

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

CONTENTS

| | Page |
|--|---------|
| Reference and administrative details of the Company, its Trustees and advisers | 1 |
| Chairman's statement | 2 |
| Trustees' report | 3 - 11 |
| Independent auditor's report on the financial statements | 12 - 15 |
| Consolidated statement of financial activities | 16 |
| Consolidated balance sheet | 17 |
| Company balance sheet | 18 |
| Consolidated statement of cash flows | 19 |
| Notes to the financial statements | 20 - 42 |

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees

Mr Martin Withers, Chair
Mrs Rachel Semlyen, Vice Chair
Mr Robert Emmett
Mr Anthony Ridge
Colonel (Retd) John Goodsir CBE
Wing Commander Howard Newbould
Mr Jonathan Armstrong (appointed 25 June 2021)
Mr D A Taylor (resigned 9 June 2020)

Company registered number

1926148

Charity registered number

516766

Registered office

Halifax Way, Elvington, York, YO41 4AU

Company secretary

Ms Sally Weatherill

Senior management team

Mrs Barbara George, Museum Director
Mr Ian Richardson, Head of Memorial and Heritage

Independent auditor

BHP LLP, Rievaulx House, 1 St Mary's Court, Blossom Street, York, YO24 1AH

Bankers

Natwest Bank, York, YO1 9YH

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

The chairman presents his statement for the year.

At the beginning of this financial year in the Spring of 2020, along with other museums and the hospitality sector in general, we found ourselves in lockdown with no income and an uncertain future. Prior to the arrival of the Covid pandemic we had been comfortable with our financial situation, but without the Government's furlough scheme we would not have been able to employ the staff for long without depleting all our reserves. We made good use of the scheme since the Covid restrictions meant the NAAFI restaurant was not suitable for use until all had been lifted. We were delighted to be able to furlough all our catering staff, making redundant only a very small number of staff.

I wish to express my gratitude to our Museum Director, Barbara George. The pressures of managing and implementing all the government restrictions and recommendations all fell firmly on her shoulders. She worked hard to make best use of the furlough scheme while making the site 'Covid Proof', particularly in respect of social distancing, recording details of all visitors, installing a new admissions system, working out a new way to provide refreshments without the NAAFI, all to be ready for when we were permitted to open the gates to visitors. I congratulate her and her small team of staff and some volunteers on achieving all this.

I am also extremely grateful to my other trustees for their part during this difficult period with particular thanks to our Vice Chair, Rachel Semlyen, who combined her skills and determination with the financial expertise of Bob Emmett to successfully obtain two very significant grants (Heritage Lottery Fund and Cultural Recovery), without which we would have faced closure.

My gratitude also goes to Bob Emmett for his perseverance in dealing with the insurance loss adjusters to achieve a satisfactory pay-out from a policy which clearly included cover for loss of income in the event of a pandemic but which the insurance company, in common with other insurers, were reluctant to honour before they lost a high-profile case brought before the Supreme Court by the FCA. Bob's skill with accounting and the way he refused to accept the initial loss calculations proposed resulted in us securing a satisfactory final settlement covering all three lockdown periods during the financial year and into May of 2021.

The last year has demonstrated that we are resilient and resourceful. While the future is still uncertain, we will continue with our plans to ensure that the Museum remains sustainable and successful.



Martin Withers, Chairman

Date: 5 Nov 21

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the audited financial statements of the The Yorkshire Air Museum and Allied Air Forces Memorial for the year 1 April 2020 to 31 March 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published in October 2019.

Since the group and the Company qualify as small under section 383 of the Companies Act 2006, the Group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The object of the Company is to advance the education of the public by the provision of a museum depicting the history of aviation and to provide a memorial, particularly to those members of the Allied Air Forces who served during the First and Second World Wars and subsequent conflicts. There is particular—though not exclusive—emphasis on Yorkshire as the home of the birth of aviation and of scores of wartime bases.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. New Business Plan

With the aid of Lottery funding, heritage consultants (Development Partners Judy Niner and Jean Hunter) were appointed by the Trustees to help regenerate a business plan to create a sustainable future for the museum. The following Restated Purpose and Strategic Aims were developed during the third Covid lockdown and were formally adopted by the Trustees in April 2021.

Restated Purpose:

Yorkshire Air Museum celebrates aviation history with a unique collection of aircraft on display at Yorkshire's best-preserved, original World War 2 airfield site. We tell stories of innovation, ingenuity and courage that give insight into the aircraft and the people who made and flew them, to inform and inspire current and future generations.

Vision

To be dynamic, responsive and sustainable, engaging audiences of all ages, backgrounds, ethnicity and gender with the stories that our site and collections tell.

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

Strategic Aims

- Care for, understand and present our Museum site and collections so they are accessible to current and future generations
- Provide an excellent visitor experience to all who visit whether in person or online
- Offer a range of opportunities for all visitors to learn from our place and collections
Become financially sustainable, generating operating surpluses to reinvest in the site, collections and visitor services
- Be a good employer, and nurture a cohesive and valued team of trustees, staff and volunteers
- Maximise our positive impact on the environment and protect the nature in our care

Values & Ethos

- Be transparent, fair and honest, treating everyone equally and with respect
- Encourage creative thinking
- Safeguard the vulnerable of any age
- Collaborate with others beyond our community
- Seek inclusivity in all departments
- Be mindful of safety in all that we do
- Balance safeguarding items for preservation with access for present audiences
- Be a good employer, and nurture a cohesive and valued team of Trustees, staff and volunteers
- Maximise our positive impact on the environment and protect the nature in our care

c. Organisational Objectives

1. TO CARE FOR, UNDERSTAND AND PRESENT OUR MUSEUM SITE AND COLLECTIONS SO THEY ARE ACCESSIBLE TO CURRENT AND FUTURE GENERATIONS, BY:
 - o Undertaking research and conservation to support redisplay of the Halifax, development of clear narratives and supporting displays and materials.
 - o Maintaining the fabric of the site, prioritising those areas that are of particular historic importance and/or of major value to the visitor experience

2. TO PROVIDE AN EXCELLENT VISITOR EXPERIENCE TO ALL THOSE WHO VISIT US WHETHER IN PERSON OR ONLINE, BY:
 - o Preserving our unique collection of aircraft and redisplaying the Halifax to reflect its iconic status
 - o Creating industry-leading opportunities for family play, including use of the natural environment
 - o Developing a high-quality family cafe/restaurant
 - o Developing multiple narratives for the site and creating new displays and materials
 - o Replacing poor labelling and introducing better route signage around the site including at entrance point
 - o Prioritise activities and development that encourages repeat and regular visits

