

VULCAN TO THE SKY TRUST

England & Wales · Charity number 1101948

Details

Other names	VTS, VULCAN TO THE SKY
Status	Registered
Legal form	Charitable company
Company number	04478686
Registered	2004-02-06
Register	View on the Charity Commission register

Contact

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Website	www.vulcantothesky.org

Activities

Objects: 1) To preserve and protect Avro Vulcan XH558 and return her to full working order for the benefit of the public and to demonstrate and display her to the public and to conserve and return to full working order other aircraft and engineering artefacts in general which are of significant heritage interest and to maintain such in a purpose-built facility.2) To advance the education of the general public in Avro Vulcan XH558, in aviation and engineering heritage, in its associated provenance, historical and social context and in the strategy of deterrence, for the benefit of British heritage, and historical knowledge.3) To advance the education of the general public in Avro Vulcan XH558 and other aircraft and engineering artefacts in general of significant heritage interest, in their design, engineering and technologies, operational and maintenance processes and procedures; for the benefit of British heritage, and technical knowledge and conservation, by providing access to engineering demonstrations and practical activities.4) To advance the education of the general public in the causes of climate change, in particular by aviation, and in the solutions being devised to mitigate these causes, by providing explanations and demonstrations.5) To advance the education of the general public in the subjects of science, technology, engineering and mathematics ('STEM' subjects).

Activities: Honouring the Past, Inspiring the Future - To preserve Avro Vulcan XH558 and return other aircraft and engineering artefacts of significant heritage interest to working order and to demonstrate them. To advance the inspiration and education of the public in aviation and engineering heritage and technical knowledge by providing access to engineering demonstrations and other practical activities.

Classification

- **How:** Makes Grants To Organisations, Provides Services, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** General Charitable Purposes, Education/training, Environment/conservation/heritage
- **Who:** Children/young People, People With Disabilities, The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-10-31	£998,474	£908,454	£1,043,807	6
2023-10-31	£469,085	£822,688	-	-
2022-10-31	£726,618	£1,113,700	£1,387,593	10
2021-10-31	£1,032,747	£1,132,437	£1,765,645	11
2020-10-31	£2,346,282	£1,416,590	£1,791,617	10

Trustees

Name	Role	Appointed
Thomas Edward Lawson Jarron	Chair	
Barry Stuart Cunliffe FCA BAHons		2025-05-29
JOHN NICHOLAS SHARMAN		
Marie Cooper		2023-08-16
Philip Spiers		2016-08-30
RICHARD CLARKE		
SIR GERALD HOWARTH MP		
Steven John Roberts		2024-09-09

VULCAN TO THE SKY TRUST

England & Wales - Charity number 1101948

Accounts

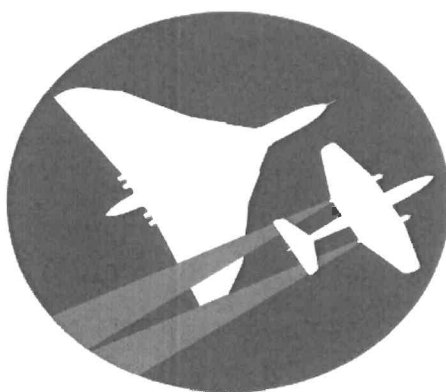
Charity Registration No. 1101948

Company Registration No. 04478686 (England and Wales)

VULCAN TO THE SKY TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 OCTOBER 2024**



VULCAN TO THE SKY TRUST
HONOURING THE PAST, INSPIRING THE FUTURE

VULCAN TO THE SKY TRUST

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VULCAN TO THE SKY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2024

1. OBJECTIVES AND ACTIVITIES OF THE TRUST

The principal objects of the Vulcan to the Sky Trust ("VTST", "the Trust") are to:

- (1) Preserve and protect Avro Vulcan XH558 and return her to full working order for the benefit of the public and to demonstrate and display her to the public and to conserve and return to full working order other aircraft and engineering artefacts in general which are of significant heritage interest and to maintain such in a purpose-built facility.
- (2) Advance the education of the general public in Avro Vulcan XH558, in aviation and engineering heritage, in its associated provenance, historical and social context and in the strategy of deterrence, for the benefit of British heritage, and historical knowledge.
- (3) Advance the education of the general public in Avro Vulcan XH558 and other aircraft and engineering artefacts in general of significant heritage interest, in their design, engineering and technologies, operational and maintenance processes and procedures; for the benefit of British heritage, and technical knowledge and conservation, by providing access to engineering demonstrations and practical activities.
- (4) To advance the education of the general public in the causes of climate change, in particular by aviation, and in the solutions being devised to mitigate these causes, by providing explanations and demonstrations.
- (5) To advance the education of the general public in the subjects of science, technology, engineering and mathematics ('STEM' subjects).

The Trust provides these services throughout the United Kingdom.

Ensuring that VTST delivers on its objects

The Trust reviews its objectives and activities regularly throughout the year, looking at the success of its activities and the benefits that the Trust has brought to the public. The Trustees refer to the advice contained in the Charity Commission's general guidance on public benefit when deciding on its plans and activities. The particular public benefits generated from our work are detailed later in this report.

Background

Following a ten-year restoration project, Avro Vulcan XH558 ("XH558") returned to flight on 18th October 2007, having previously been grounded on 23rd March 1993 at the end of its RAF career. The Trust was granted approval by the Civil Aviation Authority ("CAA") to operate Vulcan XH558 under UK Civil Regulations on 2nd July 2008. The aircraft was granted a CAA Permit to Fly on 3rd July 2008, a condition of which was the continuing contractual support from the aircraft's Engineering Authority, Marshall Aerospace. This was a first for a complex category ex-military aircraft on the UK Civil Register, and marked the successful completion of the world's most complex aircraft restoration project.

Subsequently, Vulcan XH558 was presented by the Trust to the public at air shows and events around the UK in each year following, supported by educational and interpretational activities.

In April 2011, XH558 flew in to Robin Hood Doncaster Sheffield Airport ("DSA"), and Hangar 3 there became its home operating base.

In January 2015, the Trust received notice from Marshall Aerospace, BAE Systems and Rolls-Royce that at the end of 2015, they would collectively be withdrawing the Engineering and Design Authority support required as a condition of the aircraft's Permit to Fly, thereby consequently bringing to the end the flying life of Vulcan XH558. The aircraft's final flight took place on Wednesday 28th October 2015 at Doncaster Sheffield Airport.

Future planning and its context

Grounded at DSA since autumn 2015, nevertheless Vulcan XH558 has been maintained in a safe ground-running and taxiing condition, and continues to attract much enthusiastic support from the public.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

Until the beginning of 2017, the public were able to come to see XH558 in Hangar 3 at DSA on a pre-booked basis, receive educational guided tours of the aircraft, hear talks about the Vulcan and its history, and buy merchandise from an in-hangar shop. Much publicity was gained by offering the large space in the hangar for both private and corporate events "under the wings" of the Vulcan.

However, from the beginning of 2017, the Trust was forced to stop public visits because the airport required the hangar space for other uses and Vulcan XH558 moved to a parking location outside. This effectively stopped the major revenue-earning activities of the Trust, and severely curtailed its main public benefit delivery activities. As a result of this forced cessation of the large volume of public tours and events that the Trust carried out while inside a building, the Trust had to rapidly restructure to match its costs with the much lower revenues expected.

In discussions with DSA, their management team were made aware of the impact the loss of Hangar 3 had on the VTST's business model and the loss of an appropriate environment to preserve an asset of significant heritage value. They decided to purchase land specifically to provide a site for a new hangar for this purpose from Anglian Water in April 2018. This was on the basis that the VTST would raise the necessary capital funding for the build.

Plans for a new hangar were drawn up with significant help from local companies, City of Doncaster Council (Formerly Doncaster Metropolitan Borough Council) and the Airport. In December 2017, the Trust received full planning approval for the new hangar from the council. DSA offered the Trust a lease on a site to build a new hangar specifically designed for its tour, event and engineering activities. Capital quotations were sought and an initial outline build cost of £4 million was set as a target, which due to the passage of time as set out below rose to £4.6million.

A comprehensive business plan for the new hangar was developed using the experience gained from the Trust's visitor and event activities in Hangar 3. This showed that the facility would be financially viable, was a sustainable business model, and could be an exciting new visitor attraction for South Yorkshire. The plan was independently tested and indeed re-visited with respect to likely visitor number impact in a post Covid-19 world.

The VTST Board then engaged in April 2019 with a commercial property developer based in Yorkshire who worked with investors who were looking to support a project with "Green" credentials and skills with education objectives. Over the course of a few months positive conversations were had over the Trust's business plan. A draft lease was provided by DSA but unfortunately at this stage the developer withdrew as the lease caused concerns and was considered not investable. 18 months had now elapsed since the purchase of the land by DSA.

It should be noted that the Covid-19 pandemic gripped the UK in early 2020 causing major disruption to businesses, and the pandemic continued through to early 2022.

As DSA had no return on their investment, it was now vital that a new approach was found and with the assistance of interested parties, the VTST developed a modified funding model for the hangar. £2.4 million (52%) of the capital funding for the hangar build would be via a commercial mortgage (subject to negotiation) and the balance (£2.2 million) via a public appeal, "Operation Safeguard", and this was launched in October 2020. DSA instructed their lawyers to draw up an "Agreement for Lease" (Afl) in November 2020 that would form the full lease once funding was in place. The Afl was completed and signed the following year, on the 19th October 2021. A condition of the Afl was a deadline that stated the funds needed to be in place by the 31st December 2021 or significant progress towards those funds being secured had been demonstrated.

Following a review into the progress of raising the necessary funds with DSA after 31st December 2021, the charity was informed that the deadline would not be extended, and the Afl had been terminated. All fund raising was stopped as, from this point, the VTST could not demonstrate tenure to the land. All income donated for "Operation Safeguard", in accordance with the terms and conditions of the appeal, was restricted for the purpose of building The Vulcan Experience at DSA. Following the termination of the Afl, the original planned Vulcan Experience at DSA could no longer be built, which therefore resulted in the Operation Safeguard appeal failing. VTST took legal advice from specialist lawyers in respect of this and followed their advice, declaring a "serious incident" with the Charity Commission, a statutory requirement in the event of a "failed appeal". Protocols were followed and all donors were contacted and offered either a full refund or the opportunity to allow VTST to "retain" their donation.

In June 2022 the VTST signed a "parking lease" with DSA where the aircraft's tenure on site was secured until the end of June 2023; the original lease stated that "both aircraft will need to be taken off the airfield and removed from DSA by 30th June 2023".

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

In July 2022 we were informed that the Board of Doncaster Sheffield Airport had begun a review of strategic options for the Airport. The review followed lengthy deliberations by Peel Land & Property and the management at DSA which reluctantly concluded that aviation activity on the site may no longer be commercially viable. This was subsequently publicly confirmed and DSA closed as a live airfield in November 2022.

Initially, when it became apparent that our future was likely to be away from DSA, we began the process of finding a safe and permanent home for XH558. The Trust reviewed options that included;

- (1) Exploring with the relevant authorities the potential of a short ferry flight to a new home notwithstanding the fact that in 2017 this was deemed not possible by the CAA given the complex category of our Permit to Fly. The ferry flight option after much research was deemed not possible as we could not secure the requisite Design Authority support central to the CAA considerations of a "Permit to Fly", a formal legal requirement.
- (2) Dismantling the aircraft, relocating by road and then rebuilding her with as much functionality as possible and a commercial quotation for this work was secured.

VTST had secured interest to move the aircraft to two potential sites, which would both include excellent public access to the aircraft as a static exhibit in a new hangar with as much functionality as possible. However, we fully understand that dismantling XH558 would be costly and end her days as a "live" airframe as defined by full engine functionality.

In discussion with the National Lottery Heritage Fund (NLHF) in July 2022, VTST were advised to submit a project enquiry form to enable them to support the VTST in assessing the options for relocation in the best interest of preserving the asset. Following the submission of the project enquiry form we were invited to submit a funding application to request support from the NLHF in respect of governance and business plan development. In December 2022 the grant was awarded and the NLHF authorised our appointment of Focus Consultants to carry out the work.

Since the announcement of the closure of the airport, the VTST maintained discussions with Peel L&P and in March 2023, preliminary talks were held to explore any opportunities for the iconic aircraft to remain in Doncaster for a longer period. Following these discussions with Peel L&P, the lease was extended and the immediate need to dismantle and move the aircraft was removed. The NLHF was updated and the grant-funded project work effectively paused.

Disappointingly, March 2023 was the last engine ground run that was allowed to be carried out. Peel L&P, while open to discussions on XH558 remaining onsite, had concerns over operating a live aircraft on a closed airport especially as their insurance levels had been drastically reduced in line with the new status of the site. While the charity has been able to display a static Vulcan XH558 to the public, the loss of engine ground run events meant a loss of a vital revenue stream and impacted on the public benefit delivery of the Trust.

The discussions with Peel L&P led to an ongoing feasibility study of using one of the extant hangars at DSA as a longer-term home for XH558. By the end of July 2023, the explorations on the hangar could no longer progress due to the uncertain future of ownership. The City of Doncaster Council (CDC) were in negotiations with Peel Group to lease the airport site. These negotiations were concluded in March 2024 with the agreement of a lease for 125 years. CDC will be reopening the airport under the operation of FlyDoncaster Ltd. a 100% owned council company

Our discussions with CDC and latterly FlyDoncaster Ltd. have been incredibly positive. In December 2024 the Trust received confirmation from CDC of its long-term future at Doncaster Sheffield Airport. Christian Foster, Programme Director for South Yorkshire Airport City, the name of the programme dedicated to reopening the airport, said at the time: "We are looking forward to working with the VTST to put a lease in place that gives them some long-term security. Vulcan XH558 made Doncaster Sheffield Airport its home back in 2011 and has welcomed thousands of visitors to Doncaster. People flocked to the site to see her fly and when she was located in a hangar, thousands came to find out more about this extraordinary piece of aviation history.

"The team behind the charity have ambitious plans to create The Vulcan Experience, we now hope this comes to fruition. What is important for now is that her welcome in Doncaster is extended and supporters are once again given the opportunity to see this feat of engineering up close."

Following this news, VTST updated the NLHF and recommenced the grant-funded work, with a completion date of the end of April 2025 being agreed by the NLHF. The NLHF continue to be supportive and understanding of the challenges VTST has faced in recent years to protect a national heritage asset.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

At the time of this report both aircraft remain on site under a "Tenancy at Will", and the Trust are having positive discussions with FlyDoncaster Ltd. regarding a location that has been identified as a site for VTST to lease and build The Vulcan Experience. A request to recommence engine ground runs is also being considered by FlyDoncaster.

We are mindful that English Electric Canberra WK163 will need to be based at a site where restoration is possible – i.e., a live airfield with maintenance facilities and this restoration project remains under continued review by the Board of Trustees.

As explained in note 22 of the financial statements, VTST may be required to repay some or all of a grant from the National Lottery Heritage Fund ("NLHF"), formerly the Heritage Lottery Fund (HLF), in the event of the sale, disposal or mortgage charge of XH558 without prior approval of the NLHF.

The Heritage Lottery Fund (HLF), in the form of its legal entity the National Lottery Heritage Fund (NLHF), maintains a charge over the Avro Vulcan XH558 on a reducing amount based on the HLF grant and the flying life of the aircraft, which is covered by the aircraft's Hull insurance. The contract between the VTST and the NLHF is for 80 years from 2005, requiring the Trust to deliver its public benefits based on the aircraft over this time. When XH558 finally ended its flying life, it had completed 346 hours flying since its return to flight in 2007, successfully exceeding its flying commitment to the NLHF of 250 flying hours.

Governance

The 'Operation Safeguard' failed appeal, in early 2022, highlighted that education – specifically STEM education – wasn't listed as one of our charitable objects. Owing to this, and with guidance and support from Stone King LLP, the charity undertook the process of an Object Clause Change. The Trust submitted an application for consent to the Charity Commission in January 2024. On 6 June 2024 we received the formal consent from the Charity Commission under s.198(2)(a) of the Charities Act 2011 to amend the charity's objects. Further to the Charity Commission's consent, the Board of Trustees met on 18 October 2024 and agreed by Special Resolution to adopt the new object - To advance the education of the general public in the subjects of science, technology, engineering and mathematics ('STEM' subjects). - The charity's amended Memorandum and Articles of Association were registered at Companies House on 20 November 2024.

While working on the Object Clause Change, VTST also instructed Stone King LLP to carry out a full review of the charity's Memorandum and Articles of Association. Having reviewed the Memorandum and Articles, Stone King advised they would benefit from being updated due to the changes in company law brought about by the Companies Act 2006 and that we should consolidate the Memorandum and Articles of Association as one document, as the provisions of the Memorandum are, in the main, now deemed to form part of the Articles.

Following the review, the amendments to be submitted to the Charity Commission for consent will include:

- Removal of the requirement for AGMs. As there are no 'Members' other than the Trustees this is no longer a statutory requirement.
- In light of Covid, provision for virtual / hybrid Trustees' meetings will be included.
- Provision will be included to allow the Members to make decisions by written resolution instead of at a formally arranged meeting. This reflects the position in the Companies Act 2006.
- Removal of the retirement by rotation provisions which were previously linked to the AGM, with a change to Trustees being appointed for three-year terms with a maximum consecutive term of 9 years.
 - The recommendation of a greater rotation of Trustees on the board was also made in the report by Focus Consultants on governance and business plan development.

In the review of the Memorandum and Articles of Association, it was also noted that John Sharman was listed at Companies House as a person with significant control. The nature of control was stated as "Has significant influence or control over the trustees of a trust", which Stone King LLP advised was not correct and needed to be rectified. The PSC07 (Notice of ceasing to be a person with significant control (PSC)) and PSC 08 (Notification of PSC statements: "The company knows or has reasonable cause to believe that there is no registrable person or registrable relevant legal entity in relation to the company") were filed with Companies House on 15 April 2025.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

Other Activities

The Trust, continues to plan for its future activity taking into account the current status. In accordance with its objects, the Trust broadened its scope and interests by the acquisition of another aircraft in May 2016; an important English Electric Canberra aircraft that broke the world altitude record in 1957.

The Trust's activities include charitable fundraising in many different ways to ensure that sufficient funds are available to allow the continuation of the Trust's public benefit delivery.

The Trust has become much more reliant on volunteer support. A team of appropriately-skilled volunteers have been trained as the Vulcan ground support team. This team demonstrates the functionals (rudders, elevons, air-brakes and bomb-bay doors) of the aircraft with engine running and slow taxiing under the aircraft's own power a possibility with agreement of the site landlord.

The Trust continues to carry out limited public benefit delivery activities at sites remote from the airport, including talks and presentations, and a presence at events such as air shows.

The Trust rents an industrial unit at DSA that also is the registered Head Office of the VTST – 4 Delta Court, Third Avenue, Doncaster Sheffield Airport, Doncaster DN9 3GN. This building is used for VTS Enterprises, the VTST's wholly owned retail subsidiary for merchandise stores, order fulfilment and also the management of all VTST fundraising fulfilment including donor and customer queries. It also houses small engineering bays, spares and stores required to keep Vulcan XH558 in full working order. Stores for Canberra WK163's restoration to flight and non-essential XH558 spares are managed in a separate location near to Stratford-upon-Avon.

VTST's subsidiary, The Vulcan Operating Company Ltd ("VOC"), relinquished its CAA Maintenance Approvals in 2018, but is maintaining its safety management and quality procedures for heritage aircraft to ensure that XH558 can be operated safely.

VTST also has undertaken activities to provide interpretation of the aircraft under its care, and to educate a broad range of audiences on the Cold War: the Avro Vulcan and the English Electric Canberra including their history, design & engineering. These activities have included increasing amounts of educational talks, and planning and providing school activities in line with the National Curriculum.

2. ACHIEVEMENTS AND PERFORMANCE OF THE TRUST

The move from Hangar 3 in February 2017 to a location outside, which means limited public access, caused the suspension of much of the Trust's public benefit delivery activities. This effectively put the Trust's future at risk because of the financial impact of the cessation of revenue earning tours and events.

As a consequence, a significant restructure of the charity was undertaken, so that going forward the much-reduced cost structure can be sustained by the forecast level of income. The support of our current donors and the tours and events that the Trust is able to carry out while operating outside, are fundamental to the charity's future until our new trading model is established in our planned new and permanent home; The Vulcan Experience. The Trust has a fully costed business plan, which has been stress tested in the event of a repeat event such as the Covid-19 pandemic. The business plan delivers a robust business model to operate The Vulcan Experience.

Public Benefit Delivery: Conservation of Avro Vulcan XH558 in full working order, and of other heritage aircraft and engineering artefacts

Maintenance on Vulcan XH558 is carried out following the original RAF maintenance procedures. For safety, the explosives associated with the ejection seats and canopy gun have been removed, but in all other aspects, Vulcan XH558 remains serviceable. The positive news of XH558's long-term future being in Doncaster removes the necessity of dismantling, moving by road and rebuilding the airframe at a new location, which would result in much reduced functionality with no live engines. The charity's discussions with landlords and decision making during the difficult period of 2023/24 have resulted in XH558 being able to remain at the current location, which is important to keep this important heritage asset intact.

In May 2016 the Trust acquired an important English Electric Canberra aircraft, serial number WK163, together with a large amount of spare equipment including engines. An initial survey showed that the aircraft is in generally good

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

shape, however there are some areas of corrosion on the fuselage, and the cockpit requires a complete rebuild (or possibly replacement with another complete cockpit). Also, the five Avon 100-series engines acquired at the same time need a full service, and the completion of a series of Mandatory Permit Directives required on these engines by the CAA.

In November 2020, the Trust purchased a second Canberra, WT327, at auction in the USA that included WK163's original cockpit which brings both a significant technical benefit and a very fortuitous heritage provenance. The Trust plans to repatriate this aircraft to the UK when funding allows and to store it until the restoration of WK163 begins. Of note, this restoration will not begin until the new hangar and permanent home for XH558 is secured.

This project will be the subject of a separate specific targeted fundraising campaign specifically to achieve the series of milestones that will result in a return to flight for WK163.

The Trustees are very grateful for the continuing support from the following:

- All the Trust's volunteers, who continue to perform important roles in support of the tours of XH558, merchandising activities and online order fulfilment, engineering and logistics, and in promoting the Trust and its activities – such as airshows - around the country, including fundraising.
- The public, who have consistently supported the project as evidenced in the volume of donations to place a name under XH558. Some 100,000 people have a name attached to Vulcan XH558.
- City of Doncaster Council, The Doncaster Chamber of Commerce, our education partner, The Work-wise Foundation and the many local and regional businesses who have offered support.
- The Founding Guardians, who were members of the now-disbanded Vulcan to the Sky Club, and the Vulcan XH558 Guardians, all of who have given freely their time, effort and commitment at air shows and other fundraising events, and the "Friends" of the Trust and members of the general public, whose support has been vital.

Public Benefit Delivery: Presentation of Avro Vulcan XH558 at air displays and other outside events

The Vulcan was seen by many millions of people during the eight years that the aircraft was flying, and by the end of its flying life XH558 had become quite famous. The Trustees remain pleased at the positive effect of the aircraft on spectators, especially on the young, and are delighted that so many happy memories have been laid down.

Following the end of flying, the Trust worked with the Airport to establish an agreed method and risk assessment for ground-running the Vulcan with spectators present.

Since March 2023, the charity has only been able to carry out tours to a static and silent XH558. After we had completed all previously planned and sold-out events, engine ground runs were placed on hold due to the site landlords' concerns over operating a heritage aircraft on a now closed airport, and they were negotiating with the City of Doncaster Council on a lease for the airport. CDC are now the leaseholders for the site and their 100% owned company FlyDoncaster are working towards reopening the airport. At the time of drafting this report a request to recommence engine ground runs is being considered by FlyDoncaster. The sights and sounds of the running Vulcan are highly valued and much in demand, and represent an important revenue stream for the charity.

Over the period, the Trust marketed and delivered opportunities for paying visitors to experience being up close to Vulcan XH558 on an Airside Tour and engross themselves in the cockpit surroundings. There were also events held for Classic Cars to visit and have photos taken with the iconic aircraft. At all tours to see XH558, supporters were able to stand beneath the aircraft to view their names under the Vulcan's massive delta-wing, discuss the work being carried out on the aircraft on the day, listen to the history of the Vulcan's design, development and service life, and engage with the team and fellow Vulcan fans.

The charity also held a number of speaker events to share the story of the Vulcan, its part in the Falkland's Conflict, XH558's story and other interesting talks for Vulcan and aviation enthusiasts. With no facility available to the Trust on site, these events were held at locations away from the airport. Similar speaker-type events will be held in The Vulcan Experience.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

Below is a summary of our outreach and events managed by our volunteers who, as ever, worked hard to give their time so as many supporters as possible could access the aircraft.

2023/24

Airside Tours	24 sessions with 742 guests
Special Tours (including 5 education visits)	10 sessions with 90 guests
Classic Car visit to XH558	6 sessions with 184 guests
Speaker Events	8 sessions with 603 guests.

Air shows

We attended three air shows during the year; Abingdon; Cosford; and RIAT.

We plan to attend two air shows in 2025.

Stratford Central Stores - Open Days and Presentations

Open Days were held on:

- 4 November 2023
- 2 December 2023

The following presentation was conducted:

- 18 November 2023 - Sorpe Dam Film Presentation

On 28 October 2023 a hands-on engineering workshop was held for 150 (City of Oxford) Squadron Air Cadets. Followed by further workshops on 25th November 2023 and 9th December 2023.

Stratford Central Stores - External Activities

- 14 December 2023 a Sorpe Dam Film presentation to 150 (City of Oxford) Squadron Air Cadets was held on site at their Cadet Hut.
- 25 January 2024 a Sorpe Dam Film presentation to 1017 (Malvern) Squadron Air Cadets was held on site at their Cadet Hut.

Education

The VTST has always worked on the two key themes that are defined in our objects, namely, Honouring the Past and Inspiring the Future. With the former, we continue via our regular communications, to put the Vulcan aircraft type in to context historically.

The Avro Vulcan XH558 with its impressive technical innovations helped place Britain at the forefront of aircraft design over seventy years ago. We are now using the spirit of this innovative thinking to help young people consider some of the current and future questions in aviation, aerospace and more broadly around future technologies and sustainability, learning the lessons from the past and using these to inspire the future.

By involving children and young people from a young age, we hope to broaden their experiences and open up the world of engineering, design and creative problem solving to them.

The charity continues to work in partnership with The Work-wise Foundation to deliver outreach bespoke education programmes to schools in the South Yorkshire Region and beyond.

The year November 2023 to October 2024 has seen the partnership build upon the previous year's programmes and extend our reach, helping in our mission to engage the next generation to learn about, be inspired by and find future careers in science, technology, engineering or manufacturing.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

Activity to October 2024:

North Star Science School - November 2023

Dates: 8 November 2023

VTST delivered a workshop on the day in collaboration with Doncaster UTC. Working with a group of 15 Students over a 3-month period the workshop was co-created and delivered to those attending.

The workshop was designed and developed by the students, supported by the VTST and demonstrated the aerodynamics in a wind tunnel exploring different parachute materials and the effect it had on the drag of an aircraft. It has also provided a legacy activity that can be delivered to other groups of Students.

IMPACT: 40 Schools | 412 Students | 80 Educators

Get up to Speed with STEM

Dates: 20 March 2024

VTST have attended and exhibited at this showcase event at Magna Science Adventure Centre for a number of years. The day is a highly interactive event which highlights and showcases the range and breadth of opportunities available within the sector. Alongside the great team of Vulcan Volunteers, we were joined and supported by students from Doncaster UTC demonstrating aerodynamics in a wind tunnel and their workshop exploring different parachute materials and the effect it had on the drag of an aircraft.

This was another great opportunity for them to display this co-created workshop first presented at the North Star Science School event in November 2023. It was impressive to see the UTC students interacting with other young people sharing their learning and enthusiasm and sparking curiosity, creativity and hopefully inspiring those attending to find out more and consider future options.

IMPACT: 86 schools | 4,499 Young people | 580 Educators

Dr Fleming's Operation Vulcan Design Projects: Fostering Innovation in Education

Dates: January to March 2024

At the end of January 2024, the "Dr Fleming's Operation Vulcan Design Projects" was launched to both Primary and Secondary schools. Attended by 259 students over the two days from 11 schools, the programmes provide schools and students with a deeper and more immersive experience over a longer period of time, igniting curiosity, fostering teamwork, and providing students with the tools to turn their ideas into reality. Held at The Magna Science Adventure Centre which also provided an immersive environment for students to delve further into the world of STEM.

After learning about the Theory of Flight and participating in a range of hands-on flight related activities the Primary Schools challenge was to design and build models of a Vulcan created out of recycled materials to be showcased and displayed at Get up to Speed, where the winning teams were announced. The winners' prizes being a chance for them and their class mates to visit Vulcan XH558 and experience this iconic piece of British engineering up close.

The Secondary schools challenge involved learning about the science, technology and engineering behind ejector seats, getting the chance to examine and sit in one from the aircraft. Then taking this learning back into school, and design their own safe and environmentally friendly working ejector seat. Support was on hand throughout from the Vulcan and Work-wise teams to test out their ideas and ask further questions. Participating teams from Springs Academy, Oasis Don Valley Academy, Goole Academy, Ash Hill Academy, Doncaster UTC and Garforth Academy.

The entries were presented and demonstrated to a panel of Industry experts with the winning design team then working alongside The Work-wise Team and with engineers from CBE+, DN4 Innovation and P1 Technology and are now developing their winning entry to be displayed as a working model at Get up to Speed 2025.

IMPACT: 11 schools | 259 Students

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

Dr Fleming's Operation Vulcan Challenges – West Yorkshire

Dates: 2023/24 Academic Year

This year saw the first extension of activities more widely beyond South Yorkshire with the Operation Vulcan project being offered as a pilot to West Yorkshire schools.

The pilot involved a visit to Delta Court and students got the opportunity to see Vulcan XH558 up close at the launch day. They were then set a Controller Design Project to work on back in school, which was developed over several weeks and then presented at a Judging Day at De Puy Synthes in October 2024. The winning design coming from Tong Leadership Academy from Bradford.

The project also engaged 12 additional STEM Volunteers and has helped extend connections for further work in the wider region.

IMPACT: 4 schools | 84 Students | 12 STEM Volunteers

Get in the Spirit Challenges: Unleashing Creativity Across Schools

Dates: 2023/24 Academic Year

Running alongside the Operation Vulcan Challenges we ran the first "Get in the Spirit Challenges," a competition tailored for both Primary and Secondary schools. This competition invited students to embark on two creative challenges that could be undertaken within the school setting or at home. The Primary Challenge was to design a Vulcan Superhero and secondary to create a short graphic story or film to tell the story of XH558.

Visits were then arranged for the winners and their classmates to visit XH558 as the prize. Two visits have been hosted and a third is planned for early 2025.

Collaboration Projects with Doncaster UTC

Dates: 2023/24 Academic Year

The latest challenge set with Doncaster UTC was an Aircraft Controller "Yoke Design Concept" challenge. The challenge was set to design and prototype a concept for a new aircraft controller.

Students were asked to research and explore current and previous designs through history to the present day. The design concept being based on previous developments of both steering wheel yoke and joystick controllers. But also, be innovative and ensuring focus on both ergonomics and new technologies.

The concepts were then tested and presented to employers to showcase their feasibility. The employers were suitably impressed by the range of designs, the creativity and thought that had gone into these. We hope in future to engage more UTCs and schools in these bespoke projects.

Summary

The Vulcan XH558 Education Programme this year has reached and supported:

- 144 Schools
- 5,344 Students
- 696 Teachers and other educators

Such activities demonstrate the continued importance of Vulcan XH558 and the work of the charity to inspire future generations, embracing innovation, fostering creativity and supporting diversity in STEM fields.

Future Development

VTST has taken a position at Skills Street in Rotherham, South Yorkshire, where we are expanding the delivery of our education programme. Skills Street is an immersive and innovative world-of-work experience developed to widen career aspirations for children, young people, and adults across the region and inspire the next generation to work. The Trust is based in the aviation zone and we use the innovative design of the Vulcan, and XH558's remarkable story, as the centrepiece of our education work to inspire young people into engineering, technology, aviation and design related roles.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

In this space the charity will be delivering a range of interactive hands-on science, technology, engineering, arts and maths learning activities themed around Aviation, Aerospace and the Theory of Flight, using the iconic Vulcan XH558 as the inspiration.

It is expected that some 16,000 young people will pass through the facility each year which hugely increases the charity's engagement for our education activities.

Published papers

In July 2021, the Royal Aeronautical Society published a research paper on Vulcan aerodynamics in their Journal of Aeronautical History. The paper was written by VTS Trustee, Dr Stephen Liddle CEng MRAs. The Journal of Aeronautical History covers all aspects of aerospace history and the development of aircraft and aeronautical engineering.

Steve's paper, 'Pearcey, Newby and the Vulcan', tells the story of how very advanced aerodynamic technology was incorporated into the Vulcan design, after problems were found in early flight tests. In turn, the Vulcan demonstration meant there was confidence in using this new flow physics in the next generation of airlines in the 1960s. This positioned the UK companies well for the start of the Airbus project, and all of the benefits that followed from that.

It should be noted that the charity's historical research work is receiving citations in current academic research on future aircraft. The Trust is using its expertise to interpret the Vulcan story and its engineering at a level that inspires investment at university research level.

Reach – Newsletter and social media

In January 2024 we had an emailable audience of 45,364. By the end of 2024 that number increased to 52,701. We currently have an audience of 46,583 emailable addresses after a housecleaning exercise, with an audience predicted demographic of 26.6% female / 49.9% male / <0.1% Another Identity / 23.5% unknown. The ages of subscribers range from 18 to 65+.

Age range split:

- 18-24 – 1%
- 25-34 – 2.6%
- 35-44 – 6.8%
- 45-54 – 16.6%
- 55-64 – 24.1%
- 65+ – 25.4%
- Unknown – 23.5%

The monthly newsletters contain updates on the ongoing care and protection of XH558, news of educational outreach and articles on the history of the Vulcan, the RAF and the Cold War. Our newsletters were opened 199,701 times during 2024, with an average 'open rate' of 33.3%.

Social media

Articles that appear in the newsletter are hosted on our website – www.vulcantothesky.org so that educational content can be further shared on social media, where we have a possible reach of 361,127 people. The majority of our social media posts are broadcast on all of our social channels.

Social media followers/likes:

- Facebook = 266,716
- Twitter = 73,747
- Instagram = 11,080
- LinkedIn = 2,741
- YouTube = 6,843

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

Guardians of Vulcan XH558

Founding Guardians were members of the now-disbanded Vulcan to the Sky Club. Originally joining as 'Club members' during the early restoration days of VTST, this group migrated to the Founding Guardians scheme when the Club was wound up.

As it's not possible to add more 'Founding' members, the Guardians scheme was introduced during the Operation Safeguard appeal and is now a regular scheme that is offered. The Guardians scheme demonstrates core support and regular giving.

All Guardian types receive a high-quality magazine twice a year. The Winter 2023 magazine was distributed to 1,999 members. Made up of:

- Founding Guardians = 1060
- Guardians = 939

For the avoidance of doubt, neither are members of the Trust.

Revenue generation and public relations

After the forced move from Hangar 3, and the challenging years that followed which included the Covid-19 pandemic, the Trust being asked to move Vulcan XH558 and Canberra WK163 from the DSA site, and the subsequent closure of the airport which resulted in the cessation of engine ground runs, the Trust has found itself under very significant cash constraints. With the help of the on-going public donation stream, continuing merchandise revenues especially in high profit lines, monthly donations, raffles and regular five-figure philanthropic donations, the Trust has been able to continue its operations.

The Trust has continued to invest in marketing, advertising and social media advertising campaigns aimed at both the general public and potential sponsors. The focus has been on small to mid-range giving and appeals for specific needs. Incentives have included opportunities for donors to have their names on XH558's wing and bomb-bay doors.

The Names Under the Wing and Names Under the Bomb-Bay campaigns between 2017 and 2025, along with 'Names' campaigns during the flying years, have seen more than 100,000 people donate towards the care and protection of XH558 and, as a thank you for their donation towards those specific campaigns, have their names attached to the aircraft in perpetuity.

The funding strategy is under constant review and will evolve as the Trust moves towards building The Vulcan Experience. This new and permanent home will deliver a return to our full trading model, not available to us since leaving Hangar 3 at DSA in January 2017.

Key fundraising initiatives for the future are;

- A new "Names" campaign is being planned. The names for this campaign will be placed inside the cockpit, on the rear crew panel. The equipment was removed from this area during the restoration, as the kit was unnecessary for a civilian operated display aircraft. The area is currently a blank panel with only a few pieces of equipment in place which are required for when the aircraft is live. The charity plans to put in place a visual of how the area looked during the aircraft's RAF service. A Perspex screen will sit in front of this much improved area, displaying names of donors as a thank you for their donation towards the care and protection of XH558.
- A new monthly lottery; The 558 Monthly Draw. The previous lottery was called the Flying Fund Draw. This was stopped in November 2023 and participants were contacted to advise that past that date the draw would not be made. The Flying Fund Draw by the nature of its name was not able to be promoted beyond the supporters who had continued participating after the final flight of Vulcan XH558. A new monthly draw, suitably named, enables the charity to continually promote the new lottery and gain new entrants, so increasing the revenue available to support XH558.
- Gift Aid will continue to be claimed on all eligible donations.
- Raffles will continue with a planned Summer and Winter version of the raffle.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

- The Guardian scheme will continue. This will become more attractive as a permanent home is secured. For the avoidance of doubt, Founding Guardians and Guardians are not Members of the Trust.
- The sale of Vulcan spares and other aircraft spares that will never be required for use in XH558 or other Trust owned aircraft are still being sold via our own website.
- Enterprises turnover for the year was £142,023, down £14,328 on the previous year. After the loss of Dr Robert Pleming, and then Michael Trotter stepping down from the Executive role, albeit still supporting in an advisory capacity, Marc Walters was appointed to the role of CEO. Due to the uncertain future at the time, with plans being made to dismantle, move by road, and rebuild XH558 in a new location, the decision was taken not to fill the vacant roles. Now there is certainty that XH558 will remain in Doncaster, in April 2025 a new Commercial Operations Manager was recruited with the responsibility of increasing online revenue.
- Promoting of legacy giving will continue in conjunction with the Free Wills Network. Research shows that legacy giving is vital to a charity's ongoing revenue. Promotion of the Free Wills offer will take place throughout the year, particularly during National Free Wills Month in March and October each year.
- When a lease for The Vulcan Experience is secured a new and focused approach will be made to secure corporate sponsorship, targeting aerospace and the engineering industry and retail/FMCG companies. Commercial sponsorship will have a key role as we develop The Vulcan Experience with the twin objectives of promoting a significant heritage asset (XH558) and our exciting education plans; "Honouring the Past, Inspiring the Future".
- When a lease is in place for the new visitor attraction, the Trust will also begin a structured approach to securing funds from local and regional government bodies, grant making foundations and High Net Worth Individuals (HNWI's). As part of the evolution and the necessary growth of the Trust's operations team when we're definitively working towards the new build, we plan to invest in resource with a skill set that includes bid writing.
- Fundraising for the restoration of English Electric Canberra WK163 will be the subject of a separate and dedicated campaign when time allows and after a permanent home for XH558 is secured.
- The Trust's monthly email newsletters enable further fundraising opportunities.

The Trust's ability to email a large database and lead them to our website - www.vulcantothesky.org - is the Trust's primary communications vehicle. The website is updated on a regular basis and continues to provide news and pictorial evidence of the Trust's progress for supporters. The website also hosts the Trust's donation page, Guardian Scheme sign-ups and the online shop.

Fundraising policy

The Trust undertakes charitable fundraising in a variety of ways including through regular newsletters via email and twice-yearly postal mail, and at events. Funding contributions come mainly from the Trust's loyal supporter base, currently 46,583 people. Without their valued contributions, the Trust would not be able to continue delivering its public benefits.

Supporters are able to make regular donations through appeals, and customers can add a donation at the online checkout. The Trust also receives one-off donations, and supporters engage in annual raffles. The Trust also offers speaker events throughout the country for which tickets are sold and merchandise is available.

On major public fundraising initiatives in recent years, the VTST, mindful of the changing environment has also invested in paid advertising via social media. Returns on investment in this area can be and are measured on a daily basis to ensure the activity is worthwhile.

Fundraising activities are carried out by the employees and volunteers of the Trust; the Trust does not carry out any fundraising through professional fundraising agencies. The Board of Trustees regularly reviews the Trust's fundraising activities and outcomes.

Furthermore, the Trust does not carry out any fundraising through cold contact, whether unsolicited mailing, face-to-face fundraising or telemarketing. The Trust has never received a complaint about its fundraising activities. The Trust is registered with the Fundraising Regulator, and is aware of and follows its Code of Fundraising Practice and the

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

Charity Commission's fundraising guidance. The Trust has had the benefit of advice from a consultant who is a member of the Institute of Fundraising. The Trust itself is a member of the Association of Independent Museums.

Vulcan to the Sky Enterprises Limited

Vulcan to the Sky Enterprises Limited ("VTSE") is the merchandise trading arm of the charity, and has enabled the Trust to receive funds through the sale of merchandise, memorabilia and services at events and through an 'online' shop. The online revenue is expected to increase with a new focus from the recently recruited Commercial Operations Manager. Also, The Vulcan Experience will provide incremental revenue through a permanent physical shop. The financial results for the year ended 31st October 2024 are summarised in note 16 to the accounts. VTSE covenants any taxable profits to VTST under the Gift Aid scheme.

3. FINANCIAL REVIEW

Total income of the group for the 12 months ended 31st October 2024 amounted to £998,474 (2023: £469,085). The Trust's principal funding comes from several sources such as donations, in particular the Names Under the Bomb Bay campaign, Founding Guardian membership, and merchandise sales. Total expenditure for the 12 months ended 31st October 2024 was £908,454 (2023: £822,688).

Expenditure on raising funds for the year totalled £613,555 (2023: £508,625) which generated income of £989,517 (2023: £420,643), being income from donations (note 3) and other trading activities (note 5).

The expenditure on raising funds represents the day-to-day management of the charity and includes tasks such as, managing volunteers, operating the online retail business, managing events, carrying out charitable fund-raising, promoting the Trust's activities, liaising with supporters and administering the database of supporters, supporting the maintenance of XH558, and complying with mandatory governance requirements. We have invested in future plans and this includes negotiations with potential new landlords and business planning to underwrite a secure future, along with ensuring day to day costs of the business and maintaining the aircraft are covered.

Once the future plans become formally agreed, focussed fundraising may begin to secure that future, investing in a permanent home and the associated revenue streams (visitor tickets, physical retail store, corporate events).

The net assets of the group as at 31st October 2024 were £1,043,807 (2023: £953,787).

The group's fixed assets comprise the Avro Vulcan XH558, its associated spare parts, ground equipment and tools, together with miscellaneous items, and are valued as at 31st October 2024 at £719,926 (2023: £732,306).

There is a charge over the aircraft in favour of the National Heritage Lottery Fund in the amount of £427,000 reducing on a straight-line basis from 31st October 2016 until 2085. The amount repayable is currently limited to £377,496.

The Trustees believe that income in the form of donation streams, the Guardian scheme, and merchandise revenues will allow the Trust to continue its activities for the foreseeable future. Central to the future plans will be to secure funding through sponsorship to build a new home for the Vulcan at the current site in Doncaster.

Reserves Policy

The Trust's reserves policy has been to aim to build up, over time, free reserves (unrestricted funds less fixed assets) to a level equivalent to 6 months of core expenditure, being approximately £360,000. As at 31st October 2024 the Group's funds totalled £1,043,807, of which £16,600 is restricted and £1,027,207 is unrestricted. The group's free reserves (unrestricted funds less fixed assets) totalled £307,281 (2023: £204,881), the equivalent to 5-6 months of expenditure. The trustees retain the 6-month policy as an important target, and, subject to the success of future fundraising appeals, intend to use any surplus to assist with the Trust's running costs whilst discussions with the City of Doncaster Council over possibilities at the current site take place, or whilst the aircraft are being relocated.

4. PLANS FOR FUTURE PERIODS

The Vulcan to the Sky Trust's objectives for future periods are to:

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

- Maintain Avro Vulcan XH558 in full working order, and to operate the aircraft on the ground safely to the benefit of spectators at DSA for as long as possible.
- Continually review the plan to restore Canberra WK163 to an airworthy condition, for the purpose of displaying the aircraft to the benefit of the public at air shows and other outside events around the country, and to raise funds specifically for that purpose.
- Continue to deliver our education plans, through the Skills Street facility, for the Trust to provide relevant public benefits, in particular in inspiring the young in engineering, technology and aviation.
- Build and develop a permanent home for XH558, The Vulcan Experience, to ensure growing public access to this important aircraft, and ensure affordability, visitor and school accessibility, catchment area and local & regional support.
- Deliver inspirational education experiences on design, science, technology, engineering and mathematics (STEM), to a range of audiences, including national curriculum topics for school children, on Cold War history and related subjects focused around the aircraft, and inform all of the various methods and technologies by which aviation's impact on climate change will be minimised.
- Secure the funding needed to achieve the above objectives, from a diverse range of sources so as to minimise risk.

5. ORGANISATIONAL STRUCTURE, GOVERNANCE AND MANAGEMENT

Vulcan to the Sky Trust was granted charitable status on 6 February 2004, and is registered with the Charity Commission under number 1101948.

Vulcan to the Sky Trust is constituted as an incorporated company limited by guarantee, its governing document comprising its recently reviewed and updated Articles of Association.

The Trustees (who are also the Trust's Directors) who have served since 1 November 2023 are as detailed in section 6.

The Board of Trustees met five times between 1st November 2023 and 31st October 2024, including an Annual General Meeting. There have also been regular email communications throughout the period. The Trustees are the only Members of the Trust. None of the Trustees received any remuneration or benefits apart from receipted expenses.

In January 2024, after nearly 20 years as a Trustee of Vulcan to the Sky, Ken Smart CBE FRAeS retired from his role. Sadly, on 3 April 2024 Ken passed away.

In June 2024, Sir Donald Spiers retired as a Vulcan to the Sky Trustee after more than 20 years. We wish him all the best in his well-deserved retirement.

It should be put on record, the impact on the project to return Vulcan XH558 to flight of both these gentlemen.

Ken played an instrumental part in returning Vulcan XH558 to flight. In the early days at Bruntingthorpe Ken worked with the team to convince a very sceptical Civil Aviation Authority (CAA) that the Trust had Safety Management Systems embedded that would allow safe operation of XH558 at public displays. It's in no small part, because of Ken's skills and knowledge on airworthiness and air safety that the CAA awarded Vulcan XH558 her Permit to Fly on 3 July 2008. Two days later she performed her first display for an enthralled British public at the RAF Waddington Airshow and went on to fly for many more years before making her final landing on 28 October 2015.

