

Registered number: 02689238
Charity number: 1010632



AEROSPACE
BRISTOL

BRISTOL AERO COLLECTION TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

BRISTOL AERO COLLECTION TRUST

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BRISTOL AERO COLLECTION TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

The Board of Trustees ("the Board") has pleasure in presenting its annual report together with the audited financial statements for the Trust for the year ended 31 March 2023. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS102) (effective 1 January 2019).

Since the group and the Charity 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.

Our Vision

An aerospace industrial museum and learning centre that inspires and entertains today's and future generations through the stories and achievements of Bristol's aerospace industry - past, present and future.

BRISTOL AERO COLLECTION TRUST

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Reference and administrative details of the Charity, its trustees and advisers

Trustees	I Gray CBE, Chair J Body CBE, Vice Chair R Pettit, Secretary A Gregg L Brodie (resigned 21 March 2023) P Craig J Finch N Philippidis (resigned 24 March 2023) M Sanders S Smith L Burnell (appointed 4 May 2021, resigned 13 May 2022) S Cordwell (appointed 13 May 2022)
Company registered number	02689238
Charity registered number	1010632
Registered office	Aerospace Bristol Hayes Way Patchway Bristol BS34 5BZ
Patron	HRH The Princess Royal
Vice Patrons	Sir George White Bt. Mr. Jack Lopresti MP
Independent auditors	Randall & Payne LLP Chartered Accountants & Statutory Auditors Shurdington Road Cheltenham Gloucestershire GL51 4GA
Bankers	Lloyds Bank Canons House Canons Way Bristol BS99 7LB

BRISTOL AERO COLLECTION TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities

a. Policies and objectives

The Trustees have had due regard, as required by the Charities Act 2011, to the Charity Commission's general guidance on public benefit when reviewing its aims and objectives and in planning its activities. The Objects of the Trust, as stated in its Memorandum of Association are:

- 1) To advance public education in all matters concerning aircraft and the aircraft and aerospace industries, in particular by the provision of a museum for the public display, restoration and conservation of aircraft, flying boats, missiles, rockets, satellites, other flying aerial or space devices or machines and the component parts of them and drawings or archives and other products of, or relating to the aircraft and aerospace industries; and
- 2) To promote or undertake research into the history of aircraft design manufacture and operation including the history of the persons and companies involved in these activities and to publish and disseminate the useful results of that research.

The specific public benefits that flow from our Vision and Objects are:

- To enable a wide range of people to participate in and learn about the region's aviation heritage;
- To advance learning, skills and training, particularly in science, technology, engineering and design as well as heritage conservation skills;
- To conserve the aviation heritage, including Concorde 216, for present and future generations to experience, appreciate and enjoy; and
- To celebrate the world class achievements of the aerospace industry and the people who made it possible.

Achievements and performance

a. Main achievements of the Charity

Following a difficult period where the impacts of the global covid pandemic affected the whole museum and charity sector, 2022 was the year that everyone hoped would see visitor return to pre-pandemic levels. Unfortunately this wasn't quite the case and Aerospace Bristol found itself experiencing a much slower and more cautious return than expected. However, visitor numbers did improve with 77,433 people visiting the museum in the financial period, an increase from 47,228 the previous year.

A significant amount of time and attention was given to completing a staff restructure and a general review of finances and operations, due to a new CEO joining at the start of the financial year and in response to the lower than anticipated visitor numbers. A new strategic management team was established with the CEO and four heads of department, while changes to department structures and visitor operations were also implemented.

Visitor highlights included Summer of Rockets activities running throughout the summer holidays with daily rocket shows, and a programme for the 2023 calendar year being confirmed in plenty of time so that the Mother's Day lunch under Concorde sold out and the helicopter half term in February was a great success. For Father's Day a number of classic cars, including a number of Bristol cars, to park up on site for visitors to look at. The day was one of the busiest of the year and the event ran again in 2023 and there are plans to develop it.

There has been a greater focus on commercial targets and an improved retail offer. This has included an expanded range of branded products and unique items, such as a range of Concorde t-shirts designed in-house.

BRISTOL AERO COLLECTION TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

The Concorde Experience - an exclusive tour of the aircraft and glass of champagne on board - has proved popular and there is an opportunity to introduce more of these experiences.

A new Marketing and Communications Officer has focused on social media, increasing the Trust's followers by 25%, to 43,000, since October and growing the reach to 435,000 people per month. More targeted marketing to the local community, including a quarterly What's On leaflet for local residents has had positive results.

In October stakeholders, volunteers and members were invited to celebrate the museum's fifth birthday at an evening event in the museum gallery. The Engineering Futures appeal was launched during this event with a target to reach £500,000 over five years. This campaign has got off to a good start with South Gloucestershire Council generously committing £120,000 over three years to help increase and support school visits to the museum.

Almost 9000 school visitors were welcomed to the museum in this financial year, more than double the number in the previous year. Feedback regarding the workshops and museum experience has remained consistently excellent.

The Quartet Foundation provided funding for work with local care homes, supporting their residents by providing reminiscence sessions using archive materials and objects to spark memories and good feelings and allow people to access the collection.

A strong and successful partnership with the Air League and University of West of England (UWE) has resulted in a funded aerospace experience day for key stage two pupils allowing them to visit the museum and the UWE Engineering department and discover the career opportunities available in aerospace.

The WWI aircraft exhibition in the museum has been improved, with the Bristol Fighter now suspended from the ceiling, updated interpretation panels and pilot outfits for visitors to try on. It was launched as part of the fifth birthday celebrations in October and has been popular with visitors since then.

Since September 2022 a new church, Concorde Church, set up by the Diocese of Bristol, has been holding their services in the theatre space in the Concorde Hangar. This has worked well and is a great way to invite new and different audiences into the museum buildings. Over 500 people attended a community Christmas service, held under Concorde and there are plans to do it again.