3. TO OFFER A RANGE OF OPPORTUNITIES FOR ALL VISITORS TO LEARN FROM OUR PLACE AND COLLECTIONS, BY:
 - o Creating opportunities for families to learn about the storylines of most interest to them
 - o Supporting the curriculum for Years 5 and 6 by creating online and onsite opportunities for schools, students and home educators
 - o Maintain opportunities (including digital) for enthusiasts and researchers to engage with the collections

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

4. TO BE FINANCIALLY SUSTAINABLE, GENERATING OPERATING SURPLUSES TO REINVEST IN THE SITE, COLLECTIONS AND VISITOR SERVICES, BY:

- o Prioritising and focusing on establishing the Museum as a leading family heritage attraction within a 1 hour's drive-time catchment area providing high-quality visitor experiences and services
- o Increasing visitor numbers over the three-year period to 70,000 and delivering an annual surplus from operations of around £50,000 before depreciation
- o Using fundraising to fund development, not as an operational revenue source, and to fundraise only for strategic priorities
- o Generating additional income from hiring the site for significant events, local conference meeting facilities and as a filming location

5. TO DEVELOP AND NURTURE A COHESIVE AND VALUED TEAM OF TRUSTEES, STAFF AND VOLUNTEERS, BY:

- o Communicating the business plan to all staff and volunteers and ensuring there are regular communication opportunities between Trustees/volunteers and staff/volunteers to enable the entire team to work to the same objectives
- o Ensuring all staff are managed well, with up-to-date job descriptions, clear targets, support and training, and an effective appraisal process
- o Actively welcoming new volunteers and recognising existing volunteers who can contribute to implementing our business plan.

6. TO MAXIMISE OUR POSITIVE IMPACT ON THE ENVIRONMENT AND PROTECT THE NATURE IN OUR CARE, BY:

- o Preserving the woodland as a SINC (Site of Importance for Nature Conservation)
- o Upgrading buildings, lighting and heating to be more energy efficient
- o Enhancing the recycling programme so that more waste from visitors is recycled
- o Running live aircraft for the minimum period of time commensurate with satisfying public demand and maintenance requirements
- o Installing electric car-charging points to generate visits and income
- o Harnessing rainwater for aircraft and vehicle washing activities

d. The Memorial

The vision of the founders was to create a 'living' museum on an original wartime base that would support a memorial to those who served in the cause of peace and educate present and future generations and ensure that the sacrifices of the allied air forces are not forgotten.

The site of the museum is the administrative core of the former WW2 RAF Bomber Command station, 'Royal Air Force Elvington'. It consists of the original Control Tower and ancillary buildings, together with workshops, a WW2 hangar and more than sixty historic aircraft and vehicles. More than 200,000 registered artifacts are held in an archive building - designed and constructed in keeping with the existing 1940's buildings - and in sixteen exhibitions and displays.

First on RAF Elvington in October 1942 was No. 77 Squadron RAF with members from at least eight different allied nations. They were followed by the only two French heavy bomber squadrons: No. 346 (Guyenne) and No. 347 (Tunisie). The squadrons flew the Handley Page Halifax aircraft, and, as none were preserved after the war, the museum started an ambitious project to create a unique reconstruction. The completed aircraft has pride of place in the hangar. Tours of the Halifax for veterans, their families and descendants are an important part of the memorial aspects when circumstances permit.

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

e. The Museum

The Museum aims to provide an ever-expanding and improving visitor attraction. The site now covers twenty acres, including the 'Nature of Flight' conservation area covering around 4.3 acres. This area is designated as a Site of Importance for Nature Conservation (SINC) by City of York Council due to its special wildlife interest.

f. Staff

In the financial year the Museum had nine full-time and 11 part-time staff. Casual staff were also employed to assist with admissions on weekends, and in the kitchen. On 17 March 2020, 18 full-and part-time staff were furloughed on the government's Coronavirus Job Retention Scheme. The scheme continued to be used flexibly throughout the year depending on the requirements to maintain the Museum site and be prepared appropriately for each of the re-opening periods.

g. Volunteers

The Museum could not operate without its volunteers, a group of people who are hugely committed to the organisation, as evidenced by an internal survey conducted by the heritage consultants. They operate as guides, stewards, archivists, skilled engineers, gardeners and help with land management. We are grateful for their continued support and dedication despite the difficult year.

Achievements and performance

a. Review of activities

Coping with the COVID19 Pandemic

In line with other venues, offices and organisations, the Museum closed on March 18 2020 with 18 full-and part-time staff furloughed and three working from home. A skeleton staff looked after the site and collections and, with the assistance of volunteers, worked to prepare for re-opening as permitted by the government. Our buildings, only meant to be temporary in 1942, had flaking walls and exposed brick, and the Trustees are grateful to William Birch Construction, the original owners of the site, who stepped in with materials for three of their skilled staff who volunteered to repair them. To improve and maintain the gardens, including the Memorial Garden, the Trustees are grateful to Heron Landscapes who provided free plants and labour. Thanks to them and the dedicated preparations of director, Barbara George and her team for a safe and welcoming opening, the Museum reopened on Saturday July 4th for five days a week with enhanced health and safety measures in place and unchanged admission fees which were booked online. With financial help from Museums Development Yorkshire, new signs, Perspex screens and a reconfigured entrance to welcome visitors in a Covid-compliant way, were able to be purchased.

By marketing our open spaces, outdoor picnicking and large hangars, the Museum attracted visitors successfully during the summer. However, due to restrictions on the size of social gatherings, there were no group visits, no schools, no special events and no corporate hire events during the year. Smaller display rooms had to be closed as well as the restaurant. An outside 'pop-up' café provided food and beverages, supplemented by the gift shop also serving drinks, confectionary and ice creams. The Museum opened seven days a week from July 27th until 5th October, then five days a week until the October half term when we opened seven days, and closed the Museum on 2nd November for maintenance subsequently being unable to reopen due to a further lockdown imposed on 4th November.

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

In September the Museum received £10,000 from the Kirkby Foundation towards the provision of children's play facilities. The planned playground in the woodland area needed planning permission and as the City of York Council had suspended planning meetings, and with the future uncertain, we put this project on hold. More child-friendly exhibits and facilities were developed with the Kirkby grant throughout the year ready for the 2021 season.

