

**Company Registration No. IP11889R (England and Wales)**

**MIDLAND GLIDING CLUB LIMITED**  
**COMMITTEE'S REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

# MIDLAND GLIDING CLUB LIMITED

## COMPANY INFORMATION

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<b>Committee members</b>	See page 1 for full listing
<b>Secretary</b>	I Brooker
<b>Company number</b>	IP11889R
<b>Registered office</b>	The Longmynd Church Stretton Shropshire SY6 6TA
<b>Accountants</b>	James Holyoak & Parker Limited 1 Knights Court Archers Way Battlefield Enterprise Park Shrewsbury SY1 3GA

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# MIDLAND GLIDING CLUB LIMITED

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# MIDLAND GLIDING CLUB LIMITED

## COMMITTEE'S REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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The committee present their annual report and financial statements for the year ended 30 September 2022.

#### Members

The following committee members have held office since 1 October 2021:

J Hall	(Chairman)
W Brewis	(Vice-chairman - appointed 27 March 2021, resigned 26 March 2022)
J Moore	(Treasurer)
C Crocker	(Secretary - appointed 27 March 2021, resigned 20 January 2022)
T Mason	(Secretary (co-opted) - appointed 25 January 2022, resigned 26 March 2022)
S Whalley	(Secretary - appointed 26 March 2022, resigned 14 July 2022)
I Brooker	(Secretary (co-opted) - appointed 1 August 2022)
R Kronenburg	(Communications - appointed 26 March 2022)
M Sanders	(Operations - appointed 26 March 2022)
G Dailey	(Winches & Airfield Vehicles - appointed 27 March 2021)
A Homes	(Membership)
T Brunskill	(Hospitality - appointed 27 March 2021, resigned 26 March 2022)
M Hollings	(Grounds - appointed 27 March 2021, resigned 26 March 2022)
J O'Reilly	(Fleet - appointed 27 March 2021, resigned 04 December 2022)

10 committee meetings were held during that time.

#### Club Statistics

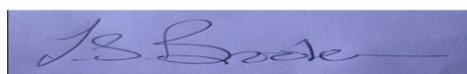
	Sep 2022	Sep 2021
Full members	97	104
Associate members	185	125
Launches (year ending September)	6,210	5,588

#### Statement of members' responsibilities

The committee is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the club as at the end of the financial year and of the income and expenditure for that year. In preparing those financial statements the committee is required to:

- select suitable accounting policies and the apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts

The committee is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the club and enable it to ensure that the accounts comply with the Co-operative and Community Benefit Societies Act 2014. It is also responsible for safeguarding the assets of the club and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



On behalf of the committee

Mr Ian Brooker

**Secretary**

14 March 2023

# MIDLAND GLIDING CLUB LIMITED

## CHAIR'S REPORT

### *FOR THE YEAR ENDED 30 SEPTEMBER 2022*

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This is the last time I will be writing the Chairman's Report for the Annual General Meeting as I will be standing down at the next AGM. I have greatly enjoyed the challenge of Chairmanship of such a prestigious club, even though it has been a challenge at times. I have been supporting the committee for much of the last thirty-five years of my membership and will continue to do so until I am no longer able. But as I reflect over that time I realise how much has changed.

When I joined, we had twice as many members, courses had twelve people on them with two full time instructors and we had a tug. Over intervening years, we have like all other gliding clubs worldwide, seen membership shrink and costs go up. Committee after committee has been challenged with balancing the books while attempting to get the club to grow. I am happy to see that the decisions taken over many years are starting to bear fruit.

As aviation becomes commonplace for many, the lure of taking to the skies has lost some of its appeal. There are many other attractions out there, especially for young people, and some of them appear to be less demanding of time or money than our sport. I say appear because it is not often the case. These are challenges that we ignore at our peril. But with help and advice from some notable members we have engaged with social media in a way that has increased our presence in the marketplace and started to increase the membership once again. What is clear is that it is a huge job and needs a constant stream of input to make a difference. So here I appeal to anyone that has social media skills on any of the platforms to get in touch with our Communications Officer to offer help. We also know that the thing that makes the most difference to getting people join after showing interest is a follow up call by someone from the club. We are losing our Membership Officer this year and need a replacement.

