

ROYAL AIR FORCE MUSEUM

England & Wales · Charity number 1197541

Details

Status Registered

Legal form Other

Registered 2022-01-17

Register [View on the Charity Commission register](#)

Contact

Address Royal Air Force Museum
Grahame Park Way
London
NW9 5LL

Phone 02085384839

Email london@rafmuseum.org

Website www.rafmuseum.org.uk

Activities

Objects: 2 THE OBJECTS FOR WHICH THE MUSEUM IS HEREBY CONSTITUTED SHALL BE TO EDUCATE AND INFORM THE PUBLIC AND MEMBERS OF OUR ROYAL AIR FORCE ABOUT:2.1 THE HISTORY AND TRADITIONS OF OUR ROYAL AIR FORCE, AND 2.2 THE ROLE OF OUR ROYAL AIR FORCE IN RELATION TO THE ARMED FORCES OF THE REALM, OTHER AIR FORCES AND AVIATION GENERALLY, IN PARTICULAR, BUT NOT EXCLUSIVELY, BY COLLECTING, CONSERVING, PRESERVING, MANAGING, EXHIBITING AND STORING DOCUMENTS, ITEMS, ARTEFACTS AND OTHER MATERIALS IN THE COLLECTION.

Activities: Our purpose is to share the story of the Royal Air Force, past, present and future, using the stories of its people and our collections, to engage, entertain, inspire and encourage learning. Our overall vision is to inspire everyone with the RAF story, the people who shape it and its place in our lives.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Sponsors Or Undertakes Research
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£18,914,000	£20,135,000	£140,925,000	203
2024-03-31	£21,608,000	£19,358,000	£140,402,000	203
2023-03-31	£19,854,000	£19,201,000	£136,779,000	202

Trustees

Name	Role	Appointed
Air Marshal Peter William David Ruddock CB CBE		2022-01-17
Anita Bernie		2026-01-19
Caroline Rolfe		2026-01-19
David Cooper CBE		2022-01-17
Dean McCumiskey		2026-01-19
Hemma Gooljar		2023-06-28
John Banks		2022-01-17
Jonathan Ian Field		2022-01-17
Josh Chana		2023-06-28
Julie McGarvey		2022-01-17
Matthew Gilpin		2022-01-17
Nick Sanders		2022-01-17
Sir Stephen Hillier		2022-01-17
Waseem Mahmood OBE		2022-01-17

Linked charities

- ROYAL AIR FORCE MUSEUM (1197541-1)

ROYAL AIR FORCE MUSEUM

England & Wales - Charity number 1197541

Accounts



Royal Air Force Museum Accounts 2024-25



Royal Air Force Museum Accounts 2024-25

Presented to Parliament
by the Secretary of State for Defence
by Command of His Majesty
July 2025



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Any enquiries regarding this publication should be sent to us at Royal Airforce Museum, Grahame Park way, Hendon, London, NW9 5LL.

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ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

CONTENTS

	Page
Annual Report	
Administrative Information	1
Charitable Aims and Activities	2
Performance Report	
Overview	9
Future Plans	10
Strategic Priorities	11
Performance Analysis	20
Financial Review	22
Accountability Report	
Corporate Governance Report	30
Chief Executive Officer's report and governance statement	31
Statement of the Board of Trustees' and Chief Executive Officer's Responsibilities	38
Remuneration and Staff Report	39
The Certificate and Report of the Comptroller and Auditor General	45
Financial Statements	
Consolidated Statement of Financial Activities	50
Consolidated and Charity Balance Sheet	51
Consolidated Cash Flow Statement	52
Notes to the Financial Statements	53

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

ADMINISTRATIVE INFORMATION

Address of the charity Royal Air Force Museum
Grahame Park Way
Hendon
London
NW9 5LL

Registered charity number 1197541

Names and addresses of other relevant organisations

Auditor Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
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London
SW1W 9SP

Solicitors Charles Russell Speechlys LLP
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London
EC4M 7RD

Bankers Barclays Bank Plc
Leicester
LE87 2BB

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

CHARITABLE AIMS AND ACTIVITIES

Our Purpose

The Royal Air Force has shaped our nation and our society. It has influenced how we live our lives today through its impact on world events, society and technology. The purpose of the Royal Air Force (RAF) Museum is to share the story of the Royal Air Force, past, present and future – using the stories of its people and our collections to engage, inspire, entertain and encourage learning.

The RAF Museum was established as a legacy of the RAF's fiftieth anniversary in 1968, opening our London (Hendon) site in 1972 on the historic pioneering airfield in Colindale (previously RAF Hendon, and home of the London Aerodrome from 1910). Our Midlands site began as the Aerospace Museum at RAF Cosford (established in 1938 as a joint aircraft maintenance, storage and technical training site for the Ministry of Defence) in the spring of 1974 and joined the family in 1979. It was renamed RAF Museum Cosford in 1998, and more recently in March 2022 as RAF Museum Midlands. The Museum also has two external stores, one in Stafford and another within RAF Cosford.

Charitable Objects

The formal objects of the charity are to educate and inform the public and members of the Royal Air Force about:

- The history and traditions of the Royal Air Force; and
- The role of the Royal Air Force in relation to the armed forces of the realm, other air forces and aviation generally.

In particular, but not exclusively, this will be achieved by collecting, conserving, preserving, managing, exhibiting and storing documents, items, artefacts and other materials in the collection, and encouraging research and sharing of information.

The RAF Museum was registered as a charity (Registered Charity Number 244708) in 1968 and to 31 March 2022 was governed in accordance with a Scheme of the Charity Commission dated 4 June 2007 which replaced the former trusts of the Museum. From 1 April 2022, the new incorporated charity with Royal Charter status (RC000922, Registered Charity Number 1197541) is governed in accordance with its Charter and Bye-laws to deliver the same charitable objects.

Governance

The RAF Museum is a National Museum, a Government Non-Departmental Public Body (NDPB) and a registered charity governed by Royal Charter. The Museum is the National Museum of the Royal Air Force, unique in its size and scope, and officially recognised as such. The Museum works closely with the Royal Air Force, its sponsor organisation at the Ministry of Defence, including liaising with the Air Historical Branch, RAF Heritage and RAF Engagement. His Majesty King Charles III is the Museum's Patron, succeeding his father HRH Prince Philip, The Duke of Edinburgh, who was Patron of the Museum from its inception in 1968 until his death in April 2021.

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

A trading subsidiary Royal Air Force Museum Enterprises Ltd (company number 1511481) is incorporated as a company limited by shares (wholly owned by the RAF Museum) to manage the associated commercial activities (and any activities that are 'non-primary purpose trading') for the benefit of the charity. All profits of RAF Museum Enterprises Ltd are gift-aided to the Museum on an annual basis, as agreed in a Deed of Covenant between the parties. Effective 1 April 2022, the shares held by nominees on behalf of the trust were transferred to the Royal Charter company, which became the sole shareholder of the Royal Air Force Enterprises Ltd company.

The Royal Air Force Museum Investments Limited (company number 4026995) is a wholly owned subsidiary which is incorporated as a limited liability company to hold the real property assets of the charity on behalf of the Trustees. In March 2005, the Cosford and Stafford leasehold property was transferred to this company from the charity, followed by the London (Hendon) freehold property in January 2008. Effective 1 April 2022, the shares held by nominees on behalf of the trust were transferred to the Royal Charter company, which became the sole shareholder of the Royal Air Force Investments Ltd company.

A Partnering Agreement is in place between the RAF Museum and the RAF which sets out the sponsor relationship and identifies the services that the Museum provides and the support given by the RAF in order that these aims are achieved. RAF colleagues past and present continue to provide fantastic support and inspiration to the Museum to enable us to share the ever-developing RAF story. Aligned with the Partnering Agreement is a Framework Document drawn up by the MOD in consultation with the RAF Museum and which sets out the broad governance framework within which the Museum and the MOD operates. It sets out core responsibilities, describes the governance and accountability framework that applies between the roles of the MOD and the Museum and sets out how the day-to-day relationship works in practice, including in relation to governance and financial matters.

The Public Bodies Review of the three Service Museums - National Museum of the Royal Navy, National Army Museum and Royal Air Force Museum - was carried out under the Cabinet Office's Public Bodies Reviews Programme during 2023-24 and the Secretary of State-approved final report was published on 1 March 2024. The review considered the governance, accountability and efficiency of the three museums and evidence gathered through interviews, documentation supplied by the museums, museum visits, public reports about the wider cultural and heritage sector and desk-based research. The review found that MOD service museums are effective in fulfilling their purpose and should remain as NDPBs within the Ministry of Defence.

One of the key recommendations was closer working between sponsor bodies and their museums and new regular liaison meetings have been scheduled between Assistant Chief of Air Staff, the RAF's RAF Museum Board representative; Air Command's Director of Resources (who leads the RAF's sponsorship team); the Commandant and Station Commander from RAF Cosford; and the Museum's Chief Executive.

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

Our Activities

The RAF Museum's vision is to 'inspire **everyone** with the RAF story – the people who shape it and its place in our lives'. We are committed to using our collections to share the story of the Royal Air Force and its people. General entry to the Museum is free to the public and the Museum welcomes almost one million visitors a year across its two sister sites. Alongside this it undertakes impactful learning activities with children and young people, both formally and informally. As an educational charity, whether visitors are engaging with our displays, taking part in discussion and debate, studying our archive, holding a corporate event in our spaces, having fun at events and in our playgrounds, or enjoying a rest in our cafés, there are opportunities for inspiration from the incredible RAF story.

Our current strategic plan 'Strategy 2030' sets out an ambitious vision for the future, shaped and shared by our Trustees, staff team (employees and volunteers) and key partners, and which continues to guide the Museum during a complex period of our history, with climate change and an unstable international environment, and ever-present threats to our way of life. We have much to do, but we look forward with confidence and clarity. We strive to be a world class National Museum, respected for our commitment to focusing on our audiences and using our collections and spaces in creative ways to engage them with the RAF's story. We shall remain financially sustainable, with firm foundations that enable an agile and creative future. Our collection is central to everything we are and do and comprises around 1.3m objects which we hold in trust for the people of the UK.

Our aim is to deepen further our focus on immersive RAF storytelling and be more ambitious in encouraging reflection and debate across our spaces and programmes, as well as welcoming all our visitors for a great day out. We are committed to engaging more people and, equally important, a more diverse range of people by ensuring that our governance, our teams, our collection and our storytelling are better reflective of the changing national population. Equally, we are committed to sharing the RAF story outside our walls across the UK and beyond through in-person outreach programmes and online engagement. Examples include touring iconic objects from the collection, research activities, community workshops, loans with partner organisations and storytelling through www.RAFStories.org.

Both our sites require significant investment to care appropriately for our unique collection and to reach wider audiences. Our priority project is the Inspiring Everyone: RAF Museum Midlands Development Programme which forms the first major step of a twenty-five year Master Plan for our Cosford site, while we continue to make significant improvements at London. The Midlands Development Programme of engagement and capital investment will transform our Museum and our impact through a series of phased projects – engaging audiences who may not obviously identify with the RAF story by finding common interests and histories which link them.

The scope of the London Master Plan rationalises our use of the Hangar 3, 4 and 5 building to maximise opportunities for visitors to engage with the collection in meaningful ways. It will improve both our operational effectiveness and visitor experience with a focus on our commercial imperatives while balancing considerations of collections care and reduction of our carbon impact. This will pave the way for a new Research Centre and Learning Centre, further

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

improving the care of and access to our nationally important archive, library, photographic and art collection.

The RAF is iconic to so many people in the UK and overseas and we will continue to research and share its history. Equally, today's men and women in the RAF are active on more fronts than they have ever been in our increasingly complex world. We ensure their stories are at the top of our agenda through contemporary collecting and programmes that keep us relevant and connected.

We are immensely appreciative of Government investment in its National Museums, and specifically grateful to the MOD and Air Command for their support for the RAF Museum. However, to achieve our Strategy 2030 ambitions, both across day to day programmes and capital improvement, the Museum must grow our commercial and fundraising further to address the challenging financial context we operate in. Creative income generation opportunities are embedded in Museum planning and will continue to be a focus as both additional storytelling platforms and essential enablers for our plans.

Inspiring Everyone: RAF Museum Midlands Development Programme

Our £28.6M RAF Museum Midlands Development Programme and fundraising campaign launched in March 2022 is supported by the National Lottery Heritage Fund (NLHF), the RAF, and a number of other funders comprising trusts and foundations, industry partners and individuals. Further detail is included in the Performance Report for the year. In October 2024, the Museum completed a two-year Development Phase, shaping detailed delivery plans (as below), which were awarded a major grant of £9.3M by the NLHF at the end of April 2025. The new spaces, developed in partnership with stakeholders and communities will open in summer 2027.

The Development Phase delivered investment in six new posts and uplifted two existing roles, enabling us to welcome 94 volunteers to the Programme who gave over 6,000 hours of support. Seven Midlands-based companies were appointed to our capital design team.

Through the Inspiring Everyone: RAF Museum Midlands Development Programme, we will:

- Become a valuable resource for our Midlands community
- Ensure our collection will be better understood, cared for and more widely shared
- Work with partners to involve people in their local and RAF heritage developing their skills and improving their wellbeing
- Work with our audiences to share RAF stories that are relevant to their lives and lived experiences inspiring them to fulfil their own potential
- Move towards our target of being a Carbon Net Zero organisation
- Be more resilient and able to support our community in the future.

The transformation programme comprises the Inspiring Engagement Programme underpinned by delivery of a new-build Collections Hub, a Learning Centre and a contemporary exhibition in a refurbished hangar, co-created interpretive interventions across the site, and a new public realm.

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

- The Engagement Programme (Activity Plan) will harness the power of RAF heritage (our national collection and the stories of RAF personnel) to connect with audiences currently under-represented at the Museum. It will encourage and support our communities to celebrate their creativity in sharing this heritage in their own voices, offering fresh perspectives and insights onsite, offsite and online. The programme will be delivered across three interwoven strands: Your Heritage - Your Voices - Your Museum.
- We will foster local pride and belonging, providing a welcome in and springboard out to our communities through a purpose-built Collections Hub. Moving our collection from inaccessible storage to our public site will support the engagement programme, sharing objects in our communities, online and onsite with activities including conservation, research, digitisation, and collections-inspired skills-development and creative sessions.
- An innovative nationally relevant exhibition will focus on the critical role of the Royal Air Force since 1980, inviting visitors to discover its mission today and imagine how the service will adapt in the future, including in Space and Cyber defence. Co-created content and designs from the engagement programme will be an integral part of these new displays as well as being layered across the site and shared across the region.
- The development of a new public realm will encourage outdoor learning, discovery and contemplation. We will increase biodiversity and create spaces where visitors and our team can learn about and connect with nature, improving their physical and mental health.
- A state of the art learning centre will provide bespoke facilities dedicated to the development and delivery of lifelong learning activities for a wider range of audiences. The programme will ignite curiosity and build skills in subjects ranging from science, technology, engineering and maths, to geography, art and design.

Access and inclusion are at the heart of our engagement programme in our mission to tackle unequal access to heritage and create positive outcomes for everyone that engages with us. Barriers relating to socio-economic background, ethnicity and disability will be tackled across audiences to encourage the widest range of people to engage and ensure that the whole community can take part equally, confidently and independently.

The Inspiring Everyone Programme will help to define and create a new RAF Museum, firmly anchored in our community supporting us to reach out across the Midlands and the nation.

Our Vision and Values

We are working to achieve our vision through five strategic priorities that focus outwards with our collections and spaces at their heart. These priorities are supported by the ongoing development of strong internal systems which ensure we deliver creatively and responsibly.

We are a values-driven organisation with a team of talented and dedicated people who use their knowledge and creativity to make our collections sing and bring our spaces to life to

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

inspire our audiences locally, nationally and internationally. Our work and our behaviour is underpinned by six guiding values:

- **INtegrity**: we are open, transparent and ethical
- **Sharing**: we work as a team to ensure our collections and expertise are accessible to all
- **Passion**: we care deeply about sharing our collections and their stories
- **Innovation**: we tell our stories and develop our business with creativity and imagination
- **Relevance**: we ensure our legacy by linking our histories with today and tomorrow
- **Excellence**: we are professional and strive for excellence in all we do

Underpinning everything that we do, the Museum has three overarching commitments that inform our insight, business planning and strategy development, these are our:

- **Equity, Diversity and Inclusion (EDI) Commitment** – we believe that everyone has the right to live without fear or prejudice regardless of race, age, gender, disability, sexual orientation, social class, religion and belief. We aim to embed a supportive and open culture which is inclusive, positive and fair to all, develop flexible opportunities to encourage engagement with the Museum onsite, offsite and online and celebrate differences.
- **Sustainability Commitment** - we are in a climate emergency, and we are committed to addressing this crisis through our operation and with our audiences. We will operate in an environmentally sustainable way, applying the principles of sustainable development for the benefit of current and future generations, both locally and globally.
- **Health and Wellbeing Commitment** – we are committed to creating an environment where health and wellbeing are actively promoted, where people feel engaged and valued for their contribution. We aim to create a health promoting workplace where people can be themselves, feel their best and perform at their best, so we can deliver an exceptional experience for our visitors.

Partnerships

The RAF Museum's responsibility and remit is UK-wide and local, national and international partnerships are all vital to the Museum's vision. The Museum works closely with our sponsor body, the RAF, and receives much valued support.

In addition to its own two public sites, the Museum seeks opportunities to share collections through UK and international loans and online, as well as through its enquiries service and research programme. The RAF Museum is a member of the UK Museums Association, the National Museums Directors' Council, the Association of Leading Visitor Attractions, the Association of Independent Museums and the Group for Education in Museums. It is committed to supporting other museums both across the UK and internationally by involvement in national and international programmes.

As well as being a National Museum which tells globally important stories, the RAF Museum's two public sites have an important role to play in their local communities. Museums help define a place: they help shape and convey a sense of identity and contribute to local distinctiveness. The Museum is committed to working with its local communities to collect and represent their diverse and collective history and heritage as part of the RAF story. We are immensely

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

appreciative of our local authority neighbours: the London Borough of Barnet, Shropshire Council and Telford and Wrekin Council.

The Museum also works with a wide range of individual and corporate partners who share its vision of inspiring everyone with the RAF story. Our partners not only support us financially through grants, sponsorship and gifts in kind but they enable us to continue to engage and inspire our audiences through shared programmes and activities.

We work with partners to ensure the collection is kept up to date and cared for and rely on them to help us acquire new items of national importance. Partners also support our Learning and Engagement teams in London and Cosford to deliver workshops and activities for children across the UK. We have Memorandums of Understanding with museums across the world to learn from each other and share best practice together. The Museum also works in partnership with the RAF Museum American Foundation, sharing ideas and collaborating together on fundraising opportunities to support the RAF Museum and foster and celebrate relationships between our two air forces.

We should like to thank all those who have helped us continue to share the RAF story, particularly this year to our RAF Museum Midlands Programme funders, notably the National Lottery Heritage Fund (NLHF), the RAF, BAE Systems, the Garfield Weston Foundation, the Wolfson Foundation and the RAF Museum American Foundation.

Charitable Fundraising

The Museum has an in-house Development (Fundraising) team who raise funds to support our core work, as well as to enable our Strategy 2030 major capital projects. The Museum is a member of the Institute of Fundraising and a registered member of the Fundraising Regulator. We work to the Fundraising Code and Promise set out by the Regulator and are signed up to their Code of Practice.

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

PERFORMANCE REPORT

Overview 2024-25

After recording our second most successful year in terms of visitor numbers in 2023-24, 2024-25 was a very challenging year. The Museum welcomed 784,000 visitors, compared to 929,000 visitors in the previous year. A reduction in visitors was anticipated due to the closure of the Colindale underground station for six months of the year, impacting the London site where a significant number of visitors traditionally arrive by public transport. However, visitor numbers have also been affected at both sites by the current economic environment and cost of living crisis. The Association of Leading Visitor Attractions (ALVA) has reported clear evidence of the cost of living crisis impacting the visitor economy. This is particularly true of the important family market.

During 2024-25 the Museum's collection and knowledge has been reflected in an engaging programme of events and exhibitions. This included Community Days and a varied programme of activities during school holidays including Elf Cadet training over the Christmas period. During the summer the commercial events programme included a specially commissioned theatre programme at both sites which told the incredible story of the most revered helicopter in RAF history, Bravo November, and notable aviation trailblazers. Disappointingly, although high quality, this did not attract the anticipated number of visitors, contributing to the annual downturn.

The lower than anticipated visitor numbers and cost of living pressures impacted the performance of the Museum's trading subsidiary, with most income streams performing less well than the previous year. However better performance than expected in other areas has resulted in the Museum slightly exceeding its target of breakeven for 2024-25 with an unrestricted operational surplus after controllable depreciation of £15,000 (2024: £289,000). Significant contributors were a successful challenge to our 2017 business rates valuation resulting in lower annual business rates, better than expected interest receipts driven by the continued high Bank of England base rate, and a focus on managing expenditure across the organisation.

The Museum has continued to progress other major projects and initiatives in line with our Strategy 2030, as well as investing in necessary infrastructure improvements when funds allowed. Work commenced on a £2.9m scheme to replace the gas heating system in Hangars 3 and 4 in London with a sustainable energy solution majority funded by a £2.4M grant from the Phase 3c Public Sector Decarbonisation Scheme (administered by Salix Finance), due to be completed in spring 2026. This project represents a major step forward in the Museum's sustainability commitment to achieving carbon net zero.

Substantial progress has been made towards achieving our restricted fundraising target for the £28.6M Inspiring Everyone: RAF Museum Midlands Development Programme. The immensely generous £9.3 million grant award from the NLHF in March 2025 towards the delivery phase of the project (bringing their total contribution to £10million) has been complemented by fantastic support from other partners and friends. The Museum received a number of other significant donations, pledges and grant awards during the year including from BAE Systems, the RAF Museum American Foundation, John and Adrienne Mars, the Garfield Weston Foundation and the Wolfson Foundation, and a very generous gift to support the Midlands

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

Development Programme's JR Payden Learning Centre. The Museum now has just under £2m to raise.

Future Plans 2025-26

The framework to deliver Strategy 2030 is reviewed annually as part of the Museum's business planning cycle, with an update of Strategy 2030 every three years, and within this context a detailed Budget and Business Plan has been developed for 2025-26. The primary focus for fundraising and project development is our Inspiring Everyone: RAF Museum Midlands Development Programme to raise the final £2m. As well as continuing to approach partners, trusts and foundations, a public fundraising campaign commenced at the end of May 2025 entitled The Crate Escape, focusing on the move of around 55,000 objects from Stafford to the planned new Collections Hub store at our Midlands site. Alongside this, we continue to develop and deliver additional London and Midlands projects that will move us towards our ambition of welcoming more visitors and extending our audience reach and impact on-site, off-site, and online.

The Museum's 2025-26 Business Plan objectives are focused through our five strategic priorities in the context of Strategy 2030, against the backdrop of ongoing inflationary pressures and a challenging visitor economy. Notable cost pressures include the cumulative effect of the pay award over recent years, increased Employers NI effective from April 2025 and the increased costs of maintaining a sizeable and ageing estate. The Museum continues to be acutely conscious of the need to be agile in its approach and to build financial resilience. We aspire to grow and diversify our commercial and fundraising income streams to achieve agreed outcomes, while maximising use of our resources to deliver effectively within our means. At the same time, long term underfunding in our capital infrastructure means that our project phasing and financial plans must take account of the need for significant investment at both sites to deliver standards and outcomes befitting a National Museum, enabling us to care for and inspire with our amazing collection.

We will continue to develop and nurture meaningful partnerships and invest our funding strategically, recognising the importance of museums and culture to the social wellbeing and economic prosperity of our communities. Meanwhile, we shall continue to build and sustain the foundations we need in terms of collections care and management, our estate, and our IT and digital infrastructure. Our team is vital to all of this and our leadership and development programmes will help ensure our committed people are the best we can be to deliver our vision and purpose with and for our visitors.

Strategic Priorities 2024-25

Strategic priority 1: Inspiring innovative engagement, debate and reflection

Collection, Exhibitions and Interpretation

The RAF Museum collection represents the national memory of the RAF at work and play, war and peace. It includes:

- The largest and most comprehensive collection of RAF related aircraft in the world, from the tiny Avro Rota autogyro, used for secret radar calibration missions during the Battle of Britain, to the VC-10 transport aircraft, in service for nearly fifty years

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

- Objects ranging from uniforms and medals to unique personal items – including the scrap books of Lord Trenchard and Sir Frederick Sykes, respectively the first and second Chief of the Air Staff, and the personal effects of Amy Johnson – that bring the stories of the iconic figures connected to the RAF to life
- An extensive oral history collection, from first-hand accounts of First World War pilots to the experiences of personnel deployed in current operations
- Large official collections, from manuals to training films, illustrating the inextricable link between the RAF and its suppliers.

The Museum is developing a new exhibition for RAF Museum Midlands' Hangar 1 as part of the Inspiring Everyone Programme. It will explore the recent history of the RAF, from 1980 to today, sharing the stories of those involved and inviting visitors to engage in debate and reflection about the impact of RAF activity and innovation on wider society and the future. The exhibition will present RAF airframes from the period, including the iconic Bravo November Chinook helicopter and a Red Arrows liveried Hawk, as well as a variety of fascinating small objects, from the newly designed Space Command badge to equipment used by Medical Emergency Response Teams during RAF operations.

In 2024-25, the exhibition project team worked with external exhibition designers, AOC Architecture, to deliver a RIBA Stage 3 design for the exhibition. In advance of the commencement of the detailed design stage, the team have been refining exhibition storylines and content, consulting with a wide range of RAF contacts to develop information and source interviews and objects, as well as collaborating with diverse community groups to explore ways of shaping interpretation to connect with our audiences. Detailed interactive briefs have been prepared, proposing methods of engaging audiences with exhibition content in multi-sensory ways.

In December 2024, the Museum was delighted to open a new display sharing the inspiring story of Noor Inayat Khan GC, who served undercover in Paris during the Second World War with the Special Operations Executive (SOE) and ultimately gave her life for the Allied cause. On display is the George Cross posthumously awarded to Noor for her bravery while operating in German occupied France, generously loaned by Noor's family. The new display is integrated within the Museum's London 'Strike Hard, Strike Sure: Bomber Command, 1939-1945' exhibition, beside the Westland Lysander Mk III. On 16 June 1943, Noor was flown into France by Squadron Leader Frank 'Bunny' Rymills in a Westland Lysander. A record of this flight was recorded in his logbook, which is part of the RAF Museum's archive collection, with a facsimile on display beside Noor's George Cross.

To mark the 80th anniversary of the Long March, in March 2025 the Museum delivered a new display of loaned objects belonging to Sergeant George Thomson, who was force marched westwards from Stalag Luft VII in January 1945. George, a navigator, was imprisoned after baling out of a Lancaster while on a bombing raid over Frankfurt. The display is located within the Museum's London 'Strike Hard, Strike Sure' Bomber Command exhibition, beside a Long March Memorial. Items on display include George's diary, which gives a powerful insight into his experiences as a prisoner-of-war, as well as his navigator's badge, flying logbook, prisoner-of-war dog tags and wrappers from a Red Cross food parcel.

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

Throughout 2024 the Museum marked the 75th anniversary of the Berlin Airlift through our Berlin Airlift Remembered project. The Museum led an international collaboration which included the Alliierten Museum, Militärhistorisches Museum and the National Museum of the United States Air Force. A bi-lingual website released stories in German and English featuring objects from the respective partners' collections as part of a timeline telling the story of the airlift. We also used our existing online platforms to share these stories and the history of the RAF during the Berlin Airlift. This project has been captured in both the German and British digital archives ensuring it will be permanently preserved and accessible.

Collection Loans and Acquisitions

In 2024-25, 549 objects/object groups were accessioned to the Museum's collection. Key acquisitions include:

- Two airframes: Westland Puma HC1 (XW210), Short Tucano T1 (ZF244)
- A girl's parachute silk dress, 1942
- A number of historically important medals: DSO, DFC, AFC Medal Bar of Wing Commander Henry James Cobb, a British War Medal, 1914-20 awarded to Flying Officer R B Luard and a Distinguished Flying Medal awarded to Air Mechanic A E Clarke
- Fine Art acquisitions including a photomontage silver gelatin print with gouache and graphite, Greenham Common, by Peter Kennard, 1981.

We have continued to share our Collection widely at over 150 venues both nationally and internationally through our Loans Programme, with 1,041 items out on loan during 2024-25. New and renewed loans included:

- Hooton Park Trust – new loan of Comper Swift aircraft and Pobjoy R type engine.
- The Museum of Somerset – new loan of painting 'Spanish Refugees Family' painting.
- RAF Defford Museum – renewal of English Electric Canberra B2 cockpit section
- Spitfire and Hurricane Memorial Trust – renewal of six aircraft and exhibit objects including a Supermarine Spitfire and a Hawker Hurricane.
- National Museum of the Royal Navy – renewed loan including two engines
- RAF College, Cranwell – renewed loan of 'Lancasters over the Dutch coast', 'Flt. Lt. R.P. Beamont DFC and Bar' and 'Sir Frank Whittle' paintings.

RAF Stories

The Museum's RAF Stories programme remains a crucial way for sharing content, as well as remaining agile and proactive in tracking new developments in the RAF's story. In the past 12 months, a major focus has been to support the Inspiring Everyone: RAF Museum Midlands Development Programme Exhibition team, providing content that shapes the development of the new exhibition and reflects the contemporary RAF.

The RAF Stories team has also continued to collect and produce content - 43 unique interviews were recorded. Each multi-hour interview is capable of generating multiple pieces of content and 186 Stories were published. The team supported 17 co-curation and dissemination events. Projects with the Royal Air Force Aerobatic Team, Fighting with Pride and the RAF Widows Association as these projects all came to completion. Our relationships with UK Space Command and MERT Club continue to grow along with new relationships building with RAF

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

Rugby, RAF Esports, RAF Music Services, RAF Police and the RAF Cyber school. We have a continuing relationship with the RAF Inclusion team.

The RAF Stories programme weaves through the wider activities of the Museum and is increasingly supporting the wider curatorial department with new object acquisitions, recording interviews with donors where appropriate, and lending their objects a first-hand human voice which provides enormously valuable context to in-gallery interpretation.

Research

The Museum's Research Strategy continues to be supported by a voluntary Research Advisory Board, chaired by Sebastian Cox OBE, who has recently retired as Head of the RAF Air Historical Branch. In continuation with recent years, the 2024-25 research programme was offered in a hybrid format both virtually and in-person. During this period, the programme featured Air Power lectures with the Centre for War and Diplomacy at Lancaster University and lectures held at the Museum's London and Midlands sites. Attendance has averaged around 90 'live' views, both in-person and online. Further engagement has taken place via replays on Crowdcast, at around 100 views, and the back catalogue has begun to be uploaded via YouTube and shared on Social Media. The back catalogue lectures have attracted between 200 and 1,200 views on YouTube depending on the topic and the relevant Social Media post. The hybrid approach has been beneficial, as it has enabled the Museum to deliver engaging and intellectually rigorous content to a domestic and international audience. The UK and US made up the majority of the audience for talks, but countries represented in the audience include Japan, Brazil, Canada, Taiwan, Hong Kong and India.

The Museum hosted its annual conference on 5-6 September 2024, with the theme 'The Future of Air Power: The Royal Air Force since 1980 and Beyond', with 80 researchers, staff and delegates attending in-person at the Museum's London site, and a further 151 individuals joining live via the online video. The Museum's 2023 Academic Awards were presented to undergraduate, postgraduate and doctoral students, continuing to build upon our growing role in encouraging and developing the next generation of Air Power scholars. Academic prizes for 2024 have been awarded, and will be formally presented at the 2025 conference.

The Museum also continued to develop and nurture the next generation of Air Power specialists by supervising doctoral students at Lancaster University, King's College London, Newcastle University, the University of Bristol and the University of Glasgow. A further doctoral project will commence in 2025 with the University of York.

The Museum's Reading Room hosted 208 researchers between August and March. The Collections and Research team was also active in sharing knowledge, including creating records for the Museum's Collections Online and delivering in-person stakeholder engagement sessions. Papers were given at national conferences and talks provided to visiting groups to the Museum, including students from the Defence Academy. The team contributed expert commentary for several media projects, including radio, print and television, and engaged with a number of partner organisations over the year to promote the Museum's collections including Art UK.

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

Learning and Engagement London

The successful schools workshop programme continued to book well, with self-guided visitor numbers remaining high. 650 schools visited the London site, with an additional 13 schools joining us for online workshops. 885 learners were engaged through outreach to their schools or university. We engaged with 40,363 learners: 38,010 onsite and 2,353 offsite and online.

Schools' reach was extended through a project with Brunel University led by the Museum's Retail team which saw students design and prototype products to sell in the Museum's shop.

In addition to the standard suite of school workshops focused on History, Science, Citizenship, Design and Technology and Literacy, we contributed to marking the 80th anniversary of D-Day with a weekend of family activities, and the 100th anniversary of the Royal Canadian Air Force with a video which explored the links between the two air forces. We took part in three nationwide initiatives: Kids in Museums Takeover Day, where pupils performed tasks usually undertaken by Museum staff; Children's Art Week where we released daily videos sharing artworks in our 'To the Stars' temporary art exhibition and setting creative challenges inspired by that artwork; and Black History Month where we delivered free storytelling sessions focused on the story of Lilian Bader to local primary schools.