In addition to this, the museum has made spaces available for local community groups to use at a reduced rate and church groups, an English language class and a council support group have all taken advantage of this. It is all part of the aim to be a positive part of the local community and to develop better local links.

The museum was a finalist in the Group Leisure & Travel awards and received a TripAdvisor Travellers' Choice Award (top 10% of attractions) again.

Our Visit England Assessment score was 91% with some very positive feedback and helpful suggestions from reviewers

Staff attended the Group Leisure & Travel Show, and the British Tourism and Travel Show. The organisation continues to be members of Visit West and The Great West Way.

This year the Trust established a number of partnerships with third-party ticket sellers, enabling visitors to buy tickets to Aerospace Bristol through websites such as Get Your Guide, Love to Visit, Tiqets, Musement, Visit Bristol, and the Visit Britain Shop. The partnership with Visit Britain, meant the Trust could take part in Visit Britain marketing campaigns and National Lottery campaigns. In February and March 2023, Visit Britain promoted a fully-funded £20 discount voucher to a closed domestic audience (their UK newsletter subscribers), which resulted in an additional 542 ticket sales. These campaigns run regularly and reach a variety of domestic and international audiences.

BRISTOL AERO COLLECTION TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

Staff at the museum are pleased to exchange their knowledge and contribute to the wider community through Bristol Heritage Education Forum; Bristol Cultural Education Partnership; ABTEM (Association of British Transport and Engineering Museums) and the Aviation and Aerospace Archives Initiative. Specifically, staff members chair the South Gloucestershire Museums Group.

The Trust is very grateful for the hard work, commitment and loyalty of its staff and volunteers during what has been an exceptionally challenging time. There is a continuing process of recruiting new volunteers and a drive towards increasing diversity, with some 170 volunteers currently contributing to the work of the Trust.

The Trust thanks all its members, individual donors, government-backed funders, companies and grant-giving Trusts and Foundations that have supported the museum throughout the year and allowed it to survive and thrive into the future.

b. Fundraising activities and income generation

Aerospace Bristol does all its fundraising work in-house.

The Trust is registered with the Fundraising Regulator for which the voluntary levy is paid. Fundraising activity adheres to the Fundraising Code relating to ethical matters, fundraising standards and best practice. The Trust has received no complaints through the Fundraising Preference Service.

The Trust works hard to ensure that money is managed responsibly and that a good reputation is maintained by being transparent and trustworthy. Feedback is welcomed from donors, supporters and others who are approached for funds and is always taken seriously, serving to develop and improve activities and communications.

The Trust takes very seriously its responsibility towards supporters who may be considered to be in vulnerable circumstances. In line with being a Dementia Friendly Organisation, the Trust will carefully consider donations given by vulnerable adults and when appropriate consider the return of the donation. The team will comply with the donations policy which has been approved by the Board of Trustees.

The Trust is a company limited by guarantee, incorporated on 19 February 1992 with number 02689238 and registered as a charity on 24 April 1992 with number 1010632.

BRISTOL AERO COLLECTION TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Financial review

a. Going concern

Since the 2022 financial year end, discussions and negotiations have been successfully completed to provide the following new financial arrangements:

The Charity held a £1 million loan agreement with the South Gloucestershire Council and during the year has benefitted from a portion of the loan interest and capital due being written off to the value of £315,888. The support package is broken down as follows: £202,438 reducing the capital and £55,850.11 towards the interest accrued 2022-23, £258,288.11 in 2022-23 and the balance £57,599.89 to be applied in 2023-24 to interest accruing in 2023-24.

An overdraft facility of £1.35 million obtained from Lloyds Bank is secured by a guarantee provided by BAE Systems. The current annual overdraft extends to 30th November 2023 but, supported by BAE System's guarantee, the Trust is due to agree a new 12 months overdraft facility to 30th November 2024 in the coming weeks.

The Trust's need for the above financial facilities is the result of a shortfall in funding for capital expenditure incurred in the implementation period prior to the opening of the museum in October 2017. This creates a level of uncertainty as the free fund is in deficit, and part of the deficit has to be funded by way of an overdraft facility. Legally an overdraft facility can be withdrawn at short notice even though a new facility has been granted until 30th November 2023 and is secured by BAE Systems' guarantee.

The Trustees believe that the accounts should continue to be prepared on a "going concern" basis as: They remain confident that the current overdraft arrangements will continue to be made available, thanks to the ongoing support and guarantee provided by BAE Systems.

The results for the year ended 31 March 2023 are positive and visitor admissions have been steadily increasing. School and group bookings are encouraging and there is a cautious return of the museum's events and hospitality business. Overall income levels are expected to return to near pre-pandemic levels through 2023 and 2024, coupled with reduced operating costs which have been driven over the last eighteen months.

Moving forward, due to increased profitability, the Trust may be able to either reduce its bank overdraft limit or convert the short term overdraft facility into a long term loan arrangement, similar to that agreed with South Gloucestershire Council.

A Covid Insurance Claim of £100k was successfully achieved for loss of income due to Government Restrictions and the museum being closed.

There are adequate resources available to fund the normal on-going activities of the Trust as well as pay down debt.