Grants for survival

With enforced closure of six months and 92% of our income dependent on visitors, the company was facing a disastrous year. But recognising the value to the community, and of our historic site and artefacts, we applied for, and were successful in obtaining, two major grants for which everyone is extremely grateful. The Heritage Lottery Emergency Fund awarded £134,300 to cover four months of fixed site and utilities costs, extra stewards and cleaners, the collections office and catering adaptations, shelters, aircraft covers, upgrade to the business suite for corporate hire, and consultants to include regenerating a business plan. A Culture Recovery Grant of £312,531 from the Department of Digital Media and Sport was awarded to cover essential costs for the rest of the financial year. This award was titled: Fulfilling our Mission in a Time of Uncertainty and was to be paid in three tranches, two of which were received before the end of the financial year.

Coronavirus Job Retention Scheme grants totalling £99,294 were received during the year. A Local Restrictions Support grant of £21,214 was received in March 2021 from City of York Council.

Visitor numbers

Due to the hard work of our staff and volunteers, and our open and welcoming site, during the six months we were able to be open, 30,014 people visited the Museum, compared with 56,000 for the previous year of 12 months opening.

As valued members of our community, we were asked to provide the first, safe-distanced, drive-through site for the autumn influenza immunisation campaign of Elvington Medical Practice which covers three surrounding villages.

b. Trading Subsidiary

YAMCO Ltd is a wholly-owned trading company. All its profits are covenanted to the Charity. New Articles of Association were adopted in May 2020 and preparations were made so that as from April 1st 2021, only staff directly employed in catering and retail are its employees.

c. Fundraising and legacies

The charity remains grateful to all individuals, staff and organisations that raise funds for the organisation. The charity is registered for Gift Aid to encourage donations from the general public on site or via the website.

Sponsor a Plane donors receive a certificate. There were no aircraft tours for the year due to Covid restrictions. Other means of attracting donations included Memorial Bricks in the hangar, the Book of Remembrance in the Chapel.

d. Investment policy and performance

Under the memorandum and articles of association, the charity has the power to make any investment that the trustees see fit. They are guided by the Charity Commission Guidelines (CC14).

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

e. Forward planning

As part of the Arts Council (England) accreditation process the Museum undertakes regular and comprehensive reviews of the Acquisition and Disposal Policy and Forward Plan. Review was postponed due to the pandemic.

As mentioned above, the business plan will direct our activities towards increasing visitor numbers and the visitor experience over the next two to three years. This is to include more facilities for children's play, a more arresting display of the Halifax and a better catering offer.

In reviewing the condition of the buildings, the 1940's, Grade 2 Listed Control Tower at the centre of the site has been found to be in need of repair due to ingress of water from the roof. These repairs are to be completed in the current financial year, subject to listed buildings permission.

To fulfil the business plan, a reconfigured café is taking place, staff re-organisation and appointments for management.

f. Equal opportunities

We are committed to providing equal opportunities to all in employment and volunteering, irrespective of their gender, race, ethnic origin, disability, age, nationality, national origin, sexuality, religion, marital status and social class.

Financial review

a. Results for the year

In the year to 31 March 2021, income to the charity (including grants) decreased to £939,415 from £975,156. Expenditure during the year decreased to £747,836 from £1,059,756. This resulted in a net surplus for the year of £191,579, an increase of £276,179 on the previous year. Total funds available at the end of the year were £1,132,722, of which £880,370 are unrestricted and £252,352 are restricted.

During the year an insurance claim was made under the terms of our Business Interruption Policy for loss of income due to Government imposed forced lockdowns of the Museum in 2020 and 2021. This claim has now been concluded with the Museum receiving a final pay out of £153,043 which is being paid during the financial year 2021/22.

b. Going concern

As part of their assessment of the going concern basis of preparation, the trustees have considered the impact of the COVID-19 pandemic on the charity's activities, as well as the wider economy.

Given the level of assets and reserves and the budget forecast up to the end of March 2023, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

c. Reserves policy

It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a level that enables the charity to meet its working capital requirements on an ongoing basis. The Trustees believe that they need to maintain minimum reserves equivalent to two months trading giving a target level of around £200,000 to cover any

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

closure costs. Free reserves as at the year end were £483,693 (2020: £330,000). The excess over the target level of £200,000 is available to meet the capital investments needed to fulfil the objectives of the Business Plan.

Structure, governance and management

a. Constitution

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 26 June 1985. It is a registered charity number 516766.

b. Management

The management team is responsible for the operation, organisation and promotion of the Museum on a daily basis. This includes: financial management; health & safety and risk management; site maintenance and coordination; contractor hiring and supervision; capital projects planning and supervision; collections control, accreditation and curatorial services; exhibition planning and design; staff and volunteer management; events planning and organisation; visitor experience and liaison management; external public relations and marketing; outreach event design and participation; external partnerships; fundraising; environmental planning; memorial commemorative events and duties; membership and databases; visitor enquiry responses; business and professional networking.

c. Role of the Trustees

Trustees have independent and legal responsibilities for the charity's management and administration and for ensuring that it is carrying out its purposes for the public benefit. The Board meets at least six times a year and is responsible for defining the mission and strategic priorities of the Museum and for setting and supervising the implementation by management of policies directed at that mission, with reference to finance (trading activities, fund raising), capital projects (premises, structures), content (exhibits, archive and educational material), personnel (senior appointments, relations between staff and volunteers) and any other issues which the Board may find require their input.

d. Board Sub-Committees

There are four Standing Committees:

- Finance and Audit
- Governance and Nominations
- Health and Safety
- Fundraising

e. Methods of appointment or election of Trustees

Trustees have independent and legal responsibility for the charity's management and administration. They endeavour to ensure and take legal responsibility for continuing public benefit and future plans of the Museum. With internal and external advertisements and publicity, the Board actively sought new Trustees of YAM and non-executive directors of YAMCO Ltd to increase its diversity and skills. Appointments were made in 2021. Each new trustee and director is given induction sessions and encouraged to attend relevant training.

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

f. Pay policy for senior staff

The trustees consider that the Board of Directors, who are Trustees, and the senior management team, comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day to day basis. Trustees give of their time freely.

Directors review the pay of senior staff annually and normally increases with the average earnings. The pay of the Museum Director is reviewed annually by the Chairman and other directors.

g. Risk management

The Trustees have a risk management strategy which comprises:

- 1) Maintaining an up-to-date organisational Risk Register which is broken down into specific areas affecting Governance, Operations, Finance and Compliance.
Risks are characterised by allotting a Risk Priority Number (RPN) calculated as the multiple of the Seriousness of the risk and the Likelihood of its occurrence.
Risks are then designated as either High, Medium, or Low depending upon the RPN number.
- 2) Selecting the top five risks for review by the Trustees at each Board meeting held normally every two months.
- 3) The establishment of policies, systems, and procedures to reduce the RPN number on a continuous basis.
- 4) Monitoring the progress of actions carried out to mitigate risks using a formal monitoring register which is also updated following every Board meeting.

