

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

Annual Report and Financial Statements

For the Year Ended 31 December 2021

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

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Patron

HRH the Duke of York KG GCVO (resigned 13 January 2022)

President

Admiral Sir George Zambellas GCB DSC ARC DL FRAeS

Trustee Directors:

Chairman

Rear Admiral T A Cunningham CBE

Ex- Officio

Rear Admiral M J Connell CBE	– Asst Chief of Naval Staff (Aviation & Carriers)
Commodore N R Griffin MBE RN	– Commanding Officer RNAS Yeovilton

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
Mrs E T Taylor	– Business Executive, Lockheed Martin UK Limited (appointed 1 June 2021)
Mr P N Livingston	- Vice President and Group Managing Director, Lockheed Martin UK Integrated Systems (resigned 1 June 2021)
Mr H G Mason	– Heritage manager
Mr T J Manna	– President, Kennet Aviation
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 2021. 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 2020 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 17 staff members.

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 Chipmunk Mk 22 (G-CNVH).

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 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, most of which have now been gifted to FNHT, along with some new aircraft the Trust has purchased in 2021. 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. 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.

The bulk of management activity in 2021 was spent dealing with concomitant actions arising from Covid 19, which continued to wreak havoc amongst organised events. Almost all major fund-raising activities and large Air Shows were cancelled, however, we managed to attend a few smaller shows and organise two fund-raising events as described below. Most of the ex RNHF aircraft are now owned by the Trust, with the exception of Swordfish LS 326, which is expected to be gifted to us in early 2022.

The Memorandum of Understanding agreed with the Royal Navy, has been refreshed and will continue to under-pin our business for the foreseeable future. We are currently planning to have full participation of the Navy Wings Heritage Flight on the display circuit in 2022, although the full list of available Air Shows is still being finalised.

In 2021, the Trust continued to feel the impact of Covid 19, but the award of a Grant of £280,400 from the Culture Recovery Fund (CRF) in Oct 2020 enabled us to cover staff costs through to April 2021 and thus recover everyone from furlough. The Trust also benefitted from a significant private donation to the tune of £1.25M, with the same sum guaranteed for the next three years. The stability of having £5M over four years has allowed us to not only purchase our own T6 Harvard training aircraft and Wasp helicopter, but also to invest in a long term plan for engine availability and, importantly, to invest in a properly constituted engineering work-force of six personnel. This enabled us to apply to the Civil Aviation Authority (CAA) for permission to do our own engineering maintenance and we now hold all the required licenses to do so.

In a major development, our Sea Fury T20 was lost in an accident on Wednesday 28 April 2021. Both the crew escaped with minor injuries and the aircraft was subsequently written off by the insurance company, which culminated in a settlement of £1M for the Trust. Following much debate, we then had an offer from a private individual to fund the purchase of an operational Seafire with a spare engine to replace the Sea Fury. This led to the purchase of a Seafire Mk XVII, which was delivered to our base just before Christmas 2021 and the purchase of a spare engine, which should be ready in about two years post refurbishment.

Our weekly lottery, which we launched in May 2020, continues to build well and we are now aiming for an income stream of circa £200K by the end of Yr 5. Meanwhile, our continued investment in on-line presence continues to pay dividends and our retail sales finished the year ahead of budget, which already had 10% growth built in from the previous year. We managed to run two fund-raising events in the form of a Corporate dinner in London and a Clay Pigeon shoot at the Royal Berks Shooting Ground, both of which returned a healthy profit and more importantly, made the point that we were back in business post Covid restrictions.

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. We reviewed our Corporate packages for support last year and we have already seen good take-up with some new companies coming on board. Our Corporate dinner in September was a huge success, with all tables selling out ahead of the event and our aim to make this the 'go to' heritage aviation dinner is starting to be realised; this bodes well for 2022.

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, where the key drivers will be the diversification and growth of income streams, as well as generating income from aircraft. As alluded to above, NAL was not able to conduct much display flying in 2021, with all the large shows being cancelled, however, we did attend a few smaller, local shows with the aim being to demonstrate that we had survived lock-down and were back in business. Sales of merchandise would undoubtedly have been greater had we had our normal ground presence at air shows and we look forward to engaging with the public again in 2022.

Achievements and Performance

The main achievement of the Charity was to attract two High Net-worth investors, which has fundamentally changed our plans for the future through a four-year investment plan and the donation of a Seafire. We conducted minimal display flying in 2021, but we did manage to get all our pilots trained, whilst attending several local events. Our financial achievements are covered separately, but to summarise, we unquestionably finished the year in an excellent position, both financially and with a work-force properly constituted to take us forward. The future is bright.