Sir Donald has had an illustrious career in both government and industry, which included various significant directorships, fellowships, and influential positions within the aerospace and defence sectors. This huge wealth of experience was significant to the project of returning Avro Vulcan XH558 to flight. Throughout his tenure with The Vulcan to the Sky Trust, Sir Donald's contributions have been invaluable, playing a major role in the restoration of XH558. We extend our deepest gratitude to Sir Donald for his exceptional service.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

"The Trust owes a great debt of gratitude to two of its longest-serving Trustees, whose particular skills and wise judgement over a long period were invaluable in the work to return XH558 to flight and its subsequent support within the wider community." – Edward Jarron, Chairman of the Board of Trustees.

Recruitment and training of Trustees

Given the nature of its past activities, the recruitment of new Trustees had been primarily from the aviation community. However, as the Trust's activities broaden, Trustees are now being sought from the wider engineering, industry and education sectors, and the South Yorkshire region. New Trustees are appointed in accordance with the Articles of Association. Any new Trustees are provided with an induction pack by the Company Secretary, including briefings on the workings of the Trust, its formal documentation, the Trustee's role, the financial status of the Trust and its future plans.

Three new Trustees have joined the Board since November 2023. Steven Roberts in September 2024, Alexander Jones in October 2024, and Barry Cunliffe in April 2025. Unfortunately, Alex Jones resigned for personal reasons in January 2025, but we hope there is an opportunity in the future for him to re-join the Board.

The activities of the Board

The Board is responsible for policy and overall management of the charity, but has delegated necessary operating powers and decision-making to an Executive Role. The Executive is now managed by Marc Walters (CEO and VTST Company Secretary) and he is aided by Michael Trotter in an advisory role in the short term. This will evolve as the Trust recruits a team to manage The Vulcan Experience when the permanent home is secured. Marc Walters regularly updates the Board of Trustees on important matters. The remuneration of key management is approved by the Chairman of Trustees and is set against established pay scales, benchmarked in comparison with similar sized charities.

The Trust operates with 3 full-time employees and 3 part-time employees as at 31st October 2024. The Trust also benefits significantly from a large amount of volunteer support, including specifically assisting with public relations, events, merchandise fulfilment and the Trust's air show presence.

Subsidiaries

Vulcan to the Sky Enterprises Limited is the wholly-owned retail trading subsidiary of VTST. VTSE covenants its taxable profits to VTST under the Gift Aid scheme.

There are three additional wholly-owned subsidiaries of the Trust, which were incorporated to enable the Trust to undertake certain activities aimed at creating a sustainable business model during its occupation Hangar 3 at Doncaster Sheffield Airport. These subsidiaries, the Vulcan Marketing Company, The Vulcan Operating Company and the Vulcan Property Management Company are now dormant. Marc Walters has been director for all subsidiary companies since 1 January 2023.

Risk Management

The Trust, through its management team, continues to identify and review the major risks that the charity faces. Procedures, including a Safety Management System, have been put in place to mitigate and monitor these risks. Health and Safety are regularly discussed at meetings.

The Trust's principal risks and uncertainties are:

- Securing funding for its charitable activities each year and managing working capital;
- The occurrence of an event that threatens the reputation or integrity of the Trust;
- Sudden loss of key personnel;
- Potential for overtrading with limited resources; and
- The implications to its plans of the coronavirus pandemic and changes in public behaviour.

The Trust's public liabilities arising from operation of the Vulcan aircraft are insured through K M Dastur and Company Ltd Aviation Insurance Brokers. Additional aviation insurance policies include cover for damage to the aircraft, for war and terrorism risks, and for personal injury insurance for the aircrew.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

6. REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS

Trustees	Air Commodore Ed Jarron (Chairman) Mr John Sharman FRAeS Mr Richard Clarke Sir Gerald Howarth Dr Stephen Liddle CEng MRAes Mr Phillip Spiers Mrs Marie Cooper Mr Steven Roberts (appointed 9 September 2024) Mr Barry Cunliffe (appointed 29 May 2025) Mr Ken Smart CBE (resigned 19 January 2024) Sir Donald Spiers CB TD FRAeS (resigned 22 June 2024)
Company secretary	Mr Marc Walters
Charity number	1101948
Company number	04478686
Principal address	Unit 4, Delta Court Third Avenue Doncaster Sheffield Airport Doncaster DN9 3GN
Registered office	Unit 4, Delta Court Third Avenue Doncaster Sheffield Airport Doncaster DN9 3GN
Auditors	Newby Castleman LLP West Walk Building 110 Regent Road Leicester LE1 7LT
Bankers	HSBC Bank Plc 58 High Street Winchester Hampshire SO23 9BZ
Solicitors	Stone King LLP Offices at: Bath Birmingham Cambridge Leeds London Manchester - www.stoneking.co.uk

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

7. STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Vulcan to the Sky Trust for the purposes of company law) are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs for the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and group will continue in operation.

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

In so far as the Trustees are aware:

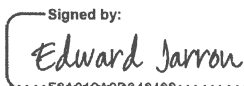
- there is no relevant audit information of which the charitable company and group's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

8. SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed on behalf of the Trustees

Signed by:

 F6A012A2D646492.....
 Air Commodore Ed Jarron
Chairman of Trustees

06-07-2025

Approved by the Board of Trustees on

VULCAN TO THE SKY TRUST

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF VULCAN TO THE SKY TRUST

Opinion

We have audited the financial statements of Vulcan to the Sky Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 October 2024 which comprise the Group Consolidated Statement of Financial Activities, the Group and Charity Balance Sheet, the Group Statement of Cash Flows and 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 FRS 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 group's and parent charitable company's affairs as at 31 October 2024, and of the group's incoming resources and application of resources, including its income and expenditure, 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 Charities Act 2011.

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 group and parent charitable company 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.

Material uncertainty related to going concern

We draw attention to note 1.3 of the financial statements, concerning the group's ability to continue as a going concern. This indicates that the group is reliant on the continued support of the National Lottery Heritage Fund, the City of Doncaster Council and its 100% owned airport operating company – FlyDoncaster Ltd., and the future financial support from its donors to be able to continue operating. These conditions, along with the other matters as set forth in note 1.3, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information included in the trustees' report. The other information comprises the information included in the trustees' 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

VULCAN TO THE SKY TRUST

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE TRUSTEES OF VULCAN TO THE SKY TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the groups and parent charitable company'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 trustees either intend to liquidate the group or the parent 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 auditor under section 151 of the Charities Act 2011 and report in accordance with this Act.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. However, responsibility for the prevention and detection of fraud ultimately rests with both those charged with governance and management of the charity.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- obtaining an understanding of the legal and regulatory framework applicable to the group and parent charitable company by considering the nature of the industry in which the group and parent charitable company operates and enquiring of management; and
- identifying the key laws and regulations considered to have a direct impact on the financial statements including the UK Companies Act 2006, UK Charities Act 2011, UK Generally Accepted Accounting Practice and UK tax legislation; and
- assessing how the group and parent charitable company is complying with the applicable legal and regulatory framework by making further enquiries of management and observing the groups and parent charitable company's control environment regarding compliance with regulations and fraud prevention; and
- assessing the susceptibility of the groups and parent charitable company's financial statements to material misstatement, including how fraud might occur, by considering the effectiveness of the group's and parent charitable company's accounting systems and controls and how these were monitored by management. Where the risk of material misstatement was considered to be higher in certain areas, further audit procedures were designed to address this increased risk; and

VULCAN TO THE SKY TRUST

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE TRUSTEES OF VULCAN TO THE SKY TRUST

- discussing amongst the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud.

Audit response to risks of irregularities identified

Our procedures to respond to risks identified included the following:

- performing audit work over revenue recognition including analytical procedures and substantive tests of detail of a sample of revenue transactions; and
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- enquiry of charity staff responsible for compliance to identify any instances of non-compliance with laws and regulations; and
- enquiry of management, those charged with governance and other relevant parties around actual and potential litigation claims; and
- reviewing supporting documentation regarding actual and potential litigation claims; and
- reviewing minutes of meetings of those charged with governance; and
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and
- communicating identified laws and regulations and potential fraud risks to all engagement team members and assessing whether there are any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's 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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Newby Castleman LLP

Chartered Accountants
Statutory Auditor
West Walk Building
110 Regent Road
Leicester
LE1 7LT

Date: 15 July 2025

Newby Castleman LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

VULCAN TO THE SKY TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2024

	Notes	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Income from					
Donations and legacies	3	818,667	-	818,667	230,616
Charitable activities	4	899	-	899	46,581
Other trading activities	5	170,850	-	170,850	190,027
Investments	6	1,618	-	1,618	1,251
Other	7	6,440	-	6,440	610
Total		998,474	-	998,474	469,085
Expenditure on					
Raising funds	8	613,555	-	613,555	508,625
Charitable activities	9	294,899	-	294,899	314,063
Total		908,454	-	908,454	822,688
Net income / (expenditure) for the year / Net movement in funds		90,020	-	90,020	(353,603)
Reconciliation of funds					
Total funds brought forward		937,187	16,600	953,787	1,307,390
Total funds carried forward		1,027,207	16,600	1,043,807	953,787

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

VULCAN TO THE SKY TRUST

GROUP AND CHARITY BALANCE SHEET

AS AT 31 OCTOBER 2024

	Notes	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Fixed assets					
Tangible assets	14	5,493	5,369	7,159	6,937
Heritage assets	15	714,433	714,433	725,147	725,147
Investments	16	-	5	-	5
Total fixed assets		719,926	719,807	732,306	732,089
Current assets					
Stocks	17	73,486	-	76,841	-
Debtors	18	80,625	283,468	100,521	299,603
Cash at bank and in hand		269,904	238,784	174,009	164,344
Total current assets		424,015	522,252	351,371	463,947
Liabilities:					
Creditors: Amounts falling due within one year	19	(100,134)	(100,115)	(129,890)	(130,553)
Net current assets		323,881	422,137	221,481	333,394
Total assets less current liabilities		1,043,807	1,141,944	953,787	1,065,483
Total net assets	21	1,043,807	1,141,944	953,787	1,065,483
The funds of the charity					
Restricted funds	20	16,600	16,600	16,600	16,600
Unrestricted funds		1,027,207	1,125,344	937,187	1,048,883
Total charity funds		1,043,807	1,141,944	953,787	1,065,483

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

As permitted by s408 Companies Act 2006, the charity has not presented its own statement of financial activities and related notes. The charity's surplus for the year was £76,462 (2023 - £322,111 deficit).

For the year ending 31 October 2024 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as the company is a charity, it is subject to audit under the Charities Act 2011.

Directors' responsibilities:

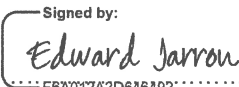
- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

VULCAN TO THE SKY TRUST

BALANCE SHEETS (CONTINUED)

AS AT 31 OCTOBER 2024

The financial statements were approved and authorised for issue by the board of trustees on 06-07-2025
and are signed on its behalf by:

Signed by:

F8A012A2D646492.....
Air Commodore Ed Jarron
Chairman of Trustees

Company Registration No. 04478686

The notes on pages 25 - 41 form part of these financial statements.

VULCAN TO THE SKY TRUST

GROUP STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 OCTOBER 2024

	Notes	£	2024 £	2023 £
Net cash (outflow) / inflow from operating activities	26		95,305	(183,320)
Cash flow from investing activities				
Purchase of tangible fixed assets		(1,028)	-	
Interest received		1,618	1,251	
Net cash (outflow) / inflow from investing activities			590	1,251
Net (decrease) in cash of cash equivalents			95,895	(182,069)
Cash or cash equivalents at 1 November 2023			174,009	356,078
Cash or cash equivalents at 31 October 2024			269,904	174,009

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2024

1 Accounting policies

Charity information

Vulcan to the Sky Trust ("the charity") is a private company limited by guarantee, incorporated in England and Wales. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the reference and administration section of the trustees' report.

The group consists of Vulcan to the Sky Trust and all of its subsidiaries ("the group"), being Vulcan to the Sky Enterprises Limited, The Vulcan Operating Company Limited, The Vulcan Property Management Company Limited, and The Vulcan Marketing Company Limited.

1.1 Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. These financial statements have been prepared in accordance with: the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities applying FRS 102 (2019), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

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

These financial statements are prepared under the historical cost convention, modified to include the revaluation of certain heritage assets. The principal accounting policies adopted are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The charity is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this charity, which are intended to give a true and fair view of the assets, liabilities, financial position and net movement in funds of the group. The charity has taken advantage of the exemption from preparing a statement of financial activities and a statement of cash flows on the basis that these are incorporated into the group statement of financial activities and statement of cash flows.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Vulcan to the Sky Trust and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 October 2024. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

1.3 Going concern

These financial statements are prepared on the going concern basis. There is a material uncertainty related to going concern noted in the audit report, however the trustees have a reasonable expectation that the group will continue in operational existence for the foreseeable future. The group is reliant on the continued support of the National Lottery Heritage Fund, the City of Doncaster Council and its 100% owned airport operating company – FlyDoncaster Ltd., and the future financial support from its donors to be able to continue operating.

As explained more fully in the trustees' report set out specifically on pages 2 -4, the trustees have a reasonable expectation that they will be able to remain onsite at Doncaster and begin fundraising for the

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

1 Accounting Policies (continued)

project to build a new home for the aircraft. While the Trust continues its planning to build the Vulcan Experience, it will continue its on-going fundraising activities to maintain Avro Vulcan XH558 to the usual high standards and to deliver public access through the team of dedicated volunteers and staff. The Trust expects a lease to be offered by FlyDoncaster Ltd who said publicly that they "are looking forward to working with the VTST to put a lease in place that gives them some long-term security."

The trustees have prepared forecasts for the period ended 31 August 2026 which incorporate the above plans. Based on these forecasts, and the voluntary income that has been received since the year end date, the trustees are of the opinion that the group will receive sufficient donations, and income from its merchandise sales and public events, for a period of at least 12 months from the date of approval of these financial statements to continue operating. However, donations are intrinsically uncertain and the ongoing support of the charity's current donors and supporters will be fundamental until the new trading model has been established.

On this basis, the trustees consider it appropriate to prepare the financial statements on the going concern basis.

1.4 Charitable funds

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.5 Income recognition

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 is recognised at the time of the donation.

Legacies are recognised at the earlier of the charity being notified of an impending distribution or the legacy being received. Where legacies have been notified to the charity but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Government grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured with reliability. If entitlement is not met, then the amounts are deferred.

Income from charitable activities includes hangar tour, engine ground-run and educational visit income.

Hangar tour income is recognised when the tour takes place. Income from ticket sales received in advance of the tour are deferred.

Engine ground-run income is recognised when the ground-run takes place. Income from ticket sales received in advance of the ground-run are deferred.

Income from trading activities primarily includes income earned from the sale of merchandise and raffles.

Sale of merchandise represents all goods sold during the period, less returns received, at selling price exclusive of Value Added Tax. Sales are recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attaching to the product, have been transferred to the customer.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

1 Accounting Policies (continued)

Investment income is earned through holding assets for investment purposes. It comprises bank interest and is recognised on an accruals basis.

1.6 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. Expenditure is recognised when there is a legal or constructive obligation to make payments to third parties, it is probable that settlement will be required and the amount of the obligation can be measured reliably. It is recognised under the following headings:

- Costs of raising funds includes costs incurred in seeking donations, legacies, grants and fundraising.
- Expenditure on charitable activities includes costs relating to restoration and maintenance, and exhibition and display, to further the delivery of the objectives of the charity.
- Other expenditure includes losses on the sale of tangible fixed assets.

Irrecoverable VAT has been posted to other costs included in support costs (note 11).

1.7 Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and costs of raising funds and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objectives of the charity. Support costs are allocated to costs of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 11.

1.8 Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	20% straight line
Motor vehicles	20% straight line

1.9 Heritage assets

Heritage assets comprise the Avro Vulcan G-VLCN (XH558) and the English Canberra (WK163). The Vulcan is stated at valuation less depreciation, whilst the Canberra is stated at cost. Depreciation is provided on the Vulcan at a rate calculated to write off the valuation less estimated residual value over its useful economic life, being 70 years from the date which the Vulcan ceased to fly. Depreciation is not yet provided for the Canberra because the asset is not yet available for display.

The trustees have estimated the remaining useful economic life of the Vulcan to be to October 2085 and the residual value of the aircraft to be £Nil. The charity's current policy is to maintain the aircraft in full working order and associated maintenance costs are charged to the Statement of Financial Activities.

1.10 Impairment of fixed assets

At each reporting end date, the charity 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, or the asset's cash generating unit, is estimated and compared to the carrying amount in order to determine the extent of the impairment loss (if any). Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the Statement of Financial Activities (SOFA) unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

1.11 Investments in subsidiaries

Investments are stated at cost less any provision for diminution in value.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

1 Accounting Policies (continued)

1.12 Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Stock cost is recorded as invoice price net of any discounts received. Calculation of provisions for slow moving and obsolete stocks requires judgements to be made, which include forecast consumer demand, the promotional, competitive and economic environment, on the expectation that the group will continue in operational existence for the foreseeable future.

1.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.14 Financial instruments

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

Debtors and creditors with no stated interest rate and receivable or payable within one year are measured at transaction price. Any losses arising from impairment are recognised in the SOFA.

1.15 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.16 Retirement benefits

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

1.17 Leases

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

1.18 Taxation

Vulcan to the Sky Trust is a registered charity and no taxation provision is required as its income from charitable activities falls within the various exemptions available to registered charities.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees 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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Valuation of stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Calculation of provisions for slow moving and obsolete stocks requires judgements to be made, which include forecast consumer demand, the promotional, competitive and economic environment, on the expectation that the group will continue in operational existence for the foreseeable future.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Valuation of heritage asset (Vulcan)

The valuation of the Vulcan is reassessed annually by the trustees and, when necessary, amended to reflect current estimates.

Allocation of support costs

The allocation of support costs is sensitive to changes in the level of work undertaken on each activity by the charity. The allocation is reassessed annually and amended when necessary to reflect current estimates.

3 Income from donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Regular donations	58,173	-	58,173	66,227
One-off donations	1,997	-	1,997	5,212
Other donations	95,636	-	95,636	101,747
Gift aid recovered	73,246	-	73,246	9,830
Legacies	(2,949)	-	(2,949)	20,000
Names Under the Bomb Bay campaign	592,564	-	592,564	-
Government grants	-	-	-	27,600
	<u>818,667</u>	<u>-</u>	<u>818,667</u>	<u>230,616</u>
Unrestricted funds				203,016
Restricted funds				<u>27,600</u>
				<u>230,616</u>

4 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Exhibition and display	899	-	899	46,581
	<u>899</u>	<u>-</u>	<u>899</u>	<u>46,581</u>
Unrestricted funds				46,581
Restricted funds				<u>-</u>
				<u>46,581</u>

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

5 Income from other trading activities

	Unrestricted funds	Restricted funds	Total 2024	Total 2023
	£	£	£	£
Sale of merchandise	135,979	-	135,979	153,805
Raffle income	28,828	-	28,828	33,678
Commission income	6,043	-	6,043	2,544
	<u>170,850</u>	<u>-</u>	<u>170,850</u>	<u>190,027</u>
Unrestricted funds				190,027
Restricted funds				-
				<u>190,027</u>

6 Income from investments

	Unrestricted funds	Restricted funds	Total 2024	Total 2023
	£	£	£	£
Interest receivable	1,618	-	1,618	1,251
	<u>1,618</u>	<u>-</u>	<u>1,618</u>	<u>1,251</u>
Unrestricted funds				1,251
Restricted funds				-
				<u>1,251</u>

7 Other income

	Unrestricted funds	Restricted funds	Total 2024	Total 2023
	£	£	£	£
Miscellaneous income	6,440	-	6,440	610
	<u>6,440</u>	<u>-</u>	<u>6,440</u>	<u>610</u>
Unrestricted funds				610
Restricted funds				-
				<u>610</u>

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

8 Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
<u>Fundraising and publicity</u>				
Staff costs	130,930	-	130,930	153,423
Purchase of merchandise	64,425	-	64,425	83,968
Consultancy costs	9,997	-	9,997	14,660
Carriage and packaging	22,350	-	22,350	25,399
Advertising and promotion	251,401	-	251,401	84,500
Other costs	11,235	-	11,235	10,548
	<u>490,338</u>	<u>-</u>	<u>490,338</u>	<u>372,498</u>
Share of support costs (note 11)	123,217	-	123,217	136,127
	<u>613,555</u>	<u>-</u>	<u>613,555</u>	<u>508,625</u>
Unrestricted funds				298,924
Restricted funds				209,701
				<u>508,625</u>

The expenditure on raising funds represents the day-to-day management of the charity and includes tasks such as, managing volunteers, operating the online retail business, managing events, marketing and carrying out charitable fund-raising, promoting the Trust's activities, liaising with supporters and administrating the database of supporters, supporting the maintenance of XH558, and complying with mandatory governance requirements. We have invested in future plans and this includes business planning and updating the charity's Articles of Association to underwrite a secure future, along with ensuring day to day costs of the business and maintaining the aircraft are covered.

Once the location that has been identified as a site for VTST to lease and build is formally agreed with FlyDoncaster, focussed fundraising will begin to secure that future. The Vulcan Experience provides a sustainable business model through the associated revenue streams (visitor tickets, physical retail store, corporate events) and a permanent and secure home for XH558.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

9	Expenditure on charitable activities	Activities undertaken directly (note 10) £	Support costs (note 11) £	Total 2024 £	Total 2023 £	
	Restoration and maintenance	152,667	31,846	184,513	209,819	
	Exhibition and display	103,959	6,427	110,386	104,244	
		<u>256,626</u>	<u>38,273</u>	<u>294,899</u>	<u>314,063</u>	
	Unrestricted funds			294,899	84,989	
	Restricted funds			-	229,074	
				<u>294,899</u>	<u>314,063</u>	
10	Expenditure on activities undertaken directly	Restoration and maintenance £	Exhibition and display £	Total 2024 £	Total 2023 £	
	Staff costs	43,644	-	43,644	51,141	
	Depreciation	10,714	-	10,714	10,714	
	Aircraft costs	7,881	58,152	66,033	88,349	
	Hangar costs	85,135	-	85,135	86,591	
	Air show events	-	16,023	16,023	22,629	
	Travel costs	5,293	-	5,293	3,929	
	Printing, postage and stationery	-	29,784	29,784	2,224	
		<u>152,667</u>	<u>103,959</u>	<u>256,626</u>	<u>265,577</u>	
11	Expenditure on support costs	Raising funds £	Restoration and maintenance £	Exhibition and display £	Total 2024 £	Total 2023 £
	Staff costs	21,611	-	2,401	24,012	52,996
	Depreciation	2,045	649	-	2,694	2,053
	Computer costs	16,134	5,762	1,152	23,048	25,364
	Bank charges	14,255	-	-	14,255	6,865
	Other costs	69,172	25,435	2,874	97,481	97,335
		<u>123,217</u>	<u>31,846</u>	<u>6,427</u>	<u>161,490</u>	<u>184,613</u>

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

Support costs have been allocated to activities on a relevant basis to the nature of the underlying costs in proportion to resources used. Other costs include governance costs totalling £22,138 (2023 - £29,563). Governance costs include auditor's remuneration totalling £15,467 (2023 - £12,026).

12 Trustees' remuneration

None of the trustees received any remuneration or benefits from the charity during the year, or the previous year.

One trustee was reimbursed a total of £73 for travel expenses.

13 Employees

Number of employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Management and administration	5	6
Aircraft crew	1	1
	<u>6</u>	<u>7</u>

Employment costs

	2024 £	2023 £
Wages and salaries	184,495	236,529
Social security costs	10,688	14,309
Pension costs	3,403	6,722
	<u>198,586</u>	<u>257,560</u>

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

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2024 £	2023 £
Aggregate compensation	<u>56,821</u>	<u>100,290</u>

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

14 Tangible fixed assets

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
(a) Group			
Cost			
At 1 November 2023	30,515	13,592	44,107
Additions	1,028	-	1,028
At 31 October 2024	31,543	13,592	45,135
Depreciation			
At 1 November 2023	27,038	9,910	36,948
Charge for the year	1,171	1,523	2,694
At 31 October 2024	28,209	11,433	39,642
Net book value			
At 31 October 2024	3,334	2,159	5,493
At 31 October 2023	3,477	3,682	7,159
(b) Charity			
Cost			
At 1 November 2023	12,540	13,592	26,132
Additions	1,028	-	1,028
At 31 October 2024	13,568	13,592	27,160
Depreciation			
At 1 November 2023	9,284	9,911	19,195
Charge for the year	1,073	1,523	2,596
At 31 October 2024	10,357	11,434	21,791
Net book value			
At 31 October 2024	3,211	2,158	5,369
At 31 October 2023	3,256	3,681	6,937

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

15 Heritage assets

	Vulcan (valuation) £	Canberra (cost) £	Total £
Group and Charity			
Carrying amount at 1 November 2023	664,288	60,859	725,147
Depreciation / impairment	(10,714)	-	(10,714)
Carrying amount at 31 October 2024	653,574	60,859	714,433

At 31 October 2024 the charity held two heritage assets:

- 1) Avro Vulcan G-VLCN (XH558) – held at valuation
- 2) English Canberra (WK163) – held at cost

The Avro Vulcan B.MK2 G-VLCN (XH558)

XH558 was the last Vulcan to leave RAF service, flying on from 1986 to 1993 as the single RAF Display Vulcan, a career of 33 years. In 1997, a small team headed by Dr Robert Fleming started an audacious plan to return her to flight at Bruntingthorpe Aerodrome in Leicestershire. In 1999 Marshall of Cambridge Aerospace was appointed Engineering Authority for the restoration project. In December 2003, the Heritage Lottery Fund announced a grant of £2.7million for XH558's restoration. After extensive restoration work and tests, the Vulcan returned to the sky in October 2007.

However, the CAA Permit to Fly was withdrawn at the end of the 2015 calendar year, and so despite being technically able to fly, the aircraft was not permitted to fly. As a result, the trust's business model changed, from flying a globally-unique heritage asset to having the aircraft as the still-serviceable centrepiece of a new visitor attraction and education facility. This change in the status of the asset has had an impact on its residual valuation. As at 31 October 2015, the board valued the aircraft at £750,000. The nature of the asset means it is not possible to derive a market valuation. The trustees therefore valued the aircraft, based on their knowledge and experience of working in the aviation industry. As at 31 October 2024, the board have reassessed their valuation of the aircraft and still consider it to be reasonable.

The aircraft has developed a loyal following of many thousands of supporters. She is and will remain the best preserved all-British four-engined jet aircraft anywhere in the world still capable of powered ground runs.

XH558 is maintained in the current working state, albeit not flying, under the terms of the trust's contract with the National Lottery Heritage Fund (NLHF) until 6 February 2085. The aircraft is subject to a first charge by the Trustees of The National Lottery Heritage Fund (see note 22 for further details).

English Electric Canberra B.2 (WK163)

The English Electric Canberra aircraft was the Royal Air Force's first jet bomber, and entered service in January 1951. The design was very successful and the type was in service for more than 50 years. Many aircraft were sold around the world to the air forces of 17 countries. The trust's example, Canberra WK163 (G-CTTS) captured the world altitude record of over 70,000 feet in August 1957, and is a very important national aviation heritage asset.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

15 Heritage assets (continued)

Five-year financial summary of heritage asset transactions (group and charity)

	2024	2023	2022	2021	2020
	£	£	£	£	£
Purchases					
Vulcan	-	-	-	-	-
Canberra	-	-	-	9,033	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,033</u>	<u>-</u>
	-	-	-	9,033	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Charge for impairment					
Vulcan	-	-	-	-	-
Canberra	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

16 Fixed asset investments

(a) Group

The group holds no investments

(b) Charity

	Shares in group undertakings £
Carrying amount	
At 1 November 2023	5
	<u>5</u>
At 31 October 2024	5
	<u>5</u>

Holdings of more than 20%

The charity holds 100% of the ordinary share capital in the following companies registered in England and Wales:

Subsidiary undertakings		Principle Activities
Vulcan to the Sky Enterprises Limited (04899710)	VTSE	That of selling merchandise through its website store and at air shows.
The Vulcan Operating Company Limited (03787161)	TVOC	Dormant.
The Vulcan Property Management Company Limited (09924223)	TVPMC	Dormant.
The Vulcan Marketing Company Limited (09906368)	TVMC	Dormant.

Where applicable, the subsidiaries covenant all available profits to Vulcan to the Sky Trust.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

16 Fixed asset investments (continued)

The trading results for the period and the aggregate amount of capital and reserves, as extracted from the financial statements of the subsidiary companies, are summarised below:

	TVOC	TVMC	TVPMC	VTSE	Total 2024	Total 2023
	£	£	£	£	£	£
Turnover	-	-	-	142,023	142,023	156,351
Cost of sales	-	-	-	(82,889)	(82,889)	(106,325)
Gross profit	-	-	-	59,134	59,134	50,026
Administrative expenses	-	-	-	(46,108)	(46,108)	(81,519)
Operating profit	-	-	-	13,026	13,026	(31,493)
Interest receivable	-	-	-	533	533	-
Interest payable	-	-	-	(1)	(1)	-
Profit/(loss) before taxation	-	-	-	13,558	13,558	(31,493)
Tax charge	-	-	-	-	-	-
Profit/loss for the year	-	-	-	13,558	13,558	(31,493)
Assets and liabilities:						
Assets	11,636	16,003	19,095	109,330	156,064	139,745
Liabilities	(13,805)	(6,612)	(12,566)	(221,213)	(254,196)	(251,435)
Total net assets	(2,169)	9,391	6,529	(111,883)	(98,132)	(111,690)
Capital and reserves:						
Called up share capital	2	1	1	1	5	5
Profit and loss account	(2,171)	9,390	6,528	(111,884)	(98,137)	(111,695)
	(2,169)	9,391	6,529	(111,883)	(98,132)	(111,690)
Statement of movement on profit and loss:						
Balance at 1 November 2023	(2,171)	9,390	6,528	(125,442)	(111,695)	(80,202)
Profit/(loss) for the year	-	-	-	13,558	13,558	(31,493)
Donations paid to parent charity	-	-	-	-	-	-
Balance at 31 October 2024	(2,171)	9,390	6,528	(111,884)	(98,137)	(111,695)

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

17 Stock	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Goods for resale	73,486	-	76,841	-
	73,486	-	76,841	-
18 Debtors	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Amounts falling due within one year:				
Trade debtors	592	-	2,273	-
Amounts due from subsidiary undertakings	-	207,198	-	198,742
Other debtors	25,826	26,072	41,287	47,906
Prepayments and accrued income	54,207	50,198	56,961	52,955
	80,625	283,468	100,521	299,603
19 Creditors: Amounts falling due within one year	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Trade creditors	58,154	46,726	73,968	64,821
Amounts due to subsidiary undertakings	-	11,621	-	11,621
Other creditors	673	673	699	699
Accruals and deferred income	37,319	37,107	50,936	49,125
Taxes and social security costs	3,988	3,988	4,287	4,287
	100,134	100,115	129,890	130,553

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

20	Restricted funds	Balance at 1 Nov 2023 £	Income £	Expenditure £	Balance at 31 Oct 2024 £
	Group and Charity				
	National Lottery Heritage Fund	16,600	-	-	16,600
		<u>16,600</u>	<u>-</u>	<u>-</u>	<u>16,600</u>
		Balance at 1 Nov 2022 £	Income £	Expenditure £	Balance at 31 Oct 2023 £
	Group and Charity				
	Operation Safeguard	427,775	-	(427,775)	-
	National Lottery Heritage Fund	-	27,600	(11,000)	16,600
		<u>427,775</u>	<u>27,600</u>	<u>(438,775)</u>	<u>16,600</u>

Operation Safeguard

This represents amounts received through the Operation Safeguard appeal for the purpose of building The Vulcan Experience at DSA. All income received in respect of Operation Safeguard up to 31 October 2022 was recognised as restricted income, and included income where donors did not respond to the charity's offer of a full refund or the opportunity to allow VTST to "retain" their donation. Donations which were refunded after the 2021-year end, due to the failed appeal, were recognised in creditors.

By May 2022 63% of donors had responded with 89% agreeing to the VTST's retention of the donated funds. The charity applied to the Charity Commission to make a "scheme" to widen the scope of these funds and allow these donations to be used in pursuance of its charitable objects. On the 21st June 2022 the Charity Commission authorised a scheme which allows the trustees to use £323,400 of disclaimed / retained funds to preserve and protect Avro Vulcan XH558 and return her to full working order for the benefit of the public and to demonstrate and display her to the public and to conserve and return to full working order. On the 5th December 2022 the Charity Commission authorised a second scheme which allows the trustees to use £197,530 of disclaimed / retained funds to preserve and protect Avro Vulcan XH558 and return her to full working order for the benefit of the public and to conserve, demonstrate and display her to the public. The second scheme also stipulated that if a donor requests that their donation(s) to the appeal be returned to them by the charity, the Commission may authorise the return of such donation(s) in writing. Where a donation has been returned in accordance with this provision, this scheme will not be applicable to such donation(s) and the Commission's written authorisation to return donation(s) will have no effect on the continuing validity of this scheme. On the 18th January 2023 the Charity Commission authorised a third scheme which allows the trustees to use £8,370 of disclaimed / retained funds to preserve and protect Avro Vulcan XH558 and return her to full working order for the benefit of the public and to conserve, demonstrate and display her to the public. The Charity Commission confirmed that the third and final scheme effectively and successfully concluded all the legal protocols on the failed appeal procedure.

National Lottery Heritage Fund

With news in June 2022 that the Trust's aircraft were required to "be taken off the airfield and removed from DSA by 30th June 2023", the Trust began planning for the relocating of the aircraft and ensuring that the business plan for The Vulcan Experience in a new location was feasible. To aid the costs of the work to assess the business plan, the Trust applied for grant funding from the National Lottery Heritage Fund (NLHF) and in December 2022 the Trust were informed that they were successful in that bid. VTST updated the NLHF of all changes mentioned within the Trustees' report and a completion date of the end of April 2025 was agreed with NLHF. This work has now been completed and the final draw-down of funds will be made through the NLHF.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

21 Analysis of net assets between funds

(a) Group	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Funds balances are represented by:						
Tangible fixed assets	5,493	-	5,493	7,159	-	7,159
Heritage assets	714,433	-	714,433	725,147	-	725,147
Current assets	407,415	16,600	424,015	334,771	16,600	351,371
Creditors: amounts falling due within one year	(100,134)	-	(100,134)	(129,890)	-	(129,890)
	<u>1,027,207</u>	<u>16,600</u>	<u>1,043,807</u>	<u>937,187</u>	<u>16,600</u>	<u>953,787</u>

(b) Charity	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Funds balances are represented by:						
Tangible fixed assets	5,369	-	5,369	6,937	-	6,937
Heritage assets	714,433	-	714,433	725,147	-	725,147
Investments	5	-	5	5	-	5
Current assets	505,652	16,600	522,252	447,347	16,600	463,947
Creditors: amounts falling due within one year	(100,115)	-	(100,115)	(130,553)	-	(130,553)
	<u>1,125,344</u>	<u>16,600</u>	<u>1,141,944</u>	<u>1,048,883</u>	<u>16,600</u>	<u>1,065,483</u>

22 Contingent liabilities

In previous years the trust received funding from the National Lottery Heritage Fund (NLHF) in the sum of £2,734,000. The trust may be required to repay some or all of this grant in the event of the sale, disposal or mortgage charge of the plane without prior approval of the NLHF. The amount repayable is currently limited to £377,496.

The trust will also require an interest in the plane or right to the exclusive use and possession of the aircraft to 6 February 2085.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2024

23 Operating lease commitments

At 31 October 2024 the group and charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2024	Charity 2024	Group 2023	Charity 2023
	£	£	£	£
Within one year	11,117	7,250	32,867	29,000
Between two and five years	-	-	7,250	7,250
	11,117	7,250	40,117	36,250

Lease payments totalling £71,600 (2023 – £73,818) have been recognised as an expense during the year.

24 Ultimate controlling party

The charity is controlled by its trustees acting in accordance with the terms of the memorandum and articles of association.

25 Related parties

The charity has taken advantage of the exemption given by FRS 102, from disclosing transactions with its wholly owned subsidiaries.

26 Net cash flow from operating activities

	2024	2023
	£	£
Net income/(expenditure) for the year	90,020	(353,603)
Investment income	(1,618)	(1,251)
Depreciation of heritage assets	10,714	10,714
Depreciation of tangible assets	2,694	2,053
Movements in working capital:		
Decrease in stocks	3,355	1,598
Decrease in debtors	19,896	128,744
(Decrease)/increase in creditors	(29,756)	28,425
Net cash flow from operating activities	95,305	(183,320)

27 Analysis of changes in net funds

During the year the group had no borrowings or obligations under finance leases. The changes in net funds of the charity therefore solely comprise of cash and cash equivalents.

VULCAN TO THE SKY TRUST

England & Wales - Charity number 1101948

Accounts

Charity Registration No. 1101948

Company Registration No. 04478686 (England and Wales)

VULCAN TO THE SKY TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 OCTOBER 2023**



VULCAN TO THE SKY TRUST
HONOURING THE PAST, INSPIRING THE FUTURE

VULCAN TO THE SKY TRUST

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VULCAN TO THE SKY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2023

1. OBJECTIVES AND ACTIVITIES OF THE TRUST

The principal objects of the Vulcan to the Sky Trust ("VTST", "the Trust") are to:

- (1) Preserve and protect Avro Vulcan XH558 and return her to full working order for the benefit of the public and to demonstrate and display her to the public and to conserve and return to full working order other aircraft and engineering artefacts in general which are of significant heritage interest and to maintain such in a purpose-built facility.
- (2) Advance the education of the general public in Avro Vulcan XH558, in aviation and engineering heritage, in its associated provenance, historical and social context and in the strategy of deterrence, for the benefit of British heritage, and historical knowledge.
- (3) Advance the education of the general public in Avro Vulcan XH558 and other aircraft and engineering artefacts in general of significant heritage interest, in their design, engineering and technologies, operational and maintenance processes and procedures; for the benefit of British heritage, and technical knowledge and conservation, by providing access to engineering demonstrations and practical activities.
- (4) To advance the education of the general public in the causes of climate change, in particular by aviation, and in the solutions being devised to mitigate these causes, by providing explanations and demonstrations.

The Trust provides these services throughout the United Kingdom.

Ensuring that VTST delivers on its objects

The Trust reviews its objectives and activities regularly throughout the year, looking at the success of its activities and the benefits that the Trust has brought to the public. The Trustees refer to the advice contained in the Charity Commission's general guidance on public benefit when deciding on its plans and activities. The particular public benefits generated from our work are detailed later in this report.

Background

Following a ten-year restoration project, Avro Vulcan XH558 ("XH558") returned to flight on 18th October 2007, having previously been grounded on 23rd March 1993 at the end of its RAF career. The Trust was granted approval by the Civil Aviation Authority ("CAA") to operate Vulcan XH558 under UK Civil Regulations on 2nd July 2008. The aircraft was granted a CAA Permit to Fly on 3rd July 2008, a condition of which was the continuing contractual support from the aircraft's Engineering Authority, Marshall Aerospace. This was a first for a complex category ex-military aircraft on the UK Civil Register, and marked the successful completion of the world's most complex aircraft restoration project.

Subsequently, Vulcan XH558 was presented by the Trust to the public at air shows and events around the UK in each year following, supported by educational and interpretational activities.

In April 2011, XH558 flew in to Robin Hood Doncaster Sheffield Airport ("DSA"), and Hangar 3 there became its home operating base.

In January 2015, the Trust received notice from Marshall Aerospace, BAE Systems and Rolls-Royce that at the end of 2015, they would collectively be withdrawing the Engineering and Design Authority support required as a condition of the aircraft's Permit to Fly, thereby consequently bringing to the end the flying life of Vulcan XH558. The aircraft's final flight took place on Wednesday 28th October 2015 at Doncaster Sheffield Airport.

Future planning and its context

Grounded at DSA since autumn 2015, nevertheless Vulcan XH558 has been maintained in a safe ground-running and taxiing condition, and continues to attract much enthusiastic support from the public.

Until the beginning of 2017, the public were able to come to see XH558 in Hangar 3 at DSA on a pre-booked basis, receive educational guided tours of the aircraft, hear talks about the Vulcan and its history, and buy merchandise from

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

an in-hangar shop. Much publicity was gained by offering the large space in the hangar for both private and corporate events "under the wings" of the Vulcan.

However, from the beginning of 2017, the Trust was forced to stop public visits because the airport required the hangar space for other uses. This effectively stopped the major revenue-earning activities of the Trust, and severely curtailed its main public benefit delivery activities. As a result of this forced cessation of public tours and events, the Trust had to rapidly restructure to match its costs with the much lower revenues expected.

In discussions with DSA, their management team were made aware of the impact the loss of Hangar 3 had on the VTST's business model and the loss of an appropriate environment to preserve an asset of significant heritage value. They decided to purchase land specifically to provide a site for a new hangar for this purpose from Anglian Water in April 2018. This was on the basis that the VTST would raise the necessary capital funding for the build.

Plans for a New Hangar were drawn up with significant help from local companies, Doncaster Municipal Borough Council and the Airport. In December 2017, the Trust received full planning approval for the new hangar from the council. DSA offered the Trust a lease on a site to build a new hangar specifically designed for its tour, event and engineering activities. Capital quotations were sought and an initial outline build cost of £4 million was set as a target, which due to the passage of time as set out below rose to £4.6million.

A comprehensive business plan for the New Hangar was developed using the experience gained from the Trust's visitor and event activities in Hangar 3. This showed that the facility would be financially viable and could be an exciting new visitor attraction for South Yorkshire. The plan was independently tested and indeed re-visited with respect to likely visitor number impact in a post Covid-19 world.

The VTST Board then engaged in April 2019 with a commercial property developer based in Yorkshire who worked with investors who were looking to support a project with "Green" credentials and skills with education objectives. A draft lease was provided by DSA but unfortunately the developer withdrew and 18 months had elapsed since the purchase of the land by DSA.

As DSA had no return on their investment, it was now vital that a new approach was found and with the assistance of interested parties, the VTST developed a modified funding model for the hangar. £2.4 million (52%) of the capital funding for the hangar build would be via a commercial mortgage (subject to negotiation) and the balance (£2.2 million) via a public appeal, "Operation Safeguard", and this was launched in October 2020. DSA instructed their lawyers to draw up an "Agreement for Lease" (AFL) in November 2020 that would form the full lease once funding was in place; and it was signed on the 19th October 2021. A condition of the AFL was a deadline that stated the funds needed to be in place by the 31st December 2021 or significant progress towards those funds being secured had been demonstrated.

Following a review into the progress of raising the necessary funds with DSA after 31st December 2021, the charity was informed that the deadline would not be extended, and the AFL had been terminated. All fund raising was stopped as, from this point, the VTST could not demonstrate tenure to the land.

In June 2022 the VTST signed a "parking lease" with DSA where the aircraft's tenure on site was secured until the end of June 2023; the original lease stated that "both aircraft will need to be taken off the airfield and removed from DSA by 30th June 2023".

In July 2022 we were informed that the Board of Doncaster Sheffield Airport had begun a review of strategic options for the Airport. The review followed lengthy deliberations by Peel Land & Property and the management at DSA which reluctantly concluded that aviation activity on the site may no longer be commercially viable. This was subsequently publicly confirmed and DSA closed as a live airfield in November 2022.

Since the announcement of the closure of the airport, the VTST maintained discussions with Peel L&P and in March 2023, preliminary talks were held to explore any opportunities for the iconic aircraft to remain in Doncaster for a longer period. Following these discussions with Peel L&P, the lease was extended.

The discussions with Peel L&P led to an ongoing feasibility study of using one of the extant hangars at DSA as a longer-term home for XH558. By the end of July 2023, the explorations on the hangar could no longer progress due to the uncertain future of ownership. The City of Doncaster Council were in negotiations with Peel Group to lease the airport site. These negotiations were concluded in March 2024 with the agreement of a lease for 125 years and the City of Doncaster Council will be reopening the airport.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

At the time of this report both aircraft remain on site under a "Tenancy at Will".

Initially, when it became apparent that our future was likely to be away from DSA, we began the process of finding a safe and permanent home for XH558. The Trust reviewed options that included;

- (1) Exploring with the relevant authorities the potential of a short ferry flight to a new home notwithstanding the fact that in 2017 this was deemed not possible by the CAA given the complex category of our Permit to Fly. The ferry flight option after much research was deemed not possible as we could not secure the requisite Design Authority support central to the CAA considerations of a "Permit to Fly", a formal legal requirement.
- (2) Dismantling the aircraft, relocating by road and then rebuilding her with as much functionality as possible and a commercial quotation for this work was secured. However, the need to dismantle will be avoided if we can arrange a suitable home and a lease at the Doncaster site with the new landlords.

In the event of having to dismantle and move the aircraft though, VTST have interested landlords for both options and the potential sites would all include excellent public access to the aircraft as a static exhibit in a New Hangar with as much functionality as possible. However, we fully understand that dismantling XH558 would end her days as a "live" airframe as defined by full engine functionality.

We are also mindful the English Electric Canberra WK163 will still need to be moved to a site where restoration is possible – i.e., a live airfield with maintenance facilities and this restoration project is still a core objective for the Board of Trustees; there are currently two potential sites under consideration.

As explained in note 23 of the financial statements, VTST may be required to repay some or all of a grant from the National Heritage Lottery Fund ("NHLF") in the event of the sale, disposal or mortgage charge of XH558 without prior approval of the NHLF.

VTST met with the NHLF in May 2023 who were fully briefed on our options and future plans at that moment in time. They continue to be supportive, but given our current agreement with them, they advised us to submit a project enquiry form that will enable them to support the VTST in assessing the options for relocation in the best interest of preserving the asset. Following the submission project enquiry form we were invited to submit a funding application to request support from the NHLF in respect of governance and business plan development. This bid was successful and work on governance development and business planning is progressing. At the time of drafting this report, the NHLF liaison is still in progress and we expect a meeting in the near future to update the team on the development of the City of Doncaster Council now being landlords of the site.

The Heritage Lottery Fund (HLF), in the form of its legal entity the National Heritage Lottery Fund (NHLF), maintains a charge over the Avro Vulcan XH558 on a reducing amount based on the HLF grant and the flying life of the aircraft, which is covered by the aircraft's Hull insurance. The contract between the VTST and the NHLF is for 80 years from 2005, requiring the Trust to deliver its public benefits based on the aircraft over this time. When XH558 finally ended its flying life, it had completed 346 hours flying since its return to flight in 2007, successfully exceeding its flying commitment to the NHLF of 250 flying hours.

Operation Safeguard

As noted in the Trustees Report for the years ending 2021 and 2022, income donated for "Operation Safeguard", in accordance with the terms and conditions of the appeal, was restricted for the purpose of building The Vulcan Experience at DSA. Following the termination of the AfL, the original planned Vulcan Experience at DSA could no longer be built, which therefore resulted in the Operation Safeguard appeal failing. We have taken legal advice from specialist lawyers in respect of this and followed their advice. We declared a "serious incident" with the Charity Commission, a statutory requirement in the event of a "failed appeal". Protocols have been followed where the failed appeal was publicly advertised and all donors were contacted and offered either a full refund or the opportunity to allow VTST to "retain" their donation.

