

CHARITY REGISTERED NUMBER:1158286

NATIONAL SPITFIRE PROJECT

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 2023

JANE FEREDAY LTD
CHARTERED CERTIFIED ACCOUNTANTS
NURSERY COTTAGE
BECKLEY
HINTON
CHRISTCHURCH
DORSET
BH23 7ED

NATIONAL SPITFIRE PROJECT
LEGAL AND ADMINISTRATIVE INFORMATION

Registered Charity Number: 1158286

Chairman: John Hannides

Treasurer: Michael Richard James

Trustees: John Hannides (Chairman)
Jamie Barrett
Paul Beaver
Grant Harrison
Paul Lester
Royston Smith
Geoffrey Walker (resigned 31 March 2023)
Michael James (appointed 30 March 2023)

Registered Office: 18 Bassett Wood Drive
SOUTHAMPTON
SO16 3PT

Accountants: Jane Fereday Ltd
Chartered Certified Accountants
Nursery Cottage
Beckley
Hinton
Christchurch
Dorset
BH23 7ED

Bankers: National Westminster Bank Plc
68 Above Bar Street
Southampton
SO14 2DS

NATIONAL SPITFIRE PROJECT
FOR THE YEAR ENDED 31ST OCTOBER 2023

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NATIONAL SPITFIRE PROJECT
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31ST OCTOBER 2023

The Trustees present their report and the financial statements of the charity for the year ended 31st October 2023. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the charity.

Structure, Governance and Management

Organisation

The charity was set up in accordance with the Charity Commission's advice and guidance. The National Spitfire Project was incorporated as a Charitable Incorporated Organisation (CIO) on the 19th August 2014, and prepared its ninth set of accounts for the year ended 31st October 2023. As set out in the Constitution, nominated trustees must be approved by a formal board meeting. Appointed trustees must stand for re-election every 3 years. From year 3, one third of the trustees will resign each year at the AGM of the charity (based on a rota-system) but can stand again for re-election at the same meeting. When looking for new trustees to nominate, the trustee board undertakes a skills audit to highlight the areas desired by the charity and those currently lacking or under-represented.

Related parties

None of the trustees has any beneficial interest in the charity. All of the trustees are members of the charity but have no liability to contribute to its assets and no personal responsibility for settling its debts or liabilities. There were no related party transactions during the year under review in these accounts.

Risk policy

Whilst the £500,000 committed from HM Government provided a high degree of financial confidence, the risk remains that if additional new donations are not received, the Grant would not be sufficient to cover the cost of the detailed design, technical and feasibility work. This could, therefore, cause the project to stall or be delayed. This is mitigated by the appointment of an experienced professional fundraiser and the appointment of a very highly regarded and well-connected Trustee as the Chair of the Development Committee.

The prospect of failing to attract new donations is further mitigated by the commencement of the Detailed Technical Design work during this period, this has the important effect of 'de-risking' the project and, therefore, making it more attractive for prospective donors. The risk of high inflation impacting the cost of the materials and Labour required to construct the monument, could potentially raise the total cost envelope of the project. This is mitigated by the significant contingency provision already included in the cost estimates and the excellent work being done by the Project Director and appointed Quantity Surveyors in identifying options to reduce costs and remain within budget.

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Objectives and activities

The objectives for which the charity is established are to advance the education of the public in the history of the design and development of the Spitfire aircraft and its role in the Second World War including, but without limitation, the erection and maintenance of a memorial to the Spitfire and its designer R J Mitchell in the City of Southampton.

Achievements and performance

The National Spitfire Monument is a standalone construction and it can be built separate to the works required for any future Waterfront development and, subject to funding, will proceed independently. SCC and NSP are in discussion regarding the lease for the approved site.

Preparatory work continued to ensure the National Spitfire Project (NSP) is in a good position to achieve tangible progress. This included several surveys (eg Ground Investigation (GI) survey).

Further endorsement and support from Southampton City Council was illustrated by the receipt of two grant instalments totalling £37,700, which helped with the project delivery and fundraising. Furthermore, following the successful award for £3,000,000 from HM Government as match funding, Trustees took the decision to ask HM Treasury to convert £500,000 of our funding into a grant in order to complete the design work and further enhance our appeal to prospective donors. The request was approved, which reinforced HM Government's confidence in the project and underlined its recognition of the Monument representing the officially recognised national monument.

The balance of £2 500,000 of HM Government funding was released to the Armed Forces Covenant Fund Trust (AFCFT) and NSP worked with AFCFT to define and agree a suitable reporting system.