Reserves policy

Despite significant funding agreed in the next few years, 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 £303,526. At 31st December 2021 the group held £1,565,466 of free reserves and excess reserves to provide future funding for aircraft.

Review of financial position

From a financial point of view, 2021, as explained above was a successful year financially as a result of the significant donations received in the year. Significant funding levels have importantly been secured for the next few years to provide sustainability to aid in the success in the trusts' long term future.

Total consolidated income included £2,681,706 of restricted income (31.5%) and £5,837,403 of unrestricted income (68.5%). Restricted income has increased as a result of the Culture Recovery fund received, Royal Navy transitional funding relating to the transfer of the aircraft (which were mentioned above) as well as the significant donation received of £2m to purchase the Seafire aircraft shortly after the year end.

NA Ltd retail sales (covering merchandising and aircraft displays) provided £132,170 of income. As mentioned above, merchandise sales finished ahead of budget. As previously stated, only a very small number of shows were able to be attended in the year. The other major source of income during the year was the receipt of £1m from insurance income following the accident during the year.

As a result of the additional aircraft now under the groups ownership and the employment of staff, expenditure has increased to £2,076,815 (2020: £882,882).

The Group held £2,000,000 of restricted funds at the year end and £4,819,118 in unrestricted funds. Cash and short term investments totalled £1,223,110 at 31 December 2021 compared with £199,304 at the previous year end. Capital expenditure of £235,519 was made in the year. The other capital additions relate to the £2.9m of donated aircraft.

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 four capital investment and the additional purchase of a Seafire. The Business Plan is being reviewed yet again to reflect this, which will be under-pinned by a new Risk Register. 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 Seafire, the Wasp helicopter and one jet (Seahawk) on an annual basis.

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. The trustees 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 20th September 2022 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 2021

Opinion

We have audited the financial statements of the Fly Navy Heritage Trust Limited for the year ended 31 December 2021, 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 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 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 2021

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 7), 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 2021

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 involve 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

22nd September 2022

Fly Navy Heritage Trust Limited

Consolidated Statement of Financial Activities (including income and expenditure account)
For the Year Ended 31 December 2021

	Notes	Unres-tricted £	Res-tricted £	Total 2021 £	Unres- tricted £	Res- tricted £	Total 2020 £
Income:							
Grants, donations and legacies	2	4,465,157	2,681,706	7,146,863	304,690	246,551	551,241
Other trading activities	3	1,372,067	-	1,372,067	189,568	-	189,568
Interest receivable	4	179	-	179	1,457	-	1,457
Total income		5,837,403	2,681,706	8,519,109	495,715	246,551	742,266
Expenditure:							
Costs of raising funds	5	673,674	189,036	862,710	178,587	64,979	243,566
Charitable activities	6	698,257	515,848	1,214,105	404,275	235,041	639,316
Total expenditure		1,371,931	704,884	2,076,815	582,862	300,020	882,882
Net (expenditure)/income for the year before transfers and gains and losses		4,465,472	1,976,822	6,442,294	(87,147)	(53,469)	(140,616)
Transfers between funds	17	73,231	(73,231)	-	-	-	-
Tax charge		(24,127)	-	(24,127)	-	-	-
Net income/(expenditure) and net movement in funds for the year	7	4,514,576	1,903,591	6,418,167	(87,147)	(53,469)	(140,616)
Reconciliation of funds							
Total funds brought forward		304,542	96,409	400,951	391,689	149,878	541,567
Total funds carried forward		4,819,118	2,000,000	6,819,118	304,542	96,409	400,951

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 2021

		2021		2020	
		£	£	£	£
	Notes	Group	Charity	Group	Charity
Fixed assets					
Tangible fixed assets	11	3,253,652	3,126,670	145,320	493
Investments	12	-	1	-	1
		<u>3,253,652</u>	<u>3,126,671</u>	<u>145,320</u>	<u>494</u>
Current assets					
Stock	13	178,318	50,000	123,995	-
Debtors	14	2,412,285	2,336,529	161,213	452,702
Cash at bank and in hand		1,223,110	629,685	199,304	186,225
		<u>3,813,713</u>	<u>3,016,214</u>	<u>484,512</u>	<u>638,927</u>
Liabilities:					
Creditors falling due within one year	15	(224,120)	(105,718)	(228,881)	(210,239)
		<u>3,589,593</u>	<u>2,910,496</u>	<u>255,631</u>	<u>428,688</u>
Provision for liabilities	16	(24,127)	-	-	-
		<u>6,819,118</u>	<u>6,037,167</u>	<u>400,951</u>	<u>429,182</u>
Total net assets					
		<u>6,819,118</u>	<u>6,037,167</u>	<u>400,951</u>	<u>429,182</u>
The funds of the charity:					
Restricted funds	17	2,000,000	2,000,000	96,409	96,409
Unrestricted funds	17	4,719,120	4,037,167	204,544	332,773
Revaluation reserve	17	99,998	-	99,998	-
		<u>6,819,118</u>	<u>6,037,167</u>	<u>400,951</u>	<u>429,182</u>
Total charity funds					
		<u>6,819,118</u>	<u>6,037,167</u>	<u>400,951</u>	<u>429,182</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.