We continued to deliver Year 6 STEM Days and Scouts Days, both sponsored by the RAF. 671 Scouts received their Stage 1 Air Researcher Activity Badge having completed a day of activities at the Museum. We also welcomed Girl Guides for a workshop which explores the connections between the RAF and Girlguiding. New to our London portfolio this year was a large-scale event - Forces in STEM - where we welcomed 1,000 Year 5 and 6 pupils to the Museum for hands-on activities and shows provided by 20+ exhibitors from industry and various institutions.

Learning and Engagement Midlands

Our Midlands team engaged with 689 schools, of which 578 were onsite, 64 online and 47 offsite (a 100% increase for offsite engagements). In total we engaged with 46,509 learners: 29,940 onsite and 14,969 offsite and online. Due to demand, we had to turn 4,000 children away so are delighted the new learning centre opening in 2027 as part of the Midlands Development Programme will address our capacity challenges.

Aside from our core learning programme of school workshops with a focus on History and STEM, we expanded our events and outreach offer. Our Summertime Advanced Aeronautical Residency (STAAR) programme celebrated its seventh year. Supported by sponsors Northrop Grumman as well as our partners from RAF Cosford, and Tablet Academy (TA Education), the programme was delivered to 40 young people.

We also delivered a variety of events on behalf of our key partner, the RAF Youth STEM team. This included eight Key Stage 2 STEM Days, four Glider Challenges, and three Scouts Air Activity Badge Days with increased capacity from 200 Scouts per day to 600. Our national outreach has increased with an additional five STEM days delivered in South Wales. We also hosted the fourth annual Forces in STEM event, considered a flagship STEM event for the RAF Youth STEM team, increasing capacity and welcoming over 1,200 young people to the Museum to participate in over 35 activities delivered by over 25 partner companies. The

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

demand for these free events continues, highlighting the need to continue offering learners these opportunities.

Strategic Priority 2: Inspiring our people within a dynamic, diverse and collaborative culture

At the heart of the RAF Museum is a vibrant and diverse community of over 245 dedicated employees and around 400 passionate volunteers, united by a shared commitment to preserving heritage, inspiring audiences, and shaping futures. We believe that when people feel valued, supported, and empowered, they thrive - and so does the Museum. Guided by our Equity, Diversity and Inclusion (EDI) commitment and supported by our active EDI Working Group, we are building a culture where everyone feels they belong and where every voice matters.

During 2024-25, The Inspiring Everyone: RAF Museum Midlands Development Programme became a powerful catalyst for change. It opened doors for deeper community engagement, greater learning opportunities, and meaningful personal growth — for both our audiences and for our team of employees and volunteers. The HR & Volunteering team played a key role in shaping the delivery strands of the programme around training, skills, volunteering, work experience and recruitment, helping us lay the foundations for a stronger and more inclusive future.

Our apprenticeships and skills development programmes have flourished. In partnership with organisations including Birmingham City University, the Ministry of Defence, Movements to Work, and Speakers for Schools, we are creating new pathways into the heritage sector, equipping individuals with the skills and confidence they need to succeed.

Our expanding work experience programme continues to break down barriers to heritage careers. In 2024–25, we welcomed 29 in-person students (17 in the Midlands, 11 in London, 1 remotely) and reached 152 more through four virtual work experience days, developed in partnership with Speakers for Schools. The impact is clear: students leave not only with knowledge, but with inspiration and ambition.

Volunteering at the RAF Museum continues to flourish. This year, over 400 volunteers across London, the Midlands, Stafford, and remote roles gave 25,024 hours of their time — a 26% increase on the previous year. Their dedication breathed life into our programmes, with 2,414 hours directly supporting the *Inspiring Everyone* development phase. Every hour donated by our volunteers is a testament to their passion, purpose, and belief in our vision.

Strategic Priority 3: Embedding an entrepreneurial, agile and sustainable approach

The Museum's Commercial Strategy, managed through the trading company, focuses on maximising commercial opportunities and income generation, while delivering new and improved experiences for our visitors. RAFMEL's net profit after tax for the financial year 2024-25 is £801,000 (2024: £1,178,000).

Despite the fall in visitor numbers and income on the previous year, the Museum achieved its income target for the year and once again were awarded for exceptional visitor experience. We were particularly proud to achieve Visit England Gold accreditation at our Midlands site, while both sites were ranked in the top 10% of all visitor attractions listed on TripAdvisor. Following the successful introduction of our new Public Events programme in 2023-24, we ran our most ambitious summer public event programme to date. The specially commissioned

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

theatre programme ran at both sites over the summer and told the incredible story of the most revered helicopter in RAF history, Bravo November and some of the most notable aviation trailblazers.

In line with our Fundraising Strategy and Plan, we continue to focus our efforts on campaign fundraising for the Inspiring Everyone: RAF Museum Midlands Development Programme, building our pipeline with the support of the Museum Fundraising Board, while delivering essential revenue fundraising to support core activity.

Strategic Priority 4: Leading the way with brilliant basics

The Museum's Collections Development Strategy and associated policies and procedures are central to our delivery of effective museum management and our audience engagement. After over 50 years of formal collecting, the Museum continues to collect stories and objects to reflect the whole history of the RAF, including our priority to represent today's service. The team also continues work to rationalise the collection, improve storage and conservation, and improve access to it.

Objects are collected, preserved and used proactively for a clear purpose of engagement, including exhibitions, events programmes and research, in accordance with identified dynamic collecting priorities. Considerable large object conservation, maintenance and logistical expertise is housed at our Midlands site's Michael Beetham Conservation Centre (MBCC), complemented by small object conservation facilities at our London site.

During 2024-25, the Museum's conservation work was dominated by activities to maintain and develop exhibitions and prepare objects for movement over the next three years to the planned Collections Hub at our Midlands site along with the ongoing care, maintenance and movement of aircraft and large objects in a variety of environments across three sites. A total of 12 aircraft were moved in part or whole, including the Tornado F3 from London to temporary storage at RAF Shawbury, the Comper Swift moved to The Hooton Park Trust for outward loan and the Gloster Meteor F8mod for outward loan with Newark Air Museum.

The team based at our MOD Stafford storage facility began preparing for the move to our Midlands site through a programme of conservation, documentation, hazards checking and packing, in addition to supporting Collections and Loans Reviews. To date 19,425 objects have been barcoded, 9,359 hazard flagged, 15,636 condition flagged, 1746 cleaned and 507 packed.

The Museum is in the twelfth year of a comprehensive Collections Review, with its Collections Review team and Disposal Recipients Selection Committee working in line with the Museums Association's Code of Ethics. Where objects are duplicates, or fall outside the Museum's Collections Development Strategy, these are either offered as part of a proactive loans programme or gifted to Accredited museums following the Museums Association's Disposals Toolkit guidelines. All disposals are approved in accordance with the RAF Museum's Disposals Policy and Procedures.

To date 19,648 mainly large objects have been reviewed and 9,079 have been flagged for potential transfer, including 4,396 items/groups of items from the Spares Collection. During the

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

year, a total of 217 loans-in were returned to owners and work continued to progress returns, while 804 objects remain on outward loan with other UK and overseas museums. Deaccessions included one aircraft – the Slingsby Prefect gifted to Air Cadet Historic Flight – and nine vehicles gifted to RAF Manston History Museum, National Army Museum, Museum of Army Flying and Aeropark Heritage Aircraft Collection.

Strategic Priority 5: Connecting with communities and partners

Exhibitions and Interpretation

Co-creation is integral to the Inspiring Everyone: RAF Museum Midlands Development Programme. We have engaged with a wide range of community and audience groups, delivering co-creation workshops to develop content and interpretation. Key to our approach has been establishing relationships that will be nurtured throughout the exhibition development phase and post-delivery, ensuring deep-rooted connection and engagement with our audiences long-term. We have learned throughout the co-creation process, refining our approach with each group based on findings from initial sessions. This process will continue to evolve throughout the project, based on our learnings.

Co-creation within the RAF community has been carried out with many groups, including with the MERT (Medical Emergency Response Team) Club to develop interpretation for the 'Support' theme of the exhibition, with Nos 13 and 31 Squadron at RAF Waddington to build content on RAF drone operations, with RAF Cosford Radio School to discuss representation of cyber, with RAF Police on humanitarian aid to Gaza, with Space Command on representation of the RAF's role in the space domain, and with RAF Cranwell on content on recruitment and training. These co-creation activities have been enormously important to developing representation of the diverse and complex RAF story from 1980 to today, as well as to building excitement and interest in the Museum's Midlands Development Programme within the RAF community.

We are delighted to be collaborating with graphic design students at the University of Wolverhampton's School of Creative Industries to co-design the new exhibition's timeline. The dates selected for an exhibition timeline have also been co-created with audiences proposing the most relevant dates from 1980 to today to include. A total of 867 people engaged in the project, from general audiences, our Carer's Café and the Museum's Youth Panel.

We will work with Combat Stress, the veterans' mental health charity, to develop trigger warnings for the new exhibition and discuss ways that we can meet their members' needs. We have established a strong relationship with Blind Veterans UK, and look forward to working with them to co-create an immersive soundscape for the interior of Bravo November within the new exhibition.

Community Engagement, London

We continued to play a key role in local forums including the Grahame Park Strategy Group and Colindale Consortium, and this year took an active role in their 'Reimagining the Concourse' project. This year we increased our involvement with Heritage Barnet which resulted in Barnet Museum and the Library Service providing us with primary sources to inform an intergenerational VE Day 80th anniversary project with older adult groups in the borough and three local primary schools.

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

Continuing relationships included a series of bi-weekly sessions for Age UK members, partnering with Barnet Libraries to launch their Summer Reading Challenge, hosting a weekly reading group and an art group at the Museum, and representing the Museum at Armed Forces Day at the Royal Orthopaedic Hospital. An Historic Hendon talk, and a new talk focused on African and Caribbean personnel in the RAF were offered to care homes, dementia groups and older people groups (both in-person and online) and were enjoyed by 176 people.

A new area of work this year involved the Community Engagement Manager working with the Museum's Curator of Fine Art and the armed forces charity 'Fighting with Pride' to scope a project, produce a brief and select an artist to work with community groups and co-create an artwork to mark the 25th anniversary of the lifting of the ban on gay people serving in the military.

The research skills support that we offered last year to a group of local residents with an interest in exploring specific aspects of the history of Colindale and Grahame Park resulted in an exhibition at the Museum. The other exhibition staged in the community exhibition space this year showed the outputs of a project with local charity, Maxability, where groups of adults and young people responded to RAF themes and local aviation history through the medium of clay.

We connected with our family audience in a variety of ways: a D-Day 80 Family Day in June; twice monthly 'Little Swifts' sessions for the under-fives; celebrating National Illustration Day with children and their adults who practised their illustration skills using our collections for inspiration; and a special under-fives session to celebrate the 80th anniversary of the RAF's first helicopter unit.

We continued to connect with our young adult audience via the Museum's Youth Panel who participated in a summer project where they curated a display to mark the 30th anniversary of the merger of the Women's Royal Air Force with the RAF. We engaged with older audiences by once again joining with other local organisations for a large Silver Sunday event held at Middlesex University. Working with the London Borough of Barnet, we hosted summer holiday activities for children in receipt of free school meals and supported the launch of their new 'Art in Barnet' campaign.

Our Access Advisory Group advised us on new accessible seating at the Museum, a sensory map that is in development, a new access guide which will bring all information together in one place, and the accessibility of our digital trails platform. They worked with the Marketing and Communications team to advise on the brand refresh and on a disability histories project which will be shared via an online exhibition.

Led by the Community Engagement Manager, the RAF Museum London was re-accredited as a Dementia Friendly Venue improving our rating from bronze to silver. Our dementia work has been extended this year, and we are now offering regular dementia friendly tours.

Community Engagement, Midlands

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

The Midlands Development Programme has continued to be a key focus of engagement this year, including piloting 37 new community activities, with events held onsite and offsite. These included a Digital Skills development project with the over 60s, six creative arts projects, takeover days for young people, and work with the Armed Forces Covenant and their outreach team to support veterans, not just among our visitors but our paid staff and volunteers too.

We engaged with over 10,000 people through extensive consultations to inform the development of the Midlands Programme. This involved collaboration with a diverse range of stakeholders, including the public, community groups, schools and advisory panels. Partners included the Telford and Wrekin CVS Young Carers Group, Shropshire Art Society, the Alzheimer's Society, Shropshire Veterans Outreach, Birmingham Central Mosque, Staffordshire Venture and Telford and Wrekin Interfaith Council.

In March 2024, we welcomed 100 women to our first Sisters Iftar, linked to International Women's Day and supported by Birmingham Central Mosque. In September 2024 we held our second Community Day in partnership with Telford and Wrekin Interfaith Council sharing stories of RAF personnel from diverse backgrounds, with many people attending that had never visited the Museum before.

Our Access Advisory Panels have continued to be a huge support, advising on many areas from content to direct accessibility, both online and onsite. All members are registered as volunteers so they can access the associated support. The panels are held three times a year and contributions so far have included consultation on the accessibility guide for the RAF Museum Midlands website, inputting into the new Hangar 1 exhibition, consultation for the outdoor realm and input into all other strands of the Inspiring Everyone Programme.

Carers Café activity piloting sessions have gone from strength to strength with a monthly Carers Café Social which offers an opportunity for carers to come along for an informal chat. Carers Café volunteers were the proud recipients of the Marsh Trust Volunteers for Museum Learning Award for the Midlands.

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

Performance Analysis

The Museum uses a number of KPIs to measure and assess its performance. These are reported to the Board on a quarterly basis and reviewed by management monthly.

Key Performance Indicator:	2024-25	2023-24
Visitor numbers (including events such as the Midlands Air Show)		
- London	421,005	496,250
- Midlands	362,808	433,057
- Total	783,813	929,307
Trading income £	£3,884,000	£4,447,000
Number of learners – onsite, online, offsite		
- London	40,363	44,057
- Midlands	46,509	44,909
- Total	86,872	88,966
Visitor satisfaction ratings*		
- Enjoyment		
o London	89%	91%
o Midlands	92%	94%
- Likelihood to recommend		
o London (net promoter score)	75%	73%
o Midlands (net promoter score)	80%	83%
Social media interaction (no. of Facebook followers, Twitter users, Instagram subscribers and TikTok followers)	275,170	258,836
Social media engagement (no. of likes, comments, shares)	264,378	249,815

Visitor Numbers

Visitor numbers totalled 783,813 for 2024-25, a significant reduction compared to (2023-24: 929,307). As already outlined, this was due to the closure of the Colindale underground station for a significant proportion of the year and the economic and cost of living pressures impacting the visitor economy.

Trading Income

Turnover of £3,884,000 is reported for the year (2024: £4,447,000). The decrease over the prior year (the Museum's most profitable trading year since its inception) is mainly due to the impact of lower visitor numbers on commercial activity. In addition the summer commercial events programme underperformed with attendance lower than anticipated. During the year, a number of Museum staff and other resources were utilised in furtherance of commercial activities resulting in a cross charge of £708,000 (2024: £654,000). The profit after taxation for the year was £801,000 (2024: £1,178,000), with a distribution of £801,000 Gift Aid to the Museum (2023-2024: £1,178,000).

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

Visitor Satisfaction

Visitor surveys show that both sites continue to achieve very high 'Enjoyment' and 'Net promoter score' ratings which remain above the industry average. We are also happy to report that both our London and Midlands sites received full accreditation under Visit England's Visitor Attraction Quality Assurance Scheme, with London improving its overall quality score to 90% (2023-24 89%) and our Midlands site remaining at 94% (2023-24 94%). As a result, our Midlands site has again been nominated for a Gold award.

Social Media Interaction

Social media continues to be a key tool in engaging visitors with increased visits and interaction with the Museum's social media channels.

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

Financial Review

Statement of Financial Activities (SOFA)

Total income for the financial year 2024-25 amounted to £18,914,000 (2023-24: £21,608,000), with the decrease year on year primarily related to restricted grant-in-aid not being awarded in 2024-25 and reduced trading income as a result of reduced visitors. In 2023-24 the Museum was fortunate to receive £2,734,000 in restricted Grant in Aid funding (see below).

The Museum received £10,975,680 of Grant in Aid (2023-24: £13,391,000) for the financial year 2024-25 all of which is attributable to revenue funding (2023-24: £10,657,000 revenue, £734,000 capital, £2,000,000 reserves allocation).

During the year, a total of £2,861,000 (2024: £2,991,000) (Note 3) was received by way of grants and donations from industry partners and sponsors, trusts and foundations, and individual donations to fund the work of the Museum. This included a grant from the National Lottery Heritage Fund of £367,000 and a generous donation of £1.1 million from John Mars towards our RAF Museum Midlands Development Programme and a £758,000 grant from Salix finance towards the decarbonisation of Hangars 3 and 4 in London.

Total unrestricted income received by the Museum was £16,126,000 (2023-24: £16,296,000) with the increase in revenue Grant in Aid offset by a decrease in trading income and unrestricted donations. Income generated by the trading company on non-charitable activities was £3,885,000 (2023-24: £4,447,000), which, after accounting for associated expenditure, resulted in a total Gift Aid payment of £801,000 (2023-24: £1,178,000) to the Museum.

Total expenditure on Museum activities amounted to £20,135,000 (2023-24: £19,358,000). The majority of costs, including the costs of salaries, are in respect of core charitable activities. Net loss before transfers between funds and other recognised gains and losses totalled £1,220,000 (2023-24: Net profit £2,250,000). The £3,355,000 unrestricted loss for the year (2023-24: loss £1,952,000) is driven principally by depreciation of property assets and fully funded permanent exhibitions, which totals £3,688,000 for 2024-25 (2023-24: £3,548,000) (Note 7a). Excluding depreciation costs of property and permanent exhibitions, the Museum has generated an unrestricted operational surplus of £15,000 during the year (2023-24: £289,000) which is above the targeted breakeven.

A total of £912,000 (2023-24: £2,043,000) (Note 14) has been transferred from restricted to unrestricted funds in 2024-25, reflecting the restricted funding of capital projects which transfers to unrestricted fixed asset funds when complete and principally relates to the Salix funded decarbonisation works at the London site.

The quinquennial revaluation of both the freehold (London) and leasehold (Cosford and Stafford) properties comprising the RAF Museum Estate took place in 2022/23. An annual revaluation adjustment of £1,744,000 upwards (2023-24: £1,373,000 upwards) has been made in the year-end accounts using the annual indices provided by MOD to comply with Modified Historic Cost Accounting (MHCA) legislation per HM Treasury guidelines.

After transfers between funds and adjustment for recognised gains or losses on revaluation of fixed assets, the net movement of funds for the year was an increase of £524,000 (2023-24:

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

£3,623,000) and total funds carried forward as at 31 March 2025 amounted to £140,925,000 (2023-24: £140,402,000).

Grant in Aid Funding

Despite the challenges of recent years, the Museum is fortunate to be in a relatively stable financial position, because we are c.70% funded through Government Grant in Aid, and partly because we have a reserves policy in place to mitigate risk and build available funds for delivery of Strategy 2030.

The RAF Museum does not have access to planned capital funds through the MOD and has been reliant on ad-hoc in year Grant in Aid capital allocations when funds allow. The Museum did not receive any capital Grant in Aid allocation in 2024-25 (2023-24: £734,000). There has been recognition from Government of the need for significant investment in UK museums' infrastructure – national, regional and local with allocations made to the DCMS National Museums to address issues identified, plus the launch of the MEND fund to support regional museums, but the long-term need of the MOD-funded service museums has not been addressed. We continue to work with our sponsor to explore opportunities to include a planned capital allocation through the spending review in the same way as the DCMS-funded National Museums.

Balance Sheet

The value of the group net assets as at 31 March 2025 is £140,925,000 (2024: £140,402,000). The value of freehold and leasehold property represents 70% of the Museum's net assets at £98,331,000 (2024: £98,756,000); and the value of heritage assets (over the capitalisation threshold and accessioned since 1 April 2001) represents 16% of the Museum's net assets at £22,188,000 (2024: £22,199,000) (Note 7a). The Museum Group holds a cash at bank and in hand balance as at 31 March 2025 of £16,365,000 (2024: £14,320,000), with the increase primarily due to funds raised for the Midlands Development Programme.

Trading Company

Any non-charitable activities are undertaken by RAF Museum Enterprises Ltd, a wholly owned subsidiary of the Museum, with all profits gift-aided to the parent charity. The trading company generated total turnover of £4,024,000 (2024: £4,636,000) (Note 4b), with associated costs of sales and overheads of £3,246,000 (2024: £3,468,000). During the year, a number of Museum staff and other resources were utilised in furtherance of those activities resulting in a cross charge of £708,000(2024: £654,000). This resulted in a net profit in the subsidiary of £801,000 (2024: £1,178,000) (Note 9).

Reserves Policy and Funds

During the year, and with reference to guidance from the Charity Commission, and further to review and recommendation by the Audit and Risk Committee and Finance and Resources Committee (combined from 1 April 2024 as the Audit, Risk and Resources Committee), Trustees have confirmed that as at 31 March 2025 the organisation continues to hold unrestricted and undesignated free reserves (that is funds not tied up in fixed assets or designated or restricted funds) sufficient to cover approximately two months of budgeted operational expenditure in order to enable financial stability and act as a safeguard against volatile and unpredictable income streams and unforeseen expenditure or liabilities. Any

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

remaining operational net surplus (i.e., after transfers to / from the fixed asset fund and maintaining free reserves of approximately two months of planned operational expenditure) is transferred to the Strategy 2030 Designated Fund.

In addition, the Museum holds a £2m Resilience Reserve Fund following a 2023-24 Public Body Review which recommended that 'the department and museums should consider building museum financial reserves for future resilience against financial shock events such as a pandemic'. Air Command allocated an additional £2m in restricted funds in 2023-24 to establish a Resilience Reserve Fund to protect the RAF Museum from a future financial shock (which could include, but is not limited to, unavoidable closure, irreparable infrastructure failure, major cyber-attack) and provide funds for critical 'invest to save projects' that further support the Museum's resilience.

The Strategy 2030 Designated Fund is used to support delivery of the Museum's current key strategic priorities as detailed in the strategic plan Strategy 2030 including: planning for future capital development at both sites; ensuring the sustainability of the estate; recording of contemporary stories of RAF men and women; and development of the Museum's collection through new acquisitions.

The RAF Museum Midlands Designated Fund holds funds earmarked to support the Museum's priority £28.6M RAF Museum Midlands Development Programme as part of the Cosford Master Plan and Strategy 2030 ambition. In addition, the RAF Museum Midlands Match Designated Fund was approved by Trustees to ringfence the Museum's commitment of funding to be invested in the Inspiring Everyone: RAF Museum Midlands Development Programme.

The closing balance held in designated funds at 31 March 2024 is £6,796,000 (2024: £7,093,000).

The Audit, Risk and Resources Committee monitors the levels of reserves at the Museum on a quarterly basis as part of their review of the Management Accounts. The Board of Trustees reviews the reserves policy when circumstances change and at least annually.

Payment of Creditors

The Museum's policy, in accordance with the Government-wide standard on the payment of creditors, is to settle all undisputed bills within 30 days or in accordance with the supplier's terms of business. The Museum's actual payment performance during the year was an average of 44 days (2024: 41 days).

Investment Policy

The Trustees continually monitor levels of all the Charity's funds. Available funds are currently invested in a variety of term deposits to maximise the level of return but with minimum risk. The amounts and terms of the investments are based on the Trustees' opinion of the immediate and future needs of the Museum and the Chair of the Audit, Risk and Resources Committee reviewed the principal deposits during 2024-25.

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

Environmental Policy and Sustainability Report

The Museum has committed to address the climate emergency through our operation and with our audiences. Our Museum-wide Sustainability Group engages across the organisation and ensures environmental principles are always at the forefront of our thinking. We will operate in an environmentally sustainable way, applying the principles of sustainable development for the benefit of current and future generations.

The Museum's Sustainability Commitment agrees four areas of focus:

- Reduce our operational impact - committing to carbon net zero and reducing the negative effects of our activities
- Develop a resilient and diverse estate - prepare for the changing climate and support a diverse and rich ecology
- Enable our people - provide the knowledge, tools and support to help us achieve and exceed our commitments
- Share and engage with our audiences - share the Museum's and RAF's sustainable journey, advocate awareness and action.

Key points of the commitment are:

- Progress our ambition to meet carbon net zero
- Commit to sustainable development for the RAF Midlands Development Programme
- Reduce our consumption of non-renewable fuels and water across the Estate
- Establish an environmental management system (EMS) in line with ISO 14001
- Communicate and inform audiences and our staff on climate change
- Provide resilient and biodiverse landscapes.

The Museum already has a number of initiatives in place which underpin the creation of a more sustainable and environmentally friendly organisation. These include energy conservation measures, a comprehensive recycling programme and new building construction which is consistent with reducing the Museum's carbon footprint. The Museum continued to roll out carbon literacy training to staff during the year and in 2024/25 became a Silver Carbon literate organisation accredited by the Carbon Literacy Project.

The Museum measures performance against the Greening Government Commitments (GGC) framework for 2021 – 2025 which sets targets for government departments to:

- Reduce water consumption
- Reduce greenhouse gas emissions
- Minimise waste and promote resource efficiency
- Improve sustainable procurement
- Develop and deliver nature recovery plans
- Develop and deliver climate change adaptation strategies
- Reduce environmental impacts from ICT and digital services

All data below is shown against the baseline year of 2017-18.

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

Headline Target	2017-18 Baseline	2024-25 Actual	Vs. baseline	Notes
Working towards net zero by 2050 (reduction of 30% overall and 10% direct emissions)- Scope 1 and 2	1,584 tonnes CO2	1,708 tonnes CO2	7.8% increase	Reported emissions are provided by energy suppliers.
Working towards net zero by 2050 (reduction of 30% overall and 10% direct emissions) – Scope 3	Not available	214 tonnes CO2	N/A	Scope 3 is not available for 2017/18. 24/25 scope 3 areas measured: Employee Commuting and Business Travel.
Reduce the overall amount of waste generated by 15%	123 tonnes	75 tonnes	39% reduction	Food waste information is incomplete and has been excluded. We are working to include this in future years.
Increase the proportion of waste which is recycled to at least 70% of overall waste	32%	75%	5% above target	London 67%; Midlands 81%
Reduce water consumption by 8%	Not available	4,579 m3	N/A	London only, data for other sites and 2017-18 not available.

The following figures represent the Museum's best estimate of the impact of our activities on the environment at a local and global level through the resources it consumes, the waste it produces, its work patterns and the products it buys. The Museum has started to capture data on some Scope 3 emissions during the year and will continue to improve data collection on sustainability KPIs.

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

Greenhouse gas emissions		2024-25	2023-24	2022-23	2021-22	2020-21	2017-18
Non-financial indicators (tonnes CO2)	Scope 1	1,413	1,196	1,072	308	608	758
	Scope 2	295	177	546	513	457	826
	Scope 3	214	Not currently available				
Energy consumption (thousand kWh)	Gas	6,393	5,410	5,786	1,684	3,309	4,117
	Electricity	2,236	2,525	2,637	2,420	1,962	2,350
	Total	8,629	7,935	8,423	4,104	5,271	6,467
Financial indicators (£000)	Total energy cost	981	889	628	463	403	414
	Cost of business travel	246	261	204	127	31	186
		<p>Emissions include gas burned onsite and fuel for vehicles owned by the Museum. Gas usage increased in 2024-25. In 2024-25 EDF energy changed the production fuel mix decreasing the proportion of renewable electricity resulting in an increase in carbon emissions from electricity usage. Despite the increase in carbon emissions we remain committed to reducing gas usage and are currently in the process of replacing old gas boilers with air source heat pumps in H3/4 in London supported by a Salix grant.</p> <p>The Museum has infrequent air travel and air travel is treated as exceptional travel by default with a commitment made not to travel by air within the UK mainland. The Museum has switched to a centralised travel booking system which now enables the collection of data on the environmental impact of business travel with reporting in this area for the first time in 2024-25. The Museum uses videoconferencing and collaboration systems, and Museum staff are encouraged to challenge whether in-person meetings at other sites are necessary and whether the meeting could instead be conducted as effectively online instead. However, the Museum remains conscious of the positive benefits creatively, for the team culture, and for personal wellbeing to our teams coming together in person, which is reflected in its hybrid working guidance.</p>					

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

Waste management		2024-25	2023-24	2022-23	2017-18	
Non-financial indicators (tonnes)	Residual waste (incinerated for energy)	19	25	18	83	
	Recycled	56	40	50	40	
	Total waste	75	65	68	123	
	% recycled	75	61	72	32	
Financial indicators (£000)	Total disposal cost	42	33	36	N/A	
		<p>The Museum operates a zero to landfill policy, with residual waste used as waste to energy. While overall recycling has improved on the 2017-18 baseline a waste management plan is in place to support further improvements. The Museum's catering offer at both sites are outsourced, and we continue to work with our contract catering partners to reduce food wastage. We have received data from our catering operations – however a this does not span the full financial year, it has not been included.</p>				

Paper use	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20
Non-financial indicator (A4 reams)	384	440	432	495	309	626
		<p>The Museum records paper use within the offices from 2019-20. Reductions have been achieved with the installation of print-on-demand network printers and mandatory double-sided printing as the default. In addition, the Museum has implemented tablets for our visitor experience team's recording of daily checks to reduce paper usage. The paper used in advertising, packaging and other areas is not recorded and has been excluded from the above figures.</p>				

Water consumption		2024-25	2023-24	2022-23	2021-22	2020-21	2019-20
Non-financial indicators (m ³)	Total water consumption	4,579	7,529	2,775	2,559	11,623	N/A
Financial indicators (£000)	Total water cost	11	17	7	6	11	12
		<p>The Museum's London site is metered, however, historic information on water use is not available. Figures provided from 2020-21 are based on estimated usage provided by the supplier and relate to the Museum's London site only. Other sites are leasehold and consumption information is not available. Reduction in water use is undertaken on an opportunity basis such as using low water use taps and controlled urinal flushing. In addition, water use on landscape management is limited. The large consumption (and consequent cost) in both 2020-21 and 2023-24 is due to major leaks at the London site which have been rectified in 2024-25 resulting in a reduction in water usage.</p>					

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

Sustainable procurement

The Museum's existing contracts do not contain specific requirements for supply chain reporting on sustainability as standard, although elements of sustainability and social value are evaluated in the procurement tender process, particularly for major projects. The Museum's procurement policies will be further updated to reflect our commitment to sustainable procurement in 2025-26.

Nature recovery and biodiversity action planning

The Museum's estate has limited potential to improve overall biodiversity. However, in line with our Sustainability Commitment we manage and develop our estate to improve and sustain ecology. The Museum's estate contains areas of public grassland, managed planting and more wild areas as well as small copses of trees. The London site contains a swale, developed in 2018, that serves as an important site for wildlife in addition to providing a sustainable surface water run-off; a corner of our London site is purposely left wild, with minimal interventions following a landscape review in 2020 which identified it as an important habitat and source of food for local wildlife. The Museum's Midlands site contains grassed banks which have minimal intervention and trees which link into the nearby woodland. Improvements to the landscape are planned as part as our Inspiring Everyone: RAF Museum Midlands Development Programme with additional trees and planting.

Climate Change Adaption

The Museum intends to undertake a Climate Change Risk Assessment in 2025-26 to inform a longer-term Climate Change Adaption Strategy and Plan as part of our internal Sustainability Commitment and Pathway.

Reducing environmental impacts from Information Communication Technology (ICT) and digital

The Museums IT department is reviewing the environmental impact of its ICT activities and setting appropriate targets as part of an update to its IT strategy in 2025-26. It continues to make significant progress in the removal of redundant and inefficient IT legacy assets and actively seeks to reuse assets where appropriate. The IT department is continuing to reduce the number of physical servers required via server virtualisation and physical servers used for testing purposes are switched off when not in use. Colleagues continue to use Microsoft Teams, which has also supported colleagues to work from home as well as reducing business travel between sites.

Auditors

The accounts are audited by the Comptroller and Auditor General. The fee for the audit of the Group 2024-25 accounts was £57,850 (2024: £52,300). This includes the NAO fee of £46,000 and Hillier Hopkins fee of £11,850 for the audit of RAF Museum Enterprises Ltd (RAFMELE).

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

So far as I, as Accounting Officer of the Museum, and as we, as its Trustees, are aware:

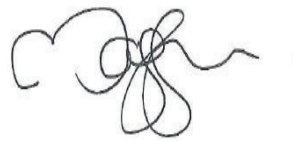
- a) there is no relevant audit information of which the Museum's auditors are unaware; and
- b) we have taken all the steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the Museum's auditors are aware of that information.



ACM Sir Stephen Hillier GCB CBE DFC
Chair

on behalf of the Board of Trustees

10 July 2025



Margaret Appleton MBE
Chief Executive Officer and
Accounting Officer

Royal Air Force Museum

10 July 2025

ACCOUNTABILITY REPORT

Corporate Governance Report

This report sets out the arrangements for the governance of the Museum, including the Board and Committee structure for the Trustees. It specifically shows how the organisation identifies and manages key risks and provides the assurance from the Chair of the Board of Trustees and Accounting Officer.

Trustees have complied with their duty in section 11 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission. Trustees are also mindful of the Commission's guidance on public benefit.

Chief Executive Officer's report and governance statement

The Governance Framework

The Royal Air Force Museum is incorporated by Royal Charter with company number RC000922 and is a charity registered with the Charity Commission (registration number 1197541), governed in accordance with the Charter and Bye-laws. On 1 April 2022, all assets, activities and resources were transferred from an unincorporated charity (registration number 244708) of the same name and address which was governed in accordance with a Deed of Trust dated 4th June 2007 to deliver the same charitable objects.

