

Aerobility

**Trustees' Report
and Financial Statements**

for the year ended 31 December 2020

**Registered Charity Number 1149629
Registered Company Number 08200768**

AEROBILITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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AEROBILITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

CHARITY INFORMATION

Trustees

Shona Bowman	Chairman
Jon Windover	Deputy Chairman
Emrys Harries	Secretary
Allister Bridger	
Mike Matthews	
Joel Rose	
Jamie Smith (appointed 20 November 2020)	
Neil Tucker	
Simon Warr	
Brian Wheeler	
Paul Winstanley	

Principal Office

Blackbushe Airport
Camberley
GU17 9LQ

Registered Office

Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

Registered Charity Number

1149629

Registered Company Number

08200768

Chief Executive

Mike Miller-Smith MBE

Independent auditor

Blue Spire Limited
Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

Bankers

CAF Bank Limited
25 Kings Hill Avenue
West Malling
ME19 4JQ

AEROBILITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

REPORT OF THE TRUSTEES

The Trustees hereby present their Annual Report for the purposes of the Charities Act 2011 and Sections 416 to 419 of the Companies Act 2006, together with the accounts for the year ended 31 December 2020. The trustees have adopted the provisions of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS 102).

STRUCTURE GOVERNANCE AND MANAGEMENT

Aerobility is a charitable company limited by guarantee incorporated on 4 September 2012 (company number 08200768) and registered as a charity on 6 November 2012 (charity number 1149629). It is governed by its Articles of Association. The members of the Company are the Directors who are also Trustees under Charity law.

The Board meets regularly and provides the strategic direction and oversight of the charity.

Trustees are recruited by advertising in suitable media and by actively considering suitably qualified individuals who make a direct approach. New trustees are supplied with copies of the charity's governing and policy documents together with Charity Commission guidance, such as CC3 and CC8, and receive training as necessary.

Aerobility pay policy for key staff reflects experience, performance and regional variations. All salary increases are subject to approval by the Board of Trustees Remuneration Committee.

Aerobility encourages collaboration with other charities and voluntary organisations to enhance our common charitable objectives.

OBJECTIVES AND ACTIVITIES

The charity's objects are:

To promote and provide education, recreation and leisure time activities for disabled persons in particular by providing opportunities in aviation with the object of improving the conditions of life.

Aerobility offers disabled people, without exception, the opportunity to fly an aeroplane and participate in aviation-based activities. Aerobility removes barriers to aviation which as an activity offers disabled people a real sense of achievement and genuinely changes people's lives.

Aerobility's specially adapted aircraft fly from various airfields around the UK providing life changing experience flights and flight training. Aerobility aims to support a variety of aviation activities for disabled people and represents the needs of disabled people whatever their aviation aspirations. Participants range from disabled young people through to soldiers injured in service and elderly persons with disabling impairments. All disability types are catered for including physical disabilities, learning disabilities, sensory impairments and mental health issues.

"I recently had my first flying experience with Aerobility... For 30 minutes I was in the plane, controlling it – there was too much to think about to think about my own problems. I was so, so pleased with how it went – it offered total liberation from my brain injury and all the problems it causes on a daily basis. I want to thank Aerobility and everyone involved in making the day happen. I loved it."

Activities are designed and built by disabled people for disabled people, with disabled people and beneficiaries within key roles in the organisation. Through this, beneficiaries achieve:

- Improving self-esteem and stimulating achievement
- Knowledge expansion, well-being and enjoyment
- Removing physical and financial barriers and changing perceptions
- Leveraging ability, improved employability, new community access
- Inspiring people to live their life with new aspirations. "To fly"

Aerobility measures success by gathering metrics and output data such as participation levels and disability types accessing Aerobility services. Aerobility also records and utilises outcomes measures such as well-being and knowledge gained through participation – both directly from service users and also from those around them such as family members and caregivers. Together these measures are utilised for improving the quality of Aerobility services and to ensure aims and objectives are being met.

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

REPORT OF THE TRUSTEES

Using volunteers to assist with the delivery of services and with Charity administration is a key component of Aerobility structure. Flying instruction, fundraising event management, health and safety advice, and IT support are key roles delivered by over 75 regular volunteers.

