
THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2019

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

CONTENTS

	Page
Reference and Administrative Details of the Charity, its Trustees and Advisers	1 - 2
Trustees' Report	3 - 14
Trustees' Responsibilities Statement	15
Independent Auditors' Report	18
Consolidated Statement of Financial activities	19
Consolidated Balance Sheet	20
Trust Balance Sheet	21
Consolidated Statement of Cash Flows	22
Notes to the Financial Statements	23 - 50

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 OCTOBER 2019

Corporate Trustee

**Richard Shuttleworth
Trustees**

**Directors of the corporate
trustee**

E M Wood, Chairman
Prof M D Alder
R Bailey
Lord Cobham
P J A Cooper
E A Davies
S Gardner
Princess Hohenlohe
T P Routsis
C E S Whitbread
R Graff von Waldburg-Wolfegg
M Johnston (appointed 5 November 2019)

**Charity registered
number**

307534

Principal office

Old Warden Park
Biggleswade
Bedfordshire
SG18 9EP

Secretary

A P Rutt

Independent auditors

Peters Elworthy & Moore
Chartered Accountants
Salisbury House
Station Road
Cambridge
CB1 2LA

Bankers

Barclays Bank PLC
High Street
Bedford
MK40 1NJ

Solicitors

Charles Russell Speechlys LLP
5 Fleet Place
London
EC4M 7RD

**Investment portfolio
manager**

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2019**

Land Agent	Robinson & Hall LLP 118 Bromham Road Bedford MK40 2QN
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THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 OCTOBER 2019

The Trustees present their annual report together with the audited financial statements of the Group and the Trust for the 1 November 2018 to 31 October 2019.

CHARITABLE AIMS AND ACTIVITIES

PURPOSE

The Richard Ormonde Shuttleworth Trust ('The Shuttleworth Trust') is an educational charity that promotes learning in the fields of agricultural technology, aviation and automotive transport. It was set up in 1944 by the widowed Dorothy Shuttleworth, who lost her beloved only son to a flying accident in the RAF in 1940.

The Trust's objectives celebrate the passions of Richard Shuttleworth, who was a noted racing car driver and pilot, and who also collected and restored old cars and aircraft. They also celebrate the genesis of the Shuttleworth fortune made from an internationally successful agricultural machinery business in the industrial revolution.

The Shuttleworth Trust owns and manages the Old Warden Estate including significant Grade II* listing buildings and landscapes, and a world class collection of vintage cars and aircraft, other road transport assets from carriages and buses, and a collection of agricultural machinery, known collectively as the Shuttleworth Collection.

As specified in its objectives, the Trust's estate hosts and supports Shuttleworth College, a Further Education college specialising in animal and land-based studies run by The Bedford College Group.

ACTIVITIES

The Trust fulfils its charitable objectives by:

- Providing access and interpretation to its collection of aircraft and vehicles, including their maintenance facilities
- Maintaining and operating its collection for the public to engage with
- Maintaining unique specialist practical skills and knowledge in the maintenance and operation of unique industrial heritage
- Organising and delivering a suite of structured learning programmes for schools and youth groups
- Managing partnership engagement and learning opportunities for related organisations to deliver
- Organising relevant talks and specialist tours related to its collection and estate
- Creating apprenticeships and training opportunities in engineering and landscape subjects
- Supporting The Bedford College Group in its management of Shuttleworth College and its learners
- Using its Estate to support land-based learning through Shuttleworth College
- Funding and supporting learning opportunities in specialist areas, from aviation safety to sustainable forestry
- Funding research opportunities linked to Shuttleworth College

The Shuttleworth Trust supports itself through the management of its assets. These comprise:

- The Shuttleworth Collection of agricultural technology, aviation and automotive transport Shuttleworth House, a Grade II* listed mansion house built by the Shuttleworth family, and its associated Grade II* listed parkland from a previous generation of owners. These are used for corporate, private and public events
- The Swiss Garden, a nine acre Grade II* listed late-Regency picturesque landscape garden with Victorian features added by the Shuttleworths. This is open as a visitor attraction and hosts events and weddings.
- The Old Warden Estate, which comprises farms, woodland, residential properties and commercial buildings, which are let to provide the base revenue to support the charitable objectives.

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

A wholly-owned subsidiary company, Old Warden Limited (OWL) manages the commercial operations of the Trust's businesses at the Shuttleworth House and Swiss Garden, the Shuttleworth Collections Visitor Centre shop and restaurant, and commercial revenues from engineering and aviation fuel sales.

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)'.

CHARITABLE OBJECTS

The formal objects of the charity are:

- the promotion of education and training in the science, practice and history of aviation and automotive transport; and
- the promotion of education and training in the science and practice of agriculture; and, in so far as it is ancillary thereto, education and training in the science and practice of food production and the management of rural resources by making arrangements for the provision and conduct of a college.

PARTNERSHIPS

The Shuttleworth Trust delivers its objectives and manages its assets in partnership with key organisations, without which it could not function. These are:

- The Bedford College Group, which manages Shuttleworth College and its associated farms and land
- The Shuttleworth Veteran Aeroplane Society, an independent charitable body set up to support the Shuttleworth Collection with funds and volunteers
- The Friends of the Swiss Garden, an independent charitable body set up to support the Shuttleworth Swiss Garden with funds and volunteers
- The Old Warden Village Hall Committee
- The Old Warden Cricket Club, which manages the cricket pavilion and field in the village

There are more than 300 active volunteers that assist in functions across the organisation including the delivery of educational activities for school visits and on air show days; hosting visitor experience stewardship and guided tours; the restoration, maintenance, management and operation of the Collection; the management of the airfield and flying displays; and the maintenance of the Garden and of the estate.

CHARITABLE FUNDRAISING

The Trust raises funds through admissions to the Collection as a static and as an operational attraction on event and air show days. It hosts an annual fundraising Flying Proms event. The Collection also attracts charitable donations and bequests.

Donations are received from the supporting volunteer and friends charities; and the Collection and Swiss Garden receive occasional small grants. There are no paid professional fundraising staff at the Trust.

FUTURE PLANS

In March 2019, the Shuttleworth Trust received a grant from the National Lottery Heritage Fund under their Resilient Heritage programme. The objective of the grant is develop a strategic vision and plan for the Trust that clarifies its purpose and that recognises and resolves the recent re-establishment of all the Trust's assets under single management. There are differing cultures on the site from the management of the Swiss Garden by Central Bedfordshire Council, and the Mansion House and Parkland by the Bedford College Group. Under a new Executive Director, the Resilient Heritage grant is funding a review of Governance, Purpose and Vision, Learning, Audiences and Markets. This will inform a Strategic Plan 2021 – 2026 to be delivered in late 2020.

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

PERFORMANCE REPORT

The Shuttleworth Trust entered its 75th year in 2019.

The Shuttleworth Trust hosts Shuttleworth College run by The Bedford College Group.

The College goes from strength to strength, supporting 1,219 students in 2018/19, a 23% increase on the previous year. During the year, Bedford College invested significantly in the creation of a new £4M Zoological Education Centre to house part of its collection of more than 250 species that are part of its teaching resource. The Bedford College Group was rated Good across the organisation in a 2019 Ofsted inspection, with the student accommodation at Shuttleworth rated Outstanding.

The Shuttleworth Collection welcomed 23,010 visitors in the year, maintaining the jump in visitor numbers seen in 2018.

The air show year was also well supported with 28,317 visitors, in spite of uneven weather. The Science and Technology Discovery Zones continued to prove a great hit with visitors, and the addition of the Shuttleworth House, accessed via a vintage bus service run by volunteers, provides a richer visitor experience.

