At 31 December 2016	7,544
<b>Depreciation and impairment</b>	
At 1 January 2016	2,262
Depreciation charged in the year	754
At 31 December 2016	3,016
<b>Carrying amount</b>	
At 31 December 2016	4,528
At 31 December 2015	5,282

### 13 Heritage assets

The charity has an extensive collection of early domestic radio and wartime communications equipment. Most of the equipment was built in the UK and USA. The charity also has a collection of early advertising and posters along with an archive of photographs which depicts wartime forces and includes coverage of the building of the Churchill Barriers which were built primarily as naval defences to protect the anchorage at Scapa Flow.

The charity's policy is to maintain and preserve the collection of exhibits and to add to the collection where possible, for example through voluntary donations of wireless equipment from members of the public.

The charity's collection of exhibits is not recognised on the balance sheet as information on their valuation is not available and such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and the charity.

14 Financial instruments	2016 £	2015 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	656	196
	<u>656</u>	<u>196</u>
<b>15 Stocks</b>	<b>2016 £</b>	<b>2015 £</b>
Finished goods and goods for resale	522	577
	<u>522</u>	<u>577</u>

# ORKNEY WIRELESS MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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<b>16 Debtors</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	26	61
Other debtors	630	135
Prepayments and accrued income	897	837
	<hr/>	<hr/>
	1,553	1,033
	<hr/>	<hr/>

### 17 Related party transactions

There were no disclosable related party transactions during the year (2015- none).