Fly Navy Heritage Trust Limited – Company Number 05971284

Balance Sheet and Consolidated Balance Sheet

As at 31 December 2021

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

Approved by the Board on 20th September 2022 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 2021

		Total 2021		Total 2020	
		£	£	£	£
	Notes	Group	Charity	Group	Charity
Cash flows from operating activities					
Net movements in funds for the year		6,418,167	5,607,985	(140,616)	(67,135)
Adjustments to cash flows from non-cash items					
Depreciation	11	27,187	5,748	15,830	797
Donated assets		(2,900,000)	(2,900,000)	-	-
Interest receivable	4	(179)	(179)	(1,457)	(1,457)
Deferred tax provision		24,127	-	-	-
		3,569,302	2,713,554	(126,243)	(67,795)
Working capital adjustments					
(Increase)/decrease in stocks	13	(54,323)	(50,000)	(19,334)	-
(Increase)/decrease in debtors	14	(2,251,072)	(1,883,827)	(76,046)	(187,090)
Increase/(decrease) in creditors	15	(4,761)	(104,521)	48,271	59,184
Net cash flow from operations		1,259,146	675,206	(173,352)	(195,701)
Cash flows from investing activities					
Interest receivable	4	179	179	1,457	1,457
Acquisitions of tangible assets	11	(235,519)	(231,925)	(30,554)	(792)
Net (decrease)/increase in cash and cash equivalents		1,023,806	443,460	(202,449)	(195,036)
Cash and cash equivalents at the beginning of the reporting period		199,304	186,225	401,753	381,261
Cash and cash equivalents at the end of the reporting period		1,223,110	629,685	199,304	186,225
Cash & Cash equivalents reconciliation:					
Cash at bank		1,223,110	629,685	199,304	186,225
Total cash & cash equivalents at the end of the reporting period		1,223,110	629,685	199,304	186,225

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. Donated aircraft are brought in at fair value.

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

Aircraft are not depreciated. The aircraft are continuously maintained and repaired and as a result of this, the directors have considered that they do not depreciate. The aircraft are reviewed for impairment each year.

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 2021 £	Unres- tricted £	Res- tricted £	Total 2020 £
Grants, donations and legacies	4,465,157	2,681,706	7,146,863	273,424	246,551	519,975
Exceptional government funding Coronavirus JRS grant	-	-	-	31,266	-	31,266
	<u>4,465,157</u>	<u>2,681,706</u>	<u>7,146,863</u>	<u>304,690</u>	<u>246,551</u>	<u>551,241</u>

3 Other trading income

	Unres- tricted £	Res- tricted £	Total 2021 £	Unres- tricted £	Res- tricted £	Total 2020 £
Merchandise	132,170	-	132,170	98,315	-	98,315
Fundraising event income	238,536	-	238,536	91,253	-	91,253
Other income	1,001,361	-	1,001,361	-	-	-
	<u>1,372,067</u>	<u>-</u>	<u>1,372,067</u>	<u>189,568</u>	<u>-</u>	<u>189,568</u>

Fly Navy Heritage Trust Limited
Notes to the Financial Statements
For the Year Ended 31 December 2021

4 Interest receivable

	Unres- tricted £	Res- tricted £	Total 2021 £	Unres- tricted £	Res- tricted £	Total 2020 £
Bank interest	179	-	179	1,457	-	1,457

5 Costs of raising funds

	Unres- tricted £	Res- tricted £	Total 2021 £	Unres- tricted £	Res- tricted £	Total 2020 £
Fundraising costs	58,263	189,036	247,299	34,488	50,565	85,053
PR and advertising	22,010	-	22,010	20,175	-	20,175
Trading costs	593,401	-	593,401	123,924	14,414	138,338
	673,674	189,036	862,710	178,587	64,979	233,552