By May 2022 63% of donors had responded with 89% agreeing to the VTST's retention of the donated funds. The charity applied to the Charity Commission to make a "scheme" to widen the scope of these funds and allow these donations to be used in pursuance of its charitable objects. On the 21st June 2022 the Charity Commission authorised a scheme which allows the Trustees to use £323,400 of disclaimed / retained funds to preserve and protect Avro Vulcan XH558 and return her to full working order for the benefit of the public and to demonstrate and display her to the public and to conserve and return to full working order. On the 5th December 2022 the Charity Commission

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

authorised a second scheme which allows the Trustees to use £197,530 of disclaimed / retained funds to preserve and protect Avro Vulcan XH558 and return her to full working order for the benefit of the public and to conserve, demonstrate and display her to the public. The second scheme also stipulated that if a donor requests that their donation(s) to the appeal be returned to them by the charity, the Commission may authorise the return of such donation(s) in writing. Where a donation has been returned in accordance with this provision, this scheme will not be applicable to such donation(s) and the Commission's written authorisation to return donation(s) will have no effect on the continuing validity of this scheme. On the 18th January 2023 the Charity Commission authorised a third scheme which allows the Trustees to use £8,370 of disclaimed / retained funds to preserve and protect Avro Vulcan XH558 and return her to full working order for the benefit of the public and to conserve, demonstrate and display her to the public. The Charity Commission confirmed that the third and final scheme effectively and successfully concluded all the legal protocols on the failed appeal procedure. The Charity Commission specifically excluded education costs in the scheme and we have stayed within that remit.

Due to the failed appeal highlighting that education – specifically STEM education – wasn't listed as one of our charitable objects, we undertook the process of an Object Clause Change. The Trust submitted an application for consent to the Charity Commission in January 2024. On Thursday 6 June 2024 we received an email from the Charity Commission advising that our request has been successful and we now have the formal consent from the Charity Commission under s.198(2)(a) of the Charities Act 2011 to amend the charity's objects. It is now necessary to pass a members' resolution to adopt the changes and once all due process is complete object no. 5 will be; To advance the education of the general public in the subjects of science, technology, engineering and mathematics ('STEM' subjects).

Other Activities

The Trust, continues to plan for its future activity taking into account the current status. In accordance with its objects, the Trust broadened its scope and interests by the acquisition of another aircraft in May 2016; an important English Electric Canberra aircraft that broke the world altitude record in 1957.

The Trust's activities include charitable fundraising in many different ways to ensure that sufficient funds are available to allow the continuation of the Trust's public benefit delivery.

The Trust has become much more reliant on volunteer support. A team of appropriately-skilled volunteers has been trained as the Vulcan ground support team, to permit demonstrations of the aircraft with its engines and systems running, and slow taxiing under its own power while this still remains an option.

The Trust continues to carry out limited public benefit delivery activities at sites remote from the airport, including talks and presentations, and a presence at events such as air shows.

The Trust rents an industrial unit at DSA that also is the registered Head Office of the VTST – 4 Delta Court, Third Avenue, Doncaster Sheffield Airport, Doncaster DN9 3GN. This building is used for VTS Enterprises, the VTST's wholly owned retail subsidiary for merchandise stores, order fulfilment and also the management of all VTST fundraising fulfilment including donor and customer queries. It also houses small engineering bays, spares and stores required to keep Vulcan XH558 in full working order. Stores for Canberra WK163's restoration to flight and non-essential XH558 spares are managed in a separate location near to Stratford-upon-Avon. At the end of December 2022, the administrative finance and HR functions were consolidated into the Delta Court Head Office and the small serviced office space in Hinckley was closed down.

VTST's subsidiary, The Vulcan Operating Company Ltd ("VOC"), relinquished its CAA Maintenance Approvals in 2018, but is maintaining its safety management and quality procedures for heritage aircraft to ensure that XH558 can be operated safely.

VTST also has undertaken activities to provide interpretation of the aircraft under its care, and to educate a broad range of audiences on the Cold War: the Avro Vulcan and the English Electric Canberra including their history, design & engineering. These activities have included giving educational talks, and planning and providing school activities in line with the National Curriculum.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

2. ACHIEVEMENTS AND PERFORMANCE OF THE TRUST

The move from Hangar 3 in February 2017 to a location which does not allow public access caused the suspension of much of the Trust's public benefit delivery activities. This has effectively put the Trust's future at risk because of the financial impact of the cessation of revenue earning tours and events.

Following this event, a significant restructure of the charity was undertaken, so that going forward the much-reduced cost structure can be sustained by the forecast level of income. The support of our current donors is fundamental to the charity's future until our new trading model is established in our planned new and permanent home especially as, inevitably securing a hangar at DSA or dismantling and move will bring significant incremental costs.

Public Benefit Delivery: Conservation of Avro Vulcan XH558 in full working order, and of other heritage aircraft and engineering artefacts

Maintenance on Vulcan XH558 is carried out following the original RAF maintenance procedures. For safety, the explosives associated with the ejection seats and canopy gun have been removed, but in all other aspects, Vulcan XH558 remains serviceable. For avoidance of doubt – moving XH558 to a new site may involve dismantling and rebuilding the airframe and the functionality will be much reduced with no live engines.

In May 2016 the Trust acquired an important English Electric Canberra aircraft, serial number WK163, together with a large amount of spare equipment including engines. An initial survey showed that the aircraft is in generally good shape, however there are some areas of corrosion on the fuselage, and the cockpit requires a complete rebuild (or possibly replacement with another complete cockpit). Also, the five Avon 100-series engines acquired at the same time need a full service, and the completion of a series of Mandatory Permit Directives required on these engines by the CAA.

In November 2020, the Trust purchased a second Canberra, WT327, at auction in the USA that included WK163's original cockpit which brings both a significant technical benefit and a very fortuitous heritage provenance. The Trust plans to repatriate this aircraft to the UK when funding allows and to store it until the restoration of WK163 begins. Of note, this restoration will not begin until the new hangar and permanent home for XH558 is secured.

This project will be the subject of a separate specific targeted fundraising campaign specifically to achieve the series of milestones that will result in a return to flight for WK163.

The Trustees are very grateful for the continuing support from the following:

- All the Trust's volunteers, who performed important roles in support of the important hangar tour, merchandising and web store activities, in support of engineering and logistics activities, and in promoting the Trust and its activities around the country, including fundraising.
- The public who have consistently supported the project as evidenced in the volume of donations to place a name under XH558, including the current Names Under the Bomb Bay campaign.
- City of Doncaster Council, The Doncaster Chamber of Commerce, our education partner The Work-wise Foundation and the many local and regional businesses who have offered support.
- The Founding Guardians, who were members of the now-disbanded Vulcan to the Sky Club, who have given freely their time, effort and commitment at air shows and other fundraising events, and the "Friends" of the Trust and members of the general public, whose support has been vital.

Public Benefit Delivery: Presentation of Avro Vulcan XH558 at air displays and other outside events

The Vulcan was seen by many millions of people during the eight years that the aircraft was flying, and by the end of its flying life XH558 had become quite famous. The Trustees remain pleased at the positive effect of the aircraft on spectators, especially on the young, and are delighted that so many happy memories have been laid down.

Following the end of flying, the Trust has worked with the Airport to establish an agreed method and risk assessment for ground-running the Vulcan with spectators present.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

Over the period, the Trust marketed and delivered opportunities for paying visitors to experience the sights and sounds of the Vulcan during its monthly ground runs in the summer months, and latterly at her parking site.

The Trust used the opportunities presented by the regular monthly anti-deterioration engine ground runs of the Vulcan to offer close-up demonstrations of the aircraft as she exercises her engines and systems to supporters. The Trust was also able to demonstrate the aircraft taxiing at low speed during this event. Beyond March 2023, after we had completed all previously planned and sold-out events, this activity was placed on hold as the site landlords were negotiating with The City of Doncaster Council on a lease for the airport. We are now in discussions with the local authority to explore reinstatement of the engine ground runs for the public. The sights and sounds of the running Vulcan are highly valued and much in demand, and represent an important revenue stream.

Below is a summary of our outreach and events managed by our volunteers who, as ever, worked hard to give their time so as many supporters as possible could access the aircraft. Engine Ground-Runs and Airside Tours were carried out and at each event supporters were able to stand beneath the aircraft to view their names under the Vulcan's massive delta-wing, discuss the work being carried out on the aircraft on the day, listen to the history of the Vulcan's design, development and service life, and engage with the team and fellow Vulcan fans.

2022/23

Airside Tours	28 sessions with 1,023 guests
Special Tours (including 4 school visits)	5 sessions with 135 guests
Engine Ground Runs (EGR)	6 sessions with 230 guests
Special EGR	1 session with 50 guests.

At the time of drafting this report a full schedule of events for 2024 are planned and have been submitted to the site's new landlord, the City of Doncaster Council. The Airside Tours have been approved, but engine runs remain on hold due to insurance requirements on the site. In ongoing discussions with the Council, the Trust has been advised "as progression is made on site this may change".

Air shows

We attended three air shows during the year; Abingdon; Cosford; and RIAT.

We plan to attend the same three air shows in 2024.

Stratford Open Days and Presentations

There were no Open Days during the year to the end of October owing to activity constraints.

The following presentations were conducted:

- 12 November 2022 - The Life of Eric 'Winkle' Brown – A Talk by Nicholas Jones (80 persons)
- 14 January 2023 - Frank Whittle and Power Jets - A talk by Nicholas Jones (75 persons)
- 25 February 2023 - Transonic Carrots, The aerodynamic challenge of the V-Bombers - A Talk by Stephen Liddle (65 persons)
- 18 June 2023 – Attack on Sorpe Dam – Midlands Film Matinee (252 persons)

On 28 October 2023 a workshop was held for 150 Squadron Oxford Air Cadets. They were able to be involved in taking apart a jet engine.

Education

The VTST has always worked on the two key themes that are defined in our objects, namely, Honouring the Past and Inspiring the future. With the former, we continue via our regular communications, to put the Vulcan aircraft type in to context historically.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

2023 showed a continual development of our education activity where our programmes have engaged with youngsters in the region in creative ways to show that there are meaningful and well-paid careers in engineering. The Trust's volunteers continue to play absolutely key roles in delivering educational and inspirational outcomes.

The Avro Vulcan XH558 with its impressive technical innovations helped place Britain at the forefront of aircraft design over seventy years ago. We are now using the spirit of this innovative thinking to help young people consider some of the current and future questions in aviation, aerospace and more broadly around future technologies and sustainability, learning the lessons from the past and using these to inspire the future.

By involving children and young people from a young age, we hope to broaden their experiences and open up the world of engineering, design and creative problem solving to them.

Vulcan to the Sky Trust has been working in partnership with The Work-wise Foundation and engineering company CBE+ to deliver outreach bespoke education programmes to schools in the South Yorkshire Region and beyond, managed and led by The Work-wise Foundation. A summary of the programmes delivered in 2022/23 and being developed for the future is outlined below.

Activity to October 2023:

Dr Fleming's Delta Wings Challenge – Primary Schools

Dates: April 2022 - March 2023

Project Summary: Year 5 children from the Delta Academy Primary Schools experienced a fun hands-on launch day where they learnt about the history and theory of flight and the story of the Vulcan. During the day of fun, the children designed their very own school airport, and even got the chance to build and fly an aircraft!

The children were set the challenge back in school to design and build their own mini-Vulcans from sustainable materials, which were then presented to a panel of judges at a celebration day. The squadron of Vulcans was then displayed at the Get up to Speed with STEM 2023 showcase event, attended by over 5,000 visitors.

As a prize for all of their hard work, children from the winning schools, Macauley Academy and Rycroft Delta Primary Academy, got to visit the Vulcan XH558 and experience her scale and beauty in person!

IMPACT: 181 Year 5 Students | 38 Staff

Flying Futures

Dates: June 2022 - July 2023

Project Summary: Partnering with Maker {Futures} from the University of Sheffield and funded by The Royal Academy of Engineering Ingenious Award, we brought together local individuals from industry and academia to work with primary schools to strengthen perceptions of engineering as an attractive, valuable and accessible future career option.

The Flying Futures Roadshow visited fifteen local primary schools and three public engagement events, giving children taste of Aerospace Engineering. Young people aged 7-11 took part in activities which challenged their problem solving, creativity and collaboration skills to address some of the big questions facing the aviation industry. Each activity, developed by engineers, required pupils to use the 'Maker{Cycle}': a process where children look for problems, think how they can make improvements, make a model and test their ideas.

IMPACT: 15 Roadshows | 5,000+ Students | 3 Public Engagement Events

Dr Fleming's Delta Wings Challenge – Secondary Schools

Dates: April 2022 – March 2023

Project Summary: Building on the success of Operation Vulcan in 2022, Delta Academy Secondary Schools were provided with the opportunity to enter this challenge. At a launch event, they learnt about the theory of flight, the history and heritage of the Vulcan and got hands-on, building their own models. Following the launch, the schools

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

were challenged to design a sculpture which incorporated the Vulcan XH558 wing tips, to be displayed alongside Vulcan XH558.

These designs were then judged by an expert panel, with the team from Vale Academy impressing our experts the most with their design. The students subsequently worked with The Work-wise Foundation, Vulcan to the Sky Trust and CBE+ to turn their design into reality, supported by Chartered Engineer Steve Wainwright CEng FIMechE from DN4 Innovation Management Ltd. A 1:10th scale model was built and displayed again at Get up to Speed with STEM in 2023 along with other entries and the actual Vulcan wing tips.

IMPACT: 8 Schools Participated | 78 Students Directly Involved

Get up to Speed with STEM

Date: 29 March 2023

Project Summary: Get up to Speed with STEM is a live, annual, one-day showcase event at Magna Science Adventure Centre, which aims to introduce, inform and inspire students, parents and teachers about the world of work in the Science, Technology, Engineering and Manufacturing (STEM).

Now attracting over 5,000 people each year, we have been a regular at this Showcase event for the past 10 years.

Vulcan to the Sky Trust again had a significant presence at this annual Showcase event. The Vulcan presence included flight simulator, the bomb bay fuel tank, wing tips and engine plus other display materials and showcasing the entries and winning designs from Operation Vulcan and the Delta Wings challenges, plus a flight of 20 sustainable mini-Vulcans created by primary school children.

IMPACT: 74 Schools | 3,990 students, home educated young people, educators and families/carers | 91 Businesses and Organisations exhibiting

North Star

Dates: November 2023

Project Summary: North Star Science School brings young people, educators, scientists and businesses together to explore the future of Science, Technology, Engineering, Art and Mathematics (STEAM) in the South Yorkshire Region.

Working with Doncaster University Technical College (UTC), a team of their students designed and delivered a workshop that demonstrated the effectiveness of three different designs of a brake parachute. Three runways were set up with three different chute designs attached to three Vulcans. Each Vulcan was propelled down the runway with the speed/drag being digitally recorded at intervals along the runway. The workshop effectively showed the difference that design makes in the stopping ability of each of the brake parachutes attached to the Vulcans.

The UTC students also produced a wind tunnel display. This contained a Vulcan with a brake parachute attached and when air was pumped into the tunnel it showed the flow and how much ended up in the chute, so demonstrating how the brake parachute works in slowing down the aircraft.

IMPACT: 40 Schools Participated | 492 Students

Doncaster University Technical College (UTC) Programme

Dates: 2023/24 Academic Year

Project Summary: The latest project with Doncaster UTC involves the Vulcan's ejector seats. Students are cosmetically refurbishing a Vulcan ejector seat, whilst a second seat is providing hands-on learning opportunities including scanning, 3D printing, CAD design, prototyping, additive manufacturing and reverse engineering.

This is all being mapped to, and enhancing curriculum delivery. In a truly collaborative approach, this project is also being supported by Doncaster-based engineering company Agemaspark and their Managing Director, Paul Stockhill.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

Future Development

The Vulcan Education programme continues to gain momentum and traction with successful programmes indicated above to be run again and offered to further schools and young people, expanding Vulcan XH558's reach even further to help Inspire the Future. As this report is being drafted, we are moving our education offering into schools in West Yorkshire.

The Work-wise Foundation is currently running two exciting programs on our behalf, aimed at cultivating creativity, innovation, and a passion for STEM subjects among students.

1. Get in the Spirit Challenges: Unleashing Creativity Across Schools

The first initiative is an exciting competition tailored for both Primary and Secondary schools. This competition invites students to embark on two creative challenges that can be undertaken within the school setting or as engaging homework assignments. The challenges revolve around celebrating the rich history and envisioning possible futures of the iconic Vulcan XH558.

Primary schools brief: Create a Vulcan inspired Superhero character. Come up with a name for your Superhero and think about their superpowers linked to Vulcan Technology, and what great things they can do to help save the future of the planet.

Secondary schools brief: Create a graphic story using a storyboard, or a short film that tells the story of Vulcan XH558 and its contribution to British engineering from its initial design through to the modern day and explore what its future could be.

2. Dr Fleming's Operation Vulcan Design Projects: Fostering Innovation in Education

The second program offers students a deeper and more immersive experience. Tailored for specific year groups in both primary and secondary schools, this competition involves two longer projects.

Primary schools brief: Create sustainable models of Vulcan XH558 to be displayed as part of an Operation Vulcan Squadron. These models can be created individually or as a team. We would like all models to meet the following criteria; use as many recycled materials as possible; have a wing-span of no more than 50cm; be sturdy enough to form part of a display; include a story book telling us about their aircraft, what materials were used, how they designed it and what's special about it.

Secondary schools brief: Ever wondered how an ejector seat works? Well, now is your chance to find out! We would like students from Years 8, 9 or 10 to get to grips with the science and engineering behind this. They should then design and build a scale model of their own ejector seat, to be explained and demonstrated to our expert panel of judges. Students should base their ideas on the Vulcan's own ejector seats, and devise a mechanism that allows it to operate in a safe, environmentally friendly and secure manner. Students will be given the opportunity to learn about and see an ejector seat from Vulcan XH558 at the launch day.

Both programs have been launched.

Reach – Newsletter and social media

In January 2023 we had an emailable audience of 45,473. By the end of 2023 that number increased to 45,587. We currently have an audience of 46,561 emailable addresses with an audience predicted demographic of 35.4% female / 50.4% male / <0.01% Another Identity / 14.1% unknown. The ages of subscribers range from 18 to 65+.

Age range split:

- 18-24 – 1.2%
- 25-34 – 3.3%
- 35-44 – 8.7%
- 45-54 – 20.3%
- 55-64 – 25.8%
- 65+ – 26.5%
- Unknown – 14.2%

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

The monthly newsletters contain updates on the ongoing care and protection of XH558, news of educational outreach and articles on the history of the Vulcan, the RAF and the Cold War. Our newsletters were opened 199,992 times during 2023, with an average 'open rate' of 36.2%.

Social media

Articles that appear in the newsletter are hosted on our website – www.vulcantothsky.org so that educational content can be further shared on social media, where we have a possible reach of 356,837 people. The majority of our social media posts are broadcast on all of our social channels.

Social media followers/likes:

- Facebook = 267,263
- Twitter = 77,612
- Instagram = 9,448
- LinkedIn = 2,514

Guardians of Vulcan XH558

The Guardians scheme was used as an incentive to donate to the Operation Safeguard appeal as it demonstrates core support and regular giving. This scheme has since been developed and is now a regular scheme that is offered.

We also have Founding Guardians who were members of the now-disbanded Vulcan to the Sky Club. Originally joining as 'Club members' during the early restoration days of VTST, this group migrated to the Founding Guardians scheme when the Club was wound up.

All Guardian types receive a high-quality magazine twice a year. The Winter 2022 magazine was distributed to 2,021 members.

For the avoidance of doubt, neither are members of the Trust.

Revenue generation and public relations

Following the forced move from Hangar 3, the Trust has found itself under very significant cash constraints, but with the help of the on-going public donation stream, continuing merchandise revenues especially in high profit lines, monthly donations, a lottery and annual five-figure philanthropic donations, the Trust has been able to continue its operations.

The Trust has continued to invest in marketing, advertising and social media streaming aimed at both the general public and potential sponsors. The focus has been on small to mid-range giving and appeals for specific needs. Incentives have included opportunities for donors to have their names on XH558's wing and a dynamic merchandise strategy.

The Names Under the Wing campaign launched in the autumn of 2019 was the most successful single funding appeal of recent years raising circa £1.2 million net of marketing costs.

The funding strategy is under constant review and will evolve given the challenges we face in a potential new home on the DSA site or relocating the Vulcan as detailed in the Section 1 Future Planning and its Context. However, the planned new and permanent home through whatever route is chosen will deliver a return to our full trading model, not available to us since leaving Hangar 3 at DSA in January 2017.

It should be noted when the VTST CEO, Dr Robert Fleming, passed away in February 2021 he was not replaced. Michael Trotter managed the business in the interim, stepping down from a formal role with VTST at the end of December 2022. At that time the Board of Trustees appointed Marc Walters as CEO, stepping up from his role of Commercial Director. Michael Trotter was retained as an advisor in the short term to help manage the transition and support the much smaller team. In May 2023 Andrew Edmondson, VTST Engineering Director, left his role with the Trust.

The continuity provided through Michael, and now Marc, has been vital to the Trust's ongoing work. When a clear decision can be made on the location of the permanent new home it will enable the restructure work to continue, increasing the level of personnel in the right roles to continue the evolution of the Trust.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

Key fundraising initiatives for the future are;

- Evaluate and re-develop our Standing Order, Direct Debit and Perpetual Lottery income received monthly in line with a potential new visitor attraction. The Perpetual Lottery work has begun with all Flying Fund Draw participants contacted to advise that past November 2023 the draw would not be made. The Flying Fund Draw by the nature of its name was not able to be promoted beyond the supporters who had continued participating after the final flight. Over the years the lottery has naturally declined as a revenue stream. In the coming months the Trust will launch a new monthly draw, suitably named, with the ability to grow.
- Gift Aid will continue to be claimed on all eligible donations.
- Raffles will continue with a planned Summer and Winter version of the raffle.
- A final "Names" campaign is active. With the failure of Operation Safeguard there is still space available for new donors. The theme is "Names Under the Bomb Bay" to celebrate the flying career of Vulcan XH558.
- The Founding Guardian scheme for people who were members of the Vulcan to the Sky Club continues. By definition this scheme cannot be grown beyond the Founding Guardians. A Guardian scheme has been developed to recruit new members and generate vital regular monthly income. This will become more attractive as a permanent home is secured. For the avoidance of doubt, Founding Guardians and Guardians are not Members of the Trust.
- The sale of Vulcan and other spares that will never be required for use in XH558 or other Trust owned aircraft are still being sold via our own website.
- Merchandise gross sales are currently averaging approximately £13,000 per month. Considering the loss of Hangar 3 and, consequently, our physical store, then the outbreak of Covid-19 virus, VTSE is performing well – which is a demonstration of the huge affection still reserved for XH558. Once relocated, the VTSE will also have a full-time hangar shop giving us a much more substantial revenue.
- A campaign to encourage legacy giving was launched in conjunction with the Free Wills Network. Research shows that legacy giving is vital to a charity's ongoing revenue so we plan to promote the Free Wills offer, particularly during National Free Wills Month in March and October each year. One significant legacy has been received during the financial year.
- When a new home is secured a new and focused approach needs to be made to secure corporate sponsorship to target aerospace and the engineering industry and retail/FMCG companies for sponsorship. Commercial sponsorship will have a key role as we develop the Vulcan Experience on a new site with the twin objectives of promoting a significant heritage asset (XH558) and our exciting education plans; "Honouring the Past, Inspiring the Future".
- The Trust also needs to begin a structured approach to securing funds from local and regional government bodies, grant making foundations and High Net Worth Individuals (HNWI's). As part of the noted restructure plans and evolution of the Trust, we plan to invest in resource with a skill set that includes bid writing.
- Fundraising for the restoration of English Electric Canberra WK163 will be the subject of a separate and dedicated campaign when time allows and after a permanent home for XH558 is secured.
- It must be noted that, in the event of having to move from DSA a dedicated fundraising project will need to be developed to relocate XH558 and the quotation received in 2022 for the dismantle and rebuild option was £727k + VAT. Due to the delay in needing to dismantle the aircraft, for the positive reasons that XH558 may be able to remain at Doncaster, the cost of the work to dismantle, move and rebuild XH558 has increased. The Trust has been advised that there will likely be an up to 10% increase given the time since the quotation.
- The Trust's monthly email newsletters enable further fundraising opportunities.

The Trust's ability to email a large database and lead them to our website - www.vulcantothesky.org - is the one of the Trust's primary communications vehicles. The website is updated on a regular basis and continues to provide news and pictorial evidence of the Trust's progress for supporters. The website also hosts the Trust's donation page, Guardian Scheme sign-ups and the online shop.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

Fundraising policy

The Trust undertakes charitable fundraising in a variety of ways including through regular newsletters via email and twice-yearly postal mail, and at events. Funding contributions come mainly from the Trust's loyal supporter base, currently 48,441 people. Without their valued contributions, the Trust would not be able to continue delivering its public benefits.

Supporters are able to make regular donations through appeals, and customers can add a donation at the online checkout. The Trust also receives one-off donations, and supporters engage in annual raffles. The Trust also offers speaker events throughout the country for which tickets are sold and merchandise is available.

On major public fundraising initiatives in recent years, the VTST, mindful of the changing environment has also invested in paid advertising via social media. Returns on investment in this area can be and are measured on a daily basis to ensure the activity is worthwhile.

Fundraising activities are carried out by the employees and volunteers of the Trust; the Trust does not carry out any fundraising through professional fundraising agencies. The Board of Trustees regularly reviews the Trust's fundraising activities and outcomes.

Furthermore, the Trust does not carry out any fundraising through cold contact, whether unsolicited mailing, face-to-face fundraising or telemarketing. The Trust has never received a complaint about its fundraising activities. The Trust is registered with the Fundraising Regulator, and is aware of and follows its Code of Fundraising Practice and the Charity Commission's fundraising guidance. The Trust has had the benefit of advice from a consultant who is a member of the Institute of Fundraising. The Trust itself is a member of the Association of Independent Museums.

Vulcan to the Sky Enterprises Limited

Vulcan to the Sky Enterprises Limited ("VTSE") is the merchandise trading arm of the charity, and has enabled the Trust to receive funds through the sale of merchandise, memorabilia and services at events and through an 'online' shop, a revenue stream which is continuing to trade albeit down on the previous year. We believe that is due to increased online sales during the pandemic and difficult retail conditions in the current economic uncertainty. Performance is expected to improve once we have secured a hangar experience with a permanent physical shop. The financial results for the year ended 31st October 2023 are summarised in note 17 to the accounts. VTSE covenants any taxable profits to VTST under the Gift Aid scheme.

3. FINANCIAL REVIEW

Total income of the group for the 12 months ended 31st October 2023 amounted to £469,085 (2022: £726,618). The Trust's principal funding comes from several sources such as donations, fundraising draws and lotteries, and merchandise sales. Total expenditure for the 12 months ended 31st October 2023 was £822,688 (2022: £1,113,700).

Expenditure on raising funds for the year totalled £508,625 (2022: £780,449) which generated income of £420,643 (2022: £661,599), being income from donations (note 3) and other trading activities (note 5).

The expenditure on raising funds represents the day-to-day management of the charity and includes tasks such as, managing volunteers, operating the online retail business, managing events, carrying out charitable fund-raising, promoting the Trust's activities, liaising with supporters and administering the database of supporters, supporting the maintenance of XH558, and complying with mandatory governance requirements. We have invested in future plans and this includes negotiations with potential new landlords and business planning to underwrite a secure future, along with ensuring day to day costs of the business and maintaining the aircraft are covered.

Once the future plans become formally agreed, focussed fundraising may begin to secure that future, investing in a permanent home and the associated revenue streams (visitor tickets, physical retail store, corporate events).

The net assets of the group as at 31st October 2023 were £953,787 (2022: £1,307,390).

The group's fixed assets comprise the Avro Vulcan XH558, its associated spare parts, ground equipment and tools, together with miscellaneous items, and are valued as at 31st October 2023 at £732,306 (2022: £745,073).

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

There is a charge over the aircraft in favour of the National Heritage Lottery Fund in the amount of £427,000 reducing on a straight-line basis from 31st October 2016 until 2085. The amount repayable is currently limited to £383,684.

The Trustees believe that income in the form of donation streams, the Guardian scheme, and merchandise revenues will allow the Trust to continue its activities for the foreseeable future. Central to the future plans will be to secure funding through sponsorship to build a new home for the Vulcan at the current site in Doncaster, or to relocate the aircraft to a new permanent site.

Reserves Policy

The Trust's reserves policy has been to aim to build up, over time, free reserves (unrestricted funds less fixed assets) to a level equivalent to 6 months of core expenditure, being approximately £360,000. As at 31st October 2023 the Group's funds totalled £953,787, of which £16,600 is restricted and £937,187 is unrestricted. The group's free reserves (unrestricted funds less fixed assets) totalled £204,881 (2022: £134,542), the equivalent to 3-4 months of expenditure. The trustees retain the 6-month policy as an important target, and, subject to the success of future fundraising appeals, intend to use any surplus to assist with the Trust's running costs whilst discussions with the City of Doncaster Council over possibilities at the current site take place, or whilst the aircraft are being relocated.

4. PLANS FOR FUTURE PERIODS

The Vulcan to the Sky Trust's objectives for future periods are to:

- Maintain Avro Vulcan XH558 in full working order, and to operate the aircraft on the ground safely to the benefit of spectators at DSA for as long as possible. As detailed in this report, this will change if the aircraft is dismantled and moved to another site.
- Plan to restore Canberra WK163 to an airworthy condition, and to display the aircraft to the benefit of the public at air shows and other outside events around the country, and to raise funds specifically for that purpose.
- Continue to deliver our education and community plans for the Trust to provide relevant public benefits, in particular in inspiring the young in engineering, technology and aviation.
- Build and develop a permanent home for XH558 to ensure growing public access to this important aircraft, and ensure affordability, visitor and school accessibility, catchment area and local & regional support.
- Deliver inspirational education experiences on design, science, technology, engineering and mathematics (STEM), to a range of audiences, including national curriculum topics for school children, on Cold War history and related subjects focused around the aircraft, and inform all of the various methods and technologies by which aviation's impact on climate change will be minimised.
- Secure the funding needed to achieve the above objectives, from a diverse range of sources so as to minimise risk.

5. ORGANISATIONAL STRUCTURE, GOVERNANCE AND MANAGEMENT

Vulcan to the Sky Trust was granted charitable status on 6 February 2004, and is registered with the Charity Commission under number 1101948.

Vulcan to the Sky Trust is constituted as an incorporated company limited by guarantee, its governing document comprising its memorandum and articles of association.

The Trustees (who are also the Trust's Directors) who have served since 1 November 2022 are as detailed in section 6.

The Board of Trustees met twice via Zoom between 1st November 2022 and 31st October 2023, with regular email communications throughout the period. The Trustees are the only Members of the Trust. None of the Trustees received any remuneration or benefits apart from receipted expenses.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

In January 2024, after nearly 20 years as a Trustee of Vulcan to the Sky, Ken Smart CBE FRAeS retired from his role. Sadly, on 3 April 2024 Ken passed away. It should be put on record, Ken's impact on the project to return Vulcan XH558 to flight.

Ken played an instrumental part in returning Vulcan XH558 to flight. In the early days at Bruntingthorpe Ken worked with the team to convince a very sceptical Civil Aviation Authority (CAA) that the Trust had Safety Management Systems embedded that would allow safe operation of XH558 at public displays. It's in no small part, because of Ken's skills and knowledge on airworthiness and air safety that the CAA awarded Vulcan XH558 her Permit to Fly on 3 July 2008. Two days later she performed her first display for an enthralled British public at the RAF Waddington Airshow and went on to fly for many more years before making her final landing on 28 October 2015.

"The Trust owes a great debt of gratitude to two of its longest-serving Trustees, whose particular skills and wise judgement over a long period were invaluable in the work to return XH558 to flight and its subsequent support within the wider community." – Edward Jarron, Vice Chairman of the Board of Trustees.

Recruitment and training of Trustees

Given the nature of its past activities, the recruitment of new Trustees had been primarily from the aviation community. However, as the Trust's activities broaden, Trustees are now being sought from the wider engineering, industry and education sectors, and the South Yorkshire region. New Trustees are appointed in accordance with the articles of association. Any new Trustees are provided with a one-on-one induction by the Company Secretary, including briefings on the workings of the Trust, its formal documentation, the Trustee's role, the financial status of the Trust and its future plans. As can be demonstrated in the recruitment of Marie Cooper.

The activities of the Board

The Board is responsible for policy and overall management of the charity, but has delegated necessary operating powers and decision-making to an Executive Committee, which comprised of Robert Fleming (Company Secretary) until February 2021, Michael Trotter (Commercial and Business Development) and Andrew Edmondson (Engineering Director). The Executive is now managed by Marc Walters (CEO and VTST Company Secretary) and he is aided by Michael Trotter in an advisory role in the short term. This will evolve as the Trust recruits a team to manage The Vulcan Experience when the permanent home is secured. Andrew Edmondson left the VTST in May 2023. The Executive Committee meets on approximately a monthly basis. The remuneration of key management is approved by the Chairman of Trustees and is set against established pay scales, benchmarked in comparison with similar sized charities.

Following its restructure, the Trust had 3 full-time employees and 3 part-time employees as at 31st October 2023. The Trust also benefits significantly from a large amount of volunteer support, including specifically assisting with public relations, events, merchandise fulfilment and the Trust's air show presence.

Subsidiaries

Vulcan to the Sky Enterprises Limited is the wholly-owned retail trading subsidiary of VTST. VTSE covenants its taxable profits to VTST under the Gift Aid scheme.

There are three additional wholly-owned subsidiaries of the Trust, which were incorporated to enable the Trust to undertake certain activities aimed at creating a sustainable business model during its occupation Hangar 3 at Doncaster Sheffield Airport. These subsidiaries, the Vulcan Marketing Company, The Vulcan Operating Company and the Vulcan Property Management Company are now dormant.

Andrew Edmondson and Michael Trotter resigned as directors of the Trust's subsidiaries on 31 December 2022 and Marc Walters became director for all subsidiary companies from 1 January 2023.

Risk Management

The Trust, through its management team, continues to identify and review the major risks that the charity faces. Procedures, including a Safety Management System, have been put in place to mitigate and monitor these risks. Health and Safety are included as topics at every Executive Meeting.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

The Trust's principal risks and uncertainties are:

- Securing funding for its charitable activities each year and managing working capital;
- The occurrence of an event that threatens the reputation or integrity of the Trust;
- The relocation to a new site;
- Sudden loss of key personnel;
- Potential for overtrading with limited resources; and
- The implications to its plans of the coronavirus pandemic and changes in public behaviour.

The Trust's public liabilities arising from operation of the Vulcan aircraft are insured through K M Dastur and Company Ltd Aviation Insurance Brokers. Additional aviation insurance policies include cover for damage to the aircraft, for war and terrorism risks, and for personal injury insurance for the aircrew.

6. REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS

Trustees

Mr John Sharman FRAeS (Chairman)
Air Commodore Ed Jarron (Vice Chairman)
Mr Richard Clarke
Sir Gerald Howarth
Sir Donald Spiers CB TD FRAeS (resigned 22 June 2024)
Mr Phillip Spiers
Mrs Marie Cooper (appointed 16 August 2023)
Mr Ken Smart CBE (resigned 19 January 2024)

Company secretary

Mr Michael Trotter (resigned 31 December 2022)
Mr Marc Walters (appointed 1 January 2023)

Charity number

1101948

Company number

04478686

Principal address

Unit 4, Delta Court
Third Avenue
Doncaster Sheffield Airport
Doncaster
DN9 3GN

Registered office

Unit 4, Delta Court
Third Avenue
Doncaster Sheffield Airport
Doncaster
DN9 3GN

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

Auditors	Newby Castleman LLP West Walk Building 110 Regent Road Leicester LE1 7LT
Bankers	HSBC Bank Plc 58 High Street Winchester Hampshire SO23 9BZ
Solicitors	Stone King LLP Offices at: Bath Birmingham Cambridge Leeds London Manchester www.stoneking.co.uk

7. STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Vulcan to the Sky Trust for the purposes of company law) are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs for the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and group will continue in operation.

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company and group's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

8. SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed on behalf of the Trustees

Air Commodore Ed Jarron
Vice Chairman of Trustees

Approved by the Board of Trustees on 28 July 2024

VULCAN TO THE SKY TRUST

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF VULCAN TO THE SKY TRUST

Opinion

We have audited the financial statements of Vulcan to the Sky Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 October 2023 which comprise the Group Consolidated Statement of Financial Activities, the Group and Charity Balance Sheet, the Group Statement of Cash Flows and 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 FRS 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 group's and parent charitable company's affairs as at 31 October 2023, and of the group's incoming resources and application of resources, including its income and expenditure, 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 Charities Act 2011.

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 group and parent charitable company 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.

Material uncertainty related to going concern

We draw attention to note 1.3 of the financial statements, concerning the group's ability to continue as a going concern. This indicates that the group is reliant on the continued support of the National Heritage Lottery Fund, the City of Doncaster Council and the future airport operator, or, future support from new landlords and the future financial support from its donors to relocate and be able to continue operating. These conditions, along with the other matters as set forth in note 1.3, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information included in the trustees' report. The other information comprises the information included in the trustees' 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

VULCAN TO THE SKY TRUST

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE TRUSTEES OF VULCAN TO THE SKY TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the groups and parent charitable company'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 trustees either intend to liquidate the group or the parent 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 auditor under section 151 of the Charities Act 2011 and report in accordance with this Act.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. However, responsibility for the prevention and detection of fraud ultimately rests with both those charged with governance and management of the charity.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- obtaining an understanding of the legal and regulatory framework applicable to the group and parent charitable company by considering the nature of the industry in which the group and parent charitable company operates and enquiring of management; and
- identifying the key laws and regulations considered to have a direct impact on the financial statements including the UK Companies Act 2006, UK Charities Act 2011, UK Generally Accepted Accounting Practice and UK tax legislation; and
- assessing how the group and parent charitable company is complying with the applicable legal and regulatory framework by making further enquiries of management and observing the groups and parent charitable company's control environment regarding compliance with regulations and fraud prevention; and
- assessing the susceptibility of the groups and parent charitable company's financial statements to material misstatement, including how fraud might occur, by considering the effectiveness of the group's and parent charitable company's accounting systems and controls and how these were monitored by management. Where the risk of material misstatement was considered to be higher in certain areas, further audit procedures were designed to address this increased risk; and

VULCAN TO THE SKY TRUST

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE TRUSTEES OF VULCAN TO THE SKY TRUST

- discussing amongst the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud.

Audit response to risks of irregularities identified

Our procedures to respond to risks identified included the following:

- performing audit work over revenue recognition including analytical procedures and substantive tests of detail of a sample of revenue transactions; and
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- enquiry of charity staff responsible for compliance to identify any instances of non-compliance with laws and regulations; and
- enquiry of management, those charged with governance and other relevant parties around actual and potential litigation claims; and
- reviewing supporting documentation regarding actual and potential litigation claims; and
- reviewing minutes of meetings of those charged with governance; and
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and
- communicating identified laws and regulations and potential fraud risks to all engagement team members and assessing whether there are any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's 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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Newby Castleman LLP

Chartered Accountants
Statutory Auditor
West Walk Building
110 Regent Road
Leicester
LE1 7LT

Date: 29 July 2024

Newby Castleman LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

VULCAN TO THE SKY TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2023

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Income from					
Donations and legacies	3	203,016	27,600	230,616	434,806
Charitable activities	4	46,581	-	46,581	64,807
Other trading activities	5	190,027	-	190,027	226,793
Investments	6	1,251	-	1,251	212
Other	7	610	-	610	-
Total		441,485	27,600	469,085	726,618
Expenditure on					
Raising funds	8	298,924	209,701	508,625	780,449
Charitable activities	9	84,989	229,074	314,063	315,383
Other expenditure	14	-	-	-	17,868
Total		383,913	438,775	822,688	1,113,700
Net income / (expenditure) for the year / Net movement in funds		57,572	(411,175)	(353,603)	(387,082)
Reconciliation of funds					
Total funds brought forward		879,615	427,775	1,307,390	1,694,472
Total funds carried forward		937,187	16,600	953,787	1,307,390

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

VULCAN TO THE SKY TRUST

GROUP AND CHARITY BALANCE SHEET

AS AT 31 OCTOBER 2023

	Notes	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Fixed assets					
Tangible assets	15	7,159	6,937	9,212	8,789
Heritage assets	16	725,147	725,147	735,861	735,861
Investments	17	-	5	-	5
Total fixed assets		732,306	732,089	745,073	744,655
Current assets					
Stocks	18	76,841	-	78,439	-
Debtors	19	100,521	299,603	229,265	401,743
Cash at bank and in hand		174,009	164,344	356,078	347,567
Total current assets		351,371	463,947	663,782	749,310
Liabilities:					
Creditors: Amounts falling due within one year	20	(129,890)	(130,553)	(101,465)	(106,372)
Net current assets		221,481	333,394	562,317	642,938
Total assets less current liabilities		953,787	1,065,483	1,307,390	1,387,593
Total net assets	22	953,787	1,065,483	1,307,390	1,387,593
The funds of the charity					
Restricted funds	21	16,600	16,600	427,775	427,775
Unrestricted funds		937,187	1,048,883	879,615	959,818
Total charity funds		953,787	1,065,483	1,307,390	1,387,593

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

As permitted by s408 Companies Act 2006, the charity has not presented its own statement of financial activities and related notes. The charity's deficit for the year was £322,111 (2022 - £378,053).

For the year ending 31 October 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as the company is a charity, it is subject to audit under the Charities Act 2011.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

VULCAN TO THE SKY TRUST

BALANCE SHEETS (CONTINUED)

AS AT 31 OCTOBER 2023

The financial statements were approved and authorised for issue by the board of trustees on 28 July 2024 and are signed on its behalf by:

Air Commodore Ed Jarron
Vice Chairman of Trustees

Company Registration No. 04478686

The notes on pages 25 - 44 form part of these financial statements.

VULCAN TO THE SKY TRUST

GROUP STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 OCTOBER 2023

		2023	2022
	Notes	£	£
Net cash (outflow) / inflow from operating activities	28	(183,320)	(340,939)
Cash flow from investing activities			
Purchase of tangible fixed assets		-	(4,507)
Interest received		1,251	212
Net cash (outflow) / inflow from investing activities		1,251	(4,295)
Net (decrease) in cash of cash equivalents		(182,069)	(345,234)
Cash or cash equivalents at 1 November 2022		356,078	701,312
Cash or cash equivalents at 31 October 2023		174,009	356,078

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2023

1 Accounting policies

Charity information

Vulcan to the Sky Trust ("the charity") is a private company limited by guarantee, incorporated in England and Wales. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the reference and administration section of the trustees' report.

The group consists of Vulcan to the Sky Trust and all of its subsidiaries ("the group"), being Vulcan to the Sky Enterprises Limited, The Vulcan Operating Company Limited, The Vulcan Property Management Company Limited, and The Vulcan Marketing Company Limited.

1.1 Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. These financial statements have been prepared in accordance with: the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities applying FRS 102 (2019), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

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

These financial statements are prepared under the historical cost convention, modified to include the revaluation of certain heritage assets. The principal accounting policies adopted are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The charity is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this charity, which are intended to give a true and fair view of the assets, liabilities, financial position and net movement in funds of the group. The charity has taken advantage of the exemption from preparing a statement of financial activities and a statement of cash flows on the basis that these are incorporated into the group statement of financial activities and statement of cash flows.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Vulcan to the Sky Trust and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 October 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

1.3 Going concern

These financial statements are prepared on the going concern basis. The trustees have a reasonable expectation that the group will continue in operational existence for the foreseeable future.

As explained more fully in the trustees' report set out specifically on pages 2 and 3, the trust entered into a parking lease with Doncaster Sheffield Airport ("DSA") in June 2022 where the aircraft's tenure on site was secured until the end of June 2023; the original lease stated that "both aircraft will need to be taken off the airfield and removed from DSA by 30th June 2023". Following the discussions with Peel L&P in March 2023, this was extended.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

1 Accounting Policies (continued)

The discussions with Peel L&P also have led to an ongoing feasibility study of using one of the extant hangars at DSA as a longer-term home for XH558 airport site. By the end of July 2023, the explorations on the hangar could no longer progress due to the uncertain future of ownership. The City of Doncaster Council were in negotiations with Peel Group to lease the airport site. These negotiations were concluded in March 2024 with the agreement of a lease for 125 years and the City of Doncaster Council will be reopening the airport.

At the time of this report both aircraft remain on site under a "Tenancy at Will". The trust also has potential options to dismantle and move the aircraft if the longer-term home at DSA proves untenable, rebuilding the aircraft with as much functionality as possible at a different location. Once a decision has been made the trust will launch a fundraising appeal to raise the necessary funds to build in the current location or relocate the aircraft.

Based on all of the information that is currently available, the trustees have a reasonable expectation that they will be able to remain onsite at Doncaster and begin fundraising for the project to build a new home for the aircraft. Should the need arise, to dismantle and rebuild XH558, the trustees will continue to liaise with the National Heritage Memorial Fund ("NHMF") to approve their application. Whilst the trust is conscious of the need to bring the permanent home project to a resolution it is also important to keep this important heritage asset intact. As soon as is possible, the Trust will begin discussions with the new airport operator to secure a position onsite and begin securing the necessary funds to build a new home. Until that is possible, it will continue its on-going fundraising activities to maintain Avro Vulcan XH558 to the usual high standards and to deliver public access through the team of dedicated volunteers and staff. However, the failure to raise the necessary funds, and / or the withdrawal of support from NHMF, the City of Doncaster Council or the new airport operator, would cast a significant doubt over the charity's going concern status.

The trustees have prepared forecasts for the period ended 31 August 2025 which incorporate the above plans. Based on these forecasts, and the voluntary income that has been received since the year end date, the trustees are of the opinion that the group will receive sufficient donations for a period of at least 12 months from the date of approval of these financial statements to relocate and continue operating. However, donations are intrinsically uncertain and the ongoing support of the charity's current donors and supporters will be fundamental until the new trading model has been established.

On this basis, the trustees consider it appropriate to prepare the financial statements on the going concern basis.

1.4 Charitable funds

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.5 Income recognition

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 is recognised at the time of the donation.

Legacies are recognised at the earlier of the charity being notified of an impending distribution or the legacy being received. Where legacies have been notified to the charity but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

1 Accounting Policies (continued)

Government grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured with reliability. If entitlement is not met, then the amounts are deferred.

Income from charitable activities includes hangar tour, engine ground-run and educational visit income.

Hangar tour income is recognised when the tour takes place. Income from ticket sales received in advance of the tour are deferred.