The Trust hosted ten air shows throughout the year. All the Shuttleworth aircraft were serviceable in the year and participated in shows. Each show included an in depth 'Pilot Chat'. The Learning team delivered 50 partnership 'Discovery Zones' through the shows.

Financial year	2017	2018	2019
Daily Collection	20,341	22,915	23,019
Daily Swiss Garden	22,695	21,761	18,750
Airshows	23,600	30,492	28,313
Events	9,943	9,287	9,239
TOTAL VISITORS	76,559	84,455	79,321
<i>Percentage change</i>	4.5%	10.3%	-6.1%

Swiss Garden admission figures were disappointing, with a major reduction seen in group and child-centred visits. New engagement and PR plans have been put in place to reverse this.

The formal education team delivered structured learning programmes and partnership engagement for more than 4,000 learners, focussing on on-site delivery.

	17/18	18/19	% change
Formal Learning KS1-3	1,835	3,031	65%
Learning Days and Uniformed Groups	1181	784	-34%
Off-site Outreach	498	301	-40%
Total Formal Learners	3,514	4,116	17%

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

Conferences and courses

The Shuttleworth Trust supported conferences and courses across Shuttleworth House and Collection that supported our charitable objectives. The Warbirds Conference is a 2 day expertise sharing conference with the UK flying regulator, the CAA.

The Trust also continued to support the Soil Association in two conferences for overseas forestry professionals. This residential course in Shuttleworth House is creating an international alumnus with a shared knowledge and standards.

Apprenticeships and Training

The Shuttleworth Trust supports apprenticeships across its activities. In 2019, the Trust commenced two Level 3 Apprenticeships in Engineering Aeronautical and Engineering Manufacture with Stansted Academy, in addition to first and second year apprentices.

The Swiss Garden team also supported Royal Horticultural Society horticultural students from Shuttleworth College in their courses and trained one apprentice to Level 2 in Environmental Conservation.

Research

The Shuttleworth Trust invests in a partnership between Bedford College and the University of Bedfordshire to support the aspirations of Shuttleworth College to attract and retain first class Higher Educational professionals. The current PhD research project in bio-innoculant useage completed its first key milestones in the year.

Support

The operation of the Shuttleworth Trust would not be possible without the dedication, energy, commitment and enthusiasm of its staff, volunteers and supporters. The Trustees thanks are due to them all.

FINANCIAL REVIEW

The Shuttleworth Trust derives revenue from

- Admissions to its Collection and events that support its charitable aims
- Trading activities to support its visitors and events.
- Rents and revenue from an estate of residential, farming and commercial property
- A portfolio of stocks and shares.
- Donations, grants and legacies.

The split in percentage terms of Income and Expenditure is shown below:

Income - £5,195,000 (2018 - £5,255,000)

Investment Income	41%	(2018 – 40%)
Donations and Legacy Income	7%	(2018 – 13%)
Other trading activities	33%	(2018 – 29%)
Charitable Activities	19%	(2018 – 18%)
	100%	

Expenditure - £5,587,000 (2018 - £5,428,000)

Cost of Trading Activities (inc Staff)	30%	(2018 – 23%)
Other Costs of Raising Funds	7%	(2018 – 7%)
Cost of Investing Activities*	15%	(2018 – 16%)
Support and Governance in Raising Funds	7%	(2018 – 10%)
Charitable Expenditure (See note 7)	41%	(2018 – 44%)
	100%	

Includes the cost of managing the assets of the historic grade 2* estate

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

Investment Income

The Trust investment income is derived from

- an estate of land and properties valued at £54,605,000 (2018: £54,330,000) as at 31 October 2019. Property income was £1,887,000 gross and £1,123,000 net, after maintenance costs, professional fees and support costs
- a stock exchange portfolio valued at £6,409,000 (2018: £7,591,000) at 31 October 2019. Income from interest and dividends totalled £228,000 gross or £183,000 net, after management charges.

The Trust's overall net deficit, before gains on investment assets, was £392,000 in the year to 31 October 2019 (2018: £173,000) made up as follows:

	£'000 2019	£'000 2018
Restricted Funds	214	464
Designated Funds	-	(242)
General Funds	(1,340)	(1,131)
Endowment Funds	734	736
	-----	-----
	(392)	(173)
	=====	=====

Gains on Investment Assets amounted to £531,000 (2018: £267,000), which together with the net deficit meant an increase in the Trust's Funds of £139,000 (2018: £94,000) during the year.

Further details are provided in the Statement of Financial Activities and the notes.

Total Return

The Trust has adopted a Total Return approach to its investments. For 2018/19 the Trustees have adopted a two step approach to allocating investment returns and net income:

- (a) A transfer is made from unapplied total return to endowment funds to maintain the real value of the endowment. This is calculated as a compound return on capital of 3% of endowed capital
- (b) A transfer to general reserves is made under the spending rule. For 2018/19 the spending rule has been agreed by Trustees at 4%.

The balance of unapplied total return is shown in Note 21.

Support and Governance Costs

Support costs of £519,000 (2018 - £424,000) have been reallocated to the two charitable objectives and investing activities and governance on a percentage basis of time and usage. The Trust has incurred a total £160,000 (2018: £156,000) of governance costs, which includes a proportion of the support expenditure.

Investment Policy

The investment portfolio managers for the stocks and shares work to a benchmark which is set in discussion with the Trustees. During the year under review the performance was slightly under this benchmark but the Trustees accepted this was affected by the movement in the markets.

The land agent, Robinson & Hall, manages the wider estate with the aim to achieve the market rate for the rental of the land and property and this is monitored by the Estates Committee.

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

Reserves Policy

The Trust maintains significant reserves in capital assets that support the organisation.

The Trust has reviewed its Strategic Reserve policy and has ceased to define a specific Strategic Reserve Fund, given the solidity of its underlying capital assets. It has, however, identified a minimum of £1.4M of funds to be retained within its stocks and shares as liquid assets to call upon. It reviews its cash requirement on a rolling 18 month basis and the investment committee ensures that we do not put at risk any funds where they are needed to meet requirements on this time horizon.

During the year, the Trustees reviewed the Statement of Funds to improve transparency. The designated funds created to absorb the Unapplied Total Return have been restated to make clearer their composition and that they do not represent liquid assets.

The Heritage Fund comprises the heritage assets owned by the Trust that are not in the permanent endowment.

The Capital Assets Fund comprises the land and property owned by the Trust that is not in the permanent endowment, as well as the tangible fixed assets.

As reported in note 17 of the Financial Statements, the Endowment Fund of investment property and other assets is £43,271,000, (2018: £43,674,000).

Of the figure above the Unapplied Total Return is £12,944,000 and this represents investment growth not yet allocated over that retained in the Endowment Fund, reference note 21 in the Financial Statements and the Total Return note above. This figure is allocated into the Designated Funds.

Designated Funds:

At 31 October 2019 reserves were:

	2019	2018
	£'000	£'000
Heritage Fund	15,027	16,895
Capital Assets Fund	20,654	-
Maintenance Fund	-	4,326
Strategic Reserve	-	7,064
College Reserve	-	2,000
Collection Infrastructure	-	132
Collection Operational	-	3,637
Total	<u>35,681</u>	<u>34,054</u>

Explanation of the designated funds is shown on note 17.

The general funds as at 31 October 2019 amounted to £4,499,000 (2018:- £5,830,000), which is retained for day to day operational activities, of this sum the free reserves were £4,499,000 (2018: - £2,248,000).

