

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

**Annual Report and Financial Statements**

**For the Year Ended 31 December 2022**

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



**Fly Navy Heritage Trust Limited**  
Contents  
For the Year Ended 31 December 2022

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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) (resigned 1 May 2022)  |
| Rear Admiral S Moorhouse CBE | – Asst Chief of Naval Staff (Aviation & Carriers) (appointed 1 May 2022) |
| Commodore N R Griffin MBE RN | – Commanding Officer RNAS Yeovilton                                      |

**Elected**

|                                     |   |
|-------------------------------------|---|
| 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                              |
| Mr E T Taylor                       | – Business Executive, Lockheed Martin UK Limited                  |
| Mr T J Manna                        | – President, Kennet Aviation                                      |
| Mr M J Ryan                         | – Business Executive, aircraft owner (resigned 22 September 2022) |
| 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 2022. 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 2021 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**

Navy Wings Heritage Flight Limited (NWHF) (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, supported by a continually evolving web-site and a wide collection of aircraft. The core Flight has now been renamed as the Navy Wings Heritage Flight, which consists of the ex-Royal Navy Historic Flight (RNHF) aircraft, along with ones the Trust owned.

The bulk of management activity in 2022 was spent getting the aircraft around various locations in the UK, so that we could be seen as 'active' again after the COVID years. Major fund-raising activities were re-started in the form of two dinners in London and a charity Clay Pigeon Shoot in Berkshire. Most of the ex RNHF aircraft are now owned by the Trust, with the exception of Swordfish LS 326, which remains mired in paper-work and is now expected to be gifted to us in late 2023. That said, we have been given permission by the Royal Navy to conduct maintenance on her, in the full expectation that she will belong to us in the future. The Memorandum of Understanding agreed with the Royal Navy, has once again been refreshed and continues to under-pin our business. We are currently at the start of the 2023 display circuit and all our planned flying activity has so far been met.

From a financial perspective, the Trust is in good health and we are currently in Year 3 of a 4 year investment programme to the tune of £1.25M per annum. The stability of having £5M over four years cannot be underestimated and it has allowed us to not only purchase our own training aircraft and helicopter, but also to invest in a long-term plan for engine availability, along with a properly constituted engineering work-force. 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.

Our weekly lottery, which we launched in May 2020, appears now to have peaked in terms of growth and so we are no longer investing in building the numbers, but rather will now let it run and take the income stream. Meanwhile, our continued investment in online presence continues to pay dividends and our retail sales finished yet another year ahead of budget. We have also now launched our own YouTube channel to monetise some of our videos and we expect to see the annual income from this gently build up in the future.

We ran three fund-raising events in the form of a Corporate dinner in London, a Clay Pigeon shoot at the Royal Berks Shooting Ground and an Ambassador's Dinner in central London, all of which were very well supported and returned a healthy profit. Finally, we have commissioned a two-part documentary on the History of UK Naval Aviation, which we expect to be ready for launch in Q4 of 2023 and which should return a profit in years to come from downstream sales of DVD's and digital down-loads.

### **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, including some exciting new companies who have been attracted by our Corporate package programme and net-working opportunities. Our Corporate dinner in March 22 was a huge success and was completely sold out a few weeks ahead of the event, which demonstrates that this has now become the 'go to' heritage aviation dinner as we planned it should be.

### **Grant making policy to Naval Wings Heritage Flight Ltd (NWHF)**

The Trustees decided that our sole beneficiary should be re-named from Naval Aviation Ltd, to Navy Wings Heritage Flight Ltd (NWHF) in order to ensure coherence of the Navy Wings brand. This was changed formally with Companies House to date 1 Jan 23. The overall Business Plan for Navy Wings is to ensure NWHF becomes profitable, where the key drivers will be the diversification and growth of income streams, as well as generating income from aircraft. Although Air Shows have largely recovered from the Covid years, many of the smaller ones have simply ceased to exist and we expect this income stream to remain low for some years to come. That said, we expect CAA permission to conduct paid flights in our Swordfish from early summer 23 and this should prove to be a regular new income stream. Sales of merchandise remain very strong and continue to show year on year growth.

### **Achievements and Performance**

The main achievement of the Charity was to get all of our aircraft either back into the air, or on a long term, fully costed trajectory to get them there. We have used our high level of donations to invest in our future and we now have a long-term plan for engine sustainability, which should ensure success for at least the next five years. All our planned displays were conducted without incident and the only two lost events were due to inclement weather, which was out with our control. Our financial achievements are covered separately, but to summarise, we remain in an excellent financial position and we have a highly motivated and professional work-force properly constituted to take us forward.