BRISTOL AERO COLLECTION TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

b. Principal risks and uncertainties

The Executive Management Committee, Audit Committee, and Board of Trustees monitor the risk management plan on a regular basis. The Audit Committee is specifically responsible for regularly reviewing the risks that the Trust may face, and for ensuring that there are adequate procedures to manage the identified risks. The main risks faced by the Trust are:

- Rising costs associated with the global energy crisis could have a real impact on the rates and utilities costs. In addition to this a cost of living crisis in the UK and rising costs for everyone could affect staff retention, visitor income and potentially many other income lines. This situation needs to be monitored closely and the Trust must remain alert and agile enough to make changes as needed. Financial risks relating to the repayment of debt as explained in the Financial Review above.
- Environmental and other risks such as fire, flood and terrorism which could lead to the damage or destruction of the museum. Mitigating factors include insurance cover, good housekeeping and communication, emergency plans and staff training.
- Climate change causing extreme weather patterns, with high temperatures impacting a largely indoor attraction. Consideration is being given to extending outdoor provisions. Insurance against this can be considered.
- Incidents causing loss of reputation affecting visitor numbers and stakeholder confidence in the Trust. Careful recruitment and staff training, particularly in Visitor Services, plus close monitoring of social media and customer feedback are ways used to manage this risk.
- It is the policy of the Board to hold insurance on its collection of artefacts and archival material on the basis of the possible repair and restoration costs and/or alternative replacement costs, but not the like-for-like replacement cost that may be incurred, as most of the collection is unique and irreplaceable. Items under loan are insured for costs prescribed under the terms of loan agreement.
- Cyber risk remains a significant principal risk and uncertainty. We recognise the potential threats posed by cyberattacks and are committed to safeguarding our digital assets and protecting sensitive information. Our robust cybersecurity measures, IT control procedures and ongoing monitoring efforts aim to mitigate the impact of cyber risks on our operations and stakeholders.

Structure, governance and management

a. Constitution

The Trust is a company limited by guarantee, incorporated on 19 February 1992 with number 02689238 and registered as a charity on 24 April 1992 with number 1010632.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management (continued)

b. Organisational structure and decision-making policies

New Articles of Association were adopted in May 2018 to bring them into line with current legislation and best practice, and to provide a suitable corporate governance framework for the future. Members of the Trust are required to renew annually and a register of members is maintained by the Trust.

The Board met formally 10 times during the financial year. Board is responsible for policy, setting strategic objectives and the overall direction of the Trust.

The Trust's Nominations and Governance Committee remains engaged in a review process to ensure that the Board has the necessary skills, experience and diversity to successfully direct and manage the charity into the future. There is a continual process of improvement in the governance of the charity, with the planned introduction of a Code of Conduct for Trustees, and new Trustees recruited through public advertisement.

The Trust's Audit Committee meets regularly and has responsibility for reviewing, monitoring and reporting to the Board on financial performance, budgets and forecasts, policies and procedures, risk management, internal controls, external audit and the Annual Accounts.

An Executive Management Team, headed by a CEO, is responsible for the day-to-day operational management of the Trust's activities.

The Board and its Management are supported by a Heritage & Collections Advisory Group which operates under formal terms of reference and are chaired by experienced Trustees.

Annual accounts are prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Trust's Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, 'Accounting and Reporting by Charities' (FRS 102 SORP).

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Plans for future periods

The Trust's new Forward Plan sets out its strategic goals and plan of action for the period until 2024 in order to achieve its charitable purposes and maintain its financial sustainability.

To successfully, sustainably and safely operate a nationally-recognised and fully accredited museum

The Trust will aim to:

- Achieve an operating surplus in each year of operations and become debt-free over the next 10 years
- Make improvements against the standards set by Museum Accreditation, maintain a score of 90% or above under the Visit Britain's Visitor Attraction Quality Scheme and achieve Archive Accreditation.
- Attract and retain high quality professional staff.
- Maintain a minimum of 170 volunteers to support the museum's activities and improve the diversity of our staff, including volunteers, to reflect the community served by the museum.
- Continue to work towards achieving net zero greenhouse gas emissions by 2050 to meet the goal for the UK, as well as aligning with South Gloucestershire's 2030 Zero Carbon target.

To advance learning, training and skills particularly history and heritage, and in science, technology and engineering, its past, present and future applications.

The Trust will build on its learning and outreach programmes, developing its partnership with local universities, colleges, schools, industry and community organisations. The museum will aim to offer more volunteering opportunities, especially for young people as a means of providing pathways into training and employment and engage with hard to reach audiences.

The Trust will aim to:

- Attract a minimum of 10,000 student visits in each year of operations, with an emphasis on those from disadvantaged backgrounds
- Deliver 200 formal and informal learning events
- Host/lead c.10 major events or projects each year with STEM, community and heritage partners such as universities, industry and professional bodies
- Participate in or attend 5 major learning and/or community projects or events a year

To conserve heritage and enhance the collections for present and future generation to experience, appreciate and enjoy

The Trust will continue the major review of its reserve collection, digitise and catalogue the museum's nationally significant archive and make our collections increasingly accessible to the public.

The Trust will aim to:

- Make the collections more accessible by documenting objects and archives to SPECTRUM/archive standards, and increase visibility of collections through community outreach, display, social media, digital platforms and engagement with specialist networks.
- Maintain a program of preventative conservation and deliver progress on large scale conservation and restoration projects: Bolingbroke, Fighter, and Freighter.
- Complete a collections review of the reserve collection to ensure the collections are appropriate; dispose of objects if required and identify gaps in the current collection.
- Prepare plans for the development of the next phase of exhibitions, storage and facilities for Building 16R and the 'Futures' gallery in Hangar 16S.

BRISTOL AERO COLLECTION TRUST

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity 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 Charity 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 (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 Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Auditors

The auditors, Randall & Payne LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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

.....
I Gray CBE
Trustee
Date:

BRISTOL AERO COLLECTION TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTOL AERO COLLECTION TRUST

Opinion

We have audited the financial statements of Bristol Aero Collection Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity 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' (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 2023 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that there is a material uncertainty in respect of going concern. Our opinion is not modified in respect of this matter.

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.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

BRISTOL AERO COLLECTION TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTOL AERO COLLECTION TRUST (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

BRISTOL AERO COLLECTION TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTOL AERO COLLECTION TRUST (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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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:

Our audit planning process gave consideration to the risk of material misstatement in the financial statements, using the calculated materiality level which itself factored in the nature of the Charity's operations and the interpreted levels of inherent and control risk.

In assessing the risk of fraud we reviewed management's own assessment of potential for fraud within the entity and reviewed judgements made by management to identify possible bias, in addition to any opportunity and incentive for fraud that are inherent in the nature of the Charity's operations. Our detailed testing included review of accounting estimates and judgements and validation of prime ledger entries.