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

Risk

The Trustees maintain a strategic risk register that is reviewed for each Board meeting. The key risks pertinent to the future of the Trust have been reviewed to match the post-Covid world. These each threaten to disrupt the organisations ability to deliver its charitable objectives and are:

Reduction in investment income

Cash flow sensitivity - Cash flow problems.

Failure of main income sources.

The Trustees response to these key risks is noted in the Covid-19 impact statement below.

Going concern

The Trust has considerable financial resources and as a consequence, the Trustees believe that the Trust is well placed to manage its business risks successfully and accordingly has a reasonable expectation that the Trust has adequate resources to continue in operational existence for at least 12 months from the date the financial statements are signed. Accordingly, the Trustees continue to adopt the going concern basis in preparing the annual report and financial statements.

Old Warden Limited runs the commercial activities of the Richard Ormonde Shuttleworth Remembrance Trust. All activities were required to close in March 2020 under government guidance. The Swiss garden and parkland were able to be reopened to the public as restrictions were relaxed from 6 June 2020, however the other commercial activities are still closed to the public at the date of signing the financial statements. Commercial activities will recommence when government guidance allows.

As described in the Directors Report and going concern accounting policy of Old Warden Limited, the Directors have assessed the potential impact of this uncertain situation on the company and are taking short term actions in order to mitigate the negative effects arising during this period of interrupted trading. However, due to the uncertainty of the timing for permission to resume activities the auditors of Old Warden Limited have included a 'Material Uncertainty relating to Going Concern' paragraph within their audit report for the year ended 31 October 2019. This disclosure was immaterial for group purposes.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Richard Ormonde Shuttleworth Remembrance Trust ("The Trust"), Trust registration number 307534, was formed on 26 April 1944 under a deed of trust executed by Mrs Dorothy Clotilda Shuttleworth as a registered Trust in memory of her son, Richard Ormonde Shuttleworth, who died in 1940 whilst serving in the RAF. The sole trustee of The Richard Ormonde Shuttleworth Remembrance Trust is "Richard Shuttleworth Trustees" (RST), a Company Limited by Guarantee and also a registered Trust. The officers and professional advisers of the Trust are documented on page 1.

The Group includes a subsidiary trading company, Old Warden Limited (OWL). The share in OWL is held by RST but as nominee for the Trust. Both the Trust and OWL share the common parent in RST. The Trustee has deemed that the Trust exerts control and significant influence over OWL and accordingly these two entities are consolidated together.

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

Trustees

The Trustees of Richard Shuttleworth Trustees (a company limited by Guarantee and who are also the directors of the charitable company for the purposes of company law) in office during the year and at the date of signing were as follows:

E M Wood (Chairman)
Professor M D Alder
R Bailey
Lord Cobham
P J A Cooper
E A Davies
S Gardner
Princess Hohenlohe
T P Routsis
R Graf von Waldburg-Wolfegg
C E S Whitbread

Trustees of RST are appointed by agreement of the full Board of Trustees and shall be appointed for a period of three years (a term). Trustees shall not serve more than four consecutive terms but are eligible for re-appointment after the expiry of two years from the date of the relevant retirement. New members with appropriate skills and experience continue to be sought.

New Trustees are provided with an induction pack to acquaint them with the history of the Trust and its objectives. They are made aware of their responsibilities and provided with copies of the Trust Commissioners' guidance on the responsibilities of a trustee.

The Trustees met four times a year as a full Board, in the year ended 31 October 2019.

All Trustees give of their time freely and no Trustees' remuneration was paid in the year. Details of Trustees' expenses and related party transactions are disclosed in note 24 to the financial statements. Trustees are required to disclose all relevant interests and register them with the secretary to the Trust and in accordance with the Trust's Policy withdraw from decisions where a conflict of interest arises.

Organisation

The day to day supervision of the Trust was undertaken by four Committees, which are responsible to the main Board of Trustees. Each committee has its own constitution and terms of reference and comprises a number of the Trustees and other co-opted members chosen for their expertise in that sphere of operation. Each committee meeting is also attended by the Executive Director. These committees meet on a regular basis throughout the year to authorise activities and expenditures and to make recommendations to the main Board for wider consideration. Trustees are free to attend any meeting they wish.

Finance, Personnel and General Purposes Committee

Membership
E M Wood (Chairman)
Professor M D Alder
Lord Cobham
P J A Cooper
E A Davies
T P Routsis
R Graf von Waldburg-Wolfegg

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

Estate Committee

Membership
P J A Cooper (Chairman)
Professor M D Alder
E A Davies
R Diggle
S Gardner
Princess Hohenlohe
C E S Whitbread
E M Wood

Visitor Attraction Committee

Membership
T P Routsis (Chairman)
R Bailey
Lord Cobham
Princess Hohenlohe
E M Wood

Education and Research Committee

Membership
Professor M D Alder (Chairman)
R Bailey
E A Davies
S Gardner
Princess Hohenlohe
R Graf von Waldburg-Wolfegg
E M Wood

In addition there is a Nomination Committee to consider the appointment of new Trustees and the membership of Trust Committees. There are also various sub-committees for specific purposes, including a dedicated Health & Safety Committee.

Day to day management of the Trust is delegated to an Executive Director with a senior management team and heads of departments. The total costs of the Key Management Personnel is disclosed in note 12 of the Financial Statements and these salaries are set by benchmarking against market rates.

Disclosure

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

Covid-19 Impact Statement

Coronavirus Covid-19 caused social lockdown in the UK at the very moment that the Shuttleworth Trust reached the nadir of its annual budgeting cycle. With a financial year commencing in November, the Trust traditionally marshals the resources accumulated over the previous summer to provide for its winter costs.

In 2019/20, the Trust expected 60% of its revenue to be derived from visitor-based activities, although not all these activities are net contributors to the Trust.

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

The impact on the Trust's activities covers its fund raising, the ability of its users and learners to get to the site and access the Trust's Collection and heritage; and the willingness and ability of its volunteers to work to keep in good order the Trust's assets, both mechanical and environmental. The demographic of its visitors and particularly of many of its volunteer teams is weighted towards those in higher risk categories.

The Trust remained open to the public through the early part of March 2020. The majority of staff were placed on government-subsidised furlough at the end of March 2020. Remaining staff agreed to a 20% haircut in salary to make their financial experience commensurate with those on furlough, and all staff paid under £20,000 a year were topped up to alleviate hardship, whether working or on furlough. The CEO and Heads of Engineering and Finance took further pay cuts of 40% and 20% respectively. A skeleton staff of maintenance, grounds and garden staff remained at work in a highly regulated Covid-secure regime. The skeleton administrative staff worked from home.

All capital works were put on hold, which included the completion of the major new road project which had been due to go on site in April. The cash for this project and for the discretionary maintenance of the Estate kept the Trust's cash flow positive across the lockdown period. The Trust investigated Government-backed loans and grants.

The Trust's Finance Committee and Board reviewed the cash flow prepared by the Head of Finance at fortnightly intervals during May 2020. This demonstrated a likely £1.5M shortfall over 18 months. As a result, a significant restructure to mitigate the likely ongoing loss of the Trust's hospitality and catering business has been agreed. This reduces the likely impact of losses in F/Y 2019/20 to a loss of -£0.5M and suggests a breakeven in 2020/21. A loan up to a value of £1.5M to cover the capital costs of the new road and other estate works is being negotiated.