Engine ground-run income is recognised when the ground-run takes place. Income from ticket sales received in advance of the ground-run are deferred.

Income from trading activities primarily includes income earned from the sale of merchandise and raffles.

Sale of merchandise represents all goods sold during the period, less returns received, at selling price exclusive of Value Added Tax. Sales are recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attaching to the product, have been transferred to the customer.

Investment income is earned through holding assets for investment purposes. It comprises bank interest and is recognised on an accruals basis.

1.6 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. Expenditure is recognised when there is a legal or constructive obligation to make payments to third parties, it is probable that settlement will be required and the amount of the obligation can be measured reliably. It is recognised under the following headings:

- Costs of raising funds includes costs incurred in seeking donations, legacies, grants and fundraising.
- Expenditure on charitable activities includes costs relating to restoration and maintenance, and exhibition and display, to further the delivery of the objectives of the charity.
- Other expenditure includes losses on the sale of tangible fixed assets.

Irrecoverable VAT has been posted to other costs included in support costs (note 11).

1.7 Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and costs of raising funds and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objectives of the charity. Support costs are allocated to costs of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 11.

1.8 Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	20% straight line
Motor vehicles	20% straight line

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

1 Accounting Policies (continued)

1.9 Heritage assets

Heritage assets comprise the Avro Vulcan G-VLCN (XH558) and the English Canberra (WK163). The Vulcan is stated at valuation less depreciation, whilst the Canberra is stated at cost. Depreciation is provided on the Vulcan at a rate calculated to write off the valuation less estimated residual value over its useful economic life, being 70 years from the date which the Vulcan ceased to fly. Depreciation is not yet provided for the Canberra because the asset is not yet available for display.

The trustees have estimated the remaining useful economic life of the Vulcan to be to October 2085 and the residual value of the aircraft to be £Nil. The charity's current policy is to maintain the aircraft in full working order and associated maintenance costs are charged to the Statement of Financial Activities.

1.10 Impairment of fixed assets

At each reporting end date, the charity 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, or the asset's cash generating unit, is estimated and compared to the carrying amount in order to determine the extent of the impairment loss (if any). Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the Statement of Financial Activities (SOFA) unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

1.11 Investments in subsidiaries

Investments are stated at cost less any provision for diminution in value.

1.12 Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Stock cost is recorded as invoice price net of any discounts received. Calculation of provisions for slow moving and obsolete stocks requires judgements to be made, which include forecast consumer demand, the promotional, competitive and economic environment, on the expectation that the group will continue in operational existence for the foreseeable future.

1.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.14 Financial instruments

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

Debtors and creditors with no stated interest rate and receivable or payable within one year are measured at transaction price. Any losses arising from impairment are recognised in the SOFA.

1.15 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.16 Retirement benefits

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

1.17 Leases

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

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

1 Accounting Policies (continued)

1.18 Taxation

Vulcan to the Sky Trust is a registered charity and no taxation provision is required as its income from charitable activities falls within the various exemptions available to registered charities.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees 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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Valuation of stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Calculation of provisions for slow moving and obsolete stocks requires judgements to be made, which include forecast consumer demand, the promotional, competitive and economic environment, on the expectation that the group will continue in operational existence for the foreseeable future.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Valuation of heritage asset (Vulcan)

The valuation of the Vulcan is reassessed annually by the trustees and, when necessary, amended to reflect current estimates.

Allocation of support costs

The allocation of support costs is sensitive to changes in the level of work undertaken on each activity by the charity. The allocation is reassessed annually and amended when necessary to reflect current estimates.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

3 Income from donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Regular donations	66,227	-	66,227	72,988
One-off donations	5,212	-	5,212	21,948
Other donations	101,747	-	101,747	81,691
Gift aid recovered	9,830	-	9,830	48,663
Legacies	20,000	-	20,000	6,171
Operation Safeguard campaign	-	-	-	203,345
Government grants	-	27,600	27,600	-
	<u>203,016</u>	<u>27,600</u>	<u>230,616</u>	<u>434,806</u>
Unrestricted funds				186,463
Restricted funds				<u>248,343</u>
				<u>434,806</u>

4 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Exhibition and display	46,581	-	46,581	64,807
	<u>46,581</u>	<u>-</u>	<u>46,581</u>	<u>64,807</u>
Unrestricted funds				64,807
Restricted funds				<u>-</u>
				<u>64,807</u>

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

5 Income from other trading activities

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Sale of merchandise	153,805	-	153,805	203,034
Raffle income	33,678	-	33,678	19,931
Commission income	2,544	-	2,544	3,828
	<u>190,027</u>	<u>-</u>	<u>190,027</u>	<u>226,793</u>
Unrestricted funds				226,793
Restricted funds				-
				<u>226,793</u>

6 Income from investments

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Interest receivable	1,251	-	1,251	212
	<u>1,251</u>	<u>-</u>	<u>1,251</u>	<u>212</u>
Unrestricted funds				212
Restricted funds				-
				<u>212</u>

7 Other income

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Miscellaneous income	610	-	610	-
	<u>610</u>	<u>-</u>	<u>610</u>	<u>-</u>
Unrestricted funds				-
Restricted funds				-
				<u>-</u>

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

8 Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
<u>Fundraising and publicity</u>				
Staff costs	42,545	110,878	153,423	162,542
Purchase of merchandise	83,968	-	83,968	111,057
Consultancy costs	-	14,660	14,660	17,514
Carriage and packaging	25,399	-	25,399	46,542
Advertising and promotion	63,309	21,191	84,500	239,218
Other costs	10,548	-	10,548	11,366
	<u>225,769</u>	<u>146,729</u>	<u>372,498</u>	<u>588,239</u>
Share of support costs (note 11)	73,155	62,972	136,127	192,210
	<u>298,924</u>	<u>209,701</u>	<u>508,625</u>	<u>780,449</u>
Unrestricted funds				645,080
Restricted funds				135,369
				<u>780,449</u>

The expenditure on raising funds represents the day-to-day management of the charity and includes tasks such as, managing volunteers, operating the online retail business, managing events, carrying out charitable fund-raising, promoting the Trust's activities, liaising with supporters and administering the database of supporters, supporting the maintenance of XH558, and complying with mandatory governance requirements. We have invested in future plans and this includes negotiations with potential new landlords and business planning to underwrite a secure future, along with ensuring day to day costs of the business and maintaining the aircraft are covered.

Once the future plans become formally agreed, focussed fundraising may begin to secure that future, investing in a permanent home and the associated revenue streams (visitor tickets, physical retail store, corporate events).

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

9	Expenditure on charitable activities	Activities undertaken directly (note 10) £	Support costs (note 11) £	Total 2023 £	Total 2022 £	
	Restoration and maintenance	171,290	38,529	209,819	201,445	
	Exhibition and display	94,287	9,957	104,244	113,938	
		<u>265,577</u>	<u>48,486</u>	<u>314,063</u>	<u>315,383</u>	
	Unrestricted funds			84,989	208,438	
	Restricted funds			229,074	106,945	
				<u>314,063</u>	<u>315,383</u>	
10	Expenditure on activities undertaken directly	Restoration and maintenance £	Exhibition and display £	Total 2023 £	Total 2022 £	
	Staff costs	51,141	-	51,141	54,182	
	Depreciation	10,714	-	10,714	10,714	
	Aircraft costs	18,915	69,434	88,349	89,250	
	Hangar costs	86,591	-	86,591	72,343	
	Air show events	-	22,629	22,629	23,021	
	Travel costs	3,929	-	3,929	3,905	
	Printing, postage and stationery	-	2,224	2,224	1,478	
		<u>171,290</u>	<u>94,287</u>	<u>265,577</u>	<u>254,893</u>	
11	Expenditure on support costs	Raising funds £	Restoration and maintenance £	Exhibition and display £	Total 2023 £	Total 2022 £
	Staff costs	47,697	-	5,299	52,996	80,312
	Depreciation	1,590	463	-	2,053	3,497
	Computer costs	17,755	6,341	1,268	25,364	26,725
	Bank charges	6,865	-	-	6,865	9,553
	Other costs	62,220	31,725	3,390	97,335	132,613
		<u>136,127</u>	<u>38,529</u>	<u>9,957</u>	<u>184,613</u>	<u>252,700</u>

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

Support costs have been allocated to activities on a relevant basis to the nature of the underlying costs in proportion to resources used. Other costs include governance costs totalling £29,563 (2022 - £45,404). Governance costs include auditor's remuneration totalling £12,026 (2022 - £23,275).

12 Trustees' remuneration

None of the trustees received any remuneration or benefits from the charity during the year, or the previous year.

One trustee was reimbursed a total of £89 for travel expenses.

13 Employees

Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Management and administration	6	9
Aircraft crew	1	1
	<u>7</u>	<u>10</u>

Employment costs

	2023 £	2022 £
Wages and salaries	236,529	268,623
Social security costs	14,309	20,454
Pension costs	6,722	7,959
	<u>257,560</u>	<u>297,036</u>

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

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2023 £	2022 £
Aggregate compensation	<u>100,290</u>	<u>92,088</u>

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

14 Other expenditure

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Loss on disposal of tangible fixed assets	-	-	-	2,384
New Hangar Development	-	-	-	15,484
	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,868</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,868</u>
Unrestricted funds				17,868
Restricted funds				-
				<u>17,868</u>

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

15 Tangible fixed assets

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
(a) Group			
Cost			
At 1 November 2022	30,515	13,592	44,107
At 31 October 2023	30,515	13,592	44,107
Depreciation			
At 1 November 2022	26,508	8,387	34,895
Charge for the year	530	1,523	2,053
At 31 October 2023	27,038	9,910	36,948
Net book value			
At 31 October 2023	3,477	3,682	7,159
At 31 October 2022	4,007	5,205	9,212
(b) Charity			
Cost			
At 1 November 2022	12,540	13,592	26,132
At 31 October 2023	12,540	13,592	26,132
Depreciation			
At 1 November 2022	8,955	8,388	17,343
Charge for the year	329	1,523	1,852
At 31 October 2023	9,284	9,911	19,195
Net book value			
At 31 October 2023	3,256	3,681	6,937
At 31 October 2022	3,585	5,204	8,789

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

16 Heritage assets

	Vulcan (valuation) £	Canberra (cost) £	Total £
Group and Charity			
Carrying amount at 1 November 2022	675,002	60,859	735,861
Depreciation / impairment	(10,714)	-	(10,714)
Carrying amount at 31 October 2023	664,288	60,859	725,147

At 31 October 2023 the charity held two heritage assets:

- 1) Avro Vulcan G-VLCN (XH558) – held at valuation
- 2) English Canberra (WK163) – held at cost

The Avro Vulcan B.MK2 G-VLCN (XH558)

XH558 was the last Vulcan to leave RAF service, flying on from 1986 to 1993 as the single RAF Display Vulcan, a career of 33 years. In 1997, a small team headed by Dr Robert Pleming started an audacious plan to return her to flight at Bruntingthorpe Aerodrome in Leicestershire. In 1999 Marshall of Cambridge Aerospace was appointed Engineering Authority for the restoration project. In December 2003, the Heritage Lottery Fund announced a grant of £2.7million for XH558's restoration. After extensive restoration work and tests, the Vulcan returned to the sky in October 2007.

However, the CAA Permit to Fly was withdrawn at the end of the 2015 calendar year, and so despite being technically able to fly, the aircraft was not permitted to fly. As a result, the trust's business model changed, from flying a globally-unique heritage asset to having the aircraft as the still-serviceable centrepiece of a new visitor attraction and education facility. This change in the status of the asset has had an impact on its residual valuation. As at 31 October 2015, the board valued the aircraft at £750,000. The nature of the asset means it is not possible to derive a market valuation. The trustees therefore valued the aircraft, based on their knowledge and experience of working in the aviation industry. As at 31 October 2023, the board have reassessed their valuation of the aircraft and still consider it to be reasonable.

The aircraft has developed a loyal following of many thousands of supporters. She is and will remain the best preserved all-British four-engined jet aircraft anywhere in the world still capable of powered ground runs.

XH558 is maintained in the current working state, albeit not flying, under the terms of the trust's contract with the National Heritage Memorial Fund (NHMF) until 6 February 2085. The aircraft is subject to a first charge by the Trustees of The National Heritage Memorial Fund (see note 23 for further details).

English Electric Canberra B.2 (WK163)

The English Electric Canberra aircraft was the Royal Air Force's first jet bomber, and entered service in January 1951. The design was very successful and the type was in service for more than 50 years. Many aircraft were sold around the world to the air forces of 17 countries. The trust's example, Canberra WK163 (G-CTTS) captured the world altitude record of over 70,000 feet in August 1957, and is a very important national aviation heritage asset.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

16 Heritage assets (continued)

Five-year financial summary of heritage asset transactions (group and charity)

	2023	2022	2021	2020	2019
	£	£	£	£	£
Purchases					
Vulcan	-	-	-	-	-
Canberra	-	-	9,033	-	-
	<u>-</u>	<u>-</u>	<u>9,033</u>	<u>-</u>	<u>-</u>
	-	-	9,033	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Charge for impairment					
Vulcan	-	-	-	-	-
Canberra	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

17 Fixed asset investments

(a) Group

The group holds no investments

(b) Charity

	Shares in group undertakings £
Carrying amount	
At 1 November 2022	5
	<u>5</u>
At 31 October 2023	5
	<u>5</u>

Holdings of more than 20%

The charity holds 100% of the ordinary share capital in the following companies registered in England and Wales:

Subsidiary undertakings

Vulcan to the Sky Enterprises Limited (04899710)	VTSE
The Vulcan Operating Company Limited (03787161)	TVOC
The Vulcan Property Management Company Limited (09924223)	TVPMC
The Vulcan Marketing Company Limited (09906368)	TVMC

Principle Activities

That of selling merchandise through its website store and at air shows.
Dormant.
Dormant.
Dormant.

Where applicable, the subsidiaries covenant all available profits to Vulcan to the Sky Trust.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

17 Fixed asset investments (continued)

The trading results for the period and the aggregate amount of capital and reserves, as extracted from the financial statements of the subsidiary companies, are summarised below:

	TVOC	TVMC	TVPMC	VTSE	Total 2023	Total 2022
	£	£	£	£	£	£
Turnover	-	-	-	156,351	156,351	206,862
Cost of sales	-	-	-	(106,325)	(106,325)	(156,280)
Gross profit	-	-	-	50,026	50,026	50,582
Administrative expenses	-	-	-	(81,519)	(81,519)	(59,610)
Profit/(loss) before taxation	-	-	-	(31,493)	(31,493)	(9,028)
Tax charge	-	-	-	-	-	-
Profit/loss for the year	-	-	-	(31,493)	(31,493)	(9,028)
Assets and liabilities:						
Assets	11,636	16,003	19,095	93,011	139,745	146,341
Liabilities	(13,805)	(6,612)	(12,566)	(218,452)	(251,435)	(226,538)
Total net assets	(2,169)	9,391	6,529	(125,441)	(111,690)	(80,197)
Capital and reserves:						
Called up share capital	2	1	1	1	5	5
Profit and loss account	(2,171)	9,390	6,528	(125,442)	(111,695)	(80,202)
	(2,169)	9,391	6,529	(125,441)	(111,690)	(80,197)
Statement of movement on profit and loss:						
Balance at 1 November 2022	(2,171)	9,390	6,528	(93,949)	(80,202)	(71,174)
Profit/(loss) for the year	-	-	-	(31,493)	(31,493)	(9,028)
Donations paid to parent charity	-	-	-	-	-	-
Balance at 31 October 2023	(2,171)	9,390	6,528	(125,442)	(111,695)	(80,202)

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

18 Stock	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Goods for resale	76,841	-	78,439	-
	76,841	-	78,439	-
19 Debtors	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Amounts falling due within one year:				
Trade debtors	2,273	-	667	-
Amounts due from subsidiary undertakings	-	198,742	-	184,745
Other debtors	41,287	47,906	174,426	166,832
Prepayments and accrued income	56,961	52,955	54,172	50,166
	100,521	299,603	229,265	401,743
20 Creditors: Amounts falling due within one year	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Trade creditors	73,968	64,821	46,017	43,068
Amounts due to subsidiary undertakings	-	11,621	-	11,621
Other creditors	699	699	1,495	775
Accruals and deferred income	50,936	49,125	46,837	44,759
Taxes and social security costs	4,287	4,287	7,116	6,149
	129,890	130,553	101,465	106,372

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

21	Restricted funds	Balance at 1 Nov 2022 £	Income £	Expenditure £	Balance at 31 Oct 2023 £
	Group and Charity				
	Operation Safeguard	427,775	-	(427,775)	-
	National Lottery Heritage Fund	-	27,600	(11,000)	16,600
		<u>427,775</u>	<u>27,600</u>	<u>(438,775)</u>	<u>16,600</u>
		Balance at 1 Nov 2021 £	Income £	Expenditure £	Balance at 31 Oct 2022 £
	Group and Charity				
	Operation Safeguard	421,746	248,343	(242,314)	427,775
		<u>421,746</u>	<u>248,343</u>	<u>(242,314)</u>	<u>427,775</u>

Operation Safeguard

This represents amounts received through the Operation Safeguard appeal for the purpose of building The Vulcan Experience at DSA. As explained in note 1.5 of the financial statements, all income received in respect of Operation Safeguard up to 31 October 2022, has been recognised in these accounts (note 3) as restricted income, and includes income where donors have not responded to the charity's offer of a full refund or the opportunity to allow VTST to "retain" their donation. Donations which were refunded after the 2021-year end, due to the failed appeal, were recognised in creditors (note 20).

By May 2022 63% of donors had responded with 89% agreeing to the VTST's retention of the donated funds. The charity applied to the Charity Commission to make a "scheme" to widen the scope of these funds and allow these donations to be used in pursuance of its charitable objects. On the 21st June 2022 the Charity Commission authorised a scheme which allows the trustees to use £323,400 of disclaimed / retained funds to preserve and protect Avro Vulcan XH558 and return her to full working order for the benefit of the public and to demonstrate and display her to the public and to conserve and return to full working order. On the 5th December 2022 the Charity Commission authorised a second scheme which allows the trustees to use £197,530 of disclaimed / retained funds to preserve and protect Avro Vulcan XH558 and return her to full working order for the benefit of the public and to conserve, demonstrate and display her to the public. The second scheme also stipulated that if a donor requests that their donation(s) to the appeal be returned to them by the charity, the Commission may authorise the return of such donation(s) in writing. Where a donation has been returned in accordance with this provision, this scheme will not be applicable to such donation(s) and the Commission's written authorisation to return donation(s) will have no effect on the continuing validity of this scheme. On the 18th January 2023 the Charity Commission authorised a third scheme which allows the trustees to use £8,370 of disclaimed / retained funds to preserve and protect Avro Vulcan XH558 and return her to full working order for the benefit of the public and to conserve, demonstrate and display her to the public. The Charity Commission confirmed that the third and final scheme effectively and successfully concluded all the legal protocols on the failed appeal procedure.

National Lottery Heritage Fund

With news in June 2022 that the Trust's aircraft were required to "be taken off the airfield and removed from DSA by 30th June 2023", the Trust began planning for the relocating of the aircraft and ensuring that the business plan for The Vulcan Experience in a new location was feasible. To aid the costs of the work to assess the business plan, the Trust applied for grant funding from the National Lottery Heritage Fund (NLHF) and in December 2022 the Trust were informed that they were successful in that bid. The grant award of £27,600 was for the purpose of reviewing the Trust's Business Planning and Governance. A Skills Audit was also part of the work required and would identify what skills, knowledge and expertise is already present on the Vulcan to the Sky Board of Trustees and if any gaps exist that need filling in order to deliver a

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

21 Restricted funds (continued)

successful project – The Vulcan Experience. Focus Consultants were appointed to carry out this work.

In March 2023, preliminary talks were held with the landowners, Peel L&P, to explore any opportunities for the iconic aircraft to remain in Doncaster for a longer period. Following these discussions, the parking lease for the Trust's aircraft was extended to enable conversations to continue. At this point, work by Focus Consultants was slowed to a stop until certainty the location which they were assessing the business model against became clear.

The City of Doncaster Council took control of the airport site in March 2024 and the Trust is currently waiting for an airport operator/investor to be chosen so that the Trust can have deeper discussions on the future and remaining on site.

22 Analysis of net assets between funds

(a) Group	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Funds balances are represented by:						
Tangible fixed assets	7,159	-	7,159	9,212	-	9,212
Heritage assets	725,147	-	725,147	735,861	-	735,861
Current assets	334,771	16,600	351,371	236,007	427,775	663,782
Creditors: amounts falling due within one year	(129,890)	-	(129,890)	(101,465)	-	(101,465)
	<u>937,187</u>	<u>16,600</u>	<u>953,787</u>	<u>879,615</u>	<u>427,775</u>	<u>1,307,390</u>

(b) Charity	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Funds balances are represented by:						
Tangible fixed assets	6,937	-	6,937	8,789	-	8,789
Heritage assets	725,147	-	725,147	735,861	-	735,861
Investments	5	-	5	5	-	5
Current assets	447,347	16,600	463,947	321,535	427,775	749,310
Creditors: amounts falling due within one year	(130,553)	-	(130,553)	(106,372)	-	(106,372)
	<u>1,048,883</u>	<u>16,600</u>	<u>1,065,483</u>	<u>959,818</u>	<u>427,775</u>	<u>1,387,593</u>

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

23 Contingent liabilities

In previous years the trust received funding from the National Heritage Memorial Fund (NHMF) in the sum of £2,734,000. The trust may be required to repay some or all of this grant in the event of the sale, disposal or mortgage charge of the plane without prior approval of the NHMF. The amount repayable is currently limited to £383,684.

The trust will also require an interest in the plane or right to the exclusive use and possession of the aircraft to 6 February 2085.

24 Operating lease commitments

At 31 October 2023 the group and charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2023	Charity 2023	Group 2022	Charity 2022
	£	£	£	£
Within one year	32,867	29,000	43,187	39,321
Between two and five years	7,250	7,250	36,250	36,250
	40,117	36,250	79,437	75,571

Lease payments totalling £73,818 (2022 – £63,807) have been recognised as an expense during the year.

25 Ultimate controlling party

The charity is controlled by its trustees acting in accordance with the terms of the memorandum and articles of association.

26 Related parties

The charity has taken advantage of the exemption given by FRS 102, from disclosing transactions with its wholly owned subsidiaries.

During the year, Angela Trotter (the spouse of Michael Trotter, a member of key management personnel), invoiced the company £1,035 (2022 – £3,405) for accountancy services from Greenways Business Services, a partnership in which Michael Trotter is a member. The amount due to be paid at the year-end amounts to £Nil (2022 – £763).

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

27 Net cash flow from operating activities

	2023 £	2022 £
Net income/(expenditure) for the year	(353,603)	(387,082)
Investment income	(1,251)	(212)
Loss / (gain) on disposal of tangible fixed assets	-	2,384
Depreciation of heritage assets	10,714	10,714
Depreciation of tangible assets	2,053	3,497
Movements in working capital:		
(Increase)/decrease in stocks	1,598	13,555
(Increase)/decrease in debtors	128,744	34,494
Increase/(decrease) in creditors	28,425	(18,289)
Net cash flow from operating activities	(183,320)	(340,939)

29 Analysis of changes in net funds

During the year the group had no borrowings or obligations under finance leases. The changes in net funds of the charity therefore solely comprise of cash and cash equivalents.

VULCAN TO THE SKY TRUST

England & Wales - Charity number 1101948

Accounts

Charity Registration No. 1101948

Company Registration No. 04478686 (England and Wales)

VULCAN TO THE SKY TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 OCTOBER 2022**



VULCAN TO THE SKY TRUST

HONOURING THE PAST, INSPIRING THE FUTURE

VULCAN TO THE SKY TRUST

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VULCAN TO THE SKY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2022

1. OBJECTIVES AND ACTIVITIES OF THE TRUST

The principal objects of the Vulcan to the Sky Trust ("VTST", "the Trust") are to:

- (1) Preserve and protect Avro Vulcan XH558 and return her to full working order for the benefit of the public and to demonstrate and display her to the public and to conserve and return to full working order other aircraft and engineering artefacts in general which are of significant heritage interest and to maintain such in a purpose-built facility.
- (2) Advance the education of the general public in Avro Vulcan XH558, in aviation and engineering heritage, in its associated provenance, historical and social context and in the strategy of deterrence, for the benefit of British heritage, and historical knowledge.
- (3) Advance the education of the general public in Avro Vulcan XH558 and other aircraft and engineering artefacts in general of significant heritage interest, in their design, engineering and technologies, operational and maintenance processes and procedures; for the benefit of British heritage, and technical knowledge and conservation, by providing access to engineering demonstrations and practical activities.

The Trust provides these services throughout the United Kingdom.

Ensuring that VTST delivers on its objects

The Trust reviews its objectives and activities regularly throughout the year, looking at the success of its activities and the benefits that the Trust has brought to the public. The Trustees refer to the advice contained in the Charity Commission's general guidance on public benefit when deciding on its plans and activities. The particular public benefits generated from our work are detailed later in this report.

Background

Following a ten-year restoration project, Avro Vulcan XH558 ("XH558") returned to flight on 18th October 2007, having previously been grounded on 23rd March 1993 at the end of its RAF career. The Trust was granted approval by the Civil Aviation Authority ("CAA") to operate Vulcan XH558 under UK Civil Regulations on 2nd July 2008. The aircraft was granted a CAA Permit to Fly on 3rd July 2008, a condition of which was the continuing contractual support from the aircraft's Engineering Authority, Marshall Aerospace. This was a first for a complex category ex-military aircraft on the UK Civil Register, and marked the successful completion of the world's most complex aircraft restoration project.

Subsequently, Vulcan XH558 was presented by the Trust to the public at air shows and events around the UK in each year following, supported by educational and interpretational activities.

In April 2011, XH558 flew in to Robin Hood Doncaster Sheffield Airport ("DSA"), and Hangar 3 there became its home operating base.

In January 2015, the Trust received notice from Marshall Aerospace, BAE Systems and Rolls-Royce that at the end of 2015, they would collectively be withdrawing the Engineering and Design Authority support required as a condition of the aircraft's Permit to Fly, thereby consequently bringing to the end the flying life of Vulcan XH558. The aircraft's final flight took place on Wednesday 28th October 2015 at Doncaster Sheffield Airport.

Future planning and its context

Grounded at DSA since autumn 2015, nevertheless Vulcan XH558 has been maintained in a safe ground-running and taxiing condition, and continues to attract much enthusiastic support from the public.

Until the beginning of 2017, the public were able to come to see XH558 in Hangar 3 at DSA on a pre-booked basis, receive educational guided tours of the aircraft, hear talks about the Vulcan and its history, and buy merchandise from an in-hangar shop. Much publicity was gained by offering the large space in the hangar for both private and corporate events "under the wings" of the Vulcan.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

However, from the beginning of 2017, the Trust was forced to stop public visits because the airport required the hangar space for other uses. This effectively stopped the major revenue-earning activities of the Trust, and severely curtailed its main public benefit delivery activities. As a result of this forced cessation of public tours and events, the Trust had to rapidly restructure to match its costs with the much lower revenues expected.

In discussions with DSA, their management team were made aware of the impact the loss of Hangar 3 had on the VTST's business model and the loss of an appropriate environment to preserve an asset of significant heritage value. They decided to purchase land specifically to provide a site for a new hangar for this purpose from Anglian Water in April 2018. This was on the basis that the VTST would raise the necessary capital funding for the build.

Plans for a New Hangar were drawn up with significant help from local companies, Doncaster Municipal Borough Council and the Airport. In December 2017, the Trust received full planning approval for the new hangar from the council. DSA offered the Trust a lease on a site to build a new hangar specifically designed for its tour, event and engineering activities. Capital quotations were sought and an initial outline build cost of £4 million was set as a target, which due to the passage of time as set out below rose to £4.6million.

A comprehensive business plan for the New Hangar was developed using the experience gained from the Trust's visitor and event activities in Hangar 3. This showed that the facility would be financially viable and could be an exciting new visitor attraction for South Yorkshire. The plan was independently tested and indeed re-visited with respect to likely visitor number impact in a post Covid-19 world.

The VTST Board then engaged in April 2019 with a commercial property developer based in Yorkshire who worked with investors who were looking to support a project with "Green" credentials and skills with education objectives. A draft lease was provided by DSA but unfortunately the developer withdrew and 18 months had elapsed since the purchase of the land by DSA.

As DSA had no return on their investment, it was now vital that a new approach was found and with the assistance of interested parties, the VTST developed a modified funding model for the hangar. £2.4 million (52%) of the capital funding for the hangar build would be via a commercial mortgage (subject to negotiation) and the balance (£2.2 million) via a public appeal, "Operation Safeguard", and this was launched in October 2020. DSA instructed their lawyers to draw up an "Agreement for Lease" (AfL) in November 2020 that would form the full lease once funding was in place; and it was signed on the 19th October 2021. A condition of the AfL was a deadline that stated the funds needed to be in place by the 31st December 2021 or significant progress towards those funds being secured had been demonstrated.

Following a review into the progress of raising the necessary funds with DSA after 31st December 2021, the charity was informed that the deadline would not be extended, and the AfL had been terminated. All fund raising was stopped as, from this point, the VTST could not demonstrate tenure to the land.

In June 2022 the VTST signed a "parking lease" with DSA where the aircraft's tenure on site was secured until the end of June 2023; the original lease stated that "both aircraft will need to be taken off the airfield and removed from DSA by 30th June 2023".

In July 2022 we were informed that the Board of Doncaster Sheffield Airport had begun a review of strategic options for the Airport. The review followed lengthy deliberations by Peel Land & Property and the management at DSA which reluctantly concluded that aviation activity on the site may no longer be commercially viable. This was subsequently publicly confirmed and DSA closed as a live airfield in November 2022.

Since the announcement of the closure of the airport, the VTST maintained discussions with Peel L&P and in March 2023, preliminary talks were held to explore any opportunities for the iconic aircraft to remain in Doncaster for a longer period. Following these discussions with Peel L&P, the lease has extended to the end of December 2023 and at the time of this report, we are awaiting a new lease to represent the change formally.

The discussions with Peel L&P also have led to an ongoing feasibility study of using one of the extant hangars at DSA as a longer-term home for XH558 and these discussions continue.

Initially, when it became apparent that our future was likely to be away from DSA, we began the process of finding a safe and permanent home for XH558. The Trust reviewed options that included;

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

- (1) Exploring with the relevant authorities the potential of a short ferry flight to a new home notwithstanding the fact that in 2017 this was deemed not possible by the CAA given the complex category of our Permit to Fly. The ferry flight option after much research was deemed not possible as we could not secure the requisite Design Authority support central to the CAA considerations of a "Permit to Fly", a formal legal requirement.
- (2) Dismantling the aircraft, relocating by road and then rebuilding her with as much functionality as possible and a commercial quotation for this work was secured. However, as noted earlier, the need to dismantle will be avoided if we can agree use of a Hangar at the DSA site and the extension of our parking lease will give all parties time to thoroughly explore this possibility.

In the event of having to dismantle and move the aircraft though, VTST have interested landlords for both options and the potential sites would all include excellent public access to the aircraft as a static exhibit in a New Hangar with as much functionality as possible. However, we fully understand that dismantling XH558 would end her days as a "live" airframe as defined by full engine functionality.

We are also mindful the English Electric Canberra WK163 will still need to be moved to a site where restoration is possible – i.e., a live airfield with maintenance facilities and this restoration project is still a core objective for the Board of Trustees; there are currently two potential sites under consideration.

As explained in note 23 of the financial statements, VTST may be required to repay some or all of a grant from the National Heritage Lottery Fund ("NHLF") in the event of the sale, disposal or mortgage charge of XH558 without prior approval of the NHLF.

VTST met with the NHLF at the end of July 2022 who were fully briefed on our options and future plans. They continue to be supportive, but given our current agreement with them, they advised us to submit a project enquiry form that will enable them to support the VTST in assessing the options for relocation in the best interest of preserving the asset. Following the submission project enquiry form we were invited to submit a funding application to request support from the NHLF in respect of governance and business plan development. This bid was successful and work on governance development and business planning is progressing. At the time of drafting this report, the NHLF liaison is still in progress and the team there have been kept informed of the current discussions with Peel Land & Property.

The Heritage Lottery Fund (HLF), in the form of its legal entity the National Heritage Lottery Fund (NHLF), maintains a charge over the Avro Vulcan XH558 on a reducing amount based on the HLF grant and the flying life of the aircraft, which is covered by the aircraft's Hull insurance. The contract between the VTST and the NHLF is for 80 years from 2005, requiring the Trust to deliver its public benefits based on the aircraft over this time. When XH558 finally ended its flying life, it had completed 346 hours flying since its return to flight in 2007, successfully exceeding its flying commitment to the NHLF of 250 flying hours.

Operation Safeguard

As noted in the Trustees Report for the year ended 31 October 2021, income donated for "Operation Safeguard", in accordance with the terms and conditions of the appeal, was restricted for the purpose of building The Vulcan Experience at DSA. Following the termination of the AfL, The Vulcan Experience at DSA can no longer be built, which has therefore resulted in the Operation Safeguard appeal failing. We have taken legal advice from specialist lawyers in respect of this and followed their advice. We declared a "serious incident" with the Charity Commission, a statutory requirement in the event of a "failed appeal". Protocols have been followed where the failed appeal was publicly advertised and all donors were contacted and offered either a full refund or the opportunity to allow VTST to "retain" their donation.

By May 2022 63% of donors had responded with 89% agreeing to the VTST's retention of the donated funds. The charity applied to the Charity Commission to make a "scheme" to widen the scope of these funds and allow these donations to be used in pursuance of its charitable objects. On the 21st June 2022 the Charity Commission authorised a scheme which allows the trustees to use £323,400 of disclaimed / retained funds to preserve and protect Avro Vulcan XH558 and return her to full working order for the benefit of the public and to demonstrate and display her to the public and to conserve and return to full working order. On the 5th December 2022 the Charity Commission authorised a second scheme which allows the trustees to use £197,530 of disclaimed / retained funds to preserve and protect Avro Vulcan XH558 and return her to full working order for the benefit of the public and to conserve, demonstrate and display her to the public. The second scheme also stipulated that if a donor requests that their donation(s) to the appeal be returned to them by the charity, the Commission may authorise the return of such

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

donation(s) in writing. Where a donation has been returned in accordance with this provision, this scheme will not be applicable to such donation(s) and the Commission's written authorisation to return donation(s) will have no effect on the continuing validity of this scheme. On the 18th January 2023 the Charity Commission authorised a third scheme which allows the trustees to use £8,370 of disclaimed / retained funds to preserve and protect Avro Vulcan XH558 and return her to full working order for the benefit of the public and to conserve, demonstrate and display her to the public. The Charity Commission confirmed that the third and final scheme effectively and successfully concluded all the legal protocols on the failed appeal procedure. The Charity Commission specifically excluded education costs in the scheme and we have stayed within that remit.

Other Activities

The Trust, continues to plan for its future activity taking into account the current status. In accordance with its objects, the Trust broadened its scope and interests by the acquisition of another aircraft in May 2016; an important English Electric Canberra aircraft that broke the world altitude record in 1957.

The Trust's activities include charitable fundraising in many different ways to ensure that sufficient funds are available to allow the continuation of the Trust's public benefit delivery.

The Trust has become much more reliant on volunteer support. A team of appropriately-skilled volunteers has been trained as the Vulcan ground support team, to permit demonstrations of the aircraft with its engines and systems running, and slow taxiing under its own power while this still remains an option.

The Trust continues to carry out limited public benefit delivery activities at sites remote from the airport, including talks and presentations, and a presence at events such as air shows.

The Trust rents an industrial unit at DSA that also is the registered Head Office of the VTST – 4 Delta Court, Third Avenue, Doncaster Sheffield Airport, Doncaster DN9 3GN. This building is used for VTS Enterprises, the VTST's wholly owned retail subsidiary for merchandise stores, order fulfilment and also the management of all VTST fundraising fulfilment including donor and customer queries. It also houses small engineering bays, spares and stores required to keep Vulcan XH558 in full working order. Stores for Canberra WK163's restoration to flight and non-essential XH558 spares are managed in a separate location near to Stratford-upon-Avon. At the end of December 2022, the administrative finance and HR functions were consolidated into the Delta Court Head Office and the small serviced office space in Hinckley was closed down.

VTST's subsidiary, The Vulcan Operating Company Ltd ("VOC"), relinquished its CAA Maintenance Approvals in 2018, but is maintaining its safety management and quality procedures for heritage aircraft to ensure that XH558 can be operated safely.

VTST also has undertaken activities to provide interpretation of the aircraft under its care, and to educate a broad range of audiences on the Cold War: the Avro Vulcan and the English Electric Canberra including their history, design & engineering. These activities have included giving educational talks, and planning and providing school activities in line with the National Curriculum.

2. ACHIEVEMENTS AND PERFORMANCE OF THE TRUST

The move from Hangar 3 in February 2017 to a location which does not allow public access caused the suspension of much of the Trust's public benefit delivery activities. This has effectively put the Trust's future at risk because of the financial impact of the cessation of revenue earning tours and events.

Following this event, a significant restructure of the charity was undertaken, so that going forward the much-reduced cost structure can be sustained by the forecast level of income. The support of our current donors is fundamental to the charity's future until our new trading model is established in our planned new and permanent home especially as, inevitably securing a hangar at DSA or dismantling and move will bring significant incremental costs.

Public Benefit Delivery: Conservation of Avro Vulcan XH558 in full working order, and of other heritage aircraft and engineering artefacts

Vulcan XH558 continues to be maintained to the same servicing regime as when she was flying, with regular engine runs, systems tests and slow taxi movements. For safety, the explosives associated with the ejection seats and

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

canopy gun have been removed, but in all other aspects, Vulcan XH558 remains serviceable. Annual services were carried out on XH558 in 2021 and again in early 2022. For avoidance of doubt – moving XH558 to a new site may involve dismantling and rebuilding the airframe and the functionality will be much reduced with no live engines.

In May 2016 the Trust acquired an important English Electric Canberra aircraft, serial number WK163, together with a large amount of spare equipment including engines. An initial survey showed that the aircraft is in generally good shape, however there are some areas of corrosion on the fuselage, and the cockpit requires a complete rebuild (or possibly replacement with another complete cockpit). Also, the five Avon 100-series engines acquired at the same time need a full service, and the completion of a series of Mandatory Permit Directives required on these engines by the CAA.

In November 2020, the Trust purchased a second Canberra, WT327, at auction in the USA that included WK163's original cockpit which brings both a significant technical benefit and a very fortuitous heritage provenance. The Trust plans to repatriate this aircraft to the UK when funding allows and to store it until the restoration of WK163 begins. Of note, this restoration will not begin until the new hangar and permanent home for XH558 is secured.

This project will be the subject of a separate specific targeted fundraising campaign specifically to achieve the series of milestones that will result in a return to flight for WK163.

The Trustees are very grateful for the continuing support from the following:

- All the Trust's volunteers, who performed important roles in support of the important hangar tour, merchandising and web store activities, in support of engineering and logistics activities, and in promoting the Trust and its activities around the country, including fundraising.
- The public who have consistently supported the project as evidenced in the donations to Operation Safeguard.
- Peel Land & Property, Doncaster Metropolitan Borough, The Doncaster Chamber of Commerce, and the many local and regional businesses who have offered support.
- The Founding Guardians, who were members of the now-disbanded Vulcan to the Sky Club, who have given freely their time, effort and commitment at air shows and other fundraising events, and the "Friends" of the Trust and members of the general public, whose support has been vital.
- Donors to Operation Safeguard who also became recognised as Guardians.

Public Benefit Delivery: Presentation of Avro Vulcan XH558 at air displays and other outside events

The Vulcan was seen by many millions of people during the eight years that the aircraft was flying, and by the end of its flying life XH558 had become quite famous. The Trustees remain pleased at the positive effect of the aircraft on spectators, especially on the young, and are delighted that so many happy memories have been laid down.

Following the end of flying, the Trust has worked with the Airport to establish an agreed method and risk assessment for ground-running the Vulcan with spectators present.

Over the period, the Trust marketed and delivered opportunities for paying visitors to experience the sights and sounds of the Vulcan during its monthly ground runs in the summer months, and latterly at her parking site.

The Trust used the opportunities presented by the regular monthly anti-deterioration engine ground runs of the Vulcan to offer close-up demonstrations of the aircraft as she exercises her engines and systems to supporters. The Trust is also now able to demonstrate the aircraft taxiing. The sights and sounds of the running Vulcan are highly valued and much in demand, and represent an important revenue stream.

After the Coronavirus Pandemic that restricted our aircraft access, we re-started events in August 2021. Below is a summary of our outreach and events managed by our volunteers who, as ever worked hard to give their time so as many supporters as possible could access the aircraft. Engine Ground-Runs and Airside Tours were carried out and at each event supporters were able to stand beneath the aircraft to view their names under the Vulcan's massive delta-wing, discuss the work being carried out on the aircraft on the day, listen to the history of the Vulcan's design, development and service life, and engage with the team and fellow Vulcan fans.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

2022

Airside Tours;	12 with	720 guests
Special Tours	3 with	98 guests
Engine Ground Runs	8 with	460 guests
Special EGR	1 with	32 guests.

Since 1 November 2022 we have held 12 events with 850 visitors and at the time of drafting this report a full schedule of events are planned given our extended lease at DSA.

Air shows

We attended two air shows during the year, three had been planned but one was postponed due to the death of Queen Elizabeth II. Both shows were well attended by visitors and RIAT in particular as this was the first since pre-pandemic.

For 2023 it is proposed that we attend three shows during the year as a minimum

Stratford Open Days and Presentations

There were no Open Days during the year to the end of October owing to activity constraints.

Sales Open Days were held on two occasions during the latter part of the calendar year (November and December 2022) which as in previous years proved very popular.

No presentations were held during the year to the end of October but planning for three talks held at the stores were progressed and in each case a sell out in advance. These were 12th November 2022 on Eric Brown, 14th January 2023 on Whittle Power Jets and 25 February 2023 on The Aerodynamic Challenge of the V-Bombers.

For 2023 in addition to those activities shown we are hoping to undertake more of these talks.

We are hosting the Midlands region premiere of a new film on the Dambusters Raid in 1943, this being the 80th Anniversary year, with particular reference to the attack on Sorpe Dam with a narration by Johnny Johnson, the last original Dambuster who died in December 2022. This film has its world premiere in Bristol on May 13th 2023 with the Midlands premiere a month later. We are providing actual merchandise, sales and logistics support to the Producers since all profits from the film are going to air force related Charities and non-profit organisations.

Education

The VTST has always worked on the two key themes that are defined in our objects, namely, Honouring the Past and Inspiring the future. With the former, we continue via our regular communications, to put the Vulcan aircraft type in to context historically.

2022 saw a major advance in our education activity where our programmes have engaged with youngsters in the region in creative ways to show that there are meaningful and well-paid careers in engineering. The Trust's volunteers continue to play absolutely key roles in delivering educational and inspirational outcomes.

The VTST has been working in partnership with The Work-wise Foundation and CBE+ to deliver bespoke education programmes to schools in the South Yorkshire Region led by The Work-wise Foundation. A summary of the programmes delivered and being developed is outlined below.

The Avro Vulcan XH558 with its impressive technical innovations helped place Britain at the forefront of aircraft design over seventy years ago. We are now using the spirit of this innovative thinking to help young people consider some of the current and future questions in aviation, aerospace and more broadly around future technologies and sustainability, learning the lessons from the past and using these to inspire the future.

By involving children and young people from a young age, we hope to broaden their experiences and open up the world of engineering, design and creative problem solving to them.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

Vulcan to the Sky Trust has been working in partnership with The Work-wise Foundation and engineering company CBE+ to deliver outreach bespoke education programmes to schools in the South Yorkshire Region and beyond, managed and led by The Work-wise Foundation. A summary of the programmes delivered in 2022/23 and being developed for the future is outlined below.

Activity to October 2022:

Operation Vulcan

Dates: March 2021 - March 2022

Project Summary: Launched in March 2021 at Get up to Speed with STEM: The Virtual Experience, Operation Vulcan was a competition which invited secondary schools to design an interactive exhibition to display one of the Bomb Bay Fuel Tanks from the Vulcan XH558 to be displayed at XH558's future home. Between September 2021 and December 2021 students worked on designs supported virtually by the team and then participated in a judging day at CBE+. The winning design was then developed and built into a scale model between January 2022 and March 2022. Key Stage 4 students from the Winning School were involved in the build of the scale model and presentation of this at Get up to Speed with STEM 2022

Total Schools Engaged: 8 (Secondary)

Total Students Engaged: 72

Total Businesses Engaged: 5

Get up to Speed with STEM

Dates: 23rd March 2022

Project Summary: Vulcan to the Sky Trust had a combined presence with CBE+ at Get up to Speed with STEM on 23rd March. Displays included: work of the students who took part in Operation Vulcan including the model of the winning design, plus displays from other participating schools, the flight simulator, the bomb bay fuel tank, wing tips and engine plus other display materials.

Total Schools Engaged: 55 (49 Secondary and 6 Primary)

Total Students Engaged: 3445

Total Businesses Engaged: 77

Flying Futures

Dates: 1st June 2022 - 30th July 2023

Project Summary: A joint initiative involving the VTTST, The Work-wise Foundation and University of Sheffield Maker Spaces. The programme recruited 15 Engineering Volunteers to design aerospace related activities to then take into Primary Schools in disadvantaged areas across South Yorkshire with the Vulcan XH558 as the inspiration and theme throughout.

July – October 2022 – 2 design workshops were held with recruited volunteer engineers and a pilot test day held. The project created 12 new School Kits with materials.

November 2022 – March 2023 - 15 Flying Futures Roadshow outreach days were delivered with staff and volunteers from VTTST, Work-wise, University of Sheffield and employers in Primary Schools to over 3,600 young people using the new kits and materials.

Two community engagement events open to the public have also been delivered at Kelham Island Industrial Museum and Magna Science Adventure Centre (at get up to Speed with STEM) directly engaging over 500 young people and families collectively. A final Community Engagement event is planned for 30th May 2023.

The Flying Futures programme has created a legacy of resources which will now be used in future schools' events and community outreach activities. At its heart Flying Futures has created 12 activities for Key Stage 2 children based

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

upon a series of Questions which consider the future of a sustainable aviation industry.

"The best thing we have had in school!" said one teacher from a Primary School. "When I grow up, I am going to be an engineer... keep your eyes on the television, you will hear about me there!" said one young girl.

Dr Fleming's Delta Wings Primary & Secondary School Projects

Dates: 1st April 2022 - 29th March 2023

Project Summary: Building on the success of the Operation Vulcan pilot programmes and launched in March 2022, Dr Fleming's Delta Wings Project invited both Primary and Secondary schools from the Delta Academies Trust to get involved in creating displays to showcase the Delta Wings from the Vulcan XH558 and build their own mini-Vulcans. The designs were then initially displayed at Get up to Speed with STEM 2023, and will then go on to become a permanent display in the new home of the Vulcan XH558.