During 2022 we lost our trusty ASK21, the workhorse of the training fleet. We were sad to see JGJ go but it had limited hours left and was showing signs of its age. We decided not to get it repaired and fortunately were offered its sister JGE, with many fewer hours and a much better finish, which we snapped up. A wise decision as it turns out there are very few used ASK21s available worldwide. At the same time, we ordered a new ASK21b from Schleicher which should be in service by the new course season, notwithstanding delays at the factory. This is a step towards our goal of having an entirely glass fleet.

The coming year is full of uncertainty. We have seen unprecedented increases in fuel and electricity costs alongside rising inflation in almost all fields, in part due to the long-lasting effects of Covid and the unexpected outbreak of the war against Ukraine by the Russians. However, fuel prices may come down again, there are signs that this can be expected, but there is no doubt that we must find ways to reduce our costs or balancing the books will get more and more difficult. We can help by doing many of the jobs around the club ourselves rather than expecting to pay someone to do them for us. We have begun to have 'jobs' days where we do not fly but attend to the list of jobs that need doing, mostly on days when we would not fly anyway. Please do help when you can.

This last year we have struggled to get a full committee as people have dropped out or unexpectedly left the club because of work commitments. The committee manages the club on behalf of its members and needs a full complement to carry out all of its duties effectively. I hope that there are some newer members out there who will take up the challenge of managing the club into a healthy future.

One of the things I agreed to do last year, alongside James Moore and Rob Kronenburg, was to develop and establish a new, more customer facing website for the club to help drive sales. It will have a password protected member only site alongside it. Both should be available before the new course season.

During the year the club benefitted from a substantial legacy after the untimely death of a longstanding member. These legacies in people's wills make a huge difference to the things we can afford to do. I urge all of you to consider leaving a sum in your will for the benefit of the club. It doesn't need to be large but clearly the larger the better. If you haven't yet made a will, you should. Just include a sum clearly marked for the benefit of the MGC, or add a codicil at the end of an existing will with a witness signature.

My own glider is being refinished as I write and I am looking forward to getting it back in the air this spring. I anticipate doing a lot more flying this year and thank all of you in advance for instructing, winch driving, launch marshalling, running the courses, looking after the airfield, keeping the simulator working, planning the parties, providing the catering, running the office, doing the cleaning, and a hundred and one other jobs that we mostly don't even notice. The club is a mutual society and we all look after each other, like family.

# MIDLAND GLIDING CLUB LIMITED

## CHAIR'S REPORT

*FOR THE YEAR ENDED 30 SEPTEMBER 2022*

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May it long continue.

A handwritten signature in black ink that reads "Jon Hall". The signature is written in a cursive style with a large initial 'J'.

Mr Jon Hall

**Chairman**

14 March 2023

# MIDLAND GLIDING CLUB LIMITED

## TREASURER'S REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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This report covers the financial year from the 1st of October 2021 to 30th of September 2022 (FY 2021-22)

#### Background

This is the first set of accounts where the Club has not been substantially affected by the pandemic. Therefore, the accounts should give a perspective to how we have weathered the COVID storm.

The first part of this report looks at last year's accounts: the second looks to the future.

In contrast to the detail of previous years, in the financial review, I am going to provide a high-level summary. And, as my term as Treasurer comes to an end, commentary on the changes over the last five years. The section "Looking to the Future" is an update on last year's report.

#### Financial Review – the last year (2021-22)

##### This last year:

With an income of £289,843. This is the greatest turnover the Club has achieved so far.

We made a surplus (profit) of £41,532. The surplus benefits from Peter Orchard's generous legacy of £10,000. So the underlying trading surplus (profit) was £31,532. As we are a mutual, we do not pay corporation tax, so all the profit is retained within the Club. While we should celebrate making a profit, we must put it in context. Considering the Club's assets, aircraft, buildings, land and winches, we must invest in the region of £70,000 per annum over the next decade to return to where we were at the turn of the millennium.

The balance sheet shows that total equity, the value of our Club, has increased by £28,239 to £568,564.

The increase in the total equity is £13,293 less than the surplus, this is the result of other balance sheet movements such as depreciation and revaluations.

This year, the bank balances were down by £31,576 to £239,148. We started repaying the Bounce Back Loan, the amount we still have to repay decreased from £50,000 by £5,000 to £45,000. Combined, these cash changes strongly reflect the investments we made.