## **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 6 months operating costs of £779,646. At 31st December 2022 the group held £1,821,256 of free reserves. The excess reserves are to provide funding for future projects. Planned expenditure for 2023 includes some £230k for Pegasus engine overhauls, a bill of £160K for a Pratt & Whitney engine for the Sea Fury and £80K for work on the Seafire Griffon engine. 2024 is expected to include £200k for the Griffon overhaul and circa £280K for Pegasus spares, whilst 2025 is expected to see a further £450k of Pegasus work and circa £195K of Wasp spares.

## **Review of financial position**

From a financial point of view, 2022, was a successful year and a complete turnaround from a budgeted deficit due to significant Grant & Legacy donations unexpectedly received in the year. The previously secured, significant funding that is set to continue for a further couple of years continues to provide sustainability to aid in the success in the Charity's long-term future.

The total consolidated income included £860,462 of restricted income (27.9%) and £2,226,045 of unrestricted income (72.1%). Restricted income was applied to the purposes for which it was provided. Income from grants, donations and legacies decreased this year by £4,714,827 to £2,432,036. The decrease was expected given the large donation of aircraft received in the prior year.

NWHF Retail Sales (covering merchandising and aircraft displays) provided £207,588 of income. Merchandising continues to grow year on year spurred on this year by post covid era air show sales. FNHT Events, which form a large part of most income streams, provided a sizeable contribution of £444,095.

Total consolidated expenditure in 2022 totalled £2,567,859, which although an increase on prior year was a direct result of restricted expenditure for which funds were provided for. The Group held £287,159 of restricted funds at the year end and £7,008,781 in unrestricted funds.

Cash and short term investments totalled £1,723,258 at 31 December 2022 compared with £1,223,110 at the previous year end. Capital expenditure totalled £2,023,836 during the year, comprising of operational and IT equipment and a Seafire Mk XVII.

## **Plans for future periods**

The Charity is now able to invest in a long-term strategy for the production and refurbishment of engines, which has always been a critical line of support. We are stream-lining our Fleet by disposing of the Sea Vixen, which would have been too costly to return to flight and investing some time and effort in bringing our Sea Hawk back to flight. We continue to investigate alternative income streams such as the lottery, our own YouTube channel and the forthcoming documentary, whilst we have also attracted some considerable positive PR interest with several cameo TV appearances lined up. The Trust continues to plan for a sustainable programme and anticipates eventually operating a core flying fleet of one Swordfish, either a Sea Fury or a Seafire, the Wasp helicopter and one Sea Hawk jet.

## **Going concern**

The Trustees have, as always, 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

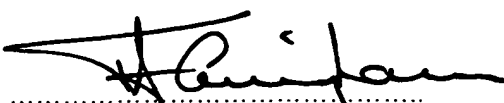
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **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 19 September 2023 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 2022

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### **Opinion**

We have audited the financial statements of the Fly Navy Heritage Trust Limited For the Year Ended 31 December 2022, 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 2022, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 2022

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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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of Independent Auditors.

### **The extend 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 2022

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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.

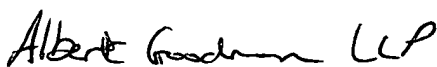
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance 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](http://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

 Albert Goodman LLP

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

25/9/23

# Fly Navy Heritage Trust Limited

## Consolidated Statement of Financial Activities (including income and expenditure account) For the Year Ended 31 December 2022