The Museum is an accredited National Museum and Non-Departmental Public Body (NDPB) obliged to comply with HM Treasury financial reporting requirements set out in the Financial Reporting Manual and the guidance contained in Managing Public Money. There is a Framework Document in place which defines the arrangements between the Museum and its sponsor department, the Ministry of Defence, relating to the receipt of Grant in Aid and the conditions for its expenditure alongside a Partnering Agreement between the RAF and the Museum. The Partnering Agreement and Framework Document relevant to the 2024-25 financial year is effective from 1 April 2022 to 31 March 2027.

The Trustees and the Committee Structure

The RAF Museum is governed by a Board of Trustees chaired by Air Chief Marshal Sir Stephen Hillier GCB CBE DFC. The Charities Act 2011 requires the Trustees to exercise proper stewardship over the Museum and to take care of its collections.

The Chief Executive Officer of the Museum, Margaret Appleton MBE, is the Accounting Officer responsible to Parliament for the day-to-day management of the Museum as set out in Chapter 3 of Managing Public Money.

Trustees are appointed by the Secretary of State for Defence in accordance with the provisions of the public appointments process set out in the Office of the Commissioner of Public Appointments Code of Practice. From 1 April 2022, under the new Charter and Byelaws, appointment terms are for three years and Trustees can be re-appointed for a second term of equivalent length. The number of Nominated Trustees can be between seven and fifteen, which aligns with Governance best practice, while retaining flexibility to manage both planned and unforeseen resignations. The Board of Trustees may also appoint up to three additional co-opted Trustees by majority approval to serve on the Board and both co-opted Trustees and

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

other individuals may serve on specific sub-committees to supplement the experience of Board members.

The Trustees receive induction training with the Chief Executive Officer and senior leadership team (SLT) and are encouraged to familiarise themselves with the Museum's priorities through work in sub-committees where they are supported by the Museum's executive, and by attending and hosting Museum events and receptions. A Trustee Development Framework is in place and all Trustees are asked to complete a mandatory selection of relevant online courses including Safeguarding Children, Equality, Diversity and Inclusion, Bullying and Harassment for Managers and Unconscious Bias for Managers. Trustees are made aware of governance courses such as the Institute of Chartered Accountants in England & Wales (ICAEW) online Trustee Training course, developed with the Charity Commission, which provides an overview of charity trustees' legal and financial responsibilities and their strategic and operational considerations. In addition, Board development sessions are now scheduled twice a year ahead of each Board meeting.

A Trustee skills audit was completed in 2024-25 ahead of a trustee recruitment round in 2025-26. Trustees also completed a Board Effectiveness Survey to inform its annual internal review as part of the March 2025 Board meeting. The Museum plans to conduct its next external effectiveness review (due every three years) in 2026 following the 2022-24 Public Body Review of the Service Museums, which published its report in March 2024. The Nomination and Governance Committee has continued to monitor and advise the Board on Museum governance and the Board structure, processes and performance.

The Board of Trustees Sub-Committees

The Board of Trustees has established a number of sub-committees for specific purposes and to ensure the effective conduct of business. The Board of Trustees is responsible for appointing to the sub-committees from within its membership and all sub-committee actions are taken on behalf of the Trustees as a whole, with recommendations made to the Board as appropriate.

For 2024-25 these sub-committees comprise Audit Risk & Resources (providing assurance on issues of risk, control, governance, financial control, and investment); Major Projects and Programmes (responsible for major capital and programme development); and People and Governance (providing assurance that the Museum's HR strategy, policies and procedures are appropriate and effective and keeping under review the leadership needs of the Museum). The Museum also has a Research Advisory Board, chaired by Sebastian Cox OBE, the recently retired Head of the Air Historical Branch of the Royal Air Force, and an Ethics Advisory Group comprising Trustees and Senior Leadership Team members.

The terms of reference of each of the sub-committees are approved by the full Board and reviewed annually. The table overleaf shows the number of meetings and attendance. The Board normally meets once a quarter, and these scheduled meetings are summarised in the table. Minutes of all Board and sub-committee meetings are maintained. Trustees complete a declaration of interests each year with an agenda prompt at each Committee and Board meeting regarding any possible conflicts of interest or loyalty.

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

Trustee attendance is shown as the number of meetings attended in relation to the number of meetings held whilst each individual was a member of the relevant committee. The Chair of Trustees receives all committee papers and may attend any committees across the year, as may all Trustees.

The Museum has two subsidiary companies, RAF Museum Enterprises Ltd and RAF Museum Investments Ltd. Although the decisions taken by these companies remain primarily their responsibility, summaries of activity are reported through the Board.

The following individuals served as Trustees during 2024-25:

Board of Trustees							
Board Member	Appointed	Further notes	Board	Audit, Risk and Resources Committee (ARRC) *	People and Governance Committee (PGC)	Major Projects & Programmes Committee (MPPC) *	RAF Museum Enterprises Ltd (RAFMEL) **
Air Chief Marshal Sir Stephen Hillier	11-Oct-21	Chair Board	4/4				
John Banks	23-Jul-21	Chair ARRC	4/4	4/4			
Josh Chana	5-Oct-23		3/4			3/4	
Air Vice Marshal David Cooper	23-Jul-21		4/4			3/4	
Jonathan Field	23-Jul-21	Chair RAFMEL Board	4/4	4/4	2/2		4/4
Matthew Gilpin	23-Jul-21	Chair PGC	3/4	4/4	2/2		
Hemma Gooljar	5-Oct-23		4/4		2/2		
Waseem Mahmood	23-Jul-21		4/4			4/4	
Julie McGarvey	17-May-16		4/4				4/4
Air Marshal Peter Ruddock	23-Jul-21		4/4	4/4			
Nick Sanders	7-July-16	Chair MPPC	4/4			4/4	

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

* The Board Chair is not a formal member of this committee but invited to take part / observe as they wish.

** Trustees who are members of RAF Museum Enterprises Ltd are shown above. There are five additional non-executive directors.

Register of Interests

A register of Trustees' interests is maintained. Trustees are required to declare any interest, pecuniary or otherwise, in any matter being considered by the Board. Related Parties are disclosed in Note 17 of the Financial Statements.

The Board of Trustees' Performance

The Board has supported the organisation to successfully deliver its strategic objectives as outlined in the approved over-arching ten-year Strategy 2030 and Business Plan 2024-25.

Reports from each sub-committee are circulated to all Trustees with routine papers for the quarterly meetings of the full Board and sub-committee Chairs highlighting any matters of particular interest or concern for the attention of the full Board.

There is a wide range of information and data (financial and otherwise) routinely available to Trustees, including detailed management accounts quarterly to the Finance and Resources Committee and summary management accounts quarterly to the full Board, which the Board considers to be adequate management information.

Personal Data Loss

An incident is defined as a loss, unauthorised disclosure or insecure disposal. Protected personal data is information that links an identifiable living person with information about them which, if related, would put the individual at significant risk of harm or distress; the definition includes sources of information that because of the nature of the individuals or the nature, source or extent of the information, is treated as protected personal data by the Museum. There have been no such losses during 2024-25.

Internal Auditors

The Museum's internal auditors are Azets (appointed in January 2024), who work to the Public Sector Internal Audit Standards and provide an independent opinion for the financial year 2024-25 (contract year one) on the matters subject to review through the annual internal audit programme. The work programme is signed off by the Trustees' Audit, Risk and Resources Committee and the report of the internal auditors is received by that same sub-committee. The tender and appointment of Azets was made as a joint initiative with our partner Service Museums – the National Army Museum and National Museum of the Royal Navy - to foster the sharing of best practice and economies of scale, including a shared thematic review to be agreed upon by all parties.

As part of this plan Azets have carried out several reviews for the RAF Museum this past year, including commercial strategy, key financial controls, business continuity planning, site and physical security, and estate management.

The internal auditors provide an annual independent opinion, based upon the audit programme

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

and limited to the work performed, on the overall adequacy and effectiveness of the Museum's risk management, control and governance processes. The internal audit opinion for 2024-25 is one of reasonable assurance, stating that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

The results of the internal audit assignment reviews have been taken into consideration in determining the internal control opinion for 2024-25. Of the five assurance assignments, it was concluded that the Board could take substantial assurance in one area, reasonable assurance in three areas and limited assurance in the other.

The Audit, Risk and Resources Committee accepted the opinion and findings of the internal auditors. Progress against recommendations and risk status will continue to be monitored by the Committee as part of the internal audit follow up review process.

External Auditors

The external auditor of the Museum is the Comptroller and Auditor General with the audit conducted by the National Audit Office. The external auditor of its trading subsidiary, Royal Air Force Museum Enterprises Ltd, is Hillier Hopkins LLP. The accounts are consolidated.

Risk Management

The Museum's internal control system is designed to manage risk to a reasonable level, rather than eradicate all risk of failure. Therefore, it can only provide reasonable and not absolute assurance of effectiveness. In managing risk, we identify the opportunities and risks in achieving our strategic objectives, evaluate the likelihood of those risks being realised, the impact should they be realised and the controls in place to manage them efficiently and effectively. The Museum's approach to risk management and the process for implementation are documented in a Corporate Risk Management Strategy (reviewed and updated in 2021-22).

The strategy is supported by our Strategic Risk Register, which groups our highest priority risk areas into key strategic risks and is reviewed regularly by the senior leadership team. The Audit, Risk and Resources Committee reviews strategic risks at each meeting and the Board review annually. Each department holds a detailed operational risk register and updates them regularly with input from their teams, with departmental risks reported to group directors and all new risks or residual risks that have increased noted. Project and programme risks are included in status reports to the executive Programme Board. Any Departmental or Programme risks rated red/high when mitigated are summarised in a Corporate Risk Register which is reviewed quarterly by the senior leadership team and at each meeting by the Audit, Risk and Resources Committee.

Risk management overall is viewed as a dynamic process which actively seeks to incorporate good practice. It is responsive and current and is managed through regular review of both internal developments and external factors – the political, social, economic, demographic, technological, environmental and legal developments that may influence our exposure to risks or opportunities. As an NDPB the Museum has a low-risk appetite in relation to compliance, regulation and to our key strategic risks. In areas where we aim to be relevant and influential, we are prepared to take calculated risks. Risk appetite has been set by the Trustees and is

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

reviewed annually for appropriateness by the senior leadership team and Audit, Risk and Resources Committee. The senior leadership team monitors whether our overall risk profile is commensurate with our risk appetite on an ongoing basis. The key risks identified, and the actions taken to date, are set out below.

The strategic risk of financial instability due to macro-economic factors is substantially mitigated by confirmed annual Grant in Aid for 2025-26, alongside the Museum's proven agility to flex variable and project costs. Nevertheless, a high proportion of planned Museum spend is necessary to support effective operations and / or drive visitor numbers / income, and cost reductions may impact detrimentally on Museum outcomes and impact even where activities are not immediately essential. Identified risks for the financial year ahead include the negative impact of lower than targeted visitor numbers on self-generated income given the challenging economic environment. Sector challenges to retention and recruitment in response to cost-of-living pressures is mitigated by an acknowledged pride in working for the Museum and a clear commitment to investing in our staff team and the development of a dynamic, diverse and collaborative culture.

Failure to raise income to agreed revenue and campaign fundraising targets would delay delivery of agreed projects and programmes. The positive NLHF grant award and with it formal permission to start the delivery phase of the Inspiring Everyone: RAF Museum Midlands Development Programme was a significant achievement in April 2025 and gives the Museum two years to raise the outstanding £1.9m of the £28.6m programme.

The RAF Museum's Strategy 2030 outlines a robust financial model into the future, with operational savings continuing to be identified and our resourcing model streamlined, fundraising and trading activity to be increased and diversified, and programmes developed that attract funding support, to enable significant investment and development at both sites. There is and will continue to be continued pressure on Government funding and competition for funding from donors and trusts and foundations.

The Collections Review supports both care of the collection and development and delivery of our programming. An important strand of this review is delivery of digitisation of the collections, opening access to audiences while ensuring collection care is maintained. This will require considerable investment which is the reason for the risk of 'failure to adequately care for collections' remaining at a medium level assessment.

As with the risk of financial instability, the risks from major incidents of any nature can only be mitigated to a certain degree, but the creation of the Museum's Resilience Reserve Fund with support from our sponsor body is a substantial mitigation. Museum plans include phased capital investment in infrastructure and continued assurance of effective processes in place. Further to considerable progress thus far, one of the key strategic priorities for the Museum and a focus for the next financial year is to continue to invest in building the strong and sustainable basic foundations required to fully achieve our future vision.

Assurance Statement by the Audit, Risk and Resources Committee

The Audit, Risk and Resources Committee are reasonably confident that the reliability, integrity, quality and comprehensiveness of the assurances provided by the RAF Museum's

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

internal and external auditors, and by management, are presently sufficient to support the Board and Accounting Officer in their decision making and in the fulfilment of their accountability obligations. Internal controls are monitored during the year by the RAF Museum's executive team and independent internal audit review and findings reported to the Audit, Risk and Resources Committee. The Audit, Risk and Resources Committee will continue to draw to the Board's and Accounting Officer's attention any matters of concern.

Statement of the Board of Trustees' and Chief Executive Officer's Responsibilities

Under Section 30(3) of the National Heritage Act 1983 and law applicable to charities in England and Wales, the Board of Trustees is required to prepare financial statements for each financial year which give a true and fair view of the Royal Air Force Museum's financial activities and of its financial position at the end of the year.

In preparing financial statements giving a true and fair view, the Board of Trustees is required to:

- observe any accounts direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the charity will continue in operation.

Under the law applicable to charities in England and Wales, the Board of Trustees is responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and which enable the Board to ensure that the financial statements comply with applicable law. The Board is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Permanent Under-Secretary of the Ministry of Defence has appointed the senior full time official, the Chief Executive Officer, as the Accounting Officer for the Royal Air Force Museum. Her relevant responsibilities as Accounting Officer, including her responsibility for the propriety and regularity of expenditure from Grant in Aid provided by Parliament and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officer's Memorandum issued by the Treasury and published in 'Managing Public Money'.

The Accounting Officer confirms that the annual report and accounts as a whole are fair, balanced and understandable and that she takes personal responsibility for the annual report and accounts and the judgments required for determining that they are fair, balanced and understandable.

The Accounting Officer also confirms that, as far as she is aware, there is no relevant audit information of which the Museum's auditors are unaware, and that all steps have been taken

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

to make herself aware of relevant audit information and to make this available to the Museum's auditors.

Remuneration and Staff Report

In accordance with the Financial Reporting Manual the RAF Museum has prepared this report containing certain information about directors' remuneration. 'Directors' is interpreted to mean persons in senior positions having authority or responsibility for directing or controlling the major activities of the Museum. The figures in the remuneration and staff report are subject to audit. The total number of employees whose emoluments for the year exceeded £60,000 is given in note 6, together with information on staff numbers and costs.

None of the directors were members of the Principal Civil Service Pension Scheme (PCSPS) and the Museum did not fund any Civil Service pension contributions for them in 2024-25. The Museum, under the auto-enrolment scheme (NEST) made employer's contribution to the directors' pension at the rate of 5% of their salary. Performance bonuses paid to directors are non-contractual. All employees, including directors, received £100 shopping vouchers as a thank you for their commitment and performance during 2024-25, which are included as benefits in kind in the table below. All of the directors have contracts of employment carrying a period of notice of three months.

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

Single figure of total remuneration	Salary	Performance related pay and bonuses	Benefits in kind	Pension Benefits	TOTAL	TOTAL
	2024-25 (2023-24) £000	2024-25 (2023-24) £000	2024-25 (2023-24) Nearest £	2024-25 (2023-24) £000	2024-25 £000	2023-24 £000
Margaret Appleton MBE CEO	120-125 (115-120)	- (0-5)	100 (100)	6-10 (6-10)	130-135	125-130
Marguerite Jenkin Director of Finance and Resources (until August 2024)	45-50 (95-100)	- (0-5)	0 (100)	0-5 (0-5)	50-55	100-105
Barry Smith Director of Visitor and Commercial Development	100-105 (95-100)	- (0-5)	100 (100)	5-10 (0-5)	105-110	100-105
Kirsty Vlemmiks Director of Finance and Resources (from November 2024)	35-40 (-)	- (-)	100 (-)	0-5 (-)	35-40	-
Karen Whitting Director of Content and Programmes	100-105 (95-100)	- (0-5)	100 (100)	5-10 (0-5)	105-110	100-105

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

Pension benefits	Real increase in pension and lump sum at pension age	Accrued pension at pension age at 31/03/25 and related lump sum	CETV at 31/03/25	CETV at 31/03/24	Real increase in CETV	Employer contribution to Nest pension
	£000	£000	£000	£000	£000	Nearest £100
Margaret Appleton MBE CEO	N/A	N/A	N/A	N/A	N/A	6,200
Marguerite Jenkin Director of Finance and Resources (until August 2024)	N/A	N/A	N/A	N/A	N/A	2,400
Barry Smith Director of Visitor and Commercial Development	N/A	N/A	N/A	N/A	N/A	5,000
Kirsty Vlemmiks Director of Finance and Resources (from November 2024)	N/A	N/A	N/A	N/A	N/A	1,800
Karen Whitting Director of Content and Programmes	N/A	N/A	N/A	N/A	N/A	5,000

* A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member of a final salary scheme, required where a pension member wishes to switch to a defined contribution scheme, and is therefore not applicable to the Museum directors.

The remuneration ratios in the Museum are shown below. These represent the banded mid-point pay of the highest paid director as a multiple of the 25th percentile, median and 75th

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

percentile pay rates. The banded mid-point pay of the highest paid director is £122,500 (2024: £117,500) and the median salary is £30,019 (2024: £28,849). The directors are all full-time employees employed on standard terms and conditions. The remuneration of the highest paid director increased by 4.08% against the prior year. The average percentage increase for employees of the Museum was also 2.8%.

	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2025	5.10	4.08	3.36
2024	5.04	4.07	3.33
% change	1.19%	0.25%	0.9%

	25th percentile remuneration	Median remuneration	75th percentile remuneration
2025	£24,042	£30,019	£36,456
2024	£23,325	£28,849	£35,330
% change	3.07%	4.05%	3.18%

The Museum Board comprised eleven Trustees at 31 March 2025. Eight were nominated by the Secretary of State and three were co-opted. None were employees of the Museum. Trustees were reimbursed £5,494.82, in expenses (2023-24: £5,925). Nine Trustees claimed expenses (2023-24: Ten). Expenses claimed comprise reasonable travel, subsistence and accommodation as required to meet Trustee responsibilities in accordance with the Museum's Travel and Subsistence Policy.

Sickness absence (not subject to audit)

The Royal Air Force Museum employed 200 (2024: 202) members of staff as at 31 March 2025. In addition, the trading subsidiary employed 37 (2024: 36) members of staff at 31 March 2025. Periods of sickness absence are recorded in full days. The average number of days of sickness absence was 7.7 days per person (2024: 5.5). Long term absences have been excluded.

Pension Costs and Benefits

The Museum's accounting policy in relation to Pensions is provided at Note 1 to the Financial Statements. From May 2014 the Museum has automatically enrolled all employees into a National Employment Savings Trust (NEST) pension scheme unless the employees choose to opt out. The NEST pension scheme is a defined contribution pension scheme that was created as part of the government's workplace pensions reform under the Pensions Act 2008. The assets of the scheme are held separately from those of the Museum and the Museum is unable to identify our share of the liability. Employer's contributions are charged to the Statement of Financial Activities as they occur.

Pension benefits for a small number of longer serving staff are provided through the Civil Service Pension Scheme (CSPS), comprising the Principal Civil Service Pension Scheme (PCSPS) and alpha. The CSPS is an unfunded multi-employer defined benefit scheme but the RAF Museum is unable to identify its share of the underlying assets and liabilities. A full

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

actuarial valuation was carried out as at 31 March 2020 (signed 2021). Details can be found on the CSPS website here:

<https://www.civilservicepensionscheme.org.uk/about-us/scheme-valuations/>.

For 2024-25 employer's contributions of £143K were payable (2024: £88,768) through the CSPS. The applicable rates for the CSPS are shown below:

Gross Salary	Rate %
£77,001 and over	30.3%
£45,501 – £77,000	27.9%
£23,001 - £45,500	27.1%
Up to £23,000	26.6%

The contribution rates reflect benefits as they are accrued, not when costs are actually incurred, and reflect past experience of the scheme. Pension benefits are provided through the Civil Service pension arrangements in place prior to 30th July 2007, with the unfunded cost of benefits met by monies voted by Parliament each year. Any members affected by the Public Service Pensions Remedy were reported in the 2015 scheme for the period between 1 April 2015 and 31 March 2022 in 2023-24, but are reported in the legacy scheme for the same period in 2024-25. Further details about the Civil Service pension arrangements can be found at the website: www.civilservice.gov.uk/pensions.

Reporting of civil service and other compensation schemes – exit packages
(Comparative data for the prior financial year is shown in brackets)

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	1	1
£10,000–£25,000	-	-	-
£25,000–£50,000	-	-	-
£50,000–£75,000	1	-	1
Total number of exit packages	1	1	2
Total resource cost/ £	£58,771	£9,514	£68,285

Redundancy and other departure costs are, where appropriate, paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the department has agreed early retirements, the additional costs are met by the department. Ill-health retirement costs are met by pension scheme and are not included in the table.

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

Trade Union Facility Time (not subject to audit)

Table 1

	Full-time equivalent	
	2024-25	2023-24
Number of employees who were relevant union officials during the relevant period	3	1

Table 2

	Number of employees	
	2024-25	2023-24
Percentage of time		
0	-	-
1-50%	3	1
51-99%	-	-
100%	-	-

Table 3

	Figures	
	2024-25	2023-24
	£	£
Total cost of facility time	-	233
Total pay bill	7,079,000	6,894,000
Percentage of the total pay bill spent on facility time	0%	0%

Table 4

	Percent	
	2024-25	2023-24
Time spent on paid trade union activities as a percentage of total paid facility time	0%	0%

Other Staff Costs

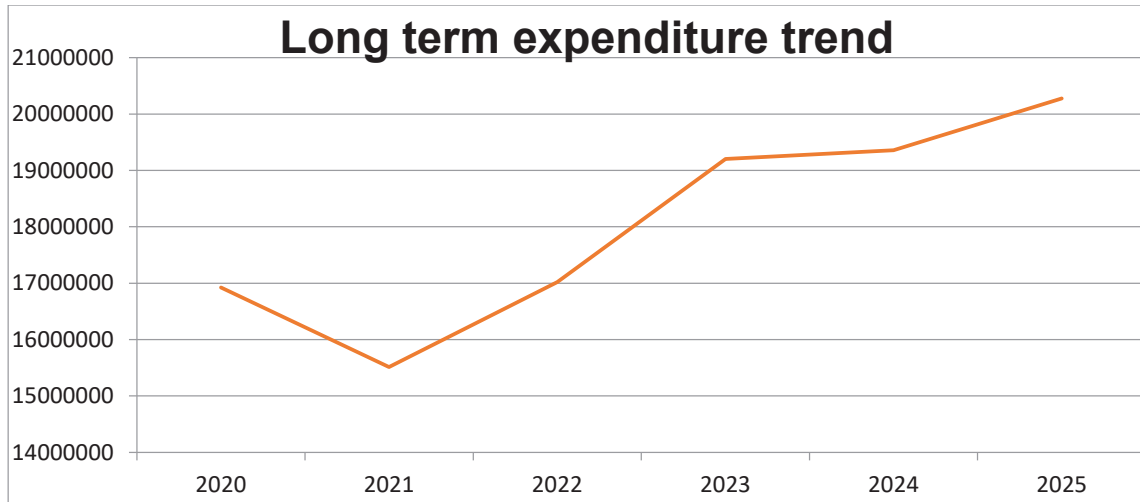
Further details relating to the Museum's other staff costs can be found in Note 6 to the financial statements.

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

Parliamentary accountability and audit report

All expenditure is regular, having been incurred in accordance with the relevant authorities. Expenditure subject to restrictions has been applied in line with the intentions of donors and the Museum's sponsor body. There are no contingent liabilities, gifts, fees, charges, losses, or special payments requiring further disclosure that have not been reported elsewhere in these financial statements. This paragraph is subject to audit.

Expenditure trend over the past six financial years is shown below:



Expenditure reduced in 2020-21 due to the impact of the Covid-19 pandemic, with some projects paused, sites closed to the public and staff placed on furlough, and a corresponding decline in trading costs. Since 2021-22, spending has increased as both sites reopened following covid closures. In particular, there has been significant cost inflation in staff costs, utility costs and the increasing costs of maintaining the Museum's ageing estate.

Approved by the Board of Trustees & signed on its behalf on 10th of July 2025 by:

ACM Sir Stephen Hillier GCB CBE DFC
Chair

Margaret Appleton MBE
Chief Executive Officer and
Accounting Officer

on behalf of the Board of Trustees

Royal Air Force Museum

THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE BOARD OF TRUSTEES OF THE ROYAL AIR FORCE MUSEUM

Opinion on financial statements

I have audited the financial statements of the Royal Air Force Museum and its Group for the year ended 31 March 2025 under the Charities Act 2011

The financial statements comprise the Royal Air Force Museum and its Group's:

- The Consolidated and Charity Balance Sheet as at 31 March 2025;
- Consolidated Statement of Financial Activities, Consolidated Statement of Cash Flows and; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the Royal Air Force Museum and its Group's affairs as at 31 March 2025 and their net income/(expenditure) for the year then ended;
- have been properly prepared in accordance with the Charities Act 2011

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2024*. I am independent of the Royal Air Force Museum and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Royal Air Force Museum and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Royal Air Force Museum and its

Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Board of Trustees and Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises information included in the Annual Report but does not include the financial statements and my auditor's report thereafter. The Board of Trustees and Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury's Government Financial Reporting Manual

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

- the parts of the Trustees' Report subject to audit have been properly prepared in accordance with the applicable legislation;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Royal Air Force Museum and its Group and their environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Royal Air Force Museum and its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Trustees' Report, subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance

Responsibilities of the Board of Trustees and Accounting Officer for the financial statements

As explained more fully in the Statement of the Board of Trustees' and Chief Executive Officers Responsibilities, the Board of Trustees and the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Royal Air Force Museum and its Group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements, which give a true and fair view, in accordance with the Charities Act 2011;
- preparing the Annual Report, which includes the Remuneration and Staff Report, in accordance with HM Treasury's Government Financial Reporting Manual; and
- assessing the Royal Air Force Museum and its Group'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 Board of Trustees and the Accounting Officer either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with section 151 of the Charities Act 2011.

My 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 a report that includes my 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud I:

- considered the nature of the sector, control environment and operational performance including the design of the Royal Air Force Museum and its Group's accounting policies, key performance indicators and performance incentives.

- inquired of management, Royal Air Force Museum's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Royal Air Force Museum and its Group's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Royal Air Force Museum and its Group's controls relating to the Royal Air Force Museum and its Group's compliance with the Charities Act 2011,
- inquired of management, Royal Air Force Museum's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team including relevant component audit teams regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Royal Air Force Museum and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override of controls.

I obtained an understanding of the Royal Air Force Museum and its Group's framework of authority and other legal and regulatory frameworks in which the Royal Air Force Museum and its Group operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of Royal Air Force Museum and its Group. The key laws and regulations I considered in this context included, The Charities Act 2011, employment law and tax Legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board of Trustees and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- In addressing the risk of fraud in revenue recognition, I assessed the recognition of income in line with the accounting framework and undertook procedures to test the completeness of income

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my 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 my report.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by

Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Gareth Davies
Comptroller and Auditor General

15 July 2025

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

Consolidated Statement of Financial Activities for the year ended 31 March 2025

	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
Notes	2025 £000	2025 £000	2025 £000	2024 £000	2024 £000	2024 £000
Income from						
Donations and legacies						
Grant in aid	10,976	-	10,976	10,657	2,734	13,391
Grants and donations	3 295	2,566	2,861	574	2,417	2,991
Charitable activities	384	-	384	162	-	162
Other trading activities						
Trading income	4b 3,884	-	3,884	4,447	-	4,447
Sponsorships	-	-	-	-	74	74
Investments	564	223	787	417	87	504
Other	22	-	22	39	-	39
Total income	16,125	2,789	18,914	16,296	5,312	21,608
Expenditure on						
Fundraising	5 601	-	601	760	-	760
Trading	5 3,106	-	3,106	3,361	-	3,361
Charitable activities	5 15,774	654	16,428	14,127	1,110	15,237
Total expenditure	19,481	654	20,135	18,248	1,110	19,358
Net income/(expenditure)	(3,356)	2,135	(1,221)	(1,952)	4,202	2,250
Transfers between funds	14 912	(912)	-	2,043	(2,043)	-
Other recognised gains and losses						
Gains/(losses) on revaluation of fixed assets	7a 1,744	-	1,744	1,373	-	1,373
Net movement in funds	(700)	1,223	523	1,464	2,159	3,623
Reconciliation of funds						
Total funds brought forward at 1 April 2024	126,584	13,818	140,402	125,120	11,659	136,779
Total funds carried forward at 31 March 2025	125,884	15,041	140,925	126,584	13,818	140,402

All of the Group's activities are classed as continuing. All recognised gains and losses are included above.

The notes on pages 53 to 65 form part of these financial statements.

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

Consolidated and Charity Balance Sheet as at 31 March 2025

	Notes	Group 2025	Group 2024	Charity 2025	Charity 2024
		£000	£000	£000	£000
Fixed assets					
Tangible assets	7a	103,063	103,490	103,063	103,490
Heritage Assets	7b	22,188	22,199	22,188	22,199
Investments	4a	-	-	100	100
Total Fixed Assets		125,251	125,689	125,351	125,789
Current assets					
Stock	8	308	298	-	-
Debtors	9	905	1,645	1,649	2,718
Cash at bank and in hand	10	16,365	14,320	15,605	13,442
Total Current Assets		17,578	16,263	17,254	16,160
Liabilities					
Creditors: Amounts falling due within one year	11	1,884	1,520	1,660	1,517
NET CURRENT ASSETS		15,694	14,743	15,594	14,643
Creditors: Amounts falling due after more than one year	11	20	30	20	30
NET ASSETS/LIABILITIES		140,925	140,402	140,925	140,402
The funds of the charity					
Unrestricted funds	14	125,884	126,584	125,814	126,514
Restricted funds	14	15,041	13,818	15,111	13,888
		140,925	140,402	140,925	140,402

The notes on pages 53 to 65 form part of these financial statements.

Approved by the Board of Trustees & signed on its behalf on 10 July 2025:



Air Chief Marshal Sir Stephen Hillier GCB CBE DFC
Chair
on behalf of Trustees



Ms M Appleton MBE
Chief Executive Officer and Accounting Officer
Royal Air Force Museum

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

Consolidated Cash Flow Statement for the year ended 31 March 2025

Reconciliation of net incoming resources to net cash flow from operating activities

	Notes	2025 £000	2024 £000
Net Incoming Resources		(1,221)	2,250
Interest receivable		(787)	(504)
Depreciation of tangible assets	7a	3,688	3,548
(Profit)/loss on disposal of assets		79	124
Donated Assets		(16)	-
(Increase) / decrease in stocks	8	(10)	(51)
(Increase) / decrease in debtors	9	740	(375)
(Decrease) / increase in creditors	11	354	(385)
Net cash provided by operating activities		2,827	4,607
 Cash flows from investing activities			
Bank interest received		787	504
Purchase of tangible fixed assets	7a	(1,569)	(3,080)
Net cash used in investing activities		(782)	(2,576)
Change in cash and cash equivalents		2,045	2,031
Cash and cash equivalents at 1 April 2024		14,320	12,289
Cash and cash equivalents at 31 March 2025		16,365	14,320

The notes on pages 53 to 65 form part of these financial statements.

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with applicable accounting standards, under the historical cost convention as modified by the revaluation of fixed assets.

The financial statements comply with the Statement of Recommended Practice: Accounting and Reporting by Charities SORP 2019 (FRS 102) and with the Government Financial Reporting Manual (FReM) 2024-25.

Basis of consolidation

Consolidated financial statements have been prepared for the year ended 31 March 2025 in respect of the charity and its wholly owned subsidiaries, Royal Air Force Museum Enterprises Ltd and The Royal Air Force Museum Investments Limited, using the acquisition method of accounting. Intra group transactions and profits are eliminated fully on consolidation.

The Royal Air Force Museum Investments Limited holds the real property assets of the charity on behalf of the Trustees. While legal ownership rests with the company, the RAF Museum retains the risks and rewards associated with these assets. In accordance with FRS 102, the RAF Museum recognises these assets in its balance sheet.

Going concern

The Trustees have prepared the accounts on a going concern basis. This assumes the Museum is able to meet its liabilities as they fall due for the foreseeable future, and that current and future funding will be sufficient. A period of twelve months from the date of approval of the financial statements has been considered in accordance with accounting standards.

In reaching this conclusion, Trustees assessed forecasted income and expenditure, and underlying assumptions. Continued funding from the MOD at similar levels was assumed.

Income

Grant in Aid is recognised in the year to which it relates. Grants and donations are recognised once the Museum satisfies SORP 2019 criteria: entitlement, probability, and measurement. Earned income is recognised as receivable. Donations in kind are recognised at fair value, with a matching charge to expenditure. Sponsorships are recognised over the sponsorship period. Investment gains/losses are recognised in the period they arise. Income from commercial activities is recognised when goods or services are delivered.

