

Fly Navy Heritage Trust Limited
(A Charitable Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 31 December 2020

Company Number: 05971284
Charity Registered in England and Wales Number: 1117272

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Patron

HRH the Duke of York KG GCVO

President

Admiral Sir George Zambellas GCB DSC ARC DL FRAeS

Trustee Directors:

Chairman

Rear Admiral T A Cunningham CBE

Ex- Officio

Commodore N H J Tindal RN

– Commanding Officer RNAS Yeovilton (resigned 20 Jul 2020)

Rear Admiral M J Connell CBE

– Asst Chief of Naval Staff (Aviation & Carriers)

Elected

Commodore S F Baldwin RN

– Programme Director, Rolls Royce Plc

Rear Admiral S B Charlier CBE FRAeS

– Chairman FAA Officers' Association

Ms S L Cook

– Vice President, UK Government business
Leonardo (MW)

Commodore W M Covington CBE RN

– Business Executive, aircraft owner

Commodore N R Griffin MBE RN

– Commanding Officer RNAS Yeovilton (appointed 20 Jul 2020)

Mr P N Livingston

– Vice President and Group Managing Director,
Lockheed Martin UK Integrated Systems

Mr T J Manna

– President, Kennet Aviation

Mr H G Mason

– Heritage Manager, BAE Systems (resigned 20 Jul 2020)

Mr M J Ryan

– Business Executive, aircraft owner

Mr N R Smith

– Solicitor

Mr M J F Strong

– Chartered Accountant

Rear Admiral I P G Tibbitt CBE

– Deputy Chairman FNHT, Business Executive

Chief Executive Officer

Commodore R S Alexander OBE FRAeS

Company Secretary

Mr N R Smith

Charity Number

1117272

Company Number

05971284

Principal Address and Registered Office

Building 412, South Dispersal, RNAS Yeovilton, Ilchester, Somerset, BA22 8HT

Auditors

Albert Goodman LLP, Goodwood House, Blackbrook Park Avenue, Taunton, Somerset, TA1 2PX

Bankers

Barclays Bank Plc, King George Street, Yeovil, Somerset, BA20 1PX

The Trustee Directors ("Trustees") present their report and accounts for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the financial statements and comply with the Charity's governing document, applicable law and the requirement of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

References and Administrative Details

Administrative information is given in a separate section at the front of these accounts.

Structure Governance and Management

The Fly Navy Heritage Trust was registered with the Charity Commission and is constituted and regulated by a Declaration of Trust dated 16 July 1991. In December 2006 the Trust transferred its assets and undertakings, in accordance with the incorporation agreement dated 31 December 2006, to the Fly Navy Heritage Trust Limited. This company, limited by guarantee, (company registration number 05971284) was incorporated on 18 October 2006; it is registered with the Charity Commission (charity registration number 01117272). In accordance with the governing document, the current trustees may appoint additional trustees and have absolute discretion and unrestricted powers to invest trust monies. Trustees may serve for up to three years before requiring re-appointment.

Induction and training of trustees

New Trustees are inducted and trained using information obtained from various sources, including the Charity Commission, attendance as required at specialist courses and by personal briefings.

Organisational structure

A full list of trustees and directors (all trustees are also directors of the company) who have served since 31 December 2019 is shown on page 1. The Trustees meet at least three times a year to discuss and review the current and future position of the Charity. The Charity occupies office space within MOD owned buildings within RNAS Yeovilton and now, in accordance with the Trustees' directive to increase the fundraising capacity of the charity, employs twelve staff members, six of them part time.

Related parties

Naval Aviation Limited (NA Ltd) (company registration number 07052646) is a wholly owned subsidiary of the Charity and exists as the trading operation of the Charity. Activities include sales of aircraft displays, sales of souvenir merchandise and the operation of the Hawker Sea Fury T20 (G-RNHF) and the de Havilland Sea Vixen FAW2 XP924 (G-CVIX).

The Charity also had a close affinity with the Royal Navy Historic Flight (RNHF), a unit whose purpose was to preserve the Royal Navy's aviation heritage by maintaining in flying condition a small number of other notable British naval aircraft and displaying them before the public. However, the RNHF was disbanded on 31 March 2019, which will affect the future of the Trust as discussed below.

Charitable donations made by the Charity have supported the activity of both the RNHF and NA Ltd. One of the trustees of the Charity, Commodore N Tindall RN, is a senior member of the management team of the RNHF. RNHF aircraft airworthiness is regulated by the MOD and NA Ltd aircraft airworthiness by the Civil Aviation Authority.

Key management personnel

Remuneration for key management personnel is set by a Remuneration Committee comprising the Trust Chairman, Deputy Chairman and the Financial Trustee (an accountant). In setting salary levels, market comparators for similar roles within the charities sector are taken into consideration. There is also the need to ensure that key posts are attractive to personnel having the detailed knowledge, experience and skills demanded of both the charity and directing an aircraft operating company.