The Trustees confirm that they have referred to the guidance on public benefit when reviewing the Charity's aims and objectives and when planning future activity. The Trustees confirm that they are satisfied that public benefit is at the heart of Aerobility's activities.

ACHIEVEMENTS AND PERFORMANCE

Charitable Activities

Aerobility's entire operation was significantly affected by the COVID-19 pandemic, from March 2020 to the end of the year. After the first national lockdown in March, Aerobility re-opened on a limited basis in June 2020, having ensured that our premises and practices were COVID-safe as far as possible. Group flying days and flight instruction requiring hoisting were not resumed, since social distancing could not be maintained.

Development of virtual participation:

In the face of a global pandemic that grounded aircraft and shut facilities, the challenge became about supporting the disabled community in challenging and isolating circumstances. The response was 'Virtual Aerobility' which was in essence, a virtual community centre. A much needed lifeline, enabling our disabled community to reconnect and support each other. It delivered resilience and continuity of Aerobility services in the most difficult of times. These virtual programs included:

- InspireAbility – Programme of online engagement and inspiration. Bringing experts and pioneers direct to our community, to share their story and perhaps inspire some new ones.
- Virtual Ground School – Taking Aerobility education programmes out of classroom and into living rooms. Reaching more people, where they live.
- Armchair Airshow – A reimagining of the Airshow Experience to engage and support the disabled community whilst taking Aerobility to new audiences, fostering a new understanding for all of the meaning of 'ability'. Reached 90,000 views across 60 countries.

Disabled accessible aircraft build – Building the Dream:

By the end of 2020 despite 2 national lockdowns - the BaD team of 6 committed volunteers have done an amazing job. The aircraft is sitting on its undercarriage, with the wings on and the engine in position and have had the seats covered. Many thanks to the team, our fundraising team and to our many sponsors who have contributed and supported this great project. £2,037 was invested during the year on the kit and parts for our 'Building the Dream' disabled aircraft build.

Junior Aspiring Pilot Programme & Aviation Education Programme:

Despite the limitations of Covid-19 in 2020, Aerobility successfully completed the Junior Aspiring Pilots Programme 2020 and the Aviation Education Programme 2019/20. The Junior Aspiring Pilots Programme saw its first group of the year by the start of lockdown. The course moved to a virtual setting with participants being invited to Aerobility individually to take their flights between lockdowns.

Similarly, the Aviation Education Programme moved online in May 2020, after commencing in September the previous year. Our virtual course taught most of the normal syllabus, including a virtual tour of the Farnborough Airport Fire Station.

PROJECT ABLE

During 2020 Aerobility received a grant from the Department for Transport of £745,000, and two individual donations totalling £36,000 to enable us to undertake Project Able, the acquisition, refurbishment and re-certification of 63 GROB-109 airframes which had belonged to the Ministry of Defence. The intention of this project (Project Able) is to provide Aerobility with a small fleet of airworthy GROB-109 aircraft over the lifetime of the project, and to sell the remaining aircraft, to finance the costs of bringing them back into operation.

A new Community Interest Company, Aerobility Holdings CIC, was set up in 2019 in preparation for this project (Project Able) and the DfT grant was loaned to the CIC by Aerobility to provide working capital for the project. Although impacted by COVID-19, Project Able has made slow progress during the year and the prototype GROB-109, developed by GROB SE in Germany, made its inaugural flight in summer 2020. See P4 Financial Review.

AEROBILITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

REPORT OF THE TRUSTEES

Fundraising

With normal flying operations severely curtailed and our income thereby significantly impacted, fundraising during 2020 became more vital than ever. We were fortunate to attract COVID-19 support grant funding from Sport Relief, the National Lottery and Hart District Council.

We received magnificent support from individual supporters during the year, particularly in fundraising through the 2.6 Challenge, wingwalking and other fundraising events.

Corporate supporters also generously sponsored or donated to our activities, notably NATS, Aerobytes, Leigh Cables, Breitling, Haywards, Boeing, ISTAT, Nasmyth Group, Biggin Hill Airport, BIFFA, the Co-op, RAF Odiham and other flying clubs and masonic lodges.