Expenditure

Resources expended are recognised on an accruals basis, inclusive of irrecoverable VAT. Expenditure is classified under raising funds and charitable activities.

Direct expenditure includes directly attributable staff costs. Shared costs are allocated using the methods described in Note 5.

Termination payments

Termination payments are recognised when employment ends before the normal retirement or contract end date. Recognition follows FReM guidance.

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

Fund accounting

Unrestricted funds (including designated funds) are general purpose funds. The general fund includes accumulated surpluses. The fixed asset fund represents the value of fixed assets. The revaluation reserve reflects increases in asset values via indexation or professional valuation.

Designated funds are unrestricted funds earmarked for specific purposes by Trustees.

Restricted funds are used only for the specified donor purposes. Relevant expenditure and overhead allocations are charged to the fund.

Tangible fixed assets

Tangible fixed assets are capitalised at cost and revalued annually using indices from Defence Economics and the Valuation Office Agency. Items under £2,500 are not capitalised. Gains or losses on revaluation remain unrealised until disposal. Properties are revalued every five years; last valuation: 31 March 2023 (Note 7a).

Assets transferred from RAFMEL are recognised, and RAFMEL is charged for their use. Depreciation is calculated on a straight-line basis:

- Freehold buildings:5 to 75 years
- Leasehold property:over lease term
- Permanent exhibitions:5 to 10 years
- Fixtures,fittings,equipment:3 to 5 years
- Plant and machinery:5 years
- Simulators:15 years
- Motor vehicles:4 years

Assets in construction are not depreciated or revalued until in use.

Impairment

The RAF Museum assesses whether there is any indication of impairment for all fixed assets at the balance sheet date. A fixed asset is considered to be impaired if the recoverable amount of the asset has fallen below its carrying amount on the balance sheet, as a result of damage, deterioration poor performance or external factors affecting its value.

If any indication of impairment exists, the Museum shall estimate the recoverable amount of the asset, determined as the higher of its fair value less costs to sell the asset and its value in use. The method of estimation used shall be that deemed most suitable for the type of asset. Where there is objective evidence that an impairment loss exists, an impairment charge will be made to the Revaluation Reserve to reduce the carrying value of the asset to the estimated recoverable amount. Where there are no historical revaluations in a revaluation reserve,impairment loses are charged through the Statement of Financial Activities.

Exhibition costs

Long term exhibition equipment is capitalised as a fixed asset under fixtures and fittings. Temporary exhibition costs are written off as resources expended in the year they are incurred.

Heritage assets

The Museum has approved policies for Collections Development and our management of Heritage Assets. Our key collections policies and further information on the acquisition, safeguarding and disposal of Heritage Assets can be found on the RAF Museum Website, following the link:

<https://www.rafmuseum.org.uk/research/default/acquisitions-and-disposals/>

Any other collections-related policies can be made available on request.

The Museum has been consistently reviewing and recording all the heritage assets on its database for several years now and the collection can be divided between the accessioned collection (objects that have been formally acquired and accepted into the Permanent Collection), and the un-accessioned collection (long-term deposited objects which have yet to be assigned a status, catalogued, or passed through the Collections Review process). Un-accessioned objects, the majority of which are aircraft technical drawings and library objects, represent two thirds of the accumulated objects held by the Museum.

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

Heritage assets valued over the capitalisation threshold which have been accessioned into the collection on or after 1 April 2001 have been capitalised but not revalued or depreciated. Heritage assets are accounted for as a distinct category of fixed asset with indefinite life and therefore not depreciated. If available, valuation is based on acquisition costs increased by restoration costs (if applicable). The Museum's response to the introduction of FRS 30 effective 1 April 2010 was to deploy internal resources to the task of valuation in respect of those assets acquired before 1 April 2001, and which represent a materially significant part of the accessioned collection. Given the diverse nature of the collection, the unique nature of some items and also taking into account changing market conditions, the resulting valuations represent indicative estimates. The valuations of the most significant items acquired pre-2001 were added to the total value of heritage assets as at 31 March 2011. The heritage assets will not be re-valued in future periods; however, impairment reviews will be carried out by the Museum on a needs basis if any changes have been noted by our Collections team during their assessments.

For donated assets, in most cases valuations are based on internal estimates determined by the relevant curator's experience and judgement, as an accurate figure is very difficult to establish. In some cases (e.g. a significant painting), a dealer may be sometimes consulted for advice

Investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value. Those held as current assets are stated at their market value. Term deposits of less than one year are classified as investments within current assets.

Investments in joint ventures are accounted for using the equity method, with the carrying amount measured as the Museum's initial investment plus its share of the joint venture's profit or loss.

Pensions

From May 2014 the Museum has automatically enrolled all employees into a National Employment Savings Trust (NEST) pension scheme unless the employees choose to opt out. The NEST pension scheme is a defined contribution pension scheme that was created as part of the government's workplace pensions reform under the Pensions Act 2008. The assets of the scheme are held separately from those of the Museum and the Museum is unable to identify its share of the liability. Employer's contributions are charged to the Statement of Financial Activities as they occur.

Pension benefits for a small number of longer serving staff are provided through the Civil Service pension

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

2. TAXATION

All of the charity's income is applied for charitable purposes and therefore the charity is exempt from Corporation Tax. The Corporation Tax liability of the trading subsidiary for the year ended 31 March 2025 was £nil (2024: £nil).

3. GRANTS AND DONATIONS

	Unrestricted Funds 2025 £000	Restricted Funds 2025 £000	Total Funds 2025 £000	Unrestricted Funds 2024 £000	Restricted Funds 2024 £000	Total Funds 2024 £000
Donated Heritage Assets	-	16	16	-	-	-
Salix Grant	-	758	758	-	-	-
STAAR Programme	-	115	115	-	122	122
RAFMAF	-	70	70	-	78	78
Legacies	75	-	75	251	-	251
John Mars donation	-	1,100	1,100	-	1,144	1,144
Ace Lottery	-	50	50	-	-	-
National Heritage Memorial Fund	-	-	-	-	470	470
National Lottery Heritage Fund	-	367	367	-	396	396
Swire Foundation	-	25	25	-	25	25
Other - Individual Donations	220	65	285	323	182	505
	295	2,566	2,861	574	2,417	2,991

4a. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

The Museum holds an investment of £100,000 (2024: £100,000), representing the charity's interest in 100% of the issued share capital and retained profit/(loss) of Royal Air Force Museum Enterprises Limited (company number 1511481) which is incorporated in England and Wales and operates souvenir shops, car parking and other trading activities at Hendon and Cosford. The company's aggregate capital and reserves were as follows:

The Museum also holds an investment of £2 representing the charity's interest in 100% of the issued share capital of The Royal Air Force Investments Limited (company number 4026995), which is incorporated in England and Wales and holds the real property assets of the charity for administrative purposes

Royal Air Force Museum Enterprises Limited

	2025 £000	2024 £000
The assets and liabilities of the subsidiary were:		
Current assets	1,284	1,487
Creditors: amounts falling due within one year	(1,184)	(1,387)
	100	100
	2025 £000	2024 £000
At 1 April 2024	100	100
Profit/(Loss) retained in subsidiary	-	-
At 31 March 2025	100	100

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

A summary of the Company's trading results is shown in note 4.b. Audited accounts will be filed with the Registrar of Companies.

The Directors of RAF Museum Enterprises Limited, having considered monthly forecast levels of income and expenditure and the underlying assumptions, have assessed that the subsidiary is a going concern and the Trustees are content, therefore, that the investment in the subsidiary retains its value.

4b. INCOME FROM SUBSIDIARY UNDERTAKINGS

Royal Air Force Museum Enterprises Limited

	2025 £000	2024 £000
Turnover and other income	4,024	4,636
Cost of sales, administrative expenses and taxation.	<u>(3,246)</u>	<u>(3,468)</u>
	778	1,168
Interest receivable	23	10
Net Profit/(Loss)	<u>801</u>	<u>1,178</u>
Gift Aid to RAF Museum	(801)	(1,178)
Surplus/(Deficit) in subsidiary	<u>-</u>	<u>-</u>

The turnover and cost of sales include £219K (2024: £108k) received from the Museum and £140K (2024: £27k) paid to the Museum under exhibition production agreements . These amounts have been eliminated in the consolidated results.

5. Resources expended

As required by the charity SORP, expenditure is analysed between that directly attributable to activities and support costs. These support costs are allocated to activities based on the criteria outlined below.

	Direct costs £000	Support costs £000	Depreciation £000	Total 2025 £000
Fundraising	476	122	3	601
Trading	3,106	-	-	3,106
Charitable activities	8,604	4,149	3,675	16,428
Other	-	-	-	-
	<u>12,186</u>	<u>4,271</u>	<u>3,678</u>	<u>20,135</u>

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

	Fundraising	Trading	Charitable Activities	Other	Total 2025	Allocation method
	£000	£000	£000	£000	£000	
Finance	68	-	1,228	-	1,296	Expenditure
IT	38	-	1,008	-	1,046	Number of staff
HR	15	-	393	-	408	Number of staff
Estates	-	-	327	-	327	Floor space
Administration	1	-	528	-	529	Expenditure
Governance	-	-	665	-	665	Expenditure
	<u>122</u>	<u>-</u>	<u>4,149</u>	<u>-</u>	<u>4,271</u>	

The National Audit Office audit fee of £46,000 (2024: £41,000) is included within governance costs.

Prior year analysis

	Direct costs	Support costs	Depreciation	Total 2024
	£000	£000	£000	£000
Fundraising	629	129	2	760
Trading	3,361	-	-	3,361
Charitable activities	9,230	3,110	2,897	15,237
	<u>13,220</u>	<u>3,239</u>	<u>2,899</u>	<u>19,358</u>

	Fundraising	Trading	Charitable Activities	Other	Total 2024	Allocation method
	£000	£000	£000	£000	£000	
Finance	19	-	261	-	280	Expenditure
IT	40	-	794	-	834	Number of staff
HR	18	-	353	-	371	Number of staff
Estates	-	-	257	-	257	Floor space
Administration	52	-	706	-	758	Expenditure
Governance	-	-	739	-	739	Expenditure
	<u>129</u>	<u>-</u>	<u>3,110</u>	<u>-</u>	<u>3,239</u>	

6. STAFF COSTS AND NUMBERS

	2025	2024
	£000	£000
Salaries and wages	5,704	5,932
Social security costs	593	600
Pension costs	337	362
	<u>6,634</u>	<u>6,894</u>

The above costs exclude the trading subsidiary.

The average number of employees in the Museum during the year was 203.5 (2024: 203). FTE equivalent was 182 (2024: 181).

Employees whose emoluments amounted to over £60,000.

	2025	2024
£60,001 - £80,000	7	4
£80,001 - £90,000	-	-
£90,001 - £100,000	-	3
£100,001 - £110,000	2	-
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

7a. TANGIBLE FIXED ASSETS - GROUP AND CHARITY

	Freehold property £000	Leasehold Property £000	Permanent Exhibitions £000	Fixtures, Fittings & Equipment £000	Plant, Machinery & Vehicles £000	Assets under Construction £000	Heritage Assets £000	Total £000
At 1 April 2024	84,258	16,861	7,995	3,797	789		22,199	135,899
Additions	422		111	118	-	866	68	1,585
Transfers	-	0	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(79)	(79)
Revaluations	1,313	390	95	18	3	-	-	1,819
At 31 March 2025	85,993	17,251	8,201	3,933	792	866	22,188	139,224
Depreciation								
At 1 April 2024	1551	812	4,140	3,060	647	-	-	10,210
Charged in the year	1,654	831	807	385	11	-	-	3,688
Disposals	-	-	-	-	-	-	-	-
Revaluations	41	24	6	4	-	-	-	75
At 31 March 2025	3,246	1,667	4,953	3,449	658	-	-	13,973
Net Book Value								
At 31 March 2025	82,747	15,584	3,248	484	134	866	22,188	125,251
At 1 April 2024	82,707	16,049	3,855	737	142	-	22,199	125,689

7b. HERITAGE ASSETS

The number of Heritage Assets which the Museum acquires through donations means that the total book value of Heritage Assets is a mixture of cost (for purchased exhibits) and valuation at the point of donation (for donated exhibits), and includes a historic valuation of a materially significant part of the collection. Heritage assets which have been accessioned into the collection on or after 1 April 2001 are not revalued, as such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the Museum. At 31 March 2024 the book value comprised:

	2025	2024
	£000	£000
Heritage Assets recorded at cost	3,538	3,485
Heritage Assets recorded at valuation	18,650	18,714
Total book value of Heritage Assets	22,188	22,199

A summary of the nature and scope of the collection is as follows

	2025	2024
	£000	£000
Aircraft and Aircraft Parts	17,347	17,354
Medals and Commemorative items	2,294	2,341
Artwork	1,059	1,067
Archives	959	889
Vehicles and Marine Craft	320	319
Models	64	84
Other	145	145
Total	22,188	22,199

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

Summary of Heritage Asset Acquisitions and Disposals over the last five years

	2021	2022	2023	2024	2025
	£000	£000	£000	£000	£000
Book Value Brought Forward	21,785	21,790	21,846	21,627	22,199
Add Acquisitions					
Purchased at cost	-	16	90	696	53
Donated at valuation	5	40	86		16
Total Acquisitions	5	56	176	696	69
Revaluations	-	-	-	-	-
Disposals	-	-	(395)	(124)	(79)
Book Value Carried Forward	21,790	21,846	21,627	22,199	22,189

8. STOCK

	Group		Charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
Goods for resale	308	298	-	-

9. DEBTORS

	Group		Charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
Trade debtors	143	82	26	28
Amounts due from subsidiary undertaking	-	-	68	-
Other debtors	202	1,173	206	1,166
Prepayments and accrued income	560	390	548	321
Gift Aid from the subsidiary		-	801	1,203
	905	1,645	1,649	2,718

10. CASH AT BANK AND IN HAND

	Group		Charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
Commercial bank accounts	16,363	14,309	15,603	13,440
Cash in hand	2	11	2	2
	16,365	14,320	15,605	13,442

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

11. CREDITORS

	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Amounts falling due within one year				
Trade creditors	1,048	642	880	562
Taxation and social security	232	244	212	141
Amounts due to subsidiary undertaking	-	-	-	273
Other creditors	5	73	5	67
Accruals and deferred income	599	561	563	474
	1,884	1,520	1,660	1,517
Amounts falling after more than one year				
Accruals and deferred income	20	30	20	30
	20	30	20	30

12. RECONCILIATION OF GROUP NET CASH FLOW TO MOVEMENT IN GROUP NET CASH FUNDS

	2025 £000	2024 £000
Increase in cash in period	2,045	2,031
Change in net funds resulting from cash flow	2,045	2,031
Net funds at 1 April 2024	14,320	12,289
Net funds at 31 March 2025	16,365	14,320

13. ANALYSIS OF GROUP NET FUNDS

	1 April 2024 £000	Cashflow £000	31 March 2025 £000
Cash at bank and in hand (See note 12)	14,320	2,045	16,365
	14,320	2,045	16,365

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

14. STATEMENT OF GROUP FUNDS

Analysis of group net assets between funds

	Unrestricted funds £000	Restricted funds £000	Total funds 2025 £000	Unrestricted funds £000	Restricted funds £000	Total funds 2024 £000
Tangible fixed assets	116,790	8,461	125,251	117,228	8,461	125,689
Cash at bank and in hand	9,785	6,580	16,365	8,963	5,357	14,320
Other net current assets	(691)	20	(671)	393	30	423
Net non current assets	-	(20)	(20)	-	(30)	(30)
Total assets less liabilities	125,884	15,041	140,925	126,584	13,818	140,402
Net assets	125,884	15,041	140,925	126,584	13,818	140,402

Analysis of funds

	2024 £000	Income £000	Expenditure £000	Revaluation £000	Transfers £000	2025 £000
Restricted funds						
Fixed assets	8,461	16	-	-	(16)	8,461
RAF Centenary Programme	1,060	44	(20)	-	(298)	786
RAF Museum Midlands	1,564	1,736	(502)	-	352	3,150
Salix	-	758	(24)	-	(734)	-
STAAR	33	116	(104)	-	-	45
Hidden Heroes	55	2	-	-	(57)	-
RAFMAF Learning Fund	56	2	-	-	(58)	-
Museum Resilience Fund	2,000	83	-	-	0	2,083
Restricted Grant in Aid	570	24	-	-	(82)	512
Other	19	8	(4)	-	(19)	4
Total Restricted Funds	13,818	2,789	(654)	-	(912)	15,041
Unrestricted funds						
Fixed assets	51,237	-	(3,768)	-	1,588	49,057
Revaluation reserve	65,990	-	-	1,744	-	67,734
General	2,266	16,126	(15,714)	-	(381)	2,297
Designated funds						
Strategy 2030 Fund	1,567	-	-	-	(817)	750
RAF Museum Midlands	4,424	-	-	-	759	5,183
RAF Museum Midlands Match	1,100	-	-	-	(237)	863
Total Unrestricted Funds	126,584	16,126	(19,482)	1,744	912	125,884
Total Funds	140,402	18,915	(20,136)	1,744	-	140,925

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

Restricted funds

Restricted income funds consist of a number of funds where the donors have specified the uses to which they may be put.

Fixed Assets - a significant proportion of these funds represents the capitalised value of restricted and inalienable fixed assets. This also includes the restricted element of the heritage assets.

RAF Centenary Programme - various grants and donations towards delivery of activities and capital works designed to connect people to the RAF story, and reimagine the London site.

RAF Museum Midlands - all donations and grants received to support the programme of activities and capital works at the Midlands site have been grouped together as a single fund supporting the Inspiring Everyone: RAF Museum Midlands Development Programme. This includes the following funds disclosed separately in previous years based on funding source rather than programme of activity - Cosford Air Show, Cosford Large Model Aircraft Association and Cosford Sprinklers funds.

Salix London - funds from Salix Finance to support energy efficiency improvements and carbon reduction initiatives at the London site.

STAAR - a grant from Northrup Grumman to fund the Summer Time Advanced Aeronautics Residential (STAAR) STEM programme.

Hidden Heroes - funds received from the Chelsea Foundation (prior to the Ukraine crisis; Trustees agreed to decline any further donations) to highlight the diversity of RAF stories.

RAFMAF Learning Fund - grants from RAF Museum American Foundation to support Access and Learning activities.

Restricted Resilience Fund - to protect the RAF Museum from a future financial shock (which could include, but is not limited to, unavoidable closure, irreparable infrastructure failure, major cyber-attack) and provide funds for critical 'invest to save projects' that further support the Museum's resilience.

Restricted Grant in Aid - grants from the Ministry of Defence to fund specific capital work.

Other Restricted Funds - several small restricted funds for use on specific short-term projects most of which complete within the space of twelve months.

Unrestricted funds

Fixed Assets - a significant proportion of these funds represents the capitalised value of inalienable fixed assets, including unrestricted heritage assets.

General Funds - these are funds not associated with fixed assets that are expendable at the discretion of Trustees.

Unrestricted designated funds

These are funds that Trustees have set aside for a specific purpose.

Strategy 2030 Fund - supports delivery of the Museum's key strategic priorities in the future including planning for future capital development at both sites; ensuring the sustainability of the estate; focus on the recording of contemporary stories of RAF men and women; and development of the Museum's collection through new acquisitions.

RAF Museum Midlands Fund and the RAF Museum Midlands Match Fund - supports the Inspiring Everyone: Midlands Development Programme. This programme of engagement activities and capital investment will continue our focus on immersive RAF storytelling and support our ambition to encourage reflection and debate across our spaces and programmes, including delivery of a new Collections Hub, Exhibition and Learning Centre.

Transfers

Generally, transfers between funds represent the capitalisation of fixed assets.

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

15. COMMITMENTS

	Group or charity	
	2025	2024
Operating lease commitments due:	£000	£000
Plant and machinery:		
within one year	50	10
in the second to fifth years	61	5
Land and Buildings:		
within one year	530	530
in the second to fifth years	1,381	1,565
after five years	3,106	3,452
	5,128	5,562

The Museum paid £ 567K under operating lease arrangements in the year to 31 March 2025 (2024: £563k).

Capital Commitments

As at 31 March 2025, the Museum had a £29k final payment outstanding related to the glazing contract at the London site (2024 £63K). This project was fully funded by restricted Grant in Aid.

16. RELATED PARTIES

Related parties with which the Museum had transactions during the year or balances at the year end were as follows:

Royal Air Force Museum Enterprises Ltd

The relationship of the Museum to the company is disclosed in Note 4. The balance of £68K due from the company at the year end (2024: £0) in relation to production agreements and overhead charges and the balance of £801K Gift Aid payable (2024: £1,203k) are disclosed in Note 9. The balance of £0k due to the company at the year end (2024:£273K) is disclosed in Note 11.

The Royal Air Force Museum Investments Limited

The company was formed to hold, on behalf of the Trustees, the real property assets of the charity and thus minimise the administrative burden whenever a change in Trustees takes place. The leasehold property was transferred to this company from the charity in March 2005 and the freehold property in January 2008.

Ministry of Defence

The Royal Air Force Museum is a Non-Departmental Public Body, sponsored by the Ministry of Defence (the MOD). The MOD is regarded as the related party. Grant in Aid funding from the MOD is separately disclosed in the Statement of Financial Activities.

The Trustees' involvement with RAF Museum Enterprises Ltd and RAF Museum Investments Ltd is disclosed in the Governance statement on page 33.

17. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 March 2025 (2024: Nil).

18. POST BALANCE SHEET EVENTS

The annual report and financial statements were authorised for issue by the Accounting Officer on the date that the audit certificate was signed by the Comptroller and Auditor General.

There were no other post balance sheet events.

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

19. SINGLE ENTITY STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds 2025 £000	Restricted Funds 2025 £000	Total Funds 2025 £000	Unrestricted Funds 2024 £000	Restricted Funds 2024 £000	Total Funds 2024 £000
Income from						
Donations and legacies						
Grant in aid	10,976	-	10,976	10,657	2,734	13,391
Grants and donations	296	2,566	2,862	574	2,417	2,991
Charitable activities	384		384	162	-	162
Other trading activities						
Sponsorships	-	-	-	-	74	74
Investments	541	223	764	407	87	494
Other	1,530		1,530	1,782	-	1,782
Total income	13,727	2,789	16,516	13,582	5,312	18,894
Expenditure on						
Fundraising	607	-	607	771	-	771
Charitable activities	16,476	654	17,130	14,763	1,110	15,873
Total expenditure	17,083	654	17,737	15,534	1,110	16,644
Net income/(expenditure)	(3,356)	2,135	(1,221)	(1,952)	4,202	2,250
Transfers between funds	912	(912)	-	2,043	(2,043)	-
Other recognised gains and losses						
Gains/(losses) on revaluation of fixed assets	1,744	-	1,744	1,373	-	1,373
Net movement in funds	(700)	1,223	523	1,464	2,159	3,623
Reconciliation of funds						
Total funds brought forward at 1 April 2024	126,514	13,888	140,402	125,050	11,729	136,779
Total funds carried forward at 31 March 2025	125,814	15,111	140,925	126,514	13,888	140,402

All of the Museum's activities are classed as continuing. All recognised gains and losses are included above.

ROYAL AIR FORCE MUSEUM ACCOUNTS 2024-25

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ROYAL AIR FORCE MUSEUM

England & Wales - Charity number 1197541

Accounts



Royal Air Force Museum Account 2023-24

Royal Air Force Museum Account 2023-24

Presented to Parliament pursuant to the RAF Museum Framework Agreement and under Royal Charter

Ordered by the House of Commons to be printed on 26th of July 2024



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ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

CONTENTS

	Page
Annual Report	
Administrative Information	1
Charitable Aims and Activities	2
Performance Report	
Overview	9
Future Plans	10
Strategic Priorities	11
Performance Analysis	20
Financial Review	22
Accountability Report	
Corporate Governance Report	30
Chief Executive Officer's report and governance statement	31
Statement of the Board of Trustees' and Chief Executive Officer's Responsibilities	38
Remuneration and Staff Report	39
Parliamentary accountability and audit report	44
The Certificate and Report of the Comptroller and Auditor General	45
Financial Statements	
Consolidated Statement of Financial Activities	51
Consolidated and Charity Balance Sheet	52
Consolidated Cash Flow Statement	53
Notes to the Financial Statements	54

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

ADMINISTRATIVE INFORMATION

Address of the charity Royal Air Force Museum
Grahame Park Way
Hendon
London
NW9 5LL

Registered charity number 1197541

Names and addresses of other relevant organisations

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N20 0WE

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

CHARITABLE AIMS AND ACTIVITIES

Our Purpose

The Royal Air Force has shaped our nation and our society. It has influenced how we live our lives today through its impact on world events, society and technology. The purpose of the Royal Air Force (RAF) Museum is to share the story of the Royal Air Force, past, present and future – using the stories of its people and our collections to engage, inspire, entertain and encourage learning.

The RAF Museum was established as a legacy of the RAF's fiftieth anniversary in 1968, opening our London (Hendon) site in 1972 on the historic pioneering airfield in Colindale (previously RAF Hendon, and home of the London Aerodrome from 1910). Our Midlands site began as the Aerospace Museum at RAF Cosford (established in 1938 as a joint aircraft maintenance, storage and technical training site for the Ministry of Defence) in the spring of 1974 and joined the family in 1979. It was renamed RAF Museum Cosford in 1998, and more recently in March 2022 as RAF Museum Midlands. The Museum also has two external stores, one in Stafford and another within RAF Cosford.

For over a hundred years the RAF has defended the skies of Britain. The RAF's mission is to defend the UK, to attack if required, to provide reconnaissance and intelligence, to support in times of humanitarian crisis and to move people and equipment across the world quickly. The RAF provides the UK Government with choices in a rapidly changing world through its extraordinary people, innovative technologies, global alliances and partnerships with industry.

The RAF is woven into our history, from its formation during the First World War to the vital role it performs today as the nation's first line of defence. These are stories of people. And whether they are stories of technical and engineering innovation, of values and camaraderie, or of courage against all odds, there is connection and relevance for each and every one of us that the Museum harnesses for learning and inspiration.

Charitable Objects

The formal objects of the charity are to educate and inform the public and members of the Royal Air Force about:

- The history and traditions of the Royal Air Force; and
- The role of the Royal Air Force in relation to the armed forces of the realm, other air forces and aviation generally.

In particular, but not exclusively, this will be achieved by collecting, conserving, preserving, managing, exhibiting and storing documents, items, artefacts and other materials in the collection, and encouraging research and sharing of information.

The RAF Museum was registered as a charity (Registered Charity Number 244708) in 1968 and to 31 March 2022 was governed in accordance with a Scheme of the Charity Commission dated 4 June 2007 which replaced the former trusts of the Museum. From 1 April 2022, the new incorporated charity with Royal Charter status (RC000922, Registered Charity Number

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

1197541) is governed in accordance with its Charter and Bye-laws to deliver the same charitable objects

Governance

The RAF Museum is a National Museum, a Government non-departmental public body (NDPB) and a registered charity governed by Royal Charter. The Museum is the National Museum of the Royal Air Force, unique in its size and scope, and officially recognised as such. The Museum works closely with the Royal Air Force, its sponsor organisation at the Ministry of Defence, including liaison with the Air Historical Branch, RAF Heritage and RAF Engagement. HRH Prince Philip, The Duke of Edinburgh, was Patron of the Museum from its inception in 1968 until his death in April 2021. The Museum is honoured and delighted that in May 2024 it was confirmed that His Majesty King Charles III has accepted the Patronage of the Museum.

A trading subsidiary Royal Air Force Museum Enterprises Ltd (company number 1511481) is incorporated as a company limited by shares (wholly owned by the RAF Museum) to manage the associated commercial activities (and any activities that are “non-primary purpose trading”) for the benefit of the charity. All profits of RAF Museums Enterprises Ltd are gift-aided to the Museum on an annual basis, as agreed in a Deed of Covenant between the parties. Effective 1 April 2022, the shares held by nominees on behalf of the trust were transferred to the Royal Charter company, which became the sole shareholder of the Royal Air Force Enterprises Ltd company.

The Royal Air Force Museum Investments Limited (company number 4026995) is a wholly owned subsidiary which is incorporated as a limited liability company to hold the real property assets of the charity on behalf of the Trustees. In March 2005, the Cosford and Stafford leasehold property was transferred to this company from the charity, followed by the London (Hendon) freehold property in January 2008. Effective 1 April 2022, the shares held by nominees on behalf of the trust were transferred to the Royal Charter company, which became the sole shareholder of the Royal Air Force Investments Ltd company.

A Partnering Agreement is in place between the RAF Museum and the RAF which sets out the sponsor relationship and identifies the services that the Museum provides and the support given by the RAF in order that these aims are achieved. RAF colleagues past and present continue to provide fantastic support and inspiration to the Museum to enable us to share the ever-developing RAF story. Aligned with the Partnering Agreement is a Framework Document drawn up by the MOD in consultation with the RAF Museum and which sets out the broad governance framework within which the Museum and the MOD operates. It sets out core responsibilities, describes the governance and accountability framework that applies between the roles of the MOD and the Museum and sets out how the day-to-day relationship works in practice, including in relation to governance and financial matters.

The Public Bodies Review of the three Service Museums - National Museum of the Royal Navy, National Army Museum and Royal Air Force Museum - was carried out under the Cabinet Office’s Public Bodies Reviews Programme during 2023-24 and the Secretary of State-approved final report was published on 1 March 2024. The review considered the governance, accountability and efficiency of the three museums and was led by an external

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

independent lead reviewer, Mrs Lopa Patel MBE, non-executive director at the Intellectual Property Office; supported by MOD civil servants, independent of the service museums and the service museums sponsor teams. A challenge panel was used to test the evidence base and challenge emerging thoughts and recommendations. Evidence was gathered through interviews, documentation supplied by the museums, museum visits, public reports about the wider cultural and heritage sector and desk-based research. The review found that MOD service museums are effective in fulfilling their purpose and should remain as NDPBs within the Ministry of Defence.

One of the key recommendations was closer working between sponsor bodies and their museums and new regular liaison meetings have been scheduled between Assistant Chief of Air Staff, the RAF's RAF Museum Board representative; Air Command's Director of Resources (who leads the RAF's sponsorship team); the Commandant and Station Commander from RAF Cosford; and the Museum's Chief Executive.

Our Activities

The RAF Museum's vision is 'inspiring **everyone** with the RAF story – the people who shape it and its place in our lives'. We are committed to using our collections to share the story of the Royal Air Force and its people. Entry to the Museum is free to the public and the Museum welcomes almost one million visitors a year across its two sister sites, and alongside this undertakes impactful learning activities with children and young people, both formally and informally. As an educational charity, whether visitors are engaging with our displays, taking part in discussion and debate, studying our archive, holding a corporate event in our spaces, having fun at events and in our playgrounds, or enjoying a rest in our cafés, there are opportunities for inspiration from the incredible RAF story in every pore of our Museum.

Our current strategic plan 'Strategy 2030' sets out an ambitious vision for the future, shaped and shared by our Trustees, staff team (employees and volunteers) and key partners, and which continues to guide the Museum during a complex period of our history, with climate change and an unstable international environment, and ever-present threats to our way of life. We have much to do, but we look forward with confidence and clarity. By 2030 the RAF Museum will be recognised as a world class National Museum, respected for our commitment to focusing on our audiences and using our collections and spaces in creative ways to engage them with the RAF's story. We shall remain financially sustainable, with firm foundations that enable an agile and creative future. Our collection is central to everything we are and do and comprises around 1.3m objects which we hold in trust for the people of the UK.

Our aim is to deepen further our focus on immersive RAF storytelling and be more ambitious in encouraging reflection and debate across our spaces and programmes, as well as welcoming all our visitors for a great day out. We are committed to engaging more people and, equally important, a more diverse range of people by ensuring that our governance, our teams, our collection and our storytelling are better reflective of the changing national population. Equally, we are committed to sharing the RAF story outside our walls across the UK and beyond through in-person outreach programmes and online engagement. Examples include touring iconic objects from the collection, research activities, community workshops, loans with partner organisations and storytelling through www.RAFStories.org.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Both our sites continue to require significant investment to care appropriately for our unique collection and to reach wider audiences. Our priority project is the Inspiring Everyone: RAF Museum Midlands Development Programme which forms the first major step of a twenty-five year Master Plan for our Cosford site, while we continue to make significant improvements at London. The Midlands Development Programme of engagement and capital investment will transform our Museum and our impact through a series of phased projects – engaging audiences who may not obviously identify with the RAF story by finding common interests and histories which link them.

The scope of the London Master Plan rationalises our use of the Hangar 3, 4 and 5 building in order to maximise opportunities for visitors to engage with the collection and RAF story in meaningful ways. It will improve both our operational effectiveness and the visitor experience through the necessary modernisation of our front and back of house resources and environment, with a focus on commercial imperatives and sustainability of income generation, while balancing considerations of storage and care for the collection, developing new facilities (including a new Research and Immersive Learning Centre) to improve the care of and access to our nationally important archives, library, photographs and art collection; and taking into account fundability of projects, environmental impact and engagement of stakeholders.

The RAF is iconic to so many people in the UK and overseas and we will continue to research and share its history. Equally, today's men and women in the RAF are active on more fronts than they have ever been in our increasingly complex world. We ensure that their stories are at the top of our agenda through contemporary collecting and innovative programmes that keep us relevant and connected.

We are immensely appreciative of Government investment in its National Museums, and specifically grateful to the MOD and Air Command for their support for the RAF Museum. However, to achieve our Strategy 2030 ambitions, both across day to day programmes and capital improvement, the Museum must further grow our commercial and fundraising success significantly within the challenging financial context we operate in. Creative income generation opportunities are embedded in Museum planning and will continue to be focused on as both additional storytelling platforms and essential enablers for our plans.