We invested a total of £81,193 of which we capitalised £76,861. The new K21 (G-CJGE) and its trailer accounted for £70,000 of this.

##### Five-year perspective:

Now lets take a look at how the Club has changed during the last five years. As a reference, during that period the Consumer Price Index (H) has increased by 13.6%.

Heading	2022	2018	Change £	Change %
Income	£289,843	£228,231	£61,612	27%
Surplus	£31,532	£25,900	£5,632	22%
Equity	£568,564	£454,136	£114,428	25%

This shows our income is growing at almost double the rate of inflation. Which is a great achievement and testament to everyone's hard work.

On the face of it, our profit margin suffered slightly, 10.9% compared to 11.3%. However, if you add back the bounce back loan repayments, the profit margin increased to 12.6%.

# MIDLAND GLIDING CLUB LIMITED

## TREASURER'S REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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The equity of the club has increased, this is not a meaningful figure as the majority of our assets, particularly buildings and land, are recorded at their historical cost. However, the Club's value is going in the right direction.

Overall, the Club made solid progress and we weathered the COVID storm well.

#### Looking to the Future

Our Club must continue to evolve what we offer our members and how we deliver it.

Gliding was the aspire to sport, new members just turned up without much effort on our part. In the age of lycra, we must now work hard for every new member, to win and retain them.

The Mynd is more than a local club, we are a national and international destination. We are an important training and event destination. Growing training, expeditions, and events are critical to our future. Our asset base and location mean the Mynd can never live as just a local or soaring club.

Twenty-five years ago, our club had around 175 full members. A decade ago, Aerolog suggests we had 62 full members. Today we have 97 full members. Our finances will be a challenge until we have about 125 full members.

In the last five years we have been successfully growing membership, activity levels, launches, hours, and accommodation nights. We can continue to do the same.

Now let's look at the short, medium, and long term.

Short term – up to one year

- Electricity, the potential significant increase in the cost of electricity from £0.21 per unit we pay today, is probably the greatest short-term risk. Neal Clements is leading an energy efficiency project with the objective of reducing costs. Iain Evans is the project manager looking at renewable energy.
- Reduced demand for our services, as a result of the cost-of-living crisis. It would be easy to put up prices to compensate, but that could have a reverse affect. We are benchmarking our prices with similar clubs, to ensure our prices are in the right area.
- We also need to ensure our marketing, traditional and digital is effective. The digital marketing team (Robert Kronenburg, Andy Holms, Mike Greenwood and Sarah Platt) are working hard to increase awareness and the desire for people to fly at the Mynd. The unique advantage we have is our Club and the special place it has in the heart of every glider pilot.
- General cost inflation will also have an impact. Where we can, we will try and control costs and seek alternative ways to achieve the same result at a lower cost. For example, this year we are bringing in house more of the airfield vehicles and winch maintenance. We are also seeking to do more of the basic glider care ourselves. However, occasionally, opportunities will present themselves to improve areas, which will require investment. Networking and IT are an example with the skill and expertise Carl Tims and Rhys Williams bring.
- This year is going to be difficult. We might make a profit, but we could equally make a loss. In this environment we must continue to have reserves to mitigate the risks.
- The year stated with substantial bank balances, however, they will reduce significantly as we pay for the new K21B (G-CMYN), the final cost will be in the region of £145,000 depending on exchange rates.
- However, we are on an upward trajectory. People around the movement are looking at the Mynd doing well and one to follow.
- Imagine, that we are coming back from a cross country on a final glide, and we are short, we have picked a field and are on base leg. That is where we were five years ago. However, we were lucky, we hit a cheeky thermal and are now above circuit height. That is where we are today.

# MIDLAND GLIDING CLUB LIMITED

## TREASURER'S REPORT

**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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Medium term – one to five years

- The majority of our staff and the people who deliver key services are approaching retirement. How are we doing to deliver those services in the future? How are we going to retain the knowledge and expertise and pass it on to the next generation? We need to a plan for each area to minimise the risk. It's not about how we do it today, but how are we going to do it in five years' time and the journey to get there. Evolution, not revolution.
- K21s are the gold standard circuit machine at the Mynd. Everything else we have tried has failed. However, to deliver the syllabus we also need a spinning machine. They are now like gold dust. We need to find a suitable glider so we can deliver the syllabus. A new DG1001 is around £140,000.
- The Club's operational model depends on being able to offer two two-seater training gliders and two single seater gliders at any time. This means we need three two-seater and three single seater gliders to cover unavailability. Ideally, we need all aircraft to be in the air earning money and putting a smile of members faces. Mark Sanders does a fantastic job making this happen. To achieve this, we also need to have a plan for our key assets, air and landside. For example, when does each glider need to be refinished? When will we need a new winch?
- The next few years are going to be tricky; it may be hard to maintain circuit height. However, with the conviction and energy of the Mynd family, we are going to get back to cloud base.