NSP has benefitted from a significant increase in activity across the board, including the appointment of International Fundraising Consultancy (IFC) as the professional fundraising organisation providing specialist support.

Financial review

The income from donations recorded for the financial year ended 31 October 2023 was £291 (in 2022 it was £2,610). The charity also received grant funding of £32,500 (2022: £75,200) from Southampton City Council. During the year the charity further received the first tranche of funding from the Armed Forces Covenant Fund Trust (AFCFT), as committed to by HM Government as part of matched funding to total £3,000,000. This first tranche received amounted to £500,000.

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The total income of the charity in the year ended 31 October 2023 was £532,791 (2022: £78,210). The total expenditure incurred of £101,331 (2022: £58,157) was primarily for Project Management - £37,040 (2022: £30,131), Project Design (initial payment) £20,000 (2022: £Nil), Fundraising - £36,535 (2022: £19,404), Marketing services and website maintenance - £5,392 (2022: £6,445).

Going Concern Review

The Trustees have carried out a Going Concern Review. The review includes looking at NSP's financial position, cash flow, and liquidity. Each of these is assessed in order to reach a conclusion.

Review and observations - The Trustees believe that the project is a going concern, especially with match funding from HM Government and the positive response to NSP's Capital Appeal and other fund raising activity.

With the plans for the spectacular Spitfire monument in place and the continued support of the HM Government, Southampton City Council and the numerous corporate and individual donors pledged to donate to the project, the Trustees are optimistic that their vision will be realised.

Reserves policy

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to a minimum of approximately three months of unrestricted charitable expenditure. The Trustees consider that this level will provide sufficient funds to ensure that support and governance costs are covered. The balance held as unrestricted funds at 31 October 2023 was £1,537 (2022: £2,431). During the year ended 31 October 2023 income to unrestricted funds was £291 (2022: £3,010) and unrestricted charitable expenditure was £1,185 (2022: £1,493).

The charity received restricted grant funding during the year ended 31 October 2023 of £500,000 from the Armed Forces Covenant Fund Trust (AFCFT). The Trustees of the charity have worked with the AFCFT to define and agree a suitable reporting system.

The charity also received restricted grant funding during the year ended 31 October 2023 of £32,500 from Southampton City Council. The Trustees meet regularly with representatives of Southampton City Council to report on how the funds have been used.

The balance held as restricted funds at 31 October 2023 was £450,890 (2022: £18,536). During the year ended 31 October 2023 income to restricted funds was £532,500 (2022: £75,200) and restricted fund expenditure was £63,854 (2022: £56,664).

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TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31ST OCTOBER 2023

Funds held as Custodian Trustee

The charity does not have any custodian trustee arrangements.

Plans for future periods

The Trustees of the National Spitfire Project (NSP) are in the process of selecting specialist consultants for the project to be appointed during the financial year 23/24. The final selection interviews are scheduled in London on 2nd November 2023. The expectation is to appoint the various design team members and proceed with the detailed technical and design work, including wind tunnel testing of our model sculpture.

Proactive fund raising activity will intensify and a cultivation event for prospective supporters is scheduled to take place at Number 10 Downing Street in November 2023, hosted by the Prime Minister, Rishi Sunak. This event provides the catalyst to launch NSP's Capital Appeal.

Accounting and reporting responsibilities

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are

NATIONAL SPITFIRE PROJECT
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31ST OCTOBER 2023

also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom.

Approved by the trustees on 31st August 2024.



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J Hannides
Trustee

INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF NATIONAL SPITFIRE PROJECT
FOR THE YEAR ENDED 31ST OCTOBER 2023

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31st October 2023 which are set out on pages 7 to 15.

Responsibilities and basis of report

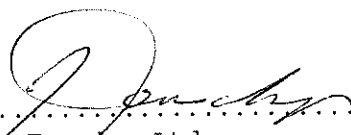
As the charity trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1) accounting records, with respect to the Trust, were not kept as required by section 130 of the 2011 Act; or
- 2) the accounts do not accord with those records; or
- 3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- 4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].