Inspiring Everyone: RAF Museum Midlands Development Programme

Our £27M RAF Museum Midlands Development Programme and fundraising campaign launched in March 2022 and is supported by the National Lottery Heritage Fund (NLHF), the RAF, and a number of other funders comprising trusts and foundations, industry partners and individuals. In February 2023, we entered a two-year Development Phase to shape detailed plans for the Delivery Phase which is scheduled to start in May 2025 (running to December 2028, with new spaces opening for summer 2027) if our fundraising target is achieved.

Through the Inspiring Everyone: RAF Museum Midlands Development Programme, we will:

- Become a valuable resource for our Midlands community and welcome more visitors nationally and internationally, onsite, offsite, and online
- Work with partners to involve people in their local and RAF heritage, improving wellbeing and developing skills

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

- Work with our audiences to share RAF stories that are relevant to their lives and lived experiences, inspiring them to fulfil their own potential
- Ensure our collection will be better understood, cared for and more widely shared
- Move towards our target of being a Carbon Net Zero organisation
- Be a more resilient organisation and able to support our community in the future.

The transformation Programme comprises:

- An **Engagement Programme** that will deliver a range of creative, wellbeing and skills development activities rooted in our unique collection
- An innovative, nationally relevant **new exhibition** sharing the critical role of the RAF over the last 40 years, explore its mission today and imagine its future
- A new **Learning Centre** providing bespoke facilities dedicated to the provision of lifelong learning programmes
- A new **Collections Hub** which will enable us to move our collection from inaccessible storage to our public site, opening it up to visitors for the first time
- Improvements to our **outdoor spaces**, offering areas for learning, discovery and contemplation while increasing biodiversity.

The story of the RAF and Midlands' aviation, industrial and engineering heritage have been deeply connected throughout the RAF's 100-year-plus history. The region encompasses air bases and test sites. It has supported innovation, inventors, engineers, businesses, and factories that have shaped the RAF in the past and are helping to design and deliver its future. Through the Programme, this rich heritage will be researched, celebrated, and shared through co-creation, outreach activities and storytelling, helping support placemaking and engendering a sense of local pride and belonging.

Access and inclusion sit at the heart of our Programme, empowering our audiences to influence and be actively involved in the creation of new interpretation, how we use our collections, and in the design of facilities and activities, resulting in a welcoming, relevant offer. We will tackle unequal access to heritage by building and broadening audiences and reaching those who may not have always felt our offer, or museums in general, are for them. Barriers relating to socio-economic background, ethnicity and disability will be confronted, ensuring communities can take part equally and independently.

Our Vision and Values

We are working to achieve our vision through five strategic priorities that focus outwards with our collections and spaces at their heart. These priorities are supported by the ongoing development of strong internal systems which ensure we deliver creatively and responsibly:

- **AUDIENCES** - Inspiring innovative engagement, debate and reflection (onsite, offsite and online) - Why? We know relevance and dynamism are key to fulfilling our ambitions as a National Museum.
- **TEAM** - Inspiring our people within a dynamic, diverse and collaborative culture - Why? Our inspirational people in turn inspire our visitors and we know we achieve our best when we're committed and motivated.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

- **AGILE** - Embedding an entrepreneurial, agile and sustainable approach - Why? Our visitors' lives and society are changing fast and we need to remain forward looking and resourced to fulfil our ambitions.
- **PERFORMANCE** – Fit for the future with brilliant basics - Why? We need strong and sustainable foundations to fully achieve our vision.
- **PARTNERSHIPS** - Connecting with communities and partners - Why? We know we can deliver better and more creatively through meaningful relationships with others.

We are a values driven organisation with a team of talented and dedicated people who use their knowledge and creativity to make our collections sing and bring our spaces to life to inspire our audiences locally, nationally and internationally. Our work and our behaviour is underpinned by six guiding values:

- **INtegrity**: we are open, transparent and ethical
- **Sharing**: we work as a team to ensure our collections and expertise are accessible to all
- **Passion**: we care deeply about sharing our collections and their stories
- **Innovation**: we tell our stories and develop our business with creativity and imagination
- **Relevance**: we ensure our legacy by linking our histories with today and tomorrow
- **Excellence**: we are professional and strive for excellence in all we do

Underpinning everything that we do, the Museum has three overarching commitments that inform our insight, business planning and strategy development, these are our:

- **Equity, Diversity and Inclusion (EDI) Commitment** – we believe that everyone has the right to live without fear or prejudice regardless of race, age, gender, disability, sexual orientation, social class, religion and belief. We aim to embed a supportive and open culture which is inclusive, positive and fair to all, develop flexible opportunities to encourage engagement with the Museum onsite, offsite and online and celebrate differences.
- **Sustainability Commitment** - we are in a climate emergency, and we are committed to addressing this crisis through our operation and with our audiences. We will operate in an environmentally sustainable way, applying the principles of sustainable development for the benefit of current and future generations, both locally and globally.
- **Health and Wellbeing Commitment** – we are committed to creating an environment where health and wellbeing are actively promoted, where people feel engaged and valued for their contribution. We aim to create a health promoting workplace where people can be themselves, feel their best and perform at their best, so we can deliver an exceptional experience for our visitors.

Partnerships

As one of the UK's National Museums, the RAF Museum's responsibility and remit is UK-wide and partnership working locally, nationally and internationally is vital to the Museum's vision. The Museum works closely with our sponsor organisation the RAF and receives much valued support.

In addition to its own two public sites, the Museum seeks opportunities to share collections through loans and online, as well as through its enquiries service and research programme.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

The RAF Museum is a member of the UK Museums Association, the National Museums Directors' Council, the Association of Leading Visitor Attractions, the Association of Independent Museums and the Group for Education in Museums. It is committed to supporting other museums both across the UK and internationally by involvement in national and international programmes.

As well as being a National Museum which tells globally important stories, the RAF Museum's two public sites have an important role to play in their local communities. Museums help define a place: they help shape and convey a sense of identity and contribute to local distinctiveness. The Museum is committed to working with its local communities to collect and represent their diverse and collective history and heritage as part of the RAF story.

The Museum also works with a wide range of individual and corporate partners who share its vision of inspiring everyone with the RAF story. Our partners not only support us financially through grants, sponsorship and gifts in kind but they enable us to continue to engage and inspire our audiences through shared programmes and activities.

We work with partners to ensure the collection is kept up to date and cared for and rely on them to help us acquire new items of national importance. In addition, our partners have supported our Access and Learning teams in London and Cosford to deliver workshops and activities for children across the UK. The Museum also works in partnership with the RAF Museum American Foundation, a legally separate organisation, sharing ideas and collaborating together on fundraising opportunities to support the RAF Museum and foster and celebrate relationships between our two air forces.

We should like to thank all our partners who have helped us to continue to share the RAF story.

Charitable Fundraising

The Museum has an in-house Development (Fundraising) team who raise funds to support our core work, as well as to enable major capital projects as part of Strategy 2030, including the Inspiring Everyone: RAF Museum Midlands Development Programme; and the Research and Immersive Learning Centre project at our London site. The Museum is a member of the Institute of Fundraising and a registered member of the Fundraising Regulator. We work to the Fundraising Code and Promise set out by the Regulator and are signed up to their Code of Practice.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

PERFORMANCE REPORT

Overview 2023-24

The Museum has achieved its highest ever visitor numbers during the year 2023-24, apart from the RAF Centenary year in 2018, welcoming over 929,000 visitors and showing a strong continued recovery from the impact of the Covid-19 pandemic and economic pressures of the cost of living crisis.

During 2023-24 the Museum's collection and knowledge has been reflected in an engaging programme of events and exhibitions. Visitor numbers have been supported by the return of international tourists in London and the Museum's strong public events programme. Other events have included our 1940s Week and Vintage Fair, Community Day and Hercules Flypast in the Midlands, our Pilot Training Programme in London, and our Horrible Histories Up in the Air Adventure at both sites over the summer.

We are pleased to report that the Museum has exceeded its target of breakeven for 2023-24 with an unrestricted operational surplus of £289,000, which has been made possible by a strong trading performance, ongoing improvements to our resourcing model, and a successful challenge to our 2017 business rates valuation.

The Museum has continued to significantly progress other major projects and initiatives in line with our Strategy 2030 as well as investing in necessary infrastructure improvements. Two new permanent exhibitions (Bomber Command and Interwar) were opened during the year and a £1.8M project completed to replace the glazing and carry out redecoration works to the exterior of the iconic historic colonnade building at our London site. The glazing project has led to significant improvements in the aesthetic and environmental performance of the building, improving the experience of our visitors and staff team. Alongside this, design work to develop concept proposals for a new commercial zone in London including a pay-to-play area, simulator zone, and café and a new Research and Immersive Learning Centre was completed prior to project phasing subject to funding availability.

Substantial progress has also been made towards achieving our restricted fundraising target for the £27M Inspiring Everyone: RAF Museum Midlands Development Programme with fantastic support from the National Lottery Heritage Fund (NLHF) and our other partners and friends; although we still have some way to go to ensure all necessary funds are in place to enable the works to go ahead in the planned timeframe. The Museum has been successful in its NLHF Round 1 application for a development grant of £713,222 (towards a full application for £5M), and Arts Council England have confirmed a grant award of £99,999 through their Unlocking Collections Fund. During 2023-24 the Museum has established a cross-departmental Programme team supported by external expertise including an architect-led multi-disciplinary team, exhibition designers, Quantity Surveyors and Capital Project Management. Capital design work has reached Spatial Coordination RIBA Stage 3 and planning applications have been submitted to the Shropshire Council Planning Department. Other activities have included carrying out non-visitor research and the development of the Engagement Programme, Conservation Management Plan, Collections Relocation Plan, Community Grants Scheme, Environmental Sustainability Plan and Audience Development Strategy. The recruitment, onboarding and training of project volunteers got underway, and a regular stream of volunteers is now practically engaged in supporting the paid staff team.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

In March 2024 we received the excellent news that the Museum was successful in our £2.4M grant application to the Phase 3c Public Sector Decarbonisation Scheme (PSDS) grant (administered by Salix Finance) to fund a £2.9M project (including £520k Museum match funding) to replace the gas heating system in Hangars 3 and 4 in London, completing in March 2026. This project represents a major step forward in the Museum's sustainability commitment to achieving carbon net zero by 2030.

Future Plans 2024-25

The framework to deliver our over-arching Strategy 2030 is reviewed annually as part of the Museum's business planning cycle with an update of Strategy 2030 every three years, and within this context a detailed Budget and Business Plan has been developed for 2024-25. The primary focus for fundraising and project development is our Inspiring Everyone: RAF Museum Midlands Development Programme, however, we continue to deliver and develop additional London and Midlands projects that will move us towards our ambition of welcoming more visitors and extending our audience reach and impact on-site, off-site, and online.

The Museum's 2024-25 Business Plan objectives are focussed through our five strategic priorities in the context of Strategy 2030, against the backdrop of ongoing inflationary challenges (notably the cumulative effect of the pay award over the last two years), and the closure of Colindale Tube Station for much of 2024-25. The approved budget targets an operational breakeven based on a cautious but challenging visitor profile (835,000 visitors) and further targeted savings in our resourcing model. Project priorities include the RAF Museum Midlands Development Programme Development Phase, scheduled to complete in October 2024 prior to submission of our Round 2 NLHF grant application. In London's Hangars 3 and 4, the detailed design of a greener heating system will be underway, new blinds will be installed to improve environmental conditions, and our Pay to Play area will be delivered.

The Museum continues to be acutely conscious of the need to be agile in its approach and to build financial resilience against the background of a challenging economic and political landscape. We aspire to grow and diversify our commercial and fundraising income streams in order to achieve agreed outcomes, whilst maximising use of our resources to deliver effectively within our means. At the same time, long term underfunding in our capital infrastructure means that our project phasing and financial planning must take account of the need for significant investment at both sites to deliver standards and outcomes befitting a National Museum, enabling us to care for and inspire with our amazing collection.

We will continue to develop and nurture meaningful partnerships and invest our funding strategically, recognising the importance of museums and culture to the social wellbeing and economic prosperity of our communities. Meanwhile, we shall continue to build and sustain the foundations we need in terms of collections care and management, our estate, and our IT and digital infrastructure. Our team is vital to all of this and our leadership and development programmes will help ensure our committed people are the best we can be in order to deliver our vision and purpose with and for our visitors.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Strategic Priorities 2023-24

Strategic priority 1: Inspiring innovative engagement, debate and reflection

Collection, Exhibitions and Interpretation

The RAF Museum collection represents the national memory of the RAF at work and play, war and peace. It includes:

- The largest and most comprehensive collection of RAF related aircraft in the world, from the tiny Avro Rota autogyro, used for secret radar calibration missions during the Battle of Britain, to the VC-10 transport aircraft, in service for nearly fifty years
- Objects ranging from uniforms and medals to unique personal items – including the scrap books of Lord Trenchard and Sir Frederick Sykes, respectively the first and second Chief of the Air Staff, and the personal effects of Amy Johnson – that bring the stories of the iconic figures connected to the RAF to life
- An extensive oral history collection, from first-hand accounts of First World War pilots to the experiences of personnel deployed in current operations
- Large official collections, from manuals to training films, illustrating the inextricable link between the RAF and its suppliers.

The Bomber Command exhibition opened at RAF Museum Midlands and RAF Museum London in May 2023, marking the 80th anniversary of Operation Chastise. The exhibition, funded with the support of the Bomber Command Association, explores the important and often overlooked story of Bomber Command and its pivotal role in the Second World War. Interpretation is nuanced and sensitive, exploring the suffering and loss experienced by crews and civilians, as well as celebrating the heroism and victories of Bomber Command personnel.

The Interwar exhibition opened in December 2024 in London. It explores the pivotal interwar years in which the RAF established its identity and hierarchy, in parallel with rapid technological developments and wide-ranging social changes.

The 75th anniversary of the Berlin Airlift provided the Museum with the opportunity to share the RAF's experiences through a new international collaboration Berlin Airlift Remembered. The Museum led this collaboration which includes the Alliierten Museum, Militärlhistorisches Museum and the National Museum of the United States Air Force. A bi-lingual website released stories in German and English featuring objects from the respective partners' collections as part of a timeline telling the story of the airlift. We also used our existing online platforms to share these stories and the history of the RAF during the Berlin Airlift. This project has been captured in both the German and British digital archives ensuring it will be permanently preserved and accessible.

Collection Loans and Acquisitions

In total 711 objects/object groups were accessioned to the Museum's collection. Key acquisitions of the past year include:

- Squadron Leader Arthur Scarf's Victoria Cross formally entered the collection after the successful 2022-23 fundraising campaign
- The papers relating to Major James McCudden VC DSO* MC* and his family. These include personal correspondence and certificates as well as the flying logbooks of all

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

three brothers. Of particular significance is McCudden's logbook compiled during 1916-1917 when he claimed his first five aerial victories over the Western Front

- The papers of Gp Capt John Derek Bisdee which include his diaries written during the Battle of Britain
- An ongoing interview series with key RAF personnel and a Cold War reminiscence session with several ex-Tornado pilots and navigators.

We have continued to share our Collection widely at over 154 venues both nationally and internationally through our Loans Programme, with 985 items out on loan during 2023-24. New and renewed loans included:

- Stow Maries Great War Aerodrome – renewed loan of Avro 504K aircraft and a new loan of Tabloid aircraft
- Militärhistorisches Museum, Berlin-Gatow – new loan of Fw 190 aircraft
- Science Museum – renewed loan including P.1127 aircraft
- Birmingham Museums Trust – renewed loan of Castle Bromwich Aircraft Factory commemorative item and Metalworkers hand tool
- National Museum of the Royal Navy – renewed loan including two engines
- RAF College, Cranwell – renewed loan of 'Lancasters over the Dutch coast', 'Flt. Lt. R.P. Beamont DFC and Bar' and 'Sir Frank Whittle' paintings.

RAF Stories

The Museum's RAF Stories programme remains a crucial way for sharing content, as well as remaining agile and proactive in tracking new developments in the RAF's story. In the past 12 months, a major focus has been to support the Inspiring Everyone: RAF Museum Midlands Development Programme Exhibition team, providing content that shapes the development of the new exhibition and reflects the contemporary RAF.

The RAF Stories team has also continued to proactively collect and produce content - 28 unique interviews were recorded, with each multi-hour interview capable of generating multiple pieces of content; and the team supported 23 co-curation and dissemination events. Relationships have been built and maintained with organisations as varied as the Royal Air Force Aerobatic Team, UK Space Command, Fighting with Pride and the RAF Widows Association to provide a continuing source of stories over the coming years.

The RAF Stories programme weaves through the wider activities of the Museum and is increasingly supporting the wider curatorial department with new object acquisitions, recording interviews with donors where appropriate, and lending their objects a first-hand human voice which provides enormously valuable context to in-gallery interpretation.

Research

The Museum's Research Strategy continues to be supported by a voluntary Research Advisory Board, chaired by Sebastian Cox OBE, Head of the Air Historical Branch of the RAF. In continuation with recent years, the 2023-24 research programme was offered in a hybrid format both virtually and in-person. During this period, the programme featured lectures to the Royal Aeronautical Society, Air Power lectures with the Centre for War and Diplomacy at Lancaster University and the University of Wolverhampton, and lectures held at the Museum's Midlands site. Physical attendance has averaged at 30 people, and around 70 people regularly

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

watched the lecture live via Crowdcast with replays at around 100 views. The hybrid approach has been beneficial, as it has enabled the Museum to deliver engaging and intellectually rigorous content to a domestic and international audience. The UK and US made up the majority of the audience for talks, but countries represented in the audience include Austria, Brazil, Canada, Taiwan, Hong Kong and Papua New Guinea. Furthermore, a special lecture held on the 80th anniversary of the Great Escape at our Midlands site attracted 63 in-person attendees and over 200 people online.

The Museum hosted its annual conference on 5-6 September 2023, with the theme 'Progress, Regress, and Change: Air forces since the early twentieth century', with 45 researchers, staff and delegates attending in-person at the Museum's London site, and a further 105 individuals joining live via the online video. The Museum's 2022 Academic Awards were presented to undergraduate, postgraduate and doctoral students, continuing to build upon our growing role in encouraging and developing the next generation of Air Power scholars. Academic prizes for 2023 have been awarded, and will be formally presented at the 2024 conference. In addition, the Museum organised and hosted two research conferences with external partners. The first, organised with the Royal Aeronautical Society, explored the development and cancellation of the TSR-2 and was attended by 60 delegates at our Midlands site. The second conference, organised with the British Commission for Military History, explored the history of Close Air Support with 50 delegates attending at our London site.

The Museum has also continued to develop and nurture the next generation of Air Power specialists by supporting existing doctoral students at Lancaster University, Newcastle University, the University of Bristol and the University of Glasgow. A further doctoral project commenced in collaboration with King's College London, and funding for further projects in association with the Universities of Kent and York are in progress.

Due to essential building works the Museum's Reading Room was closed for six months but hosted 104 researchers between August and March. The Collections and Research team were also active in sharing knowledge, including creating records for the Museum's Collections Online and delivering in-person stakeholder engagement sessions. Papers were given at national conferences and talks provided to visiting groups to the Museum, for example community researchers for the Past Present Future NLHF supported project and Age UK groups. The team contributed expert commentary for several media projects, including radio, print and television, and engaged with a number of partner organisations over the year to promote the Museum's collections including Art UK and notably the Berlin Airlift project.

Access and Learning London

2023-24 has been the first year since the start of the pandemic where Covid hasn't impacted any of the planned activities. The full schools workshop programme has run, together with a healthy number of events, both onsite and offsite. 663 schools visited the London site, with an additional 15 schools joining us for online workshops. 1,599 learners were engaged through outreach to their schools. While these schools were mainly local, our reach was extended after we were successful in bidding to run STEM (Science, Technology, Engineering, Mathematics) outreach days in Hertfordshire schools on behalf of the RAF Youth and STEM team. As these days are designed for Year 7 and 8 students, we also increased our engagement with

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

secondary age learners. It has been gratifying to see our learner numbers returning to pre-pandemic levels.

In addition to the standard suite of school workshops focused on History, Science, Citizenship, Design and Technology and Literacy, we also contributed to marking the 80th anniversary of the Dam Busters Raid by creating a schools' resource pack, and to Pride Month by creating a video for secondary schools which highlights LGBTQ+ people in the RAF. We took part in two nationwide initiatives; Kids in Museums Takeover Day, where children performed tasks usually undertaken by Museum staff, and Art Fund's Wild Escape project which culminated in a dance performance at the Museum. Year 6 STEM Days and Scouts Air Researcher Activity Badge Days sponsored by the RAF were oversubscribed throughout this period, and in 2024-25, we will be sponsored to deliver an additional two dates to respond to demand.

Access and Learning, Midlands

2023-24 figures for the Midlands show that we have remained at pre-Covid numbers for the second consecutive year, with an increase in both the number of schools visiting the Midlands site and in online engagement. This suggests that both types of engagement are still required by schools. The Midlands engaged with 626 schools: of these 528 were onsite, 78 online and 20 offsite. In total we engaged with 44,909 learners: 29,940 onsite and 14,969 offsite and online.

Aside from our core learning programme of school workshops with a focus on History and STEM, we have expanded our events and outreach offer. Our Summertime Advanced Aeronautical Residency (STAAR) programme celebrated its sixth year. Supported by sponsors Northrop Grumman as well as our partners from RAF Cosford, and Tablet Academy (TA Education), in 2023-24 the programme was delivered to 40 young people. We also delivered a variety of events on behalf of our key partners, the RAF Youth STEM team. This included eight Key Stage 2 STEM Days, four Glider Challenges, three Scouts Air Activity Badge Days, and for the first time, five outreach STEM days. We were successful in our bid to deliver five STEM days to schools within Mid-Wales, a region that we have been keen to improve engagement with. We also hosted the third annual Forces in STEM event, considered a flagship STEM event for the RAF Youth STEM team, and welcomed over 1,000 young people to the Museum to participate in over 35 activities delivered by over 25 partner companies. The demand for these free events has increased exponentially since the Pandemic, highlighting the need to continue offering learners these opportunities. For 2024-25, we are increasing our capacity for the three Scouts Air Activity Badge Days, from 200 Scouts per day to 600, to meet demand.

Strategic Priority 2: Inspiring our people within a dynamic, diverse and collaborative culture

The RAF Museum staff team, including those of its trading subsidiary, comprises over 238 employees and c.400 volunteers, and includes well-established work experience, traineeship and apprenticeship programmes. Our priority is to ensure that individuals are proud to be part of a brilliant and diverse team, feeling valued, supported and appropriately skilled and rewarded, working positively together to deliver our vision. We actively promote and progress equity, diversity and inclusion, with the support of our EDI Working Group, and continue to encourage and underpin best practice.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

The Inspiring Everyone: RAF Museum Midlands Development Programme provides an amazing opportunity to broaden engagement and support learning and skills development for our visitors, local communities and Museum team (volunteers and employees) through both the Development phase and future Delivery phase, and new roles have already been recruited to.

During the year our HR and Volunteering team have designed and delivered Effective Recruitment and Effective Performance Management Training sessions for all managers and supervisors, introducing a new Recruitment Policy and improved processes, to enhance confidence and skills and ensure a fair and consistent approach. Departmental facilitated discussions and action plans in response to the Museum's People Engagement Survey have encouraged a culture of collaboration and mutual trust, whilst ensuring that individuals are listened to, valued and well informed.

Our work experience programme aims to break down barriers to museums and heritage careers, offering an oversight across the wide range of Museum activities (Visitor Experience, Access and Learning, Retail, HR and Volunteering, Events, Communications and Marketing, Exhibitions and Interpretation, Archives, Library and Research and Conservation teams) so that students can see the variety available. During National Careers Week (4 – 9 March), the Museum hosted a virtual insight day with Speakers for Schools – a charity that supports social mobility by providing young people with work experience opportunities. The insight day was delivered via livestream to 70 young people from the Midlands area and was developed and presented by the Apprenticeship and Skills Pathway Manager. Each different museum department was explored in detail, and small projects and polls set to encourage engagement. The Museum has also partnered with Movement to Work – a Youth Employability Charity that aims to provide experiences and opportunities for NEET (Not in Education, Employment or Training) young people. Due to the Museum's pledge and success with the work experience programme, we have been nominated for the Best Newcomer Award at the Youth Employability Awards by Movement to Work.

It has been a busy and exciting year for Volunteering with nearly 400 active volunteers in total - 172 at London, 180 at Midlands, 22 at our Stafford store, and 12 volunteering remotely. Our volunteers donated a total of 19,814 hours in 2023-24, an increase of 10,271 hours on the previous year - 13,004 hours were donated at Cosford, 6,605 hours at London and 205 hours for those volunteers supporting the RAF Museum Midlands Development Programme. Volunteers are now assisting in nearly every Museum department across our three sites. During 2023-24 year we have recruited volunteers for both existing and new roles. In London the Family Event Maker role was created. In the Midlands a new role was created to assist the Retail team with the Spitfire Open Cockpit. Much of our volunteer activity has been linked to the Midlands Development Programme, with nine new roles created for the Development Phase, while funding has supported an audit of our current volunteers' skills and migration to a new volunteer management system which has markedly improved onboarding and communication.

Strategic Priority 3: Embedding an entrepreneurial, agile and sustainable approach

The Museum's Commercial Strategy, managed through the trading company, focuses on maximising commercial opportunities and income generation, while delivering new and

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

improved experiences for our visitors. RAFMEL's net profit after tax for the financial year 2023-24 is £1,178,000 (2023: £724,000), its most successful year to date, £301,000 above budget.

Both our public sites reported visitor numbers above annual target, with London at 496,250 (18% above) and Midlands 433,057 (1% above). Numbers have been supported by the return of international tourists in London and the Museum's public events programme, with the Cosford Air Show at RAF Cosford attracting 55,000 visitors to our Midlands site. Other events have included our 1940s Week and Vintage Fair, Community Day and Hercules Flypast in the Midlands, and our Pilot Training Programme in London. Although ULEZ was expanded to cover the London site during the year we have not seen any adverse impact on visitor numbers or parking revenues thus far. Retail performance in particular has supported increased profits with strong retail margins and conversion rates at both sites. The London catering and events contract went out to tender during the financial year and was awarded to Graysons (from 4 January 2024); with the Midlands catering offer continuing to be delivered by Restaurant Associates.

In line with our Fundraising Strategy and Plan, we continue to focus our efforts on campaign fundraising for the Inspiring Everyone: RAF Museum Midlands Development Programme, building our pipeline with the support of the Museum Fundraising Board, while also delivering essential revenue fundraising to support core activity.

Strategic Priority 4: Leading the way with brilliant basics

The Museum's Collections Development Strategy and associated policies and procedures are central to our delivery of effective museum management and our audience engagement. After 50 years of formal collecting, the Museum continues to collect stories and objects to reflect the whole history of the RAF, including our priority to represent today's service. The team also continues work to rationalise the collection, improve storage and conservation, and to open up access to connect with all our audiences and share the rich and diverse story of the RAF through its people, culture, technology, timeline and places.

Objects are collected, preserved and used proactively for a clear purpose of engagement, including exhibitions, events programmes and research, in accordance with identified dynamic collecting priorities. The Museum's London site includes a hub for small objects conservation, which is complemented by the Museum's considerable large object conservation expertise at our Michael Beetham Conservation Centre (MBCC) at our Midlands site.

During 2023-24, the work of the Museum's conservation team was dominated by aircraft move activities alongside care and maintenance of aircraft and large objects on display. A total of 17 aircraft were moved to and within the Midlands site, including the Wellington T.X to the new Bomber Command exhibition following a 13-year restoration project. 14 aircraft were moved to and within the London site, including a replica Mew Gull and the Westland Wallace for the new Interwar exhibition.

The Museum is in the eleventh year of a comprehensive Collections Review, with its Collections Review Committee assessment surveys making recommendations for action in line with the Museums Association's Code of Ethics. Where objects or aircraft are duplicates, or fall outside the Museum's Collection Development Strategy, wherever possible these are

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

either offered as part of a proactive loans programme or gifted to Accredited museums following the Museums' Association Disposals Toolkit guidelines. All disposals are approved in accordance with the RAF Museum's Disposals Policy and Procedures. During the year, five aircraft were transferred to new museum homes.

The team based at our Stafford store have supported the Inspiring Everyone: RAF Museum Midlands Development Programme through a range of activities to document objects, account for hazards, improve storage arrangements and support the Collections Review.

Strategic Priority 5: Connecting with communities and partners

Exhibitions and Interpretation

Co-creation was key to the Interwar exhibition development. The team worked with local communities to develop a timeline representing social and RAF developments during the period. Dance students at Middlesex University co-created a film which visitors use to learn to dance the Charleston. Students from the Animation course at the University produced an innovative film introducing the interwar period to visitors. Local school children worked with the team to develop an interactive in which visitors create their own squadron badge.

Co-creation is also central to the Inspiring Everyone: RAF Museum Midlands Development Programme. Extensive consultation has been carried out with community groups, such as Telford and Wrekin Young Carers, Carers Café attendees and the RAF Cadets, to define our approach to content and design. A programme of co-design workshops is developing interpretation and design as a collaborative process. For example, workshops with our Midlands Access Panel have explored the use of audio visual experiences in the new exhibition and methods of aircraft access.

Community Engagement, London

We continued to play a key role in local forums including the Grahame Park Strategy Group and Colindale Consortium. This year we joined the group developing a Cultural Strategy for Barnet. Relationships which continued this year included a series of bi-weekly sessions for Age UK members, partnering with Barnet Libraries to launch their Summer Reading Challenge, and contributing activities as part of Burnt Oak Library's 'Saturday Socials'. Grahame Park Independent Living Group returning for their annual picnic, and Barnet Young Carers enjoyed facilitated sessions at the Museum. A local reading group and an art group continued to meet weekly in the community room. The photographs resulting from a visual storytelling project with local residents went on display in our community gallery.

The Historic Hendon talk (which proved so popular during lockdown) continued to be offered to care homes, dementia groups and older people groups (both in-person and online). In the Easter and summer holidays, the Museum once again ran Friday afternoon activities for local children in receipt of free school meals as part of BACE Holidays (Barnet. Active. Creative. Engaging. Holidays! organised by Barnet Council and Young Barnet Foundation). A relationship which re-started post-Pandemic was that with Home-Start Barnet who joined us once again, this time for sea-themed activities in the hangars.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

New relationships initiated and developed this year included sharing RAF stories as part of an Armed Forces Day event at the Royal National Orthopaedic Hospital and representing the Museum as part of 'Urban Gamez' – a free to attend sport event on the Grahame Park Estate.

Together with the London Borough of Barnet, we hosted an afternoon-tea to celebrate the 75th anniversary of Windrush and to collect Windrush stories from local residents. We also offered research skill support to 'The Community Researchers', a group of local residents with an interest in exploring specific aspects of the history of Colindale and Grahame Park.

In March 2024, we hosted our first London Iftar event, where approximately 300 members from North London Muslim Scout groups came together to take part in various family activities and to break their fast. For many, this was their first visit to the Museum.

We connected with our family audience in a variety of ways: a Windrush 75 Family Day in June which celebrated local connections to Windrush and highlighted the RAF story which is such a key part of Windrush; twice monthly 'Little Swifts' sessions for the under-5s; and free storytelling in local schools to celebrate Black History Month. To mark the Coronation of King Charles III, a Coronation Quiz, a marching and military music resource, and a Royal aircraft blog were produced.

We continued to connect with our young adult audience via the Museum's Youth Panel who participated in a summer project where they curated a display to mark the 75th anniversary of the Berlin Airlift. We engaged with older audiences by joining with other local organisations for a large Silver Sunday event held at Middlesex University.

Working with the London Borough of Barnet, we hosted a showcase of sustainability projects in Barnet Schools. We also took part in a cultural afternoon at a local school which focused on local history and the importance of the Museum as the cradle of aviation.

Led by the Community Engagement Manager, the RAF Museum London was re-accredited as a Dementia Friendly Venue, communicating to visitors and staff that it is accessible to people living with dementia and their families.

Community Engagement, Midlands

The Inspiring Everyone: RAF Museum Midlands Development Programme has been a key focus of engagement this year, including piloting of future projects, with events held onsite and offsite, hosting of community groups and other Museum-led activities. Digital Skills for over 60s and two creative arts projects.

In April 2023, we had held our first Open Family Iftar in partnership with Equalinks CIC and a Muslim Scout group, welcoming 103 guests, with our second Open Family Iftar in March 2024, welcoming 187 people. In June 2023 we held our first Community Day in partnership with Telford and Wrekin Interfaith Council sharing stories of RAF personnel from diverse backgrounds, with many people attending that had not been to the Museum before.

In August 2023 we held our first Midlands-focussed Access Advisory Panels – one on-site and one online. All members are registered as volunteers so that they can access the associated

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

support. The panels are held three times a year and contributions so far have included consultation on both the outdoor realm and the prayer room to support the RAF Museum Midlands Development Programme.

Carers Café activity piloting sessions have gone from strength to strength, with 6-10 regular attendees each month and we have established a Carers Café Social, which takes place monthly and is an opportunity for carers to come along for an informal chat. We have continued to engage a variety of groups. Examples of these are the male carers group from Telford and Wrekin Council for Voluntary Service, who we welcomed for a tour and handling session. We also welcomed a group of carers from Shropshire for Carers Week, the second year we have been involved with Carers Week. Other groups that visited have included Dementia Singing and the Friendly Faces group from Wombourne who provide activities focused on being social. A co-creation project with a group of young carers resulted in the design of new placemats for the Museum's restaurant.