|  | Notes    | Unres-<br>tricted<br>£ | Res-tricted<br>£   | Total 2022<br>£  | Unres-<br>tricted<br>£ | Res-tricted<br>£ | Total 2021<br>£  |
|--|----------|------------------------|--------------------|------------------|------------------------|------------------|------------------|
| <b>Income:</b>   |          |                        |                    |                  |                        |                  |                  |
| Grants, donations and legacies   | 2        | 1,571,574              | 860,462            | 2,432,036        | 4,465,157              | 2,681,706        | 7,146,863        |
| Other trading activities   | 3        | 651,808                | -                  | 651,808          | 1,372,067              | -                | 1,372,067        |
| Interest receivable  | 4        | 2,663                  | -                  | 2,663            | 179                    | -                | 179              |
| <b>Total income</b>  |          | <b>2,226,045</b>       | <b>860,462</b>     | <b>3,086,507</b> | <b>5,837,403</b>       | <b>2,681,706</b> | <b>8,519,109</b> |
| <b>Expenditure:</b>  |          |                        |                    |                  |                        |                  |                  |
| Costs of raising funds   | 5        | 1,008,568              | -                  | 1,008,568        | 673,674                | 189,036          | 862,710          |
| Charitable activities  | 6        | 1,185,988              | 373,303            | 1,559,291        | 698,257                | 515,848          | 1,214,105        |
| <b>Total expenditure</b>   |          | <b>2,194,556</b>       | <b>373,303</b>     | <b>2,567,859</b> | <b>1,371,931</b>       | <b>704,884</b>   | <b>2,076,815</b> |
| <b>Net (expenditure)/income for the year before transfers and gains and losses</b> |          | <b>31,489</b>          | <b>487,159</b>     | <b>518,648</b>   | <b>4,465,472</b>       | <b>1,976,822</b> | <b>6,442,294</b> |
| Transfers between funds  | 17       | 2,200,000              | (2,200,000)        | -                | 73,231                 | (73,231)         | -                |
| Realised and unrealised gains and losses   |          | (60,000)               | -                  | (60,000)         | -                      | -                | -                |
| Tax charge   |          | 18,174                 | -                  | 18,174           | (24,127)               | -                | (24,127)         |
| <b>Net income/(expenditure) and net movement in funds for the year</b>             | <b>7</b> | <b>2,189,663</b>       | <b>(1,712,841)</b> | <b>476,822</b>   | <b>4,514,576</b>       | <b>1,903,591</b> | <b>6,418,167</b> |
| <b>Reconciliation of funds</b>   |          |                        |                    |                  |                        |                  |                  |
| Total funds brought forward  |          | 4,819,118              | 2,000,000          | 6,819,118        | 304,542                | 96,409           | 400,951          |
| <b>Total funds carried forward</b>   |          | <b>7,008,781</b>       | <b>287,159</b>     | <b>7,295,940</b> | <b>4,819,118</b>       | <b>2,000,000</b> | <b>6,819,118</b> |

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 2022

|                                       | Notes | 2022             |                  | 2021             |                  |
|---------------------------------------|-------|------------------|------------------|------------------|------------------|
|                                       |       | £                | £                | £                | £                |
|                                       |       | Group            | Charity          | Group            | Charity          |
| <b>Fixed assets</b>                   |       |                  |                  |                  |                  |
| Tangible fixed assets                 | 11    | 5,187,525        | 5,123,712        | 3,253,652        | 3,126,670        |
| Investments                           | 12    | -                | 1                | -                | 1                |
|                                       |       | <u>5,187,525</u> | <u>5,123,713</u> | <u>3,253,652</u> | <u>3,126,671</u> |
| <b>Current assets</b>                 |       |                  |                  |                  |                  |
| Stock                                 | 13    | 203,233          | 50,000           | 178,318          | 50,000           |
| Debtors                               | 14    | 451,797          | 585,702          | 2,412,285        | 2,336,529        |
| Cash at bank and in hand              |       | 1,723,258        | 1,568,475        | 1,223,110        | 629,685          |
|                                       |       | <u>2,378,288</u> | <u>2,204,177</u> | <u>3,813,713</u> | <u>3,016,214</u> |
| <b>Liabilities:</b>                   |       |                  |                  |                  |                  |
| Creditors falling due within one year | 15    | (263,920)        | (92,851)         | (224,120)        | (105,718)        |
|                                       |       | <u>2,114,368</u> | <u>2,111,326</u> | <u>3,589,593</u> | <u>2,910,496</u> |
| <b>Net current assets</b>             |       |                  |                  |                  |                  |
|                                       |       | <u>2,114,368</u> | <u>2,111,326</u> | <u>3,589,593</u> | <u>2,910,496</u> |
| <b>Provision for liabilities</b>      | 16    | (5,953)          | -                | (24,127)         | -                |
|                                       |       | <u>7,295,940</u> | <u>7,235,039</u> | <u>6,819,118</u> | <u>6,037,167</u> |
| <b>Total net assets</b>               |       |                  |                  |                  |                  |
|                                       |       | <u>7,295,940</u> | <u>7,235,039</u> | <u>6,819,118</u> | <u>6,037,167</u> |
| <b>The funds of the charity:</b>      |       |                  |                  |                  |                  |
| Restricted funds                      | 17    | 287,159          | 287,159          | 2,000,000        | 2,000,000        |
| Unrestricted funds                    | 17    | 6,968,783        | 6,947,880        | 4,719,120        | 4,037,167        |
| Revaluation reserve                   | 17    | 39,998           | -                | 99,998           | -                |
|                                       |       | <u>7,295,940</u> | <u>7,235,039</u> | <u>6,819,118</u> | <u>6,037,167</u> |
| <b>Total charity funds</b>            |       |                  |                  |                  |                  |
|                                       |       | <u>7,295,940</u> | <u>7,235,039</u> | <u>6,819,118</u> | <u>6,037,167</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 charity 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.