Grants were received from BBC Children in Need (for the JAPP programme), Sport Relief, National Lottery, Hart District Council, Hart Rotary and the Dougie Dalzell Memorial Trust.

Our pioneering (virtual) Armchair Airshow 2020 raised significant amounts for the charity in sponsorship and via an online auction, as did our (virtual) Aviators Ball 2020, held later in the year.

Organisation

Most staff other than the CEO, Business Administration Manager and the Fundraising Team, were furloughed during the year. The Coronavirus Job Retention Scheme enabled us to retain all staff in post, and the majority of staff returned to work part-time when restrictions enabled operations to resume in the summer 2020.

The Trustee Board meets regularly to determine the strategic direction of the charity and set performance objectives for the Chief Executive as well as providing the required governance. During the period March to December 2020 the Board met regularly via Zoom.

FINANCIAL REVIEW

Incoming resources amounted to £1,247,139 (2019: £579,593) including restricted donations and designated funds, the outgoing resources were £467,462 (2019: £671,574) giving a surplus for the year of £779,677 (2019 deficit: £91,981), including depreciation costs.

Donations and legacy income amounted to £985,690 (2019: £229,441), £854,887 (2019: £112,741) of which was restricted income, with unrestricted income totalling £130,803 (2019: £116,700).

At the balance sheet date, the charity's funds amounted to £1,290,642 (2019: £510,965) inclusive of restricted funds of £784,256 (2019: £37,115) and a fixed asset fund of £324,554 (2019: £362,954).

Free reserves being unrestricted income funds exclusive of the net book value of fixed assets of £324,554 (2019: £362,954) amounted to £181,832 (2019: £110,896) at the year-end.

PROJECT ABLE FINANCIAL IMPACT

The grant of £745,000 donated by the Department for Transport was loaned during the year to Aerobility Holdings CIC, at an interest rate of 1.5% above the Bank of England Base Rate. The loan is repayable on the written demand of the charity and secured by a debenture issued by Aerobility Holdings CIC.

The loan has been provided to Aerobility Holdings CIC which will deliver 8 Vigilant GROB 109 glider aircraft for the charity's use during the lifetime of Project Able and also further glider aircraft for resale to the general public with surpluses arising being passed to the charity to support the furthering of its objects.

Risk management

The assessment and management of risk is a core principle at Aerobility.

An operational Safety Management System (SMS) which incorporates regular risk assessments of all aviation and charitable activities is embedded within daily procedures and includes a reporting procedure which is regularly reviewed by the charity safety team and trustees.

Robust policies and procedures provide the framework for all activities and include vulnerable adult and child protection, DBS checking and volunteer management.

AEROBILITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

REPORT OF THE TRUSTEES

Financial risk is minimised using agreed policies and procedures, and through the regular financial review by Trustees of monthly management accounts.

All levels of management, staff and volunteers are accountable for the delivery of our risk and safety performance, from the Trustees and Chief Executive downwards throughout the whole organisation.

PLANS FOR FUTURE PERIODS

During 2021 the Charity will seek to recover full operational activity following the COVID-19 pandemic, securing our financial future, extending our virtual activity to extend the reach of our services to a wider community of people with disabilities and an interest in aviation.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Aerobility for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

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

In so far as the trustees are aware:

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

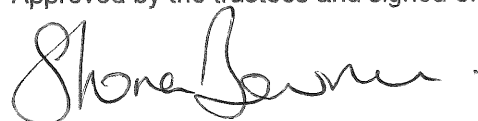
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

APPOINTMENT OF INDEPENDENT AUDITOR

The charity exceeded the audit threshold during the year under review and appointed Blue Spire Limited as auditor.

This report has been prepared having taking advantage of the small companies' exemption in the Companies Act 2006.

Approved by the trustees and signed on their behalf.



Shona Bowman
Chairman

Date

20/07/2021

AEROBILITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report to the Members of Aerobility

Opinion

We have audited the financial statements of Aerobility (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 charitable company's affairs as at 31 December 2020, and of its 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 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 trustees' 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 financial statements are 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 other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of the Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

AEROBILITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

INDEPENDENT AUDITOR'S REPORT

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement [set out on page 5], the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 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.