Significant risks affecting the financial position of the Museum are additionally overseen by the Board appointed Finance Committee.

The biggest short-term risk facing the Museum currently is the possibility of further Government lockdowns being imposed.

As a result of the significant help from Government employment cost schemes (furlough) and grants received during the past financial year as well as the recently received pay-outs awarded from the Museum's Business Interruption insurance policy, the museum finds itself in a strong cash flow position.

It is considered that a combination of the judicious management of our cash flow together with monthly reviews of income and operating costs should go a long way towards mitigating against such an outcome and thereby assure the future of the museum.

Public benefit

The Trustees review the performance, aims and objectives of the company every year. In carrying out the review, the Trustees refer to the Charity Commission's guidance on public benefit to ensure that all future and planned activities meet that guidance.

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the Company and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP 2019 (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the 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 group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

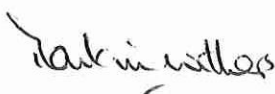
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Auditor

The auditor, BHP LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Mr Martin Withers DFC, LLB, FRAeS
Chairman of the Board
Date: 5/4/21

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL

Opinion

We have audited the financial statements of The Yorkshire Air Museum and Allied Air Forces Memorial (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of 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 group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 United Kingdom, including the Financial Reporting Council'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 group's or the parent 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.

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL (CONTINUED)

Other information

The Trustees are responsible for the other information contained within the Trustees' Report. 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.

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 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.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent 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 Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient 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 charitable company's 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 Directors' Report and from the requirement to prepare a Strategic Report.

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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 group's and the 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 group or 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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- 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 group and parent charitable company through discussions with management and trustees, and from our knowledge and experience of this organisation;
- 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 group and parent charitable company, including the Charities Act 2011, Companies Act 2006, data protection, health and safety and employment law;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and trustees;
- 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 charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of management and trustees 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.

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL (CONTINUED)

To address the risks of fraud through management override controls, we:

- performed analytical procedures to identify any unusual or unexpected variances;
- tested journal entries to identify unusual transactions;
- investigated the rationale behind significant or unusual transactions.

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 statement 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.

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. The 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 for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.

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, and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its 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 charitable company and the charitable company's members, as a body, and the charitable company's trustees as a body for our audit work, for this report, or for the opinions we have formed.

BHP LLP

Jane Marshall (Senior statutory auditor)

for and on behalf of

BHP LLP

Chartered Accountants

Statutory Auditor

Rievaulx House
1 St Mary's Court
Blossom Street
York
YO24 1AH

Date: **5 November 2021**

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

| | Note | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|---|------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | |
| Donations and legacies | 4 | 12,468 | 437,188 | 449,656 | 53,277 |
| Charitable activities | 5 | 283,399 | - | 283,399 | 515,192 |
| Other trading activities | | 85,681 | - | 85,681 | 403,807 |
| Investments | | 96 | - | 96 | 620 |
| Other income | 7 | 120,583 | - | 120,583 | 2,260 |
| Total income | | 502,227 | 437,188 | 939,415 | 975,156 |
| Expenditure on: | | | | | |
| Raising funds | | 155,670 | - | 155,670 | 408,984 |
| Charitable activities | 8 | 343,601 | 247,021 | 590,622 | 650,772 |
| Total expenditure | | 499,271 | 247,021 | 746,292 | 1,059,756 |
| Net income/(expenditure) before taxation | | 2,956 | 190,167 | 193,123 | (84,600) |
| Taxation | | (1,544) | - | (1,544) | - |
| Net income/(expenditure) after taxation | | 1,412 | 190,167 | 191,579 | (84,600) |
| Transfers between funds | 20 | 184,353 | (184,353) | - | - |
| Net movement in funds | | 185,765 | 5,814 | 191,579 | (84,600) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 694,605 | 246,538 | 941,143 | 1,025,743 |
| Net movement in funds | | 185,765 | 5,814 | 191,579 | (84,600) |
| Total funds carried forward | | 880,370 | 252,352 | 1,132,722 | 941,143 |

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 20 to 42 form part of these financial statements.

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
 (A company limited by guarantee)
 REGISTERED NUMBER: 1926148

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

| | Note | 2021 £ | 2020 £ |
|--|------|-------------------------|-----------------------|
| Fixed assets | | | |
| Tangible assets | 14 | 593,004 | 570,538 |
| Investments | 16 | 100 | 100 |
| | | <u>593,104</u> | <u>570,638</u> |
| Current assets | | | |
| Stocks | 17 | 13,708 | 18,553 |
| Debtors | 18 | 85,263 | 35,724 |
| Cash at bank and in hand | | 488,414 | 357,352 |
| | | <u>587,385</u> | <u>411,629</u> |
| Creditors: amounts falling due within one year | 19 | (47,767) | (41,124) |
| Net current assets | | <u>539,618</u> | <u>370,505</u> |
| Total net assets | | <u><u>1,132,722</u></u> | <u><u>941,143</u></u> |
| Charity funds | | | |
| Restricted funds | 20 | 252,352 | 246,538 |
| Unrestricted funds | 20 | 880,370 | 694,605 |
| Total funds | | <u><u>1,132,722</u></u> | <u><u>941,143</u></u> |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Martin Withers

Mr Martin Withers DFC, LLB, FRAeS
 Chairman of the Board

Date: 5/11/21

The notes on pages 20 to 42 form part of these financial statements.

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)
REGISTERED NUMBER: 1926148

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

| | Note | 2021 £ | 2020 £ |
|--|------|-------------------------|-----------------------|
| Fixed assets | | | |
| Tangible assets | 14 | 580,069 | 561,657 |
| Investments | 16 | 200 | 200 |
| | | <u>580,269</u> | <u>561,857</u> |
| Current assets | | | |
| Debtors | 18 | 103,102 | 34,940 |
| Cash at bank and in hand | | 469,280 | 346,826 |
| | | <u>572,382</u> | <u>381,766</u> |
| Creditors: amounts falling due within one year | 19 | (36,713) | (57,600) |
| Net current assets | | <u>535,669</u> | <u>324,166</u> |
| Total net assets | | <u><u>1,115,938</u></u> | <u><u>886,023</u></u> |
| Charity funds | | | |
| Restricted funds | 20 | 252,352 | 246,538 |
| Unrestricted funds | 20 | 863,586 | 639,485 |
| Total funds | | <u><u>1,115,938</u></u> | <u><u>886,023</u></u> |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £229,915. (2020 - loss of £119,645).