Risk management

The Trustees routinely assess the risks to which the Charity is exposed to ensure that systems and procedures are in place to mitigate exposure in these areas. A Risk Register is held in the Charity's Business Plan and is reviewed at Management Group level and at each Trustees' meeting. Risk mitigation actions are included as part of the charity's annual Work Plan.

Objectives

The Charity's objectives are set out in the Memorandum of Association as follows:

- To educate members of the Royal Navy and the public in the history, traditions and exploits of the Fleet Air Arm and the history of Royal Navy aviation generally.
- To provide a memorial and tribute to the men and women who have flown, maintained or contributed in any way to the operation of aircraft within the fleet.
- To advance the effectiveness of the armed forces of the Crown by promoting the efficiency of aviation in the Royal Navy.

This can be summed up as: To Educate, Inspire and Remember; this is articulated as a single aim as follows: *Inspiring future generations by bringing together the aircraft, people and the story of flying from ships.*

Activities

The Chief Executive Officer, Commodore Jock Alexander, joined the Trust in February 2016, following which the Charity was re-branded as 'Navy Wings' in July of the same year. The aim, which has not changed, remains to reach as wide an audience as possible with a refreshed look, supported by a continually evolving web-site and a wide collection of aircraft. The core Flight consists of the ex-Royal Navy Historic Flight (RNHF) aircraft which have now been gifted to FNHT. This is supported by an Associate Collection, which reaches out to individuals in the UK who operate their own, vintage naval aircraft and invites them to join the Navy Wings Associate Collection story. This has been a huge success and there are now 20 aircraft as part of that collection, ranging from a WW1 Bristol Scout, through to a Sea King helicopter from the 1990's. Importantly, the Trust does not raise money for the Associates, but rather they join a club of like-minded people which enable Navy Wings to tell a more comprehensive story about our heritage.

Most management activity this year was spent dealing with the fall-out from Covid 19 and the subsequent cancellation of all fund-raising activity, including Air Shows. Work also continued in tandem for the transfer of the RNHF aircraft into the Trust, which was achieved on 1 January 2021. The Deed of Transfer, having finally gained Parliamentary approval, was formally signed at the end of December, along with a Memorandum of Understanding agreed with the Royal Navy, which under-pins the future relationship between the two parties. It is now planned to let the Navy Wings Heritage Flight appear on the display circuit in 2021, although as this being written it remains unclear whether Government plans will allow large crowds to gather in 2021.

In 2020, the Trust clearly felt the impact of Covid 19 and decisions were taken very early in the crisis to ameliorate the situation and protect the Trust. Trustees were informed in early April of the new Aim for the year as follows:

'To achieve the right balance between achieving savings at this crucial time, to ensure we remain viable, against the need to emerge from lockdown in the best position we can to capitalise on our increased on-line presence, with a fully integrated and flexible team who can maximise emerging opportunities as they arise'.

To facilitate this, of the 14 staff at the time, 5 involved with event planning and routine admin were placed under furlough and the remaining 9 were all placed on a three-day week with concomitant pay reductions. An emergency budget was then produced in April, which projected the Trust would end the year about cost neutral. By Mid-summer we were able to recover 3 staff from furlough to part time working, as our strategy in the revised Aim (above) was starting to pay off with increased on-line sales. In addition, we launched a weekly lottery in May, with the aim of building an alternate source of income to the tune of about £50k per annum by Year 3. This remained the status quo until October, when furloughed members were brought back once the CJRS ceased to operate. These measures, coupled with further savings eked out in the summer, saved substantial amounts of capital and meanwhile the investment in on-line presence and retail paid dividends, with month to month sales up by over 150% since May. The situation was further ameliorated by the award of a Grant of £280,400 from the Culture Recovery Fund (CRF), which covered most outgoings between Oct 2020 and Apr 2021. In a further significant development, the Trust was selected by a private aviation enthusiast to receive a four year cycle of Grants in order to secure the future of our aircraft Fleet. This amounts to £5M over the period and we have already been able to purchase a T6 Harvard training aircraft (thus saving on future training hire costs) and also the Wasp helicopter which was on loan to us, but for sale at the same time. We are actively seeking to purchase spare engines for the Swordfish and are looking at every other opportunity to build in resilience for the future.

All of our planned money raising events, including dinners, air shows and Supporters days were cancelled, but Corporate donations were still received despite us being unable to offer anything in return.

Volunteers and Sponsorship

The Trust and Naval Aviation Ltd, together trading as 'Navy Wings', continues with its well established Volunteering Policy, which concentrates on a critical nucleus who provide the core of this support. This network of volunteers is drawn from the Navy Wings Supporter base who provide their time free in order to promote, develop and support various activities that aim to deliver required funds to continue operation. Volunteer support is invaluable and is particularly useful in sales of merchandise and aircraft support operations. The latter encompasses aircraft stores, documentation and admin support alongside supervised aircraft mechanical engineering tasks. All volunteers receive induction and training and, as necessary, health and safety briefings and workplace clothing. In addition, we have a small team of high profile Supporters who volunteer to promote 'Navy Wings' and the heritage aircraft as 'Ambassadors'.