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

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report

AEROBILITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

INDEPENDENT AUDITOR'S REPORT

Use of our report

This report is made solely to the 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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Geoffrey Frost BSc(Hons) FCA (Senior Statutory Auditor)
For and on behalf of Blue Spire Limited, Statutory Auditor

Cawley Priory
South Pallant
Chichester
West Sussex
PO19 7UY

Date *4 August 2021*

AEROBILITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

	Note	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	2019 Total Funds £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	1	130,803	854,887	985,690	229,441
Other trading activities	2				
Aviators' Ball		52,552	-	52,552	162,427
Other fundraising events		34,656	-	34,656	4,548
Other income		80,551	-	80,551	18,310
Charitable activities	3				
Flight payments		48,610	-	48,610	98,721
Contracted services		975	-	975	43,573
Events		-	-	-	666
Investments	4	9,040	-	9,040	191
Other	5	35,065	-	35,065	21,716
Total		392,252	854,887	1,247,139	579,593
EXPENDITURE ON:					
Raising funds	6				
Direct fundraising costs		92,498	36,000	128,498	123,597
Indirect fundraising costs		20,615	-	20,615	28,284
Management and support		27,959	-	27,959	38,811
Charitable activities	6				
Aircraft operation and hire		115,478	-	115,478	242,238
Management and support		120,412	54,500	174,912	238,644
Total resources expended		376,962	90,500	467,462	671,574
Net income/(expenditure)		15,290	764,387	779,677	(91,981)
TRANSFERS					
Gross transfers between funds	15	17,246	(17,246)	-	-
Net movement in funds		32,536	747,141	779,677	(91,981)
RECONCILIATION OF FUNDS					
Total funds brought forward	15	473,850	37,115	510,965	602,946
Total funds carried forward	15	506,386	784,256	1,290,642	510,965

The charity has no recognised gains or losses other than those dealt with in the statement of financial activities.

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

BALANCE SHEET AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Aircraft in construction and aircraft	10	231,526	257,474
Flight simulators	10	6,906	8,632
Property	10	77,790	86,433
Mobility equipment and other assets	10	8,332	10,415
Total fixed assets		324,554	362,954
CURRENT ASSETS			
Stocks for resale		5,166	6,458
Debtors	11	57,751	79,329
Loan	12	745,000	-
Cash at hand and in bank		220,670	135,254
Total current assets		1,028,587	221,041
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	13	62,499	73,030
Net current assets/(liabilities)		966,088	148,011
Total net assets		<u>1,290,642</u>	<u>510,965</u>
THE FUNDS OF THE CHARITY			
Restricted funds	15	784,256	37,115
Unrestricted funds	15	506,386	473,850
Total charity funds		<u>1,290,642</u>	<u>510,965</u>

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

Approved by the trustees and signed on their behalf.



Shona Bowman
Trustee

Date 20/07/2021

Aerobility
Company number: 08200768
Charity number: 1149629

AEROBILITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF CASH FLOWS

		2020		2019	
	Note	£	£	£	£
Net cash flow from operating activities (see below)			84,008		(113,910)
Cash flow from investing activities					
Payments to acquire tangible fixed assets	10	(11,557)		(30,986)	
Proceeds on sale of tangible fixed assets		3,925		55,000	
Proceeds on sale of investments		-		-	
Interest received		9,040		191	
Net cash flow from investing activities			1,408		24,205
Net increase/(decrease) in cash and cash equivalents			85,416		(89,705)
Cash and cash equivalents at 1 January 2020			135,254		224,959
Cash and cash equivalents at 31 December 2020			<u>220,670</u>		<u>135,254</u>
Cash and cash equivalents consist of:					
Cash at bank and in hand			220,670		135,254
Cash and cash equivalents at 31 December 2020			<u>220,670</u>		<u>135,254</u>
Reconciliation of net income to net cash flow from operating activities					
		£	£	£	£
Net income for the year			779,677		(91,981)
Adjusted for:					
Interest receivable		(9,040)		(191)	
Depreciation and impairment of tangible fixed assets	10	46,753		64,256	
Loss/(profit) on the sale of tangible fixed assets		(721)		(18,674)	
Decrease/(increase) in stocks		1,292		(6,458)	
Decrease/(increase) in debtors		21,578		(41,376)	
Decrease/(increase) in loans receivable		(745,000)		-	
Increase/(decrease) in creditors		(10,531)		(19,486)	
			(695,669)		(21,929)
			<u>84,008</u>		<u>(113,910)</u>
Analysis of changes in net debt					
			2020		2019
			Cash and cash equivalents		Cash and cash equivalents
			£		£
Total net debt brought forward			135,254		224,959
Cash flows			85,416		(89,705)
Total net debt carried forward			<u>220,670</u>		<u>135,254</u>