The Community Engagement Manager and volunteers delivered sessions and activities offsite including taking part in two Armed Forces Days, one at Shrewsbury Castle and the other in Telford. The Museum was also involved in the Black County Living Museum's 1940s weekend in July 2023, where we took along the Spitfire cockpit. Over 1,200 people enjoyed sitting in the cockpit and trying on original RAF uniforms. Our volunteers ran a co-creation project with Wheatlands Care Home working with the residents of the home to create an immersive loan box using items from the Museum's Handling Collection.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Performance Analysis

The Museum uses a number of KPIs to regularly measure and assess its performance and these are reported to the Board on a quarterly basis and reviewed by management on a monthly basis.

Key Performance Indicator:	2023-24	2022-23
Visitor numbers (including events such as the Midlands Air Show)		
- London	496,250	427,980
- Midlands	433,057	395,704
- Total	929,307	823,684
Trading income £	4,447,000	4,305,000
Number of learners – onsite, online, offsite		
- London	44,057	40,316
- Midlands	44,909	40,371
- Total	88,966	80,687
Visitor satisfaction ratings*		
- Enjoyment		
o London	91%	89%
o Midlands	94%	91%
- Value for Money		
o London	92%	94%
o Midlands	94%	96%
- Likelihood to recommend		
o London (net promoter score)	73%	78%
o Midlands (net promoter score)	83%	82%
Social media interaction (no. of Facebook followers, Twitter users, Instagram subscribers and TikTok followers)	258,836	250,000
Social media engagement (no. of likes, comments, shares)	2,212,700	526,000

Visitor Numbers

Visitor numbers totalled 929,307 for 2023-24 (2023: 823,684), the highest ever outside of the RAF Centenary year in 2018, showing a strong continued recovery from the impact of the Covid-19 pandemic and economic pressures of the cost of living crisis.

Trading Income

Turnover of £4,447,000 is reported for the year (2023: £4,035,000) with the increase on prior year (and corresponding increase in cost of sales) due mainly to the impact of higher visitor numbers on commercial activity. During the year, a number of Museum staff and other resources were utilised in furtherance of commercial activities resulting in a cross charge of £654,000 (2023: £693,000). The profit after taxation for the year was £1,178,000 (2023: £724,000), with a distribution of £1,178,000 Gift Aid to the Museum (2023: £724,000).

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

School Visits

London ended the year with a total of 44,057 learners (against a target of 31,000), split between 37,396 formal learners (students in education) and 6,661 informal learners. Of the 37,396 formal learners, 92% of these visited the Museum, 4% took part in online workshops, and 4% engaged as part of outreach activities.

As in previous years, satisfaction with the learning offer was high. In London, the teacher feedback percentage rating the workshops as 'good' or 'excellent' was as follows: Booking Process – 100%; Curriculum relevance – 99%; Suitability for age group – 97%; Pupils' enjoyment of the workshop - 95%; Level of Interactivity - 95%; The facilitator - 98%; Location of the session (onsite) – 98%; Ease of use of the technology (online) - 100%; Reliability of the technology (online) - 100%; The overall learning experience – 97%.

The Midlands ended the year with a total of 44,909 learners (against a target of 36,000) split between 29,239 formal learners (students in education) and 15,670 informal learners. Of the 29,329 formal learners, 87% visited the Museum, 10% took part in online sessions (workshops and special events), and 3% engaged as part of outreach sessions. 55 schools and 1,800 learners participated online. Online numbers were high this year owing to the Key Stage 2 and 3 Glider Challenges which (with the prohibitive cost of coach hire for some schools) proved popular in their online format.

Satisfaction levels continued to be high with teacher feedback percentage rating the following as 'good' or 'excellent': Booking process – 94%, Facilities – 99%, Overall Learning Experience – 100%, Staff – 98%, Expectations met – 96%. 99% of respondents would book a return visit.

Visitor Satisfaction

The surveys show that both sites continue to achieve very high 'Enjoyment', 'Value for Money' and 'Net promoter score' ratings that remain above the industry average. We are also happy to report that both our London and Midlands sites received full accreditation under Visit England's Visitor Attraction Quality Assurance Scheme, with London improving its overall quality score to 89% and our Midlands site to 94% from the previous year. As a result, our Midlands site has been recommended for a Gold by the site's assessor, and we are currently awaiting confirmation of the outcome.

Social Media Interaction

Total visits to the Museum's main website were recorded at 7.8 million visits (2023: 5.4 million) with a total of 2.1 million users visiting the website. This growth has been driven in part by the strategy of running an always on digital marketing campaign that targets families at key moments of their leisure planning. Also, as this website is used primarily as a planning tool for visits, this increase also explains the increase in people returning to the Museum following Covid-19, with both on-line and physical visitors now exceeding numbers pre-pandemic.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Financial Review

Statement of Financial Activities (SOFA)

Total income for the financial year 2023-24 amounted to £21,608,000 (2023: £19,854,000), with the increase year on year primarily related to restricted fundraising associated with the Inspiring Everyone: RAF Museum Midlands Development Programme and a one-off £2M allocation from our sponsor body to create an RAF Museum Resilience Reserve Fund (as recommended by the Public Body Review).

The Museum received £13,391,000 of Grant in Aid (2023: £14,096,000) for the financial year 2023-24 in total, comprised of £10,657,000 revenue, £734,000 capital funding and the £2M reserves allocation.

During the year, a total of £2,990,000 (2023: £970,000) (Note 3) was received by way of grants and donations from industry partners and sponsors, trusts and foundations, and individual donations to fund the work of the Museum. This included £122,000 from Northrop Grumman to enable the continuation of our successful STAAR STEM programme at our Midlands site; and generous donations of £1.1M from John Mars and £78,000 from the RAF Museum American Foundation (RAFMAF) towards our RAF Museum Midlands Development Programme. The Museum raised £660,000 to secure the Arthur Scarf VC with welcome support from a number of organisations and a successful public fundraising campaign.

Total unrestricted income generated by the Museum was £16,296,000 (2023: £15,335,000) with the increase on prior year due to a 3% rise in revenue Grant in Aid, strong visitor numbers and associated commercial income, and higher rates of interest on investments. Income generated by the trading company on non-charitable activities was £4,447,000 (2023: £4,305,000), which, after accounting for associated expenditure, resulted in a total Gift Aid payment of £1,178,000 (2023: £724,000) to the Museum.

Total expenditure on Museum activities amounted to £19,358,000 (2023: £19,201,000). The majority of costs, including the costs of salaries, are in respect of core charitable activities. The Museum is pleased to report a successful challenge against our 2017 business rates valuation for the period 2017 to 2023 resulting in a £845,000 rebate and a reduction of £131,000 in rates for 2023-24.

Net income before transfers between funds and other recognised gains and losses totalled £2,250,000 (2023: £653,000). The £1,952,000 unrestricted loss for the year (2023: £3,095,000) is driven principally by depreciation of property assets and fully funded permanent exhibitions, which totals £3,548,000 for 2023-24 (2023: £3,635,000) (Note 7a). Excluding depreciation costs of property and permanent exhibitions, and the prior year impact of the business rates rebate, the Museum has generated an unrestricted operational surplus of £289,000 during the year (2023: £11,000) which is above the targeted breakeven.

A total of £2,043,000 (2023: £655,000) (Note 14) has been transferred from restricted to unrestricted funds in 2023-24, reflecting the restricted funding of capital projects (related to the allocation of capital support from MOD) which transfers to unrestricted fixed asset funds when complete and principally relates to the glazing project at the London site.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

The quinquennial revaluation of both the freehold (London) and leasehold (Cosford and Stafford) properties comprising the RAF Museum Estate took place in the prior year. For 2023-24, an annual revaluation adjustment of £1,373,000 upwards (2023: £17,095,000) has been made in the year-end accounts using the annual indices provided by MOD to comply with Modified Historic Cost Accounting (MHCA) legislation per HM Treasury guidelines.

After transfers between funds and adjustment for recognised gains or losses on revaluation of fixed assets, the net movement of funds for the year was an increase of £3,623,000 (2023: £17,748,000) and total funds carried forward as at 31 March 2024 amounted to £140,402,000 (2023: £136,779,000).

Grant in Aid Funding

Despite the challenges of recent years, the Museum is fortunate to be in a relatively stable financial position, because we are c.70% funded through Government Grant in Aid, and partly because we have a reserves policy in place to mitigate risk and build available funds for delivery of Strategy 2030.

The MOD-funded National Museums (including the RAF Museum) were not eligible to access the Government's £1.57BN Culture Recovery Fund, announced in the early stages of the Covid-19 pandemic, which acknowledged the social and economic benefits that flow from museums, and their importance as a major boost to national resilience, morale and pride, and champions of inclusion, innovation and excellence. However, the Museum is extremely grateful that the RAF as our MOD sponsor department, was able to confirm a recovery allocation of £1.56M in early March 2021 and £700k in March 2022. This enabled the Museum to mitigate the negative financial impact of the pandemic in order to achieve operational breakeven for 2020-21 (£250k), 2021-22 (£355k), 2022-23 (£290k) and to budget for breakeven in 2023-24 (£106k). This recovery allocation has now been fully utilised.

Within this context, the 2023-24 Public Body Review recommended that 'the department and museums should consider building museum financial reserves for future resilience against financial shock events such as a pandemic'. Air Command have therefore allocated an additional £2M in year to establish a Resilience Reserve Fund to protect the RAF Museum from a future financial shock (which could include, but is not limited to, unavoidable closure, irreparable infrastructure failure, major cyber-attack) and provide funds for critical 'invest to save projects' that further support the Museum's resilience.

The RAF Museum has not had access to planned capital funds through the MOD for some years, although we are fortunate that additional Grant in Aid capital allocations made within the financial year (for the past three years) have supported us to continue to deliver essential capital project works necessary to maintain and develop our sites for the long term. There has been recognition from Government of the need for significant investment in UK museums' infrastructure – national, regional and local with allocations made to the DCMS National Museums to address issues identified, plus the launch of the MEND fund to support regional museums, but the long-term need of the MOD-funded service museums has not been addressed. We continue to work with our sponsor to explore opportunities to include a planned capital allocation through the spending review in the same way as the DCMS-funded National Museums.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Balance Sheet

The value of the group net assets as at 31 March 2024 is £140,402,000 (2023: £136,779,000). The value of freehold and leasehold property represents 70% of the Museum's net assets at £98,756,000 (2023: £98,033,000); and the value of heritage assets (over the capitalisation threshold and accessioned since 1 April 2001) represents 16% of the Museum's net assets at £22,199,000 (2023: £21,627,000) (Note 7a). The Museum Group holds a cash at bank and in hand balance as at 31 March 2024 of £14,320,000 (2023: £12,289,000), with the increase primarily due to the establishment of the Resilience Reserve Fund.

Trading Company

Any non-charitable activities are undertaken by RAF Museum Enterprises Ltd, a wholly owned subsidiary of the Museum, with all profits gift-aided to the parent charity. The trading company generated total turnover of £4,636,000 (2023: £5,057,000) (Note 4b), with associated costs of sales and overheads of £3,468,000 (2023: £4,337,000). During the year, a number of Museum staff and other resources were utilised in furtherance of those activities resulting in a cross charge of £654,000 (2023: 693,000). This resulted in a net profit in the subsidiary of £1,178,000 (2023: £724,000) (Note 9).

Reserves Policy and Funds

During the year, and with reference to guidance from the Charity Commission, and further to review and recommendation by the Audit and Risk Committee and Finance and Resources Committee (combined from 1 April 2024 as the Audit, Risk and Resources Committee), the Trustees have confirmed that as at 31 March 2024 the organisation continues to hold unrestricted and undesignated free reserves (that is funds not tied up in fixed assets or designated or restricted funds) sufficient to cover two months of budgeted operational expenditure in order to enable financial stability and act as a safeguard against volatile and unpredictable income streams and unforeseen expenditure or liabilities. Any remaining operational net surplus (i.e., after transfers to / from the fixed asset fund and maintaining free reserves of two months of planned operational expenditure) is transferred to the Strategy 2030 Designated Fund.

The Strategy 2030 Designated Fund is used to support delivery of the Museum's current key strategic priorities as detailed in the strategic plan Strategy 2030 including: planning for future capital development at both sites; ensuring the sustainability of the estate; recording of contemporary stories of RAF men and women; and development of the Museum's collection through new acquisitions.

The RAF Museum Midlands Designated Fund holds funds earmarked to support the Museum's priority £27M RAF Museum Midlands Development Programme as part of the Cosford Master Plan and Strategy 2030 ambition. In addition, the RAF Museum Midlands Match Designated Fund was approved by Trustees to ringfence the Museum's commitment of funding to be invested in the Inspiring Everyone: RAF Museum Midlands Development Programme.

In line with the Museum's reserve policy, unrestricted surplus funds of £1,631,000 have been transferred to the Museum's Strategy 2030 Designated Fund. The closing balance held in designated funds at 31 March 2024 is £7,093,000 (2023: £5,528,000).

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

The Finance and Resources Committee monitors the levels of reserves at the Museum on a quarterly basis as part of their review of the Management Accounts. The Board of Trustees reviews the reserves policy when circumstances change and at least annually.

Payment of Creditors

The Museum's policy, in accordance with the Government-wide standard on the payment of creditors, is to settle all undisputed bills within 30 days or in accordance with the supplier's terms of business. The Museum's actual payment performance during the year was an average of 41 days (2023: 36 days).

Investment Policy

The Trustees continually monitor levels of all the Charity's funds. Available funds are currently invested in a variety of term deposits to maximise the level of return but with minimum risk. The amounts and terms of the investments are based on the Trustees' opinion of the immediate and future needs of the Museum and the Chair of the Finance and Resources Committee reviewed the principal deposits during 2023-24.

Environmental Policy and Sustainability Report

The Museum has committed to address the climate emergency through our operation and with our audiences. We have established a Sustainability Group to engage with our team and ensure environmental principles are always at the forefront of our thinking. We will operate in an environmentally sustainable way, applying the principles of sustainable development for the benefit of current and future generations.

The Museum's Sustainability Commitment agrees four areas of focus:

- Reduce our operational impact - committing to carbon net zero by 2030 and reducing the negative effects of our activities
- Develop a resilient and diverse estate - prepare for the changing climate and support diverse and rich ecology
- Enable our people - provide the knowledge, tools and support to help us achieve and exceed our commitments
- Share and engage with our audiences - share the Museum's and RAF's sustainable journey, advocate awareness and action.

Key points of the commitment are:

- Operate as carbon net zero by 2030
- Commit to sustainable development for the RAF Midlands Development Programme
- Reduce our consumption of non-renewable fuels and water across the Estate
- Establish an environmental management system (EMS) in line with ISO 14001
- Communicate and inform audiences and our staff on climate change
- Provide resilient and biodiverse landscapes.

The Museum already has a number of initiatives in place which underpin the creation of a more sustainable and environmentally friendly organisation. These include energy conservation measures, a comprehensive recycling programme and new building construction which is consistent with reducing the Museum's carbon footprint. The Sustainability Group has

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

established our Sustainability Baseline (Scope 1 and 2) for each site and is developing a Sustainability Pathway to enable us to progress these initiatives and achieve our commitments.

The Museum measures performance against the Greening Government Commitments (GGC) framework for 2021 – 2025, as summarised below against the baseline year 2017-18.

Headline Target	2017-18 Baseline	2023-24 Actual	Vs. baseline	Notes
Working towards net zero by 2050 (reduction of 30% overall and 10% direct emissions)	1,584 tonnes CO2	1,372 tonnes CO2	13% reduction	Scope 3 information is not available for 2017-18 and is incomplete for 2023-24. The figures shown represent scope 1 and 2 emissions only. Reported emissions are provided by energy suppliers.
Reduce the overall amount of waste generated by 15%	123 tonnes	65 tonnes	47% reduction	Food waste information is incomplete and has been excluded. We are working to include this in future years.
Increase the proportion of waste which is recycled to at least 70% of overall waste	32%	61%	9pp below target	London 66%; Midlands 57%
Reduce water consumption by 8%	Not available	7,529 m3	N/A	London only, data for other sites and 2017-18 not available.

The following figures represent the Museum’s best estimate of the impact of our activities on the environment at a local and global level through the resources it consumes, the waste it produces, its work patterns and the products it buys.

Greenhouse gas emissions		2023-24	2022-23	2021-22	2020-21	2017-18
Non-financial indicators (tonnes CO2)	Scope 1	1,196	1,072	308	608	758
	Scope 2	177	546	513	457	826
	Scope 3	Not currently available				
Energy consumption (thousand kWh)	Gas	5,410	5,786	1,684	3,309	4,117
	Electricity	2,525	2,637	2,420	1,962	2,350
	Total	7,935	8,423	4,104	5,271	6,467
	Total energy cost	889	628	463	403	414

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Financial indicators (£000)	Cost of business travel	261	204	127	31	186
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Emissions include gas burned onsite and fuel for vehicles owned by the Museum. We continue to make progress on emission reductions, with the replacement of aged assets, including lighting replacements and careful control of plant. However, in line with our Sustainability Commitment and developing Pathway, we target to lower our operational emissions through investment in low carbon plant and careful controls and timings.

The Museum has infrequent travel by air and information on travel is not routinely captured; air travel is treated as exceptional travel by default with lower carbon options preferred and a commitment made not to travel by air within the UK mainland. The Museum has switched to a centralised travel booking system and we are beginning to collect data on the amount of usage, type of travel (car hire/train) etc and the purpose of the journey, with the aim of reporting on this in 2024-25. The Museum uses videoconferencing and collaboration systems, and Museum staff are encouraged to challenge whether in-person meetings at other sites are necessary and whether the meeting could instead be conducted online instead. However, the Museum remains conscious of the positive benefits creatively and for personal wellbeing to our teams coming together in person, which is reflected in its hybrid working guidance.

Waste management		2023-24	2022-23	2017-18
Non-financial indicators (tonnes)	Residual waste (incinerated for energy)	25	18	83
	Recycled	40	50	40
	Total waste	65	68	123
	% recycled	61	72	32
Financial indicators (£000)	Total disposal cost	33	36	N/A

The Museum operates a zero to landfill policy, with residual waste used as waste to energy. While overall recycling has improved on the 2017-18 baseline a waste management plan is in place to support further improvements. The Museum has a catering offer at its London and Midlands sites as a commercial operation and we continue to work with our contract catering partners to reduce food wastage.

Paper use	2023-24	2022-23	2021-22	2020-21	2019-20
Non-financial indicator (A4 reams)	440	432	495	309	626

The Museum records paper use within the offices from 2019-20. Reductions have been achieved with the installation of print-on-demand network printers and mandatory double-sided printing as the default. The paper used in advertising, packaging and other areas is not recorded and has been excluded from the above figures.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Water consumption		2023-24	2022-23	2021-22	2020-21	2019-20
Non-financial indicators (m ³)	Total water consumption	7529	2775	2559	11623	N/A
Financial indicators (£000)	Total water cost	17	7	6	11	12

The Museum's London site is metered, however, historic information on water use is not available. Figures provided from 2020-21 are based on estimated usage provided by the supplier and relate to the Museum's London site only, as the other sites are leasehold consumption information is not available. Reduction in water use is undertaken on an opportunity basis such as using low water use taps and controlled urinal flushing. In addition, water use on landscape management is limited. The large consumption (and consequent cost) in both 2020-21 and 2023-24 is due to major leaks at the London site.

Sustainable procurement

The Museum's existing contracts do not contain specific requirements for supply chain reporting on sustainability as standard, although elements of sustainability and social value are evaluated in the procurement tender process, particularly for major projects. The Museum's procurement policies will be further updated to reflect our commitment to sustainable procurement in 2024-25.

Nature recovery and biodiversity action planning

The Museum's estate has limited potential to improve overall biodiversity. However, in line with our Sustainability Commitment we manage and develop our estate to improve and sustain ecology. The Museum's estate contains areas of public grassland, managed planting and more wild areas as well as small copses of trees. The London site contains a swale that serves as an important site for wildlife in addition to providing a sustainable surface water run-off; a corner of our London site is purposely left wild, with minimal interventions following a landscape review in 2020 which identified it as an important habitat and source of food for local wildlife. The Museum's Midlands site contains grassed banks which have minimal intervention and trees which link into the nearby woodland; improvements to the landscape are planned as part as our Inspiring Everyone: RAF Museum Midlands Development Programme with additional trees and planting.

Climate Change Adaption

The Museum intends to undertake a Climate Change Risk Assessment in 2024-25 to inform a longer-term Climate Change Adaption Strategy and Plan as part of our internal Sustainability Commitment and Pathway.

Reducing environmental impacts from Information Communication Technology (ICT) and digital

The Museums IT department is reviewing the targets of the ICT and digital services strategy 2020-25 however, in the interim, it has made significant progress in the removal of redundant and inefficient IT legacy assets and actively seeks to reuse assets where appropriate. The

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

IT department has begun a project of server virtualisation to reduce the number of physical servers required. Physical servers used for testing purposes are switched off when not in use. The rollout of video conferencing facilities in 2021-22 has supported colleagues to work from home as well as reducing business travel between sites.

Auditors

The accounts are audited by the Comptroller and Auditor General. The fee for the audit of the Group 2023-24 accounts was £52,300 (2023: £50,175). This includes the NAO fee of £41,000 and Hillier Hopkins fee of £11,300 for the audit of RAF Museum Enterprises Ltd (RAFMEEL).

So far as I, as Accounting Officer of the Museum, and as we, as its Trustees, are aware:

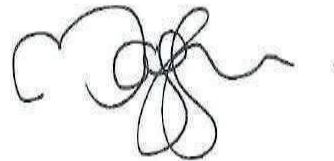
- a) there is no relevant audit information of which the Museum's auditors are unaware; and
- b) we have taken all the steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the Museum's auditors are aware of that information.



ACM Sir Stephen Hillier GCB CBE DFC
Chair

on behalf of the Board of Trustees

22 July 2024



Margaret Appleton MBE
Chief Executive Officer and
Accounting Officer

Royal Air Force Museum

22 July 2024

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

ACCOUNTABILITY REPORT

Corporate Governance Report

This report sets out the arrangements for the governance of the Museum, including the Board and Committee structure for the Trustees. It specifically shows how the organisation identifies and manages key risks and provides the assurance from the Chair of the Board of Trustees and Accounting Officer.

Trustees have complied with their duty in section 11 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission. Trustees are also mindful of the Commission's guidance on public benefit.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Chief Executive Officer's report and governance statement

The Governance Framework

The Royal Air Force Museum is incorporated by Royal Charter with company number RC000922 and is a charity registered with the Charity Commission (registration number 1197541), governed in accordance with the Charter and Bye-laws. On 1 April 2022, all assets, activities and resources were transferred from an unincorporated charity (registration number 244708) of the same name and address which was governed in accordance with a Deed of Trust dated 4th June 2007 to deliver the same charitable objects.

The Museum is an accredited National Museum and non-departmental public body (NDPB) obliged to comply with HM Treasury financial reporting requirements set out in the Financial Reporting Manual and the guidance contained in Managing Public Money. There is a Framework Document in place which defines the arrangements between the Museum and its sponsor department, the Ministry of Defence, relating to the receipt of Grant in Aid and the conditions for its expenditure alongside a Partnering Agreement between the RAF and the Museum. The Partnering Agreement and Framework Document relevant to the 2023-24 financial year is effective from 1 April 2022 to 31 March 2027.

The Trustees and the Committee Structure

The RAF Museum is governed by a Board of Trustees chaired by Air Chief Marshal Sir Stephen Hillier GCB CBE DFC, who succeeded Air Chief Marshal Sir Andrew Pulford GCB CBE DL in March 2022. The Charities Act 2011 requires the Trustees to exercise proper stewardship over the Museum and to take care of its collections.

The Chief Executive Officer of the Museum, Margaret Appleton MBE, is the Accounting Officer responsible to Parliament for the day-to-day management of the Museum as set out in Chapter 3 of Managing Public Money.

Trustees are appointed by the Secretary of State for Defence in accordance with the provisions of the public appointments process set out in the Office of the Commissioner of Public Appointments Code of Practice. From 1 April 2022, under the new Charter and Bye-laws, appointment terms are of three years and Trustees can be re-appointed for a second term of equivalent length. The number of Nominated Trustees can be between seven and fifteen, which aligns with Governance best practice, while retaining flexibility to manage both planned and unforeseen resignations. The Board of Trustees may also appoint up to three additional co-opted Trustees by majority approval to serve on the Board and both co-opted Trustees and other individuals may serve on specific sub-committees to supplement the experience of Board members.

The Trustees receive induction training with the Chief Executive Officer and senior leadership team (SLT) and are encouraged to familiarise themselves with the Museum's priorities through work in sub-committees where they are supported by the Museum's executive, and by attending and hosting Museum events and receptions. A Trustee Development Framework is in place and all Trustees are asked to complete a mandatory selection of relevant online courses including Safeguarding Children, Equality, Diversity and Inclusion, Bullying and Harassment for Managers and Unconscious Bias for Managers. Trustees are made aware of governance courses such as the Institute of Chartered Accountants in England & Wales

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

(ICAEW) online Trustee Training course, developed with the Charity Commission, which provides an overview of charity trustees' legal and financial responsibilities and their strategic and operational considerations. In addition, Board development sessions are now scheduled twice a year ahead of each Board meeting.

A Trustee skills audit was completed in 2020-21 led by the Nominations and Governance Committee (NGC). The Museum also commissioned an external facilitator to lead a Board effectiveness review (the previous external review was held in 2017-18). The review completed in early 2020-21 highlighting no significant concerns and an away day, originally postponed due to Covid, was held to review its recommendations in December 2021. The Nomination and Governance Committee has continued to monitor follow up priorities, and review Board structure, processes and performance and a proposal was accepted by the Board (effective April 2024) to combine the Audit and Risk Committee with Finance and Resources Committee (to the Audit, Risk and Resources Committee), and Staffing and Remuneration Committee with Nominations and Governance Committee (to the People and Governance Committee) to further streamline the governance structure. A further independently-led review of the Museum and its two service museum partners, the National Museum of the Royal Navy and the National Army Museum was carried out under the Cabinet Office's Public Bodies Reviews Programme in 2022-24. This considered the governance, accountability and efficiency of the museums and concluded that they are effective in fulfilling their purpose. The Museum is now following up the review recommendations with its sponsor body and museum partners.

During the year, the Museum recruited two new co-opted Trustees in order to better represent and serve the population of the UK in terms of breadth of skills and cultural diversity.

The Board of Trustees Sub-Committees

The Board of Trustees have established a number of sub-committees for specific purposes and to ensure the effective conduct of business. The Board of Trustees is responsible for appointing to the sub-committees from within its membership and all sub-committee actions are taken on behalf of the Trustees as a whole, with recommendations made to the Board as appropriate.

For 2023-24 these sub-committees comprise Audit and Risk (providing assurance on issues of risk, control and governance); Finance and Resources (responsible for financial control, governance and investment), Major Projects and Programmes (responsible for major capital and programme development); Staffing and Remuneration (providing assurance that the Museum's HR strategy, policies and procedures are appropriate and effective); and a Nominations and Governance Committee (keeping under review the leadership needs of the Museum – both trustee and executive – are effective). The Museum also has a Research Advisory Board, chaired by Sebastian Cox OBE, Head of the Air Historical Branch of the Royal Air Force and an Ethics Advisory Board comprising Trustees and Senior Leadership Team members.

The terms of reference of each of these sub-committees have been approved by the full Board. The table overleaf shows the number of meetings and attendance. The Board normally meets once a quarter, and these scheduled meetings are summarised in the table. Minutes of all Board and sub-committee meetings are maintained. Trustees complete a declaration of

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

interests each year with an agenda prompt at each Committee and Board meeting regarding any possible conflicts of interest or loyalty.

Trustee attendance is shown as the number of meetings attended in relation to the number of meetings held whilst each individual was a member of the relevant committee. The Chair of Trustees also chairs the Nominations and Governance Committee and may attend other committees across the year.

The Museum has two subsidiary companies, RAF Museum Enterprises Ltd and RAF Museum Investments Ltd, although the decisions taken by these companies remain primarily their responsibility, summaries of activity are reported through the Board.

The following individuals served as Trustees during 2023-24:

Board of Trustees			Attendance						
Board Member	Appointed	Further notes	Board	Audit & Risk (ARC) *	Finance & Resources (FRC) *	Staffing & Remuneration (SRC) *	Major Projects & Programmes Committee (MPPC) *	Nominations & Governance Committee (NGC)	RAF Museum Enterprises Ltd (RAFMEEL) **
Air Chief Marshal Sir Stephen Hillier	11-Oct-21	Chair of Board Chair NGC	3 / 4			1 / 2		2 / 2	
John Banks	23-Jul-21	Chair FRC	4 / 4		4 / 4				4 / 4
Josh Chana	5-Oct-23		3 / 3				1 / 3		
Dr Carol Cole	23-Mar-15	Chair SRC (term ended 19-Mar-24)	4 / 4			2 / 2		2 / 2	
David Cooper	23-Jul-21		4 / 4				4 / 4		
Dr Rodney Eastwood	23-Mar-15	Chair ARC (term ended 19-Mar-24)	4 / 4	3 / 3		2 / 2			
Jonathan Field	23-Jul-21	Chair RAFMEEL Board	4 / 4			2 / 2			4 / 4
Matthew Gilpin	23-Jul-21		4 / 4	3 / 3				2 / 2	

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Hemma Gooljar	5-Oct-23		3 / 3						
Waseem Mahmood	23-Jul-21		4 / 4				3 / 4		
Julie McGarvey	17-May-16		4 / 4				4 / 4		4 / 4
Air Marshal Peter Ruddock	23-Jul-21		4 / 4		4 / 4				
Nick Sanders	7-July-16	Chair MPPC	4 / 4				4 / 4		

* The Board Chair is not a formal member of this committee but invited to take part / observe as they wish.

** Trustees who are members of RAF Museum Enterprises Ltd are shown above. There are five additional non-executive directors.

Register of Interests

A register of Trustees' interests is maintained. Trustees are required to declare any interest, pecuniary or otherwise, in any matter being considered by the Board. Related Parties are disclosed in Note 17 of the Financial Statements.

The Board of Trustees' Performance

The Board has supported the organisation to successfully deliver its strategic objectives as outlined in the approved over-arching ten-year Strategy 2030 and Business Plan 2023-24.

Reports from each sub-committee are circulated to all Trustees with routine papers for the quarterly meetings of the full Board and sub-committee Chairs highlighting any matters of particular interest or concern for the attention of the full Board.

There is a wide range of information and data (financial and otherwise) routinely available to Trustees, including detailed management accounts quarterly to the Finance and Resources Committee and summary management accounts quarterly to the full Board, which the Board considers to be adequate management information.

Personal Data Loss

An incident is defined as a loss, unauthorised disclosure or insecure disposal. Protected personal data is information that links an identifiable living person with information about them which, if related, would put the individual at significant risk of harm or distress; the definition includes sources of information that because of the nature of the individuals or the nature, source or extent of the information, is treated as protected personal data by the Museum. There have been no such losses during 2023-24.

Internal Auditors

The Museum's internal auditors are RSM Risk Assurance Services LLP (appointed in November 2019), who work to the Public Sector Internal Audit Standards and provide an independent opinion for the financial year 2023-24 (contract year five) on the matters subject to review through the annual internal audit programme. The work programme is signed off by

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

the Trustees' Audit and Risk Committee and the report of the internal auditors is received by that same sub-committee. The tender and appointment of RSM Risk Assurance Services LLP (RSM) was made as a joint initiative with our partner Service Museums – the National Army Museum and National Museum of the Royal Navy - to foster the sharing of best practice and economies of scale, including a shared thematic review to be agreed upon by all parties.

As part of this plan RSM have carried out several reviews for the RAF Museum this past year, including safeguarding; cyber risk; recruitment, retention and succession planning; financial controls around car-parking; a follow-up report on identified management actions from prior year audit reviews, and one shared Service Museums thematic review looking at visitor experience.

The internal auditors provide an annual independent opinion, based upon the audit programme and limited to the work performed, on the overall adequacy and effectiveness of the Museum's risk management, control and governance processes. The internal audit opinion for 2023-24 is one of moderate assurance, stating that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

To inform the governance opinion for 2023-24, the internal auditors have taken into consideration the governance related elements within each of the assignment reviews undertaken as part of the 2023-24 internal audit plan. To inform the risk management opinion for 2023-24, the internal auditors have considered the risk mitigation procedures within each of the assignment reviews undertaken. In addition, their governance and risk management opinion was informed by attendance at meetings of the Audit and Risk Committee throughout the year. The results of the internal audit assignment reviews have been taken into consideration in determining the internal control opinion for 2023-24. Of the five assurance assignments, it was concluded that the Board could take reasonable assurance in four areas and partial assurance in the other.

The Audit, Risk and Resources Committee accepted the opinion and findings of the internal auditors. Progress against recommendations and risk status will continue to be monitored by the Committee as part of the internal audit follow up review process. RSM's five year contract is now complete and during 2023-24 the three Service Museums undertook a further joint tender process, appointing Azets to provide internal audit services for the next three to five financial years from 2024-25.

External Auditors

The external auditor of the Museum is the Comptroller and Auditor General with the audit conducted by the National Audit Office. The external auditor of its trading subsidiary, Royal Air Force Museum Enterprises Ltd, is Hillier Hopkins LLP. The accounts are consolidated.