We confirmed our knowledge of the legal and regulatory environment of the entity through discussions with management. We analysed all information available to us in respect of relevant laws and regulations, including the Companies Act 2006, Charities Act 2011 and relevant UK tax legislation and enquired with management as to any possible breaches in the aforementioned.

We agreed the accuracy of the financial statements to the supporting management information provided by the client and tested individually on a sample basis the income and expenditure in the financial statements to consider the business rationale behind the transactions and the accuracy of the financial records.

Our audit testing did not identify any issues in respect of the matters listed above, including fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

BRISTOL AERO COLLECTION TRUST

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTOL AERO COLLECTION TRUST
(CONTINUED)**

Use of our report

This report is made solely to the charitable company's trustees, 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, 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 trustees those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Ryan Moore, CA (Senior Statutory Auditor)

for and on behalf of
Randall & Payne LLP
Chartered Accountants & Statutory Auditors
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA

Date:

BRISTOL AERO COLLECTION TRUST

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Income from:					
Donations and legacies	2	36,515	194,063	230,578	1,112,600
Charitable activities	3	-	780,580	780,580	564,621
Other trading activities		-	2,034,003	2,034,003	535,249
Total income		36,515	3,008,646	3,045,161	2,212,470
Expenditure on:					
Raising funds	4	1,839	1,194,304	1,196,143	419,185
Charitable activities	5	43,533	2,008,618	2,052,151	1,964,428
Total expenditure		45,372	3,202,922	3,248,294	2,383,613
Net expenditure		(8,857)	(194,276)	(203,133)	(171,143)
Transfers between funds	18	(54,522)	54,522	-	-
Net movement in funds		(63,379)	(139,754)	(203,133)	(171,143)
Reconciliation of funds:					
Total funds brought forward		121,882	14,460,401	14,582,282	14,753,426
Net movement in funds		(63,379)	(139,754)	(203,133)	(171,143)
Total funds carried forward		58,503	14,320,647	14,379,150	14,582,283

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

The notes on pages 22 to 44 form part of these financial statements.

BRISTOL AERO COLLECTION TRUST
REGISTERED NUMBER: 02689238

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	10	16,094,131	16,426,835
Heritage assets	11	234,992	234,992
		<u>16,329,123</u>	<u>16,661,827</u>
Current assets			
Stocks	13	42,395	41,496
Debtors	14	1,514,774	569,368
Cash at bank and in hand		178,942	524,973
		<u>1,736,111</u>	<u>1,135,837</u>
Creditors: amounts falling due within one year	15	(3,015,253)	(2,284,548)
Net current liabilities		<u>(1,279,142)</u>	<u>(1,148,711)</u>
Total assets less current liabilities		<u>15,049,981</u>	<u>15,513,116</u>
Creditors: amounts falling due after more than one year	16	(670,832)	(930,833)
Net assets excluding pension asset		<u>14,379,149</u>	<u>14,582,283</u>
Total net assets		<u><u>14,379,149</u></u>	<u><u>14,582,283</u></u>
Charity funds			
Restricted funds	18	58,503	121,882
Unrestricted funds	18	14,320,646	14,460,401
Total funds		<u><u>14,379,149</u></u>	<u><u>14,582,283</u></u>

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

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

BRISTOL AERO COLLECTION TRUST
REGISTERED NUMBER: 02689238

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

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:

.....
I Gray GBE
Trustee
Date:

The notes on pages 22 to 44 form part of these financial statements.

BRISTOL AERO COLLECTION TRUST
REGISTERED NUMBER: 02689238

CHARITY BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	10	16,090,934	16,422,785
Heritage assets	11	234,992	234,992
Investments	12	1	1
		<u>16,325,927</u>	<u>16,657,778</u>
Current assets			
Debtors	14	1,078,156	536,286
Cash at bank and in hand		67,924	254,445
		<u>1,146,080</u>	<u>790,731</u>
Creditors: amounts falling due within one year	15	(2,491,874)	(1,975,497)
Net current liabilities		<u>(1,345,794)</u>	<u>(1,184,766)</u>
Total assets less current liabilities		<u>14,980,133</u>	<u>15,473,012</u>
Creditors: amounts falling due after more than one year	16	(670,832)	(930,833)
Net assets excluding pension asset		<u>14,309,301</u>	<u>14,542,179</u>
Total net assets		<u><u>14,309,301</u></u>	<u><u>14,542,179</u></u>
Charity funds			
Restricted funds	18	58,503	121,882
Unrestricted funds	18	14,250,798	14,420,297
Total funds		<u><u>14,309,301</u></u>	<u><u>14,542,179</u></u>

The Charity's net movement in funds for the year was £(232,878) (2022 - £(210,399)).

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

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

BRISTOL AERO COLLECTION TRUST
REGISTERED NUMBER: 02689238

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

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:

.....
I Gray CBE

Date:

The notes on pages 22 to 44 form part of these financial statements.

BRISTOL AERO COLLECTION TRUST

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities	(30,738)	247,746
Cash flows from investing activities		
Purchase of tangible fixed assets	(56,190)	(311,977)
Net cash used in investing activities	(56,190)	(311,977)
Cash flows from financing activities		
Increase/(repaid) on bank overdraft	(34,738)	86,474
Increase / (repayments) of borrowing	(35,000)	130,067
Release of South Gloucestershire Council Loan (Note 16)	(224,998)	-
Dividend received from BAC Trading Limited	35,633	-
Net cash (used in)/provided by financing activities	(259,103)	216,541
Change in cash and cash equivalents in the year	(346,031)	152,310
Cash and cash equivalents at the beginning of the year	524,973	372,663
Cash and cash equivalents at the end of the year	178,942	524,973

The notes on pages 22 to 44 form part of these financial statements

BRISTOL AERO COLLECTION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK (FRS 102) and the Companies Act 2006.