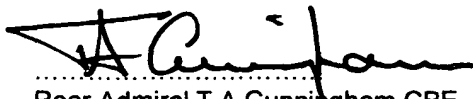
The Fly Navy Heritage Trust Limited has net incoming resources for the year of £1,197,872 (2021 - £5,607,985 incoming resources) based on income of £3,560,746 (2021- £7,385,278).


**Fly Navy Heritage Trust Limited – Company Number 05971284**  
**Balance Sheet and Consolidated Balance Sheet**  
**As at 31 December 2022**

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The notes from pages 16 – 30 form part of these accounts.

Approved by the Board on 19 September 2023 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 2022

|  | Notes | Total 2022  |              | Total 2021  |              |
|--|-------|-------------|--------------|-------------|--------------|
|  |       | £<br>Group  | £<br>Charity | £<br>Group  | £<br>Charity |
| <b>Cash flows from operating activities</b>                        |       |             |              |             |              |
| Net movements in funds for the year                                |       | 476,822     | 1,197,872    | 6,418,167   | 5,607,985    |
| Adjustments to cash flows from non-cash items                      |       |             |              |             |              |
| Depreciation   | 11    | 29,963      | 6,226        | 27,187      | 5,748        |
| Donated assets   |       | -           | -            | (2,900,000) | (2,900,000)  |
| Interest receivable  | 4     | (2,663)     | (2,663)      | (179)       | (179)        |
| Deferred tax provision   |       | (18,174)    | -            | 24,127      | -            |
|  |       | 485,948     | 1,201,435    | 3,569,302   | 2,713,554    |
| Working capital adjustments  |       |             |              |             |              |
| (Increase)/decrease in stocks                                      | 13    | (24,915)    | -            | (54,323)    | (50,000)     |
| (Increase)/decrease in debtors                                     | 14    | 1,960,488   | 1,750,827    | (2,251,072) | (1,883,827)  |
| Increase/(decrease) in creditors                                   | 15    | 39,800      | (12,867)     | (4,761)     | (104,521)    |
|  |       |             |              |             |              |
| Net cash flow from operations                                      |       | 2,461,321   | 2,939,395    | 1,259,146   | 675,206      |
| <b>Cash flows from investing activities</b>                        |       |             |              |             |              |
| Interest receivable  | 4     | 2,663       | 2,663        | 179         | 179          |
| Acquisitions of tangible assets                                    | 11    | (2,023,836) | (2,003,268)  | (235,519)   | (231,925)    |
|  |       |             |              |             |              |
| Net (decrease)/increase in cash and cash equivalents               |       | 440,148     | 938,790      | 1,023,806   | 443,460      |
|  |       |             |              |             |              |
| Cash and cash equivalents at the beginning of the reporting period |       | 1,223,110   | 629,685      | 199,304     | 186,225      |
|  |       |             |              |             |              |
| Cash and cash equivalents at the end of the reporting period       |       | 1,663,258   | 1,568,475    | 1,223,110   | 629,685      |
|  |       |             |              |             |              |
| Cash & Cash equivalents reconciliation:                            |       |             |              |             |              |
| Cash at bank   |       | 1,723,258   | 1,568,475    | 1,223,110   | 629,685      |
|  |       |             |              |             |              |
| Total cash & cash equivalents at the end of the reporting period   |       | 1,723,258   | 1,568,475    | 1,223,110   | 629,685      |

**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.

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-<br>tricted<br>£ | Res-<br>tricted<br>£ | Total 2022<br>£ | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | Total 2021<br>£ |
|--------------------------------|------------------------|----------------------|-----------------|------------------------|----------------------|-----------------|
| Grants, donations and legacies | 1,571,574              | 860,462              | 2,432,036       | 4,465,157              | 2,681,706            | 7,146,863       |
|                                | 1,571,574              | 860,462              | 2,432,036       | 4,465,157              | 2,681,706            | 7,146,863       |