6 Charitable activities

	Unres- tricted £	Res- tricted £	Total 2021 £	Unres- tricted £	Res- tricted £	Total 2020 £
Aircraft maintenance	115,818	237,826	353,644	68,243	75,860	144,103
Grants paid to institutions	-	-	-	-	20,916	20,916
Insurance	8,235	-	8,235	6,186	-	6,186
Payroll fees	1,816	-	1,816	1,092	-	1,092
Staff costs	401,996	230,522	632,518	253,831	98,918	352,749
Consultancy	42,074	33,650	75,724	17,995	39,347	57,342
Other administration	54,688	9,600	64,288	39,403	-	39,403
Depreciation	27,186	-	27,186	797	-	797
Governance costs	46,444	4,250	50,694	14,228	-	14,228
Bad debts	-	-	-	2,500	-	2,500
	698,257	515,848	1,214,105	404,275	235,041	639,316

Grants paid to institutions are broken down as follows:

RNHF aircraft	-	-	-	-	20,916	20,916
	-	-	-	-	20,555	20,555

7 Net income/(expenditure) for the year

This is stated after charging:

	2021	Charity	2021	Subsidiary	2021	Total
	£	2020	£	2020	£	2020
		£		£		£
Depreciation of owned assets	21,439	797	21,438	15,033	42,877	15,830
Auditors remuneration						
Audit services	6,300	4,000	2,200	2,200	8,500	6,200
Other services - accounting	935	2,363	-	88	935	2,451
	<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 (2020 – £nil). No trustees were reimbursed expenses (2020 – £nil) during the year. No charity trustee received payment for professional or other services supplied to the charity (2020 – £nil).

The charity has paid £1,198 (2020 – £600) 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 £9,426 (2020 – £4,866).

Contributions totalling £2,534 (2020 – £1,318) 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:

	2021	2020
Chief executive officer	1	1
Management and administration	16	12
	<u>17</u>	<u>13</u>

Employment costs

	2021 £	2020 £
Wages and salaries	569,503	322,678
Social security costs	50,853	24,740
Pension costs	9,426	4,866
	<u>629,782</u>	<u>352,284</u>

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

	2021 number	2020 number
£90,000 - £100,000	-	1
£100,000 - £110,000	1	-
	<u>1</u>	<u>1</u>

No pension costs were paid to this individual during the year (2020 – £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 £116,958 (2020 - £94,772).

11 Tangible fixed assets

	Aircraft	Plant & Machinery	Office Equipment	Computer Equipment	Total
	£	£	£	£	£
At 1 January 2020	100,000	47,913	14,531	42,049	204,493
Additions	3,113,000	3,594	-	18,925	3,135,519
At 31 December 2021	3,213,000	51,507	14,531	60,974	3,340,012
Depreciation					
At 1 January 2020	-	12,301	5,316	41,556	59,173
Charge for the year	-	16,595	4,844	5,748	27,187
At 31 December 2021	-	28,896	10,160	47,304	86,360
Net book value					
At 31 December 2021	3,213,000	22,611	4,371	13,670	3,253,652
At 31 December 2020	100,000	35,612	9,215	493	145,320

The year end open market value of the aircraft has been considered by the Trustees and the revaluation reflected in the accounts. The value of the aircraft donated has been bought in at the insurance value, which is considered to be a fair reflection of the market value of the aircraft. The historical cost of the aircraft is £2.

Charity	Aircraft	Computer Equipment	Total
Cost	£	£	£
At 1 January 2021	-	42,049	42,049
Additions	3,113,000	18,925	3,131,925
At 31 December 2021	3,113,000	60,974	3,173,974
Depreciation			
At 1 January 2021	-	41,556	41,556
Charge for the year	-	5,748	5,748
At 31 December 2021	-	47,304	47,304
Net book value			
At 31 December 2021	3,113,000	13,670	3,126,670
At 31 December 2020	-	493	493

The year end open market value has been considered by the trustees and the revaluation reflected in the accounts. The value of the aircraft donated has been bought in at the insurance value, which is considered to be a fair reflection of the market value of the aircraft.