Bristol Aero Collection Trust 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 Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity 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.

BRISTOL AERO COLLECTION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies (continued)

1.2 Going concern

Since the 2022 financial year end, discussions and negotiations have been successfully completed to provide the following new financial arrangements:

The Charity held a £1 million loan agreement with the South Gloucestershire Council and during the year has benefitted from a portion of the loan interest and capital due being written off to the value of £315,888. The support package is broken down as follows: £202,438 reducing the capital and £55,850.11 towards the interest accrued 2022-23, £258,288.11 in 2022-23 and the balance £57,599.89 to be applied in 2023-24 to interest accruing in 2023-24.

An overdraft facility of £1.35 million obtained from Lloyds Bank is secured by a guarantee provided by BAE Systems. The current annual overdraft extends to 30th November 2023 but, supported by BAE System's guarantee, the Trust is due to agree a new 12 months overdraft facility to 30th November 2024 in the coming weeks.

The Trust's need for the above financial facilities is the result of a shortfall in funding for capital expenditure incurred in the implementation period prior to the opening of the museum in October 2017. This creates a level of uncertainty as the free fund is in deficit, and part of the deficit has to be funded by way of an overdraft facility. Legally an overdraft facility can be withdrawn at short notice even though a new facility has been granted until 30th November 2023 and is secured by BAE Systems' guarantee.

The Trustees believe that the accounts should continue to be prepared on a "going concern" basis as:

They remain confident that the current overdraft arrangements will continue to be made available, thanks to the ongoing support and guarantee provided by BAE Systems.

The results for the year ended 31 March 2023 are positive and visitor admissions have been steadily increasing. School and group bookings are encouraging and there is a cautious return of the museum's events and hospitality business. Overall income levels are expected to return to near pre-pandemic levels through 2023 and 2024, coupled with reduced operating costs which have been driven over the last eighteen months.

Moving forward, due to increased profitability, the Trust may be able to either reduce its bank overdraft limit or convert the short term overdraft facility into a long term loan arrangement, similar to that agreed with South Gloucestershire Council.

A Covid Insurance Claim of £100k was successfully achieved for loss of income due to Government Restrictions and the museum being closed.

There are adequate resources available to fund the normal on-going activities of the Trust as well as pay down debt.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies (continued)

1.3 Income

All income is 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.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

1.4 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.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. Accounting policies (continued)

1.5 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.#KWbU#54@AAAd

Depreciation is provided on the following bases:

Long-term leasehold property	- Length of lease, straight line
Exhibitions and collections	- 20 years straight line
Fixtures and fittings	- 7 years straight line

The lease of the site is for 150 years ending December 2166. Leasehold land and buildings are reviewed annually by the Trustees for any indication of impairment.

Only assets costing more than £1,000 are capitalised.

1.6 Heritage assets

Where heritage assets have been acquired and there are records available, these are recognised at cost together with direct restoration costs. Where no such records are available, the heritage assets are not recognised on the balance sheet on the grounds that the cost of obtaining this information would outweigh the benefit in doing so.

The heritage assets acquired are considered to have indefinite lives by the Trustees and therefore are not depreciated. Annually at the reporting date, the heritage assets are reviewed by the Trustees for indications of impairment.

Conservation costs are written off each year as an expense.

1.7 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 the 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 presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

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

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. Accounting policies (continued)

1.10 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.

1.11 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 Charity 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.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

1.12 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.

1.13 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.

1.14 Fund accounting

General funds (free 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.

BRISTOL AERO COLLECTION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Income from donations and legacies

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Donations and grants	36,515	186,563	223,078	1,033,926
Sponsorship	-	7,500	7,500	78,674
	<u>36,515</u>	<u>194,063</u>	<u>230,578</u>	<u>1,112,600</u>

3. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Visitor admissions	749,256	749,256	561,443
Filming	31,324	31,324	3,178
Total 2023	<u>780,580</u>	<u>780,580</u>	<u>564,621</u>

4. Expenditure on raising funds

Costs of raising voluntary income

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Cost of generating donated income	931	34,292	35,223	40,910
Costs of raising voluntary income - wages and salaries	908	45,472	46,380	61,381
Costs of raising voluntary income - NI	-	4,161	4,161	5,153
Costs of raising voluntary income - pension costs	-	946	946	1,210
	<u>1,839</u>	<u>84,871</u>	<u>86,710</u>	<u>108,654</u>

BRISTOL AERO COLLECTION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. Expenditure on raising funds (continued)

Other trading expenses

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Cost of sales - operations of BAC Trading Limited	1,558,515	1,558,515	455,789
Intergroup activity	(450,657)	(450,657)	(145,258)
Cost of sales - operations of BAC Trading Limited	1,575	1,575	-
	<u>1,109,433</u>	<u>1,109,433</u>	<u>310,531</u>

5. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total 2023 £	<i>Total 2022 £</i>
Visitor services	9,640	444,801	454,441	522,113
Learning and volunteering	3,944	181,957	185,901	135,368
Museum facilities management and development costs	27,088	1,249,859	1,276,947	1,103,126
Collection conservation and management	2,861	132,001	134,862	203,821
	<u>43,533</u>	<u>2,008,618</u>	<u>2,052,151</u>	<u>1,964,428</u>

BRISTOL AERO COLLECTION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

6. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Visitor services	239,473	214,968	454,441	522,113
Learning and volunteering	97,963	87,938	185,901	135,368
Museum and facilities management and development costs	672,903	604,045	1,276,948	1,103,126
Collection conservation and management	71,067	63,794	134,861	203,821
	<u>1,081,406</u>	<u>970,745</u>	<u>2,052,151</u>	<u>1,964,428</u>

BRISTOL AERO COLLECTION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

6. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Visitor services 2023 £	Learning and volunteering 2023 £	Museum and facilities management and development costs 2023 £	Collection conservation and management 2023 £	Total funds 2023 £
Staff costs	223,456	90,240	142,253	61,741	517,690
Other direct costs	16,017	7,723	530,650	9,326	563,716
	<u>239,473</u>	<u>97,963</u>	<u>672,903</u>	<u>71,067</u>	<u>1,081,406</u>