The risk to the Trust's income is not evenly distributed across its revenue streams. The risk is indicated here by Red (High Risk), Amber (Medium, long lead, or unquantified risk) and Green (Low Risk)

Revenue source	Pre-Covid		Post-Covid exposure
Estate rents	35%	A	There is unquantified risk in this area but recent vacancies have been immediately relet at improved rents.
Visitor admissions (Daily, air shows and events)	29%	G	The flexibility of the heritage estate and outdoor offer can be leveraged
Visitor secondary spend (retail and catering)	17%	R	The risk is being reduced to a minimum by scaling back this business
House weddings and corporate events	13%	R	The risk is being reduced to a minimum by scaling back this business
Engineering revenue	4%	A	There is likely to be a longer term impact due to the recession
Stocks and shares	2%	A	The Trust is not reliant on its income from shares

The Estate continues to generate cash through residential, commercial and farm rents. The Trust has opened an altered, Covid-secure visitor attraction with a single point of entry to its extensive outdoor estate, including airfield paddocks and garden. This will include the Collection Hangars and Shuttleworth House as staffing and government guidelines allow. The Trust is permitted to restart the air shows in a socially-distanced format from late July 20.

Social distancing and the caution of the Trust's traditional audience will impact on the Trust's hospitality, catering and retail businesses for an unknown time to come.

The current delivery of charitable objectives is affected in varying degrees indicated below. The list is in a rough order of financial size or impact:

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2019**

Charitable activity	Status	Effect
Providing access and interpretation to its collection of aircraft and vehicles, including their maintenance facilities	A	Access to the Collection should be permitted from July 2020 in a socially distanced way. This will limit the capacity of the venue so fewer people will learn from the heritage
Maintaining and operating its collection for the public to engage with	A	There will be fewer volunteers willing and able to assist with the maintenance and operation of vehicles. Aircraft are maintained by professional staff, but their operation is dependent on volunteers.
Maintaining unique specialist practical skills and knowledge in the maintenance and operation of unique industrial heritage	G	Key skills and knowledge is maintained within the core staff of the Trust
Supporting The Bedford College Group in its management of Shuttleworth College and its learners	G	Bedford College is being creative in its response to delivering learning. There may be new opportunities for on-site activities that the Trust can support
Using its Estate to support land-based learning through Shuttleworth College	G	Bedford College is being creative in its response to delivering learning. There may be new opportunities for on-site activities that the Trust can support
Creating apprenticeships and training opportunities in engineering and landscape subjects	A	Funding for future apprenticeships may be delayed
Organising and delivering a suite of structured learning programmes for schools and youth groups	R	School and youth groups are not expected to resume in the medium term.
Managing partnership engagement and learning opportunities for related organisations to deliver	R	The ability of partners to bring groups to the site is not expected to resume in the medium term
Organising relevant talks and specialist tours related to its collection and estate	A	Audiences will be smaller due to social distancing
Funding and supporting learning opportunities in specialist areas, from aviation safety to sustainable forestry	R	Funding will be limited and in-kind contributions of hospitality through Shuttleworth House may not be possible.
Funding research opportunities linked to Shuttleworth College	A	Existing funding commitments will be met, though with delays. Future funds may be limited.

Continued risks and uncertainties at the time of this report (June 2020) include:

- The effect of the end of furlough on the residential property rents
- The effect of the likely recession on residential and commercial rents
- The appetite of the public for the Shuttleworth offer
- The final social distancing requirements from government

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2019**

The Trustees anticipate that the measures taken will secure the future of the Trust and its activities through this crisis. The business will contract to a level where it is not draining the reserves. The liquid reserves remain substantially intact and the underlying endowment remains substantial. The provision of the loan will maintain a positive cash flow over the foreseeable future, hedge against any further lockdowns or reduction in estate revenue, and allow the capital projects and maintenance to be completed. The internal controls within the Trust remain robust through the retention of key staff to manage and oversee the changes in the business and charitable activities.

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 OCTOBER 2019

The Trustees 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).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Trust 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 judgments 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 Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Trust and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Group and the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



E M Wood

Date: 13 July 2020

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

OPINION

We have audited the financial statements of The Richard Ormonde Shuttleworth Remembrance Trust (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 October 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Trust 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 31 October 2019 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 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.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST (CONTINUED)

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the parent charitable Trust has not kept sufficient accounting records; or
- the parent charitable Trust financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE RICHARD ORMONDE
SHUTTLEWORTH REMEMBRANCE TRUST (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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.

USE OF OUR REPORT

This report is made solely to the charity'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 charity'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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Peters Elworthy & Moore

Chartered Accountants
Statutory Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 17 July 2020

Peters Elworthy & Moore are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 OCTOBER 2019**

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Endowment funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	2	92	284	-	376	684
Charitable activities	3	968	-	-	968	934
Other trading activities		1,736	-	-	1,736	1,560
Investments	4	803	74	1,238	2,115	2,077
TOTAL INCOME AND ENDOWMENTS		3,599	358	1,238	5,195	5,255
EXPENDITURE ON:						
Raising funds	5,6	2,784	27	504	3,315	3,037
Charitable activities	7	2,155	117	-	2,271	2,391
TOTAL EXPENDITURE		4,939	144	504	5,587	5,428
Net gains on investments		196	33	302	531	267
NET (EXPENDITURE)/INCOME		(1,144)	247	1,036	139	94
Transfers between funds	17	1,439	-	(1,439)	-	-
NET MOVEMENT IN FUNDS		295	247	(403)	139	94
RECONCILIATION OF FUNDS:						
Total funds brought forward		39,884	2,183	43,674	85,741	85,647
Net movement in funds		295	247	(403)	139	94
TOTAL FUNDS CARRIED FORWARD		40,179	2,430	43,271	85,880	85,741

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

The notes on pages 23 to 50 form part of these financial statements.

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

**CONSOLIDATED BALANCE SHEET
AS AT 31 OCTOBER 2019**

	Note	2019 £000	2018 £000
FIXED ASSETS			
Tangible assets	10	4,820	3,582
Investment property	11	54,605	54,330
Heritage assets	12	19,527	19,527
Investments	13	6,409	7,591
		85,361	85,030
CURRENT ASSETS			
Stocks	14	72	102
Debtors	15	1,172	889
Cash at bank and in hand		849	913
		2,093	1,904
Creditors: amounts falling due within one year	16	(1,573)	(1,193)
NET CURRENT ASSETS		520	711
TOTAL NET ASSETS		85,881	85,741
CHARITY FUNDS			
Endowment funds	17	43,271	43,674
Restricted funds	17	2,430	2,183
Unrestricted funds	17	40,180	39,884
TOTAL FUNDS		85,881	85,741

The financial statements were approved and authorised for issue by the Trustees on ^{13 July 2020} and signed on their behalf by:

E M Wood
Trustee



C E S Whitbread
Trustee



The notes on pages 24 to 51 form part of these financial statements.

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

**TRUST STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2019**

	Note	2019 £000	2018 £000
FIXED ASSETS			
Tangible assets	10	4,820	3,582
Investment property	11	54,605	54,330
Heritage assets	12	19,527	19,527
Investments	13	6,559	7,741
		85,511	85,180
CURRENT ASSETS			
Stocks	14	5	7
Debtors	15	1,155	851
Cash at bank and in hand		501	701
		1,661	1,559
Creditors: amounts falling due within one year	16	(1,327)	(1,037)
NET CURRENT ASSETS		334	522
TOTAL NET ASSETS		85,845	85,702
CHARITY FUNDS			
Endowment funds	17	42,280	43,674
Restricted funds	17	2,539	2,183
Unrestricted funds	17	41,026	39,845
TOTAL FUNDS		85,845	85,702

13 JULY 2020

The financial statements were approved and authorised for issue by the Trustees on 13 July 2020 and signed on their behalf by:

E M Wood
Trustee



C E S Whitbread
Trustee



The notes on pages 24 to 51 form part of these financial statements.