12 Investments

	Charity	
	2021	2020
	£	£
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 gift aids 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:

	2021	2020
	£	£
Turnover	1,840,247	208,960
Cost of sales	(947,045)	(254,232)
Gross profit	893,202	(45,272)
Administrative expenses	(58,893)	(28,209)
Net loss before tax	834,309	(73,481)
Taxation	(24,127)	-
Retained in subsidiary	810,182	(73,481)
The assets and liabilities were:		
Fixed assets	126,982	144,827
Current assets	847,499	151,870
Current liabilities	(168,403)	(324,928)
Provisions	(24,127)	-
Total net assets	781,951	(28,231)
Called up share capital	1	1
Revaluation reserve	99,998	99,998
Profit and loss account	681,952	(128,230)
	781,951	(28,231)

13 Stocks

	Group	2021	Group	2020
	£	Charity	£	Charity
	£	£	£	£
Goods for resale	178,318	50,000	123,995	-

14 Debtors

	Group	2021	Group	2020
	£	Charity	£	Charity
	£	£	£	£
Trade debtors	26,444	17,406	106,131	105,824
Other debtors	51,435	-	8,666	-
Prepayments and accrued income	2,334,406	2,319,123	46,416	40,593
Amounts owed by group undertakings	-	-	-	306,285
	2,412,285	2,336,529	161,213	452,702

15 Creditors: Amounts falling due within one year

	Group	2021	Group	2020
	£	Charity	£	Charity
	£	£	£	£
Trade creditors	162,396	16,250	36,813	22,421
Accruals	32,273	10,017	10,600	6,350
Deferred income	10,000	10,000	169,006	169,006
Amounts owed to group undertakings	-	50,000	-	-
Taxation and social security	19,451	19,451	12,462	12,462
	224,120	105,718	228,881	210,239

16 Provision for liabilities

Group	Deferred tax £	Total £
At 1 January 2021	-	-
Increase (decrease) in existing provisions	24,127	24,127
At 31 December 2021	<u>24,127</u>	<u>24,127</u>
Deferred tax		
Deferred tax assets and liabilities:	Asset £	Liability £
2021		
Other timing differences	-	24,127
	<u>-</u>	<u>24,127</u>
2020		
Other timing differences	-	-
	<u>-</u>	<u>-</u>

17 Summary of movement in funds

Group	Opening Balance £	Incoming Resources £	Outgoing Resources £	Transfers £	Closing Balance £
<u>Unrestricted funds</u>					
General	204,544	5,837,403	(1,396,058)	73,231	4,719,120
Revaluation reserve	99,998	-	-	-	99,998
<u>Restricted funds</u>					
Transitional funds	-	541,006	(467,775)	(73,231)	-
Culture Recovery Fund	8,395	140,200	(148,595)	-	-
Swordfish W5856	88,014	-	(88,014)	-	-
Sea Vixen	-	500	(500)	-	-
Seafire	-	2,000,000	-	-	2,000,000
	400,951	8,519,109	(2,100,942)	-	6,819,118
Charity	£	£	£	£	£
<u>Unrestricted funds</u>					
General	332,773	4,703,572	(1,072,409)	73,231	4,037,167
<u>Restricted funds</u>					
Transitional funds	-	541,006	(467,775)	(73,231)	-
Culture recovery fund	8,395	140,200	(148,595)	-	-
Swordfish W5856	88,014	-	(88,014)	-	-
Sea Vixen	-	500	(500)	-	-
Seafire	-	2,000,000	-	-	2,000,000
	429,182	7,385,278	(1,777,293)	-	6,037,167

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.
- Transitional funds relates to income received for the maintenance of aircraft transferred to the charity. The transfer of funds relates to transitional funds used to purchase fixed assets.
- The funds received from the Culture recovery fund were to cover overhead costs to support the charity through the pandemic.
- The Seafire fund represents monies received from a donation for the purchase and upkeep of a new Seafire aircraft.
- The Sea Vixen fund represents monies received from a donation towards the upkeep of the aircraft.

Summary of movement in funds - 2020

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>
Charity	Opening Balance	Incoming Resources	Outgoing Resources	Transfers	Closing Balance
	£	£	£	£	£
<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>

18 Analysis of assets between funds

Group	Tangible Fixed Assets £	Investments £	Net Current Assets £	Provisions £	Total £
Unrestricted funds	3,253,652	-	1,589,593	(24,127)	4,819,118
Restricted funds	-	-	2,000,000	-	2,000,000
As at 31 December 2021	3,253,652	-	3,589,593	(24,127)	6,819,118
As at 31 December 2020	145,320	-	255,631	-	400,951
Charity	Tangible Fixed Assets £	Investments £	Net Current Assets £	Provisions £	Total £
Unrestricted funds	3,126,670	1	910,496	-	4,037,167
Restricted funds	-	-	2,000,000	-	2,000,000
As at 31 December 2021	3,126,670	1	2,910,496	-	6,037,167
As at 31 December 2020	493	1	428,688	-	429,182

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 incoming resources for the year of £5,607,985 (2020 - £67,134 outgoing resources) based on income of £7,385,278 (2020 - £643,951).

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.