Primary Delta Wings Project

April – October 2022

A Design Brief and project specification was developed and presented to the Delta Academy Senior Leadership Teams at the Delta Schools Headteachers conference. 17 Schools signed up and attended a launch day at Delta Headquarters where 171 Year 6 children spent the day learning about The Theory of flight, the history of the Vulcan and Aerospace industry, designed their own airports and build and flew their own model aeroplanes. They were sent away with the task of designing their own sustainable Vulcan aircraft model (up to 18" in size) from recycled materials. Approximately 750 students were involved in activities back in school designing and building their Vulcans.

November 2022 – June 2023

Internal projects were run by the participating primary Schools back in school who then all attended a Celebration Day at Magna Science adventure Centre in February 2023 where they presented their Eco-Friendly Vulcans to a team of Judges and got hands on with some interactive Flying Futures activities.

The winning entry was built by students from Macauley Academy and a team from Rycroft Delta Primary Academy were also recognised for the Best Airport Design. The children from both these schools and all those submitting entries get the added reward of a planned trip out to see Vulcan XH558 close up in June 2023.

Secondary Delta Wings Project

April – October 2022

A Design Brief and project specification was developed and presented to the Delta Academy Senior Leadership Teams at the Delta Schools Headteachers conference. 12 Delta Academy Secondary Schools and 200 Students plus 36 teachers were brought together at a launch event in September 2022, learning about the theory of flight, the history and heritage of the Vulcan and getting hands-on understanding and building their own models. At the event the challenge was laid down to the schools to design a sculpture which incorporates the Vulcan XH558 wing tips that could be displayed alongside the Vulcan.

November 2022 – March 2023

90 year 8 students and 16 staff from 8 Schools then worked on their designs with regular 'Ask the Expert' sessions to support them (Supported by VTTST and Work-wise). These designs were then presented and judged by an expert panel, with the Team from Vale Academy impressing the experts most with their design. The students then worked with the Work-wise, VTTST and CBE+ teams to turn their design into reality with a 1:10 scale model being created and presented by the students at Get up to Speed with STEM on 29th March 2023. Other schools participating in the challenge also got chance to present their designs. The winning entry has generated some interest from Airfix who are planning a follow-on feature.

The winning team were also taken to see Vulcan XH558 at its current location, meet the team of volunteers and get a behind the scenes look.

Due to the success of the Delta Wings Projects these will be rolled out again for academic year 2023/24, being offered again to Delta Academy Trust and Broadened out to involve other interested Trusts.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

Get up to Speed with STEM

Date: 29th March 2023

Project Summary: Vulcan to the Sky Trust again had a significant presence at this annual Showcase event, this year attracting over 5,200 participants from across the region and beyond. The Vulcan presence included flight simulator, the bomb bay fuel tank, wing tips and engine plus other display materials and showcasing the entries and winning designs from Operation Vulcan and the Delta Wings project, plus a flight of 20 sustainable mini-Vulcans created by primary school Children. The event was visited by 74 schools with 3,990 students, home educated young people, educators and families/carers. Vulcan XH558 was one of 91 Businesses and Organisations there exhibiting and inspiring the next generation of innovators and engineers.

Plans are already underway for Vulcan's participation in Get up to Speed 2024.

Doncaster University Technical College (UTC) Programme

Dates: 2022/23 Academic Year

Year 10 and 11 Engineering students were involved in a project set by CTTST redesigning the Vulcan's Delta Wings. Vulcan supported with workshops on design and careers. Specialist presentations including Steve Liddle on aerodynamics. The participating engineering students are also getting the opportunity to visit XH558 in June 2023. The VTTST presented an Outstanding Engineering Student award – The Robert Fleming Engineering Trophy which will now become an Annual Award and will be presented next in July 2023

A new project with the UTC in conjunction with York St John's University is now being developed to work with two original ejector seats and cosmetically restoring them whilst working with York St John's University to develop a virtual seat with all its components tagged and an exploded visual produced.

It is planned that these pilot projects with the UTC will then be made available to other Schools along with Curriculum resources expanding the reach of the education programme.

Future Development

The Vulcan Education programme has gained some real momentum and traction during the last year with successful programmes indicated above to be run again and offered to further schools and young people, expanding Vulcan XH558's reach even further to help Inspire the Future.

Also new in the planning stages are "Reach for the Sky" Primary Project linked initially to the UTC feeder Schools which will see students engage in activities related to Vulcan to the Sky Trust and the theory and development of flight.

An awareness raising competition across the region to excite and engage more schools, educators, families and young people along with an Education Brochure to celebrate education links and achievements to date and engage further with young people and those who educate and influence them. Plus adapting and developing the existing XH558 Teaching and Learning Pack and Materials to provide additional resources for schools and colleges.

There are also plans to participate in other regional initiatives such as the annual North Star Science School 2023, delivering a Vulcan and Sustainability Workshop to approx. 500 Year 8/9 students inspiring them into careers in science and engineering. Discussions are also underway potentially to engage schools in a design and build challenge to create and fly a quarter sized remote controlled Vulcan model.

Relationships continue to develop with wider partners including Made in Sheffield, The Company of Cutlers in Hallamshire and The Worshipful Company of Ironmongers to broaden our links and reach with employers and identify future potential sources of funding to extend our Education Activities in collaboration with The Work-wise Foundation.

Reach – Newsletter and social media

In January 2022 we had an emailable audience of 44,552. By the end of 2022 that number increased to 45,520. We currently have an audience of 46,408 emailable addresses, with an audience predicted demographic of 40% female / 57% male / 3% unknown. The ages of subscribers range from 18 to 65+.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

Age range split:

- 18-24 – 1.4%
- 25-34 – 3.6%
- 35-44 – 9.8%
- 45-54 – 22.7%
- 55-64 – 28.9%
- 65+ – 29.8%
- Unknown – 3.8%

The monthly newsletters contain updates on the ongoing care and protection of XH558, news of educational outreach and articles on the history of the Vulcan, the RAF and the Cold War. Our newsletters were opened 202,527 times during 2022, with an average 'open rate' of 36.5%.

Social media

Articles that appear in the newsletter are hosted on our website – www.vulcantothsky.org so that educational content can be further shared on social media, where we have a possible reach of 358,415 people. The majority of our social media posts are broadcast on all of our social channels.

Social media followers/likes:

- Facebook = 268,185
- Twitter = 79,303
- Instagram = 8,506
- LinkedIn = 2,421

Guardians

The Guardians scheme was used as an incentive to donate to the Operation Safeguard appeal as it demonstrates core support and regular giving. Each member received a high-quality magazine twice a year and the circulation figures are below. We also have Founding Guardians who originally joined as 'Club members' during the early restoration days of VTST. We intend to develop the Guardian initiative once we have secured a permanent home for XH558.

The Winter 2022 magazine was distributed to:

- Founding Guardians = 1,427
- Guardians = 4,406

Founding Guardians were members of the now-disbanded Vulcan to the Sky Club who migrated to the Founding Guardians scheme when the Club was wound up. Guardians became members as part of their donation rewards for Operation Safeguard. For the avoidance of doubt, neither are members of the Trust.

Revenue generation and public relations

Following the forced move from Hangar 3, the Trust has found itself under very significant cash constraints, but with the help of the on-going public donation stream, continuing merchandise revenues especially in high profit lines, monthly donations, a lottery and annual five-figure philanthropic donations, the Trust has been able to continue its operations.

The Trust has continued to invest in marketing, advertising and social media streaming aimed at both the general public and potential sponsors. The focus has been on small to mid-range giving and appeals for specific needs. Incentives have included opportunities for donors to have their names on XH558's wing and a dynamic merchandise strategy.

The Names Under the Wing campaign launched in the autumn of 2019 was the most successful single funding appeal of recent years raising circa £1.2 million net of marketing costs.

The funding strategy is under constant review and will evolve given the challenges we face in a potential new home on the DSA site or relocating the Vulcan as detailed in the *Section 1 Future Planning and its Context*. However, the

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

planned new and permanent home through whatever route is chosen will deliver a return to our full trading model, not available to us since leaving Hangar 3 at DSA in January 2017.

With a permanent new home now in active planning, the VTST is restructuring. It should be noted that the VTST CEO, Dr Robert Pleming passed away in February 2021 and was not replaced. Michael Trotter managed the business in the interim and stepped down from a formal role with VTST at the end of December 2022. The Board of Trustees appointed Marc Walters as CEO stepping up from his role of Commercial Director. His experience will bring vital continuity as the VTST repositions and secures a permanent home; Michael Trotter will be retained as an advisor in the short term to help manage the transition.

Key fundraising initiatives for the future are;

- Re-develop our Standing Order, Direct Debit and Perpetual Lottery income received monthly in line with a potential new visitor attraction. The team believes that the Perpetual Lottery needs a significant review and relaunch urgently.
- Gift Aid will continue to be claimed on all eligible donations.
- Raffles made a significant contribution to revenues in recent years but this activity was suspended to comply with Gambling Commission rules on credit card purchases. We have recently relaunched our raffle ensuring it is compliant with GC rules.
- A final "Names Under XH558's Wing" campaign is currently in development, as with the failure of Operation Safeguard, there is still space available for new donors. The theme will be the 30th Anniversary of XH558's last flight in RAF service.
- The Founding Guardian scheme for people who were members of the Vulcan to the Sky Club continues with positive feedback. We plan to re-market this scheme that will recruit new members and generate vital regular monthly income. This will become attractive once again as a permanent home is secured. For the avoidance of doubt, Founding Guardians are not Members of the Trust.
- The sale of Vulcan and other spares via E-Bay that will never be required by the Trust Spares are still being sold, but to reduce operational costs we've recently integrated it with our regular merchandise, moving the spares products from eBay to our own website.
- Merchandise gross sales are currently averaging approximately £17,250 per month. It should be put on record that that Enterprises team lead by Marc Walters has performed well considering the loss of Hangar 3 and, consequently, our physical store – which is a demonstration of the affection still reserved for XH558. Given the success of VTSE, we plan to actively review other areas of retail on-line in the heritage and education sector given Doncaster's history. Once relocated, the VTSE will also have a full-time hangar shop giving us a much more substantial revenue.
- A campaign to encourage legacy giving was launched in conjunction with the Free Wills Network and we plan to invest in this initiative once again as all research shows legacy giving is vital to a charity's ongoing revenue. Two significant legacies have been received in the last 18 months.
- It is our view that a new and focused approach needs to be made to secure corporate sponsorship to target aerospace and the engineering industry and retail/FMCG companies for sponsorship. We believe that commercial sponsorship will have a key role as we develop the Vulcan Experience on a new site with the twin objectives of promoting a significant heritage asset (XH558) and our exciting education plans; "Honouring the Past, Inspiring the Future".
- The Trust also needs to begin a structured approach to securing funds from local and regional government bodies, grant making foundations and High Net Worth Individuals (HNWI's) and that the VTST should urgently invest in resource dedicated to professional bid writing.
- Fundraising for the restoration of English Electric Canberra WK163 will be the subject of a separate and dedicated campaign when time allows and after a permanent home for XH558 is secured.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

- It must be noted that, in the event of having to move from DSA a dedicated fundraising project will need to be developed to relocate XH558 and the current quotation for the dismantle and rebuild option is £727k + VAT.
- The Trust's monthly email newsletters enable further fundraising opportunities.

The Trust's website www.vulcantothesky.org is the one of the Trust's primary communications vehicles for its supporters. It is updated on a regular basis and continues to provide news and pictorial evidence of the Trust's progress. The website also hosts the Trust's "e-donate" funding stream.

Fundraising policy

The Trust undertakes charitable fundraising in a variety of ways including through regular newsletters via email and mail, and at events. Funding contributions come mainly from the Trust's loyal supporter base, currently of some 46,125 people. Without their valued contributions, the Trust would not be able to continue delivering its public benefits.

Supporters are able to make regular donations through appeals, and customers can add a donation at the web store online checkout. The Trust also receives one-off donations, and supporters also engage in a monthly lottery and annual raffles. The Trust also offers speaker events throughout the country for which tickets are sold and merchandise is available.

On major public fundraising initiatives in recent years, the VTST, mindful of the changing environment has also invested in paid advertising via social media. Returns on investment in this area can be and are measured on a daily basis to ensure the activity is worthwhile.

Fundraising activities are carried out by the employees and volunteers of the Trust; the Trust does not carry out any fundraising through professional fundraising agencies. The Board of Trustees regularly reviews the Trust's fundraising activities and outcomes.

Furthermore, the Trust does not carry out any fundraising through cold contact, whether unsolicited mailing, face-to-face fundraising or telemarketing. The Trust has never received a complaint about its fundraising activities. The Trust is registered with the Fundraising Regulator, and is aware of and follows its Code of Fundraising Practice and the Charity Commission's fundraising guidance. The Trust has had the benefit of advice from a consultant who is a member of the Institute of Fundraising. The Trust itself is a member of the Association of Independent Museums.

Vulcan to the Sky Enterprises Limited

Vulcan to the Sky Enterprises Limited ("VTSE") is the merchandise trading arm of the charity, and has enabled the Trust to receive funds through the sale of merchandise, memorabilia and services at events and through an 'online' shop, a revenue stream which is continuing to trade well albeit down on the previous year. We believe that is due to increased online sales during the pandemic and difficult retail conditions in the current economic uncertainty. Performance is expected to improve once we have secured a hangar experience with a permanent physical shop. The financial results for the year ended 31st October 2022 are summarised in note 17 to the accounts. VTSE covenants any taxable profits to VTST under the Gift Aid scheme.

3. FINANCIAL REVIEW

Total income of the group for the 12 months ended 31st October 2022 amounted to £726,618 (2021: £1,032,747). The Trust's principal funding comes from several sources such as donations, fundraising draws and lotteries, and merchandise sales. Total expenditure for the 12 months ended 31st October 2022 was £1,113,700 (2021: £1,132,437).

Expenditure on raising funds for the year totalled £780,449 (2021: £796,345) which generated income of £661,599 (2021: £982,539), being income from donations (note 3) and other trading activities (note 5).

The expenditure on raising funds represents the day-to-day management of the charity and without a clearly identified "permanent home", our major dedicated fundraising has been generic since the last appeal (Operation Safeguard). We have invested in future plans and this includes negotiations with potential new landlords and business planning to underwrite a secure future along with ensuring day to day costs of the business and maintaining the aircraft are covered.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

Once the future plans become formally agreed, focussed fundraising may begin again to secure that future investing in a permanent home and the associated revenue streams (visitor tickets, physical retail store, corporate events).

The net assets of the group as at 31st October 2022 were £1,307,390 (2021: £1,694,472).

The group's fixed assets comprise the Avro Vulcan XH558, its associated spare parts, ground equipment and tools, together with miscellaneous items, and are valued as at 31st October 2022 at £745,073 (2021: £757,161).

There is a charge over the aircraft in favour of the National Heritage Lottery Fund in the amount of £427,000 reducing on a straight-line basis from 31st October 2016 until 2085. The amount repayable is currently limited to £389,872.

The Trustees believe that income in the form of donation streams, sponsorship, and merchandise revenues will allow the Trust to continue its activities for the foreseeable future. The Trust is also running an ongoing campaign to gain commercial sponsorship to help fund the future plans for the aircraft and supporting activities; central to this is securing funding to relocate the Vulcan to a new permanent site.

Reserves Policy

The Trust's reserves policy has been to aim to build up, over time, free reserves (unrestricted funds less fixed assets) to a level equivalent to 6 months of core expenditure, being approximately £360,000. As at 31st October 2022 the Group's funds totalled £1,307,390, of which £427,775 is restricted and £879,615 is unrestricted. Following the highly successful Names Under the Wing campaign last year, the group's free reserves (unrestricted funds less fixed assets) totalled £134,542 (2021: £515,565), the equivalent to 2-3 months of expenditure. The trustees retain the 6-month policy as an important target, and, subject to the success of future fundraising appeals, intend to use any surplus to assist with the Trust's running costs whilst the aircraft are being relocated.

4. PLANS FOR FUTURE PERIODS

The Vulcan to the Sky Trust's objectives for future periods are to:

- Maintain Avro Vulcan XH558 in full working order, and to operate the aircraft on the ground safely to the benefit of spectators at DSA for as long as possible. As detailed in this report, this will change if the aircraft is dismantled and moved to another site.
- Plan to restore Canberra WK163 to an airworthy condition, and to display the aircraft to the benefit of the public at air shows and other outside events around the country, and to raise funds specifically for that purpose.
- Continue to deliver our education and community plans for the Trust to provide relevant public benefits, in particular in inspiring the young in engineering, technology and aviation.
- Build and develop a permanent home for XH558 to ensure growing public access to this important aircraft, and ensure affordability, visitor and school accessibility, catchment area and local & regional support.
- Deliver inspirational education experiences on design, science, technology, engineering and mathematics (STEM), to a range of audiences, including national curriculum topics for school children, on Cold War history and related subjects focused around the aircraft, and inform all of the various methods and technologies by which aviation's impact on climate change will be minimised.
- Secure the funding needed to achieve the above objectives, from a diverse range of sources so as to minimise risk, including expanding the Guardians scheme to all.

5. ORGANISATIONAL STRUCTURE, GOVERNANCE AND MANAGEMENT

Vulcan to the Sky Trust was granted charitable status on 6 February 2004, and is registered with the Charity Commission under number 1101948.

Vulcan to the Sky Trust is constituted as an incorporated company limited by guarantee, its governing document comprising its memorandum and articles of association.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

The Trustees (who are also the Trust's Directors) who have served since 1 November 2021 are as detailed in section 6.

The Board of Trustees met formally once between 1st November 2021 and 31st October 2022, and conducted three conference calls over this period. The Trustees are the only Members of the Trust. None of the Trustees received any remuneration or benefits apart from receipted expenses.

The Trust needs to repeat the statement made in the last trustees' report and put on record within this report a significant event that occurred on February 2nd, 2021. The charity's CEO, Dr Robert Fleming passed away suddenly.

Robert worked tirelessly on the project setting up the Vulcan to the Sky Trust to return the last potentially airworthy RAF V-force aircraft, Avro Vulcan XH558 to flight. In 1997, when the idea first came to him, he built a Project Steering Team from key members of the aerospace establishment and former members of the RAF's Vulcan Display Flight.

Against all the odds, Robert and the team succeeded in their mission, raising millions of pounds in donations and returning XH558 to flight. The Vulcan to the Sky project succeeded spectacularly on October 18th 2007, with the first test flight of the restored Vulcan, some 14 years after its last flight. Robert oversaw the aircraft's operational life and led the campaign to build a permanent home for XH558. It is the Trust's ambition to replace Robert with a new CEO once the funds are in place for the permanent home.

Recruitment and training of Trustees

Given the nature of its past activities, the recruitment of new Trustees had been primarily from the aviation community. However, as the Trust's activities broaden, Trustees are now being sought from the wider engineering, industry and education sectors, and the South Yorkshire region. New Trustees are appointed in accordance with the articles of association. Any new Trustees are provided with a one-on-one induction by the Company Secretary, including briefings on the workings of the Trust, its formal documentation, the Trustee's role, the financial status of the Trust and its future plans.

The activities of the Board

The Board is responsible for policy and overall management of the charity, but has delegated necessary operating powers and decision-making to an Executive Committee, which comprised of Robert Fleming (Company Secretary) until February 2021, Michael Trotter (Commercial and Business Development) and Andrew Edmondson (Engineering Director). The Executive is now managed by Marc Walters, VTST CEO and he is aided by Michael Trotter in an advisory role in the short term. This will evolve as the permanent home is secured through recruitment to manage the Vulcan Experience; Andrew Edmondson has now left the VTST. The Executive Committee meets on approximately a monthly basis. The remuneration of key management is approved by the Chairman of Trustees and is set against established pay scales, benchmarked in comparison with similar sized charities.

Following its restructure, the Trust had 6 full-time employees and 2 part-time employees as at 31st October 2022. The Trust also benefits significantly from a large amount of volunteer support, including specifically assisting with public relations, events, merchandise fulfilment and the Trust's air show presence.

Subsidiaries

Vulcan to the Sky Enterprises Limited is the wholly-owned retail trading subsidiary of VTST. VTSE covenants its taxable profits to VTST under the Gift Aid scheme.

There are three additional wholly-owned subsidiaries of the Trust, which were incorporated to enable the Trust to undertake certain activities aimed at creating a sustainable business model during its occupation Hangar 3 at Doncaster Sheffield Airport. These subsidiaries, the Vulcan Marketing Company, The Vulcan Operating Company and the Vulcan Property Management Company are now dormant.

Andrew Edmondson and Michael Trotter resigned as directors of the Trust's subsidiaries on 31 December 2022 and Marc Walters became director for all subsidiary companies from 1 January 2023.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

Risk Management

The Trust, through its management team, continues to identify and review the major risks that the charity faces. Procedures, including a Safety Management System, have been put in place to mitigate and monitor these risks. Health and Safety are included as topics at every Executive Meeting.

The Trust's principal risks and uncertainties are:

- Securing funding for its charitable activities each year and managing working capital;
- The occurrence of an event that threatens the reputation or integrity of the Trust;
- The relocation to a new site;
- Sudden loss of key personnel;
- Potential for overtrading with limited resources; and
- The implications to its plans of the coronavirus pandemic and changes in public behaviour.

The Trust's public liabilities arising from operation of the Vulcan aircraft are insured through K M Dastur and Company Ltd Aviation Insurance Brokers. Additional aviation insurance policies include cover for damage to the aircraft, for war and terrorism risks, and for personal injury insurance for the aircrew.

6. REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS

Trustees	Mr John Sharman FRAeS (Chairman) Air Commodore Ed Jarron (Vice Chairman) Mr Richard Clarke Sir Gerald Howarth Dr Stephen Liddle Mr Ken Smart CBE Sir Donald Spiers CB TD FRAeS Mr Phillip Spiers
Company secretary	Mr Michael Trotter (resigned 31 December 2022) Mr Marc Walters (appointed 1 January 2023)
Charity number	1101948
Company number	04478686
Principal address	Unit 4, Delta Court Third Avenue Doncaster Sheffield Airport Doncaster DN9 3GN
Registered office	Unit 4, Delta Court Third Avenue Doncaster Sheffield Airport Doncaster DN9 3GN

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

Auditors Newby Castleman LLP
West Walk Building
110 Regent Road
Leicester
LE1 7LT

Bankers HSBC Bank Plc
58 High Street
Winchester
Hampshire
SO23 9BZ

Solicitors Lacey's Solicitors
5 Poole Road
Bournemouth
Dorset
BH2 5QL

7. STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Vulcan to the Sky Trust for the purposes of company law) are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs for the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and group will continue in operation.

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company and group's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

8. SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed on behalf of the Trustees

Mr John Sharman FRAeS
Chairman of Trustees

Approved by the Board of Trustees on 26 July 2023

VULCAN TO THE SKY TRUST

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF VULCAN TO THE SKY TRUST

Opinion

We have audited the financial statements of Vulcan to the Sky Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 October 2022 which comprise the Group Consolidated Statement of Financial Activities, the Group and Charity Balance Sheet, the Group Statement of Cash Flows and 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 FRS 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 group's and parent charitable company's affairs as at 31 October 2022, and of the group's incoming resources and application of resources, including its income and expenditure, 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 Charities Act 2011.

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 group and parent charitable company 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.

Material uncertainty related to going concern

We draw attention to note 1.3 of the financial statements, concerning the group's ability to continue as a going concern. This indicates that the group is reliant on the continued support of the National Heritage Lottery Fund, Peel Land & Property, the future support from new landlords and the future financial support from its donors to relocate and be able to continue operating. These conditions, along with the other matters as set forth in note 1.3, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information included in the trustees' report. The other information comprises the information included in the trustees' 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

VULCAN TO THE SKY TRUST

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE TRUSTEES OF VULCAN TO THE SKY TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the groups and parent charitable company'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 trustees either intend to liquidate the group or the parent 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 auditor under section 151 of the Charities Act 2011 and report in accordance with this Act.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. However, responsibility for the prevention and detection of fraud ultimately rests with both those charged with governance and management of the charity.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- obtaining an understanding of the legal and regulatory framework applicable to the group and parent charitable company by considering the nature of the industry in which the group and parent charitable company operates and enquiring of management; and
- identifying the key laws and regulations considered to have a direct impact on the financial statements including the UK Companies Act 2006, UK Charities Act 2011, UK Generally Accepted Accounting Practice and UK tax legislation; and
- assessing how the group and parent charitable company is complying with the applicable legal and regulatory framework by making further enquiries of management and observing the groups and parent charitable company's control environment regarding compliance with regulations and fraud prevention; and
- assessing the susceptibility of the groups and parent charitable company's financial statements to material misstatement, including how fraud might occur, by considering the effectiveness of the group's and parent charitable company's accounting systems and controls and how these were monitored by management. Where the risk of material misstatement was considered to be higher in certain areas, further audit procedures were designed to address this increased risk; and

VULCAN TO THE SKY TRUST

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE TRUSTEES OF VULCAN TO THE SKY TRUST

- discussing amongst the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud.

Audit response to risks of irregularities identified

Our procedures to respond to risks identified included the following:

- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- enquiry of charity staff responsible for compliance to identify any instances of non-compliance with laws and regulations; and
- enquiry of management, those charged with governance and other relevant parties around actual and potential litigation claims; and
- reviewing supporting documentation regarding actual and potential litigation claims; and
- reviewing minutes of meetings of those charged with governance; and
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and
- communicating identified laws and regulations and potential fraud risks to all engagement team members and assessing whether there are any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's 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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Newby Castleman LLP

Chartered Accountants
Statutory Auditor
West Walk Building
110 Regent Road
Leicester
LE1 7LT

Date: 27 July 2023

Newby Castleman LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

VULCAN TO THE SKY TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Income from					
Donations and legacies	3	186,463	248,343	434,806	798,116
Charitable activities	4	64,807	-	64,807	49,848
Other trading activities	5	226,793	-	226,793	184,423
Investments	6	212	-	212	106
Other	7	-	-	-	254
Total		478,275	248,343	726,618	1,032,747
Expenditure on					
Raising funds	8	645,080	135,369	780,449	796,345
Charitable activities	9	208,438	106,945	315,383	253,953
Other expenditure	14	17,868	-	17,868	82,139
Total		871,386	242,314	1,113,700	1,132,437
Net income / (expenditure) for the year / Net movement in funds		(393,111)	6,029	(387,082)	(99,690)
Reconciliation of funds					
Total funds brought forward		1,272,726	421,746	1,694,472	1,794,162
Total funds carried forward		879,615	427,775	1,307,390	1,694,472

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

VULCAN TO THE SKY TRUST

GROUP AND CHARITY BALANCE SHEET

AS AT 31 OCTOBER 2022

	Notes	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Fixed assets					
Tangible assets	15	9,212	8,789	10,586	9,446
Heritage assets	16	735,861	735,861	746,575	746,575
Investments	17	-	5	-	5
Total fixed assets		745,073	744,655	757,161	756,026
Current assets					
Stocks	18	78,439	-	91,994	-
Debtors	19	229,265	401,743	263,759	437,003
Cash at bank and in hand		356,078	347,567	701,312	693,736
Total current assets		663,782	749,310	1,057,065	1,130,739
Liabilities:					
Creditors: Amounts falling due within one year	20	(101,465)	(106,372)	(119,754)	(121,120)
Net current assets		562,317	642,938	937,311	1,009,619
Total assets less current liabilities		1,307,390	1,387,593	1,694,472	1,765,645
Total net assets	22	1,307,390	1,387,593	1,694,472	1,765,645
The funds of the charity					
Restricted funds	21	427,775	427,775	421,746	421,746
Unrestricted funds		879,615	959,818	1,272,726	1,343,899
Total charity funds		1,307,390	1,387,593	1,694,472	1,765,645

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

As permitted by s408 Companies Act 2006, the charity has not presented its own statement of financial activities and related notes. The charity's deficit for the year was £378,053 (2021 - £121,750).

For the year ending 31 October 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as the company is a charity, it is subject to audit under the Charities Act 2011.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

VULCAN TO THE SKY TRUST

BALANCE SHEETS (CONTINUED)

AS AT 31 OCTOBER 2022

The financial statements were approved and authorised for issue by the board of trustees on 26 July 2023 and are signed on its behalf by:

Mr John Sharman FRAeS
Chairman of Trustees

Company Registration No. 04478686

The notes on pages 25 - 44 form part of these financial statements.

VULCAN TO THE SKY TRUST

GROUP STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 OCTOBER 2022

	Notes	£	2022 £	£	2021 £
Net cash (outflow) / inflow from operating activities	28		(340,939)		(267,405)
Cash flow from investing activities					
Purchase of tangible fixed assets		(4,507)		(10,471)	
Proceeds on disposal of tangible fixed assets		-		501	
Purchase of heritage assets		-		(9,033)	
Interest received		212		106	
Net cash (outflow) / inflow from investing activities			(4,295)		(18,897)
Net (decrease) in cash of cash equivalents			(345,234)		(286,302)
Cash or cash equivalents at 1 November 2021			701,312		987,614
Cash or cash equivalents at 31 October 2022			356,078		701,312

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2022

1 Accounting policies

Charity information

Vulcan to the Sky Trust ("the charity") is a private company limited by guarantee, incorporated in England and Wales. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the reference and administration section of the trustees' report.

The group consists of Vulcan to the Sky Trust and all of its subsidiaries ("the group"), being Vulcan to the Sky Enterprises Limited, The Vulcan Operating Company Limited, The Vulcan Property Management Company Limited, and The Vulcan Marketing Company Limited.

1.1 Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. These financial statements have been prepared in accordance with: the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities applying FRS 102 (2019), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

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

These financial statements are prepared under the historical cost convention, modified to include the revaluation of certain heritage assets. The principal accounting policies adopted are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The charity is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this charity, which are intended to give a true and fair view of the assets, liabilities, financial position and net movement in funds of the group. The charity has taken advantage of the exemption from preparing a statement of financial activities and a statement of cash flows on the basis that these are incorporated into the group statement of financial activities and statement of cash flows.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Vulcan to the Sky Trust and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 October 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

1.3 Going concern

These financial statements are prepared on the going concern basis. The trustees have a reasonable expectation that the group will continue in operational existence for the foreseeable future.

As explained more fully in the trustees' report set out on pages 2 and 3, the trust entered into a parking lease with Doncaster Sheffield Airport ("DSA") in June 2022 where the aircraft's tenure on site was secured until the end of June 2023; the original lease stated that *"both aircraft will need to be taken off the airfield and removed from DSA by 30th June 2023"*. Following the discussions with Peel L&P in March 2023, this was extended to the end of December 2023 and at the time of this report, the trust are awaiting a new lease to represent the change formally.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

1 Accounting Policies (continued)

The discussions with Peel L&P also have led to an ongoing feasibility study of using one of the extant hangars at DSA as a longer-term home for XH558 and these discussions continue. The trust also has potential options to dismantle and move the aircraft if the longer-term home at DSA proves untenable or rebuilding the aircraft with as much functionality as possible. Once a decision has been made the trust will launch a fundraising appeal to raise the necessary funds.

Based on all of the information that is currently available, the trustees have a reasonable expectation that they will identify and secure a viable and permanent home and the necessary funds for this project before the end of the term of the new parking lease (ends December 2023). Should the need arise, to dismantle and rebuild XH558, the trustees will continue to liaise with the National Heritage Memorial Fund ("NHMF") to approve their application. They also expect to receive the continued support of Peel Land & Property (formally known as Doncaster Sheffield Airport ("DSA") throughout the duration of the parking lease, and new landlords once an agreement has been entered into. Whilst the trust is conscious of the need to bring the permanent home project to a resolution by securing the necessary funds it will continue its on-going fundraising activities to maintain Avro Vulcan XH558 to the usual high standards and to deliver public access through the team of dedicated volunteers and staff. However, the failure to raise the necessary funds, and / or the withdrawal of NHMF, Peel L&P or new landlords, would cast a significant doubt over the charity's going concern status.

The trustees have prepared forecasts for the period ended 31 August 2024 which incorporate the above plans. Based on these forecasts, and the voluntary income that has been received since the year end date, the trustees are of the opinion that the group will receive sufficient donations for a period of at least 12 months from the date of approval of these financial statements to relocate and continue operating. However, donations are intrinsically uncertain and the ongoing support of the charity's current donors and supporters will be fundamental until the new trading model has been established.

On this basis, the trustees consider it appropriate to prepare the financial statements on the going concern basis.

1.4 Charitable funds

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.5 Income recognition

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 is recognised at the time of the donation. This policy has been followed for all income received for Operation Safeguard up to 31 October 2021, and includes income where donors have not responded to the charity's offer of a full refund or the opportunity to allow VTST to "retain" their donation. Donations which were refunded after the 2021-year end, due to the failed appeal, were recognised in creditors (note 20).

Legacies are recognised at the earlier of the charity being notified of an impending distribution or the legacy being received. Where legacies have been notified to the charity but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Government grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured with reliability. If entitlement is not met, then the amounts are deferred.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

1 Accounting Policies (continued)

Income from charitable activities includes hangar tour, engine ground-run and educational visit income.

Hangar tour income is recognised when the tour takes place. Income from ticket sales received in advance of the tour are deferred.

Engine ground-run income is recognised when the ground-run takes place. Income from ticket sales received in advance of the ground-run are deferred.

Income from trading activities primarily includes income earned from the sale of merchandise and raffles.

Sale of merchandise represents all goods sold during the period, less returns received, at selling price exclusive of Value Added Tax. Sales are recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attaching to the product, have been transferred to the customer.

Investment income is earned through holding assets for investment purposes. It comprises bank interest and is recognised on an accruals basis.

1.6 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. Expenditure is recognised when there is a legal or constructive obligation to make payments to third parties, it is probable that settlement will be required and the amount of the obligation can be measured reliably. It is recognised under the following headings:

- Costs of raising funds includes costs incurred in seeking donations, legacies, grants and fundraising.
- Expenditure on charitable activities includes costs relating to restoration and maintenance, and exhibition and display, to further the delivery of the objectives of the charity.
- Other expenditure includes losses on the sale of tangible fixed assets and employees' salaries whilst on furlough leave, covered by the Coronavirus Job Retention Scheme.

Irrecoverable VAT has been posted to other costs included in support costs (note 11).

1.7 Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and costs of raising funds and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objectives of the charity. Support costs are allocated to costs of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 11.

1.8 Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	20% straight line
Motor vehicles	20% straight line

1.9 Heritage assets

Heritage assets comprise the Avro Vulcan G-VLCN (XH558) and the English Canberra (WK163). The Vulcan is stated at valuation less depreciation, whilst the Canberra is stated at cost. Depreciation is provided on the Vulcan at a rate calculated to write off the valuation less estimated residual value over its useful economic life, being 70 years from the date which the Vulcan ceased to fly. Depreciation is not yet provided for the Canberra because the asset is not yet available for display.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

1 Accounting Policies (continued)

The trustees have estimated the remaining useful economic life of the Vulcan to be to October 2085 and the residual value of the aircraft to be £Nil. The charity's current policy is to maintain the aircraft in full working order and associated maintenance costs are charged to the Statement of Financial Activities.

1.10 Impairment of fixed assets

At each reporting end date, the charity 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, or the asset's cash generating unit, is estimated and compared to the carrying amount in order to determine the extent of the impairment loss (if any). Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the Statement of Financial Activities (SOFA) unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

1.11 Investments in subsidiaries

Investments are stated at cost less any provision for diminution in value.

1.12 Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Stock cost is recorded as invoice price net of any discounts received. Calculation of provisions for slow moving and obsolete stocks requires judgements to be made, which include forecast consumer demand, the promotional, competitive and economic environment, on the expectation that the group will continue in operational existence for the foreseeable future.

1.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.14 Financial instruments

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

Debtors and creditors with no stated interest rate and receivable or payable within one year are measured at transaction price. Any losses arising from impairment are recognised in the SOFA.

1.15 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.16 Retirement benefits

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

1.17 Leases

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

1.18 Taxation

Vulcan to the Sky Trust is a registered charity and no taxation provision is required as its income from charitable activities falls within the various exemptions available to registered charities.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees 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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Valuation of stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Calculation of provisions for slow moving and obsolete stocks requires judgements to be made, which include forecast consumer demand, the promotional, competitive and economic environment, on the expectation that the group will continue in operational existence for the foreseeable future.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Valuation of heritage asset (Vulcan)

The valuation of the Vulcan is reassessed annually by the trustees and, when necessary, amended to reflect current estimates.

Allocation of support costs

The allocation of support costs is sensitive to changes in the level of work undertaken on each activity by the charity. The allocation is reassessed annually and amended when necessary to reflect current estimates.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

3 Income from donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Regular donations	72,988	-	72,988	79,427
One off donations	21,948	-	21,948	22,076
Other donations	81,691	-	81,691	79,114
Gift aid recovered	3,665	44,998	48,663	83,926
Legacies	6,171	-	6,171	140,636
Operation Safeguard campaign	-	203,345	203,345	370,925
Government grants	-	-	-	22,012
	<u>186,463</u>	<u>248,343</u>	<u>434,806</u>	<u>798,116</u>
Unrestricted funds				353,193
Restricted funds				444,923
				<u>798,116</u>

Income for Operation Safeguard represents the balance of funds received under the Operation Safeguard appeal including gift aid. Income in respect of the year ended 31 October 2021 was recognised to the extent it was received, but excluded the donations refunded after the 2021-year end, due to the failed appeal, which were recognised in creditors (note 20).

4 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Exhibition and display	64,807	-	64,807	49,848
	<u>64,807</u>	<u>-</u>	<u>64,807</u>	<u>49,848</u>
Unrestricted funds				49,848
Restricted funds				-
				<u>49,848</u>

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

5 Income from other trading activities

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Sale of merchandise	203,034	-	203,034	181,198
Raffle income	19,931	-	19,931	-
Commission income	3,828	-	3,828	3,225
	<u>226,793</u>	<u>-</u>	<u>226,793</u>	<u>184,423</u>
Unrestricted funds				184,423
Restricted funds				-
				<u>184,423</u>

6 Income from investments

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Interest receivable	212	-	212	106
	<u>212</u>	<u>-</u>	<u>212</u>	<u>106</u>
Unrestricted funds				106
Restricted funds				-
				<u>106</u>

7 Other income

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Gain on disposal of tangible fixed assets	-	-	-	254
	<u>-</u>	<u>-</u>	<u>-</u>	<u>254</u>
Unrestricted funds				254
Restricted funds				-
				<u>254</u>

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

8 Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<u>Fundraising and publicity</u>				
Staff costs	110,146	52,396	162,542	164,484
Purchase of merchandise	111,057	-	111,057	99,013
Consultancy costs	6,901	10,613	17,514	5,820
Carriage and packaging	46,542	-	46,542	57,283
Advertising and promotion	198,233	40,985	239,218	297,156
Other costs	11,366	-	11,366	409
	<u>484,245</u>	<u>103,994</u>	<u>588,239</u>	624,165
Share of support costs (note 11)	160,835	31,375	192,210	172,180
	<u>645,080</u>	<u>135,369</u>	<u>780,449</u>	796,345
Unrestricted funds				789,528
Restricted funds				6,817
				<u>796,345</u>

The expenditure on raising funds represents the day-to-day management of the charity and without a clearly identified "permanent home", our major dedicated fundraising has been generic since the last appeal (Operation Safeguard). We have invested in future plans and this includes negotiations with potential new landlords and business planning to underwrite a secure future along with ensuring day to day costs of the business and maintaining the aircraft are covered.

Once the future plans become formally agreed, focussed fundraising may begin again to secure that future investing in a permanent home and the associated revenue streams (visitor tickets, physical retail store, corporate events).

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

9	Expenditure on charitable activities	Activities undertaken directly (note 10) £	Support costs (note 11) £	Total 2022 £	Total 2021 £	
	Restoration and maintenance	153,830	47,615	201,445	157,640	
	Exhibition and display	101,063	12,875	113,938	96,313	
		<u>254,893</u>	<u>60,490</u>	<u>315,383</u>	<u>253,953</u>	
	Unrestricted funds			208,438	253,953	
	Restricted funds			106,945	-	
				<u>315,383</u>	<u>253,953</u>	
10	Expenditure on activities undertaken directly	Restoration and maintenance £	Exhibition and display £	Total 2022 £	Total 2021 £	
	Staff costs	54,182	-	54,182	32,816	
	Depreciation	10,714	-	10,714	10,714	
	Aircraft costs	12,686	76,564	89,250	72,126	
	Hangar costs	72,343	-	72,343	51,953	
	Air show events	-	23,021	23,021	20,234	
	Travel costs	3,905	-	3,905	2,549	
	Printing, postage and stationery	-	1,478	1,478	3,302	
		<u>153,830</u>	<u>101,063</u>	<u>254,893</u>	<u>193,694</u>	
11	Expenditure on support costs	Raising funds £	Restoration and maintenance £	Exhibition and display £	Total 2022 £	Total 2021 £
	Staff costs	72,281	-	8,031	80,312	84,997
	Depreciation	2,802	695	-	3,497	6,449
	Computer costs	18,708	6,681	1,336	26,725	26,508
	Bank charges	9,553	-	-	9,553	4,645
	Other costs	88,866	40,239	3,508	132,613	109,840
		<u>192,210</u>	<u>47,615</u>	<u>12,875</u>	<u>252,700</u>	<u>232,439</u>

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

Support costs have been allocated to activities on a relevant basis to the nature of the underlying costs in proportion to resources used. Other costs include governance costs totalling £45,404 (2021 - £33,760). Governance costs include auditor's remuneration totalling £23,275 (2021 - £17,775).

12 Trustees' remuneration

None of the trustees received any remuneration, benefits or reimbursed expenses from the charity during the year, or the previous year.

13 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Management and administration	9	10
Aircraft crew	1	1
	<u>10</u>	<u>11</u>

Employment costs

	2022 £	2021 £
Wages and salaries	268,623	274,896
Social security costs	20,454	21,442
Pension costs	7,959	7,971
	<u>297,036</u>	<u>304,309</u>

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

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2022 £	2021 £
Aggregate compensation	<u>92,088</u>	<u>102,213</u>

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

14 Other expenditure

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Loss on disposal of tangible fixed assets	2,384	-	2,384	-
Wages	-	-	-	22,012
New Hangar Development	15,484	-	15,484	60,127
	<u>17,868</u>	<u>-</u>	<u>17,868</u>	<u>82,139</u>
Unrestricted funds				50,508
Restricted funds				31,631
				<u>82,139</u>

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

15 Tangible fixed assets

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
(a) Group			
Cost			
At 1 November 2021	40,903	13,592	54,495
Additions	4,507	-	4,507
Disposals	(14,895)	-	(14,895)
At 31 October 2022	30,515	13,592	44,107
Depreciation			
At 1 November 2021	37,045	6,864	43,909
On disposals	(12,511)	-	(12,511)
Charge for the year	1,974	1,523	3,497
At 31 October 2022	26,508	8,387	34,895
Net book value			
At 31 October 2022	4,007	5,205	9,212
At 31 October 2021	3,858	6,728	10,586
(b) Charity			
Cost			
At 1 November 2021	22,928	13,592	36,520
Additions	4,507	-	4,507
Disposals	(14,895)	-	(14,895)
At 31 October 2022	12,540	13,592	26,132
Depreciation			
At 1 November 2021	20,209	6,865	27,074
On disposals	(12,511)	-	(12,511)
Charge for the year	1,257	1,523	2,780
At 31 October 2022	8,955	8,388	17,343
Net book value			
At 31 October 2022	3,585	5,204	8,789
At 31 October 2021	2,719	6,727	9,446

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

16 Heritage assets

	Vulcan (valuation) £	Canberra (cost) £	Total £
Group and Charity			
Carrying amount at 1 November 2021	685,716	60,859	746,575
Depreciation / impairment	(10,714)	-	(10,714)
Carrying amount at 31 October 2022	675,002	60,859	735,861

At 31 October 2022 the charity held two heritage assets:

- 1) Avro Vulcan G-VLCN (XH558) – held at valuation
- 2) English Canberra (WK163) – held at cost

The Avro Vulcan B.MK2 G-VLCN (XH558)

XH558 was the last Vulcan to leave RAF service, flying on from 1986 to 1993 as the single RAF Display Vulcan, a career of 33 years. In 1997, a small team headed by Dr Robert Pleming started an audacious plan to return her to flight at Bruntingthorpe Aerodrome in Leicestershire. In 1999 Marshall of Cambridge Aerospace was appointed Engineering Authority for the restoration project. In December 2003, the Heritage Lottery Fund announced a grant of £2.7million for XH558's restoration. After extensive restoration work and tests, the Vulcan returned to the sky in October 2007.

However, the CAA Permit to Fly was withdrawn at the end of the 2015 calendar year, and so despite being technically able to fly, the aircraft was not permitted to fly. As a result, the trust's business model changed, from flying a globally-unique heritage asset to having the aircraft as the still-serviceable centrepiece of a new visitor attraction and education facility. This change in the status of the asset has had an impact on its residual valuation. As at 31 October 2015, the board valued the aircraft at £750,000. The nature of the asset means it is not possible to derive a market valuation. The trustees therefore valued the aircraft, based on their knowledge and experience of working in the aviation industry. As at 31 October 2022, the board have reassessed their valuation of the aircraft and still consider it to be reasonable.

The aircraft has developed a loyal following of many thousands of supporters. She is and will remain the best preserved all-British four-engined jet aircraft anywhere in the world still capable of powered ground runs.

XH558 is maintained in the current working state, albeit not flying, under the terms of the trust's contract with the National Heritage Memorial Fund (NHMF) until 6 February 2085. The aircraft is subject to a first charge by the Trustees of The National Heritage Memorial Fund (see note 23 for further details).

English Electric Canberra B.2 (WK163)

The English Electric Canberra aircraft was the Royal Air Force's first jet bomber, and entered service in January 1951. The design was very successful and the type was in service for more than 50 years. Many aircraft were sold around the world to the air forces of 17 countries. The trust's example, Canberra WK163 (G-CTTS) captured the world altitude record of over 70,000 feet in August 1957, and is a very important national aviation heritage asset.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

16 Heritage assets (continued)

Five-year financial summary of heritage asset transactions (group and charity)

	2022	2021	2020	2019	2018
	£	£	£	£	£
Purchases					
Vulcan	-	-	-	-	-
Canberra	-	9,033	-	-	-
	<u>-</u>	<u>9,033</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	9,033	-	-	-
Charge for impairment					
Vulcan	-	-	-	-	-
Canberra	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-	-	-

17 Fixed asset investments

(a) Group

The group holds no investments

(b) Charity

	Shares in group undertakings
	£
Carrying amount	
At 1 November 2021	5
	<u>5</u>
At 31 October 2022	5
	<u>5</u>

Holdings of more than 20%

The charity holds 100% of the ordinary share capital in the following companies registered in England and Wales:

Subsidiary undertakings

Vulcan to the Sky Enterprises Limited (04899710)	VTSE
The Vulcan Operating Company Limited (03787161)	TVOC
The Vulcan Property Management Company Limited (09924223)	TVPMC
The Vulcan Marketing Company Limited (09906368)	TVMC

Principle Activities

That of selling merchandise through its website store and at air shows.
Dormant.
Dormant.
Dormant.