**3 Other trading income**

|                          | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | Total 2022<br>£ | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | Total 2021<br>£ |
|--------------------------|------------------------|----------------------|-----------------|------------------------|----------------------|-----------------|
| Merchandise              | 207,588                | -                    | 207,588         | 132,170                | -                    | 132,170         |
| Fundraising event income | 444,095                | -                    | 444,095         | 238,536                | -                    | 238,536         |
| Other income             | 125                    | -                    | 125             | 1,001,361              | -                    | 1,001,361       |
|                          | 651,808                | -                    | 651,808         | 1,372,067              | -                    | 1,372,067       |

**Fly Navy Heritage Trust Limited**  
Notes to the Financial Statements  
For the Year Ended 31 December 2022

**4 Interest receivable**

|               | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | Total 2022<br>£ | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | Total 2021<br>£ |
|---------------|------------------------|----------------------|-----------------|------------------------|----------------------|-----------------|
| Bank interest | 2,663                  | -                    | 2,663           | 179                    | -                    | 179             |

**5 Costs of raising funds**

|                    | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | Total 2022<br>£ | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | Total 2021<br>£ |
|--------------------|------------------------|----------------------|-----------------|------------------------|----------------------|-----------------|
| Fundraising costs  | 319,918                | -                    | 319,918         | 58,263                 | 189,036              | 247,299         |
| PR and advertising | 11,895                 | -                    | 11,895          | 22,010                 | -                    | 22,010          |
| Trading costs      | 676,755                | -                    | 676,755         | 593,401                | -                    | 593,401         |
|                    | 1,008,568              | -                    | 1,008,568       | 673,674                | 189,036              | 862,710         |

**6 Charitable activities**

|                             | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | Total 2022<br>£ | Unres-<br>tricted<br>£ | Res-<br>tricted<br>£ | Total 2021<br>£ |
|-----------------------------|------------------------|----------------------|-----------------|------------------------|----------------------|-----------------|
| Aircraft maintenance        | 236,108                | 260,462              | 496,570         | 115,818                | 237,826              | 353,644         |
| Grants paid to institutions | -                      | -                    | -               | -                      | -                    | -               |
| Insurance                   | 13,628                 | -                    | 13,628          | 8,235                  | -                    | 8,235           |
| Payroll fees                | 2,026                  | -                    | 2,026           | 1,816                  | -                    | 1,816           |
| Staff costs                 | 672,343                | -                    | 672,343         | 401,996                | 230,522              | 632,518         |
| Consultancy                 | 91,848                 | 112,841              | 204,689         | 42,074                 | 33,650               | 75,724          |
| Other administration        | 79,864                 | -                    | 79,864          | 54,688                 | 9,600                | 64,288          |
| Depreciation                | 29,868                 | -                    | 29,868          | 27,186                 | -                    | 27,186          |
| Governance costs            | 60,303                 | -                    | 60,303          | 46,444                 | 4,250                | 50,694          |
| Bad debts                   | -                      | -                    | -               | -                      | -                    | -               |
|                             | 1,185,988              | 373,303              | 1,559,291       | 698,257                | 515,848              | 1,214,105       |

## **7 Net income/(expenditure) for the year**

This is stated after charging:

|                              | <b>2022</b> | <b>Charity</b> | <b>2022</b> | <b>Subsidiary</b> | <b>2022</b> | <b>Total</b> |
|------------------------------|-------------|----------------|-------------|-------------------|-------------|--------------|
|                              | <b>£</b>    | <b>2021</b>    | <b>£</b>    | <b>2021</b>       | <b>£</b>    | <b>2021</b>  |
|                              |             | <b>£</b>       |             | <b>£</b>          |             | <b>£</b>     |
| Depreciation of owned assets | 29,963      | 21,439         | 51,402      | 21,438            | 81,365      | 42,877       |
| Auditors remuneration        |             |                |             |                   |             |              |
| Audit services               | 6,250       | 6,300          | 2,300       | 2,200             | 8,550       | 8,500        |
| Other services - accounting  | -           | 935            | -           | -                 | -           | 935          |

## **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 (2021 – £nil). No trustees were reimbursed expenses (2021 – £nil) during the year. No charity trustee received payment for professional or other services supplied to the charity (2021 – £nil).

The charity has paid £1,421 (2021 – £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 £11,044 (2021 – £9,426).