Corporate Support

The Trust continues to enjoy support from some key players in industry, not only from a financial perspective, but also from their knowledge of the aviation industry and in particular, heritage aircraft. Despite the severe limitations imposed by Covid 19 and our inability to provide anything in return, all of our Corporate partners remained on-side and made their regular donations. As we remain limited in what we can offer in 2021, we are currently reviewing the Corporate Package, and are in continual dialogue with our partners about what they expect.

Grant making policy to Naval Aviation Ltd (NAL)

The Trustees consider the needs of our sole beneficiary (NAL) to ensure that all support is provided in accordance with the objects of the charity. As part of the overall business planning for Navy Wings and NAL, the intention and plans are for Naval Aviation Ltd to trade towards being profitable, the key drivers will be the diversification and growth of income streams such as growing the online merchandising, the lottery income, as well as generating income from aircraft. As alluded to above, NAL was not able to conduct much display flying during the year with Covid 19 and the cancellation of every planned air show; this has contributed to losses due to lack of display fees and accompanying sales of merchandise on the ground. That said, traction is gradually building with merchandise along with the recently launched Navy Wings lottery and the plan is to build on this, along with display income and paid for flights, to produce a profit in Naval Aviation.

Achievements and Performance

The principal achievement of the Charity was to successfully raise enough funds during the Covid 19 crisis, to ensure we emerged in the best possible position once social distancing and other Covid measures are removed. We conducted no display flying at all in 2020 and our only flight time was to keep the minimum hours required for crew training at our home base. This also saved considerable sums of money from a combination of insuring the aircraft for ground incidents only and a negligible use of aviation fuel. Our financial achievements through retail have already been covered and, when the CRF Grant is also accounted for, we finished the FY in a stronger position than we could have hoped for. We had planned to return to a full flying programme in 2021, but we are already seeing a rolling cancellation of Air Shows for this year and this has been compounded by the loss of our Sea Fury T20 in an accident on Wednesday 28 April. Both the crew escaped with minor injuries and we now await the Insurance Company decision on her future.

Reserves policy

Since there can be no guarantee of the quantum of future income streams, the Trustees' policy is to retain funds in excess of the current needs to meet unanticipated expenditure which is an inherent feature of maintaining historic aircraft. In addition, Trustees continue to ensure that available free reserves are adequate to cover in excess of 3 months operating costs of £123,803. At 31st December 2020 the group held £204,544 of free reserves and excess reserves to provide future funding for aircraft.

Review of financial position

From a financial point of view, 2020, as explained above was a difficult year to manage and forecast as a result of Covid-19. Budgets were harder to forecast with the uncertainty of when restrictions would ease and this inevitably made it difficult to plan what events could be held if any.

Total consolidated income included £246,551 of restricted income (33.2%) and £495,715 of unrestricted income (66.8%). Restricted income has increased as a result of the Culture Recovery fund received and Royal Navy transitional funding relating to the transfer of the aircraft (both of which were mentioned above).

NA Ltd retail sales (covering merchandising and aircraft displays) provided £98,315 of income. Merchandising was slightly below budget however it continues to grow year on year and indeed was 17% higher than 2019. As mentioned earlier in the report, no air shows were able to operate during the year leading to no income from display fees.

As a result of the global pandemic, the events which are usually run throughout the year in FNHT were also not able to go ahead as planned meaning only £91,253 was raised in the year.

The group was able to minimise expenditure during the global pandemic with total consolidated expenditure in 2020 totalling £882,882, a reduction of £97,020 on the prior year.

The Group held £96,409 of restricted funds at the year end and £304,542 in unrestricted funds. Cash and short term investments totalled £199,304 at 31 December 2020 compared with £401,753 at the previous year end. Capital expenditure of £30,554 was made in the year.

Plans for future periods

The Charity has clearly had to review its ten-year rolling plan based on the effects of Covid, but more importantly for us, the injection of new cash in the form of the CRF Grant and the four year investment of £5M. The Business Plan is being reviewed again to reflect these changes, which is under-pinned by a new Risk Register. Heritage aircraft are expensive to maintain and require regular, extensive overhauls of their engines along with the provision of back-up engines and spares. Although the short-term pressure to raise money has been removed, we are still planning to double our income within the next five years and the new weekly Lottery is already proving to be a success as a future income stream. The Trust continues to plan for a sustainable programme and anticipates eventually operating a core flying fleet of one Swordfish, one Sea Fury (depending on the status of the T20 post crash), the Wasp helicopter and one jet (either the Sea Vixen or Seahawk) on an annual basis. We are also investigating the possibility of buying another Aircraft type following a £2m capital donation but have not yet formalised any plans.

Impact of Covid-19 and going concern

In light of the impact of Covid-19 the trustees have given careful consideration to the cashflow forecasts of the charity covering the period of at least twelve months from the date of signing the accounts. They are satisfied that the charity has sufficient working capital resources in place over that period, and therefore the accounts are drawn up on the going concern basis.

Auditors

The auditors, Albert Goodman LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the small companies regime under section 487(2) of the Companies Act 2006.