Prior year analysis of Direct Costs

Total staff costs for 2022 were £558,459
Other direct costs for 2022 were £488,424

Analysis of support costs

	Visitor services 2023 £	Learning and volunteering 2023 £	Museum and facilities management and development costs 2023 £	Collection conservation and management 2023 £	Total funds 2023 £
Staff costs	66,423	27,172	186,645	19,712	299,952
Other support costs	141,319	60,766	417,400	44,083	663,568
Governance costs	7,226	-	-	-	7,226
	<u>214,968</u>	<u>87,938</u>	<u>604,045</u>	<u>63,795</u>	<u>970,746</u>

Prior year analysis of Support Costs

Total staff costs for 2022 were £282,550
Other direct costs for 2022 were £618,991
Governance costs for 2022 were £16,004

BRISTOL AERO COLLECTION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. Auditors' remuneration

	2023	<i>2022</i>
	£	£
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts (all services)	8,750	<i>8,770</i>
Fees payable to the Charity's auditor in respect of:		
Audit of the subsidiary financial statements	3,000	-
All non-audit services not included above	4,200	<i>4,870</i>
	8,950	<i>13,640</i>

8. Staff costs

	Group 2023	<i>Group 2022</i>	Charity 2023	<i>Charity 2022</i>
	£	£	£	£
Wages and salaries	793,245	<i>830,209</i>	793,245	<i>830,209</i>
Social security costs	61,837	<i>63,501</i>	61,837	<i>63,501</i>
Contribution to defined contribution pension schemes	14,048	<i>15,045</i>	14,048	<i>15,045</i>
	869,130	<i>908,755</i>	869,130	<i>908,755</i>

No redundancy payments were made during the year ended 31 March 2022 (2021: £11,548 relating to 3 employees). All amounts were recognised within expenditure during the year with no amounts outstanding at the year end.

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

	Group 2023	<i>Group 2022</i>
	No.	No.
Employees	47	<i>48</i>
	47	<i>48</i>

The average number of employees (headcount) during the year was 47 (2022 - 48). The employees of the Group are employed by the Charity, a charge of employee time that is utilised by the trading subsidiary is invoiced to BAC Trading Limited as a management charge.

BRISTOL AERO COLLECTION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

8. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2023 No.	<i>Group 2022 No.</i>
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-

The total aggregate employment benefits, including employer pension costs and employer's national insurance contributions, received by key management personnel were £334,774 (2022 - £359,561).

9. Trustees' remuneration and expenses

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity for their work as Trustees. However, the CEO, Sally Cordwell, who was also a Trustee during the year, did receive remuneration and out of pocket expenses in fulfilling her full time management role. Remuneration of a Trustee is permitted under the governing document and with an order from the Charity Commission. The value of Trustees' remuneration and other benefits was as follows:

		2023 £	<i>2022 £</i>
S Cordwell	Remuneration	84,006	-
	Pension contributions paid	991	-

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 - £NIL).

BRISTOL AERO COLLECTION TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

10. Tangible fixed assets

Group

	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation							
At 1 April 2022	13,814,688	34,776	691,347	1,011	144,215	3,411,847	18,097,884
Additions	53,409	-	-	198	2,583	-	56,190
At 31 March 2023	<u>13,868,097</u>	<u>34,776</u>	<u>691,347</u>	<u>1,209</u>	<u>146,798</u>	<u>3,411,847</u>	<u>18,154,074</u>
Depreciation							
At 1 April 2022	395,345	21,732	456,443	576	30,097	766,855	1,671,048
Charge for the year	92,227	4,968	98,764	146	22,199	170,592	388,896
At 31 March 2023	<u>487,572</u>	<u>26,700</u>	<u>555,207</u>	<u>722</u>	<u>52,296</u>	<u>937,447</u>	<u>2,059,944</u>
Net book value							
At 31 March 2023	<u>13,380,525</u>	<u>8,076</u>	<u>136,140</u>	<u>487</u>	<u>94,502</u>	<u>2,474,400</u>	<u>16,094,130</u>
At 31 March 2022	<u>13,419,343</u>	<u>13,044</u>	<u>234,904</u>	<u>435</u>	<u>114,118</u>	<u>2,644,992</u>	<u>16,426,836</u>

BRISTOL AERO COLLECTION TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

10. Tangible fixed assets (continued)

Charity

	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation							
At 1 April 2022	13,814,688	34,776	686,454	1,011	143,129	3,411,847	18,091,905
Additions	53,409	-	-	198	2,583	-	56,190
At 31 March 2023	<u>13,868,097</u>	<u>34,776</u>	<u>686,454</u>	<u>1,209</u>	<u>145,712</u>	<u>3,411,847</u>	<u>18,148,095</u>
Depreciation							
At 1 April 2022	395,345	21,732	454,721	576	29,890	766,855	1,669,119
Charge for the year	92,227	4,968	98,065	146	22,044	170,592	388,042
At 31 March 2023	<u>487,572</u>	<u>26,700</u>	<u>552,786</u>	<u>722</u>	<u>51,934</u>	<u>937,447</u>	<u>2,057,161</u>
Net book value							
At 31 March 2023	<u><u>13,380,525</u></u>	<u><u>8,076</u></u>	<u><u>133,668</u></u>	<u><u>487</u></u>	<u><u>93,778</u></u>	<u><u>2,474,400</u></u>	<u><u>16,090,934</u></u>
At 31 March 2022	<u><u>13,419,343</u></u>	<u><u>13,044</u></u>	<u><u>231,733</u></u>	<u><u>435</u></u>	<u><u>113,238</u></u>	<u><u>2,644,992</u></u>	<u><u>16,422,785</u></u>

BRISTOL AERO COLLECTION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10. Tangible fixed assets (continued)

Charity (continued)

The National Heritage Memorial Fund has a £4,682,000 legal charge over the assets in the event of a sale. See note 20 for additional details.