Long term - five to ten years

- Our infrastructure has been neglected for decades; we have built up a considerable backlog of work. For example, replacing the club house / hanger roof, the road, and even the fence. We have something like seven kilometres of fence. This is something we need to do, but it will be challenged by the availability of capital.
- At cloud base, we can now continue our final glide back to the Mynd. The Mynd, now in sight, is one of the pre-eminent gliding clubs in the UK. What does our Club look like to you? What part are you going to play?

### Financing the club

A considerable challenge is going to be financing the investments we have to make in the short term, while growing the profitability, we need to sustain the club in the long run. This is going to be difficult, but we have options:

- The bounce back loan originally taken out to mitigate pandemic risk, has been put to good use to fund the new K21 (G-CMYN). The loan can be paid back over ten years, the interest rate is fixed at 2.5%.
- Many clubs have made extensive use of members loans, can we do the same? To mitigate the risks of increasing energy costs will involve a substantial investment in the short term.
- While many consider land to be the "crown jewels", - we have land we cannot conceivably use for gliding. Should we consider using the surplus land by selling it to minimise our lending?

What would you choose, land with vegetation people coming to see and so steep that sheep must go on a mountaineering course to graze, or investing in the club house and gliders?

In summary, we are in difficult and uncertain times, Covid was easy in comparison. We have come a long way in the last five years, which is a tribute to everyone. Our club is a unique and special club, a club in the heart of every glider pilot who has flown the Mynd. We have the best Club in the country. It is important we all enjoy it.

Finally, we must:-

- \* Grow our revenue - recruit another member and take another launch!
- \* Control our costs - do we need to spend that?
- \* Invest - is that a wise investment?
- \* Have a great time - leave with a smile.
- \* And our unique Club will grow and prosper into the future.



Mr James Moore  
**Treasurer**  
14 March 2023

# MIDLAND GLIDING CLUB LIMITED

## CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF MIDLAND GLIDING CLUB LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2022

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**Independent reporting accountant's report to the members on the unaudited accounts of Midland Gliding Club Limited, a Society registered under the Co-operative and Community Benefit Societies Act 2014.**

We report on the accounts for the year ended 30 September 2022 set out on pages 9 to 17.

### **Respective responsibilities of the committee of management and the independent reporting accountant**

The society's committee of management is responsible for the preparation of the accounts, and they consider that the society is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

### **Basis of opinion**

Our procedures consisted of comparing the accounts with the books of account kept by the society and making such limited enquiries of the officers of the society as we considered necessary for the purpose of this report. These procedures provide the only assurance expressed in our opinion.

### **Opinion**

In our opinion:

- the revenue account and balance sheet for year ended 30 September 2020 are in agreement with the books of account kept by the society under section 75 of the Co-operative and Community Benefit Societies Act 2014;
- having regard only to, and on the basis of the information contained in the books of account, the revenue account and balance sheet for the year ended 30 September 2020 comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- the society met the financial criteria enabling it to disapply the requirement to have an audit of the accounts for the year specified in section 84 of the Co-operative and Community Benefit Societies Act 2014.

James Holyoak & Parker Limited

14 March 2023

**Chartered Accountants**

1 Knights Court  
Archers Way  
Battlefield Enterprise Park  
Shrewsbury  
SY1 3GA

# MIDLAND GLIDING CLUB LIMITED

## INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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	Notes	2022 £	2021 £
<b>Turnover</b>		289,843	224,652
Cost of sales		(120,233)	(92,993)
		<hr/>	<hr/>
<b>Gross surplus</b>		169,610	131,659
Administrative expenses		(136,794)	(92,176)
Other operating income		8,667	72,204
		<hr/>	<hr/>
<b>Operating surplus</b>		41,483	111,687
Interest receivable and similar income		670	401
Interest payable and similar expenses		(621)	-
		<hr/>	<hr/>
<b>Surplus before taxation</b>		41,532	112,088
Tax on surplus		-	-
		<hr/>	<hr/>
<b>Surplus for the financial year</b>		<u>41,532</u>	<u>112,088</u>