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2019

	Note	2019 £000	2018 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	19	(2,283)	(2,248)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interests and rents from investments		2,115	2,077
Proceeds from the sale of heritage assets		-	80
Purchase of heritage assets		-	(192)
Purchase of tangible fixed assets		(1,336)	(75)
Net movement of investments		1,440	180
NET CASH PROVIDED BY INVESTING ACTIVITIES		2,219	2,070
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(64)	(178)
Cash and cash equivalents at the beginning of the year		913	1,091
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	20	849	913

The notes on pages 23 to 50 form part of these financial statements

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

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 and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Richard Ormonde Shuttleworth Remembrance 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 Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Trust and its sister trading company Old Warden Limited (OWL), recognising the substance of the transaction as a quasi-subsiary. Both entities share a common parent in Richard Shuttleworth Trustees, a company limited by guarantee. The Trustees have deemed that the Trust exerts control and significant influence over OWL.

No separate SOFA has been presented for the Trust alone as permitted by the applicable regulations in the Charities SORP.

The net movement in funds for the Trust alone for the year was £141k surplus (2018: £20k deficit).

1.2 GOING CONCERN

Since the year end, the impact of government restrictions as a result of the COVID-19 crisis has led to the temporary cessation of all activities. Since early June 2020 some activity has now recommenced and in July further core charitable activities will be resumed. However, at the time these financial statements were approved the Government has given no indication of the exact date for lifting restrictions which would permit the full activities to resume.

The Trustees have prepared forecasts for the period to 2022 based on a gradual reopening of the activities of the Richard Ormonde Shuttleworth Remembrance Trust and have considered the period beyond this. The Trustees have stress tested the forecasts based on a number of scenarios and considered the impact upon the group and its cash resources. The group has taken measures to manage discretionary costs in order to extend financial headroom and has sought to utilise financial measures announced by the Chancellor of the Exchequer, on behalf of HM Treasury in March and April 2020 to support and provide funding to businesses during this time. The group intends to apply for long term loan funding in order to support its long term capital maintenance and planned development activities. The group also has significant investments which could be realised if required.

Based upon their review the Trustees believe that the group will have sufficient resources to meet its liabilities as they fall due for the foreseeable future and therefore have continued to adopt the going concern basis in preparing the financial statements.

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

1. ACCOUNTING POLICIES (CONTINUED)

1.3 INCOME

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

Voluntary income with or without donor imposed restrictions are recognised in the Statement of Financial Activities when the Trust is entitled to it. Restricted income is retained within the Restricted reserves until such time that it is utilised in line with such restrictions, at which point the income is released to general reserves through a reserve transfer.

For legacies, entitlement is taken as the earlier of the date on which either: the Trust 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, whole or in part, is only considered probable when the amount can be measured reliably and the Trust has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Trust, or the Trust 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.

No amounts are included in the financial statements for services donated by volunteers.

Donated fixed assets are measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Trust's accounting policies.

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

Income from Charitable Activities relates to activities run by the Trust in furtherance of the charitable objectives and is recognised on an accruals basis.

Income from Trading Activities relates to the activities of the quasi-subsiary Old Warden Limited.

Investment income is earned through holding assets for investment purposes such as property and shares. It includes rental income, dividends and interest. Investment income is included when the amount can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

1. ACCOUNTING POLICIES (CONTINUED)

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.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating of information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the Trust and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the Trust and compliance with constitutional and statutory requirements.

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 Trust's operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities. The basis of allocation of support and governance costs is noted in Note 7.

All expenditure is inclusive of irrecoverable VAT.

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £500 are capitalised.

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 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 basis:

Freehold land and property	- Not depreciated
Plant and machinery	- 20% on cost

The transitional arrangements of FRS102 were utilised to adopt the freehold property valuation as its deemed cost. Subsequent additions to freehold land and property are held at cost.

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

1. ACCOUNTING POLICIES (CONTINUED)

1.6 HERITAGE ASSETS

Heritage assets are included at the Trustee's valuation which is a proxy for cost. Any additions or disposals are recorded in the year that they occur at cost. There will be no policy of revaluing these assets, although impairment is considered annually. A register of all assets held by the Trust is available and the assets themselves are accessible to the public with prior agreement. Heritage assets are to be held for the foreseeable future.

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.

Investments held as fixed assets are shown at fair value as detailed in note 1.7.

1.8 REVALUATIONS OF INVESTMENTS

Investments include property and quoted investments and are administered under a Total Return Approach to investment.

The Trust has adopted the revaluation model to revalue properties held for investment whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Other investments are revalued annually to open market value.

The policy in respect of investment surpluses is as follows:

- Any increase or decrease in the value of the investments and the net income is credited or debited to the endowment fund, being included in the Unapplied Total Return;
- The Unapplied Total Return is subject to a transfer to permanent endowment in respect of a sum authorised by the Board of the Corporate Trustee. The cumulative rate used in these statements is 3%. The transfer is designed to maintain the real value of the Trust's endowment;
- A further transfer is made to general reserves in respect of the 'spending rule' in accordance with the Charity Commission Total Return Order. The rate applied in the financial statements is 4% of the average investment balance for the preceding five years.

1.9 STOCKS

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

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

1. ACCOUNTING POLICIES (CONTINUED)

1.10 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.

1.11 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.

1.12 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 Trust 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.

1.13 FINANCIAL INSTRUMENTS

The Trust 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.

1.14 PENSIONS

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

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

1. ACCOUNTING POLICIES (CONTINUED)

1.15 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 Trust 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 Trust 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.

Endowment funds are funds where the asset must be held permanently by the Trust, it includes gains from the disposal and exploitation of property and the revaluation of investments assets, less amounts transferred under the Total Return Policy.

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019

1. ACCOUNTING POLICIES (CONTINUED)

1.16 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 Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The 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 are discussed below.

Valuation of properties

Following management's instruction, in 2019 properties held for investment by the Trust were appraised by Robinson & Hall LLP, Chartered Surveyors. Management accepted the valuation reported and, in accordance with the accounting policy, revalued the properties held by the Trust accordingly.

Valuation of quoted investment

Annually the Trustees are provided with a portfolio valuation of its quoted investments by the Trust's investment advisers Sarasin and Partners, which the Trustees deem to represent the fair value of the holding at the year end.

Heritage assets

The Trust's heritage assets are split into two categories: Exhibits at the Collection and Paintings and Artefacts. Both of these categories were valued by the Trustees on 1 November 2012 for £17m and £2.5m respectively. The Paintings and Artefacts are valued every five years by professional valuers, and this is reviewed against the original valuations for reasonableness. With regards to the Exhibits these are not subject to professional valuation due to the anticipated cost that would be incurred due to the unique nature of the holding.

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Gift aid admissions	81	-	81	84
Donations and legacies	11	209	220	483
Restricted SVAS donation	-	75	75	117
	<u>92</u>	<u>284</u>	<u>376</u>	<u>684</u>
TOTAL 2018	<u>132</u>	<u>552</u>	<u>684</u>	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Aviation and automotive transport	968	968	934
	<u>968</u>	<u>968</u>	<u>934</u>

Total income received in 2018 from charitable activities was unrestricted.