South Gloucestershire Council has a £1 million floating legal charge over the assets of the Trust in relation to their outstanding loan.

11. Heritage assets

Group and Charity

Assets recognised at cost

	Heritage assets 2023 £	Total 2023 £
Carrying value at 1 April 2021 and 31 March 2022	234,992	234,992
	<u>234,992</u>	<u>234,992</u>

BRISTOL AERO COLLECTION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12. Fixed asset investments

	Investments in subsidiary companies £
Charity	
Cost or valuation	
At 1 April 2022	1
At 31 March 2023	1
Net book value	
At 31 March 2023	1
At 31 March 2022	1

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Country	Principal activity	Class of shares	Holding
BAC Trading Limited	England and Wales	To carry out retail, events and catering activities within facilities provided by Bristol Aero Collection Trust.	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) for the year £	Net assets £
BAC Trading Limited	1,625,467	(1,560,090)	65,377	69,847

BRISTOL AERO COLLECTION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13. Stocks

	Group 2023 £	<i>Group 2022 £</i>
Goods for resale	42,395	41,496

14. Debtors

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Due within one year				
Trade debtors	456,869	106,041	39,744	91,022
Other debtors	942,657	339,385	927,026	333,972
Prepayments and accrued income	115,248	123,942	111,386	111,292
	1,514,774	569,368	1,078,156	536,286

15. Creditors: Amounts falling due within one year

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Bank overdrafts	1,161,722	1,196,460	1,161,722	1,196,460
Covid 19 'Bounce Back' loan	10,000	10,000	10,000	10,000
Council loan	50,000	50,000	50,000	50,000
Trade creditors	314,781	257,424	118,069	171,457
Other taxation and social security	957,838	341,760	957,838	341,760
Other creditors	94,393	93,658	94,393	93,659
Accruals and deferred income	426,519	335,246	99,852	112,161
	3,015,253	2,284,548	2,491,874	1,975,497

16. Creditors: Amounts falling due after more than one year

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Covid 19 'Bounce Back' loan	20,833	30,833	20,833	30,833
Council loan	649,999	900,000	649,999	900,000

BRISTOL AERO COLLECTION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

16. Creditors: Amounts falling due after more than one year (continued)

Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
670,832	<i>930,833</i>	670,832	<i>930,833</i>

A bank loan with capital totalling £1,000,000 from Lloyds Bank was due for repayments on 30 April 2019 but was converted to an overdraft by the bank. The overdraft is guaranteed by BAE Systems who have an indemnity agreement with the Charity. This facility is extended until 30 November 2024 and, as an overdraft, is repayable on demand. The total facility available as at 31 March 2023 is £1,350,000.

The council loan from South Gloucestershire Council is secured by a floating legal charge on the Charity's assets and was originally due for repayment on 30 March 2019. During the year the South Gloucestershire Council waived repayment of a portion of the loan totalling £315,888. Of which, £258,288 in 2022-23 and the balance of £57,599.89 is to be applied to interest accruing in 2023-24. In accordance with FRS 102 and the SORP, this release of the liability has been accounted for as donation income in the period. The total amount remaining on the Council Loan as at 31 March 2023 is £789,234.

17. Financial instruments

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Financial assets				
Financial assets measured at fair value through income and expenditure	178,942	<i>524,973</i>	67,924	<i>254,445</i>

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

BRISTOL AERO COLLECTION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

18. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Unrestricted funds					
Designated funds					
Fixed asset fund	16,657,777	-	(388,041)	56,190	16,325,926
General funds					
General Funds - all funds	(2,237,481)	1,383,178	(1,254,791)	33,964	(2,075,130)
Share capital	1	-	-	-	1
Reserves (BAC Trading Limited)	40,104	1,625,467	(1,560,090)	(35,632)	69,849
	<u>(2,197,376)</u>	<u>3,008,645</u>	<u>(2,814,881)</u>	<u>(1,668)</u>	<u>(2,005,280)</u>
Total Unrestricted funds	<u>14,460,401</u>	<u>3,008,645</u>	<u>(3,202,922)</u>	<u>54,522</u>	<u>14,320,646</u>
Restricted funds					
Aerospace Bristol fund	24,727	-	(2,336)	(22,105)	286
Restoration fund	19,288	-	(2,406)	-	16,882
Physcial and Digital Infrastructure fund	18,802	-	(18,801)	-	1
Other restricted funds	59,065	36,515	(21,829)	(32,417)	41,334
	<u>121,882</u>	<u>36,515</u>	<u>(45,372)</u>	<u>(54,522)</u>	<u>58,503</u>
Total of funds	<u><u>14,582,283</u></u>	<u><u>3,045,160</u></u>	<u><u>(3,248,294)</u></u>	<u><u>-</u></u>	<u><u>14,379,149</u></u>

BRISTOL AERO COLLECTION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

18. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2022 £</i>
Unrestricted funds					
Designated funds					
Fixed asset fund	16,722,015	-	(374,814)	310,576	16,657,777
General funds					
General Funds	(2,408,546)	1,624,851	(1,430,458)	(23,328)	(2,237,481)
Share capital	1	-	-	-	1
Reserves (BAC Trading Limited)	846	495,046	(455,788)	-	40,104
	<u>(2,407,699)</u>	<u>2,119,897</u>	<u>(1,886,246)</u>	<u>(23,328)</u>	<u>(2,197,376)</u>
Total Unrestricted funds	<u>14,314,316</u>	<u>2,119,897</u>	<u>(2,261,060)</u>	<u>287,248</u>	<u>14,460,401</u>
Restricted funds					
Aerospace Bristol fund	132,660	-	(10,128)	(97,805)	24,727
Restoration fund	22,083	-	(2,795)	-	19,288
Physical and Digital Infrastructure fund	244,000	-	(50,685)	(174,513)	18,802
Other restricted funds	40,367	92,572	(58,944)	(14,930)	59,065
	<u>439,110</u>	<u>92,572</u>	<u>(122,552)</u>	<u>(287,248)</u>	<u>121,882</u>
Total of funds	<u>14,753,426</u>	<u>2,212,469</u>	<u>(2,383,612)</u>	<u>-</u>	<u>14,582,283</u>