# MIDLAND GLIDING CLUB LIMITED

## BALANCE SHEET

AS AT 30 SEPTEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Intangible assets	4		3,466		-
Tangible assets	5		389,826		338,404
<b>Current assets</b>					
Stocks		6,918		4,557	
Debtors	8	51,383		46,962	
Cash at bank and in hand		239,148		270,724	
			<u>297,449</u>		<u>322,243</u>
<b>Creditors: amounts falling due within one year</b>	7	<u>(49,217)</u>		<u>(39,322)</u>	
<b>Net current assets</b>			<u>248,232</u>		<u>282,921</u>
<b>Total assets less current liabilities</b>			<u>641,524</u>		<u>621,325</u>
<b>Creditors: amounts falling due after more than one year</b>	9		<u>(72,960)</u>		<u>(81,000)</u>
<b>Net assets</b>			<u><u>568,564</u></u>		<u><u>540,325</u></u>
<b>Capital and reserves</b>					
Called up share capital			10		10
Revaluation reserve	11		5,500		18,793
Other reserves			97,907		97,907
Income and expenditure account	13		465,147		423,615
<b>Total equity</b>			<u><u>568,564</u></u>		<u><u>540,325</u></u>

For the financial year ended 30 September 2022 the company was entitled to exemption from audit under section 84 of the Co-operative and Community Benefit Societies Act 2014 relating to small societies.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 83.

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

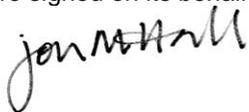
# MIDLAND GLIDING CLUB LIMITED

## BALANCE SHEET (CONTINUED)

AS AT 30 SEPTEMBER 2022

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The financial statements were approved by the board of directors and authorised for issue on 14 March 2023 and are signed on its behalf by:



Mr Jon Hall  
**Chairman**



Mr. James Moore  
**Treasurer**



Mr I Brooker  
**Secretary**

**Company Registration No. IP11889R**

# MIDLAND GLIDING CLUB LIMITED

## BALANCE SHEET (CONTINUED)

AS AT 30 SEPTEMBER 2022

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### 1 Judgements and key sources of estimation uncertainty

In the application of the company'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.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	7	6

### 3 Accounting policies

#### Company information

Midland Gliding Club Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Longmynd, Church Stretton, Shropshire, SY6 6TA.

#### 3.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

#### 3.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of operations, and is shown net of VAT and other sales related taxes.

#### 3.3 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

# MIDLAND GLIDING CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 3 Accounting policies

(Continued)

Amortisation 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:

Website development	5 years straight line
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#### 3.4 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:

Freehold land & improvements	Nil
Hangar & buildings	5% reducing balance and 2% over 50 years
Hangar & clubhouse equipment	10% reducing balance
Sailplanes	Nil
IT and communications	20% straight line
Motor vehicles, trailers & winches	Straight line over 7 to 15 years

Freehold land and assets in the course of construction are not depreciated.

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 credited or charged to the income and expenditure account.

The accounting policy relating to the provision of depreciation on sailplanes is in line with previous years. No depreciation has been provided on the aircraft which have instead been shown at their agreed value for insurance purposes. Any unrealised gains or losses made will be taken to the revaluation reserve.

#### 3.5 Impairment of fixed assets

At each reporting period end date, the company 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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 (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### 3.6 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

# MIDLAND GLIDING CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 3 Accounting policies

(Continued)

#### 3.7 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and 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.

#### 3.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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 company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 3.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 3.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 3.11 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

# MIDLAND GLIDING CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 4 Intangible fixed assets

	Website development £
<b>Cost</b>	
At 1 October 2021	-
Additions	4,333
	<hr/>
At 30 September 2022	4,333
	<hr/>
<b>Amortisation and impairment</b>	
At 1 October 2021	-
Amortisation charged for the year	867
	<hr/>
At 30 September 2022	867
	<hr/>
<b>Carrying amount</b>	
At 30 September 2022	3,466
	<hr/> <hr/>
At 30 September 2021	-
	<hr/> <hr/>