Where applicable, the subsidiaries covenant all available profits to Vulcan to the Sky Trust.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

17 Fixed asset investments (continued)

The trading results for the period and the aggregate amount of capital and reserves, as extracted from the financial statements of the subsidiary companies, are summarised below:

	TVOC	TVMC	TVPMC	VTSE	Total 2022	Total 2021
	£	£	£	£	£	£
Turnover	-	-	-	206,862	206,862	184,424
Cost of sales	-	-	-	(156,280)	(156,280)	(155,473)
Gross profit	-	-	-	50,582	50,582	28,951
Administrative expenses	-	-	-	(59,610)	(59,610)	(6,891)
Profit/(loss) before taxation	-	-	-	(9,028)	(9,028)	22,060
Tax charge	-	-	-	-	-	-
Profit/loss for the year	-	-	-	(9,028)	(9,028)	22,060
Assets and liabilities:						
Assets	11,636	16,003	19,095	99,607	146,341	165,937
Liabilities	(13,805)	(6,612)	(12,566)	(193,555)	(226,538)	(237,106)
Total net assets	(2,169)	9,391	6,529	(93,948)	(80,197)	(71,169)
Capital and reserves:						
Called up share capital	2	1	1	1	5	5
Profit and loss account	(2,171)	9,390	6,528	(93,949)	(80,202)	(71,174)
	(2,169)	9,391	6,529	(93,948)	(80,197)	(71,169)
Statement of movement on profit and loss:						
Balance at 1 November 2021	(2,171)	9,390	6,528	(84,921)	(71,174)	(93,234)
Profit/(loss) for the year	-	-	-	(9,028)	(9,028)	22,060
Donations paid to parent charity	-	-	-	-	-	-
Balance at 31 October 2022	(2,171)	9,390	6,528	(93,949)	(80,202)	(71,174)

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

18 Stock	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Goods for resale	78,439	-	91,994	-
	78,439	-	91,994	-
19 Debtors	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Amounts falling due within one year:				
Trade debtors	667	-	12,475	11,023
Amounts due from subsidiary undertakings	-	184,745	-	191,772
Other debtors	32,742	25,149	32,628	19,942
Prepayments and accrued income	195,856	191,849	218,656	214,266
	229,265	401,743	263,759	437,003
20 Creditors: Amounts falling due within one year	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Trade creditors	46,017	43,068	58,045	51,089
Amounts due to subsidiary undertakings	-	11,621	-	11,621
Other creditors	1,495	775	2,531	1,531
Accruals and deferred income	46,837	44,759	31,905	31,431
Taxes and social security costs	7,116	6,149	6,733	4,908
Operation Safeguard	-	-	20,540	20,540
	101,465	106,372	119,754	121,120

The 2021 Operation Safeguard creditor comprise amounts refunded to donors after the 2021-year end, due to the failed appeal.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

21	Restricted funds	Balance at 1 Nov 2021 £	Income £	Expenditure £	Balance at 31 Oct 2022 £
	Group and Charity				
	Operation Safeguard	421,746	248,343	(242,314)	427,775
		<u>421,746</u>	<u>248,343</u>	<u>(242,314)</u>	<u>427,775</u>
		<u>421,746</u>	<u>248,343</u>	<u>(242,314)</u>	<u>427,775</u>
		Balance at 1 Nov 2020 £	Income £	Expenditure £	Balance at 31 Oct 2021 £
	Group and Charity				
	Operation Safeguard	15,271	422,911	(16,436)	421,746
	Coronavirus Job Retention Scheme	-	22,012	(22,012)	-
		<u>15,271</u>	<u>444,923</u>	<u>(38,448)</u>	<u>421,746</u>
		<u>15,271</u>	<u>444,923</u>	<u>(38,448)</u>	<u>421,746</u>

Operation Safeguard

This represents amounts received through the Operation Safeguard appeal for the purpose of building The Vulcan Experience at DSA. As explained in note 1.5 of the financial statements, all income received in respect of Operation Safeguard up to 31 October 2022, has been recognised in these accounts (note 3) as restricted income, and includes income where donors have not responded to the charity's offer of a full refund or the opportunity to allow VTST to "retain" their donation. Donations which were refunded after the 2021-year end, due to the failed appeal, were recognised in creditors (note 20).

By May 2022 63% of donors had responded with 89% agreeing to the VTST's retention of the donated funds. The charity applied to the Charity Commission to make a "scheme" to widen the scope of these funds and allow these donations to be used in pursuance of its charitable objects. On the 21st June 2022 the Charity Commission authorised a scheme which allows the trustees to use £323,400 of disclaimed / retained funds to preserve and protect Avro Vulcan XH558 and return her to full working order for the benefit of the public and to demonstrate and display her to the public and to conserve and return to full working order. On the 5th December 2022 the Charity Commission authorised a second scheme which allows the trustees to use £197,530 of disclaimed / retained funds to preserve and protect Avro Vulcan XH558 and return her to full working order for the benefit of the public and to conserve, demonstrate and display her to the public. The second scheme also stipulated that if a donor requests that their donation(s) to the appeal be returned to them by the charity, the Commission may authorise the return of such donation(s) in writing. Where a donation has been returned in accordance with this provision, this scheme will not be applicable to such donation(s) and the Commission's written authorisation to return donation(s) will have no effect on the continuing validity of this scheme. On the 18th January 2023 the Charity Commission authorised a third scheme which allows the trustees to use £8,370 of disclaimed / retained funds to preserve and protect Avro Vulcan XH558 and return her to full working order for the benefit of the public and to conserve, demonstrate and display her to the public. The Charity Commission confirmed that the third and final scheme effectively and successfully concluded all the legal protocols on the failed appeal procedure.

Coronavirus Job Retention Scheme

This represents amounts received from the Government to cover staff costs during the Covid-19 pandemic.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

22 Analysis of net assets between funds

(a) Group	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Funds balances are represented by:						
Tangible fixed assets	9,212	-	9,212	10,586	-	10,586
Heritage assets	735,861	-	735,861	746,575	-	746,575
Current assets	236,007	427,775	663,782	614,779	442,286	1,057,065
Creditors: amounts falling due within one year	(101,465)	-	(101,465)	(99,214)	(20,540)	(119,754)
	<u>879,615</u>	<u>427,775</u>	<u>1,307,390</u>	<u>1,272,726</u>	<u>421,746</u>	<u>1,694,472</u>

(b) Charity	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Funds balances are represented by:						
Tangible fixed assets	8,789	-	8,789	9,446	-	9,446
Heritage assets	735,861	-	735,861	746,575	-	746,575
Investments	5	-	5	5	-	5
Current assets	321,535	427,775	749,310	688,453	442,286	1,130,739
Creditors: amounts falling due within one year	(106,372)	-	(106,372)	(100,580)	(20,540)	(121,120)
	<u>959,818</u>	<u>427,775</u>	<u>1,387,593</u>	<u>1,343,899</u>	<u>421,746</u>	<u>1,765,645</u>

23 Contingent liabilities

In previous years the trust received funding from the National Heritage Memorial Fund (NHMF) in the sum of £2,734,000. The trust may be required to repay some or all of this grant in the event of the sale, disposal or mortgage charge of the plane without prior approval of the NHMF. The amount repayable is currently limited to £389,872.

The trust will also require an interest in the plane or right to the exclusive use and possession of the aircraft to 6 February 2085.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

24 Operating lease commitments

At 31 October 2022 the group and charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2022	Charity 2022	Group 2021	Charity 2021
	£	£	£	£
Within one year	43,187	39,321	48,854	44,987
Between two and five years	36,250	36,250	75,250	75,250
	79,437	75,571	124,104	120,237

Lease payments totalling £63,807 (2021 – £46,072) have been recognised as an expense during the year.

25 Ultimate controlling party

The charity is controlled by its trustees acting in accordance with the terms of the memorandum and articles of association.

26 Related parties

The charity has taken advantage of the exemption given by FRS 102, from disclosing transactions with its wholly owned subsidiaries.

During the year, Angela Trotter (the spouse of Michael Trotter, a member of key management personnel), invoiced the company £3,405 (2021 – £7,021) for her accountancy services from Greenways Business Services, a partnership in which Michael Trotter is a member. The amount due to be paid at the year-end amounts to £763 (2021 – £Nil).

27 Post balance sheet events

On the 5th December 2022 the Charity Commission authorised a second scheme which allows the trustees to use £197,530 of disclaimed / retained funds to preserve and protect Avro Vulcan XH558 and return her to full working order for the benefit of the public and to conserve, demonstrate and display her to the public. The second scheme also stipulated that if a donor requests that their donation(s) to the appeal be returned to them by the charity, the Commission may authorise the return of such donation(s) in writing. Where a donation has been returned in accordance with this provision, this scheme will not be applicable to such donation(s) and the Commission's written authorisation to return donation(s) will have no effect on the continuing validity of this scheme. On the 18th January 2023 the Charity Commission authorised a third scheme which allows the trustees to use £8,370 of disclaimed / retained funds to preserve and protect Avro Vulcan XH558 and return her to full working order for the benefit of the public and to conserve, demonstrate and display her to the public. The Charity Commission confirmed that the third and final scheme effectively and successfully concluded all the legal protocols on the failed appeal procedure.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

28 Net cash flow from operating activities

	2022 £	2021 £
Net income/(expenditure) for the year	(387,082)	(99,690)
Investment income	(212)	(106)
Loss / (gain) on disposal of tangible fixed assets	2,384	(254)
Depreciation of heritage assets	10,714	10,714
Depreciation of tangible assets	3,497	6,449
Movements in working capital:		
(Increase)/decrease in stocks	13,555	(6,846)
(Increase)/decrease in debtors	34,494	(207,128)
Increase/(decrease) in creditors	(27,212)	29,456
Net cash flow from operating activities	(340,939)	(267,405)

29 Analysis of changes in net funds

During the year the group had no borrowings or obligations under finance leases. The changes in net funds of the charity therefore solely comprise of cash and cash equivalents.

VULCAN TO THE SKY TRUST

England & Wales - Charity number 1101948

Accounts

Charity Registration No. 1101948

Company Registration No. 04478686 (England and Wales)

VULCAN TO THE SKY TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 OCTOBER 2021**



VULCAN TO THE SKY TRUST

HONOURING THE PAST, INSPIRING THE FUTURE

VULCAN TO THE SKY TRUST

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VULCAN TO THE SKY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2021

1. OBJECTIVES AND ACTIVITIES OF THE TRUST

The principal objects of the Vulcan to the Sky Trust ("VTST", "the Trust") are to:

- (1) Preserve and protect Avro Vulcan XH558 and return her to full working order for the benefit of the public and to demonstrate and display her to the public and to conserve and return to full working order other aircraft and engineering artefacts in general which are of significant heritage interest and to maintain such in a purpose-built facility.
- (2) Advance the education of the general public in Avro Vulcan XH558, in aviation and engineering heritage, in its associated provenance, historical and social context and in the strategy of deterrence, for the benefit of British heritage, and historical knowledge.
- (3) Advance the education of the general public in Avro Vulcan XH558 and other aircraft and engineering artefacts in general of significant heritage interest, in their design, engineering and technologies, operational and maintenance processes and procedures; for the benefit of British heritage, and technical knowledge and conservation, by providing access to engineering demonstrations and practical activities.

The Trust provides these services throughout Great Britain.

Ensuring that VTST delivers on its objects

The Trust reviews its objectives and activities regularly throughout the year, looking at the success of its activities and the benefits that the Trust has brought to the public. The Trustees refer to the advice contained in the Charity Commission's general guidance on public benefit when deciding on its plans and activities. The particular public benefits generated from our work are detailed later in this report.

Background

Following a ten-year restoration project, Avro Vulcan XH558 ("XH558") returned to flight on 18th October 2007, having previously been grounded on 23rd March 1993 at the end of its RAF career. The Trust was granted approval by the Civil Aviation Authority ("CAA") to operate Vulcan XH558 under UK Civil Regulations on 2nd July 2008. The aircraft was granted a CAA Permit to Fly on 3rd July 2008, a condition of which was the continuing contractual support from the aircraft's Engineering Authority, Marshall Aerospace. This was a first for a Complex category ex-military aircraft on the UK Civil Register, and marked the successful completion of the world's most complex aircraft restoration project.

Subsequently, Vulcan XH558 was presented by the Trust to the public at air shows and events around the UK in each year following, supported by educational and interpretational activities.

In April 2011, XH558 flew in to Robin Hood Doncaster Sheffield Airport ("DSA"), and Hangar 3 there became its home operating base.

In January 2015, the Trust received notice from Marshall Aerospace, BAE Systems and Rolls-Royce that at the end of 2015, they would collectively be withdrawing the Engineering and Design Authority support required as a condition of the aircraft's Permit to Fly, thereby consequently bringing to the end the flying life of Vulcan XH558. The aircraft's final flight took place on Wednesday 28th October 2015 at Doncaster Sheffield Airport.

Future planning and its context

Grounded at DSA since autumn 2015, nevertheless Vulcan XH558 has been maintained in a safe ground-running and taxiing condition, and continues to attract much enthusiastic support from the public.

Until the beginning of 2017, the public were able to come to see XH558 in Hangar 3 at DSA on a pre-booked basis, receive educational guided tours of the aircraft, hear talks about the Vulcan and its history, and buy merchandise from an in-hangar shop. Much publicity was gained by offering the large space in the hangar for both private and corporate events "under the wings" of the Vulcan.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

However, from the beginning of 2017, the Trust was forced to stop public visits because the airport required the hangar space for other uses. This effectively stopped the major revenue-earning activities of the Trust, and severely curtailed its main public benefit delivery activities. As a result of this forced cessation of public tours and events, the Trust had to rapidly restructure to match its costs with the much lower revenues expected.

In discussions with DSA, their management team were made aware of the impact the loss of Hangar 3 had on the VTST's business model and the loss of an appropriate environment to preserve an asset of significant heritage value. They decided to purchase land specifically to provide a site for a new hangar for this purpose from Anglian Water in April 2018. This was on the basis that the VTST would raise the necessary capital funding for the build.

Plans for a New Hangar were drawn up with significant help from local companies, Doncaster Municipal Borough Council and the Airport. In December 2017, the Trust received full planning approval for the new hangar from the council. DSA offered the Trust a lease on a site to build a new hangar specifically designed for its tour, event and engineering activities. Capital quotations were sought and an initial outline build cost of £4 million was set as a target, which due to the passage of time as set out below rose to £4.6 million.

A comprehensive business plan for the New Hangar was developed using the experience gained from the Trust's visitor and event activities in Hangar 3. This showed that the facility would be financially viable and could be an exciting new visitor attraction for South Yorkshire. The plan was independently tested and indeed re-visited with respect to likely visitor number impact in a post Covid-19 world.

Initially an investor came forward offering full funding in January 2018 but all efforts at due diligence and "know your customer" research failed to get satisfactory confirmation that the funds existed and reluctantly the VTST withdrew from the negotiations in March 2019 – 14 months had been lost.

The VTST Board then engaged in April 2019 with a commercial property developer based in Yorkshire who worked with investors who were looking to support a project with "Green" credentials and skills education objectives. A draft lease was provided by DSA but unfortunately the developer withdrew citing difficulties with the terms of the lease; 18 months had elapsed since the purchase of the land by DSA.

As DSA had no return on their investment, it was now vital that a new approach was found and with the assistance of interested parties, the VTST developed a modified funding model for the hangar. £2.4 million (52%) of the capital funding for the hangar build would be via a commercial mortgage (subject to negotiation) and the balance (£2.2 million) via a public appeal, "Operation Safeguard", and this was launched in October 2020. DSA instructed their lawyers to draw up an "Agreement for Lease" (AFL) in November 2020 that would form the full lease once funding was in place; the VTST received the first draft for review in June 2021 and, it was finally signed on the 19th October 2021. A condition of the AFL was a deadline that stated the funds needed to be in place by the 31st December 2021 or significant progress towards those funds being secured had been demonstrated.

Following a review into the progress of raising the necessary funds with DSA after 31st December 2021, the charity was informed that the deadline would not be extended, and the AFL had been terminated. All fund raising was stopped as, from this point, the VTST could not demonstrate tenure to the land.

In June 2022 the VTST signed a "parking lease" with DSA where the aircraft's tenure on site is secured until the end of June 2023 but we are now working on plans to move our aircraft to another site. The correspondence relating to this lease stated that "both aircraft will need to be taken off the airfield and removed from DSA by 30th June 2023".

In July 2022 we were informed that the Board of Doncaster Sheffield Airport had begun a review of strategic options for the Airport. The review follows lengthy deliberations by the Board of DSA which has reluctantly concluded that aviation activity on the site may no longer be commercially viable. It should be noted that our plans to move from the site pre-dated this announcement and so we believe we are not materially affected by this news, but we sought assurances from DSA to establish that their announcement does not affect our timeline for leaving the Airport.

When it became apparent that our future was likely to be away from DSA, we began the process of finding a safe and permanent home for XH558. We have explored various options and are now faced with the following:

- (1) Exploring with the relevant authorities the potential of a short ferry flight to a new home notwithstanding the fact that in 2017 this was deemed not possible by the CAA given the complex category of our Permit to Fly.
- (2) Dismantling the aircraft and rebuilding her with as much functionality as possible.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

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We have interested landlords for both options and the potential sites would all include excellent public access to the aircraft as a static exhibit in a New Hangar with as much functionality as possible. However, we fully understand that dismantling XH558 will end her days as a "live" airframe as defined by full engine functionality. WK163 will be moved to a site where restoration is possible – i.e., a live airfield with maintenance facilities.

As explained in note 23 of the financial statements, VTST may be required to repay some or all of a grant from the National Heritage Memorial Fund ("NHMF") in the event of the sale, disposal or mortgage charge of XH558 without prior approval of the NHMF. VTST met with the NHMF at the end of July 2022 who were fully briefed on our options and future plans. They continue to be supportive, but given our current agreement with them, they advised us to submit a project enquiry form that will enable them to support the VTST in assessing the options for relocation in the best interest of preserving the asset. If approved this would result in the existing arrangement being amended or replaced as necessary.

The Heritage Lottery Fund (HLF), in the form of its legal entity the National Heritage Memorial Fund (NHMF), maintains a charge over the Avro Vulcan XH558 on a reducing amount based on the HLF grant and the flying life of the aircraft, which is covered by the aircraft's Hull insurance. The contract between the VTST and the NHMF is for 80 years from 2005, requiring the Trust to deliver its public benefits based on the aircraft over this time. When XH558 finally ended its flying life, it had completed 346 hours flying since its return to flight in 2007, successfully exceeding its flying commitment to the NHMF of 250 flying hours.

Operation Safeguard

Income donated for "Operation Safeguard", in accordance with the terms and conditions of the appeal, was restricted for the purpose of building The Vulcan Experience at DSA. Following the termination of the AfL, The Vulcan Experience at DSA can no longer be built, which has therefore resulted in the Operation Safeguard appeal failing. We have taken legal advice from specialist lawyers in respect of this and followed their advice. We declared a "serious incident" with the Charity Commission, a statutory requirement in the event of a "failed appeal". Protocols have been followed where the failed appeal was publicly advertised and all donors were contacted and offered either a full refund or the opportunity to allow VTST to "retain" their donation.

In May 2022 63% of donors had responded with 89% agreeing to the VTST's retention of the donated funds. The charity applied to the Charity Commission to make a "Scheme" to allow these donations to be used in pursuance of its charitable objects. On the 21st June 2022 the Charity Commission authorised a Scheme which allows the trustees to use £323,400 of disclaimed / retained funds to preserve and protect Avro Vulcan XH558 for the benefit of the public and to demonstrate and display her to the public. These funds will therefore continue to be held in restricted funds.

The charity is currently liaising with the Charity Commission in relation to the options that will apply in respect of donations received from donors who have not responded to the invitation to either disclaim the funds or request a refund. It is intended to apply for a Scheme to enable any donations that are claimed to be used in pursuance of the charity's charitable objects.

As explained in note 1.5 of the financial statements, all income received in respect of Operation Safeguard up to 31st October 2021, has been recognised in these accounts (note 3) as restricted income, and includes income where donors have not responded to the charity's offer of a full refund or the opportunity to allow VTST to "retain" their donation. Donations which have been refunded after the year end, have been recognised in creditors (note 20).

Other Activities

The Trust, continues to plan for its future activity taking into account the current status. In accordance with its objects, the Trust broadened its scope and interests by the acquisition of another aircraft in May 2016; an important English Electric Canberra aircraft that broke the world altitude record in 1957.

The Trust's activities include charitable fundraising in many different ways to ensure that sufficient funds are available to allow the continuation of the Trust's public benefit delivery.

The Trust has become much more reliant on volunteer support. A team of appropriately-skilled volunteers has been trained as the Vulcan ground support team, to permit demonstrations of the aircraft with its engines and systems running, and slow taxiing under its own power while this still remains an option.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

The Trust continues to carry out limited public benefit delivery activities at sites remote from the airport, including talks and presentations, and a presence at events such as air shows.

The Trust rents an industrial unit at DSA that also is the registered Head Office of the VTST – 4 Delta Court, Third Avenue, Doncaster Sheffield Airport, Doncaster DN9 3GN. This building is used for VTS Enterprises, the VTST's wholly owned retail subsidiary for merchandise stores, order fulfilment and also the management of all VTST fundraising fulfilment including donor and customer queries. It also houses small engineering bays, spares and stores required to keep Vulcan XH558 in full working order. Stores for Canberra WK163's restoration to flight and non-essential XH558 spares are managed in a separate location near to Stratford-upon-Avon. The administrative finance and HR functions is housed in serviced office space in Hinckley.

VTST's subsidiary, The Vulcan Operating Company Ltd ("VOC"), relinquished its CAA Maintenance Approvals in 2018, but is maintaining its safety management and quality procedures for heritage aircraft to ensure that XH558 can be operated safely.

VTST also has undertaken activities to provide interpretation of the aircraft under its care, and to educate a broad range of audiences on the Cold War: the Avro Vulcan and the English Electric Canberra including their history, design & engineering. These activities have included giving educational talks, and planning and providing school activities in line with the National Curriculum.

2. ACHIEVEMENTS AND PERFORMANCE OF THE TRUST

The move from Hangar 3 in February 2017 to a location which does not allow public access caused the suspension of much of the Trust's public benefit delivery activities. This has effectively put the Trust's future at risk because of the financial impact of the cessation of revenue earning tours and events.

Following this event, a significant restructure of the charity was undertaken, so that going forward the much-reduced cost structure can be sustained by the forecast level of income. The support of our current donors is fundamental to the charity's future until our new trading model is established in our planned new and permanent home.

Public Benefit Delivery: Conservation of Avro Vulcan XH558 in full working order, and of other heritage aircraft and engineering artefacts

Vulcan XH558 continues to be maintained to the same servicing regime as when she was flying, with regular engine runs, systems tests and slow taxi movements. For safety, the explosives associated with the ejection seats and canopy gun have been removed, but in all other aspects, Vulcan XH558 remains serviceable. Annual services were carried out on XH558 in 2021 and again in early 2022. For avoidance of doubt – moving XH558 to a new site may involve dismantling and rebuilding the airframe and the functionality will be much reduced with no live engines.

In May 2016 the Trust acquired an important English Electric Canberra aircraft, serial number WK163, together with a large amount of spare equipment including engines. An initial survey showed that the aircraft is in generally good shape, however there are some areas of corrosion on the fuselage, and the cockpit requires a complete rebuild (or possibly replacement with another complete cockpit). Also, the five Avon 100-series engines acquired at the same time need a full service, and the completion of a series of Mandatory Permit Directives required on these engines by the CAA.

In November 2020, the Trust purchased a second Canberra, WT327, at auction in the USA that included WK163's original cockpit which brings both a significant technical benefit and a very fortuitous heritage provenance. The Trust plans to repatriate this aircraft to the UK when funding allows and to store it until the restoration of WK163 begins. Of note, this restoration will not begin until the new hangar and permanent home for XH558 is secured.

This project will be the subject of a separate specific targeted fundraising campaign specifically to achieve the series of milestones that will result in a return to flight for WK163.

The Trustees are very grateful for the continuing support from the following:

- All the Trust's volunteers, who performed important roles in support of the important hangar tour, merchandising and web store activities, in support of engineering and logistics activities, and in promoting the Trust and its activities around the country, including fundraising.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

- The public who have consistently supported the project as evidenced in the donations to Operation Safeguard.
- Doncaster Sheffield Airport, Doncaster Metropolitan Borough, The Doncaster Chamber of Commerce, and the many local and regional businesses who have offered support.
- The Founding Guardians, who were members of the now-disbanded Vulcan to the Sky Club, who have given freely their time, effort and commitment at air shows and other fundraising events, and the "Friends" of the Trust and members of the general public, whose support has been vital.

Public Benefit Delivery: Presentation of Avro Vulcan XH558 at air displays and other outside events

The Vulcan was seen by many millions of people during the eight years that the aircraft was flying, and by the end of its flying life XH558 had become quite famous. The Trustees remain pleased at the positive effect of the aircraft on spectators, especially on the young, and are delighted that so many happy memories have been laid down.

Following the end of flying, the Trust has worked with the Airport to establish an agreed method and risk assessment for ground-running the Vulcan with spectators present.

Over the period, the Trust marketed and delivered opportunities for paying visitors to experience the sights and sounds of the Vulcan during its monthly ground runs in the summer months, and latterly at her parking site.

The Trust used the opportunities presented by the regular monthly anti-deterioration engine ground runs of the Vulcan to offer close-up demonstrations of the aircraft as she exercises her engines and systems to supporters. The Trust is also now able to demonstrate the aircraft taxiing. The sights and sounds of the running Vulcan are highly valued and much in demand, and represent an important revenue stream.

Visits to the aircraft were paused for majority of 2021 due to the UK continuing to be affected by the coronavirus pandemic. When we were able to safely recommence events in August 2021, our volunteers worked hard to give their time so as many supporters as possible could access the aircraft. Between 8th August and 18th December, a total of 32 successful sessions of Vulcan XH558 Engine Ground-Runs and Airside Tours were carried out. At each event supporters were able to stand beneath the aircraft to view their names under the Vulcan's massive delta-wing, discuss the work being carried out on the aircraft on the day, listen to the history of the Vulcan's design, development and service life, and engage with the team and fellow Vulcan fans.

Engine Ground-Runs – 10 sessions | each with 30 visitors | total of 300 people.

Airside Tours – 8 sessions | each with 30 visitors | total of 240 people.

Post year end, a further 22 Airside Tours and 7 Engine Ground-Runs have been carried out with 510 people attending the Airside Tours and 230 people attending the Engine Ground-Runs

During the tours, supporters heard a talk on the Vulcan, an update on maintenance activities and are shown some systems functioning. A highlight is a visit to the cockpit. These tours have been very well received.

The Trust plans for popular open days at the Stratford site and air shows (managed from that site) were severely restricted, and a summary as follows;

2021

Open Days – Due to the continued uncertainty over the Covid-19 Virus the decision was taken to cancel all Open Days in 2021. The multiple changes to governmental rules and availability of volunteer staff made the position unsustainable.

Cadet Days – Due to the continued uncertainty over the Covid-19 Virus the decision was taken to cancel all Air Cadet Activity Days in 2021.

Other Events – The multiple changes to governmental rules and availability of volunteer staff made the position unviable and there were no events.

Air-shows – All major UK based international level Air-shows were cancelled by the organisers on the basis of governmental rules in force for the middle part of the year.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

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However, with relaxed rules in place, we did attend Abingdon Air and Country Show on the 11th September. This proved to be a popular event both with the public, traders and air participants. With an attendance of around 15,000 there was good support for ourselves and other traders who had been starved of action for the previous 18 months.

2022

Open Days – It is the intention to hold a number of Open Days during the year especially over the mid-summer period, the exact number dependent on the other activities listed below.

Cadet Days – An invitation has been made to RAF Air Cadet Squadrons in the area to re-commence the Air Cadet Activity Days. We are aiming for around one a month from May onwards.

Other Events – It is proposed to hold a selection of events within the stores. Including Talks (e.g., S. Liddle, a VTST Trustee has prepared a lecture on aerodynamics and this will be replicated in Doncaster. Film nights are also planned using rare footage of RAF origin that has been donated to the VTST. We envisage this to be a regular programme.

Air shows – At this time we have confirmed our attendance at the RAF Cosford Air show on 12th June. We have also reserved pitch for the Royal International Air Tattoo on 15th – 17th July and likewise for Abingdon Air show on 11th September. Yeovilton Air Day, the Royal Navy equivalent of RIAT, appears to have been cancelled for 2022. Consideration is being given to The Midland Air Festival.

Education

The VTST has always worked on the two key themes that are defined in our objects, namely, Honouring the Past and Inspiring the future. With the former, we continue via our regular communications, to put the Vulcan aircraft type in to context historically. This year is a case in point where we will be covering the Falklands conflict at the Vulcan and Victor aircraft's crucial role.

2021 saw a major advance in our education activity where our programmes have engaged with youngsters in the region in creative ways to show that there are meaningful and well-paid careers in engineering. The Trust's volunteers continue to play absolutely key roles in delivering educational and inspirational outcomes.

The VTST has been working in partnership with The Work-wise Foundation and CBE+ to deliver bespoke education programmes to schools in the South Yorkshire Region led by The Work-wise Foundation. A summary of the programmes delivered and being developed is outlined below.

Operation Vulcan

Project Summary: Launched in March 2021 at Get up to Speed with STEM: The Virtual Experience, Operation Vulcan is a competition which invited secondary schools to design an interactive exhibition to display one of the Bomb Bay Fuel Tanks from the Vulcan XH558 at The Vulcan Experience. Between September 2021 and December 2021 students worked on designs supported virtually by the team and then participated in a judging day at CBE+. The winning design was then turned into a model between January 2022 and March 2022 which was displayed at Get up to Speed with STEM.

Dates: 23rd March 2021 - 23rd March 2022

Total Schools Engaged: 8 (Secondary)

Total Students Engaged: 72

Total Businesses Engaged: 5

Get up to Speed with STEM

Project Summary: Vulcan to the Sky Trust had a combined presence with CBE+ at Get up to Speed with STEM on 23rd March. Displays included: work of the students who took part in Operation Vulcan including the model of the winning design, the flight simulator, the bomb bay fuel tank, wing tips and engine plus other display materials.

Dates: 23rd March 2022

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

Total Schools Engaged: 55 (90% Secondary and 10% Primary)

Total Students Engaged: 3,445

Total Businesses Engaged: 77

Flying Futures

Project Summary: A joint bid between The Work-wise Foundation University of Sheffield Maker Spaces has been successful and this programme will be rolled out and delivered between June 2022 and July 2023. Aimed at recruiting Engineering Volunteers to go into Schools with projects designed around aerospace to engage the students, with the Vulcan XH558 as the inspiration and theme throughout. The project will deliver 10 Flying Futures Roadshow outreach days, produce 15 school kits with materials, 15 Flying Futures Roadshow activity days, 2 teacher information events and 2 engineer training events.

Dates: 1st June 2022 - 30th July 2023

Total Schools to be Engaged: 95 Primary

Total Students to be Engaged: 3,600

Total Businesses to be Engaged: 15

Dr Fleming's Delta Wings Project x2

Project Summary: Building on the success of the pilot programmes and due to be launched in March 2022, Dr Fleming's Delta Wings Project will ask both Primary and Secondary schools from the Delta Academies Trust to get involved in creating displays to showcase the Delta Wings from the Vulcan XH558. These designs will initially be displayed at Get up to Speed 2023, then go on to become a permanent display in the new home of the Vulcan XH558. Each primary school taking part will be sponsored and linked with a local business to fund the materials for their model.

Dates: 1st April 2022 - 29th March 2023

Total Schools to be Engaged: 47 (30 Primary, 15 Secondary & 2 alternative provisions)

Total Students to be Engaged: 1,410

Total Businesses to be Engaged: 30

Doncaster University Technical College UTC

Year 10 students at Doncaster UTC spent six weeks reinventing the wing of the RAF's longest-serving Avro Vulcan, XH558, under a partnership with the Vulcan to the Sky Trust (VTST).

The UTC recently won a national award and this curriculum project was cited as a key reason in this employer-led engineering project. It will see students using the original plans and sketches of the Vulcan, an iconic example of British aeronautical design excellence being used.

Leading on from this and continuing to build the relationship the Vice Principal, Lyndsey Glasby has asked Ian Straw (Education Coordinator) to join the Employer Advisory Committee which he has accepted and attended an initial meeting. We are looking at how we can map Vulcan into some of their key curriculum areas and The VTST is also developing follow up topics to the Wing Design idea.

Students visited the Vulcan at DSA to have hands on educational experience around the aircraft in the spring of 2022.

The Trust commissioned detailed aspirational education and community plans in its planning for the permanent home for XH558 and they will be rolled out once the aircraft is secure. We also plan to ensure that the education activity will be available on-line in future and this will be Dr Robert Fleming's finest legacy.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

Public Benefit Delivery: Education of the general public in the Cold War, the Avro Vulcan and related topics

Newsletter

In January 2021 we had an emailable audience of 40,470. By the end of 2021 that number increased to 43,710. We currently have an audience of 46,125 emailable addresses, with an audience predicted demographic of 41% female / 57% male / 2% unknown. The ages of subscribers range from 18 to 65+.

Age range split:

- 18-24 – 1.4%
- 25-34 – 4.2%
- 35-44 – 11.3%
- 45-54 – 24.5%
- 55-64 – 31.2%
- 65+ – 24.8%
- Unknown – 2.6%

The monthly newsletters contain updates on the ongoing care and protection of XH558, news of educational outreach and articles on the history of the Vulcan, the RAF and the Cold War. Our newsletters were opened 146,427 times during 2021, with an average 'open rate' of 30%.

Social media

Articles that appear in the newsletter are hosted on our website – www.vulcantothsky.org so that educational content can be further shared on social media, where we have a possible reach of 367,583 people.

Social media followers/likes:

- Facebook = 276,318
- Twitter = 80,268
- Instagram = 8,120
- LinkedIn = 2,156

Founding Guardians

The Founding Guardians scheme was used as an incentive to donate to the Operation Safeguard appeal as it demonstrates core support and regular giving. Each member receives a high-quality magazine twice a year and the circulation figures are below. We intend to develop this initiative once we have secured a permanent home for XH558.

The Summer 2021 magazine started landing on doormats on 23 August 2021. Distribution was:

- Founding Guardians = 1,405
- Guardians = 1,451

The Winter 2021 magazine started landing on doormats on 15 November 2021. Distribution was:

- Founding Guardians = 936
- Guardians = 2,561

Founding Guardians were members of the now-disbanded Vulcan to the Sky Club who migrated to the Founding Guardians scheme when the Club was wound up. Guardians became members as part of their donation rewards for Operation Safeguard. For the avoidance of doubt, neither are members of the Trust.

The majority of our social media posts are broadcast on all of our social channels. On Facebook alone in 2021, posted 139 history and news articles. The best performing post was an article on the Falklands Conflict in 1982 and the engineering work required for Vulcans to take part. The post reached 166,810 people. The second-best performance was a post on the history of Vulcan XH558 and her first display with the RAF in 1986, which reached 122,915 people.

Revenue generation and public relations

Following the forced move from Hangar 3, the Trust has found itself under very significant cash constraints, but with the help of the on-going public donation stream, continuing merchandise revenues especially in high profit lines,

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

monthly donations, a lottery and annual five-figure philanthropic donations, the Trust has been able to continue its operations.

The Trust has continued to invest in marketing, advertising and social media streaming aimed at both the general public and potential sponsors. The focus has been on small to mid-range giving and appeals for specific needs. Incentives have included opportunities for donors to have their names on XH558's wing and a dynamic merchandise strategy.

The Names Under the Wing campaign launched in the autumn of 2019 was the most successful single funding appeal of recent years raising circa £1.2 million net of marketing costs.

The funding strategy is under constant review and will evolve given the challenges we face in relocating the Vulcan in June 2023. However, the planned new and permanent home will deliver a return to our full trading model, not available to us since leaving Hangar 3 at DSA in January 2017.

With relocation to a new site now in active planning, the VTST is restructuring. It should be noted that the VTST CEO, Dr Robert Pleming passed away in February 2021 and was not replaced. Michael Trotter has managed the business in the interim with review by the VTST Board of Trustees. Michael will be leaving the VTST in the autumn and will ensure a smooth transition to the new CEO including briefing on plans that are in place now to review all streams of fundraising.

Key fundraising initiatives for the future are;

- Re-develop our Standing Order, Direct Debit and Perpetual Lottery income received monthly in line with the potential new visitor attraction. The team believes that the Perpetual Lottery needs a significant review and relaunch urgently.
- Gift Aid will continue to be claimed on all eligible donations.
- Raffles made a significant contribution to revenues in recent years but this activity was suspended to comply with Gambling Commission rules on credit card purchases. We have recently relaunched our raffle ensuring it is compliant with GC rules.
- A final "Names Under XH558's Wing" campaign is currently in development, as with the failure of Operation Safeguard, there is still space available for new donors. The theme will be the Platinum Anniversary of Her Majesty the Queen's accession to the throne and the first flight of the Vulcan type aircraft both of which fall in 2022.
- The Founding Guardian scheme for people who were members of the Vulcan to the Sky Club continues with positive feedback. We plan to re-market this scheme that will recruit new members and generate vital regular monthly income. This will become attractive once again as a permanent home is secured. For the avoidance of doubt, Founding Guardians are not Members of the Trust.
- The sale on eBay of Vulcan and other spares that will never be required by the Trust continues to contribute to income, managed at our Stratford facility.
- Merchandise gross sales are currently averaging approximately £15,000 per month. It should be put on record that that Enterprises team lead by Marc Walters has performed well considering the loss of Hangar 3 and, consequently, our physical store – which is a demonstration of the affection still reserved for XH558. Given the success of VTSE, we plan to actively review other areas of retail on-line in the heritage and education sector given Doncaster's history. Once relocated, the VTSE will also have a full-time hangar shop giving us a much more substantial revenue.
- A campaign to encourage legacy giving was launched in conjunction with the Free Wills Network and we plan to invest in this initiative once again as all research shows legacy giving is vital to a charity's ongoing revenue. Two significant legacies have been received in the last 18 months.
- It is our view that a new and focused approach needs to be made to secure corporate sponsorship to target aerospace and the engineering industry and retail/FMCG companies for sponsorship. We believe that commercial sponsorship will have a key role as we develop the Vulcan Experience on a new site with the twin objectives of

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

promoting a significant heritage asset (XH558) and our exciting education plans; "Honouring the Past, Inspiring the Future"

- The Trust also needs to begin a structured approach to securing funds from local and regional government bodies, grant making foundations and High Net Worth Individuals (HNWI's) and that the VTST should urgently invest in resource dedicated to professional bid writing.
- Fundraising for the restoration of English Electric Canberra WK163 will be the subject of a separate and dedicated campaign when time allows and after a permanent home for XH558 is secured.
- It must be noted that a dedicated fundraising project will need to be developed to relocate XH558 and the current quotation for the dismantle and rebuild option is £727K + VAT. We await the quotation for the engineering, insurance and feasibility of a ferry flight at the time of this report.

The Trust's monthly email newsletters enable further fundraising opportunities.

The Trust's website www.vulcantothesky.org is the one of the Trust's primary communications vehicles for its supporters. It is updated on a regular basis and continues to provide news and pictorial evidence of the Trust's progress. The website also hosts the Trust's "e-donate" funding stream.

Fundraising policy

The Trust undertakes charitable fundraising in a variety of ways including through regular newsletters via email and mail, and at events. Funding contributions come mainly from the Trust's loyal supporter base, currently of some 46,125 people. Without their valued contributions, the Trust would not be able to continue delivering its public benefits.

Supporters are able to make regular donations through appeals, and customers can add a donation at the web store online checkout. The Trust also receives one-off donations, and supporters also engage in a monthly lottery and annual raffles. The Trust also offers speaker events throughout the country for which tickets are sold and merchandise is available.

On major public fundraising initiatives in recent years, the VTST, mindful of the changing environment has also invested in paid advertising via social media. Returns on investment in this area can be and are measured on a daily basis to ensure the activity is worthwhile.

Fundraising activities are carried out by the employees and volunteers of the Trust; the Trust does not carry out any fundraising through professional fundraising agencies. The Board of Trustees regularly reviews the Trust's fundraising activities and outcomes.

Furthermore, the Trust does not carry out any fundraising through cold contact, whether unsolicited mailing, face-to-face fundraising or telemarketing. The Trust has never received a complaint about its fundraising activities. The Trust is registered with the Fundraising Regulator, and is aware of and follows its Code of Fundraising Practice and the Charity Commission's fundraising guidance. The Trust has had the benefit of advice from a consultant who is a member of the Institute of Fundraising. The Trust itself is a member of the Association of Independent Museums.

Vulcan to the Sky Enterprises Limited

Vulcan to the Sky Enterprises Limited ("VTSE") is the merchandise trading arm of the charity, and has enabled the Trust to receive funds through the sale of merchandise, memorabilia and services at events and through an 'online' shop, a revenue stream which is continuing to be successful. The financial results for the year ended 31st October 2021 are summarised in note 17 to the accounts. Performance is expected to improve once the New Hangar opens. VTSE covenants any taxable profits to VTST under the Gift Aid scheme.

3. FINANCIAL REVIEW

Total income of the group for the 12 months ended 31st October 2021 amounted to £1,032,747 (2020: £2,348,827). The Trust's principal funding comes from several sources such as donations, fundraising draws and lotteries, and merchandise sales. Total expenditure for the 12 months ended 31st October 2021 was £1,132,437 (2020: £1,416,590).

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

Expenditure on raising funds for the year totalled £796,345 (2020: £1,174,560) which generated income of £982,539 (£2,344,427), being income from donations (note 3) and other trading activities (note 5).

The net assets of the group as at 31st October 2021 were £1,694,472 (2020: £1,794,162).

The group's fixed assets comprise the Avro Vulcan XH558, its associated spare parts, ground equipment and tools, together with miscellaneous items, and are valued as at 31st October 2021 at £757,161 (2020: £755,067).

There is a charge over the aircraft in favour of the National Heritage Memorial Fund in the amount of £427,000 reducing on a straight-line basis from 31st October 2016 until 2085. The amount repayable is currently limited to £396,060.

The Trustees believe that income in the form of donation streams, sponsorship, and merchandise revenues will allow the Trust to continue its activities for the foreseeable future. The Trust is also running an ongoing campaign to gain commercial sponsorship to help fund the future plans for the aircraft and supporting activities; central to this is securing funding to relocate the Vulcan to a new permanent site.

Reserves Policy

The Trust's reserves policy has been to aim to build up, over time, free reserves (unrestricted funds less fixed assets) to a level equivalent to 6 months of core expenditure, being approximately £360,000. As at 31st October 2021 the Group's funds totalled £1,694,472, of which £421,746 is restricted and £1,272,726 is unrestricted. Following the highly successful Names Under the Wing campaign last year, the group's free reserves (unrestricted funds less fixed assets) totalled £515,565 (2020: £1,023,824), the equivalent to 8-9 months of expenditure. The trustees retain the 6 month policy as an important target, and, subject to the success of future fundraising appeals, intend to use any surplus to assist with the Trust's running costs whilst the aircraft are being relocated.

4. PLANS FOR FUTURE PERIODS

The Vulcan to the Sky Trust's objectives for future periods are to:

- Maintain Avro Vulcan XH558 in full working order, and to operate the aircraft on the ground safely to the benefit of spectators at DSA for as long as possible. As detailed in this report, this will change if the aircraft is dismantled and moved to another site.
- Plan to restore Canberra WK163 to an airworthy condition, and to display the aircraft to the benefit of the public at air shows and other outside events around the country, and to raise funds specifically for that purpose.
- Continue to deliver our education and community plans for the Trust to provide relevant public benefits, in particular in inspiring the young in engineering, technology and aviation.
- Build and develop a permanent home for XH558 to ensure growing public access to this important aircraft, and ensure affordability, visitor and school accessibility, catchment area and local & regional support.
- Deliver inspirational education experiences on design, science, technology, engineering and mathematics (STEM), to a range of audiences, including national curriculum topics for school children, on Cold War history and related subjects focused around the aircraft, and inform all of the various methods and technologies by which aviation's impact on climate change will be minimised.
- Secure the funding needed to achieve the above objectives, from a diverse range of sources so as to minimise risk, including expanding the Guardians scheme to all.

5. ORGANISATIONAL STRUCTURE, GOVERNANCE AND MANAGEMENT

Vulcan to the Sky Trust was granted charitable status on 6 February 2004, and is registered with the Charity Commission under number 1101948.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

Vulcan to the Sky Trust is constituted as an incorporated company limited by guarantee, its governing document comprising its memorandum and articles of association.

The Trustees (who are also the Trust's Directors) who have served since 1 November 2020 are as detailed in section 6.

The Board of Trustees met formally once between 1st November 2020 and 31st October 2021, and conducted three conference calls over this period. The Trustees are the only Members of the Trust. None of the Trustees received any remuneration or benefits apart from receipted expenses.

The Trust needs to repeat the statement made in the last trustees' report and put on record within this report a significant event that occurred on February 2nd, 2021. The charity's CEO, Dr Robert Fleming passed away suddenly.

Robert worked tirelessly on the project setting up the Vulcan to the Sky Trust to return the last potentially airworthy RAF V-force aircraft, Avro Vulcan XH558 to flight. In 1997, when the idea first came to him, he built a Project Steering Team from key members of the aerospace establishment and former members of the RAF's Vulcan Display Flight.

Against all the odds, Robert and the team succeeded in their mission, raising millions of pounds in donations and returning XH558 to flight. The Vulcan to the Sky project succeeded spectacularly on October 18th 2007, with the first test flight of the restored Vulcan, some 14 years after its last flight, oversaw the aircraft's operational life and led the campaign to build a permanent home for XH558. It is the Trust's ambition to replace Robert with a new CEO once the funds are in place for the permanent home.

Recruitment and training of Trustees

Given the nature of its past activities, the recruitment of new Trustees had been primarily from the aviation community. However, as the Trust's activities broaden, Trustees are now being sought from the wider engineering, industry and education sectors, and the South Yorkshire region. New Trustees are appointed in accordance with the articles of association. Any new Trustees are provided with a one-on-one induction by the Company Secretary, including briefings on the workings of the Trust, its formal documentation, the Trustee's role, the financial status of the Trust and its future plans.

The activities of the Board

The Board is responsible for policy and overall management of the charity, but has delegated necessary operating powers and decision-making to an Executive Committee, which during the period comprised of Robert Fleming (Company Secretary) until February 2021, Michael Trotter (Commercial and Business Development) and Andrew Edmondson (Engineering Director). The Executive Committee meets on approximately a monthly basis. The remuneration of key management is approved by the Chairman of Trustees and is set against established pay scales, benchmarked in comparison with similar sized charities.