BRISTOL AERO COLLECTION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

19. Summary of funds

Summary of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Designated funds	16,657,777	-	(388,041)	56,190	16,325,926
General funds	(2,197,376)	3,008,645	(2,814,881)	(1,668)	(2,005,280)
Restricted funds	121,882	36,515	(45,372)	(54,522)	58,503
	<u>14,582,283</u>	<u>3,045,160</u>	<u>(3,248,294)</u>	<u>-</u>	<u>14,379,149</u>

Free funds (General Funds)

The free funds of the Charity are used in line with its purposes at the discretion of the Trustees. The free funds of the Charity are in deficit at the year-end. Usually the creation of a designated fund cannot result in a negative general funds position. However, the Trustees have chosen to show the net book value of the tangible fixed assets and heritage assets as a designated fund in order to clearly show the negative free reserves position of the Charity.

Fixed asset fund (Designated Funds)

This fund, designated by the Trustees, is set aside at the net book value of the charitable fixed assets and heritage assets.

Restricted Funds

Aerospace Bristol fund

The fund incorporates all the restricted funds received specifically relating to creating Aerospace Bristol less related overhead costs and capital transfers to the Fixed asset fund. The remaining restricted funds are held to complete outstanding building work relating to building 16M.

Restoration fund

Previously, individual funds were established for the restoration of a Bolingbroke aircraft, a Bristol Fighter F2B aircraft and additionally, in 2017, funds were established for the acquisition of the Bristol Freighter. The funds relating to the Bristol Fighter and Bristol Freighter were fully utilised in 2018 and prior years. This, therefore leaves funds specifically restricted for the restoration of the Bolingbroke aircraft.

Physical and Digital Infrastructure fund

This fund is to ensure that the charity can react and make critical adaptations to the museum space and digital infrastructure. It has enabled the charity to reopen the museum safely in May 2021 and restart its charitable activities with added breadth.

Other Restricted funds

This includes a number of grants received for specific short term projects and activities.

BRISTOL AERO COLLECTION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

19. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 April 2021</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Balance at 31 March 2022</i>
	£	£	£	£	£
Designated funds	16,722,015	-	(374,814)	310,576	16,657,777
General funds	(2,407,699)	2,119,897	(1,886,246)	(23,328)	(2,197,376)
Restricted funds	439,110	92,572	(122,552)	(287,248)	121,882
	<u>14,753,426</u>	<u>2,212,469</u>	<u>(2,383,612)</u>	<u>-</u>	<u>14,582,283</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023	Unrestricted funds 2023	Total funds 2023
	£	£	£
Tangible fixed assets	-	16,094,131	16,094,131
Heritage assets	-	234,992	234,992
Current assets	58,503	1,677,608	1,736,111
Creditors due within one year	-	(3,015,253)	(3,015,253)
Creditors due in more than one year	-	(670,832)	(670,832)
Difference	-	(1)	1
Total	<u>58,503</u>	<u>14,320,645</u>	<u>14,379,148</u>

BRISTOL AERO COLLECTION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	16,426,836	16,426,836
Heritage assets	-	234,992	234,992
Current assets	121,882	1,013,955	1,135,837
Creditors due within one year	-	(2,284,548)	(2,284,548)
Creditors due in more than one year	-	(930,833)	(930,833)
Other unallocated	-	(1)	(1)
Total	121,882	14,460,401	14,582,283

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

	Group 2023 £	<i>Group 2022 £</i>
Net expenditure for the year (as per Statement of Financial Activities)	(203,133)	(171,143)
Adjustments for:		
Depreciation charges	388,896	375,568
Decrease/(increase) in stocks	(899)	20,509
Increase in debtors	(945,406)	(300,502)
Increase in creditors	729,804	419,719
Net cash provided by/(used in) operating activities	(30,738)	344,151

22. Analysis of cash and cash equivalents

	Group 2023 £	<i>Group 2022 £</i>
Cash in hand	178,942	524,973
Total cash and cash equivalents	178,942	524,973

BRISTOL AERO COLLECTION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

23. Analysis of changes in net debt

	At 1 April 2022	Cash flows	At 31 March 2023
	£	£	£
Cash at bank and in hand	524,973	(346,031)	178,942
Bank overdrafts repayable on demand	(1,196,460)	34,738	(1,161,722)
Debt due within 1 year	(60,000)	-	(60,000)
Debt due after 1 year	(930,833)	260,001	(670,832)
	<u>(1,662,320)</u>	<u>(51,292)</u>	<u>(1,713,612)</u>

24. Contingent liabilities

In the event of the sale of the property, the National Lottery Heritage Fund have the right to receive £4,682,000 for a period of 20 years from the completion and opening of the museum which occurred in October 2017. No provision has been made in respect of the grant as the conditions are deemed unlikely to occur.

25. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £14,048 (2022 - £15,045).

26. Operating lease commitments

The Group and the Charity had no commitments under non-cancellable operating leases at 31 March 2023.

27. Related party transactions

BAC Trading Limited is the trading subsidiary of Bristol Aero Collection Trust. In the financial year ended 31 March 2022 BAC Trading Limited made a gift aid donation of £35,633 (2022 : £nil) to Bristol Aero Collection Trust. In addition to this, BAC Trading Limited paid management charges of £450,657 (2022: £145,258) to the Charity in respect of rent and overheads. At the year end, £nil was due to the Charity (2022: £93,145) from the subsidiary in respect of short-term intercompany loans. There were no other related party transactions other than those disclosed in the accounts.