Statement of trustees' responsibilities

The trustees (who are directors of the Fly Navy Heritage Trust Limited for the purposes of company law) are responsible for preparing the Trustee Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, *the Financial Reporting Standard applicable in the UK and the Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure of the charitable 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;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standard have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

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

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report of which the group's auditor is unaware; and
- The trustees have each taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information

Approved by the Trustees on 30 September 2021 and signed on their behalf by:

Rear Admiral T A Cunningham CBE
Chairman and Trustee

Fly Navy Heritage Trust Limited

Independent Auditors' Report to the Trustees and Members
For the Year Ended 31 December 2020

Opinion

We have audited the financial statements of the Fly Navy Heritage Trust Limited for the year ended 31 December 2020, which comprise the consolidated Statement of Financial Activities, the consolidated and parent charitable company Balance Sheets, the consolidated and parent charitable company 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 Generally Accepted Accounting Practice, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 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 Companies Act 2006.

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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.

Fly Navy Heritage Trust Limited

Independent Auditors' Report to the Trustees and Members
For the Year Ended 31 December 2020

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustee Directors' Report, which includes the Directors' Report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustee Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustee Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities (set out on page 6), the trustees (who are also the directors of the parent 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 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 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

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 Report of Independent Auditors.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the charity and aviation sector.
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charity SORP, Aviation law, data protection, anti-bribery, employment and health and safety legislation.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries with management.
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement including obtaining an understanding of how fraud might occur by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud: and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

Fly Navy Heritage Trust Limited

Independent Auditors' Report to the Trustees and Members
For the Year Ended 31 December 2020

In response to the risk of irregularities and non-compliance with laws and regulations we designed procedures which included, but were not limited to;

- Agreeing financial statements disclosures to underlying supporting documentation;
- Reading the minutes of meetings of those charged with governance;
- Enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involved deliberate concealment or collusion.

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

Use of our report

This report is made solely to the group and parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group and parent charitable company's members and 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 group and parent charitable company and the group and parent charitable company's members as a body and the parent charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed

Robert Oram BFP FCA (Senior Statutory Auditor)
for and on behalf of Albert Goodman LLP, Statutory Auditor

Goodwood House
Blackbrook Park Avenue
Taunton
TA1 2PX

30 September 2021

Fly Navy Heritage Trust Limited

Consolidated Statement of Financial Activities (including income and expenditure account)
For the Year Ended 31 December 2020

	Notes	Unres- tricted £	Res- tricted £	Total 2020 £	Unres- tricted £	Res- tricted £	Total 2019 £
Income:							
Grants, donations and legacies	2	304,690	246,551	551,241	298,161	144,628	442,789
Other trading activities	3	189,568	-	189,568	371,840	-	371,840
Interest receivable	4	1,457	-	1,457	120	-	120
Total income		495,715	246,551	742,266	670,121	144,628	814,749
Expenditure:							
Costs of raising funds	5	178,587	64,979	243,566	233,552	-	233,552
Charitable activities	6	404,275	235,041	639,316	582,552	163,798	746,350
Total expenditure		582,862	300,020	882,882	816,104	163,798	979,902
Net (expenditure)/income for the year before transfers and gains and losses		(87,147)	(53,469)	(140,616)	(145,983)	(19,170)	(165,153)
Transfers between funds	16	-	-	-	-	-	-
Net income/(expenditure) and net movement in funds for the year		(87,147)	(53,469)	(140,616)	(145,983)	(19,170)	(165,153)
Reconciliation of funds							
Total funds brought forward		391,689	149,878	541,567	537,672	169,048	706,720
Total funds carried forward		304,542	96,409	400,951	391,689	149,878	541,567

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

All income and expenditure derive from continuing activities.

Fly Navy Heritage Trust Limited – Company Number 05971284**Balance Sheet and Consolidated Balance Sheet**

As at 31 December 2020

	Notes	2020		2019	
		£ Group	£ Charity	£ Group	£ Charity
Fixed assets					
Tangible fixed assets	11	145,320	493	130,596	498
Investments	12	-	1	-	1
		<u>145,320</u>	<u>494</u>	<u>130,596</u>	<u>499</u>
Current assets					
Stock	13	123,995	-	104,661	-
Debtors	14	161,213	452,702	85,167	265,612
Cash at bank and in hand		199,304	186,225	401,753	381,261
		<u>484,512</u>	<u>638,927</u>	<u>591,581</u>	<u>646,873</u>
Liabilities:					
Creditors falling due within one year	15	(228,881)	(210,239)	(180,610)	(151,055)
		<u>255,631</u>	<u>428,688</u>	<u>410,971</u>	<u>495,818</u>
Total net assets		<u>400,951</u>	<u>429,182</u>	<u>541,567</u>	<u>496,317</u>
The funds of the charity:					
Restricted funds	16	96,409	96,409	149,878	149,878
Unrestricted funds	16	204,544	332,773	291,691	346,439
Revaluation reserve	16	99,998	-	99,998	-
		<u>400,951</u>	<u>429,182</u>	<u>541,567</u>	<u>496,317</u>
Total charity funds		<u>400,951</u>	<u>429,182</u>	<u>541,567</u>	<u>496,317</u>

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared and delivered in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes from pages 15 – 29 form part of these accounts.