Contributions totalling £2,754 (2021 – £2,534) 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:

|                               | 2022      | 2021      |
|-------------------------------|-----------|-----------|
| Chief executive officer       | 1         | 1         |
| Management and administration | 16        | 16        |
|                               | <u>17</u> | <u>17</u> |

### Employment costs

|                       | 2022<br>£      | 2021<br>£      |
|-----------------------|----------------|----------------|
| Wages and salaries    | 598,785        | 569,503        |
| Social security costs | 58,733         | 50,853         |
| Pension costs         | 11,044         | 9,426          |
|                       | <u>668,562</u> | <u>629,782</u> |

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

|                     | 2022<br>number | 2021<br>number |
|---------------------|----------------|----------------|
| £100,000 - £110,000 | -              | 1              |
| £110,000 - £120,000 | 1              | -              |
|                     | <u>1</u>       | <u>-</u>       |

No pension costs were paid to this individual during the year (2021 – £nil)

The key management personnel of the group comprise those of the Trust and its wholly owned subsidiary Navy Wings Heritage Flight Limited. The key management personnel of the Trust comprise the trustees and the Chief Executive Officer. Navy Wings Heritage Flight 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 £120,092 (2021 - £116,958).



**Fly Navy Heritage Trust Limited**  
Notes to the Financial Statements  
For the Year Ended 31 December 2022

**11 Tangible fixed assets**

|                       | <b>Aircraft</b> | <b>Plant &amp;<br/>Machinery</b> | <b>Office<br/>Equipment</b> | <b>Computer<br/>Equipment</b> | <b>Total</b> |
|-----------------------|-----------------|----------------------------------|-----------------------------|-------------------------------|--------------|
|                       | £               | £                                | £                           | £                             | £            |
| At 1 January 2022     | 3,213,000       | 51,507                           | 14,531                      | 60,974                        | 3,340,012    |
| Additions             | 2,000,000       | 19,437                           | 1,131                       | 3,268                         | 2,023,836    |
| Impairment            | (60,000)        | -                                | -                           | -                             | (60,000)     |
| At 31 December 2022   | 5,153,000       | 70,944                           | 15,662                      | 64,242                        | 5,303,848    |
| <b>Depreciation</b>   |                 |                                  |                             |                               |              |
| At 1 January 2022     | -               | 28,896                           | 10,160                      | 47,304                        | 86,360       |
| Charge for the year   | -               | 20,022                           | 3,715                       | 6,226                         | 29,963       |
| At 31 December 2022   | -               | 48,918                           | 13,875                      | 53,530                        | 116,323      |
| <b>Net book value</b> |                 |                                  |                             |                               |              |
| At 31 December 2022   | 5,153,000       | 22,026                           | 1,787                       | 10,712                        | 5,187,525    |
| At 31 December 2021   | 3,213,000       | 22,611                           | 4,371                       | 13,670                        | 3,253,652    |

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.

| <b>Charity</b>        | <b>Aircraft</b> | <b>Computer<br/>Equipment</b> | <b>Total</b> |
|-----------------------|-----------------|-------------------------------|--------------|
| <b>Cost</b>           | £               | £                             | £            |
| At 1 January 2022     | 3,113,000       | 60,974                        | 3,173,974    |
| Additions             | 2,000,000       | 3,268                         | 2,003,268    |
| At 31 December 2022   | 5,113,000       | 64,242                        | 5,177,242    |
| <b>Depreciation</b>   |                 |                               |              |
| At 1 January 2022     | -               | 47,304                        | 47,304       |
| Charge for the year   | -               | 6,226                         | 6,226        |
| At 31 December 2022   | -               | 53,530                        | 53,530       |
| <b>Net book value</b> |                 |                               |              |
| At 31 December 2022   | 5,113,000       | 10,712                        | 5,123,712    |
| At 31 December 2021   | 3,113,000       | 13,670                        | 3,126,670    |

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 |      |
|---|---------|------|
|   | 2022    | 2021 |
|   | £       | £    |
| Navy Wings Heritage Flight Limited - 1 ordinary shares of £1 each | 1       | 1    |

Navy Wings Heritage Flight 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:

|                                  | 2022        | 2021      |
|----------------------------------|-------------|-----------|
|                                  | £           | £         |
| Turnover                         | 1,232,241   | 1,840,247 |
| Cost of sales                    | (1,173,325) | (947,045) |
| Gross profit                     | 58,916      | 893,202   |
| Administrative expenses          | (798,140)   | (58,893)  |
| Net loss before tax              | (739,224)   | 834,309   |
| Taxation                         | 18,174      | (24,127)  |
| Retained in subsidiary           | (721,050)   | 810,182   |
| The assets and liabilities were: |             |           |
| Fixed assets                     | 63,813      | 126,982   |
| Current assets                   | 345,216     | 847,499   |
| Current liabilities              | (342,175)   | (168,403) |
| Provisions                       | (5,953)     | (24,127)  |
| Total net assets                 | 60,901      | 781,951   |
| Called up share capital          | 1           | 1         |
| Revaluation reserve              | 39,998      | 99,998    |
| Profit and loss account          | 20,902      | 681,952   |
|                                  | 60,901      | 781,951   |