4. INVESTMENT INCOME

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Endowment funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Rental income	582	67	1,238	1,887	1,807
Dividend income	221	7	-	228	268
Investment income - cash	-	-	-	-	2
	<u>803</u>	<u>74</u>	<u>1,238</u>	<u>2,115</u>	<u>2,077</u>
TOTAL 2018	<u>755</u>	<u>56</u>	<u>1,266</u>	<u>2,077</u>	

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

5. EXPENDITURE ON RAISING FUNDS

COSTS OF RAISING VOLUNTARY INCOME

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Endowment funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Staff costs	1,146	-	-	1,146	1,085
Investing activities	305	26	478	809	820
Trading activities (excl staff costs)	901	-	-	901	571
Fundraising costs	184	-	-	184	176
Support and governance costs	231	-	-	231	340
	<u>2,767</u>	<u>26</u>	<u>478</u>	<u>3,271</u>	<u>2,992</u>
TOTAL 2018	<u>2,471</u>	<u>19</u>	<u>502</u>	<u>2,992</u>	

Trading costs including staff costs are £1,671k (2018: £1,266k).

6. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Endowment funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Investment management fees	17	1	27	45	45
TOTAL 2018	<u>16</u>	<u>1</u>	<u>28</u>	<u>45</u>	

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £000	Support costs 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Aviation and automotive transport	1,332	329	1,661	1,835
Agriculture and land based industry	420	30	450	476
Governance	-	160	160	80
	<u>1,752</u>	<u>519</u>	<u>2,271</u>	<u>2,391</u>
TOTAL 2018	<u><u>1,967</u></u>	<u><u>424</u></u>	<u><u>2,391</u></u>	

Analysis of support costs

	Aviation and automotive 2019 £000	Agriculture and land base 2019 £000	Governance 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Staff costs	204	20	77	301	243
Premises costs	99	-	26	125	98
Office costs	25	9	4	38	42
Non-recoverable VAT	1	1	1	3	5
Professional fees	-	-	42	42	31
Trustee costs	-	-	10	10	5
	<u>329</u>	<u>30</u>	<u>160</u>	<u>519</u>	<u>424</u>
TOTAL 2018	<u><u>322</u></u>	<u><u>21</u></u>	<u><u>80</u></u>	<u><u>424</u></u>	

The basis for allocating support costs to different activities is done on a percentage basis.

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

8. AUDITORS' REMUNERATION

	2019	2018
	£000	£000
Audit fees	24	23
Non-audit services	25	12
	<u>24</u>	<u>12</u>

9. STAFF COSTS

	Group	Group	Trust	Trust
	2019	2018	2019	2018
	£000	£000	£000	£000
Wages and salaries	2,047	1,944	1,270	1,242
Social security costs	151	132	151	132
Other pensions costs	65	58	65	58
	<u>2,263</u>	<u>2,134</u>	<u>1,486</u>	<u>1,432</u>

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

	Group	Group
	2019	2018
	No.	No.
Collection	74	68
Support	7	6
	<u>81</u>	<u>74</u>

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

The Trust considers its key management personnel comprise the Trustees and the eight managers of the Senior Management Team (Accounts, House & Parkland, Executive Director, HR, Garden, Visitor Centre, Marketing and Chief Engineer). The total employment benefits including employer pension contributions of the key management personnel were £358k (2018: £305k)

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019

10. TANGIBLE FIXED ASSETS

GROUP AND TRUST

	Freehold property £000	Plant and machinery £000	Total £000
COST OR VALUATION			
At 1 November 2018	3,342	1,159	4,501
Additions	1,220	116	1,336
Disposals	-	(80)	(80)
At 31 October 2019	<u>4,562</u>	<u>1,195</u>	<u>5,757</u>
DEPRECIATION			
At 1 November 2018	-	919	919
Charge for the year	-	98	98
On disposals	-	(80)	(80)
At 31 October 2019	<u>-</u>	<u>937</u>	<u>937</u>
NET BOOK VALUE			
At 31 October 2019	<u>4,562</u>	<u>258</u>	<u>4,820</u>
At 31 October 2018	<u>3,342</u>	<u>240</u>	<u>3,582</u>

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019

11. INVESTMENT PROPERTY

Group

	Freehold investment property £000
VALUATION	
At 1 November 2018	54,330
Additions	162
Surplus on revaluation	113
At 31 October 2019	<u>54,605</u>

Trust

	Freehold investment property £000
VALUATION	
At 1 November 2018	54,330
Additions	162
Surplus on revaluation	113
At 31 October 2019	<u>54,605</u>

The freehold investment properties were revalued by external valuers, Robinson & Hall LLP, Chartered Surveyors, as at 31 October 2019, on the basis of market value in accordance with RICS Valuation Standards.

The Valuer has been a signatory to the year end valuation of investment properties for the Trust since 2002 (except in 2008 and 2015) and Robinson & Hall LLP have undertaken the valuation since 2002 (including 2008 and 2015).

Robinson & Hall LLP act as external managing agent to provide the Trust property services and this relationship has existed since the founding of the Trust. The proportion of total fees payable by the Trust to the total fee income of the valuing firm in the firm's preceding financial year was between 5% and 10%.

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019

12. HERITAGE ASSETS

Group and Trust

Assets recognised at cost

	Exhibits at the Collection 2019 £000	Paintings and artefacts 2019 £000	Total 2019 £000
Carrying value at 1 November 2018	17,027	2,500	19,527
	<u>17,027</u>	<u>2,500</u>	<u>19,527</u>

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

12. HERITAGE ASSETS (CONTINUED)

Group and Trust (continued)

The Trust was formed in 1944 for the purpose of providing a permanent memorial to the memory of Richard Ormonde Shuttleworth, who was killed in 1940 in a flying accident whilst on active service in the RAF, by the provision of a museum and college. This has been achieved by the establishment of The Shuttleworth Collection, an active museum of principally pre Second World War aircraft, many unique and in flying condition with hangers and airfield, and also the provision and support to The Shuttleworth College, which uses the Mansion and surrounding premises and parkland for its activities. The property is fundamental to the core activities of the charitable activities and the Trust's objects, as are the exhibits and historic artefacts depicting the Shuttleworth inheritance, many of which are irreplaceable and of national importance. These properties and artefacts are not assets in the normal sense as they have permanence while the Trust has a continuing responsibility to protect and maintain them for future generations, the costs of which cannot be fully assessed.

Paintings and Artefacts

The Mansion contains a large number of paintings, artefacts and furniture collected by the Shuttleworth Family, an inventory of which is maintained by Christies, valuer, recording the nature, provenance and location. The Trust has adopted a policy to value the contents of the Mansion every 5 years for insurance purposes, the last valuation was undertaken by Christies in June 2015.

The Trustees placed the figure of £2.5 million as the market value of these assets as at 1 November 2012 and have reviewed this figure in light of the June 2015 valuation and consider the value still appropriate.

The paintings underwent a conditions survey in 2007 by an independent conservator and following this a 10 year repair programme was agreed by the Trust. The furniture is reviewed by Christies on a five yearly basis and repairs done on an ad hoc basis.

Exhibits at the Collection

These are made up of the aircraft, engines, motorcycles, propellers and costumes. Inventories are maintained and the Trustees place a conservative informal valuation of £17 million on these assets as at 1 November 2012 and consider the value still appropriate. Since this date net acquisitions have been made in the sum of £72,000. The aircraft and cars are deemed to have indeterminate lives and the Trustees believe that the benefits of obtaining formal valuations would not justify the cost, additionally this would be difficult due to their unique nature. It is the Collection's policy to maintain the aircraft, motor vehicles and motorcycles in full working order and maintenance costs are charged to the Statement of Financial Activities. As noted in note 26, the SVAS provides volunteer support in the maintenance of the exhibits plus an annual donation towards the costs.