Approved by the Board on 30 September 2021 and signed on their behalf by:

Rear Admiral T A Cunningham CBE
Trustee Director

Mr M J F Strong
Trustee Director

Fly Navy Heritage Trust Limited

Statement of Cash Flows and Consolidated Statement of Cash Flows

For the Year Ended 31 December 2020

	Notes	Total 2020		Total 2019	
		£ Group	£ Charity	£ Group	£ Charity
Cash flows from operating activities					
Net movements in funds for the year		(140,616)	(67,135)	(165,153)	(155,058)
Adjustments to cash flows from non-cash items					
Depreciation	11	15,830	797	3,891	1,307
Revaluation gain		-	-	-	-
Interest receivable	4	(1,457)	(1,457)	(120)	(120)
		(126,243)	(67,795)	(161,382)	(153,871)
Working capital adjustments					
(Increase)/decrease in stocks	13	(19,334)	-	(29,441)	-
(Increase)/decrease in debtors	14	(76,046)	(187,090)	(27,237)	(104,276)
Increase/(decrease) in creditors	15	48,271	59,184	118,653	125,412
Net cash flow from operations		(173,352)	(195,701)	(99,407)	(132,734)
Cash flows from investing activities					
Interest receivable	4	1,457	1,457	120	120
Acquisitions of tangible assets	11	(30,554)	(792)	(32,682)	-
Net (decrease)/increase in cash and cash equivalents		(202,449)	(195,036)	(131,969)	(132,614)
Cash and cash equivalents at the beginning of the reporting period		401,753	381,261	533,722	513,875
Cash and cash equivalents at the end of the reporting period		199,304	186,225	401,753	381,261
Cash & Cash equivalents reconciliation:					
Cash at bank		199,304	186,225	401,753	381,261
Total cash & cash equivalents at the end of the reporting period		199,304	186,225	401,753	381,261

1 Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are as follows:

1.1 Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Fly Navy Heritage Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) and all amounts are presented in £ sterling.

These financial statements consolidate the results of the Charity and its wholly owned subsidiary, Naval Aviation Limited, on a line by line basis. The "Group" heading within the balance sheet refers to the consolidated accounts of the Fly Navy Heritage Trust Limited and Naval Aviation Limited.

In the parent company financial statements the investment in the trading subsidiary is accounted for at cost less impairment.

A separate Statement of Financial Activities or income and expenditure account, for the Charity itself has not been presented because the Charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

There are no material uncertainties about the charity's ability to continue as a going concern. The Trustees have considered the implication of the Covid-19 pandemic on the operations of the charity. Grant and donation income has been received that is sufficient to cover the temporary reductions in fundraising and trading income. Taking into account all reasonable circumstances, the trustees believe that the charity remains a going concern and no adjustments to the accounts are necessary.

1.2 Legal status of the Trust

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The company is incorporated in England and Wales and the company registered office is detailed on page 1, reference and administration details.

1.3 Income

Income from grants and donations is recognised in the year in which they are receivable when there is evidence of entitlement, receipt is probable and the amount can be reliably measured.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from other trading income is included in the period in which the group is entitled to receipt, it is probable that economic benefits will flow to the entity and the amount can be reliably measured.

1.4 Donated goods and services

Donated services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt. Income is recognised within grants, donations and legacies and expenditure within costs of raising funds and charitable activities.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.6 Expenditure and irrecoverable VAT

Resources expended are recognised on the accruals basis to match the period in which the expenditure was incurred.

Costs of raising funds are expenditure incurred in generating the trading subsidiary funds and in generating the charity fundraising event income funds.

Charitable activities expenditure comprises costs incurred in by the charity in the delivery of its charitable purposes for beneficiaries including grants payable to other institutions.

Grants payable are at the discretion of the Trustees. They are in furtherance of the charity's objects, to support and promote the efficiency of aviation in the Royal Navy and to educate the members of the public in the history, traditions and exploits of the Fleet Air Arm and the history of Royal Naval Aviation.

1.7 Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

1.8 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Trust's work or for specific artistic projects being undertaken by the Trust.

1.9 Tangible fixed assets and depreciation

Aircraft are initially recorded at cost and are then revalued at the year end. The Trustees review the assets for impairment each year.

Computer equipment is stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life as follows:

Plant and machinery	3 years straight line
Office equipment	3 years straight line
Computer equipment	33% reducing balance

1.10 Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

1.11 Stock

Stock consists of merchandise for resale and is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks.

1.11 Debtors

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

1.12 Cash at bank and in hand

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

1.13 Creditors

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

1.14 Defined contribution pension

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as staff pension expense through the profit and loss when they are due.

1.15 Taxation

As a registered charity, the company is not liable to corporation tax or capital gains tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax is not recoverable by the company, and is therefore included in the relevant costs in the Statement of Financial Activities. The charity subsidiary is able to recover Value Added Tax and therefore it is not included within the relevant costs in the Statement of Financial Activities.