**13 Stocks**

|                  | <b>Group</b> | <b>2022</b>    | <b>Group</b> | <b>2021</b>    |
|------------------|--------------|----------------|--------------|----------------|
|                  | <b>£</b>     | <b>Charity</b> | <b>£</b>     | <b>Charity</b> |
|                  |              | <b>£</b>       |              | <b>£</b>       |
| Goods for resale | 203,233      | 50,000         | 178,318      | 50,000         |

**14 Debtors**

|                                    | <b>Group</b> | <b>2022</b>    | <b>Group</b> | <b>2021</b>    |
|------------------------------------|--------------|----------------|--------------|----------------|
|                                    | <b>£</b>     | <b>Charity</b> | <b>£</b>     | <b>Charity</b> |
|                                    |              | <b>£</b>       |              | <b>£</b>       |
| Trade debtors                      | 38,244       | 37,100         | 26,444       | 17,406         |
| Other debtors                      | 27,023       | -              | 51,435       | -              |
| Prepayments and accrued income     | 386,530      | 377,497        | 2,334,406    | 2,319,123      |
| Amounts owed by group undertakings | -            | 171,105        | -            | -              |
|                                    | 451,797      | 585,702        | 2,412,285    | 2,336,529      |

**15 Creditors: Amounts falling due within one year**

|                                    | <b>Group</b> | <b>2022</b>    | <b>Group</b> | <b>2021</b>    |
|------------------------------------|--------------|----------------|--------------|----------------|
|                                    | <b>£</b>     | <b>Charity</b> | <b>£</b>     | <b>Charity</b> |
|                                    |              | <b>£</b>       |              | <b>£</b>       |
| Trade creditors                    | 48,671       | 28,758         | 162,396      | 16,250         |
| Accruals                           | 160,108      | 8,952          | 32,273       | 10,017         |
| Deferred income                    | 35,299       | 35,299         | 10,000       | 10,000         |
| Amounts owed to group undertakings | -            | -              | -            | 50,000         |
| Taxation and social security       | 19,842       | 19,842         | 19,451       | 19,451         |
|                                    | 263,920      | 92,851         | 224,120      | 105,718        |

**16 Provision for liabilities**

| <b>Group</b>                               | <b>Deferred tax<br/>£</b> | <b>Total<br/>£</b>     |
|--|---------------------------|------------------------|
| At 1 January 2022                          | 24,127                    | 24,127                 |
| Increase (decrease) in existing provisions | (18,174)                  | (18,174)               |
| At 31 December 2022                        | <u>5,953</u>              | <u>5,953</u>           |
| <b>Deferred tax</b>                        |                           |                        |
| Deferred tax assets and liabilities:       | <b>Asset<br/>£</b>        | <b>Liability<br/>£</b> |
| <b>2022</b>                                |                           |                        |
| Other timing differences                   | -                         | 5,953                  |
|  | <u>-</u>                  | <u>5,953</u>           |
| <b>2021</b>                                |                           |                        |
| Other timing differences                   | -                         | 24,127                 |
|  | <u>-</u>                  | <u>24,127</u>          |