Risk Management

The Museum's internal control system is designed to manage risk to a reasonable level, rather than eradicate all risk of failure. Therefore, it can only provide reasonable and not absolute assurance of effectiveness. In managing risk, we identify the opportunities and risks in achieving our strategic objectives, evaluate the likelihood of those risks being realised, the impact should they be realised and the controls in place to manage them efficiently and

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

effectively. The Museum's approach to risk management and the process for implementation are documented in a Corporate Risk Management Strategy (reviewed and updated in 2021-22).

The strategy is supported by our Strategic Risk Register, which groups our highest priority risk areas into key strategic risks which is reviewed regularly by the senior leadership team. The Audit and Risk Committee review strategic risks at each meeting and the Board review annually. Each department holds a detailed operational risk register and updates them regularly with input from their teams, with departmental risks reported to group directors and all new risks or residual risks that have been increased noted. Project and programme risks are included in status reports to the executive Programme Board. Any Departmental or Programme risks rated red/high when mitigated are summarised in a Corporate Risk Register which is reviewed quarterly by the senior leadership team and at each meeting by the Audit and Risk Committee.

Risk management overall is viewed as a dynamic process which actively seeks to incorporate good practice. It is responsive and current and is managed through regular review of both internal developments and external factors – the political, social, economic, demographic, technological, environmental and legal developments that may influence our exposure to risks or opportunities. As an NDPB the Museum has a low-risk appetite in relation to compliance, regulation and to our key strategic risks. In areas where we aim to be relevant and influential, we are prepared to take calculated risks. Risk appetite has been set by the Trustees and is reviewed annually for appropriateness by the senior leadership team and Audit and Risk Committee. The senior leadership team monitor whether our overall risk profile is commensurate with our risk appetite on an ongoing basis. The key risks identified, and the actions taken to date are set out below.

The strategic risk of financial instability due to macro-economic factors is substantially mitigated by confirmed annual Grant in Aid, alongside the Museum's proven agility to flex variable and project costs. Nevertheless, a high proportion of planned Museum spend is necessary to support effective operations and /or drive visitor numbers / income, and cost reductions may impact detrimentally on Museum outcomes and impact even where activities are not immediately essential. Identified risks for the financial year ahead include the negative impact of lower than targeted visitor numbers on self-generated income. We have factored the temporary closure of Colindale station into our London numbers, but delays to the reopening of the station or lack of suitable alternative transport options could reduce visitors further, although early indications are that the impact is manageable. Sector challenges to retention and recruitment in response to cost-of-living pressures is mitigated by an acknowledged pride in working for the Museum and a clear commitment to investing in our staff team and the development of a dynamic, diverse and collaborative culture. Failure to raise income to agreed revenue and campaign fundraising targets would delay delivery of agreed projects and programmes such as the ambitious Inspiring Everyone: RAF Museum Midlands Development Programme. Although there will be morale / reputational risk if the latter target is not reached, substantial progress has already been made, and work will not commence until funds are fully in place so the Museum is not at risk financially.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

The RAF Museum's Strategy 2030 outlines a robust financial model into the future, with operational savings continued to be identified and our resourcing model stream-lined, fundraising and trading activity to be increased and diversified, and programmes developed that attract funding support, to enable significant investment and development at both sites. There is and will continue to be continued pressure on Government funding and competition for funding from donors and trusts and foundations.

The Collections Review supports both care of the collection and development and delivery of our programming. An important strand of this review is delivery of digitisation of the collections, opening access to audiences while ensuring collection care is maintained. This will require considerable investment which is the reason for the risk of 'failure to adequately care for collections' remaining at a medium level assessment.

As with the risk of financial instability, the risks from major incidents of any nature can only be mitigated to a certain degree, but the creation of the Museum's Resilience Reserve Fund with support from our sponsor body is a substantial mitigation. Museum plans include phased capital investment in infrastructure and continued assurance of effective processes in place. Further to considerable progress thus far, one of the key strategic priorities for the Museum and a focus for the next financial year is to continue to invest in building the strong and sustainable basic foundations required to fully achieve the future vision.

Assurance Statement by the Audit, Risk and Resources Committee

The Audit, Risk and Resources Committee are reasonably confident that the reliability, integrity, quality and comprehensiveness of the assurances provided by the RAF Museum's internal and external auditors, and by management, are presently sufficient to support the Board and Accounting Officer in their decision making and in the fulfilment of their accountability obligations. Internal controls are monitored during the year by the RAF Museum's executive team and independent internal audit review and findings reported to the Audit, Risk and Resources Committee. The Audit, Risk and Resources Committee will continue to draw to the Board's and Accounting Officer's attention any matters of concern.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Statement of the Board of Trustees' and Chief Executive Officer's Responsibilities

Under Section 30(3) of the National Heritage Act 1983 and law applicable to charities in England and Wales, the Board of Trustees is required to prepare financial statements for each financial year which give a true and fair view of the Royal Air Force Museum's financial activities and of its financial position at the end of the year.

In preparing financial statements giving a true and fair view, the Board of Trustees is required to:

- observe any accounts direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the charity will continue in operation.

Under the law applicable to charities in England and Wales, the Board of Trustees is responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and which enable the Board to ensure that the financial statements comply with applicable law. The Board is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Permanent Under-Secretary of the Ministry of Defence has appointed the senior full time official, the Chief Executive Officer, as the Accounting Officer for the Royal Air Force Museum. Her relevant responsibilities as Accounting Officer, including her responsibility for the propriety and regularity of expenditure from Grant in Aid provided by Parliament and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officer's Memorandum issued by the Treasury and published in 'Managing Public Money'.

The Accounting Officer confirms that the annual report and accounts as a whole are fair, balanced and understandable and that she takes personal responsibility for the annual report and accounts and the judgments required for determining that they are fair, balanced and understandable.

The Accounting Officer also confirms that, as far as she is aware, there is no relevant audit information of which the Museum's auditors are unaware, and that all steps have been taken to make herself aware of relevant audit information and to make this available to the Museum's auditors.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Remuneration and Staff Report

In accordance with the Financial Reporting Manual the RAF Museum has prepared this report containing certain information about directors' remuneration. 'Directors' is interpreted to mean persons in senior positions having authority or responsibility for directing or controlling the major activities of the Museum. The figures in the remuneration and staff report are subject to audit. The total number of employees whose emoluments for the year exceeded £60,000 is given in note 6, together with information on staff numbers and costs.

None of the directors were members of the Principal Civil Service Pension Scheme (PCSPS) and the Museum did not fund any Civil Service pension contributions for them in 2023-24. The Museum, under the auto-enrolment scheme (NEST) made employer's contribution to the directors' pension at the rate of 5% of their salary. Performance bonuses paid to directors are non-contractual. All employees, including directors, received £100 shopping vouchers as a thank you for their commitment and performance during 2023-24, which are included as benefits in kind in the table below. All of the directors have contracts of employment carrying a period of notice of three months.

Single figure of total remuneration	Salary	Performance-related pay and bonuses	Benefits in kind	Pension Benefits	TOTAL	TOTAL
	2023-24 (2022-23)	2023-24 (2022-23)	2023-24 (2022-23)	2023-24 (2022-24)	2023-24	2022-23
	£000	£000	Nearest £100	£000	£000	£000
Margaret Appleton MBE CEO	115-120 (110-115)	0-5 (-)	100 (100)	- (-)	115-120	110-115
Marguerite Jenkin Director of Finance and Resources	95-100 (90-95)	0-5 (-)	100 (100)	- (-)	95-100	90-95
Barry Smith Director of Visitor and Commercial Development	95-100 (90-95)	0-5 (-)	100 (100)	- (-)	95-100	90-95
Karen Whitting Director of Content and Programmes	95-100 (90-95)	0-5 (-)	100 (100)	- (-)	95-100	90-95

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Pension benefits	Real increase in pension and lump sum at pension age £000	Accrued pension at pension age at 31/03/23 and related lump sum £000	CETV at 31/03/24 £000	CETV at 31/03/23 £000	Real increase in CETV £000	Employer contribution to Nest pension Nearest £100
Margaret Appleton MBE CEO	N/A	N/A	N/A	N/A	N/A	6,000
Marguerite Jenkin Director of Finance and Resources	N/A	N/A	N/A	N/A	N/A	4,800
Barry Smith Director of Visitor and Commercial Development	N/A	N/A	N/A	N/A	N/A	4,800
Karen Whitting Director of Content and Programmes	N/A	N/A	N/A	N/A	N/A	4,800

* A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member of a final salary scheme, required where a pension member wishes to switch to a defined contribution scheme, and is therefore not applicable to the Museum directors.

The remuneration ratios in the Museum are shown below. These represent the banded mid-point pay of the highest paid director as a multiple of the 25th percentile, median and 75th percentile pay rates. The banded mid-point pay of the highest paid director is £117,500 (2023: £112,500) and the median salary is £28,849 (2023: £28,437). The directors are all full-time employees employed on standard terms and conditions. The remuneration of the highest paid director increased by 5% against the prior year. The average percentage increase for employees of the Museum was also 5%.

	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2024	5.04	4.07	3.33
2023	5.06	3.96	3.37
% change	-0.4%	2.78%	-1.19%

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

	25th percentile remuneration	Median remuneration	75th percentile remuneration
2024	£23,325	£28,849	£35,330
2023	£22,216	£28,437	£33,351
% change	4.99%	1.45%	5.93%

The Board of Trustees comprised eleven members at 31 March 2024, including one co-opted Trustee, none of whom were full time employees of the Museum and they were reimbursed with £5,925 in expenses (2023: £4,737). Ten Trustees claimed expenses (2023: Eight). Expenses claimed comprise reasonable travel, subsistence and accommodation as required to meet Trustee responsibilities in accordance with the Museum's Travel and Subsistence Policy.

Sickness absence (not subject to audit)

The Royal Air Force Museum employed 202 (2023: 200) members of staff as at 31 March 2024. In addition, the trading subsidiary employed 36 (2023: 42) members of staff at 31 March 2024. Periods of sickness absence are recorded in full days. The average number of days of sickness absence was 5.5 days per person (2023: 2.25). Long term absences have been excluded.

Pension Costs and Benefits

The Museum's accounting policy in relation to Pensions is provided at Note 1 to the Financial Statements. From May 2014 the Museum has automatically enrolled all employees into a National Employment Savings Trust (NEST) pension scheme unless the employees choose to opt out. The NEST pension scheme is a defined contribution pension scheme that was created as part of the government's workplace pensions reform under the Pensions Act 2008. The assets of the scheme are held separately from those of the Museum and the Museum is unable to identify our share of the liability, employer's contributions are charged to the Statement of Financial Activities as they occur.

Pension benefits for a small number of longer serving staff are provided through the Civil Service Pension Scheme (CSPS), comprising the Principal Civil Service Pension Scheme (PCSPS) and alpha. The CSPS is an unfunded multi-employer defined benefit scheme but the RAF Museum is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2020 (signed 2021). Details can be found on the CSPS website here:

<https://www.civilservicepensionscheme.org.uk/about-us/scheme-valuations/>.

For 2023-24 employer's contributions of £88,768 were payable (2023: £86,758) through the CSPS. The applicable rates for the CSPS are shown below:

Gross Salary	Rate %
£77,001 and over	30.3
£45,501 – £77,000	27.9
£23,001 - £45,500	27.1
Up to £23,000	26.6

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

The contribution rates reflect benefits as they are accrued, not when costs are actually incurred, and reflect past experience of the scheme. Pension benefits are provided through the Civil Service pension arrangements in place prior to 30th July 2007, with the unfunded cost of benefits met by monies voted by Parliament each year. Any members affected by the Public Service Pensions Remedy were reported in the 2015 scheme for the period between 1 April 2015 and 31 March 2022 in 2022-23, but are reported in the legacy scheme for the same period in 2023-24. Further details about the Civil Service pension arrangements can be found at the website: www.civilservice.gov.uk/pensions.

Reporting of civil service and other compensation schemes – exit packages

(Comparative data for the prior financial year is shown in brackets)

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	1	- (-)	1
£10,000–£25,000	1	- (-)	1
£25,000–£50,000	- (-)	- (-)	- (-)
£50,000–£75,000	- (-)	- (-)	- (-)
Total number of exit packages	2	- (-)	2
Total resource cost/ £	£17,633	- (-)	£17,633

Redundancy and other departure costs are, where appropriate, paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the department has agreed early retirements, the additional costs are met by the department. Ill-health retirement costs are met by pension scheme and are not included in the table.

Trade Union Facility Time (not subject to audit)

Table 1

Number of employees who were relevant union officials during the relevant period	Full-time equivalent	
	2023-24	2022-23
	1	2

Table 2

Percentage of time	Number of employees	
	2023-24	2022-23
0	-	-
1-50%	1	2
51-99%	-	-
100%	-	-

Table 3

	Figures	
	2023-24	2022-23
Total cost of facility time	£ 233	£ 452
Total pay bill	6,894,000	6,118,000
Percentage of the total pay bill spent on facility time	0%	0%

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Table 4

	Percent	
	2023-24	2022-23
Time spent on paid trade union activities as a percentage of total paid facility time	0%	0%

Other Staff Costs

Further details relating to the Museum's other staff costs can be found in Note 6 to the financial statements.

Volunteers (not subject to audit)

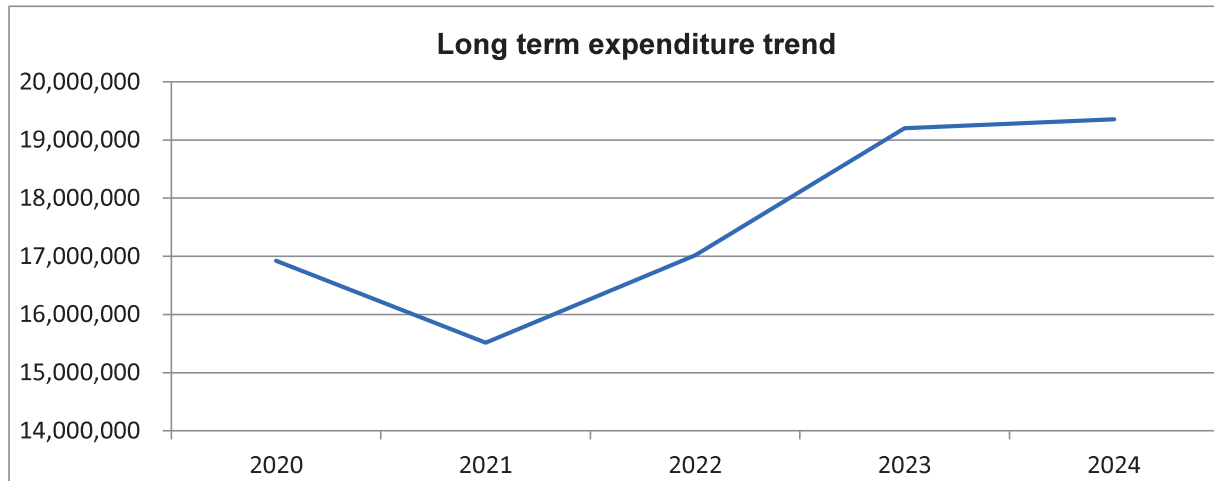
The support of our volunteers is vital to our Museum activities, with a diverse range of people generously giving their time to work alongside our paid staff team in a wide variety of areas, from front-of-house roles interacting with our visitors, to behind-the-scenes work caring for our collection in person or researching funding opportunities online. They contribute their skills, time and enthusiasm, connect with a diverse range of people as part of the RAF Museum family, and help us create meaningful experiences for them as individuals and for our audiences at our London or Midlands sites, or remotely by supporting projects such as RAF Stories. During 2023-24, 386 individuals worked with the Museum in volunteer roles contributing a total of 19,814 hours (2023: 9,543).

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Parliamentary accountability and audit report

All expenditure is regular and has been applied as intended by donors and the Museum's sponsor body. There are no contingent liabilities, gifts, fees, charges or losses and special payments requiring further disclosure that have not been reported elsewhere in these financial statements. This paragraph is subject to audit.

Expenditure trend over the past five financial years is shown below:



Expenditure reduced in 2020-21 due to the impact of the Covid-19 pandemic, with some projects paused, sites closed to the public and staff placed on furlough, and a corresponding decline in trading costs. In 2021-22 spending returned to pre-pandemic levels as both sites reopened during the year, with the Museum's recovery stabilising in the financial year 2022-23, the first full year of trading activity post-pandemic. The financial year 2023-24 has seen the Museum's expenditure at a similar level to prior year. Staff costs have increased over and above the increase in the Museum's grant in aid (which has declined over the period in real terms), and resources have been carefully managed to meet the target of operational breakeven.

Approved by the Board of Trustees on 1 July 2024 and signed 22 July 2024 on its behalf by:

ACM Sir Stephen Hillier GCB CBE DFC
Chair

on behalf of the Board of Trustees

Margaret Appleton MBE
Chief Executive Officer and
Accounting Officer

Royal Air Force Museum

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

The Audit Report of The Comptroller and Auditor General to The Houses of Parliament

Opinion on financial statements

I have audited the financial statements of the Royal Air Force Museum and its Group for the year ended 31 March 2024 under the Charities Act 2011.

The financial statements comprise the Royal Air Force Museum and its Group's:

- Consolidated and Charity Balance sheet as at 31 March 2024
- Consolidated Statement of Financial Activities, Consolidated Cash Flow Statement; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the Royal Air Force Museum and its Group's affairs as at 31 March 2024 and their net income for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been properly prepared in accordance with Charities Act 2011 and the Royal Charter for the Royal Airforce Museum.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the Royal Air Force Museum and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Royal Air Force Museum and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Royal Air Force Museum and its Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Board of Trustees and Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report, but does not include the financial statements nor my auditor's report thereafter. The Board of Trustees and Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury's Government Financial Reporting Manual.

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury's Government Financial Reporting Manual;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Matters on which I report by exception

In the light of the knowledge and understanding of the Royal Air Force Museum and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- Adequate accounting records have not been kept by the Royal Air Force Museum and its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report, subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance

Responsibilities of the Board of Trustees and Accounting Officer for the financial statements

As explained more fully in the Statement of the Board of Trustees' and Chief Executive Officer's Responsibilities, the Board of Trustees and the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Royal Air Force Museum and its Group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- preparing group financial statements, which give a true and fair view, in accordance with Charities Act 2011;
- preparing the Annual Report, which includes the Remuneration and Staff Report and Governance Statement, in accordance with HM Treasury's Government Financial Reporting Manual; and
- assessing the Royal Air Force Museum and its Group'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 Board of Trustees and the Accounting Officer either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with section 151 of the Charities Act 2011.

My 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 a report that includes my 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Royal Air Force Museum and its Group's accounting policies.
- inquired of management, Royal Air Force Museum's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Royal Air Force Museum and its Group's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Royal Air Force Museum and its Group's controls relating to the Royal Air Force Museum's compliance with the Charities Act 2011;
- inquired of management, the Royal Air Force Museum's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team including significant component audit teams regarding how and where fraud might occur in the financial statements and any potential indicators of fraud

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

As a result of these procedures, I considered the opportunities and incentives that may exist within the Royal Air Force Museum and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Royal Air Force Museum and its Group's framework of authority and other legal and regulatory frameworks in which the Royal Air Force Museum and its Group operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Royal Air Force Museum and its Group. The key laws and regulations I considered in this context included The Charities Act 2011, the Royal Charter for the Royal Airforce Museum, employment law and tax legislation.

Audit response to identified risk:

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board of Trustees and internal audit reports;
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- in addressing the risk of fraud in revenue recognition, I assessed the recognition of income in line with the accounting framework and undertook procedures to test the completeness of income.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my 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 my report.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Other auditor's responsibilities:

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Gareth Davies
Comptroller and Auditor General

25 July 2024

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Consolidated Statement of Financial Activities for the year ended 31 March 2024

	Notes	Unrestricted Funds 2024 £000	Restricted Funds 2024 £000	Total Funds 2024 £000	Unrestricted Funds 2023 £000	Restricted Funds 2023 £000	Total Funds 2023 £000
Income from							
Donations and legacies							
Grant in aid		10,657	2,734	13,391	10,346	3,750	14,096
Grants and donations	3	574	2,417	2,991	368	602	970
Charitable activities		162		162	142		142
Other trading activities							
Trading income	4b	4,447	-	4,447	4,305	-	4,305
Fundraising events		-	-	-	5	-	5
Sponsorships		-	74	74	-	120	120
Share of RAF100 Appeal gain	4b	-	-	-	-	1	1
Investments		417	87	504	160	42	202
Other		39		39	9	4	13
Total income		16,296	5,312	21,608	15,335	4,519	19,854
Expenditure on							
Fundraising	5	760	-	760	661	34	695
Trading	4b	3,361	-	3,361	3,159	-	3,159
Charitable activities	5	14,127	1,110	15,237	14,610	737	15,347
Total expenditure		18,248	1,110	19,358	18,430	771	19,201
Net income/(expenditure)		(1,952)	4,202	2,250	(3,095)	3,748	653
Transfers between funds	14	2,043	(2,043)	-	655	(655)	-
Other recognised gains and losses							
Gains/(losses) on revaluation of fixed assets	7a	1,373		1,373	17,095		17,095
Net movement in funds		1,464	2,159	3,623	14,655	3,093	17,748
Reconciliation of funds							
Total funds brought forward at 1 April 2023		125,120	11,659	136,779	110,465	8,566	119,031
Total funds carried forward at 31 March 2024		126,584	13,818	140,402	125,120	11,659	136,779

All of the Group's activities are classed as continuing. All recognised gains and losses are included above.

The notes on pages 54 to 74 form part of these financial statements.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Consolidated and Charity Balance Sheet as at 31 March 2024

	Notes	Group 2024	Group 2023	Charity 2024	Charity 2023
		£000	£000	£000	£000
Fixed assets					
Tangible assets	7a	103,490	103,616	103,490	103,616
Heritage Assets	7b	22,199	21,627	22,199	21,627
Investments	4a	-	-	100	100
Total Fixed Assets		125,689	125,243	125,789	125,343
Current assets					
Stock	8	298	247	-	-
Debtors	9	1,645	1,270	2,718	2,320
Cash at bank and in hand	10	14,320	12,289	13,442	11,097
Total Current Assets		16,263	13,806	16,160	13,417
Liabilities					
Creditors: Amounts falling due within one year	11	1,520	2,230	1,517	1,941
NET CURRENT ASSETS		14,743	11,576	14,643	11,476
Creditors: Amounts falling due after more than one year	11	30	40	30	40
NET ASSETS/LIABILITIES		140,402	136,779	140,402	136,779
The funds of the charity					
Unrestricted funds	14	126,584	125,120	126,514	125,050
Restricted funds	14	13,818	11,659	13,888	11,729
		140,402	136,779	140,402	136,779

The notes on pages 54 to 74 form part of these financial statements.

Approved by the Board of Trustees on 1 July 2024 and signed 22 July 2024 on its behalf by:



Air Chief Marshal Sir Stephen Hillier GCB CBE DFC
Chair
on behalf of Trustees



Ms M Appleton MBE
Chief Executive Officer and Accounting Officer
Royal Air Force Museum

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Consolidated Cash Flow Statement for the year ended 31 March 2024

Reconciliation of net incoming resources to net cash flow from operating activities

	Notes	2024 £000	2023 £000
Net Incoming Resources		2,250	653
Interest receivable		(504)	(202)
Depreciation of tangible assets	7a	3,548	3,635
(Profit)/loss on disposal of assets		124	398
Donated Assets		-	(86)
(Increase) / decrease in stocks	8	(51)	(2)
(Increase) / decrease in debtors	9	(375)	(654)
(Decrease) / increase in creditors	11	(385)	460
Net cash provided by operating activities		4,607	4,202
 Cash flows from investing activities			
Bank interest received		504	202
Purchase of tangible fixed assets	7a	(3,080)	(2,280)
Net cash used in investing activities		(2,576)	(2,078)
Change in cash and cash equivalents		2,031	2,124
Cash and cash equivalents at 1 April 2023		12,289	10,165
Cash and cash equivalents at 31 March 2024		14,320	12,289

The notes on pages 54 to 74 form part of these financial statements.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Notes to the Financial Statements for the year ended 31 March 2024

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with applicable accounting standards, under the historical cost convention as modified by the revaluation of fixed assets.

The financial statements comply with the Statement of Recommended Practice: Accounting and Reporting by Charities SORP 2019 (FRS 102) and with the Government Financial Reporting Manual.

Basis of consolidation

Consolidated financial statements have been prepared for the year ended 31 March 2024 in respect of the charity and its wholly owned subsidiaries, Royal Air Force Museum Enterprises Ltd and The Royal Air Force Museum Investments Limited, using the acquisition method of accounting. Intra group transactions and profits are eliminated fully on consolidation.

The Royal Air Force Museum Investments Limited was formed to hold the real property assets of the charity on behalf of the Trustees. In March 2005, the Cosford and Stafford leasehold property was transferred to this company from the charity, followed by the London (Hendon) freehold property in January 2008. However, while the legal ownership remains with the company, in substance the RAF Museum retains the risks and rewards associated with these assets. In accordance with FRS 102 the RAF Museum has recognised these assets in the balance sheet.

Going concern

The Trustees have presented the accounts on a going concern basis. This assumes that the Museum is able to meet its liabilities as they fall due for the foreseeable future and that current and future funding will be adequate for the charity's needs. We have considered a period of twelve months from the date of approval of the financial statements in accordance with accounting conventions.

In coming to their conclusion, the Trustees have considered monthly forecast levels of income and expenditure and underlying assumptions. The over-riding assumption is that the funding from the MOD continues at a similar level for the foreseeable future having carefully considered the forecasts and assumptions the Trustees are content to present the accounts on this basis.

Income

Grant in Aid is recognised in the year to which it relates. Grants and donations are recognised once the Museum can demonstrate that SORP 2019 recognition criteria of measurement, entitlement and probability have been met. Donations in the form of legacies are recognised when it is probable that the legacy will be received and its value can be measured reliably. Earned income is accounted for as it is receivable. Donations in kind are recognised at their fair value, with an equivalent charge made to resources expended. Sponsorships are recognised in line with the sponsorship period. Gains and losses on investments are recognised in the period in which they arise. Income from commercial activities, including Gift Aid from the trading company, is included in the year in which the related goods or services are provided.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Expenditure

Resources expended are included in the statement of financial activities on an accruals basis, inclusive of any irrecoverable VAT. Expenditure is classified in the Statement of Financial Activities under the principal categories of raising funds and charitable activities.

Resources expended comprise direct expenditure including direct staff costs attributable to the activity. Where costs cannot be directly attributed, they are allocated to activities according to the method described in note 5.

Termination payments

Termination payments are payable when employment is terminated before the normal retirement date or end of employment contract. In line with the FReM, they are recognised when the employment ends.

Fund accounting

Unrestricted funds (including designated funds) are donations or other incoming resources received or generated for the charity's general purposes. The general fund comprises the accumulated surpluses of unrestricted incoming resources, which are available for use in furtherance of the general objectives of the charity. The fixed asset fund represents the value of the charity's fixed assets. The revaluation reserve represents the increase in value of the charity's assets through either indexation or professional revaluation.

Designated funds are a particular form of unrestricted funds consisting of amounts which have been allocated or designated for specific purposes by the Trustees. The use of designated funds remains at the discretion of the Trustees.

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overhead costs.

Tangible fixed assets

The charity's tangible fixed assets are capitalised at cost on acquisition and revalued annually using the most appropriate indices calculated by Defence Economics and Valuation Office Agency for the relevant class of asset. Fixed assets with a cost of less than £2,500 are not capitalised. Any gains or losses on revaluation are reported as unrealised until an asset is disposed. The freehold and leasehold properties comprising the RAF Museum estate are independently valued every five years. The most recent such valuation was undertaken as at 31 March 2023. Further detail is provided in Note 7a. On 1 April 2016 the Museum took ownership of assets held by Royal Air Force Museum Enterprises Ltd. The Museum levies a charge on RAFMEL for the use of these assets. Depreciation is provided straight line at rates calculated to write off the value of each asset over its expected useful life, as follows:

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Freehold buildings 5 to 75 years (structure, fit-out, and mechanical and electrical services)
Leasehold property over the lease term
Permanent exhibitions 5 to 10 years
Fixtures, fittings and equipment 3 to 5 years
Plant and machinery 5 years
Simulators 15 years
Motor vehicles 4 years

Assets in the course of construction are not depreciated or revalued until brought into use.

Impairment

The RAF Museum assesses whether there is any indication of impairment for all fixed assets at the balance sheet date. A fixed asset is considered to be impaired if the recoverable amount of the asset has fallen below its carrying amount on the balance sheet, as a result of damage, deterioration poor performance or external factors affecting its value.

If any indication of impairment exists, the Museum shall estimate the recoverable amount of the asset, determined as the higher of its fair value less costs to sell the asset and its value in use. The method of estimation used shall be that deemed most suitable for the type of asset. Where there is objective evidence that an impairment loss exists, an impairment charge will be made to the Revaluation Reserve to reduce the carrying value of the asset to the estimated recoverable amount. Where there are no historical revaluations in a revaluation reserve, impairment losses are charged through the Statement of Financial Activities.

Exhibition costs

Long term exhibition equipment is capitalised as a fixed asset under fixtures and fittings. Temporary exhibition costs are written off as resources expended in the year they are incurred.

Heritage assets

The Museum has approved policies for Collections Development and our management of Heritage Assets. Our key collections policies and further information on the acquisition, safeguarding and disposal of Heritage Assets can be found on the RAF Museum Website, following the link:

<https://www.rafmuseum.org.uk/research/default/acquisitions-and-disposals/>

Any other collections-related policies can be made available on request.

The Museum has been consistently reviewing and recording all the heritage assets on its database for several years now and the collection can be divided between the accessioned collection (objects that have been formally acquired and accepted into the Permanent Collection), and the un-accessioned collection (long-term deposited objects which have yet to be assigned a status, catalogued, or passed through the Collections Review process). Un-accessioned objects, the majority of which are aircraft technical drawings and library objects, represent two thirds of the accumulated objects held by the Museum.

Heritage assets valued over the capitalisation threshold which have been accessioned into the collection on or after 1 April 2001 have been capitalised but not revalued or depreciated. Heritage assets are accounted for as a distinct category of fixed asset with indefinite life and

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

are therefore not depreciated. If available, valuation is based on acquisition costs increased by restoration costs (if applicable). The Museum's response to the introduction of FRS 30 effective 1 April 2010 was to deploy internal resources to the task of valuation in respect of those assets acquired before 1 April 2001, and which represent a materially significant part of the accessioned collection. Given the diverse nature of the collection, the unique nature of some items and also taking into account changing market conditions, the resulting valuations represent indicative estimates. The valuations of the most significant items acquired pre-2001 were added to the total value of heritage assets as at 31 March 2011. The heritage assets will not be re-valued in future periods; however, impairment reviews will be carried out by the Museum on a needs basis if any changes have been noted by our Collections team during their assessments.

For donated assets, in most cases valuations are based on internal estimates determined by the relevant curator's experience and judgement, as an accurate figure is very difficult to establish. In some cases (e.g. a significant painting), a dealer may be sometimes consulted for advice.

Investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value. Those held as current assets are stated at their market value. Term deposits of less than one year are classified as investments within current assets.

Investments in joint ventures are accounted for using the equity method, with the carrying amount measured as the Museum's initial investment plus its share of the joint venture's profit or loss.

Dividends are recognised on the Statement of Financial Activities when received. The distribution received from the Museum's partnership in the RAF100 joint venture has been accounted for using the equity method in accordance with FRS 102.

Leased assets and obligations

Assets held under finance leases, where the lease terms give rights approximating to ownership, are capitalised with an equivalent liability recognised under creditors due within one and after one year as appropriate. Rentals payable under operating leases are charged to resources expended as they are incurred.

Stock

Stock is valued at the lower of cost and net realisable value. Specific provision is made for obsolete and slow-moving items.

Financial instruments

The Museum's financial assets and liabilities consist of cash and cash equivalents, short term investments, trade debtors, trade creditors and accrued expenses. The fair value of these items approximates their carrying value due to their short-term value. Unless otherwise noted, the Museum is not exposed to significant interest, foreign exchange or credit risks arising from these instruments.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Pensions

From May 2014 the Museum has automatically enrolled all employees into a National Employment Savings Trust (NEST) pension scheme unless the employees choose to opt out. The NEST pension scheme is a defined contribution pension scheme that was created as part of the government's workplace pensions reform under the Pensions Act 2008. The assets of the scheme are held separately from those of the Museum and the Museum is unable to identify its share of the liability. Employer's contributions are charged to the Statement of Financial Activities as they occur.

Pension benefits for a small number of longer serving staff are provided through the Civil Service pension arrangements, which provide benefits based on final pensionable pay. Employer's contributions are charged to the Statement of Financial Activities as they occur. The assets of the scheme are held separately from those of the charity and the Museum is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation is carried out periodically. Details can be found in the resource accounts for these schemes, which are published and laid before the House of Commons.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

2. TAXATION

All of the charity's income is applied for charitable purposes and therefore the charity is exempt from Corporation Tax. The Corporation Tax liability of the trading subsidiary for the year ended 31 March 2024 was £nil (2023: £nil).