1.16 Financial instruments

The charity only holds basic financial instruments as defined by FRS 102. The financial assets and financial liabilities of the company are as follows;

Financial assets – trade and other debtors, accrued income, amounts owed by group undertakings and other debtors are basic financial instruments, and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank – classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, amounts owed to group undertakings, bank loans, accrued expenses and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security and corporation tax creditors are not included in the financial instruments disclosure definition.

2 Grants, donations and legacies

	Unres- tricted £	Res- tricted £	Total 2020 £	Unres- tricted £	Res- tricted £	Total 2019 £
Grants, donations and legacies	273,424	246,551	519,975	298,161	144,628	442,789
Exceptional government funding						
Coronavirus JRS grant	31,266	-	31,266	-	-	-
	<u>304,690</u>	<u>246,551</u>	<u>551,241</u>	<u>298,161</u>	<u>144,628</u>	<u>442,789</u>

The group has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under “exceptional government funding”. The group furloughed some of its staff under the governments CJRS. The funding received of £31,266 relates to staff costs which are included within note 10 as appropriate.

3 Other trading income

	Unres- tricted £	Res- tricted £	Total 2020 £	Unres- tricted £	Res- tricted £	Total 2019 £
Display fees	-	-	-	10,452	-	10,452
Merchandise	98,315	-	98,315	83,970	-	83,970
Fundraising event income	91,253	-	91,253	274,585	-	274,585
Other income	-	-	-	2,833	-	2,833
	<u>189,568</u>	<u>-</u>	<u>189,568</u>	<u>371,840</u>	<u>-</u>	<u>371,840</u>

4 Interest receivable

	Unres- tricted £	Res- tricted £	Total 2020 £	Unres- tricted £	Res- tricted £	Total 2019 £
Bank interest	1,457	-	1,457	120	-	120

5 Costs of raising funds

	Unres- tricted £	Res- tricted £	Total 2020 £	Unres- tricted £	Res- tricted £	Total 2019 £
Fundraising costs	34,488	50,565	85,053	127,459	-	127,459
PR and advertising	20,175	-	20,175	19,596	-	19,596
Trading costs	123,924	14,414	138,338	86,497	-	86,497
	178,587	64,979	243,566	233,552	-	233,552

6 Charitable activities

	Unres- tricted £	Res- tricted £	Total 2020 £	Unres- tricted £	Res- tricted £	Total 2019 £
Aircraft maintenance	68,243	75,860	144,103	152,328	143,243	295,571
Grants paid to institutions	-	20,916	20,916	-	20,555	20,555
Insurance	6,186	-	6,186	8,737	-	8,737
Payroll fees	1,092	-	1,092	1,138	-	1,138
Staff costs	253,831	98,918	352,749	352,318	-	352,318
Consultancy	17,995	39,347	57,342	21,116	-	21,116
Other administration	39,403	-	39,403	32,857	-	32,857
Other direct costs	-	-	-	-	-	-
Depreciation	797	-	797	1,307	-	1,307
Governance costs	14,228	-	14,228	12,751	-	12,751
Bad debts	2,500	-	2,500	-	-	-
	<u>404,275</u>	<u>235,041</u>	<u>639,316</u>	<u>582,552</u>	<u>163,798</u>	<u>746,350</u>

Grants paid to institutions are broken down as follows:

RNHF general	-	-	-	-	-	-
RNHF aircraft	-	20,916	20,916	-	20,555	20,555
	<u>-</u>	<u>20,916</u>	<u>20,916</u>	<u>-</u>	<u>20,555</u>	<u>20,555</u>

7 Net income/(expenditure) for the year

This is stated after charging:

	2020	Charity	2020	Subsidiary	2020	Total
	£	2019	£	2019	£	2019
		£		£		£
Depreciation of owned assets	797	1,307	15,033	2,584	15,830	3,891
Auditors remuneration						
Audit services	4,000	3,300	2,200	1,900	6,200	5,200
Other services - accounting	2,363	1,221	88	13	2,451	1,234
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

8 Trustee directors

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2019 – £nil). No trustees were reimbursed expenses (2019 – £nil) during the year. No charity trustee received payment for professional or other services supplied to the charity (2019 – £nil).

The charity has paid £600 (2019 – £1,198) for directors and officers indemnity insurance.

9 Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £4,866 (2019 – £3,555).

Contributions totalling £nil (2019 – £nil) were payable to the scheme at the end of the year.

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2020	2019
Chief executive officer	1	1
Management and administration	12	11
	<hr/>	<hr/>
	13	12
	<hr/> <hr/>	<hr/> <hr/>

Employment costs

	2020 £	2019 £
Wages and salaries	322,678	319,916
Social security costs	24,740	28,179
Pension costs	4,866	3,823
	<hr/>	<hr/>
	352,284	351,918
	<hr/> <hr/>	<hr/> <hr/>

The number of employees whose annual emoluments were £60,000 or more were:

	2020 number	2019 number
£90,000 - £100,000	1	1
	<hr/> <hr/>	<hr/> <hr/>

No pension costs were paid to this individual during the year (2019 – £nil)

The key management personnel of the group comprise those of the Trust and its wholly owned subsidiary Naval Aviation Limited. The key management personnel of the Trust comprise the trustees and the Chief Executive Officer. Naval Aviation Limited does not have remuneration costs as all staff are paid by the Trust.