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Jane Fereday Ltd
Chartered Certified Accountants
Nursery Cottage
Beckley
Hinton
Christchurch
Dorset
BH23 7ED

Dated: 31st August 2024

NATIONAL SPITFIRE PROJECT

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31ST OCTOBER 2023

	Unrest'd Funds £	Rest'd Income Funds £	Total Funds 2023 £	Total Funds 2022 £
Income and endowments from:				
Donations and Legacies	291	532,500	532,791	77,810
Other income	0	0	0	400
Total income and endowments	291	532,500	532,791	78,210
Expenditure on:				
Raising funds	243	36,292	36,535	19,404
Charitable activities	242	63,854	64,096	38,253
Other	700	0	700	500
Total resources expended	1,185	100,146	101,331	58,157
Net movement in funds	(894)	432,354	431,460	20,053
Total funds brought forward	£ 2,431	£ 18,536	£ 20,967	914
Total funds carried forward	£ 1,537	£450,890	£452,427	£ 20,967

All income and expenditure derive from continuing activities.

NATIONAL SPITFIRE PROJECT

STATEMENT OF FINANCIAL ACTIVITIES

DETAILED ANALYSIS OF MOVEMENTS IN FUNDS

FOR THE YEAR ENDED 31ST OCTOBER 2023

	2023		2022	
	£	£	£	£
General Fund				
(Deficit)/Surplus for the year	(894)		1,517	
		(894)		1,517
- Unrestricted fund 1 -				
Opening balance	2,431		914	
		2,431		914
Restricted Funds				
Opening Balance	18,536		0	
Grant Income	532,500		75,200	
Costs of generating funds	(36,292)		(19,329)	
Activities in furtherance of obje	(63,854)		(37,335)	
		450,890		18,536
Total funds at 31st October 2023		£452,427		£ 20,967

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BALANCE SHEET

AT 31ST OCTOBER 2023

	Note	2023	2022
		£	£
Current assets			
Debtors	6	5,699	633
Bank Accounts		471,264	24,832
		<u>476,963</u>	<u>25,465</u>
Creditors			
Amounts falling due within one year	7	24,536	4,498
Net current assets		<u>452,427</u>	<u>20,967</u>
Total assets less current liabilities		<u>452,427</u>	<u>20,967</u>
Net assets		<u>£452,427</u>	<u>£ 20,967</u>
Capital funds			
Restricted funds		450,890	18,536
Unrestricted funds		1,537	2,431
Total funds		<u>£452,427</u>	<u>£ 20,967</u>

Approved by the trustees on 31st August 2024.

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J Hannides

The annexed notes form part of these financial statements.

NATIONAL SPITFIRE PROJECT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2023

1. Accounting policies

The organisation is a registered charity.

The accounts (financial statements) have been prepared under the historical convention and in accordance with Statement of Recommended Practice cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The particular policies adopted by the Trustees are described below and have been applied consistently to all periods presented in these financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on experience and other factors considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed below.

Incoming resources

Donation income is recognised in the year in which the charity is entitled to receipt, and when the amount can be recognised with reasonable certainty. Gift in kind income and expenditure is recognized when the service is received.

NATIONAL SPITFIRE PROJECT

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST OCTOBER 2023

Resources expended

Resources expended are included in the statement of financial activities on an accruals basis, exclusive of VAT which can be recovered.

The costs of generating funds consist mainly of the costs of utilising the services of a professional fundraiser, and the costs of utilitising the Just Giving donations platform.

Costs of charitable activities include grants made, governance costs and support costs as explained in note 10.

Fund accounting

Funds held by the charity are divided between unrestricted and restricted general funds. The unrestricted funds can be used, in accordance with charitable objectives, at the discretions of the trustees. The restricted funds must be used in accordance with the wishes of the donor.

Grants received

Grants are recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

NATIONAL SPITFIRE PROJECT

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST OCTOBER 2023

Going Concern

The existing funds of the charity, together with funds that have been pledged, are sufficient such that the Charity can meet its expenses as they fall due. Therefore the financial statements have been prepared on a going concern basis.

A review of Going Concern was carried out by the Trustees looking ahead beyond 31 October 2024. The following observations have been noted by the Trustees as a result of their review:

Financial Position - The Charity's financial position in relation to budget and planned commitments is providing comfort and assurance that adequate funds are available. With approximately £500,000 cash balance during the 2022/23 financial year, and over £200,000 as at August 2024, the Charity is in a healthy financial position. Significant additional donations have also been pledged, which, together with the match funding contributions will add considerably to NSP's cash balances.

Cash Flow - Reviewing cash flow forecasts and assumptions about future activities, such as income generation, cash receipts, and cash costs, provides a very high degree of comfort that available cash balances will remain significantly above on-going costs for the foreseeable future.