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Mr Martin Withers DFC, LLB, FRAeS

Chairman of the Board

Date: 5/11/21

The notes on pages 20 to 42 form part of these financial statements.

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

| | Note | 2021 £ | 2020 £ |
|---|------|-----------------|-----------------|
| Cash flows from operating activities | | | |
| Net cash provided by/(used in) operating activities | 23 | 208,160 | (45,075) |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | 13 | (77,098) | (42,747) |
| Net cash used in investing activities | | (77,098) | (42,747) |
| Change in cash and cash equivalents in the year | | 131,062 | (87,822) |
| Cash and cash equivalents at the beginning of the year | | 357,352 | 445,174 |
| Cash and cash equivalents at the end of the year | 24 | 488,414 | 357,352 |

The notes on pages 20 to 42 form part of these financial statements

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

The Yorkshire Air Museum and Allied Air Forces Memorial is an incorporated charity registered in England and Wales. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and activities are set out on page 2 of these financial statements and include advancing the education of the public by the provision of a museum depicting the history of aviation and to provide a memorial, particularly to those members of the allied Air Forces who served during the First and Second World Wars and subsequent conflicts.

2. Accounting policies

2.1 Basis of preparation of financial statements

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 Yorkshire Air Museum and Allied Air Forces Memorial 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.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

2.2 Going concern

As part of their assessment of the going concern basis of preparation, the trustees have considered the impact of COVID-19 on the charity's activities and workforce, as well as the wider economy. Whilst it is not considered practical to accurately assess the duration and extent of the disruption, the trustees are confident that they have in place plans to deal with any financial losses that may arise.

The Board have prepared forecasts of income and expenditure and cash flow for the period to March 2023 which shows that they have sufficient reserves to be able to continue for the foreseeable future. It remains difficult to accurately forecast income levels going forward with the high degree of uncertainty that continues to exist, however, the charity has been able to trade in line with budget since 31 March 2021 to present.

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis in preparing the financial statements.

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.3 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the company 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 company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company 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.

Grants are included in the consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Grants received in relation to the government Coronavirus Job Retention Scheme (Furlough) have been recognised within other incoming resources. The grant is accounted for on the accruals basis once the related payroll return has been submitted.

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 Taxation

The company is considered to pass the tests set out in Sch. 6, para. 1 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Pt. 11, Ch. 3 of the Corporation Tax Act 2010 or s.256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The trading subsidiary recognises tax in the consolidated statement of financial activities.

2.7 Tangible fixed assets and depreciation

Acquisitions only arise when donated to the charity or if it is believed that they will further the charity's objectives. Once acquired they will be preserved by the charity in order to keep their historical, artistic, scientific, technological, geophysical or environmental qualities to such a high level as to contribute to knowledge and culture. A register of all assets held by the charity is available and the assets themselves are accessible to the public with prior agreement. Heritage assets are to be held for the foreseeable future.

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|------------------------|---|
| Freehold land | - Nil |
| Freehold buildings | - 2.5% & 20% per annum straight line |
| Exhibits and displays | - 10% to 20% per annum straight line |
| Equipment and vehicles | - 20% per annum straight line or 25% per annum reducing balance |

2.8 Heritage assets

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or if donated, their valuation. Assets are subsequently stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Fair values for donated assets are estimated by reference to market prices.

Where information on the cost or valuation of heritage assets is not available or the cost of providing such information significantly outweighs any benefit to the users of the accounts then heritage assets are not recognised on the balance sheet.

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.11 Debtors

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

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.12 Cash at bank and in hand

Cash at bank and 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.

2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.14 Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.15 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the group for particular purposes. The costs 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 notes to the financial statements.

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Income from donations and legacies

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Donations | 8,469 | 4,074 | 12,543 | 29,563 |
| Legacies | 3,000 | - | 3,000 | 21,314 |
| Grants | 999 | 433,114 | 434,113 | 2,400 |
| | <u>12,468</u> | <u>437,188</u> | <u>449,656</u> | <u>53,277</u> |
| Total 2020 | <u>30,112</u> | <u>23,165</u> | <u>53,277</u> | |

5. Income from charitable activities

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Educational (museum and memorial) | 283,399 | 283,399 | 515,192 |
| | <u>283,399</u> | <u>283,399</u> | <u>515,192</u> |
| Total 2020 | <u>515,192</u> | <u>515,192</u> | |

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|----------------------------|------------------------------------|-----------------------------|-----------------------------|
| Membership subscriptions | 7,525 | 7,525 | 6,991 |
| Gate receipts | 235,529 | 235,529 | 445,958 |
| Income tax recoverable | 35,153 | 35,153 | 39,152 |
| Guide books | - | - | 10,105 |
| Rifle ranges and simulator | - | - | 4,538 |
| Other income | 5,192 | 5,192 | 8,448 |
| | 283,399 | 283,399 | 515,192 |
| | 283,399 | 283,399 | 515,192 |

6. Other trading activities

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|--|------------------------------------|-----------------------------|-----------------------------|
| <i>Charity trading income</i> | | | |
| NAAFI, shop, site and room hire income | 85,681 | 85,681 | 403,807 |
| <i>Fundraising trading expenses</i> | | | |
| Rent | - | - | 1,000 |
| Light and heat | 2,488 | 2,488 | 15,047 |
| Maintenance | 328 | 328 | 2,748 |
| Telephone | 435 | 435 | 493 |
| Irrecoverable VAT | 2,003 | 2,003 | 4,472 |
| Bank charges | 3,611 | 3,611 | 5,831 |
| NAAFI and shop cost of sales | 43,313 | 43,313 | 165,607 |
| Bookkeeping and payroll | 4,268 | 4,268 | - |
| Staff costs | 94,916 | 94,916 | 209,457 |
| Depreciation | 4,308 | 4,308 | 2,961 |
| Loss on disposal of tangible assets | - | - | 1,368 |
| | 155,670 | 155,670 | 408,984 |
| | 69,989 | 69,989 | 5,177 |
| <i>Net expenditure from other trading activities</i> | | | |

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7. Other incoming resources

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|--|------------------------------------|-----------------------------|-----------------------------|
| Coronavirus job retention scheme grant | 99,294 | 99,294 | - |
| Other income | 75 | 75 | 2,260 |
| Local restrictions support grant | 21,214 | 21,214 | - |
| | <u>120,583</u> | <u>120,583</u> | <u>2,260</u> |
| Total 2020 | <u>2,260</u> | <u>2,260</u> | |

8. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-----------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Educational (museum and memorial) | <u>343,601</u> | <u>247,021</u> | <u>590,622</u> | <u>650,772</u> |
| Total 2020 | <u>634,730</u> | <u>16,042</u> | <u>650,772</u> | |

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. Analysis of expenditure by activities

| | Activities undertaken directly 2021 £ | Support costs 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-----------------------------------|---|----------------------------|-----------------------------|-----------------------------|
| Educational (museum and memorial) | 309,370 | 281,252 | 590,622 | 650,772 |
| Total 2020 | 359,339 | 291,433 | 650,772 | |

Analysis of direct costs

| | Educational 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-------------------------|--------------------------|-----------------------------|-----------------------------|
| Staff costs | 85,146 | 85,146 | 86,224 |
| Depreciation | 50,324 | 50,324 | 40,080 |
| Site costs and services | 136,064 | 136,064 | 172,843 |
| Insurance | 13,812 | 13,812 | 12,736 |
| Publicity | 24,024 | 24,024 | 47,456 |
| | 309,370 | 309,370 | 359,339 |
| Total 2020 | 359,339 | 359,339 | |

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Educational 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|---------------------------|--------------------------|-----------------------------|-----------------------------|
| Staff costs | 186,032 | 186,032 | 205,276 |
| Administration services | 20,070 | 20,070 | 24,284 |
| Office expenses | 44,312 | 44,312 | 36,613 |
| Governance costs (note 8) | 30,838 | 30,838 | 25,260 |
| | <u>281,252</u> | <u>281,252</u> | <u>291,433</u> |
| Total 2020 | <u>291,433</u> | <u>291,433</u> | |

10. Governance costs

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-----------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Audit and accountancy | 4,125 | 3,500 | 7,625 | 7,550 |
| Legal and professional fees | 4,453 | 18,760 | 23,213 | 15,910 |
| Bad debts | - | - | - | 1,800 |
| | <u>8,578</u> | <u>22,260</u> | <u>30,838</u> | <u>25,260</u> |
| Total 2020 | <u>25,388</u> | <u>1,800</u> | <u>27,188</u> | |

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

11. Auditor's remuneration

| | 2021 | 2020 |
|---|----------------------|----------------------|
| | £ | £ |
| Independent examiner's remuneration - independent examination | - | 3,500 |
| Auditor's remuneration - audit | 7,000 | - |
| All non-audit services not included above | 22,050 | 17,500 |
| | <u><u>22,050</u></u> | <u><u>17,500</u></u> |

12. Staff costs

| | Group | Group | Company | Company |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Wages and salaries | 338,341 | 465,410 | 247,453 | 264,584 |
| Social security costs | 21,725 | 28,699 | 18,592 | 21,292 |
| Pension costs | 6,028 | 6,848 | 5,133 | 5,624 |
| | <u><u>366,094</u></u> | <u><u>500,957</u></u> | <u><u>271,178</u></u> | <u><u>291,500</u></u> |

Redundancy payments were made in the year totalling £7,362 (2020: £nil).

The average number of persons employed by the Company during the year was as follows:

| | Group | Group |
|----------------|------------------|------------------|
| | 2021 | 2020 |
| | No. | No. |
| Operational | 18 | 33 |
| Administrative | 5 | 7 |
| | <u><u>23</u></u> | <u><u>40</u></u> |

No employee received remuneration amounting to more than £60,000 in either year.

During the year key management personnel's remuneration, including employers' pension and national insurance, totalled £109,030 (2020: £152,216).

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

14. Tangible fixed assets

Group

| | Freehold property £ | Exhibits and displays £ | Equipment and vehicles £ | Total £ |
|---------------------------|---------------------------|-------------------------------|--------------------------------|------------|
| <i>Cost or valuation</i> | | | | |
| At 1 April 2020 | 1,032,481 | 184,142 | 227,645 | 1,444,268 |
| Additions | - | 7,562 | 69,536 | 77,098 |
| Disposals | - | (600) | - | (600) |
| Transfers between classes | - | (55,599) | (8,101) | (63,700) |
| At 31 March 2021 | 1,032,481 | 135,505 | 289,080 | 1,457,066 |
| <i>Depreciation</i> | | | | |
| At 1 April 2020 | 493,422 | 180,246 | 200,062 | 873,730 |
| Charge for the year | 29,602 | 1,589 | 23,441 | 54,632 |
| On disposals | - | (600) | - | (600) |
| Transfers between classes | - | (56,967) | (6,733) | (63,700) |
| At 31 March 2021 | 523,024 | 124,268 | 216,770 | 864,062 |
| <i>Net book value</i> | | | | |
| At 31 March 2021 | 509,457 | 11,237 | 72,310 | 593,004 |
| At 31 March 2020 | 539,059 | 3,896 | 27,583 | 570,538 |

Included in land and buildings is freehold land at a cost of £97,591 (2020: £97,591) which is not depreciated.

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

14. Tangible fixed assets (continued)

Company

| | Freehold property £ | Exhibits and displays £ | Equipment and vehicles £ | Total £ |
|---------------------------|---------------------------|-------------------------------|--------------------------------|------------|
| <i>Cost or valuation</i> | | | | |
| At 1 April 2020 | 1,032,481 | 192,243 | 140,075 | 1,364,799 |
| Additions | - | 7,562 | 61,174 | 68,736 |
| Disposals | - | (600) | - | (600) |
| Transfers between classes | - | (63,700) | - | (63,700) |
| At 31 March 2021 | 1,032,481 | 135,505 | 201,249 | 1,369,235 |
| <i>Depreciation</i> | | | | |
| At 1 April 2020 | 493,422 | 186,979 | 122,741 | 803,142 |
| Charge for the year | 29,602 | 1,589 | 19,133 | 50,324 |
| On disposals | - | (600) | - | (600) |
| Transfers between classes | - | (63,700) | - | (63,700) |
| At 31 March 2021 | 523,024 | 124,268 | 141,874 | 789,166 |
| <i>Net book value</i> | | | | |
| At 31 March 2021 | 509,457 | 11,237 | 59,375 | 580,069 |
| At 31 March 2020 | 539,059 | 5,264 | 17,334 | 561,657 |

Included in land and buildings is freehold land at a cost of £97,591 (2020: £97,591) which is not depreciated.