The total employee benefits including employers national insurance and employers pension costs of the key management personnel of the Trust were £94,772 (2019 - £114,106).

11 Tangible fixed assets

Group	Aircraft	Plant & Machinery	Office Equipment	Computer Equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2019	100,000	24,390	8,292	41,257	173,939
Additions	-	23,523	6,239	792	30,554
At 31 December 2020	100,000	47,913	14,531	42,049	204,493
Depreciation					
At 1 January 2019	-	1,355	1,229	40,759	43,343
Charge for the year		10,946	4,087	797	15,830
At 31 December 2020	-	12,301	5,316	41,556	59,173
Net book value					
At 31 December 2020	100,000	35,612	9,215	493	145,320
At 31 December 2019	100,000	23,035	7,063	498	130,596

The year end open market value of the aircraft has been considered by the Trustees and the revaluation reflected in the accounts. The historical cost of the aircraft is £2.

Charity	Computer Equipment	Total
	£	£
Cost		
At 1 January 2020	41,257	41,257
Additions	792	792
At 31 December 2020	42,049	42,049
Depreciation		
At 1 January 2020	40,759	40,759
Charge for the year	797	797
At 31 December 2020	41,556	41,556
Net book value		
At 31 December 2020	493	493
At 31 December 2019	498	498

12 Investments

	Charity	
	2020	2019
	£	£
Naval Aviation Limited - 1 ordinary shares of £1 each	1	1

Naval Aviation Limited (company no. 07052646) was incorporated in England and Wales on 21 October 2009 as a wholly owned trading subsidiary of Fly Navy Heritage Trust Limited. The parent charity holds 100% of the issued share capital and voting rights of the subsidiary.

The principal activity of the company is the operation of commercial activity on behalf of Fly Navy Heritage Trust Limited. The subsidiary gifts its taxable profits to Fly Navy Heritage Trust Limited, and files audited accounts with the Registrar of Companies.

A summary of the trading results is shown below:

	2020	2019
	£	£
Turnover	208,960	371,971
Cost of sales	(254,232)	(365,930)
Gross profit	(45,272)	6,041
Administrative expenses	(28,209)	(16,138)
Net loss before tax	(73,481)	(10,097)
Surplus on revaluation	-	-
Retained in subsidiary	(73,481)	(10,097)
The assets and liabilities were:		
Fixed assets	144,827	130,098
Current assets	151,870	147,612
Current liabilities	(324,928)	(232,460)
Total net assets	(28,231)	45,250
Called up share capital	1	1
Revaluation reserve	99,998	99,998
Profit and loss account	(128,230)	(54,749)
	(28,231)	45,250

13 Stocks

	Group	2020	Group	2019
	£	Charity	£	Charity
	£	£	£	£
Goods for resale	123,995	-	104,661	-
	<u>123,995</u>	<u>-</u>	<u>104,661</u>	<u>-</u>

14 Debtors

	Group	2020	Group	2019
	£	Charity	£	Charity
	£	£	£	£
Trade debtors	106,131	105,824	49,185	48,033
Other debtors	8,666	-	8,340	-
Prepayments and accrued income	46,416	40,593	27,642	14,675
Amounts owed by group undertakings	-	306,285	-	202,904
	<u>161,213</u>	<u>452,702</u>	<u>85,167</u>	<u>265,612</u>

15 Creditors: Amounts falling due within one year

	Group	2020	Group	2019
	£	Charity	£	Charity
	£	£	£	£
Trade creditors	36,813	22,421	18,919	3,461
Accruals	10,600	6,350	23,034	8,936
Deferred income	169,006	169,006	125,549	125,549
Taxation and social security	12,462	12,462	13,108	13,109
	<u>228,881</u>	<u>210,239</u>	<u>180,610</u>	<u>151,055</u>

16 Summary of movement in funds

Group	Opening Balance £	Incoming Resources £	Outgoing Resources £	Transfers £	Closing Balance £
<u>Unrestricted funds</u>					
General	91,691	495,715	(582,862)	200,000	204,544
Sea Vixen	200,000	-	-	(200,000)	-
Revaluation reserve	99,998	-	-	-	99,998
<u>Restricted funds</u>					
Transitional funds	-	106,351	(106,351)	-	-
Culture Recovery Fund	-	140,200	(131,805)	-	8,395
Swordfish W5856	148,493	-	(60,479)	-	88,014
Sea Vixen	1,385	-	(1,385)	-	-
	<u>541,567</u>	<u>742,266</u>	<u>(882,882)</u>	<u>-</u>	<u>400,951</u>
	Opening Balance £	Incoming Resources £	Outgoing Resources £	Transfers £	Closing Balance £
Charity					
<u>Unrestricted funds</u>					
General	146,439	397,400	(411,066)	200,000	332,773
Sea Vixen	200,000	-	-	(200,000)	-
<u>Restricted funds</u>					
Transitional funds	-	106,351	(106,351)	-	-
Culture recovery fund	-	140,200	(131,805)	-	8,395
Swordfish W5856	148,493	-	(60,479)	-	88,014
Sea Vixen	1,385	-	(1,385)	-	-
	<u>496,317</u>	<u>643,951</u>	<u>(711,086)</u>	<u>-</u>	<u>429,182</u>