Liquidity - Current and future cash balances indicate a high and sustainable level of liquidity which will be sufficient to meet the Charity's liabilities on time.

Review and observations (also reported in the Trustees' Report) - The Trustees believe that the project is a going concern, especially with match funding from HM Government and the positive response to the charity's Capital Appeal and other fund raising activity.

With the plans for the spectacular Spitfire monument in place and the continued support of the HM Government, and the numerous corporate and individual donors pledged to donate to the project, the Trustees are optimistic that their vision will be realised.

Cash and cash equivalents

Cash and cash equivalents comprises cash in hand and deposits repayable on demand.

Taxation

The charity is a registered charity and has no liability to corporation tax on its charitable activities.

Contingent Asset

A contingent asset is recognised and disclosed for grant funding that: - arises from past events and; - was not formally committed to in writing at 31 October 2022.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST OCTOBER 2023

2. Income

	Unrest'd Funds	Rest'd Income Funds	Total Funds	Total Funds
	2023	2023	2023	2022
	£	£	£	£
Donations and legacies				
Donations, legacies and similar	291	0	291	2,610
Grant Income	0	532,500	532,500	75,200
	<u>291</u>	<u>532,500</u>	<u>532,791</u>	<u>77,810</u>
Other income				
Compensation from bank	0	0	0	400
	<u>0</u>	<u>0</u>	<u>0</u>	<u>400</u>

3. Expenditure on raising funds

	2023	2023	2022
	£	£	£
Fundraising	243		75
Costs of generating funds	<u>36,292</u>		<u>19,329</u>
		<u>36,535</u>	<u>19,404</u>

4. Expenditure on charitable activities

	2023	2023	2022
	£	£	£
Marketing	78		918
IT Software & Consumables	164		0
Activities in furtherance of objects	<u>63,854</u>		<u>37,335</u>
		<u>64,096</u>	<u>38,253</u>

5. Other costs

	2023	2023	2022
	£	£	£
Accounts - Independent Examination	<u>700</u>		<u>500</u>
		<u>700</u>	<u>500</u>

NATIONAL SPITFIRE PROJECT

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST OCTOBER 2023

6. Debtors and prepayments

Amounts falling due within one year:

	2023 £	2022 £
Prepayments and Accrued Income	195	195
Taxation	5,504	438
	<u>£5,699</u>	<u>£ 633</u>

7. Creditors

Amounts falling due within one year:-

	2023 £	2022 £
Sundry Creditors	20,730	3,998
Accrued Expenses	3,806	500
	<u>£24,536</u>	<u>£ 4,498</u>

8. Financial Instruments

The company had the following financial instruments:

	2023 £	2022 £
Financial assets that are debt instruments measured at amortised cost		
Other debtors	<u>5,699</u>	<u>633</u>
Financial liabilities measured at amortised cost		
Other creditors	<u>24,536</u>	<u>4,498</u>
	<u>£24,536</u>	<u>£ 4,498</u>

9. Related party transactions

During the year, the charity did not take part in any related party transactions.

NATIONAL SPITFIRE PROJECT

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST OCTOBER 2023

10. Analysis of Support Costs

The support costs of the charity have been allocated to charitable expenditure as disclosed in Note 4. This was deemed to be the most appropriate by the Trustees. This will be reviewed in future years.

11. Trustees

The Trustees of the charity complete their role as a Trustee without remuneration. The charity reimbursed Trustees £Nil during the year (2021: £Nil) for expenses incurred on behalf of the charity.

12. Employees

There were no employees during the year.

13. Commitments

At 31 October 2022 the charity has no annual commitments.

14. Contingent Asset

The Government announced in the April Budget 2020, it has allocated match funding up to £3 million for the project, thanks to the support of the Southampton Itchen MP. In March 2023, the Government confirmed it will convert part of the match-funding allocation in to a grant of £500,000. The £500,000 government grant will be paid to the National Spitfire Project in one single payment, to be administered through the Armed Forces Covenant Trust Fund (AFCTF). The AFCTF has confirmed they have completed their required procedures and approvals, and soon as they receive the funds from His Majesty's Treasury (HMT) , they will release it to the National Spitfire Project. They are currently in direct communication with HMT to expedite the transfer of funds.

Southampton City Council initially allocated £150,000 revenue funding to the project, of which £75,200 was paid to the charity during the year under review. Southampton City Council has also allocated £350,000 capital funding as a contribution to the construction phase of the project.

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