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. Heritage assets

The charity holds a variety of historic aircraft and other items that may be considered to be heritage assets. The assets are held for the purpose of allowing the charity to fulfil its objective of advancing the education of the public by the provision of a museum depicting the history of aviation. The assets held include the following;

| | | |
|------------------------------|------------------------------|--------------------|
| Historic artifacts & records | Historic vehicles | Westland Dragonfly |
| Handley Page Halifax III | Messerschmitt BF109 | Waco Hadrian |
| Blackburn Mercury | Dassult Mirage III | Fairey Gannet |
| BAe Nimrod | Douglas Dakota | Wright Flyer |
| Avro Anson T21 | Blackburn Buccaneer S2 & S2B | |
| ZSU-23-4-Shilka | Mirage IV | |

The trustees consider that obtaining valuations for the majority of the historic aircraft and other items that are exhibited in the museum would involve disproportionate cost. Furthermore, given the specialist nature of the assets and the absence of comparable market values it is considered that conventional valuation approaches may in any event lack sufficient reliability. As such, the charity does not recognise heritage assets on its balance sheet, except to the extent that there have been recent acquisitions where an exhibit or artifact has been purchased, in which case the asset is initially included at cost and is subsequently depreciated. All of these heritage assets have been fully depreciated in previous years.

Any expenditure on heritage assets that in the view of the trustees is required to preserve individual assets is recognised in the statement of financial activities as incurred.

16. Fixed asset investments

| <i>Group</i> | Investments in subsidiary companies £ |
|--------------------------|--|
| <i>Cost or valuation</i> | |
| At 1 April 2020 | 100 |
| At 31 March 2021 | <u>100</u> |
| | |
| <i>Company</i> | Investments in subsidiary companies £ |
| <i>Cost or valuation</i> | |
| At 1 April 2020 | 200 |
| At 31 March 2021 | <u>200</u> |

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

The following were subsidiary undertakings of the Company:

| Names | Company number | Principal activity | Holding |
|-------------------------|-----------------------|---------------------------------|----------------|
| Airspeed (York) Limited | 08734418 | Dormant | 100% |
| YAMCO Limited | 02801334 | Catering, retail and venue hire | 100% |

The financial results of the subsidiaries for the year were:

| Names | Aggregate of share capital and reserves £ | Profit/(Loss) £ |
|-------------------------|--|----------------------------|
| Airspeed (York) Limited | 100 | - |
| YAMCO Limited | 16,884 | 10,692 |

17. Stocks

| | Group 2021 £ | Group 2020 £ |
|------------------|-----------------------------|-----------------------------|
| Goods for resale | 13,708 | 18,553 |

18. Debtors

| | Group 2021 £ | Group 2020 £ | Company 2021 £ | Company 2020 £ |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade debtors | 467 | 2,956 | 225 | 2,172 |
| Amounts owed by group undertakings | - | - | 24,765 | - |
| Other debtors | 8,138 | 2,569 | 1,454 | 2,569 |
| Prepayments and accrued income | 76,658 | 30,199 | 76,658 | 30,199 |
| | 85,263 | 35,724 | 103,102 | 34,940 |

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

19. Creditors: Amounts falling due within one year

| | Group 2021 £ | Group 2020 £ | Company 2021 £ | Company 2020 £ |
|------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Trade creditors | 26,432 | 20,160 | 26,365 | 19,316 |
| Amounts owed to group undertakings | - | - | - | 28,411 |
| Corporation tax | 1,544 | - | - | - |
| Other taxation and social security | 6,037 | 7,118 | - | 476 |
| Other creditors | 1,106 | 1,231 | - | - |
| Accruals and deferred income | 12,648 | 12,615 | 10,348 | 9,397 |
| | <u>47,767</u> | <u>41,124</u> | <u>36,713</u> | <u>57,600</u> |

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

20. Statement of funds

Statement of funds - current year

| | Balance at 1 April 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 March 2021 £ |
|---------------------------------|---------------------------------|----------------|------------------|--------------------------|----------------------------------|
| <i>Unrestricted funds</i> | | | | | |
| <i>Designated funds</i> | | | | | |
| Fixed assets | 362,104 | - | (44,261) | 78,733 | 396,576 |
| <i>General funds</i> | | | | | |
| General fund | 277,381 | 317,177 | (295,586) | 168,037 | 467,009 |
| Trading fund | 55,120 | 185,050 | (160,968) | (62,417) | 16,785 |
| | 332,501 | 502,227 | (456,554) | 105,620 | 483,794 |
| Total Unrestricted funds | 694,605 | 502,227 | (500,815) | 184,353 | 880,370 |
| <i>Restricted funds</i> | | | | | |
| Grants and donations | 6,595 | 2,637 | (1,009) | (1,636) | 6,587 |
| Canadian Memorial Hanger | 89,890 | - | (6,000) | - | 83,890 |
| Airgunners | 23,191 | - | - | - | 23,191 |
| Aircrew Association | 116,908 | - | (4,371) | - | 112,537 |
| Control Tower | 7,454 | - | (27) | - | 7,427 |
| Archives Security | 2,000 | 1,438 | (302) | (1,640) | 1,496 |
| Museum Memorial Fund | 500 | - | - | - | 500 |
| Kirby Foundation | - | 10,000 | (1,100) | (5,221) | 3,679 |
| HLF Emergency fund | - | 134,300 | (63,353) | (61,893) | 9,054 |
| DCMS grant fund | - | 288,813 | (170,859) | (113,963) | 3,991 |
| | 246,538 | 437,188 | (247,021) | (184,353) | 252,352 |
| Total of funds | 941,143 | 939,415 | (747,836) | - | 1,132,722 |

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

20. Statement of funds (continued)

Statement of funds - prior year

| | Balance at 1 April 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 March 2020 £ |
|---------------------------------|---------------------------------|----------------|--------------------|--------------------------|-------------------------------------|
| Unrestricted funds | | | | | |
| Designated funds | | | | | |
| Fixed assets | 355,032 | - | (33,274) | 40,346 | 362,104 |
| General funds | | | | | |
| General fund | 411,221 | 548,184 | (641,678) | (40,346) | 277,381 |
| Trading fund | 20,075 | 403,807 | (368,762) | - | 55,120 |
| | 431,296 | 951,991 | (1,010,440) | (40,346) | 332,501 |
| Total Unrestricted funds | 786,328 | 951,991 | (1,043,714) | - | 694,605 |
| Restricted funds | | | | | |
| Grants and donations | 4,175 | 5,545 | (3,125) | - | 6,595 |
| Canadian Memorial Hanger | 95,890 | - | (6,000) | - | 89,890 |
| Airgunners | 18,071 | 5,120 | - | - | 23,191 |
| Aircrew Association | 121,279 | - | (4,371) | - | 116,908 |
| Control Tower | - | 10,000 | (2,546) | - | 7,454 |
| Archives Security | - | 2,000 | - | - | 2,000 |
| Museum Memorial Fund | - | 500 | - | - | 500 |
| | 239,415 | 23,165 | (16,042) | - | 246,538 |
| Total of funds | 1,025,743 | 975,156 | (1,059,756) | - | 941,143 |

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Designated funds

The fixed asset fund represents the fixed assets held in unrestricted funds of the parent charity.