# MIDLAND GLIDING CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 5 Tangible fixed assets

	Freehold land & improvements	Hangar & buildings	Hangar & clubhouse equipment	Sailplanes	IT and communications	Motor vehicles, trailers & winches	Total
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1 October 2021	63,105	253,852	33,737	101,000	10,589	87,216	549,499
Additions	-	-	778	65,000	3,568	7,515	76,861
Revaluations	-	-	-	(10,000)	-	-	(10,000)
Disposals	-	-	-	(5,000)	-	-	(5,000)
At 30 September 2022	63,105	253,852	34,515	151,000	14,157	94,731	611,360
<b>Depreciation and impairment</b>							
At 1 October 2021	-	107,772	23,776	-	3,154	76,393	211,095
Depreciation for the year	-	4,688	1,074	-	2,831	1,846	10,439
At 30 September 2022	-	112,460	24,850	-	5,985	78,239	221,534
<b>Carrying amount</b>							
At 30 September 2022	63,105	141,392	9,665	151,000	8,172	16,492	389,826
At 30 September 2021	63,105	146,080	9,960	101,000	7,436	10,823	338,404

# MIDLAND GLIDING CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### 5 Tangible fixed assets

(Continued)

Fixed asset additions during the year comprises:

		£
Glass washer	Hangar and clubhouse equipment	778
S3 Vario/Averager	IT and communications	530
S3 Back seat repeater	IT and communications	431
S3 Vario/Averager	IT and communications	530
Jet stream easy smart port & router	IT and communications	213
Network cable and cat 6 modules	IT and communications	191
Ubiquiti UniFi Dream Machine	IT and communications	988
Ubiquiti UniFi Gen2 24 port layer	IT and communications	685
K21 sailplane	Sailplanes	65,000
Trailer for K21	Motor vehicles, trailers and winches	5,000
Glider trailer hitch line	Motor vehicles, trailers and winches	2,515
		<u>76,861</u>

# MIDLAND GLIDING CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### 6 Tangible fixed assets revaluation

As noted above, the accounting policy with regard to depreciation of the sailplanes and tug aircraft remains in line with the change which was implemented in 2008. They are therefore shown at their agreed current market values. Values for each aircraft are given below together with their current insurance values, historical cost figures and net book values as at 30 September 2007 prior to the accounting policy change.

Motor glider and sailplane	Current Market Value	Current Insurance Value	Historical Cost	Net Book Value 30.09.07
ASK13 G-DCKR	10,000	15,000	9,000	N/A
K8 G-DCJM	3,500	-	5,331	N/A
ASK13 G-DCCW	10,000	15,000	10,000	N/A
K23 G-CLUV	22,000	25,000	28,411	N/A
SF25C Falke G-KGA0	18,500	27,000	18,500	N/A
Junior G-CFZP	22,000	25,000	18,500	N/A
K21 G-CJGE	65,000	65,000	65,000	
	<u>151,000</u>	<u>172,000</u>	<u>154,742</u>	<u>-</u>

#### 7 Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans (Bounceback loan)	4,968	5,000
Trade creditors	13,222	16,507
Other creditors	31,027	17,815
	<u>49,217</u>	<u>39,322</u>

#### 8 Debtors

Amounts falling due within one year:	2022 £	2021 £
Trade debtors	29,829	27,357
Other debtors	21,554	19,605
	<u>51,383</u>	<u>46,962</u>

# MIDLAND GLIDING CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 9 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Bank loans and overdrafts (Bounceback loan)	42,960	45,000
Other creditors	30,000	36,000
	<u>72,960</u>	<u>81,000</u>

### 10 Cash at bank and in hand

	2022 £	2021 £
TSB current account	49,405	50,686
TSB current reserve account	50,180	50,000
TSB reserves	65,206	55,000
TSB Business Instant Access account (Bounceback loan)	50,247	50,072
TSB aircraft capital	15,949	57,697
TSB engine fund	5,206	4,045
SagePay account	1,894	345
PayPal account	667	2,557
Cash and chq account	50	-
Petty cash account	344	322
	<u>239,148</u>	<u>270,724</u>

### 11 Revaluation reserve

	2022 £	2021 £
At beginning of year	18,793	55,715
Revaluation surplus/(deficit) arising in the year	(10,000)	(36,922)
Transfer to income and expenditure account	(3,293)	-
	<u>5,500</u>	<u>18,793</u>

### 12 Financial commitments, guarantees and contingent liabilities

Grants were received from the Sports Council for £1,599 and £2,500 respectively towards the cost of freehold land acquired in the year ended 31 March 1981 at a cost of £12,198 and in the year ended 30 September 1991 at a cost of £18,555. In the event of the sale of all or part of these acquisitions at any time, all or part of the grants might be repayable.