Expenditure on the above assets

The costs of preservation, restoration and maintenance of all the above assets has been charged to the Statement of Financial Activities. Any additions to the exhibits or buildings in charitable use are capitalised.

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

12. HERITAGE ASSETS (CONTINUED)

Analysis of heritage asset transactions

GROUP AND TRUST

	2019	2018	2017	2016	2015
	£000	£000	£000	£000	£000
PURCHASES					
Paintings and artefacts	-	-	-	-	-
Exhibits at the Collection	-	226	95	11	145
TOTAL ADDITIONS	-	226	95	11	145
DISPOSALS					
Paintings and artefacts	-	-	-	-	-
Exhibits at the Collection	-	(80)	(5)	(658)	-
TOTAL DISPOSALS	-	(80)	(5)	(658)	-

13. FIXED ASSET INVESTMENTS

GROUP	Listed investments £000	Cash held at investments £000	Total £000
COST OR VALUATION			
At 1 November 2018	6,585	1,006	7,591
Additions	1,656	-	1,656
Disposals	(2,217)	-	(2,217)
Revaluations	384	-	384
Foreign exchange movement	-	(1,005)	(1,005)
AT 31 OCTOBER 2019	6,408	1	6,409
NET BOOK VALUE			
AT 31 OCTOBER 2019	6,408	1	6,409
<i>AT 31 OCTOBER 2018</i>	<i>6,585</i>	<i>1,006</i>	<i>7,591</i>

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

13. FIXED ASSET INVESTMENTS (CONTINUED)

TRUST	Investments in subsidiary companies £000	Listed investments £000	Other fixed asset investments £000	Total £000
COST OR VALUATION				
At 1 November 2018	150	6,585	1,006	7,741
Additions	-	1,656	-	1,656
Disposals	-	(2,217)	-	(2,217)
Revaluations	-	384	-	384
Foreign exchange movement	-	-	(1,005)	(1,005)
AT 31 OCTOBER 2019	150	6,408	1	6,559
NET BOOK VALUE				
AT 31 OCTOBER 2019	150	6,408	1	6,559
<i>AT 31 OCTOBER 2018</i>	150	6,585	1,006	7,741

14. STOCKS

	Group 2019 £000	Group 2018 £000	Trust 2019 £000	Trust 2018 £000
Raw materials	72	102	5	7

15. DEBTORS

	Group 2019 £000	Group 2018 £000	Trust 2019 £000	Trust 2018 £000
Trade debtors	133	58	91	25
Amounts owed by group undertakings	-	-	54	10
Other debtors	845	710	842	708
Prepayments and accrued income	194	121	168	108
	1,172	889	1,155	851

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2019 £000	Group 2018 £000	Trust 2019 £000	Trust 2018 £000
Trade creditors	370	210	319	169
Other taxation and social security	107	90	69	55
Other creditors	743	510	742	508
Accruals and deferred income	353	383	197	305
	1,573	1,193	1,327	1,037
	Group 2019 £000	Group 2018 £000	Trust 2019 £000	Trust 2018 £000
DEFERRED INCOME				
Deferred income at 1 November 2018	85	43	21	19
Resources deferred during the year	138	85	6	21
Amounts released from previous periods	(85)	(43)	(21)	(19)
DEFERRED INCOME AT 31 OCTOBER 2019	138	85	6	21

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019

17. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 November 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 October 2019 £000
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Heritage fund	16,846	-	-	(1,819)	-	15,027
Maintenance reserve	4,294	-	-	(4,294)	-	-
Strategic reserve	7,064	-	-	(7,064)	-	-
College reserve	2,000	-	-	(2,000)	-	-
Collection infrastructure	213	-	-	(213)	-	-
Collection operational	3,637	-	-	(3,637)	-	-
Capital assets fund	-	-	-	20,654	-	20,654
	<u>34,054</u>	<u>-</u>	<u>-</u>	<u>1,627</u>	<u>-</u>	<u>35,681</u>
GENERAL FUNDS						
General Funds - all funds	5,830	3,600	(4,939)	(188)	196	4,499
	<u>39,884</u>	<u>3,600</u>	<u>(4,939)</u>	<u>1,439</u>	<u>196</u>	<u>40,180</u>

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019

17. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - CURRENT YEAR (CONTINUED)

	Balance at 1 November 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 October 2019 £000
ENDOWMENT FUNDS						
Investment property	36,244	1,238	(504)	(1,439)	302	35,841
Heritage assets - Collection	2,000	-	-	-	-	2,000
Heritage assets - Paintings and artefacts	2,500	-	-	-	-	2,500
Land and property in charitable use	2,930	-	-	-	-	2,930
	<u>43,674</u>	<u>1,238</u>	<u>(504)</u>	<u>(1,439)</u>	<u>302</u>	<u>43,271</u>
RESTRICTED FUNDS						
Cissie Kirby scholarship fund	239	7	(8)	-	17	255
Collection restricted funds	1,944	351	(136)	-	16	2,175
	<u>2,183</u>	<u>358</u>	<u>(144)</u>	<u>-</u>	<u>33</u>	<u>2,430</u>
TOTAL OF FUNDS	<u><u>85,741</u></u>	<u><u>5,196</u></u>	<u><u>(5,587)</u></u>	<u><u>-</u></u>	<u><u>531</u></u>	<u><u>85,881</u></u>

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019

17. STATEMENT OF FUNDS (CONTINUED)

Designated Funds

During the year, the Trustees carried out a review of the designated funds and following this detailed review have chosen to reanalyse the designated funds and have made a number of simplifications.

These simplifications have been carried out via a transfer within the year.

Heritage fund - for maintenance and restoration of the Trust's Heritage Assets not held in Endowment funds.

Capital assets fund - for maintenance and repair of the Trust's fixed assets and investment properties not held in Endowment funds.

Designated funds (prior to review)

Maintenance reserve - for maintenance of Trust's properties not including that of the Collection and College.

Strategic reserve - aims to be equivalent to one year's normal expenditure but will also provide support for exceptional expenditure, which is inherent in the nature of the Trust's assets. The sum corresponds with the Trust's stated aim of holding £5m in reserve, indexed since 2004 at 2.5% pa and at 2019 this was £7,240k (2018: £7,064k).

College reserve - for maintenance and improvement of College property.

Collection infrastructure - for maintenance and improvement of Collection property.

Collection operational - funds held for the operational purposes of the Collection.

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019

17. STATEMENT OF FUNDS (CONTINUED)

Endowment Funds

A lease of land owned by the Trust was granted for a maximum period of 21 years commencing on 29 September 1995 for mineral extraction and a further lease was granted on additional land on 18 April 2007 on similar provisions. Royalties realised were capitalised and were not available for general charitable expenditure until the adoption of a Total Return Approach to investment in 2003.

The endowment fund represents the gains from the disposal and exploitation of property, the revaluation of investment assets (which formed part of the original endowment or which were purchased from funds from realisations of the original endowment). Endowment assets were identified as at 1 November 1995 for Total Return purpose and a growth rate has been applied to the endowment investment assets in accordance with the accounting policies adopted.

The original endowment is included in the Financial Statements at Trustee valuation (see note 12) except where represented as an investment asset.

The balance as at 31 October 2019 is made up of Unapplied Total Return (note 21) of £12,944k (2018: £13,924k) and unrestricted permanent endowment of £30,328k (2018: £29,750k).