Following its restructure, the Trust had 6 full-time employees and 2 part-time employees as at 31st October 2021. The Trust also benefits significantly from a large amount of volunteer support, including specifically assisting with public relations, events, merchandise fulfilment and the Trust's air show presence.

Subsidiaries

Vulcan to the Sky Enterprises Limited is the wholly-owned retail trading subsidiary of VTST. VTSE covenants its taxable profits to VTST under the Gift Aid scheme.

There are three additional wholly-owned subsidiaries of the Trust, which were incorporated to enable the Trust to undertake certain activities aimed at creating a sustainable business model during its occupation Hangar 3 at Doncaster Sheffield Airport. These subsidiaries, the Vulcan Marketing Company, The Vulcan Operating Company and the Vulcan Property Management Company are now dormant.

Andrew Edmondson remains a director of the Trust's subsidiaries, except Vulcan Marketing Company which Michael Trotter is a director of.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

Risk Management

The Trust, through its management team, continues to identify and review the major risks that the charity faces. Procedures, including a Safety Management System, have been put in place to mitigate and monitor these risks. Health and Safety are included as topics at every Executive Meeting.

The Trust's principal risks and uncertainties are:

- Securing funding for its charitable activities each year and managing working capital;
- The occurrence of an event that threatens the reputation or integrity of the Trust;
- The relocation to a new site;
- Sudden loss of key personnel;
- Potential for overtrading with limited resources; and
- The implications to its plans of the coronavirus pandemic and changes in public behaviour.

The Trust's public liabilities arising from operation of the Vulcan aircraft are insured through K M Dastur and Company Ltd Aviation Insurance Brokers. Additional aviation insurance policies include cover for damage to the aircraft, for war and terrorism risks, and for personal injury insurance for the aircrew.

6. REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS

Trustees

Mr John Sharman FRAeS (Chairman)
Air Commodore Ed Jarron (Vice Chairman)
Mr Richard Clarke
Sir Gerald Howarth
Dr Stephen Liddle
Mr Ken Smart CBE
Sir Donald Spiers CB TD FRAeS
Mr Phillip Spiers

Company secretary

Mr Michael Trotter (appointed 2 February 2021)

Charity number

1101948

Company number

04478686

Principal address

Unit 4, Delta Court
Third Avenue
Doncaster Sheffield Airport
Doncaster
DN9 3GN

Registered office

Unit 4, Delta Court
Third Avenue
Doncaster Sheffield Airport
Doncaster
DN9 3GN

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

Auditors Newby Castleman LLP
West Walk Building
110 Regent Road
Leicester
LE1 7LT

Bankers HSBC Bank Plc
58 High Street
Winchester
Hampshire
SO23 9BZ

Solicitors Laceys Solicitors
5 Poole Road
Bournemouth
Dorset
BH2 5QL

7. STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Vulcan to the Sky Trust for the purposes of company law) are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs for the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and group will continue in operation.

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company and group's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

8. SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed on behalf of the Trustees

Mr John Sharman FRAeS
Chairman of Trustees

Approved by the Board of Trustees on 24 August 2022

VULCAN TO THE SKY TRUST

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF VULCAN TO THE SKY TRUST

Opinion

We have audited the financial statements of Vulcan to the Sky Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 October 2021 which comprise the Group Consolidated Statement of Financial Activities, the Group and Charity Balance Sheet, the Group Statement of Cash Flows and 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 FRS 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 group's and parent charitable company's affairs as at 31 October 2021, and of the group's incoming resources and application of resources, including its income and expenditure, 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 Charities Act 2011.

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 group and parent charitable company 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.

Material uncertainty related to going concern

We draw attention to note 1.3 of the financial statements, concerning the group's ability to continue as a going concern. This indicates that the group is reliant on the continued support of the National Heritage Memorial Fund, Doncaster Sheffield Airport, the future support from new landlords and the future financial support from its donors to relocate and be able to continue operating. These conditions, along with the other matters as set forth in note 1.3, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information included in the trustees' report. The other information comprises the information included in the trustees' 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

VULCAN TO THE SKY TRUST

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE TRUSTEES OF VULCAN TO THE SKY TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the group's and parent charitable company'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 trustees either intend to liquidate the group or the parent 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 auditor under section 151 of the Charities Act 2011 and report in accordance with this Act.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. However, responsibility for the prevention and detection of fraud ultimately rests with both those charged with governance and management of the charity.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- obtaining an understanding of the legal and regulatory framework applicable to the group and parent charitable company by considering the nature of the industry in which the group and parent charitable company operates and enquiring of management; and
- identifying the key laws and regulations considered to have a direct impact on the financial statements including the UK Companies Act 2006, UK Charities Act 2011, UK Generally Accepted Accounting Practice and UK tax legislation; and
- assessing how the group and parent charitable company is complying with the applicable legal and regulatory framework by making further enquiries of management and observing the group's and parent charitable company's control environment regarding compliance with regulations and fraud prevention; and
- assessing the susceptibility of the group's and parent charitable company's financial statements to material misstatement, including how fraud might occur, by considering the effectiveness of the group's and parent charitable company's accounting systems and controls and how these were monitored by management. Where the risk of material misstatement was considered to be higher in certain areas, further audit procedures were designed to address this increased risk; and

VULCAN TO THE SKY TRUST

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE TRUSTEES OF VULCAN TO THE SKY TRUST

- discussing amongst the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud.

Audit response to risks of irregularities identified

Our procedures to respond to risks identified included the following:

- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- enquiry of charity staff responsible for compliance to identify any instances of non-compliance with laws and regulations; and
- enquiry of management, those charged with governance and other relevant parties around actual and potential litigation claims; and
- reviewing supporting documentation regarding actual and potential litigation claims; and
- reviewing minutes of meetings of those charged with governance; and
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and
- communicating identified laws and regulations and potential fraud risks to all engagement team members and assessing whether there are any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's 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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Newby Castleman LLP

Chartered Accountants
Statutory Auditor
West Walk Building
110 Regent Road
Leicester
LE1 7LT

Date: 30 August 2022

Newby Castleman LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

VULCAN TO THE SKY TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 as restated £
Income from					
Donations and legacies	3	353,193	444,923	798,116	2,074,872
Charitable activities	4	49,848	-	49,848	4,153
Other trading activities	5	184,423	-	184,423	269,555
Investments	6	106	-	106	195
Other	7	254	-	254	52
Total		587,824	444,923	1,032,747	2,348,827
Expenditure on					
Raising funds	8	789,528	6,817	796,345	1,174,560
Charitable activities	9	253,953	-	253,953	216,622
Other expenditure	14	50,508	31,631	82,139	25,408
Total		1,093,989	38,448	1,132,437	1,416,590
Net income / (expenditure) for the year / Net movement in funds		(506,165)	406,475	(99,690)	932,237
Reconciliation of funds					
Total funds brought forward		1,778,891	15,271	1,794,162	861,925
Total funds carried forward		1,272,726	421,746	1,694,472	1,794,162

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

VULCAN TO THE SKY TRUST

GROUP AND CHARITY BALANCE SHEET

AS AT 31 OCTOBER 2021

	Notes	Group 2021 £	Charity 2021 £	Group 2020 as restated £	Charity 2020 as restated £
Fixed assets					
Tangible assets	15	10,586	9,446	6,811	3,984
Heritage assets	16	746,575	746,575	748,256	748,256
Investments	17	-	5	-	5
Total fixed assets		757,161	756,026	755,067	752,245
Current assets					
Stocks	18	91,994	-	85,148	-
Debtors	19	263,759	437,003	56,631	234,952
Cash at bank and in hand		701,312	693,736	987,614	985,343
Total current assets		1,057,065	1,130,739	1,129,393	1,220,295
Liabilities:					
Creditors: Amounts falling due within one year	20	(119,754)	(121,120)	(90,298)	(85,145)
Net current assets		937,311	1,009,619	1,039,095	1,135,150
Total assets less current liabilities		1,694,472	1,765,645	1,794,162	1,887,395
Total net assets	22	1,694,472	1,765,645	1,794,162	1,887,395
The funds of the charity					
Restricted funds	21	421,746	421,746	15,271	15,271
Unrestricted funds		1,272,726	1,343,899	1,778,891	1,872,124
Total charity funds		1,694,472	1,765,645	1,794,162	1,887,395

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

As permitted by s408 Companies Act 2006, the charity has not presented its own statement of financial activities and related notes. The charity's deficit for the year was £121,750 (2020 - £917,974 surplus).

For the year ending 31 October 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as the company is a charity, it is subject to audit under the Charities Act 2011.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

VULCAN TO THE SKY TRUST

BALANCE SHEETS (CONTINUED)

AS AT 31 OCTOBER 2021

The financial statements were approved and authorised for issue by the board of trustees on 24 August 2022 and are signed on its behalf by:

Mr John Sharman FRAeS
Chairman of Trustees

Company Registration No. 04478686

The notes on pages 23 - 41 form part of these financial statements.

VULCAN TO THE SKY TRUST

GROUP STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 OCTOBER 2021

	Notes	£	2021 £	£	2020 £
Net cash (outflow) / inflow from operating activities	28		(267,405)		930,736
Cash flow from investing activities					
Purchase of tangible fixed assets		(10,471)		-	
Proceeds on disposal of tangible fixed assets		501			
Purchase of heritage assets		(9,033)			
Interest received		106		195	
Net cash (outflow) / inflow from investing activities			(18,897)		195
Net (decrease) in cash of cash equivalents			(286,302)		930,931
Cash or cash equivalents at 1 November 2020			987,614		56,683
Cash or cash equivalents at 31 October 2021			701,312		987,614

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

Charity information

Vulcan to the Sky Trust ("the charity") is a private company limited by guarantee, incorporated in England and Wales. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the reference and administration section of the trustees' report.

The group consists of Vulcan to the Sky Trust and all of its subsidiaries ("the group"), being Vulcan to the Sky Enterprises Limited, The Vulcan Operating Company Limited, The Vulcan Property Management Company Limited, and The Vulcan Marketing Company Limited.

1.1 Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. These financial statements have been prepared in accordance with: the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities applying FRS 102 (2019), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

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

These financial statements are prepared under the historical cost convention, modified to include the revaluation of certain heritage assets. The principal accounting policies adopted are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The charity is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this charity, which are intended to give a true and fair view of the assets, liabilities, financial position and net movement in funds of the group. The charity has taken advantage of the exemption from preparing a statement of financial activities and a statement of cash flows on the basis that these are incorporated into the group statement of financial activities and statement of cash flows.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Vulcan to the Sky Trust and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 October 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting Policies (continued)

1.3 Going concern

These financial statements are prepared on the going concern basis. The trustees have a reasonable expectation that the group will continue in operational existence for the foreseeable future.

As explained more fully in the trustees' report set out on pages 2 and 3, the trust entered into a parking lease with Doncaster Sheffield Airport ("DSA") to ensure the aircraft's tenure on site is secured until the end of June 2023. The correspondence relating to this lease stated that "both aircraft will need to be taken off the airfield and removed from DSA by 30th June 2023". The trustees are currently faced exploring with the relevant authorities the potential of a short ferry flight to a new home, although in 2017 the Civil Aviation Authority ("CAA") deemed this not possible, or dismantling and rebuilding the aircraft with as much functionality as possible. Once a decision has been made the trust will launch a fundraising appeal to raise the necessary funds.

Based on all of the information that is currently available, the trustees have a reasonable expectation that they will secure the necessary funds for this project and be able to relocate by 30th June 2023. Should the need arise, the trustees expect the National Heritage Memorial Fund ("NHMF") to approve their application to dismantle and rebuild XH558. They also expect to receive the continued support of Doncaster Sheffield Airport ("DSA") throughout the duration of the parking lease, and new landlords once an agreement has been entered into. Whilst the trust is conscious of the need to bring the permanent home project to a resolution by securing the necessary funds it will continue its on-going fundraising activities to maintain Avro Vulcan XH558 to the usual high standards and to deliver public access through the team of dedicated volunteers and staff. However, the failure to raise the necessary funds, and / or the withdrawal of NHMF, DSA or new landlords, would cast a significant doubt over the charity's going concern status.

The trustees have prepared forecasts for the period ended 31 August 2023 which incorporate the above plans. Based on these forecasts, and the voluntary income that has been received since the year end date, the trustees are of the opinion that the group will receive sufficient donations for a period of at least 12 months from the date of approval of these financial statements to relocate and continue operating. However, donations are intrinsically uncertain and the ongoing support of the charity's current donors and supporters will be fundamental until the new trading model has been established.

On this basis, the trustees consider it appropriate to prepare the financial statements on the going concern basis.

1.4 Charitable funds

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.5 Income recognition

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 is recognised at the time of the donation. This policy has been followed for all income received for Operation Safeguard up to 31 October 2021, and includes income where donors have not responded to the charity's offer of a full refund or the opportunity to allow VTST to "retain" their donation. Donations which have been refunded after the year end, due to the failed appeal (note 27), have been recognised in creditors (note 20).

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting Policies (continued)

Legacies are recognised at the earlier of the charity being notified of an impending distribution or the legacy being received. Where legacies have been notified to the charity but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Government grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured with reliability. If entitlement is not met, then the amounts are deferred.

Income from charitable activities includes Hangar tour, Engine ground-run and Educational visit income.

Hangar tour income is recognised when the tour takes place. Income from ticket sales received in advance of the tour are deferred.

Engine ground-run income is recognised when the ground-run takes place. Income from ticket sales received in advance of the ground-run are deferred.

Income from trading activities primarily includes income earned from the sale of merchandise and raffles.

Sale of merchandise represents all goods sold during the period, less returns received, at selling price exclusive of Value Added Tax. Sales are recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attaching to the product, have been transferred to the customer.

Investment income is earned through holding assets for investment purposes. It comprises bank interest and is recognised on an accruals basis.

1.6 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. Expenditure is recognised when there is a legal or constructive obligation to make payments to third parties, it is probable that settlement will be required and the amount of the obligation can be measured reliably. It is recognised under the following headings:

- Costs of raising funds includes costs incurred in seeking donations, legacies, grants and fundraising.
- Expenditure on charitable activities includes costs relating to restoration and maintenance, and exhibition and display, to further the delivery of the objectives of the charity.
- Other expenditure includes employees' salaries whilst on furlough leave, covered by the Coronavirus Job Retention Scheme.

Irrecoverable VAT has been posted to other costs included in support costs (note 11).

1.7 Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and costs of raising funds and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objectives of the charity. Support costs are allocated to costs of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 11.

1.8 Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	20% straight line
Motor vehicles	20% straight line

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting Policies (continued)

1.9 Heritage assets

Heritage assets comprise the Avro Vulcan G-VLCN (XH558) and the English Canberra (WK163). The Vulcan is stated at valuation less depreciation, whilst the Canberra is stated at cost. Depreciation is provided on the Vulcan at a rate calculated to write off the valuation less estimated residual value over its useful economic life, being 70 years from the date which the Vulcan ceased to fly. Depreciation is not yet provided for the Canberra because the asset is not yet available for display.

The trustees have estimated the remaining useful economic life of the Vulcan to be to October 2085 and the residual value of the aircraft to be £Nil. The charity's current policy is to maintain the aircraft in full working order and associated maintenance costs are charged to the Statement of Financial Activities.

Public access to the aircraft is achieved through visits to their permanent home at Doncaster Sheffield Airport. However, as noted in the trustees' report, public access was restricted due to the move in hangars and the Covid-19 pandemic.

1.10 Impairment of fixed assets

At each reporting end date, the charity 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, or the asset's cash generating unit, is estimated and compared to the carrying amount in order to determine the extent of the impairment loss (if any). Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the Statement of Financial Activities (SOFA) unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

1.11 Investments in subsidiaries

Investments are stated at cost less any provision for diminution in value.

1.12 Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Stock cost is recorded as invoice price net of any discounts received. Calculation of provisions for slow moving and obsolete stocks requires judgements to be made, which include forecast consumer demand, the promotional, competitive and economic environment, on the expectation that the group will continue in operational existence for the foreseeable future.

1.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.14 Financial instruments

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

Debtors and creditors with no stated interest rate and receivable or payable within one year are measured at transaction price. Any losses arising from impairment are recognised in the SOFA.

1.15 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.16 Retirement benefits

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

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

1.17 Leases

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

1.18 Taxation

Vulcan to the Sky Trust is a registered charity and no taxation provision is required as its income from charitable activities falls within the various exemptions available to registered charities.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees 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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Valuation of heritage asset (Vulcan)

The valuation of the Vulcan is reassessed annually by the trustees and, when necessary, amended to reflect current estimates.

Allocation of support costs

The allocation of support costs is sensitive to changes in the level of work undertaken on each activity by the charity. The allocation is reassessed annually and amended when necessary to reflect current estimates.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

3 Income from donations and legacies

	Unrestricted funds	Restricted funds	Total 2021	Total 2020 as restated
	£	£	£	£
Regular donations	79,427	-	79,427	87,621
One off donations	22,076	-	22,076	29,524
Corporate donations and sponsorship	-	-	-	10,000
Other donations	79,114	-	79,114	78,082
Gift aid recovered	13,898	70,028	83,926	273,803
Legacies	140,636	-	140,636	-
Names under the Wing campaign	-	-	-	1,554,163
Operation Safeguard campaign	18,042	352,883	370,925	15,271
Government grants	-	22,012	22,012	25,408
Grant income	-	-	-	1,000
	<u>353,193</u>	<u>444,923</u>	<u>798,116</u>	<u>2,074,872</u>
Unrestricted funds				2,034,193
Restricted funds				40,679
				<u>2,074,872</u>

Income for Operation Safeguard, includes all income received up to 31 October 2021, but excludes the donations refunded after the year end, due to the failed appeal (note 27), which have been recognised in creditors (note 20).

4 Income from charitable activities

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Exhibition and display	49,848	-	49,848	4,153
	<u>49,848</u>	<u>-</u>	<u>49,848</u>	<u>4,153</u>
Unrestricted funds				4,153
Restricted funds				-
				<u>4,153</u>

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

5 Income from other trading activities

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Sale of merchandise	181,198	-	181,198	179,107
Raffle income	-	-	-	87,030
Commission income	3,225	-	3,225	3,418
	<u>184,423</u>	<u>-</u>	<u>184,423</u>	<u>269,555</u>
Unrestricted funds				269,555
Restricted funds				-
				<u>269,555</u>

6 Income from investments

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Interest receivable	106	-	106	195
	<u>106</u>	<u>-</u>	<u>106</u>	<u>195</u>
Unrestricted funds				195
Restricted funds				-
				<u>195</u>

7 Other income

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Gain on disposal of tangible fixed assets	254	-	254	-
Income from recycling	-	-	-	52
	<u>254</u>	<u>-</u>	<u>254</u>	<u>52</u>
Unrestricted funds				52
Restricted funds				-
				<u>52</u>

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

8 Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<u>Fundraising and publicity</u>				
Staff costs	164,484	-	164,484	131,876
Purchase of merchandise	99,013	-	99,013	111,248
Raffle costs	-	-	-	27,871
Consultancy costs	5,820	-	5,820	6,907
Carriage and packaging	57,283	-	57,283	88,317
Advertising and promotion	290,339	6,817	297,156	633,033
Other costs	409	-	409	7,754
	<u>617,348</u>	<u>6,817</u>	<u>624,165</u>	1,007,006
Share of support costs (note 11)	172,180	-	172,180	167,554
	<u>789,528</u>	<u>6,817</u>	<u>796,345</u>	<u>1,174,560</u>
Unrestricted funds				1,174,560
Restricted funds				-
				<u>1,174,560</u>

9 Expenditure on charitable activities

	Activities undertaken directly (note 10) £	Support costs (note 11) £	Total 2021 £	Total 2020 £
Restoration and maintenance	115,857	41,783	157,640	146,014
Exhibition and display	77,837	18,476	96,313	70,608
	<u>193,694</u>	<u>60,259</u>	<u>253,953</u>	216,622
Unrestricted funds			253,953	216,622
Restricted funds			-	-
			<u>253,953</u>	<u>216,622</u>

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

10 Expenditure on activities undertaken directly

	Restoration and maintenance £	Exhibition and display £	Total 2021 £	Total 2020 £
Staff costs	32,816	-	32,816	21,301
Depreciation	10,714	-	10,714	10,714
Aircraft costs	17,825	54,301	72,126	50,743
Hangar costs	51,953	-	51,953	49,817
Air show events	-	20,234	20,234	10,176
Travel costs	2,549	-	2,549	3,389
Printing, postage and stationery	-	3,302	3,302	4,508
	<u>115,857</u>	<u>77,837</u>	<u>193,694</u>	<u>150,648</u>

11 Expenditure on support costs

	Raising funds £	Restoration and maintenance £	Exhibition and display £	Total 2021 £	Total 2020 £
Staff costs	76,490	12	8,495	84,997	84,559
Depreciation	5,381	1,068	-	6,449	7,885
Computer costs	18,556	6,627	1,325	26,508	23,647
Bank charges	4,645	-	-	4,645	2,946
Other costs	67,108	34,076	8,656	109,840	114,491
	<u>172,180</u>	<u>41,783</u>	<u>18,476</u>	<u>232,439</u>	<u>233,528</u>

Support costs have been allocated to activities on a relevant basis to the nature of the underlying costs in proportion to resources used. Other costs include governance costs totalling £33,760 (2020 - £39,747). Governance costs include auditor's remuneration totalling £17,775 (2020 - £18,500).

12 Trustees remuneration

Except for Richard Clarke, none of the trustees received any remuneration, benefits or reimbursed expenses from the charity during the year, or the previous year. Richard Clarke claimed expenses relating to travel and subsistence, amounting to £Nil (2020 - £301).

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

13 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Management and administration	10	9
Aircraft crew	1	1
	<u>11</u>	<u>10</u>

Employment costs

	2021 £	2020 £
Wages and salaries	274,896	237,277
Social security costs	21,442	17,932
Pension costs	7,971	7,935
	<u>304,309</u>	<u>263,144</u>

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

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2021 £	2020 £
Aggregate compensation	<u>102,213</u>	<u>85,448</u>

14 Other expenditure

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Wages	-	22,012	22,012	25,408
New Hangar Development	50,508	9,619	60,127	-
	<u>50,508</u>	<u>31,631</u>	<u>82,139</u>	<u>25,408</u>
Unrestricted funds				-
Restricted funds				25,408
				<u>25,408</u>

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

15 Tangible fixed assets

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
(a) Group			
Cost			
At 1 November 2020	360,448	8,821	369,269
Additions	2,855	7,616	10,471
Disposals	(322,400)	(2,845)	(325,245)
At 31 October 2021	40,903	13,592	54,495
Depreciation			
At 1 November 2020	354,328	8,130	362,458
On disposals	(322,153)	(2,845)	(324,998)
Charge for the year	4,870	1,579	6,449
At 31 October 2021	37,045	6,864	43,909
Net book value			
At 31 October 2021	3,858	6,728	10,586
At 31 October 2020	6,120	691	6,811
(b) Charity			
Cost			
At 1 November 2020	318,438	8,821	327,259
Additions	2,363	7,616	9,979
Disposals	(297,873)	(2,845)	(300,718)
At 31 October 2021	22,928	13,592	36,520
Depreciation			
At 1 November 2020	315,144	8,131	323,275
On disposals	(297,626)	(2,845)	(300,471)
Charge for the year	2,691	1,579	4,270
At 31 October 2021	20,209	6,865	27,074
Net book value			
At 31 October 2021	2,719	6,727	9,446
At 31 October 2020	3,294	690	3,984

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

16 Heritage assets

	Vulcan (valuation) £	Canberra (cost) £	Total £
Group and Charity			
Carrying amount at 1 November 2020	696,430	51,826	748,256
Purchases	-	9,033	9,033
Depreciation / impairment	(10,714)	-	(10,714)
Carrying amount at 31 October 2021	685,716	60,859	746,575

At 31 October 2021 the charity held two heritage assets:

- 1) Avro Vulcan G-VLCN (XH558) – held at valuation
- 2) English Canberra (WK163) – held at cost

The Avro Vulcan B.MK2 G-VLCN (XH558)

XH558 was the last Vulcan to leave RAF service, flying on from 1986 to 1993 as the single RAF Display Vulcan, a career of 33 years. In 1997, a small team headed by Dr Robert Fleming started an audacious plan to return her to flight at Bruntingthorpe Aerodrome in Leicestershire. In 1999 Marshall of Cambridge Aerospace was appointed Engineering Authority for the restoration project. In December 2003, the Heritage Lottery Fund announced a grant of £2.7million for XH558's restoration. After extensive restoration work and tests, the Vulcan returned to the sky in October 2007.

However, the CAA Permit to Fly was withdrawn at the end of the 2015 calendar year, and so despite being technically able to fly, the aircraft was not permitted to fly. As a result, the trust's business model changed, from flying a globally-unique heritage asset to having the aircraft as the still-serviceable centrepiece of a new visitor attraction and education facility. This change in the status of the asset has had an impact on its residual valuation. As at 31 October 2015, the board valued the aircraft at £750,000. The nature of the asset means it is not possible to derive a market valuation. The trustees therefore valued the aircraft, based on their knowledge and experience of working in the aviation industry. As at 31 October 2021, the board have reassessed their valuation of the aircraft and still consider it to be reasonable.

The aircraft has developed a loyal following of many thousands of supporters. She is and will remain the best preserved all-British four-engined jet aircraft anywhere in the world still capable of powered ground runs.

XH558 is maintained in the current working state, albeit not flying, under the terms of the trust's contract with the National Heritage Memorial Fund (NHMF) until 6 February 2085. The aircraft is subject to a first charge by the Trustees of The National Heritage Memorial Fund (see note 23 for further details).

English Electric Canberra B.2 (WK163)

The English Electric Canberra aircraft was the Royal Air Force's first jet bomber, and entered service in January 1951. The design was very successful and the type was in service for more than 50 years. Many aircraft were sold around the world to the air forces of 17 countries. The trust's example, Canberra WK163 (G-CTTS) captured the world altitude record of over 70,000 feet in August 1957, and is a very important national aviation heritage asset.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

16 Heritage assets (continued)

Five-year financial summary of heritage asset transactions (group and charity)

	2021	2020	2019	2018	2017
	£	£	£	£	£
Purchases					
Vulcan	-	-	-	-	-
Canberra	9,033	-	-	-	-
	<u>9,033</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Charge for impairment					
Vulcan	-	-	-	-	-
Canberra	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

17 Fixed asset investments

(a) Group

The group holds no investments

(b) Charity

	Shares in group undertakings £
Carrying amount	
At 1 November 2020	5
At 31 October 2021	<u>5</u>

Holdings of more than 20%

The charity holds 100% of the ordinary share capital in the following companies registered in England and Wales:

Subsidiary undertakings		Principle Activities
Vulcan to the Sky Enterprises Limited (04899710)	VTSE	That of selling merchandise through its website store and at air shows.
The Vulcan Operating Company Limited (03787161)	TVOC	Dormant.
The Vulcan Property Management Company Limited (09924223)	TVPMC	Dormant.
The Vulcan Marketing Company Limited (09906368)	TVMC	Dormant.

Where applicable, the subsidiaries covenant all available profits to Vulcan to the Sky Trust.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

17 Fixed asset investments (continued)

The trading results for the period and the aggregate amount of capital and reserves, as extracted from the financial statements of the subsidiary companies, are summarised below:

	TVOC	TVMC	TVPMC	VTSE	Total 2021	Total 2020 as restated
	£	£	£	£	£	£
Turnover	-	-	-	184,424	184,424	182,524
Cost of sales	-	-	-	(155,473)	(155,473)	(128,098)
Gross profit	-	-	-	28,951	28,951	54,426
Administrative expenses	-	-	-	(6,891)	(6,891)	(40,161)
Profit/Loss before taxation	-	-	-	22,060	22,060	14,265
Tax charge	-	-	-	-	-	-
Profit/loss for the year	-	-	-	22,060	22,060	14,265
Assets and liabilities:						
Assets	11,636	16,003	19,095	119,203	165,937	157,662
Liabilities	(13,805)	(6,612)	(12,566)	(204,123)	(237,106)	(250,891)
Total net assets	(2,169)	9,391	6,529	(84,920)	(71,169)	(93,229)
Capital and reserves:						
Called up share capital	2	1	1	1	5	5
Profit and loss account	(2,171)	9,390	6,528	(84,921)	(71,174)	(93,234)
	(2,169)	9,391	6,529	(84,920)	(71,169)	(93,229)
Statement of movement on profit and loss:						
Balance at 1 November 2020	(2,171)	9,390	6,528	(106,981)	(93,234)	(107,499)
Profit/Loss for the year	-	-	-	22,060	22,060	14,265
Donations paid to parent charity	-	-	-	-	-	-
Balance at 31 October 2021	(2,171)	9,390	6,528	(84,921)	(71,174)	(93,234)

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

18 Stock	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Goods for resale	91,994	-	85,148	-
	<u>91,994</u>	<u>-</u>	<u>85,148</u>	<u>-</u>
	<u>91,994</u>	<u>-</u>	<u>85,148</u>	<u>-</u>
19 Debtors	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 as restated £
Amounts falling due within one year:				
Trade debtors	12,475	11,023	11,905	3,700
Amounts due from subsidiary undertakings	-	191,772	-	155,212
Other debtors	32,628	19,942	400	43,790
Prepayments and accrued income	218,656	214,266	44,326	32,250
	<u>263,759</u>	<u>437,003</u>	<u>56,631</u>	<u>234,952</u>
	<u>263,759</u>	<u>437,003</u>	<u>56,631</u>	<u>234,952</u>
20 Creditors: Amounts falling due within one year	Group 2021 £	Charity 2021 £	Group 2020 as restated £	Charity 2020 £
Trade creditors	58,045	51,089	50,749	43,540
Amounts due to subsidiary undertakings	-	11,621	-	11,621
Other creditors	2,531	1,531	2,043	1,543
Accruals	31,905	31,431	23,927	23,927
Taxes and social security costs	6,733	4,908	13,579	4,514
Operation Safeguard	20,540	20,540	-	-
	<u>119,754</u>	<u>121,120</u>	<u>90,298</u>	<u>85,145</u>
	<u>119,754</u>	<u>121,120</u>	<u>90,298</u>	<u>85,145</u>

Operation Safeguard comprise amounts refunded to donors after the year end, due to the failed appeal (see note 27).

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

21	Restricted funds	Balance at 1 Nov 2020 as restated £	Income £	Expenditure £	Balance at 31 Oct 2021 £
	Group and Charity				
	Operation Safeguard	15,271	422,911	(16,436)	421,746
	Coronavirus Job Retention Scheme	-	22,012	(22,012)	-
		<u>15,271</u>	<u>444,923</u>	<u>(38,448)</u>	<u>421,746</u>
		Balance at 1 Nov 2019 £	Income as restated £	Expenditure £	Balance at 31 Oct 2020 as restated £
	Group and Charity				
	Operation Safeguard	-	15,271	-	15,271
	Coronavirus Job Retention Scheme	-	25,408	(25,408)	-
		<u>-</u>	<u>40,679</u>	<u>(25,408)</u>	<u>15,271</u>

Operation Safeguard

This represents amounts received through the Operation Safeguard appeal for the purpose of building The Vulcan Experience at DSA. As explained in note 1.5 of the financial statements, all income received in respect of Operation Safeguard up to 31 October 2021, has been recognised in these accounts (note 3) as restricted income, and includes income where donors have not responded to the charity's offer of a full refund or the opportunity to allow VTST to "retain" their donation. Donations which have been refunded after the year end, due to the failed appeal (note 27), have been recognised in creditors (note 20). Expenditure includes transaction fees from online donations as well as actual works done at the site.

Coronavirus Job Retention Scheme

This represents amounts received from the Government to cover staff costs during the Covid-19 pandemic.

22 Analysis of net assets between funds

(a) Group	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 as restated £	Restricted funds 2020 as restated £	Total 2020 as restated £
Funds balances are represented by:						
Tangible fixed assets	10,586	-	10,586	6,811	-	6,811
Heritage assets	746,575	-	746,575	748,256	-	748,256
Current assets	614,779	442,286	1,057,065	1,114,122	15,271	1,129,393
Creditors: amounts falling due within one year	(99,214)	(20,540)	(119,754)	(90,298)	-	(90,298)
	<u>1,272,726</u>	<u>421,746</u>	<u>1,694,472</u>	<u>1,778,891</u>	<u>15,271</u>	<u>1,794,162</u>

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

22 Analysis of net assets between funds (continued)

(b) Charity	Unrestricted funds 2021	Restricted funds 2021	Total 2021	Unrestricted funds 2020	Restricted funds 2020 as restated	Total 2020 as restated
	£	£	£	£	£	£
Funds balances are represented by:						
Tangible fixed assets	9,446	-	9,446	3,984	-	3,984
Heritage assets	746,575	-	746,575	748,256	-	748,256
Investments	5	-	5	5	-	5
Current assets	688,453	442,286	1,130,739	1,205,024	15,271	1,220,295
Creditors: amounts falling due within one year	(100,580)	(20,540)	(121,120)	(85,145)	-	(85,145)
	<u>1,343,899</u>	<u>421,746</u>	<u>1,765,645</u>	<u>1,872,124</u>	<u>15,271</u>	<u>1,887,395</u>

23 Contingent liabilities

In previous years the trust received funding from the National Heritage Memorial Fund (NHMF) in the sum of £2,734,000. The trust may be required to repay some or all of this grant in the event of the sale, disposal or mortgage charge of the plane without prior approval of the NHMF. The amount repayable is currently limited to £396,060.

The trust will also require an interest in the plane or right to the exclusive use and possession of the aircraft to 6 February 2085.

24 Operating lease commitments

At 31 October 2021 the group and charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021	Charity 2021	Group 2020	Charity 2020
	£	£	£	£
Within one year	48,854	44,987	23,087	19,321
Between two and five years	75,250	75,250	-	-
	<u>124,104</u>	<u>120,237</u>	<u>23,087</u>	<u>19,321</u>

Lease payments totalling £46,072 (2020 – £44,850) have been recognised as an expense during the year.

25 Ultimate controlling party

The charity is controlled by its trustees acting in accordance with the terms of the memorandum and articles of association.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

26 Related parties

The charity has taken advantage of the exemption given by FRS 102, from disclosing transactions with its wholly owned subsidiaries.

During the year, Angela Trotter (the spouse of Michael Trotter, a member of key management personnel), invoiced the company £7,021 (2020 – £3,805) for her accountancy services from Greenways Business Services, a partnership in which Michael Trotter is a member. The amount due to be paid at the year-end amounts to £Nil (2020 – £Nil).

27 Post balance sheet events

As explained in the trustees' report set out on page 3, the Operation Safeguard appeal failed after date. All donors were contacted and offered either a full refund or the opportunity to allow the VTST to "retain" their donation. Where donors have requested a refund, the donation has been recognised as a liability at 31 October 2021 (note 20).

On the 21 June 2022 the Charity Commission authorised a Scheme which allows the trustees to use £323,400 of disclaimed / retained funds to preserve and protect Avro Vulcan XH558 for the benefit of the public and to demonstrate and display her to the public.

28 Net cash flow from operating activities

	2021	2020
		as restated
	£	£
Net income/(expenditure) for the year	(99,690)	932,237
Investment income	(106)	(195)
Gain on disposal of tangible fixed assets	(254)	-
Depreciation of heritage assets	10,714	10,714
Depreciation of tangible assets	6,449	7,885
Movements in working capital:		
(Increase)/decrease in stocks	(6,846)	6,377
(Increase)/decrease in debtors	(207,128)	18,116
Increase/(decrease) in creditors	29,456	(44,398)
Net cash flow from operating activities	(267,405)	930,736

29 Analysis of changes in net funds

During the year the group had no borrowings or obligations under finance leases. The changes in net funds of the charity therefore solely comprise of cash and cash equivalents.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

30 Prior Period Adjustment

The prior period adjustment relates to a restatement of the Statement of Financial Activities and Balance Sheet figures for the year ended 31 October 2020 in relation to income that should have been included in the parent undertaking. The comparative figures have been adjusted as follows:

	As previously reported £	Adjustment £	As restated at 31 Oct 2020 £
(a) Group			
Changes to the Statement of Financial Activities			
Income from donations and legacies	2,059,601	15,271	2,074,872
Income from other trading activities	282,281	(12,726)	269,555
Net income for the year / movement in funds	<u>929,692</u>	<u>2,545</u>	<u>932,237</u>
Changes to the Balance Sheet			
Creditors: Amounts falling due within one year	92,843	(2,545)	90,298
Restricted funds	-	15,271	15,271
Unrestricted funds	<u>1,791,617</u>	<u>(12,726)</u>	<u>1,778,891</u>
Total funds / Net assets	<u>1,791,617</u>	<u>2,545</u>	<u>1,794,162</u>
(b) Charity			
Changes to the Balance Sheet			
Debtors	219,681	15,271	234,952
Restricted funds	-	15,271	15,271
Unrestricted funds	<u>1,872,124</u>	<u>-</u>	<u>1,872,124</u>
Total funds / Net assets	<u>1,872,124</u>	<u>15,271</u>	<u>1,887,395</u>

VULCAN TO THE SKY TRUST

England & Wales - Charity number 1101948

Accounts

Charity Registration No. 1101948

Company Registration No. 04478686 (England and Wales)

VULCAN TO THE SKY TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 OCTOBER 2020**



VULCAN TO THE SKY TRUST
HONOURING THE PAST, INSPIRING THE FUTURE

VULCAN TO THE SKY TRUST

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VULCAN TO THE SKY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2020

1. OBJECTIVES AND ACTIVITIES OF THE TRUST

The principal objects of the Vulcan to the Sky Trust ("VTST", "the Trust") are to:

- (1) Preserve and protect Avro Vulcan XH558 and return her to full working order for the benefit of the public and to demonstrate and display her to the public and to conserve and return to full working order other aircraft and engineering artefacts in general which are of significant heritage interest and to maintain such in a purpose-built facility.
- (2) Advance the education of the general public in Avro Vulcan XH558, in aviation and engineering heritage, in its associated provenance, historical and social context and in the strategy of deterrence, for the benefit of British heritage, and historical knowledge.
- (3) Advance the education of the general public in Avro Vulcan XH558 and other aircraft and engineering artefacts in general of significant heritage interest, in their design, engineering and technologies, operational and maintenance processes and procedures; for the benefit of British heritage, and technical knowledge and conservation, by providing access to engineering demonstrations and practical activities.

The Trust provides these services throughout Great Britain.

Ensuring that VTST delivers on its objects

The Trust reviews its objectives and activities regularly throughout the year, looking at the success of its activities and the benefits that the Trust has brought to the public. The Trustees refer to the advice contained in the Charity Commission's general guidance on public benefit when deciding on its plans and activities. The particular public benefits generated from our work are detailed on pages 3 – 5.

Following a ten-year restoration project, Avro Vulcan XH558 ("XH558") returned to flight on 18th October 2007, having previously been grounded on 23rd March 1993 at the end of its RAF career. The Trust was granted approval by the Civil Aviation Authority ("CAA") to operate Vulcan XH558 under UK Civil Regulations on 2nd July 2008. The aircraft was granted a CAA Permit to Fly on 3rd July 2008, a condition of which was the continuing contractual support from the aircraft's Engineering Authority, Marshall Aerospace. This was a first for a Complex category ex-military aircraft on the UK Civil Register, and marked the successful completion of the world's most complex aircraft restoration project.

Subsequently, Vulcan XH558 was presented by the Trust to the public at air shows and events around the UK in each year following, supported by educational and interpretational activities.

In April 2011, XH558 flew in to Robin Hood Doncaster Sheffield Airport ("DSA"), and Hangar 3 there became its home operating base.

In January 2015, the Trust received notice from Marshall Aerospace, BAE Systems and Rolls-Royce that at the end of 2015, they would collectively be withdrawing the Engineering and Design Authority support required as a condition of the aircraft's Permit to Fly, thereby consequently bringing to the end the flying life of Vulcan XH558. The aircraft's final flight took place on Wednesday 28th October 2015 at Doncaster Sheffield Airport.

Grounded at DSA since that date, nevertheless Vulcan XH558 has been maintained in a safe ground-running and taxiing condition, and continues to attract much enthusiastic support from the public. The Trust is planning to offer excellent public access to the aircraft as both a static exhibit in a New Hangar and also in engine-running and taxiing demonstrations.

In addition, the Trust continues to plan for its strategic direction following the aircraft's end of flying. In accordance with its objects, the Trust plans to broaden its scope and interests by the acquisition of other aircraft and aviation-

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

related heritage assets. In furtherance of this, in May 2016 the Trust acquired an important English Electric Canberra aircraft (WK163) that broke the world altitude record in 1957.

In November 2020, the Trust purchased a second Canberra, WT327, at auction in the USA that included WK163's original cockpit which brings both a significant technical benefit and a very fortuitous heritage provenance. The intention is to use WT327's cockpit and other parts in the restoration of WK163. The Trust plans to repatriate this aircraft to the UK when Covid-19 restrictions allow and to store it until the restoration of WK163 begins. This restoration will not begin until the new hangar and permanent home for XH558 is secured.

The Trust's activities include charitable fundraising in many different ways to ensure that sufficient funds are available to allow the continuation of the Trust's public benefit delivery.

Through to the beginning of 2017, the public were able to come to see XH558 in Hangar 3 at DSA on a pre-booked basis, receive educational guided tours of the aircraft, hear talks about the Vulcan and its history, and buy merchandise from an in-hangar shop. Much publicity was gained by offering the large space in the hangar for both private and corporate events "under the wings" of the Vulcan.

However, from the beginning of 2017, the Trust was forced to stop public visits because the airport required the hangar space for other uses. This effectively stopped the major revenue-earning activities of the Trust, and severely curtailed its main public benefit delivery activities. As a result of this forced cessation of public tours and events, the Trust had to rapidly restructure to match its costs with the much lower revenues expected.

The Trust's two aircraft have been parked outside at DSA since July 2017, an unsatisfactory situation for these important heritage assets. The Trust's other assets were either put into storage or disposed of.

Plans for a New Hangar were drawn up with significant help from local companies, Doncaster Municipal Borough Council and the Airport. In December 2017, the Trust received full planning approval for the new hangar from the council. DSA offered the Trust a lease on a site upon which to build a new hangar specifically designed for its tour, event and engineering activities. Land specifically for this purpose was purchased from Anglian Water by DSA in April 2018.

A comprehensive business plan for the New Hangar has been developed using the experience gained from the Trust's visitor and event activities in Hangar 3. This shows that the facility will be financially viable and will be an exciting new visitor attraction for South Yorkshire.

Quotations were received showing that the new facility will require approximately £4 million capital investment including fit-out costs but we have revisited this given the costings are now several years old and we estimate this to have risen to £4.6 million. Fit out costs are defined as having a building safe for public access with cafeteria and retail shop. We expect the full Vulcan Experience as envisaged will be funded by grants and sponsorship.

The investor with whom we were working so hard with throughout 2018 caused us to lose confidence in early 2019 as the result of multiple delays. The investor failed to provide any proof that the funds he had promised actually existed, and progress on this deal ceased at the beginning of March 2019.

With the assistance of interested parties, the Trust now has in place a modified funding model for the hangar. The Trustees are working hard to find new investors.

The Trust has now developed a funding model where £2.4 Million (52%) of the capital funding for the hangar build will be via a commercial mortgage and the balance (£2.2 million) via a public appeal (Operation Safeguard) and this was launched in October 2020. The mortgage is still subject to negotiation. This funding package will secure a permanent and safe home for XH558 and will be supplemented by funding for "state of the art" content and grant funding and sponsorship bids are in development for this aspect.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

In April 2021 we signed a license to begin “pre-commencement” building works which secured our planning permission indefinitely.

The Trust continues to enjoy the support of DSA. In October 2021 we signed an Agreement for Lease for the land where the New Hangar will be built, which will become a full legal lease for the hangar once the funding is in place. This is supported by an Operations Agreement that will allow access to the airfield for tours, including our popular engine ground runs. The terms of the Agreement for Lease require the funding for the New Hangar to be raised by 31 December 2021. Our plan is to raise the money needed by this date, so that we can build XH558 the home she needs and deserves. If by this current deadline we have not managed to achieve this, we will need to revise our plans and look for alternative ways to keep this much-loved iconic aircraft looked after and available for public viewing. We would work with the airport and our partners to explore what we can deliver.

The Vulcan Experience will not just benefit supporters of the aircraft; it will be an inspirational visitor attraction for children and young people to explore the climate crisis in our Green Technology Hub and will be a welcome addition to the Yorkshire region. We are calling on people from across the country with an interest in heritage, aviation and the Climate Challenge to get behind this project and help us to create a venue that will inspire generations for decades to come, and through our Green Technology Hub investigate solutions to greener travel.

The Trust has become much more reliant on volunteer support. A team of appropriately-skilled volunteers has been trained as the Vulcan ground support team, to permit demonstrations of the aircraft with its engines and systems running, and slow taxiing under its own power.

The Trust continues to carry out limited public benefit delivery activities at sites remote from the airport, including talks and presentations, and a presence at events such as airshows.

It should be noted that during 2020, access tours at the airport including Engine Ground Runs were suspended due to the Covid 19 restrictions. Whilst we have developed a “Covid secure” access programme, the Trust decided the suspension was correct to ensure our volunteers, many of whom are in the high-risk category were protected.

The merchandise stores, order fulfilment and some engineering bays, spares and stores required to keep Vulcan XH558 in full working order, and stores for Canberra WK163's restoration to flight, occupy an industrial unit at DSA; the rest of the stores are in a cheaper location near Stratford-upon-Avon. The administrative finance and HR functions is housed in serviced office space in Hinckley.

VTST's subsidiary, The Vulcan Operating Company Ltd (“VOC”), relinquished its CAA Maintenance Approvals in 2018, but is maintaining its safety management and quality procedures for heritage aircraft to ensure that XH558 can be operated safely.

VTST also has undertaken activities to provide interpretation of the aircraft under its care, and to educate a broad range of audiences on the Cold War: the Avro Vulcan and the English Electric Canberra including their history, design & engineering. These activities have included giving educational talks, and planning and providing school activities in line with the National Curriculum.

2. ACHIEVEMENTS AND PERFORMANCE OF THE TRUST

The move from Hangar 3 in February 2017 to a location which does not allow public access caused the suspension of much of the Trust's public benefit delivery activities. This has effectively put the Trust's future at risk because of the financial impact of the cessation of revenue-earning tours and events.

Following this event a significant restructure of the charity was undertaken, so that going forward the much reduced cost structure can be sustained by the forecast level of income. The support of our current major donors is fundamental to the charity's future until our new trading model is established in the New Hangar.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

Public Benefit Delivery: Conservation of Avro Vulcan XH558 in full working order, and of other heritage aircraft and engineering artefacts

Vulcan XH558 continues to be maintained to the same servicing regime as when she was flying, with regular engine runs, systems tests and slow taxi runs. For safety, the explosives associated with the ejection seats and canopy gun have been removed, but in all other aspects, Vulcan XH558 remains serviceable. Annual services were carried out on XH558 in early 2020 and commenced again in early 2021.