Unrestricted funds

The Trustees had designated funds of £200k in 2017 towards the retention of an engineer and storeman for the Sea Vixen with a view to ensuring that should the parts come available there could be the possibility that the Sea Vixen will get back to flying status. The amount designated has been brought back into general unrestricted this repair work is now unlikely to happen. The revaluation reserve is the difference between the fair value and original cost of the aircraft.

Restricted funds

- The Swordfish W5856 fund represents monies received from HM Treasury's LIBOR Fines Fund specifically for the provision of onward funding to the Royal Navy Historic Flight for the essential maintenance, repair and operation of Swordfish W5856.
- The Sea Vixen income has come from private individuals wishing to fund the restoration of the Sea Vixen. The amount was used by Naval Aviation for this purpose.
- Transitional funds relates to income received for the maintenance of aircraft transferred to the charity.
- The funds received from the Culture recovery fund were to cover overhead costs to support the charity through the pandemic.

Summary of movement in funds - 2019

Group	Opening Balance £	Incoming Resources £	Outgoing Resources £	Transfers & valuation gains £	Closing Balance £
<u>Unrestricted funds</u>					
General	237,674	670,121	(816,104)	-	91,691
Sea Vixen	200,000	-	-	-	200,000
Revaluation reserve	99,998	-	-	-	99,998
<u>Restricted funds</u>					
Transitional funds	-	143,243	(143,243)	-	-
Swordfish W5856	169,048	-	(20,555)	-	148,493
Sea Vixen	-	1,385	-	-	1,385
	<u>706,720</u>	<u>814,749</u>	<u>(979,902)</u>	<u>-</u>	<u>541,567</u>
Charity	Opening Balance £	Incoming Resources £	Outgoing Resources £	Transfers £	Closing Balance £
<u>Unrestricted funds</u>					
General	282,326	573,150	(709,037)	-	146,439
Sea Vixen	200,000	-	-	-	200,000
<u>Restricted funds</u>					
Transitional funds	-	143,243	(143,243)	-	-
Swordfish W5856	169,048	-	(20,555)	-	148,493
Sea Vixen	-	1,385	-	-	1,385
	<u>651,374</u>	<u>717,778</u>	<u>(872,835)</u>	<u>-</u>	<u>496,317</u>

17 Analysis of assets between funds

	Tangible Fixed Assets	Investments	Net Current Assets	Total
	£	£	£	£
Group				
Unrestricted funds	145,320	-	159,222	304,542
Restricted funds	-	-	88,014	88,014
As at 31 December 2020	145,320	-	247,236	392,556
As at 31 December 2019	101,805	-	604,915	706,720
	Tangible Fixed Assets	Investments	Net Current Assets	Total
	£	£	£	£
Charity				
Unrestricted funds	493	1	292,716	293,210
Restricted funds	-	-	127,577	127,577
As at 31 December 2020	493	1	420,293	420,787
As at 31 December 2019	1,805	1	649,568	651,374

18 Financial instruments

Categorisation of financial instruments

	2020	2019
	£	£
Financial assets that are debt instruments measured at amortised cost	365,311	506,000
	365,311	506,000
Financial liabilities measured at amortised cost	59,876	55,062
	59,876	55,062

Items of income, expense, gains or losses

The total interest income for financial assets not measured at fair value through profit or loss is £Nil (2019: - £Nil). The total interest expense for financial liabilities not measured at fair value through profit or loss is £Nil (2019: £Nil).

19 Income and expenditure account of the company

The company has taken advantage of Section 408 of the Companies Act and has not included its own Income and Expenditure Account or separate Statement of Financial Activities.

The Fly Navy Heritage Trust Limited has net outgoing resources for the year of £67,134 (2019 - £155,057) based on income of £643,951 (2019 - £717,778).

20 Related parties

There are no related party transactions in the reporting period that require disclosure.

21 Contingent assets

The charity has received notice that they have been named as a beneficiary of a legacy. The amount receivable cannot be reliably measured as the Will is being contested, but it is estimated that it will be in the region of £200k.

22 Events after the balance sheet date

As set out more fully in the Trustees report the Trustees have identified two large donations as a post balance sheet events. A donor has committed to donating £5m to the charity over the course of 4 years. The first years donation of £1.25m was first received in February 2021. Another donor has made a capital donation of £2m.

The group has received insurance proceeds of £1m following an accident which occurred in April 2021. The company has also spent £213k on two new aircraft.