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

ACCOUNTING POLICIES

GENERAL INFORMATION, SCOPE AND BASIS OF THE FINANCIAL STATEMENTS

Aerobility is an incorporated charity, limited by guarantee, incorporated in England with the company number 08200768. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information page of these financial statements. The nature of the charity's operations and principal activities are outlined in the trustees' report.

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

INCOME RECOGNITION

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'.

The charity received government grants in respect of the Coronavirus Job Retention Scheme and project funding. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income in the form of bank interest is recognised as the charity's right to receive payment is established.

EXPENDITURE RECOGNITION

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

Management and support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. Staff costs have been allocated between costs of raising funds, charitable activities and governance costs on the basis of time spent by staff. Support costs cannot be directly attributed to particular headings and have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Support costs have been allocated between costs of raising funds and charitable activities on the best estimate of the use of those resources.

Staff costs together with CEO expenses are apportioned according to time spent on each activity.

Other general expenses are allocated according to an estimate of the proportion of resources expended.

VAT

The charity is not registered for VAT and cannot recover VAT incurred on costs. These are therefore stated inclusive of any VAT element.

Where VAT is recoverable on the purchase of supplies and equipment, it is included within other income in the Statement of Financial Activities.

AEROBILITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

ACCOUNTING POLICIES

EMPLOYEE BENEFITS

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

TAXATION

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

TANGIBLE FIXED ASSETS

Fixed assets are stated at cost and depreciation is provided at rates calculated to write-off the cost of each asset over its useful economic life, less any estimated residual value as follows:

Property	10% straight line
Aircraft in construction	None in the period of construction
Aircraft	15% of net book value
Mobility Equipment	20% of net book value
Other items	20% of net book value

Where fixed assets were received as part of the net assets transfer from the British Disabled Flying Association on 1 January 2013, The assets were recorded as additions at net book value. Depreciation rates have remained unchanged following this transfer to write off the remaining cost of the assets over their useful economic lives.

The Charity owns specially adapted light aircraft and mobility aids to assist users of the aircraft and the depreciation charge for these assets are allocated as a charitable expense.

Items of capital equipment are capitalised where the purchase price exceeds £1,000

STOCKS FOR RESEALE

Stocks are stated at the lower of cost and estimated selling price less costs to sell. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

DEBTORS AND CREDITORS RECEIVABLE/PAYABLE WITHIN ONE YEAR

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

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

FUND ACCOUNTING

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the note 15 of these financial statements.

Unrestricted funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

GOING CONCERN

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

AEROBILITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

1. Income from donations and legacies

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £
Donations	20,764	2,037	22,801	30,017	17,149	47,166
Gift Aid reclaimed	883	-	883	2,659	-	2,659
Legacies	5,000	-	5,000	12,820	-	12,820
Trust and corporate donations	68,527	107,850	176,377	48,980	95,592	144,572
Government grants	-	745,000	745,000	-	-	-
Sponsorship	19,250	-	19,250	6,367	-	6,367
Regular giving	16,379	-	16,379	15,857	-	15,857
	<u>130,803</u>	<u>854,887</u>	<u>985,690</u>	<u>116,700</u>	<u>112,741</u>	<u>229,441</u>

2. Income from other trading activities

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £
Aviators' Ball	52,552	-	52,552	162,427	-	162,427
Sponsored participation	34,656	-	34,656	4,548	-	4,548
Raffles	3,168	-	3,168	676	-	676
Merchandise	892	-	892	3,786	-	3,786
Other fundraising income	39,746	-	39,746	13,848	-	13,848
Management services income	745	-	745	-	-	-
Sales of airplane parts	36,000	-	36,000	-	-	-
	<u>131,014</u>	<u>-</u>	<u>131,014</u>	<u>185,285</u>	<u>-</u>	<u>185,285</u>

3. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £
Flight payments	48,610	-	48,610	98,721	-	98,721
	<u>48,610</u>	<u>-</u>	<u>48,610</u>	<u>98,721</u>	<u>-</u>	<u>98,721</u>
Air League	-	-	-	24,051	-	24,051
Other contracted services	975	-	975	19,522	-	19,522
	<u>975</u>	<u>-</u>	<u>975</u>	<u>43,573</u>	<u>-</u>	<u>43,573</u>
Events	-	-	-	666	-	666
	<u>-</u>	<u>-</u>	<u>-</u>	<u>666</u>	<u>-</u>	<u>666</u>
	<u>49,585</u>	<u>-</u>	<u>49,585</u>	<u>142,960</u>	<u>-</u>	<u>142,960</u>

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

4. Income from investments

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £
Bank interest received	176	-	176	191	-	191
Loan interest	8,864	-	8,864	-	-	-
	<u>9,040</u>	<u>-</u>	<u>9,040</u>	<u>191</u>	<u>-</u>	<u>191</u>

5. Other income

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £
Insurance claim and other income	-	-	-	3,042	-	3,042
Gain on sale of fixed assets	721	-	721	18,674	-	18,674
COVID-19 grants	34,344	-	34,344	-	-	-
	<u>35,065</u>	<u>-</u>	<u>35,065</u>	<u>21,716</u>	<u>-</u>	<u>21,716</u>

6. Analysis of expenditure

	Raising funds £	Charitable activities £	2020 Total Funds £	Raising funds £	Charitable activities £	2019 Total Funds £
Direct fundraising expenditure	90,699	-	90,699	112,674	-	112,674
Merchandise cost	1,799	-	1,799	10,923	-	10,923
Cost of aircraft and parts sold	36,000	-	36,000	-	-	-
Indirect fundraising costs	20,065	-	20,065	25,815	-	25,815
Credit card collection fees	550	-	550	2,469	-	2,469
Aircraft operating and hire	-	78,583	78,583	-	195,863	195,863
Aircraft depreciation charge	-	36,895	36,895	-	46,375	46,375
Resources expended	<u>149,113</u>	<u>115,478</u>	<u>264,591</u>	<u>151,881</u>	<u>242,238</u>	<u>394,119</u>
CEO remuneration	10,093	23,551	33,644	16,223	37,853	54,076
Operations director	-	33,066	33,066	-	38,781	38,781
Aviation Activities Officer	-	11,136	11,136	-	13,155	13,155
WIS manager	-	16,910	16,910	-	21,800	21,800
Office and financial administration	-	30,191	30,191	-	47,539	47,539
Employer's national insurance	1,462	3,410	4,872	3,320	7,747	11,067
Employer's pension	1,212	2,829	4,041	2,076	4,844	6,920
Premises costs	4,245	16,988	21,233	4,684	18,735	23,419
Building depreciation	1,729	6,914	8,643	3,272	13,090	16,362
General office expenses	6,723	22,752	29,475	6,530	26,055	32,585
Depreciation	243	972	1,215	304	1,215	1,519
Motor and travel expenses	592	2,873	3,465	1,889	6,618	8,507
Auditor and examiner fees	1,660	3,320	4,980	420	840	1,260
Other governance costs	-	-	-	93	372	465
Total support costs	<u>27,959</u>	<u>174,912</u>	<u>202,871</u>	<u>38,811</u>	<u>238,644</u>	<u>277,455</u>
Total resources expended	<u>177,072</u>	<u>290,390</u>	<u>467,462</u>	<u>190,692</u>	<u>480,882</u>	<u>671,574</u>
Restricted funds	36,000	54,500	90,500	-	84,885	84,885
Unrestricted funds	<u>141,072</u>	<u>235,890</u>	<u>376,962</u>	<u>190,692</u>	<u>395,997</u>	<u>586,689</u>
	<u>177,072</u>	<u>290,390</u>	<u>467,462</u>	<u>190,692</u>	<u>480,882</u>	<u>671,574</u>

AEROBILITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

7. Independent auditor's and examiner's fees

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £
Audit	4,980	-	4,980	-	-	-
Examination	-	-	-	1,260	-	1,260
Other services	1,104	-	1,104	576	-	576

8. Wages and salary cost

	2020 Total Funds £	2019 Total Funds £
Gross wages	174,249	226,725
Employer's national insurance costs	7,870	17,066
Employer's pension contributions	4,679	6,920
	<u>186,798</u>	<u>250,711</u>

	2020	2019
Staff numbers:		
Average head count - administration of charitable activities	<u>11</u>	<u>11</u>
Analysed as:		
Part time	5	4
Full time	<u>6</u>	<u>7</u>
	<u>11</u>	<u>11</u>

During the year under review no employee (2019: one employees) received employee benefits (excluding employer pension costs) above £60,000 (2019: in the range £60,000 to £70,000).

During the year under review 1 (2019: 1) member of the charity's staff, identified as key management personnel, received employee benefits (inclusive of salary, social security and pension contributions) totalling £39,062 (2019: £62,387). In addition expenses of £431 (2019: £4,174) reimbursed to key management personal in the performance of their duties.

Aerobility operates a defined contribution pension scheme for its employees. Contributions to the scheme in the year amounted to £4,679 (2019: £6,920) with £nil (2019: £1,099) payable at the balance sheet date

9. Related party transactions

None of the trustees received any remuneration during the period under review. No trustees were reimbursed expenses during the period under review.

There were no other related party transactions requiring disclosure in these financial statements.

AEROBILITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

10. Tangible assets

	Aircraft in construction and aircraft £	Flight simulators £	Property £	Mobility equipment £	Other equipment £	Total £
Cost						
Brought forward	396,844	10,790	163,615	14,455	17,317	603,021
Additions	11,557	-	-	-	-	11,557
Disposals	(9,800)	-	-	-	-	(9,800)
	<u>398,601</u>	<u>10,790</u>	<u>163,615</u>	<u>14,455</u>	<u>17,317</u>	<u>604,778</u>
Depreciation						
Accumulated brought forward	139,370	2,158	77,182	10,113	11,244	240,067
Charge	34,301	1,726	8,643	868	1,215	46,753
On disposals	(6,596)	-	-	-	-	(6,596)
	<u>167,075</u>	<u>3,884</u>	<u>85,825</u>	<u>10,981</u>	<u>12,459</u>	<u>280,224</u>
Net book value carried forward	<u>231,526</u>	<u>6,906</u>	<u>77,790</u>	<u>3,474</u>	<u>4,858</u>	<u>324,554</u>
Net book value brought forward	<u>257,474</u>	<u>8,632</u>	<u>86,433</u>	<u>4,342</u>	<u>6,073</u>	<u>362,954</u>

11. Debtors

	2020 Total Funds £	2019 Total Funds £
Trade debtors	47,425	72,941
Prepayments	10,313	6,388
Other debtors	13	-
	<u>57,751</u>	<u>79,329</u>

12. Loan

	2020 Total Funds £	2019 Total Funds £
Loan	745,000	-
	<u>745,000</u>	<u>-</u>

The charity has provided a loan to Aerobility Holdings CIC with an interest rate of 1.5% over the Bank of England base rate. The loan is repayable on the written demand of the charity and secured by debenture issued by the borrower.

This loan has been provided to Aerobility Holdings CIC as the project manager of Project Able which will deliver 8 Vigilant glider aircraft for the charity's use and further glider aircraft for resale to the general public with surpluses arising being passed to the charity to support the furthering of its objects.

AEROBILITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

13. Creditors: amounts falling due within one year

	2020 Total Funds £	2019 Total Funds £
Trade creditors	10,017	6,138
Other creditors	27	1,099
Accruals	9,824	3,960
Deferred income (see below)	37,629	57,644
Other taxation and social security	5,002	4,189
	<u>62,499</u>	<u>73,030</u>

Deferred income

	Brought forward £	Released in year £	Deferred in year £	Carried forward £
ISTAT	-	-	4,744	4,744
Boeing scholarship	-	-	11,544	11,544
NATS Management Support	37,000	(37,000)	-	-
Southern Sailplanes	18,000	(18,000)	-	-
Gift vouchers	2,644	-	913	3,557
	<u>57,644</u>	<u>(55,000)</u>	<u>17,201</u>	<u>19,845</u>

Income received in relation to future accounting periods, is deferred, and released to income in line with the specified timing of its use.

14. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £
Tangible fixed assets	324,554	-	324,554	362,954	-	362,954
Current assets	244,331	784,256	1,028,587	175,259	45,782	221,041
Current liabilities	(62,499)	-	(62,499)	(64,363)	(8,667)	(73,030)
	<u>506,386</u>	<u>784,256</u>	<u>1,290,642</u>	<u>473,850</u>	<u>37,115</u>	<u>510,965</u>

AEROBILITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

15. Analysis of net movement in funds

Year ended 31 December 2020					
	Brought forward £	Incoming resources £	Outgoing resources £	Transfers £	Carried forward £
Restricted funds					
Junior Aspiring Pilot Programme	6,906	7,850	-	(13,819)	937
NATS management support	-	54,500	(54,500)	-	-
Build the dream	20,156	2,037	-	-	22,193
Scholarship fund	10,053	9,500	-	(3,427)	16,126
Aircraft spares fund	-	36,000	(36,000)	-	-
Project Able fund	-	745,000	-	-	745,000
Total restricted funds	37,115	854,887	(90,500)	(17,246)	784,256
Unrestricted funds					
Designated funds					
Fixed asset fund	362,954	-	-	(38,400)	324,554
	362,954	-	-	(38,400)	324,554
General funds	110,896	392,252	(376,962)	55,646	181,832
Total unrestricted funds	473,850	392,252	(376,962)	17,246	506,386
Total funds	510,965	1,247,139	(467,462)	-	1,290,642

Year ended 31 December 2019					
	Brought forward £	Incoming resources £	Outgoing resources £	Transfers £	Carried forward £
Restricted funds					
Junior Aspiring Pilot Programme	6,252	11,792	(11,138)	-	6,906
NATS management support	-	50,000	(50,000)	-	-
Build the dream	3,007	17,149	-	-	20,156
Scholarship fund	-	33,800	(23,747)	-	10,053
Aircraft spares fund	-	-	-	-	-
Project Able fund	-	-	-	-	-
Total restricted funds	9,259	112,741	(84,885)	-	37,115
Unrestricted funds					
Designated funds					
Fixed asset fund	432,550	-	-	(69,596)	362,954
	432,550	-	-	(69,596)	362,954
General funds	161,137	466,852	(586,689)	69,596	110,896
Total unrestricted funds	593,687	466,852	(586,689)	-	473,850
Total funds	602,946	579,593	(671,574)	-	510,965

Description of restricted funds

Junior Aspiring Pilot Programme

Funds received from BBC Children in Need and Hart Rotary to provide aviation education to disabled young people.

NATS Management Support

Funds received to cover the cost of employing administrative management.

Build the dream

Funds donated for the construction of a self-build aircraft.

Scholarship fund

Funds received to support disabled fliers by subsidising the cost of flights, enabling those people awarded scholarships to fly with aerobility free of charge.

Aircraft spares fund

Funds received to acquire aircraft in need of repair and aircraft spares to be used as part of Project Able.

AEROBILITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

Description of restricted funds continued

Project Able fund Funds received to support the repair and bring into use Vigilant aircraft for the charity's use and for sale.

Designated funds

Fixed asset fund Funds received to purchase new assets for the charity.

16. Financial instruments

The carrying amounts of the charity's financial instruments are as follows:

	2020 Total Funds £	2019 Total Funds £
<i>Financial assets</i>		
Debt instruments measured at amortised cost:		
Trade debtors (note 11)	47,425	72,941
	<u>47,425</u>	<u>72,941</u>

15. Financial instruments (continued)

Financial liabilities

Measured at amortised cost:

Trade creditors (note 12)	10,017	6,138
	<u>10,017</u>	<u>6,138</u>