A grant of £60,000 was received from Sport England in the year ended 30 September 2016 towards the cost of a new maintenance and engineering building which has since been completed and come into use. If the terms and conditions laid down by Sport England are breached during the grant period of 10 years the grant, or an element of it, may become repayable.

# MIDLAND GLIDING CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 30 SEPTEMBER 2022*

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**13 Income and expenditure account**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
At the beginning of the year	423,615	311,527
Profit for the year	41,532	112,088
	<hr/>	<hr/>
At the end of the year	465,147	423,615
	<hr/> <hr/>	<hr/> <hr/>

# MIDLAND GLIDING CLUB LIMITED

## DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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		2022		2021
	£	£	£	£
<b>Turnover</b>				
Flying fees - members		20,543		11,246
Flying fees - temporary members		7,688		6,161
Launching fees		38,279		30,496
Trial lessons and evening parties		22,607		20,543
Courses		48,810		51,918
Subscriptions - members		45,552		39,737
Subscriptions - temporary members		2,485		705
Bar income		14,964		7,225
Site charges		23,133		20,824
Accommodation fees		24,057		11,940
Grants received		11,920		11,170
Hangarage		1,500		1,380
Donations		14,824		993
Sundry income		13,481		10,314
		<hr/>		<hr/>
		289,843		224,652
<b>Cost of sales</b>				
Sailplane and equipment maintenance	22,210		17,046	
Winch and workshop costs	23,818		16,822	
Bar purchases	10,351		5,281	
Clubhouse and hangar costs	8,285		3,259	
Airfield costs	2,760		3,443	
Instructor costs	27,401		27,028	
Winch driver costs	18,130		19,276	
Sundry expenses	7,278		838	
		<hr/>	<hr/>	
		(120,233)		(92,993)
<b>Gross surplus</b>	58.52%	169,610	58.61%	131,659
<b>Other operating income</b>				
Release of grant funding	6,000		6,000	
Coronavirus job retention scheme grant	-		24,713	
Other Coronavirus funding	2,667		18,398	
Business rates refund	-		23,093	
		<hr/>	<hr/>	
		8,667		72,204
<b>Subtotal carried forward</b>		<hr/>		<hr/>
		178,277		203,863

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# MIDLAND GLIDING CLUB LIMITED

## DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	2022		2021
	£	£	£
<b>Subtotal brought forward</b>		178,277	203,863
<b>Administrative expenses</b>			
Office salaries	26,639		25,023
BGA subscriptions and instructor renewals	4,168		2,326
Propane and tank rental	16,290		7,122
Catering	892		232
Cleaning and laundry	4,075		10,577
Light and heat	12,272		11,176
Waste disposal	1,417		686
Insurance	31,553		21,876
Motor running expenses	13		79
Legal and professional fees	2,831		2,090
Accountancy	3,100		3,000
Bank charges	666		1,324
Cardnet charges	7,596		4,951
Bad and doubtful debts	3,565		939
Office expenses	3,810		5,081
Marketing	8,563		9,898
Telephone and internet	1,104		1,618
Sundry expenses	2,227		2,664
		(130,781)	(110,662)
<b>Non-cash movements relating to fixed assets</b>			
Amortisation	867		-
Depreciation of hangar and buildings	4,688		4,829
Depreciation of hangar and clubhouse equipment	1,074		1,107
Depreciation of IT and communications	2,831		2,118
Depreciation of motor vehicles, trailers and winch	1,846		1,222
(Surplus)/deficit on disposal of tangible assets	(2,000)		(30,840)
(Surplus)/deficit on revaluation of tangible assets	(3,293)		3,078
		(6,013)	18,486
<b>Operating surplus</b>		41,483	111,687
<b>Investment revenues</b>			
Bank interest received	670		401
		(670)	(401)
<b>Interest payable and similar expenses</b>			
Bank interest on loans and overdrafts		(621)	-
<b>Surplus before taxation</b>		41,532	112,088