**17 Summary of movement in funds**

| <b>Group</b>              | <b>Opening<br/>Balance<br/>£</b> | <b>Incoming<br/>Resources<br/>£</b> | <b>Outgoing<br/>Resources<br/>£</b> | <b>Transfers<br/>£</b> | <b>Closing<br/>Balance<br/>£</b> |
|---------------------------|----------------------------------|-------------------------------------|-------------------------------------|------------------------|----------------------------------|
| <u>Unrestricted funds</u> |                                  |                                     |                                     |                        |                                  |
| General                   | 4,719,120                        | 2,226,045                           | (2,176,382)                         | 2,200,000              | 6,968,783                        |
| Revaluation reserve       | 99,998                           | -                                   | (60,000)                            | -                      | 39,998                           |
| <u>Restricted funds</u>   |                                  |                                     |                                     |                        |                                  |
| Transitional funds        | -                                | 260,462                             | (260,462)                           | -                      | -                                |
| RNVR Naval Club           | -                                | 400,000                             | (112,841)                           | -                      | 287,159                          |
| Seafire                   | 2,000,000                        | 200,000                             | -                                   | (2,200,000)            | -                                |
|                           | <b>6,819,118</b>                 | <b>3,086,507</b>                    | <b>(2,609,685)</b>                  | <b>-</b>               | <b>7,295,940</b>                 |
|                           |                                  |                                     |                                     |                        |                                  |
| <b>Charity</b>            | <b>Opening<br/>Balance<br/>£</b> | <b>Incoming<br/>Resources<br/>£</b> | <b>Outgoing<br/>Resources<br/>£</b> | <b>Transfers<br/>£</b> | <b>Closing<br/>Balance<br/>£</b> |
| <u>Unrestricted funds</u> |                                  |                                     |                                     |                        |                                  |
| General                   | 4,037,167                        | 2,700,284                           | (1,989,571)                         | 2,200,000              | 6,947,880                        |
| <u>Restricted funds</u>   |                                  |                                     |                                     |                        |                                  |
| Transitional funds        | -                                | 260,462                             | (260,462)                           | -                      | -                                |
| RNVR Naval Club           | -                                | 400,000                             | (112,841)                           | -                      | 287,159                          |
| Seafire                   | 2,000,000                        | 200,000                             | -                                   | (2,200,000)            | -                                |
|                           | <b>6,037,167</b>                 | <b>3,560,746</b>                    | <b>(2,362,874)</b>                  | <b>-</b>               | <b>7,235,039</b>                 |

**Unrestricted funds**

The Trustees general funds that have been received with no specific purpose other to be used for the organisations charitable objectives.

**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 RNVR Naval Club fund represents monies received from a donation towards Swordfish and Chipmunk projects.
- The Seafire fund represents monies received from a donation for the purchase and upkeep of a new Seafire aircraft.

**Summary of movement in funds - 2021**

| <b>Group</b>              | <b>Opening<br/>Balance<br/>£</b> | <b>Incoming<br/>Resources<br/>£</b> | <b>Outgoing<br/>Resources<br/>£</b> | <b>Transfers<br/>£</b> | <b>Closing<br/>Balance<br/>£</b> |
|---------------------------|----------------------------------|-------------------------------------|-------------------------------------|------------------------|----------------------------------|
| <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                        |
|                           | <u>400,951</u>                   | <u>8,519,109</u>                    | <u>(2,100,942)</u>                  | <u>-</u>               | <u>6,819,118</u>                 |
| <b>Charity</b>            | <b>Opening<br/>Balance<br/>£</b> | <b>Incoming<br/>Resources<br/>£</b> | <b>Outgoing<br/>Resources<br/>£</b> | <b>Transfers<br/>£</b> | <b>Closing<br/>Balance<br/>£</b> |
| <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                        |
|                           | <u>429,182</u>                   | <u>7,385,278</u>                    | <u>(1,777,293)</u>                  | <u>-</u>               | <u>6,037,167</u>                 |

**18 Analysis of assets between funds**

| <b>Group</b>                  | <b>Tangible<br/>Fixed Assets<br/>£</b> | <b>Investments<br/>£</b> | <b>Net Current<br/>Assets<br/>£</b> | <b>Provisions<br/>£</b> | <b>Total<br/>£</b> |
|-------------------------------|--|--------------------------|-------------------------------------|-------------------------|--------------------|
| Unrestricted funds            | 5,187,525                              | -                        | 1,827,209                           | (5,953)                 | 7,008,781          |
| Restricted funds              | -                                      | -                        | 287,159                             | -                       | 287,159            |
| <b>As at 31 December 2022</b> | <b>5,187,525</b>                       | <b>-</b>                 | <b>2,114,368</b>                    | <b>(5,953)</b>          | <b>7,295,940</b>   |
| As at 31 December 2021        | 3,253,652                              | -                        | 3,589,593                           | (24,127)                | 6,819,118          |
| <b>Charity</b>                | <b>Tangible<br/>Fixed Assets<br/>£</b> | <b>Investments<br/>£</b> | <b>Net Current<br/>Assets<br/>£</b> | <b>Provisions<br/>£</b> | <b>Total<br/>£</b> |
| Unrestricted funds            | 5,123,712                              | 1                        | 1,824,167                           | -                       | 6,947,880          |
| Restricted funds              | -                                      | -                        | 287,159                             | -                       | 287,159            |
| <b>As at 31 December 2022</b> | <b>5,123,712</b>                       | <b>1</b>                 | <b>2,111,326</b>                    | <b>-</b>                | <b>7,235,039</b>   |
| As at 31 December 2021        | 3,126,670                              | 1                        | 2,910,496                           | -                       | 6,037,167          |

**19 Related parties**

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