In May 2016 the Trust acquired an important English Electric Canberra aircraft, serial number WK163, together with a large amount of spare equipment including engines. An initial survey showed that the aircraft is in generally good shape, however there are some areas of corrosion on the fuselage, and the cockpit requires a complete rebuild (or possibly replacement with another complete cockpit). Also, the five Avon 100-series engines acquired at the same time need a full service, and the completion of a series of Mandatory Permit Directives required on these engines by the CAA.

This project will be the subject of a separate specific targeted fundraising campaign specifically to achieve the series of milestones that will result in a return to flight for WK163.

In November 2016, the Trust was loaned a static example of the Supermarine Swift F.4 to display alongside the two other aircraft. The Swift was returned to its owner in May 2019.

The Trustees are very grateful for the continuing support from the following:

- Doncaster Sheffield Airport, Doncaster Council and the Sheffield City Region Local Enterprise Partnership for their support, flexibility and enthusiasm in assisting VTST at the Airport.
- RG Group and Wordsworth Construction Services for their assistance in planning for the new hangar.
- The Founding Guardians, who were members of the now-disbanded Vulcan to the Sky Club, who have given freely their time, effort and commitment at air shows and other fundraising events, and the "Friends" of the Trust and members of the general public, whose support has been vital.
- All the Trust's volunteers, who performed important roles in support of the important hangar tour, merchandising and web store activities, in support of engineering and logistics activities, and in promoting the Trust and its activities around the country, including fundraising.

Public Benefit Delivery: Presentation of Avro Vulcan XH558 at air displays and other outside events

The Vulcan was seen by many millions of people during the eight years that the aircraft was flying, and by the end of its flying life XH558 had become quite famous. The Trustees remain pleased at the positive effect of the aircraft on spectators, especially on the young, and are delighted that so many happy memories have been laid down. Following the end of flying, the Trust has worked with the Airport to establish an agreed method and risk assessment for ground-running the Vulcan with spectators present. Plans for taxiing the aircraft on DSA's runway at full power have been agreed in principle.

Over the period, the Trust marketed and delivered opportunities for paying visitors to experience the sights and sounds of the Vulcan during its monthly ground runs in the summer months, and latterly at her parking site.

The Trust used the opportunities presented by the regular monthly anti-deterioration engine ground runs of the Vulcan to offer close-up demonstrations of the aircraft as she exercises her engines and systems to supporters. The Trust is also now able to demonstrate the aircraft taxiing. The sights and sounds of the running Vulcan are highly valued and much in demand, and represent an important revenue stream. The season finale ground run in November 2019 was attended by 38 visitors.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

The Trust commenced public and university student airside tours to the Vulcan at her parking site in January 2020, and to date, 290 supporters and students have visited over five occasions. During the tours, supporters hear a talk on the Vulcan, an update on maintenance activities and are shown some systems functioning. A highlight is a visit to the cockpit. These tours have been very well received.

All the above are paying customers, added to this at each event is a minimum of 6 volunteers plus engineering volunteers.

The plan for 2020 was to hold airside visits every 2 weeks and ground runs monthly. Unfortunately, the constraints imposed in March 2020 following the outbreak of the COVID-19 pandemic have meant that all public airside visits and engine ground runs have been suspended until such time as public group activities are permitted. Given the recent relaxation of restrictions, VTST did resume public access visits in August 2021.

Key to the Trust's ability to present the aircraft in full running state is the enthusiastic and dedicated volunteers who carry out the necessary ground support activities.

Public Benefit Delivery: Education of the general public in the Cold War, the Avro Vulcan and related topics

General talks and presentations on the Vulcan and related Cold War topics remain available and continue to be provided to a variety of audiences around the country. These include local aviation and general interest groups, Learned Society branches such as the Royal Aeronautical Society and the Institution for Engineering and Technology, Universities and commercial engineering companies. The programme was, however severely curtailed by restrictions relating to the Covid-19 pandemic albeit Robert Fleming did give occasional talks "on-line". As they were managed by him personally, we do not have a full record of this. In March 2020 the Trust was interviewed on a local radio station, TMCR, which has a broadcast audience of approximately 70,000 listeners.

One of the main vehicles for the Trust's communications to its supporters is its regular emails, now being distributed to over 40,000 subscribers. At the end of July 2019, the Trust's email newsletters changed from weekly to monthly, but this enabled their content to be increased considerably. The newsletters are currently the Trust's primary way of educating the public on the Cold War and the Vulcan.

The Trust's Outreach programme was severely constrained in 2020 due to the Covid-19 pandemic and this included the cancellation of all UK air shows. We hosted RAF cadets once, pre-Christmas 7th December at its Stratford-upon-Avon Spares Store. The Stores also held a single open day for the public on 30 November 2019 attended by approximately 65 visitors.

With the assistance and enthusiasm of the owners and managers of the Doncaster Lakeside retail park, the Trust was able to mount a three-month exhibition in a large retail space at the heart of the park from February to April 2019. Exhibits included many items explaining the Vulcan and the Cold War. The exhibition proved most popular, with over 9,000 people visiting during the period.

Education work has been in a development phase post year end albeit outreach has been limited due to the pandemic. We have, though, as part of the plans for the Vulcan Experience been actively working on a fully rounded education programme and some hi-lights are as follows;

- we are engaged with Work Wise in a project to deliver exhibits into the new hangar.
- in September 2021 we launched at the local UTC a major curriculum element where students will work on a design project centred on XH558.
- we have commissioned an ambitious education and community plan for the project.

The Trust's cash constraints have continued to mean that the allocation of a full and dedicated education budget have so far not been possible, limiting progress and curtailing long term planning. Efforts over the period have thus been focussed on short-term projects.

The Trust's volunteers continue to play absolutely key roles in delivering educational and inspirational outcomes.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

Revenue generation and public relations

Following the forced move from Hangar 3, the Trust has found itself under very significant cash constraints, but with the help of the on-going public donation stream, continuing merchandise revenues especially in high profit lines, monthly donations, a lottery and annual five-figure philanthropic donations, the Trust has been able to continue its operations.

The Trust has continued to invest in marketing, advertising and social media streaming aimed at both the general public and potential sponsors. The focus has been on small- to mid-range giving and appeals for specific needs. Incentives have included opportunities for donors to have their names on XH558's wing and a dynamic merchandise strategy.

The Names Under the Wing campaign launched in the autumn of 2019 was the most successful single funding appeal of recent years raising circa £1.2 million net of marketing costs.

The funding strategy is continuing to meet its now limited objectives:

- Standing Order and Direct Debit income received monthly by the Trust is consistent with prior years, which is heartening following the end of flying for the Vulcan.
- Gift Aid is claimed on eligible donations.
- A third highly successful "Names Under XH558's Wing" campaign has brought in over £1.5 million in donations, the majority of which additionally generated Gift Aid.
- The Guardian scheme for people who were members of the Vulcan to the Sky Club continues with positive feedback. For the avoidance of doubt, Guardians are not Members of the Trust.
- The sale on eBay of Vulcan and other spares that will never be required by the Trust continues to contribute to income.
- Merchandise gross sales are currently averaging approximately £16,000 per month.
- A campaign to encourage legacy giving will be launched once development of the new hangar is committed.

Over the period, approaches continue to be made to both aerospace and engineering industry and retail/FMCG companies for sponsorship.

The Trust's visibility across the UK air show scene has reduced in line with affordability, albeit this activity was suspended throughout 2020 as the UK air show programme was effectively cancelled because of the Covid 19 pandemic. This situation seems likely to continue for the 2021 season.

The Trust's website www.vulcantothesky.org is the one of the Trust's primary communications vehicles for its supporters. It is updated on a regular basis and continues to provide news and pictorial evidence of the Trust's progress. The website also hosts the Trust's "e-donate" funding stream.

The Trust's monthly email newsletters enable further fundraising opportunities.

Additionally, VTST has its own Facebook page with 279,000 followers and a Twitter channel with over 81,000 followers. The Trust continues to look for every opportunity to widen the exposure of its activities.

Fundraising policy

The Trust undertakes charitable fundraising in a variety of ways including through regular newsletters via email and mail, and at events. Funding contributions come mainly from the Trust's loyal supporter base, currently of some 40,000 people. Without their valued contributions, the Trust would not be able to continue delivering its public benefits.

Supporters are able to make regular donations through appeals, and customers can add a donation at the web store online checkout. The Trust also receives one-off donations, and supporters also engage in a monthly lottery and annual raffles. The Trust also offers speaker events throughout the country for which tickets are sold and merchandise is available.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

Fundraising activities are carried out by the employees and volunteers of the Trust; the Trust does not carry out any fundraising through professional fundraising agencies. The Board of Trustees regularly reviews the Trust's fundraising activities and outcomes.

Furthermore, the Trust does not carry out any fundraising through cold contact, whether unsolicited mailing, face-to-face fundraising or telemarketing. The Trust has never received a complaint about its fundraising activities. The Trust is registered with the Fundraising Regulator, and is aware of and follows its Code of Fundraising Practice and the Charity Commission's fundraising guidance. The Trust has had the benefit of advice from a consultant who is a member of the Institute of Fundraising. The Trust itself is a member of the Association of Independent Museums.

Vulcan to the Sky Enterprises Limited

Vulcan to the Sky Enterprises Limited ("VTSE") is the merchandise trading arm of the charity, and has enabled the Trust to receive funds through the sale of merchandise, memorabilia and services at events and through an 'online' shop, a revenue stream which is continuing to be successful. The financial results for the year ended 31st October 2020 are summarised in note 17 to the accounts. Performance is expected to improve once the New Hangar opens. VTSE covenants any profits to VTST under the Gift Aid scheme.

Heritage Lottery Fund

The Heritage Lottery Fund (HLF), in the form of its legal entity the National Heritage Memorial Fund (NHMF), maintains a charge over the Avro Vulcan XH558 on a reducing amount based on the HLF grant and the flying life of the aircraft, which is covered by the aircraft's Hull insurance. The contract between the VTST and the NHMF is for 80 years from 2005, requiring the Trust to deliver its public benefits based on the aircraft over this time. When XH558 finally ended its flying life, it had completed 346 hours flying since its return to flight in 2007, successfully exceeding its flying commitment to the NHMF of 250 flying hours.

3. FINANCIAL REVIEW

Total income of the group for the 12 months ended 31st October 2020 amounted to £2,346,282 (2019: £775,511). The Trust's principle funding comes from several sources such as donations, fundraising draws and lotteries, and merchandise sales. Total expenditure for the 12 months ended 31st October 2020 was £1,416,590 (2019: £923,198). Income, and expenditure, have primarily increased due to a third highly successful "Names Under XH558's Wing" campaign has brought in over £1.5 million in donations, the majority of which additionally generated Gift Aid. The campaign launched in the autumn of 2019 and was the most successful single funding appeal of recent years raising circa £1.2 million net of marketing costs. This demonstrates the appeal that XH558 still has with the public.

The net assets of the group as at 31st October 2020 were £1,791,617 (2019: £861,925).

The group's fixed assets comprise the Avro Vulcan XH558, its associated spare parts, ground equipment and tools, together with miscellaneous items, and are valued as at 31st October 2020 at £755,067 (2019: £773,666).

There is a charge over the aircraft in favour of the National Heritage Memorial Fund in the amount of £427,000 reducing on a straight line basis from 31st October 2016 until 2085. The amount repayable is currently limited to £402,248.

The Trustees believe that income in the form of donation streams, sponsorship, and merchandise revenues will allow the Trust to continue its activities for the foreseeable future. The Trust is also running an ongoing campaign to gain commercial sponsorship to help fund the future plans for the aircraft and supporting activities; central to this is securing funding for a new hangar.

The constraints imposed in March 2020 following the outbreak of the COVID-19 pandemic meant that all public airside visits and engine ground runs were suspended until such time as public group activities are permitted. Consequentially income and expenditure from charitable activities have decreased. The scaled back operations in place prior to the

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

pandemic, due to the delays with the New Hangar, has meant that the financial impact of the pandemic has not been more severe. Nevertheless, in an attempt to mitigate its impact, the charity made use of the Coronavirus Job Retention Scheme.

Reserves Policy

The Trust's reserves policy has been to aim to build up, over time, free reserves (unrestricted funds less fixed assets) to a level equivalent to 6 months of expenditure. As at 31st October 2020 the Group's free reserves, following the highly successful Names Under the Wing campaign during the year, totalled £1,036,550 (2019: £88,259). The equivalent to almost 9 months of expenditure. The trustees retain the 6 month policy as an important target, and, subject to the success of future fundraising appeals, intend to use any surplus to assist with the Trust's running costs whilst the New Hangar is being built.

4. PLANS FOR FUTURE PERIODS

The Vulcan to the Sky Trust's objectives for future periods are to:

- Maintain Avro Vulcan XH558 in full working order, and to operate the aircraft on the ground safely to the benefit of spectators at DSA for as long as possible.
- Plan to restore Canberra WK163 to an airworthy condition, and to display the aircraft to the benefit of the public at airshows and other outside events around the country, and to raise funds specifically for that purpose.
- Develop a medium-term plan for the Trust to provide relevant public benefits, in particular in inspiring the young in engineering, technology and aviation.
- Build and develop the new hangar base at Doncaster Sheffield Airport to ensure growing public access to these important aircraft, and satisfy the requirements of operational and maintenance feasibility, affordability, visitor and school accessibility, catchment area and local & regional support.
- Deliver inspirational education experiences on design, science, technology, engineering and mathematics (STEM), to a range of audiences, including national curriculum topics for school children, on Cold War history and related subjects focused around the aircraft, and inform all of the various methods and technologies by which aviation's impact on climate change will be minimised.
- Secure the funding needed to achieve the above objectives, from a diverse range of sources so as to minimise risk, including expanding the Guardians scheme to all.

5. ORGANISATIONAL STRUCTURE, GOVERNANCE AND MANAGEMENT

Vulcan to the Sky Trust was granted charitable status on 6 February 2004, and is registered with the Charity Commission under number 1101948.

Vulcan to the Sky Trust is constituted as an incorporated company limited by guarantee, its governing document comprising its memorandum and articles of association.

The Trustees (who are also the Trust's Directors) who have served since 1 November 2019 are as detailed in section 6.

The Board of Trustees met formally once between 1st November 2019 and 31st October 2020, and conducted two conference calls over this period. The Trustees are the only Members of the Trust. None of the Trustees received any remuneration or benefits apart from receipted expenses.

The Trust needs to put on record within this report a significant event that occurred after the year end. On 2nd February 2021, the charity's CEO, Dr Robert Fleming passed away suddenly. Robert worked tirelessly on the project setting up the Vulcan to the Sky Trust to return the last potentially airworthy RAF V-force aircraft, Avro Vulcan XH558 to flight. In 1997, when the idea first came to him, he built a Project Steering Team from key members of the aerospace establishment and former members of the RAF's Vulcan Display Flight.

Against all the odds, Robert and the team succeeded in their mission, raising millions of pounds in donations and returning XH558 to flight. The Vulcan to the Sky project succeeded spectacularly on 18th October 2007, with the first test flight of the restored Vulcan, some 14 years after its last flight, oversaw the aircraft's operational life and led the

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

campaign to build a permanent home for XH558. It is the Trust's ambition to appoint a new CEO once the funds are in place for the permanent home.

Recruitment and training of Trustees

Given the nature of its past activities, the recruitment of new Trustees had been primarily from the aviation community. However, as the Trust's activities broaden, Trustees are now being sought from the wider engineering, industry and education sectors, and the South Yorkshire region. New Trustees are appointed in accordance with the articles of association. Any new Trustees are provided with a one-on-one induction by the Company Secretary, including briefings on the workings of the Trust, its formal documentation, the Trustee's role, the financial status of the Trust and its future plans.

The activities of the Board

The Board is responsible for policy and overall management of the charity, but has delegated necessary operating powers and decision-making to an Executive Committee, which during the period comprised of Robert Pleming (Company Secretary), Michael Trotter (Commercial and Business Development) and Andrew Edmondson (Engineering Director). The Executive Committee meets on approximately a monthly basis. The remuneration of key management is approved by the Chairman of Trustees and is set against established pay scales, benchmarked in comparison with similar sized charities.

Following its restructure, the Trust had 5 full-time employees and 1 part-time employee as at 31st October 2020. The Trust also benefits significantly from a large amount of volunteer support, including specifically assisting with public relations, events, merchandise fulfilment and the Trust's air show presence.

At the Trust's 2019 Annual General Meeting, held on 23rd July 2020, the Board accepted the retirement-by-rotation of Sir Gerald Howarth, John Sharman and Sir Donald Spiers. As they each had offered themselves for reappointment, Philip Spiers formally proposed their reappointment. This was seconded by Ken Smart and the resolution passed nem con.

Subsidiaries

Vulcan to the Sky Enterprises Limited is the wholly-owned retail trading subsidiary of VTST. VTSE covenants its taxable profits to VTST under the Gift Aid scheme.

There are three additional wholly-owned subsidiaries of the Trust, which were incorporated to enable the Trust to undertake certain activities aimed at creating a sustainable business model during its occupation Hangar 3 at Doncaster Sheffield Airport. These subsidiaries, the Vulcan Marketing Company, The Vulcan Operating Company and the Vulcan Property Management Company are now dormant.

Andrew Edmondson remains a director of the Trust's subsidiaries.

Risk Management

The Trust, through its management team, continues to identify and review the major risks that the charity faces. Procedures, including a Safety Management System, have been put in place to mitigate and monitor these risks. Health and Safety are included as topics at every Executive Meeting.

The Trust's principle risks and uncertainties are:

- Securing funding for its charitable activities each year and managing working capital;
- The occurrence of an event that threatens the reputation or integrity of the Trust;
- Sudden loss of key personnel;
- Potential for overtrading with limited resources; and
- The implications to its plans of the coronavirus pandemic and changes in public behaviour.

The Trust's public liabilities arising from operation of the Vulcan aircraft are insured through K M Dastur and Company Ltd Aviation Insurance Brokers. Additional aviation insurance policies include cover for damage to the aircraft, for war and terrorism risks, and for personal injury insurance for the aircrew.

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

6. REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS

Trustees	Mr John Sharman FRAeS (Chairman) Air Commodore Ed Jarron (Vice Chairman) Mr Richard Clarke Sir Gerald Howarth Dr Stephen Liddle Mr Ken Smart CBE Sir Donald Spiers CB TD FRAeS Mr Phillip Spiers
Chief Executive	Dr Robert Pleming FRAeS – deceased 2 February 2021
Company secretary	Michael Trotter – appointed 2 February 2021
Charity number	1101948
Company number	04478686
Principal address	Unit 4, Delta Court Third Avenue Doncaster Sheffield Airport Doncaster DN9 3GN
Registered office	Unit 4, Delta Court Third Avenue Doncaster Sheffield Airport Doncaster DN9 3GN
Auditors	Newby Castleman LLP West Walk Building 110 Regent Road Leicester LE1 7LT
Bankers	HSBC Bank Plc 58 High Street Winchester Hampshire SO23 9BZ
Solicitors	Laceys Solicitors 5 Poole Road Bournemouth Dorset BH2 5QL

VULCAN TO THE SKY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

7. STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Vulcan to the Sky Trust for the purposes of company law) are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs for the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and group will continue in operation.

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company and group's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

8. SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed on behalf of the Trustees

Mr John Sharman FRAeS
Chairman of Trustees

Approved by the Board of Trustees on 27 October 2021

VULCAN TO THE SKY TRUST

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF VULCAN TO THE SKY TRUST

Opinion

We have audited the financial statements of Vulcan to the Sky Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 October 2020 which comprise the Group Consolidated Statement of Financial Activities, The Group and Company Balance Sheet, The Group Statement of Cash Flows and 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 FRS 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 group's and parent charitable company's affairs as at 31 October 2020, and of the group's incoming resources and application of resources, including its income and expenditure, 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 Charities Act 2011.

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 group and parent charitable company 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.

Material uncertainty related to going concern

We draw attention to note 1.3 of the financial statements, concerning the group's ability to continue as a going concern. This indicates that the group is reliant on the continued support of Doncaster Sheffield Airport and future financial support from its donors and investors to continue operating. These conditions, along with the other matters as set forth in note 1.3, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

VULCAN TO THE SKY TRUST

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE TRUSTEES OF VULCAN TO THE SKY TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the group's and parent charitable company'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 trustees either intend to liquidate the group or the parent 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 auditor under section 151 of the Charities Act 2011 and report in accordance with this Act.

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: 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 trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's 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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Newby Castleman LLP

Chartered Accountants
Statutory Auditor
West Walk Building
110 Regent Road
Leicester
LE1 7LT

Date: 28 October 2021

Newby Castleman LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

VULCAN TO THE SKY TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Income from					
Donations and legacies	3	2,034,193	25,408	2,059,601	295,327
Charitable activities	4	4,153	-	4,153	58,526
Other trading activities	5	282,281	-	282,281	421,427
Investments	6	195	-	195	231
Other	7	52	-	52	-
Total		2,320,874	25,408	2,346,282	775,511
Expenditure on					
Raising funds	8	1,174,560	-	1,174,560	536,526
Charitable activities	9	216,622	-	216,622	386,672
Other expenditure	14	-	25,408	25,408	-
Total		1,391,182	25,408	1,416,590	923,198
Net income / (expenditure) for the year / Net movement in funds		929,692	-	929,692	(147,687)
Reconciliation of funds					
Total funds brought forward		861,925	-	861,925	1,009,612
Total funds carried forward		1,791,617	-	1,791,617	861,925

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

VULCAN TO THE SKY TRUST

BALANCE SHEETS

AS AT 31 OCTOBER 2020

	Notes	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Fixed assets					
Tangible assets	15	6,811	3,984	14,696	8,709
Heritage assets	16	748,256	748,256	758,970	758,970
Investments	17	-	5	-	5
Total fixed assets		755,067	752,245	773,666	767,684
Current assets					
Stocks	18	85,148	-	91,525	-
Debtors	19	56,631	219,681	74,747	295,550
Cash at bank and in hand		987,614	985,343	56,683	42,446
Total current assets		1,129,393	1,205,024	222,955	337,996
Liabilities:					
Creditors: Amounts falling due within one year	20	(92,843)	(85,145)	(134,696)	(136,259)
Net current assets		1,036,550	1,119,879	88,259	201,737
Total assets less current liabilities		1,791,617	1,872,124	861,925	969,421
Total net assets	22	1,791,617	1,872,124	861,925	969,421
The funds of the charity					
Restricted funds	21	-	-	-	-
Unrestricted funds		1,791,617	1,872,124	861,925	969,421
Total charity funds		1,791,617	1,872,124	861,925	969,421

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

As permitted by s408 Companies Act 2006, the charity has not presented its own statement of financial activities and related notes. The charity's surplus for the year was £902,703 (2019 - £129,590 deficit).

For the year ending 31 October 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as the company is a charity, it is subject to audit under the Charities Act 2011.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

VULCAN TO THE SKY TRUST

BALANCE SHEETS (CONTINUED)

AS AT 31 OCTOBER 2020

The financial statements were approved and authorised for issue by the board of trustees on 27 October 2021 and are signed on its behalf by:

Mr John Sharman FRAeS
Chairman of Trustees

Company Registration No. 04478686

The notes on pages 18 - 35 form part of these financial statements.

VULCAN TO THE SKY TRUST

GROUP STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 OCTOBER 2020

		2020	2019
	Notes	£	£
Net cash (outflow) / inflow from operating activities	28	930,736	(61,965)
Cash flow from investing activities			
Payments to acquire tangible fixed assets		-	(2,174)
Interest received		195	231
Net cash (outflow) / inflow from investing activities		195	(1,943)
Net (decrease) in cash of cash equivalents		930,931	(63,908)
Cash or cash equivalents at 1 November 2019		56,683	120,591
Cash or cash equivalents at 31 October 2020		987,614	56,683

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies

Charity information

Vulcan to the Sky Trust ("the charity") is a private company limited by guarantee, incorporated in England and Wales. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the reference and administration section of the trustees' report.

The group consists of Vulcan to the Sky Trust and all of its subsidiaries ("the group"), being Vulcan to the Sky Enterprises Limited, The Vulcan Operating Company Limited, The Vulcan Property Management Company Limited, and The Vulcan Marketing Company Limited.

1.1 Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. These financial statements have been prepared in accordance with: the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities applying FRS 102 (2019), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

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

These financial statements are prepared under the historical cost convention, modified to include the revaluation of certain heritage assets. The principal accounting policies adopted are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The charity is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this charity, which are intended to give a true and fair view of the assets, liabilities, financial position and net movement in funds of the group. The charity has taken advantage of the exemption from preparing a statement of financial activities and a statement of cash flows on the basis that these are incorporated into the group statement of financial activities and statement of cash flows.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Vulcan to the Sky Trust and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 October 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting Policies (continued)

1.3 Going concern

These financial statements are prepared on the going concern basis. The trustees have a reasonable expectation that the group will continue in operational existence for the foreseeable future.

As explained more fully in the trustees' report set out on pages 2 and 3, comprehensive business plans have been drawn up to build a new hangar specifically designed for the group's tour, event and engineering activities. Based on all of the information that is currently available, the trustees are not certain that they will secure the necessary investment for this project because they believe the funding campaign has been impacted by the Covid 19 pandemic, particularly the corporate sector, and the charity has until 31 December 2021 to raise the necessary funds. If the trust has not managed to achieve this, the trustees will need to revise their plans and look for alternative ways to keep the aircraft available for public viewing. The trustees have a reasonable expectation that they will receive the continued support of Doncaster Sheffield Airport ("DSA").

Whilst the trust is conscious of the need to bring the permanent home project to a resolution by securing the needed capital funding it will continue its on-going fundraising activities to maintain Avro Vulcan XH558 to the usual high standards and to deliver public access through our team of dedicated volunteers and staff.

The trustees have prepared forecasts for the period ended 31 October 2022 which incorporate the above plans. Based on these forecasts, and the voluntary income that has been received since the year end date, the trustees are of the opinion that the group will receive sufficient donations and investment for a period of at least 12 months from the date of approval of these financial statements to continue operating. However, donations are intrinsically uncertain and the ongoing support of the charity's current donors and supporters will be fundamental until the new trading model has been established.

On this basis, the trustees consider it appropriate to prepare the financial statements on the going concern basis.

1.4 Charitable funds

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.5 Income recognition

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.

Legacies are recognised at the earlier of the charity being notified of an impending distribution or the legacy being received. Where legacies have been notified to the charity but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Government grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured with reliability. If entitlement is not met, then the amounts are deferred.

Income from charitable activities includes Hangar tour income and Engine ground-run income.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting Policies (continued)

Hangar tour income is recognised when the tour takes place. Income from ticket sales received in advance of the tour are deferred.

Engine ground-run income is recognised when the ground-run takes place. Income from ticket sales received in advance of the ground-run are deferred.

Income from trading activities primarily includes income earned from the sale of merchandise and raffles.

Sale of merchandise represents all goods sold during the period, less returns received, at selling price exclusive of Value Added Tax. Sales are recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attaching to the product, have been transferred to the customer.

Investment income is earned through holding assets for investment purposes. It comprises bank interest and is recognised on an accruals basis.

1.6 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. Expenditure is recognised when there is a legal or constructive obligation to make payments to third parties, it is probable that settlement will be required and the amount of the obligation can be measured reliably. It is recognised under the following headings:

- Costs of raising funds includes costs incurred in seeking donations, legacies, grants and fundraising.
- Expenditure on charitable activities includes costs relating to restoration and maintenance, and exhibition and display, to further the delivery of the objectives of the charity.

Irrecoverable VAT is charged against the category of resources expensed for which it was incurred.

1.7 Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and costs of raising funds and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objectives of the charity. Support costs are allocated to costs of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 11.

The allocation of support costs has changed during the year to continue to reflect the activities of the charity.

1.8 Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	20% straight line
Motor vehicles	20% straight line

1.9 Heritage assets

Heritage assets comprise the Avro Vulcan G-VLCN (XH558) and the English Canberra (WK163). The Vulcan is stated at valuation less depreciation, whilst the Canberra is stated at cost. Depreciation is provided on the Vulcan at a rate calculated to write off the valuation less estimated residual value over its useful economic life, being 70 years from the date which the Vulcan ceased to fly. Depreciation is not yet provided for the Canberra because the asset is not yet available for display.

The trustees have estimated the remaining useful economic life of the Vulcan to be to October 2085 and the residual value of the aircraft to be £Nil. The charity's current policy is to maintain the aircraft in full

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting Policies (continued)

working order and associated maintenance costs are charged to the Statement of Financial Activities.

Public access to the aircraft is achieved through visits to their permanent home at Doncaster Sheffield Airport. However, as noted in the trustees' report, public access is currently restricted due to the move in hangars and the Covid-19 pandemic.

1.10 Impairment of fixed assets

At each reporting end date, the charity 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, or the asset's cash generating unit, is estimated and compared to the carrying amount in order to determine the extent of the impairment loss (if any). Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the Statement of Financial Activities (SOFA) unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

1.11 Investments in subsidiaries

Investments are stated at cost less any provision for diminution in value.

1.12 Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Stock cost is recorded as invoice price net of any discounts received.

1.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.14 Financial instruments

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

Debtors and creditors with no stated interest rate and receivable or payable within one year are measured at transaction price. Any losses arising from impairment are recognised in the SOFA.

1.15 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.16 Retirement benefits

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

1.17 Leases

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

1.18 Taxation

Vulcan to the Sky Trust is a registered charity and no taxation provision is required as its income from charitable activities falls within the various exemptions available to registered charities.

The tax expense represents the sum of deferred tax on all subsidiaries, after taking into account any profits covenanted up to the charity.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees 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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Valuation of heritage asset (Vulcan)

The valuation of the Vulcan is reassessed annually by the trustees and, when necessary, amended to reflect current estimates.

Allocation of support costs

The allocation of support costs is sensitive to changes in the level of work undertaken on each activity by the charity. The allocation is reassessed annually and amended when necessary to reflect current estimates.

3 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Regular donations	87,621	-	87,621	98,959
One off donations	29,524	-	29,524	15,979
Corporate donations and sponsorship	10,000	-	10,000	74,260
Other donations	78,082	-	78,082	85,832
Gift aid recovered	273,803	-	273,803	13,107
Legacies	-	-	-	2,690
Names under the Wing campaign	1,554,163	-	1,554,163	4,500
Government grants	-	25,408	25,408	-
Grant income	1,000	-	1,000	-
	<u>2,034,193</u>	<u>25,408</u>	<u>2,059,601</u>	<u>295,327</u>
Unrestricted funds				295,327
Restricted funds				-
				<u>295,327</u>

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

4 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Exhibition and display	4,153	-	4,153	58,526
	<u>4,153</u>	<u>-</u>	<u>4,153</u>	<u>58,526</u>
Unrestricted funds				58,526
Restricted funds				-
				<u>58,526</u>

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Sale of merchandise	191,833	-	191,833	203,523
Raffle income	87,030	-	87,030	212,816
Commission income	3,418	-	3,418	5,088
	<u>282,281</u>	<u>-</u>	<u>282,281</u>	<u>421,427</u>
Unrestricted funds				421,427
Restricted funds				-
				<u>421,427</u>

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Interest receivable	195	-	195	231
	<u>195</u>	<u>-</u>	<u>195</u>	<u>231</u>
Unrestricted funds				231
Restricted funds				-
				<u>231</u>

7 Other income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Income from recycling	52	-	52	-
	<u>52</u>	<u>-</u>	<u>52</u>	<u>-</u>
Unrestricted funds				-
Restricted funds				-
				<u>-</u>

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

8 Raising funds

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<u>Fundraising and publicity</u>				
Staff costs	131,876	-	131,876	-
Purchase of merchandise	111,248	-	111,248	109,663
Raffle costs	27,871	-	27,871	10,966
Consultancy costs	6,907	-	6,907	58,446
Carriage and packaging	88,317	-	88,317	33,771
Advertising and promotion	633,033	-	633,033	137,852
Computer costs	7,754	-	7,754	13,492
	<u>1,007,006</u>	<u>-</u>	<u>1,007,006</u>	<u>364,190</u>
Share of support costs (note 11)	167,554	-	167,554	172,336
	<u>1,174,560</u>	<u>-</u>	<u>1,174,560</u>	<u>536,526</u>
Unrestricted funds				536,526
Restricted funds				-
				<u>536,526</u>

The allocation of directly attributable staff costs has changed during the year due to the COVID-19 pandemic limiting time spent on charitable activities but also the need to focus on generating income to secure the new hangar and the charity's future.

9 Charitable activities

	Activities undertaken directly (note 10) £	Support costs (note 11) £	Total 2020 £	Total 2019 £
Restoration and maintenance	98,783	47,231	146,014	277,256
Exhibition and display	51,865	18,743	70,608	109,416
	<u>150,648</u>	<u>65,974</u>	<u>216,622</u>	<u>386,672</u>
Unrestricted funds			216,622	386,672
Restricted funds			-	-
			<u>216,622</u>	<u>386,672</u>

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

10 Activities undertaken directly

	Restoration and maintenance £	Exhibition and display £	Total 2020 £	Total 2019 £
Staff costs	21,301	-	21,301	143,362
Depreciation	10,714	-	10,714	10,714
Aircraft costs	13,562	37,181	50,743	44,488
Hangar costs	49,817	-	49,817	61,554
Air show events	-	10,176	10,176	27,292
Travel costs	3,389	-	3,389	6,431
Printing, postage and stationery	-	4,508	4,508	1,740
	98,783	51,865	150,648	295,581

11 Support costs

	Raising funds £	Restoration and maintenance £	Exhibition and display £	Total 2020 £	Total 2019 £
Staff costs	76,103	-	8,456	84,559	90,505
Depreciation	6,704	1,181	-	7,885	12,175
Computer costs	16,553	5,912	1,182	23,647	27,935
Bank charges	2,946	-	-	2,946	19,814
Other costs	65,248	40,138	9,105	114,491	112,998
	167,554	47,231	18,743	233,528	263,427

Support costs have been allocated to activities on a relevant basis to the nature of the underlying costs in proportion to resources used. The allocation of support costs has changed during the year in light of the change in the level of work undertaken on each activity by the charity. Other costs include governance costs totalling £39,747 (2019 - £34,925). Governance costs include auditors remuneration totalling £18,500 (2019 - £18,500).

12 Trustees remuneration

Except for Richard Clarke, none of the trustees received any remuneration, benefits or reimbursed expenses from the charity during the year, or the previous year. Richard Clarke claimed expenses relating to travel and subsistence, amounting to £301 (2019 - £553).

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

13 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Management and administration	9	8
Aircraft crew	1	-
	<u>10</u>	<u>8</u>

Employment costs

	2020 £	2019 £
Wages and salaries	237,277	197,702
Social security costs	17,932	14,854
Pension costs	7,935	7,226
	<u>263,144</u>	<u>219,782</u>

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

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2020 £	2019 £
Aggregate compensation	<u>85,448</u>	<u>101,106</u>

14 Other expenditure

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Wages	-	25,408	25,408	-
	<u>-</u>	<u>25,408</u>	<u>25,408</u>	<u>-</u>
Unrestricted funds				-
Restricted funds				-
				<u>-</u>

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

15 Tangible fixed assets

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
(a) Group			
Cost			
At 1 November 2019	360,448	8,821	369,269
Additions	-	-	-
Disposals	-	-	-
At 31 October 2020	360,448	8,821	369,269
Depreciation			
At 1 November 2019	347,133	7,440	354,573
On disposals	-	-	-
Charge for the year	7,195	690	7,885
At 31 October 2020	354,328	8,130	362,458
Net book value			
At 31 October 2020	6,120	691	6,811
At 31 October 2019	13,315	1,381	14,696
(b) Charity			
Cost			
At 1 November 2019	318,438	8,821	327,259
Additions	-	-	-
Disposals	-	-	-
At 31 October 2020	318,438	8,821	327,259
Depreciation			
At 1 November 2019	311,109	7,441	318,550
On disposals	-	-	-
Charge for the year	4,035	690	4,725
At 31 October 2020	315,144	8,131	323,275
Net book value			
At 31 October 2020	3,294	690	3,984
At 31 October 2019	7,329	1,380	8,709

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

16 Heritage assets

	Vulcan (valuation) £	Canberra (cost) £	Total £
Group and Charity			
Carrying amount at 1 November 2019	707,144	51,826	758,970
Depreciation / impairment	(10,714)	-	(10,714)
Carrying amount at 31 October 2020	696,430	51,826	748,256

At 31 October 2020 the charity held two heritage assets:

- 1) Avro Vulcan G-VLCN (XH558) – held at valuation
- 2) English Canberra (WK163) – held at cost

The Avro Vulcan B.MK2 G-VLCN (XH558)

XH558 was the last Vulcan to leave RAF service, flying on from 1986 to 1993 as the single RAF Display Vulcan, a career of 33 years. In 1997, a small team headed by Dr Robert Fleming started an audacious plan to return her to flight at Bruntingthorpe Aerodrome in Leicestershire. In 1999 Marshall of Cambridge Aerospace was appointed Engineering Authority for the restoration project. In December 2003, the Heritage Lottery Fund announced a grant of £2.7million for XH558's restoration. After extensive restoration work and tests, the Vulcan returned to the sky in October 2007.

However, the CAA Permit to Fly was withdrawn at the end of the 2015 calendar year, and so despite being technically able to fly, the aircraft was not permitted to fly. As a result, the trust's business model changed, from flying a globally-unique heritage asset to having the aircraft as the still-serviceable centrepiece of a new visitor attraction and education facility. This change in the status of the asset has had an impact on its residual valuation. As at 31 October 2015, the board valued the aircraft at £750,000. The nature of the asset means it is not possible to derive a market valuation. The trustees therefore valued the aircraft, based on their knowledge and experience of working in the aviation industry. As at 31 October 2019, the board have reassessed their valuation of the aircraft and still consider it to be reasonable.

The aircraft has developed a loyal following of many thousands of supporters. She is and will remain the best preserved all-British four-engined jet aircraft anywhere in the world still capable of powered ground runs. XH558 has to be maintained in the current working state, albeit not flying, under the terms of the trust's contract with the National Heritage Memorial Fund (NHMF) until 6 February 2085.

English Electric Canberra B.2 (WK163)

The English Electric Canberra aircraft was the Royal Air Force's first jet bomber, and entered service in January 1951. The design was very successful and the type was in service for more than 50 years. Many aircraft were sold around the world to the air forces of 17 countries. The trust's example, Canberra WK163 (G-CTTS) captured the world altitude record of over 70,000 feet in August 1957, and is a very important national aviation heritage asset.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

16 Heritage assets (continued)

Five year financial summary of heritage asset transactions (group and charity)

	2020	2019	2018	2017	2016
	£	£	£	£	£
Purchases					
Vulcan	-	-	-	-	-
Canberra	-	-	-	-	51,826
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,826</u>
	-	-	-	-	51,826
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Charge for impairment					
Vulcan	-	-	-	-	-
Canberra	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

17 Fixed asset investments

(a) Group

The group holds no investments

(b) Charity

	Shares in group undertakings £
Carrying amount	
At 1 November 2019	5
	<u>5</u>
At 31 October 2020	5
	<u>5</u>

Holdings of more than 20%

The charity holds 100% of the ordinary share capital in the following companies registered in England and Wales:

Subsidiary undertakings		Principle Activities
Vulcan to the Sky Enterprises Limited (04899710)	VTSE	That of selling merchandise through its website store and at air shows.
The Vulcan Operating Company Limited (03787161)	TVOC	Dormant.
The Vulcan Property Management Company Limited (09924223)	TVPMC	Dormant.
The Vulcan Marketing Company Limited (09906368)	TVMC	Dormant.

Where applicable, the subsidiaries covenant all available profits to Vulcan to the Sky Trust.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

17 Fixed asset investments (continued)

The trading results for the period and the aggregate amount of capital and reserves, as extracted from the financial statements of the subsidiary companies, are summarised below:

	TVOC	TVMC	TVPMC	VTSE	Total 2020	Total 2019
	£	£	£	£	£	£
Turnover	-	-	-	195,250	195,250	208,611
Cost of sales	-	-	-	(128,098)	(128,098)	(142,723)
Gross profit	-	-	-	67,152	67,152	65,888
Administrative expenses	-	-	-	(40,161)	(40,161)	(83,986)
Profit/Loss before taxation	-	-	-	26,991	26,991	(18,098)
Tax charge	-	-	-	-	-	-
Profit/loss for the year	-	-	-	26,991	26,991	(18,098)
Assets and liabilities:						
Assets	11,636	16,003	19,095	110,928	157,662	167,218
Liabilities	(13,805)	(6,612)	(12,566)	(205,182)	(238,165)	(274,712)
Total net assets	(2,169)	9,391	6,529	(94,254)	(80,503)	(107,494)
Capital and reserves:						
Called up share capital	2	1	1	1	5	5
Profit and loss account	(2,171)	9,390	6,528	(94,255)	(80,508)	(107,499)
	(2,169)	9,391	6,529	(94,254)	(80,503)	(107,494)
Statement of movement on profit and loss:						
Balance at 1 November 2019	(2,171)	9,390	6,528	(121,246)	(107,499)	(89,401)
Profit/Loss for the year	-	-	-	26,991	26,991	(18,098)
Donations paid to parent charity	-	-	-	-	-	-
Balance at 31 October 2020	(2,171)	9,390	6,528	(94,255)	(80,508)	(107,499)

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

18 Stock	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Goods for resale	85,148	-	91,525	-
	<u>85,148</u>	<u>-</u>	<u>91,525</u>	<u>-</u>
	<u><u>85,148</u></u>	<u><u>-</u></u>	<u><u>91,525</u></u>	<u><u>-</u></u>
19 Debtors	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Amounts falling due within one year:				
Trade debtors	11,905	3,700	23,364	21,009
Amounts due from subsidiary undertakings	-	139,941	-	229,575
Other debtors	400	43,790	16,731	16,423
Prepayments and accrued income	44,326	32,250	34,652	28,543
	<u>56,631</u>	<u>219,681</u>	<u>74,747</u>	<u>295,550</u>
	<u><u>56,631</u></u>	<u><u>219,681</u></u>	<u><u>74,747</u></u>	<u><u>295,550</u></u>
20 Creditors: Amounts falling due within one year	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Trade creditors	50,749	43,540	34,995	26,720
Amounts due to subsidiary undertakings	-	11,621	-	11,621
Other creditors	2,043	1,543	1,042	818
Accruals	23,927	23,927	32,925	32,925
Deferred income	-	-	60,387	60,387
Taxes and social security costs	16,124	4,514	5,347	3,788
	<u>92,843</u>	<u>85,145</u>	<u>134,696</u>	<u>136,259</u>
	<u><u>92,843</u></u>	<u><u>85,145</u></u>	<u><u>134,696</u></u>	<u><u>136,259</u></u>

The aircraft is subject to a first charge by the Trustees of The National Heritage Memorial Fund (see note 23 for further details).

Deferred income represents income received in advance for raffles occurring in the next financial year.

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

21	Restricted funds	Balance at 1 Nov 2019 £	Income £	Expenditure £	Balance at 31 Oct 2020 £
	Group and Charity				
	Coronavirus Job Retention Scheme	-	25,408	(25,408)	-
		<u>-</u>	<u>25,408</u>	<u>(25,408)</u>	<u>-</u>
		<u>-</u>	<u>25,408</u>	<u>(25,408)</u>	<u>-</u>

Coronavirus Job Retention Scheme

Represents amounts received from the Government to cover staff costs during the Covid-19 pandemic.

The Group and Charity did not have any movement on restricted funds during the year ended 31 October 2019.

22 Analysis of net assets between funds

(a) Group	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Funds balances are represented by:						
Tangible fixed assets	6,811	-	6,811	14,696	-	14,696
Heritage assets	748,256	-	748,256	758,970	-	758,970
Current assets	1,129,393	-	1,129,393	222,955	-	222,955
Creditors: amounts falling due within one year	(92,843)	-	(92,843)	(134,696)	-	(134,696)
	<u>1,791,617</u>	<u>-</u>	<u>1,791,617</u>	<u>861,925</u>	<u>-</u>	<u>861,925</u>
(b) Charity	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Funds balances are represented by:						
Tangible fixed assets	3,984	-	3,984	8,709	-	8,709
Heritage assets	748,256	-	748,256	758,970	-	758,970
Investments	5	-	5	5	-	5
Current assets	1,205,024	-	1,205,024	337,996	-	337,996
Creditors: amounts falling due within one year	(85,145)	-	(85,145)	(136,259)	-	(136,259)
	<u>1,872,124</u>	<u>-</u>	<u>1,872,124</u>	<u>969,421</u>	<u>-</u>	<u>969,421</u>

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

23 Contingent liabilities

In previous years the trust received funding from the National Heritage Memorial Fund (NHMF) in the sum of £2,734,000. The trust may be required to repay some or all of this grant in the event of the sale, disposal or mortgage charge of the plane without prior approval of the NHMF. The amount repayable is currently limited to £402,248.

The trust will also require an interest in the plane or right to the exclusive use and possession of the aircraft to 6 February 2085.

24 Operating lease commitments

At 31 October 2020 the group and charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2020	Charity 2020	Group 2019	Charity 2019
	£	£	£	£
Within one year	23,087	19,321	23,087	19,321
Between two and five years	-	-	19,000	19,000
	23,087	19,321	42,087	38,321

Lease payments totalling £44,850 (2019 – £55,732) have been recognised as an expense during the year.

25 Events after the reporting date

The ongoing COVID-19 pandemic resulted in another national lockdown in January 2021. Therefore charitable activity income has remained lower than pre-pandemic levels. The charity has continued to use the Coronavirus Job Retention Scheme during the period. More detail is included in the trustees' report on how COVID-19 has impacted the charity and the measures the trustees have taken to try and mitigate its impact.

Legacy income amounting to £141,000 was notified after 31 October 2020 and has not been recognised in these accounts.

26 Ultimate controlling party

The charity is controlled by its trustees acting in accordance with the terms of the memorandum and articles of association.

27 Related parties

The charity has taken advantage of the exemption given by FRS 102, from disclosing transactions with its wholly owned subsidiaries.

During the year, Angela Trotter (the spouse of Michael Trotter, a member of key management personnel), invoiced the company £3,805 (2019: £4,680) for her accountancy services from Greenways Business Services, a partnership in which Michael Trotter is a member. The amount due to be paid at the year end amounts to £Nil (2019: £500).

VULCAN TO THE SKY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

28 Net cash flow from operating activities

	2020 £	2019 £
Net income/(expenditure) for the year	929,692	(147,687)
Investment income	(195)	(231)
Depreciation of heritage assets	10,714	10,714
Depreciation of tangible assets	7,885	12,175
Movements in working capital:		
(Increase)/decrease in stocks	6,377	20,957
(Increase)/decrease in debtors	18,116	123,190
Increase/(decrease) in creditors	(41,853)	(81,083)
Net cash flow from operating activities	930,736	(61,965)

29 Analysis of changes in net funds

During the year the charity had no borrowings or obligations under finance leases. The changes in net funds of the charity therefore solely comprise of cash and cash equivalents.