Restricted Funds

The restricted funds comprise the following unexpended balances of donation and grants held on Trust to be applied for specific purposes:

Cissie Kirby scholarship fund - The Cissie Kirby Scholarship Fund was endowed to the Trust for the purpose of providing scholarships for study, research or experimental work, to students of the College and the earned income is allocated to a restricted fund. The fund is not administered on a Total Return basis as the funds are separately invested from the balance of the Trust's investments.

Collection restricted funds - legacies and donations received that are restricted for use at the Shuttleworth Collection.

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

17. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 November 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 October 2018 £000
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Heritage fund	16,884	30	(68)	-	-	16,846
Maintenance reserve	4,654	-	(360)	-	-	4,294
Strategic reserve	6,892	-	-	172	-	7,064
College reserve	2,000	-	-	-	-	2,000
Collection infrastructure	336	-	(123)	-	-	213
Collection operational	3,699	2,369	(2,431)	-	-	3,637
	<u>34,465</u>	<u>2,399</u>	<u>(2,982)</u>	<u>172</u>	<u>-</u>	<u>34,054</u>
GENERAL FUNDS						
General	4,313	982	(1,772)	2,207	100	5,830
	<u>38,778</u>	<u>3,381</u>	<u>(4,754)</u>	<u>2,379</u>	<u>100</u>	<u>39,884</u>

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019

17. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR (CONTINUED)

	Balance at 1 November 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 October 2018 £000
ENDOWMENT FUNDS						
Investment property	37,721	1,266	(530)	(2,379)	166	36,244
Heritage assets - Collection	2,000	-	-	-	-	2,000
Heritage assets - Paintings and artefacts	2,500	-	-	-	-	2,500
Land and property in charitable use	2,930	-	-	-	-	2,930
	<u>45,151</u>	<u>1,266</u>	<u>(530)</u>	<u>(2,379)</u>	<u>166</u>	<u>43,674</u>
RESTRICTED FUNDS						
Cissie Kirby scholarship fund	244	7	(7)	-	(5)	239
Collection restricted funds	1,474	601	(137)	-	6	1,944
	<u>1,718</u>	<u>608</u>	<u>(144)</u>	<u>-</u>	<u>1</u>	<u>2,183</u>
TOTAL OF FUNDS	<u><u>85,647</u></u>	<u><u>5,255</u></u>	<u><u>(5,428)</u></u>	<u><u>-</u></u>	<u><u>267</u></u>	<u><u>85,741</u></u>

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Endowment funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	1,890	-	2,930	4,820
Fixed asset investments	3,979	2,430	-	6,409
Investment property	18,764	-	35,841	54,605
Heritage assets	15,027	-	4,500	19,527
Current assets	2,093	-	-	2,093
Creditors due within one year	(1,573)	-	-	(1,573)
TOTAL	<u>40,180</u>	<u>2,430</u>	<u>43,271</u>	<u>85,881</u>

Unrestricted funds comprise General funds of £4,499k and Designated funds of £35,681k.
General funds are made up of fixed assets investments, current assets and current liabilities only.

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Endowment funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	652	-	2,930	3,582
Fixed asset investments	5,427	2,164	-	7,591
Investment property	18,086	-	36,244	54,330
Heritage assets	15,027	-	4,500	19,527
Current assets	1,885	19	-	1,904
Creditors due within one year	(1,195)	-	-	(1,195)
TOTAL	<u>39,882</u>	<u>2,183</u>	<u>43,674</u>	<u>85,739</u>

Unrestricted funds comprise General funds of £5,830k and Designated funds of £34,054k.
General funds are made up of tangible fixed assets, current assets, current liabilities and £4,468 of fixed asset investments only.

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2019 £000	Group 2018 £000
Net income for the year (as per Statement of Financial Activities)	139	94
ADJUSTMENTS FOR:		
Depreciation charges	98	100
Losses on investments	(531)	(267)
Dividends, interests and rents from investments	(2,115)	(2,077)
Decrease/(increase) in stocks	30	(1)
Increase in debtors	(283)	(251)
Increase in creditors	379	187
Donations in kind	-	(49)
NET CASH USED IN OPERATING ACTIVITIES	(2,283)	(2,264)

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2019 £000	Group 2018 £000
Cash in hand	849	913
TOTAL CASH AND CASH EQUIVALENTS	849	913

21. MEMORANDUM OF UNAPPLIED TOTAL RETURN

	2019 £000	2018 £000
Unapplied total return bought forward	13,924	15,961
Increase in value during the year	1,036	902
Transfer to permanent endowment	(577)	(560)
Application of unapplied total return	(1,439)	(2,379)
	12,944	13,924

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

22. PENSION COMMITMENTS

The Trust operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Trust in independently administered funds. The pension cost charges represents contributions payable by the Trust to the fund and amounted to £65,471 (2018: £58,073). Pension payable at year end was £NIL (2018: £NIL) included in creditors.

23. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £NIL for the debts and liabilities contracted before he/she ceases to be a member.

24. RELATED PARTY TRANSACTIONS

The Trust has considered the disclosure requirements of the Statement of Recommended Practice for Charities and of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and believes that the following related party transactions requires disclosure:

During the year under review four Directors of the Corporate Trustee (2018: six) received reimbursement of travel and subsistence expenses in the sum of £10,289 (2018: £4,936). No Trustee received any remuneration from holding office as Director of the Corporate Trustee (2018: £NIL).

The Trust has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose transactions with group undertakings or investors in the group qualifying as related parties, on the grounds it is a wholly owned subsidiary and will be included in its parent company publicly available consolidated financial statements.

25. INSURANCE

Building and Contents

Insurance cover is arranged to provide for the full replacement cost of buildings to a similar standard to that existing before any event. Contents of premises are insured for loss and reinstatement. The exhibits displayed at the Collection, which are predominantly unique and irreplaceable, are insured when static and in flight.

26. SHUTTLEWORTH VETERAN AEROPLANE SOCIETY (SVAS)

The SVAS was established in 1964 and is an independent Trust, number 800095, which exists to support The Shuttleworth Collection. Substantial support is given by volunteers to the work undertaken at the Collection in addition to financial support.

THE RICHARD ORMONDE SHUTTLEWORTH REMEMBRANCE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

27. POST BALANCE SHEET EVENTS

Subsequent to the year end a global health crisis caused by COVID-19 emerged which has had a significant impact on all businesses. At the year end, the scale of the crisis was unknown, with the pandemic being declared after the year end. Therefore it is a non-adjusting event.

As described in the Trustees Report and going concern accounting policy, the Trustees have assessed the potential impact of this uncertain situation on the group and are taking short term actions in order to mitigate the negative effects arising during this period of interrupted trading.

Based on professional advice to the date of signing the financial statements there has been no material fall in the value of the Trust's assets.

28. CONTROLLING PARTY

The Trust is a wholly owned subsidiary of Richard Shuttleworth Trustees (a company limited by guarantee), which is regarded as the ultimate controlling party. The group of which Richard Shuttleworth Trustees is the parent organisation, forms the largest group preparing consolidated financial statements which include The Richard Ormonde Shuttleworth Remembrance Trust. The smallest group preparing consolidated financial statements are The Richard Ormonde Shuttleworth Remembrance Trust and its sister subsidiary Old Warden Limited.

Copies of the Richard Shuttleworth Trustees consolidated financial statements can be obtained from Companies House at Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

29. PRINCIPAL SUBSIDIARIES

The following was a quasi-subsiary undertaking of Trust:

Name	Company number	Holding	Included in consolidation
Old Warden Limited	06366021	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £000	Expenditure £000	Profit/(Loss) / Surplus/ (Deficit) for the year £000	Net assets £000
Old Warden Limited	1,864	(1,865)	(1)	186