Restricted funds

Grants and donations relate to amount received to be spent on specific projects.

The Canadian Memorial Hangar fund represents a grants awarded towards the cost of construction of the T2 Canadian Memorial Hangar. Terms of the National Heritage Memorial Fund grant state that the company will not sell, let, pledge, mortgage, charge or otherwise encumber the property without prior consent of the National Heritage Memorial Fund. A grant from the PRISM Grant Fund was provided on behalf of the Museums & Galleries Commission. The assistance was provided subject to the condition that the Hangar is distinguished in title from the remaining assets of the Yorkshire Air Museum and will not be mortgaged or charged in any way. The fund is being reduced in line with the annual depreciation charge of the building.

The Airgunners fund represents amounts received dedicated to the Airgunners memorial room.

The Aircrew Association fund relates to the cost of the archives building which was funded by grants from the Aircrew Association. The fund is being reduced in line with the annual depreciation charge of the building.

The Control Tower fund represents a grant received from the Arnold Burton Foundation for a project to improve and maintain the control tower display.

The Archives Security fund consists of a donation received specifically for the archives collection.

The Museum Memorial Fund represents donations towards the memorial aspect of the museum.

The Kirby Foundation represents a grant received from the Kirby Foundation for a families and children's project.

The HLF Emergency Fund represents a grant received to cover essential costs for 4 months in response to the COVID-19 crisis.

The DCMS grant fund represents a grant received in response to the COVID-19 crisis towards essential site maintenance and staff costs, promotion and marketing, and includes a reserves boost which has been shown as a transfer from restricted to unrestricted funds.

Fund transfers

A transfer has been made from the general fund and various restricted funds to the designated fixed assets fund equal to the fixed asset additions of £78,733. A reserves boost of £86,180 under the terms of the DCMS grant has been recognised and has been shown as a transfer from restricted to unrestricted funds. Transfers relating to YAMCO of £19,440 were also recognised in relation to CJRS income and the gift aid distribution.

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

21. Summary of funds

Summary of funds - current year

| | Balance at 1 April 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 March 2021 £ |
|------------------|---------------------------------|----------------|------------------|--------------------------|----------------------------------|
| Designated funds | 362,104 | - | (44,261) | 78,733 | 396,576 |
| General funds | 332,501 | 502,227 | (456,554) | 105,620 | 483,794 |
| Restricted funds | 246,538 | 437,188 | (247,021) | (184,353) | 252,352 |
| | <u>941,143</u> | <u>939,415</u> | <u>(747,836)</u> | <u>-</u> | <u>1,132,722</u> |

Summary of funds - prior year

| | Balance at 1 April 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 March 2020 £ |
|------------------|---------------------------------|----------------|--------------------|--------------------------|-------------------------------------|
| Designated funds | 355,032 | - | (33,274) | 40,346 | 362,104 |
| General funds | 431,296 | 951,991 | (1,010,440) | (40,346) | 332,501 |
| Restricted funds | 239,415 | 23,165 | (16,042) | - | 246,538 |
| | <u>1,025,743</u> | <u>975,156</u> | <u>(1,059,756)</u> | <u>-</u> | <u>941,143</u> |

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | 396,577 | 196,427 | 593,004 |
| Fixed asset investments | 100 | - | 100 |
| Current assets | 531,460 | 55,925 | 587,385 |
| Creditors due within one year | (47,767) | - | (47,767) |
| | <u>880,370</u> | <u>252,352</u> | <u>1,132,722</u> |

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | 362,104 | 208,434 | 570,538 |
| Fixed asset investments | 100 | - | 100 |
| Current assets | 373,525 | 38,104 | 411,629 |
| Creditors due within one year | (41,124) | - | (41,124) |
| | <u>694,605</u> | <u>246,538</u> | <u>941,143</u> |

23. Reconciliation of net movement in funds to net cash flow from operating activities

| | Group 2021 £ | Group 2020 £ |
|--|--------------------|--------------------|
| Net income/(expenditure) for the year (as per Statement of Financial Activities) | <u>191,579</u> | <u>(84,600)</u> |
| <i>Adjustments for:</i> | | |
| Depreciation charges | 54,632 | 43,042 |
| Loss on the sale of fixed assets | - | 1,368 |
| Decrease in stocks | 4,845 | 4,094 |
| Increase in debtors | (49,539) | (2,804) |
| Increase/(decrease) in creditors | 5,099 | (6,175) |
| Taxation charge | 1,544 | - |
| <i>Net cash provided by/(used in) operating activities</i> | <u>208,160</u> | <u>(45,075)</u> |

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

24. Analysis of cash and cash equivalents

| | Group 2021 £ | Group 2020 £ |
|--|--------------------|--------------------|
| Cash in hand | 488,414 | 357,352 |
| <i>Total cash and cash equivalents</i> | <u>488,414</u> | <u>357,352</u> |

25. Analysis of changes in net debt

| | At 1 April 2020 £ | Cash flows £ | At 31 March 2021 £ |
|--------------------------|-------------------------|-----------------|--------------------------|
| Cash at bank and in hand | 357,352 | 131,062 | 488,414 |
| | <u>357,352</u> | <u>131,062</u> | <u>488,414</u> |

26. Pension commitments

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £6,028 (2020: £6,848).

27. Related party transactions

At the balance sheet date the charity had an outstanding net debtor balance due from its subsidiary undertaking, YAMCO Limited, amounting to £24,765 (2020: net creditor of £28,411). During the year, expenditure was recharged from the subsidiary company of £271,179 (2020: £291,500) for wages. Also during the year, expenditure was recharged to the subsidiary company of £nil (2020: £1,000) for rent.

28. Controlling party

The trustees consider that there is no ultimate controlling party of the group or the charity other than the board of trustees as a body.

THE YORKSHIRE AIR MUSEUM AND ALLIED AIR FORCES MEMORIAL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

29. Company limited by guarantee

The charity, being a company limited by guarantee, has no share capital. Every member is liable to contribute a sum not exceeding £1 in the event of the company being wound up whilst still a member or within one year thereafter. The members are not entitled to any distribution of the income or property of the company and, in the unlikely event of the winding up or dissolution of the company, any surplus remaining shall be transferred to some other charitable institution having charitable objects similar to those of the company.