3. GRANTS AND DONATIONS

	Unrestricted Funds 2024 £000	Restricted Funds 2024 £000	Total Funds 2024 £000	Unrestricted Funds 2023 £000	Restricted Funds 2023 £000	Total Funds 2023 £000
Donated Heritage Assets	-	-	-	-	86	86
Bomber Command Association	-	-	-	-	80	80
STAAR Programme	-	122	122	-	136	136
RAFMAF	-	78	78	-	244	244
Legacies	251	-	251	73	-	73
John Mars donation	-	1,144	1,144	-	-	-
National Heritage Memorial Fund	-	470	470	-	-	-
National Lottery Heritage Fund	-	396	396	-	-	-
Swire Foundation	-	25	25	-	-	-
Other - Individual Donations	323	182	505	295	56	351
	574	2,417	2,991	368	602	970

4a. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

The investment of £100,000 (2023: £100,000), represents the charity's interest in 100% of the issued share capital and retained loss of Royal Air Force Museum Enterprises Limited (company number 1511481) which is incorporated in England and Wales and operates souvenir shops, car parking and other trading activities at Hendon and Cosford. The company's aggregate capital and reserves were as follows:

Royal Air Force Museum Enterprises Limited

	2024 £000	2023 £000
The assets and liabilities of the subsidiary were:		
Current assets	1,487	2,068
Creditors: amounts falling due within one year	(1,387)	(1,968)
	100	100
	2024 £000	2023 £000
At 1 April 2023	100	100
Profit/(Loss) retained in subsidiary	-	-
At 31 March 2024	100	100

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

A summary of the Company's trading results is shown overleaf. Audited accounts will be filed with the Registrar of Companies.

The remaining £2 represents the charity's interest on 100% of the issued share capital of The Royal Air Force Investments Limited (company number 4026995), which is incorporated in England and Wales and holds the real property assets of the charity for administrative purposes.

The Directors of RAF Museum Enterprises Limited, having considered monthly forecast levels of income and expenditure and the underlying assumptions, have assessed that the subsidiary is a going concern and the Trustees are content, therefore, that the investment in the subsidiary retains its value.

4b. INCOME FROM SUBSIDIARY UNDERTAKINGS

Royal Air Force Museum Enterprises Limited

	2024	2023
	£000	£000
Turnover and other income	4,636	5,057
Cost of sales, administrative expenses and taxation.	(3,468)	(4,337)
	1,168	720
Interest receivable	10	4
Net Profit/(Loss)	1,178	724
Gift Aid to RAF Museum	(1,178)	(724)
Surplus/(Deficit) in subsidiary	-	-

The turnover and cost of sales include £108k (2023: £752k) received from the Museum and £27k (2023: £1,178k) paid to the Museum under exhibition production agreements. These amounts have been eliminated in the consolidated results.

5. Resources expended

As required by the charity SORP, expenditure is analysed between that directly attributable to activities and support costs. These support costs are allocated to activities based on the criteria outlined below.

	Direct costs	Support costs	Depreciation	Total
	£000	£000	£000	2024
				£000
Fundraising	629	129	2	760
Trading	3,361	-	-	3,361
Charitable activities	9,230	3,110	2,897	15,237
Other	-	-	-	-
	13,220	3,239	2,899	19,358

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

	Fundraising	Trading	Charitable Activities	Other	Total 2024	Allocation method
	£000	£000	£000	£000	£000	
Finance	19	-	261	-	280	Expenditure
IT	40	-	794	-	834	Number of staff
HR	18	-	353	-	371	Number of staff
Estates	-	-	257	-	257	Floor space
Administration	52	-	706	-	758	Expenditure
Governance	-	-	739	-	739	Expenditure
	129	-	3,110	-	3,239	

The National Audit Office audit fee of £41,000 (2023: £39,850) is included within governance costs. Charitable activities costs includes a one-off rebate of £845,000 further to a successful challenge to the 2017 business rates valuation for the period 2017 to 2023

Prior year analysis

	Direct costs	Support costs	Depreciation	Total 2023
	£000	£000	£000	£000
Fundraising	582	110	3	695
Trading	3,159	-	-	3,159
Charitable activities	8,879	3,027	3,441	15,347
	12,620	3,137	3,444	19,201

	Fundraising	Trading	Charitable Activities	Other	Total 2023	Allocation method
	£000	£000	£000	£000	£000	
Finance	15	-	232	-	247	Expenditure
IT	39	-	766	-	805	Number of staff
HR	19	-	368	-	387	Number of staff
Estates	-	-	226	-	226	Floor space
Administration	37	-	583	-	620	Expenditure
Governance	-	-	852	-	852	Expenditure
	110	-	3,027	-	3,137	

6. STAFF COSTS AND NUMBERS

	2024	2023
	£000	£000
Salaries and wages	5,932	5,212
Temporary agency staff	-	12
Social security costs	600	566
Pension costs	362	328
	6,894	6,118

The above costs exclude the trading subsidiary.

The average number of employees in the Museum during the year was 203 (2023: 202). FTE equivalent was 181 (2023: 180).

Employees whose emoluments amounted to over £60,000.

	2024	2023
£60,001 - £80,000	4	-
£80,001 - £90,000	-	3
£90,001 - £100,000	3	1
£100,001 - £110,000	-	-
£110,001 - £120,000	1	-

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

7a. TANGIBLE FIXED ASSETS - GROUP AND CHARITY

	Freehold property £000	Leasehold Property £000	Permanent Exhibitions £000	Fixtures, Fittings & Equipment £000	Plant, Machinery & Vehicles £000	Assets under Construction £000	Heritage Assets £000	Total £000
At 1 April 2023	81,676	16,358	6,367	3,398	773	1,556	21,627	131,755
Additions	70	29	468	364	-	1,118	696	2,745
Transfers	1812	0	862	-	-	(2,674)	-	-
Disposals	-	-	-	-	-	-	(124)	(124)
Revaluations	700	474	298	35	16	-	-	1,523
At 31 March 2024	84,258	16,861	7,995	3,797	789	-	22,199	135,899
Depreciation								
At 1 April 2023	-	-	3,252	2,646	614	-	-	6,512
Charged in the year	1,551	812	753	403	29	-	-	3,548
Disposals	-	-	-	-	-	-	-	-
Revaluations	-	-	135	11	4	-	-	150
At 31 March 2024	1,551	812	4,140	3,060	647	-	-	10,210
Net Book Value								
At 31 March 2024	82,707	16,049	3,855	737	142	-	22,199	125,689
At 1 April 2023	81,676	16,358	3,115	752	159	1,556	21,627	125,243

7b. HERITAGE ASSETS

The number of Heritage Assets which the Museum acquires through donations means that the total book value of Heritage Assets is a mixture of cost (for purchased exhibits) and valuation at the point of donation (for donated exhibits), and includes a historic valuation of a materially significant part of the collection. Heritage assets which have been accessioned into the collection on or after 1 April 2001 are not revalued, as such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the Museum. At 31 March 2024 the book value comprised:

	2024	2023
	£000	£000
Heritage Assets recorded at cost	3,485	2,789
Heritage Assets recorded at valuation	18,714	18,838
Total book value of Heritage Assets	22,199	21,627

A summary of the nature and scope of the collection is as follows

	2024	2023
	£000	£000
Aircraft and Aircraft Parts	17,354	17,478
Medals and Commemorative items	2,341	1,645
Artwork	1,067	1,067
Archives	889	889
Vehicles and Marine Craft	319	319
Models	84	84
Other	145	145
Total	22,199	21,627

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Summary of Heritage Asset Acquisitions and Disposals over the last five years

	31.03.20	31.03.21	31.03.22	31.03.23	31.03.24
	£000	£000	£000	£000	£000
Book Value Brought Forward	21,625	21,785	21,790	21,846	21,627
Add Acquisitions					
Purchased at cost	160	-	16	90	696
Donated at valuation	-	5	40	86	
Total Acquisitions	160	5	56	176	696
Revaluations	-	-	-	-	-
Disposals	-	-	-	(395)	(124)
Book Value Carried Forward	21,785	21,790	21,846	21,627	22,199

8. STOCK

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Goods for resale	298	247	-	-

9. DEBTORS

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Trade debtors	82	72	28	26
Amounts due from subsidiary undertaking	-	-	-	930
Other debtors	1,173	892	1,166	380
Prepayments and accrued income	390	306	321	235
Gift Aid from the subsidiary		-	1,203	749
	1,645	1,270	2,718	2,320

10. CASH AT BANK AND IN HAND

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Commercial bank accounts	14,309	12,277	13,440	11,094
Cash in hand	11	12	2	3
	14,320	12,289	13,442	11,097

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

11. CREDITORS

	Group		Charity	
	2024 £000	2023 £000	2024 £000	2023 £000
Amounts falling due within one year				
Trade creditors	642	1,180	562	1,059
Taxation and social security	244	143	141	130
Amounts due to subsidiary undertaking	-	-	273	-
Other creditors	73	33	67	33
Accruals and deferred income	561	874	474	719
	1,520	2,230	1,517	1,941
Amounts falling after more than one year				
Accruals and deferred income	30	40	30	40
	30	40	30	40

12. RECONCILIATION OF GROUP NET CASH FLOW TO MOVEMENT IN GROUP NET CASH FUNDS

	2024 £000	2023 £000
Increase/(decrease) in cash in period	2,031	2,124
Cash inflow from investment dividends	-	-
Change in net funds resulting from cash flow	2,031	2,124
Change in market value of liquid resources (Realised Profit)	-	-
Net funds at 1 April 2023	12,289	10,165
Net funds at 31 March 2024	14,320	12,289

13. ANALYSIS OF GROUP NET FUNDS

	1 April 2023 £000	Cashflow £000	31 March 2024 £000
Cash at bank and in hand (See note 11)	12,289	2,031	14,320
	12,289	2,031	14,320

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

14. STATEMENT OF GROUP FUNDS

Analysis of group net assets between funds

	Unrestricted funds £000	Restricted funds £000	Total funds 2024 £000	Unrestricted funds £000	Restricted funds £000	Total funds 2023 £000
Tangible fixed assets	117,228	8,461	125,689	117,478	7,765	125,243
Investments in joint ventures	-	-	-	-	-	-
Cash at bank and in hand	8,963	5,357	14,320	8,395	3,894	12,289
Other net current assets	393	30	423	(753)	40	(713)
Net non current assets	-	(30)	(30)	-	(40)	(40)
Total assets less liabilities	126,584	13,818	140,402	125,120	11,659	136,779
Net assets	126,584	13,818	140,402	125,120	11,659	136,779

Analysis of funds

	2023 £000	Income £000	Expenditure £000	Revaluation £000	Transfers £000	2024 £000
Restricted funds						
Fixed assets	7,765	-	-	-	696	8,461
RAF Centenary Programme	992	96	(19)	-	(9)	1,060
RAF Museum Midlands	641	1,681	(758)	-	-	1,564
Watchtower	64	1	(65)	-	-	-
STAAR	49	126	(142)	-	-	33
Hidden Heroes	95	2	(10)	-	(32)	55
RAFMAF Learning Fund	55	1	-	-	-	56
RAF Museum Resilience Rese	-	2,000	-	-	-	2,000
Restricted Grant in Aid	1,911	777	(116)	-	(2,002)	570
Other	87	628	-	-	(696)	19
Total Restricted Funds	11,659	5,312	(1,110)	-	(2,043)	13,818

	2023 £000	Income £000	Expenditure £000	Revaluation £000	Transfers £000	2024 £000
Unrestricted funds						
Fixed assets	52,861	-	(3,667)	-	2,043	51,237
Revaluation reserve	64,617	-	-	1,373	-	65,990
General	2,114	16,296	(14,513)	-	(1,631)	2,266

Designated funds

Strategy 2030 Fund	4	-	(68)	-	1,631	1,567
RAF Museum Midlands	4,424	-	-	-	-	4,424
RAF Museum Midlands Match	1,100	-	-	-	-	1,100

Total Unrestricted Funds	125,120	16,296	(18,248)	1,373	2,043	126,584
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Total Funds	136,779	21,608	(19,358)	1,373	0	140,402
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ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

Restricted funds

Restricted income funds consist of a number of funds where the donors have specified the uses to which they may be put.

Fixed Assets - a significant proportion of these funds represents the capitalised value of restricted and inalienable fixed assets. This also includes the restricted element of the heritage assets.

RAF Centenary Programme - various grants and donations towards delivery of activities and capital works designed to connect people to the RAF story, and reimagine the London and Midlands sites.

RAF Museum Midlands - all donations and grants received to support the programme of activities and capital works at the Midlands site have been grouped together as a single fund supporting the Inspiring Everyone: RAF Museum Midlands Development Programme. This includes the following funds disclosed separately in previous years based on funding source rather than programme of activity - Cosford Air Show, Cosford Large Model Aircraft Association and Cosford Sprinklers funds.

Watchtower - funds from St George Property Developers to cover the running costs of the Grahame White Factory (London Hangar 2).

STAAR - a grant from Northrup Grumman to fund the Summer Time Advanced Aeronautics Residential (STAAR) STEM programme.

Hidden Heroes - funds received from the Chelsea Foundation (prior to the Ukraine crisis; Trustees agreed to decline any further donations) to highlight the diversity of RAF stories.

RAFMAF Learning Fund - grants from RAF Museum American Foundation to support Access and Learning activities.

Restricted Resilience Reserve Fund - to protect the RAF Museum from a future financial shock (which could include, but is not limited to, unavoidable closure, irreparable infrastructure failure, major cyber-attack) and provide funds for critical 'invest to save projects' that further support the Museum's resilience.

Restricted Grant in Aid - grants from the Ministry of Defence to fund specific capital work and recovery from the Covid pandemic.

Other Restricted Funds - movement in year relates to the Arthur Scarf VC donation campaign. The Museum also has several small restricted funds for use on specific short-term projects most of which complete within the space of twelve months.

Unrestricted funds

Fixed Assets - a significant proportion of these funds represents the capitalised value of inalienable fixed assets, including unrestricted heritage assets.

General Funds - these are funds not associated with fixed assets that are expendable at the discretion of Trustees.

Unrestricted designated funds

These are funds that Trustees have set aside for a specific purpose.

Strategy 2030 Fund - supports delivery of the Museum's key strategic priorities in the future including planning for future capital development at both sites; ensuring the sustainability of the estate; focus on the recording of contemporary stories of RAF men and women; and development of the Museum's collection through new acquisitions.

RAF Museum Midlands Fund and the RAF Museum Midlands Match Fund - supports the Inspiring Everyone: Midlands Development Programme. This programme of engagement activities and capital investment will continue our focus on immersive RAF storytelling and support our ambition to encourage reflection and debate across our spaces and programmes, including delivery of a new Collections Hub, Exhibition and Learning Centre.

Transfers

Generally, transfers between funds represent the capitalisation of fixed assets.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

15. COMMITMENTS

	Group or charity	
	2024	2023
	£000	£000
Operating lease commitments due:		
Plant and machinery:		
within one year	10	32
in the second to fifth years	5	21
Land and Buildings:		
within one year	530	530
in the second to fifth years	1,565	1,750
after five years	3,452	3,797
	5,562	6,130

The Museum paid £563k under operating lease arrangements in the year to 31 March 2024 (2023: £562k).

Capital Commitments

As at 31 March 2024, the Museum had a £90k final payment outstanding related to the £1.8M glazing contract at the London site (2023 £1.25M). This project was fully funded by restricted Grant in Aid.

16. RELATED PARTIES

Related parties with which the Museum had transactions during the year or balances at the year end were as follows:

Royal Air Force Museum Enterprises Ltd

The relationship of the Museum to the company is disclosed in Note 4. The balance of £0 due from the company at the year end (2023: £930k) in relation to production agreements and overhead charges and the balance of £1,203k Gift Aid payable (2023: £749k) are disclosed in Note 9. The balance of £273k due to the company at the year end (2023:£0) is disclosed in Note 12.

The Royal Air Force Museum Investments Limited

The company was formed to hold, on behalf of the Trustees, the real property assets of the charity and thus minimise the administrative burden whenever a change in Trustees takes place. The leasehold property was transferred to this company from the charity in March 2005 and the freehold property in January 2008.

Ministry of Defence

The Royal Air Force Museum is a Non-Departmental Public Body, sponsored by the Ministry of Defence (the MOD). The MOD is regarded as the related party. Grant in Aid funding from the MOD is separately disclosed in the Statement of Financial Activities.

The Trustees' involvement with RAF Museum Enterprises Ltd and RAF Museum Investments Ltd is disclosed in the Governance statement on page 33.

17. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 March 2024 (2023: Nil).

18. POST BALANCE SHEET EVENTS

The annual report and financial statements were authorised for issue by the Accounting Officer on the date that the audit certificate was signed by the Comptroller and Auditor General.

There were no other post balance sheet events.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

19. SINGLE ENTITY STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds 2024 £000	Restricted Funds 2024 £000	Total Funds 2024 £000	Unrestricted Funds 2023 £000	Restricted Funds 2023 £000	Total Funds 2023 £000
Income from						
Donations and legacies						
Grant in aid	10,657	2,734	13,391	10,346	3,750	14,096
Grants and donations	574	2,417	2,991	368	602	970
Charitable activities	162	-	162	142	-	142
Other trading activities						
Fundraising events	-	-	-	5	-	5
Sponsorships	-	74	74	-	120	120
Share of RAF100 Appeal gain	-	-	-	-	1	1
Investments	407	87	494	160	42	202
Other	1,782	-	1,782	1,849	4	1,853
Total income	<u>13,582</u>	<u>5,312</u>	<u>18,894</u>	<u>12,870</u>	<u>4,519</u>	<u>17,389</u>
Expenditure on						
Fundraising	771	-	771	672	34	706
Charitable activities	14,763	1,110	15,873	15,293	737	16,030
Other	-	-	-	-	-	-
Total expenditure	<u>15,534</u>	<u>1,110</u>	<u>16,644</u>	<u>15,965</u>	<u>771</u>	<u>16,736</u>
Net gains/(losses) on investments	-	-	-	-	-	-
Net income/(expenditure)	<u>(1,952)</u>	<u>4,202</u>	<u>2,250</u>	<u>(3,095)</u>	<u>3,748</u>	<u>653</u>
Transfers between funds	2,043	(2,043)	-	655	(655)	-
Other recognised gains and losses						
Gains/(losses) on revaluation of fixed assets	1,373	-	1,373	17,095	-	17,095
Net movement in funds	<u>1,464</u>	<u>2,159</u>	<u>3,623</u>	<u>14,655</u>	<u>3,093</u>	<u>17,748</u>
Reconciliation of funds						
Total funds brought forward at 1 April 2023	125,050	11,729	136,779	110,395	8,636	119,031
Total funds carried forward at 31 March 2024	<u>126,514</u>	<u>13,888</u>	<u>140,402</u>	<u>125,050</u>	<u>11,729</u>	<u>136,779</u>

All of the Museum's activities are classed as continuing. All recognised gains and losses are included above.

ROYAL AIR FORCE MUSEUM ACCOUNT 2023-24

ISBN:978-1-915287-45-8

ROYAL AIR FORCE MUSEUM

England & Wales - Charity number 1197541

Accounts



Royal Air Force Museum Account 2022-23

Royal Air Force Museum Account 2022-23

Presented to Parliament pursuant to the RAF Museum Framework Agreement and under Royal Charter

Ordered by the House of Commons to be printed on 18 July 2023

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

CONTENTS

	Page
Annual Report	
Administrative Information	1
Charitable Aims and Activities	2
Performance Report	
Overview	9
Performance Analysis	19
Financial Review	21
Accountability Report	
Corporate Governance Report	29
Chief Executive Officer's report and governance statement	30
Statement of the Board of Trustees' and Chief Executive Officer's Responsibilities	37
Remuneration and Staff Report	38
Parliamentary accountability and audit report	43
The Certificate and Report of the Comptroller and Auditor General	44
Financial Statements	
Consolidated Statement of Financial Activities	50
Consolidated and Charity Balance Sheet	51
Consolidated Cash Flow Statement	52
Notes to the Financial Statements	53

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

ADMINISTRATIVE INFORMATION

Address of the charity Royal Air Force Museum
Grahame Park Way
Hendon
London
NW9 5LL

Registered charity number 1197541

Names and addresses of other relevant organisations

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ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

CHARITABLE AIMS AND ACTIVITIES

Our Purpose

The Royal Air Force has shaped our nation and our society. It has influenced how we live our lives today through its impact on world events, society and technology. The purpose of the Royal Air Force (RAF) Museum is to share the story of the Royal Air Force, past, present and future – using the stories of its people and our collections to engage, inspire, entertain and encourage learning.

The RAF Museum was established as a legacy of the RAF's fiftieth anniversary in 1968, opening our London (Hendon) site in 1972 on the historic pioneering airfield in Colindale (previously RAF Hendon, and home of the London Aerodrome from 1910). Our Midlands site began as the Aerospace Museum at RAF Cosford (established in 1938 as a joint aircraft maintenance, storage and technical training site for the Ministry of Defence) in the spring of 1974 and joined the family in 1979. It was renamed RAF Museum Cosford in 1998, and more recently in March 2022 as RAF Museum Midlands. The Museum also has two external stores, one in Stafford and another within RAF Cosford.

For over a hundred years the RAF has defended the skies of Britain. The RAF's mission is to defend the UK, to attack if required, to provide reconnaissance and intelligence, to support in times of humanitarian crisis and to move people and equipment across the world quickly. The RAF provides the UK Government with choices in a rapidly changing world through its extraordinary people, innovative technologies, global alliances and partnerships with industry.

The RAF is woven into our history, from its formation during the First World War to the vital role it performs today as the nation's first line of defence. These are stories of people. And whether they are stories of technical and engineering innovation, of values and camaraderie, or of courage against all odds, there is connection and relevance for each and every one of us that the Museum harnesses for learning and inspiration.

Governance

The RAF Museum is a National Museum, a Government non-departmental public body (NDPB) and a registered charity. The Museum is the National Museum of the Royal Air Force, unique in its size and scope, and officially recognised as such. The Museum works closely with the Royal Air Force, its sponsor organisation at the Ministry of Defence, including liaison with the Air Historical Branch, RAF Heritage and RAF Engagement. HRH Prince Philip, The Duke of Edinburgh, was Patron of the Museum from its inception in 1968 until his death in April 2021.

During the year 2021-22, Her Late Majesty Queen Elizabeth II honoured the Museum by granting our petition for a Royal Charter, creating a new legal entity on 17 December 2021, which was registered with the Charity Commission on 17 January 2022. Only prestigious institutions considered to be pre-eminent leaders in their field, and able to demonstrate permanence, are eligible to be considered, and the Museum is grateful for the full support of the RAF and Ministry of Defence in making our petition. The granting of a Charter not only provides an appropriate governance structure to underpin the Museum's financial health and sustainability (affording the benefits of a company limited by guarantee but with the added

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

reputational gravitas that Charter status brings), it also affirms the national importance of the Museum and our collective vision of inspiring everyone with the RAF story.

A Transfer Deed was signed by the Trustees of the Royal Air Force Museum, acknowledging that the Museum can be more conveniently and efficiently managed and operated by an incorporated charity, and thereby transferring all operations, assets and liabilities of the unincorporated charity to a new incorporated charity of the same name with Royal Charter status effective 1 April 2022.

Charitable Objects

The formal objects of the charity are to educate and inform the public and members of the Royal Air Force about:

- The history and traditions of the Royal Air Force; and
- The role of the Royal Air Force in relation to the armed forces of the realm, other air forces and aviation generally.

In particular, but not exclusively, this will be achieved by collecting, conserving, preserving, managing, exhibiting and storing documents, items, artefacts and other materials in the collection, and encouraging research and sharing of information.

The RAF Museum was registered as a charity (Registered Charity Number 244708) in 1968 and to 31 March 2022 was governed in accordance with a Scheme of the Charity Commission dated 4 June 2007 which replaced the former trusts of the Museum. From 1 April 2022, the new incorporated charity with Royal Charter status (RC000922, Registered Charity Number 1197541) is governed in accordance with its Charter and Bye-laws to deliver the same charitable objects

Our Activities

The RAF Museum's vision is 'inspiring **everyone** with the RAF story – the people who shape it and its place in our lives'. We are committed to using our collections to share the story of the Royal Air Force and its people. Entry to the Museum is free to the public and the Museum normally welcomes almost one million visitors a year across its two sister sites, and alongside this undertakes impactful learning activities with children and young people, both formally and informally. As an educational charity, whether visitors are engaging with our displays, taking part in discussion and debate, studying our archive, holding a corporate event in our spaces, having fun at events and in our playgrounds, or enjoying a rest in our cafés, there are opportunities for inspiration from the incredible RAF story in every pore of our Museum.

2018 marked the Centenary of the Royal Air Force and in June 2018, we opened a major transformation at our London site, enabling the Museum to bring an additional 500 objects from our stores to share with our visitors – most of which had never been displayed before. Across both Cosford and London, we had our most successful year (2018-19) since the Museum's formation, welcoming a total of 989,600 people, a 39% increase.

During the course of our previous strategic plan, the Museum concentrated its efforts on being outward focused and people centred, exploring the history of the RAF over its hundred-year

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

history through its people and ensuring that our collection is relevant, shared and well cared for. Since the 2018 RAF Centenary, our reach has broadened and diversified significantly, and the partnerships and friendships developed over recent years give us a firm and inspiring foundation to build on for the next chapter of the Museum's history.

Our current strategic plan 'Strategy 2030' sets out an ambitious vision for the future, shaped and shared by our Trustees, staff team (employees and volunteers) and key partners, and which continues to guide the Museum during a complex period of our history, with climate change and an unstable international environment, and ever-present threats to our way of life. We have much to do, but we look forward with confidence and clarity.

Our aim is to deepen further our focus on immersive RAF storytelling and be more ambitious in encouraging reflection and debate across our spaces and programmes, as well as welcoming all our visitors for a great day out. We are committed to engaging more people and, equally important, a more diverse range of people by ensuring that our governance, our teams, our collection and our storytelling are better reflective of the changing national population.

Both our sites continue to require significant investment to appropriately care for our unique collection and to reach wider audiences. Our priority project is the RAF Museum Midlands Development Programme 'Inspiring Everyone' which forms the first major step of a twenty-five year Master Plan for our Cosford site, while we continue to make significant improvements at London.

The Museum's Midlands Development Programme of engagement and capital investment will continue these ambitions and transform our Museum and our impact through a series of phased projects – engaging audiences who may not obviously identify with the RAF story by finding common interests and histories which link them.

The £27M Programme was launched in March 2022. In February 2023, we entered a two-year Development Phase, supported by the National Lottery Heritage Fund (NLHF), to shape detailed plans for the Delivery Phase, with the public opening scheduled for mid-2027. The programme delivers four key changes underpinned and overlaid by a deep engagement programme with co-production and sustainability at its heart.

- An innovative nationally relevant Exhibition focusing on the critical role of the RAF over the past 40 years and into the future, inviting visitors to discover its mission today and in the future in air, space and cyberspace.
- A new Learning Centre providing bespoke facilities dedicated to the development and delivery of lifelong learning programmes.
- A new Collections Hub enabling us to care for and open up our stored collections through engagement in skills sharing, research and creative activities.
- Improvements to our Outdoor Spaces including areas for learning, discovery and contemplation set in a woodland landscape and new public realm.

These changes combine to provide transformational improvements in:

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

- Collection Scope: The new exhibition will extend our focus on contemporary and future RAF, including the space and cyberspace domains, with immersive-themed exhibitions.
- Collection Breadth: The Collections Hub will enable greater access to our rich and fascinating collection of smaller objects, welcoming visitors in and providing a springboard out to our communities.
- Collection Engagement: Working in partnership with our communities and stakeholders, we shall develop new, creative avenues of engagement, improving physical and emotional accessibility through combining history, context and personal experiences that are relevant to today's audiences.
- Education Scope: The expanded collection scope offers a focus and support for new STEM opportunities in Space and Cyberspace.
- Education Capacity: The Learning Centre will enable a much-needed 25% increase in our schools' capacity, where we are currently fully-booked.
- Education Engagement: The Learning Centre, adjacent to and permeable with the new exhibition, will enable deeper engagement relevant for today's learners of all ages

We will continue to develop and nurture meaningful partnerships and invest our funding strategically, recognising the importance of museums and culture to the social wellbeing and economic prosperity of our communities.

Meanwhile, we shall continue to build and sustain the foundations we need in terms of collections care and management, our estate, and our IT and digital infrastructure. Our team is vital to all of this and our leadership and development programmes will help ensure our committed people are the best we can be in order to deliver our vision and purpose with and for our visitors.

The RAF is iconic to so many people in the UK and overseas and we will continue to research and share its history. Equally, today's men and women in the RAF are active on more fronts than they have ever been in our increasingly complex world. We will ensure that their stories are at the top of our agenda through contemporary collecting and innovative programmes that keep us relevant and connected.

By 2030 the Royal Air Force Museum aims to be recognised as a world class National Museum, respected for our commitment to focusing on our audiences and using our collections and spaces in creative ways to engage them with the RAF's story. We shall remain financially sustainable, with firm foundations that enable an agile and creative future. Our collection is central to everything we are and do and comprises around 1.3m objects which we hold in trust for the people of the UK.

Equally, we are committed to sharing the RAF story outside our walls across the UK and beyond through in-person outreach programmes and online engagement. Examples include touring iconic objects from the collection, research activities, community workshops, loans with partner organisations and storytelling through www.RAFStories.org.

We are immensely appreciative of Government investment in its National Museums, and specifically grateful to the MOD and Air Command for their support for the RAF Museum.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

However, to achieve our Strategy 2030 ambitions, both across day to day programmes and capital improvement, the Museum must grow our commercial and fundraising success significantly within the challenging financial context we operate in. Creative income generation opportunities are embedded in Museum planning and will continue to be focused on as both additional storytelling platforms and essential enablers for our plans.

We are working to achieve our vision through five strategic priorities that focus outwards with our collections and spaces at their heart. These priorities are supported by the ongoing development of strong internal systems which ensure we deliver creatively and responsibly:

- **AUDIENCES** - Inspiring innovative engagement, debate and reflection (onsite, offsite and online) - Why? We know relevance and dynamism are key to fulfilling our ambitions as a National Museum.
- **TEAM** - Inspiring our people within a dynamic, diverse and collaborative culture - Why? Our inspirational people in turn inspire our visitors and we know we achieve our best when we're committed and motivated.
- **AGILE** - Embedding an entrepreneurial, agile and sustainable approach - Why? Our visitors' lives and society are changing fast and we need to remain forward looking and resourced to fulfil our ambitions.
- **PERFORMANCE** – Fit for the future with brilliant basics - Why? We need strong and sustainable foundations to fully achieve our vision.
- **PARTNERSHIPS** - Connecting with communities and partners - Why? We know we can deliver better and more creatively through meaningful relationships with others.

We are a values driven organisation with a team of talented and dedicated people who use their knowledge and creativity to make our collections sing and bring our spaces to life to inspire our audiences locally, nationally and internationally. Our work and our behaviour is underpinned by six guiding values:

- **INtegrity**: we are open, transparent and ethical
- **Sharing**: we work as a team to ensure our collections and expertise are accessible to all
- **Passion**: we care deeply about sharing our collections and their stories
- **Innovation**: we tell our stories and develop our business with creativity and imagination
- **Relevance**: we ensure our legacy by linking our histories with today and tomorrow
- **Excellence**: we are professional and strive for excellence in all we do

A trading subsidiary Royal Air Force Museum Enterprises Ltd (company number 1511481) is incorporated as a company limited by shares (wholly owned by the RAF Museum) to manage the associated commercial activities (and any activities that are “non-primary purpose trading”) for the benefit of the charity. All profits of RAF Museums Enterprises Ltd are gift-aided to the Museum on an annual basis, as agreed in a Deed of Covenant between the parties. Effective 1 April 2022, the shares held by nominees on behalf of the trust were transferred to the Royal Charter company, which became the sole shareholder of the Royal Air Force Enterprises Ltd company.

The Royal Air Force Museum Investments Limited (company number 4026995) is a wholly owned subsidiary which is incorporated as a limited liability company to hold the real property

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

assets of the charity on behalf of the Trustees. In March 2005, the Cosford and Stafford leasehold property was transferred to this company from the charity, followed by the London (Hendon) freehold property in January 2008. Effective 1 April 2022, the shares held by nominees on behalf of the trust were transferred to the Royal Charter company, which became the sole shareholder of the Royal Air Force Investments Ltd company.

The RAF Museum was a partner in the RAF100 Appeal, a joint venture between the Royal Air Force and its sister RAF charities – the RAF Benevolent Fund, RAF Association and the RAF Charitable Trust. The RAF100 Appeal was established as a charity (charity number 1167398) and company limited by guarantee (company number 09977273) to commemorate and celebrate the RAF's Centenary in 2018, to enhance the reputation of the Royal Air Force, and to raise funds to support the partners' future work. Funds raised up to £2.5 million were shared equally between the parties in 2019-20, and an additional £0.5 million grant was awarded in 2021-22 to fund the new Astra training accommodation block at RAF Cosford, which will enable the growth of STEM outreach work with young people there. In July 2021 the RAF100 Appeal Trustees have approved the winding up of the joint venture with any residual monies to be paid equally to the four charity partners. The RAF100 Appeal was formally dissolved on 4 April 2023. The Museum's share of funds raised to date are accounted for in the Financial Statements.

Partnerships

As one of the UK's National Museums, the RAF Museum's responsibility and remit is UK-wide. A Partnering Agreement is in place between the RAF Museum and the RAF, its government sponsor body, which sets out the relationship and identifies the services that the Museum provides and the support given by the RAF in order that these aims are achieved. RAF colleagues past and present continue to provide fantastic support and inspiration to the Museum to enable us to share the ever-developing RAF story. Aligned with the Partnering Agreement is a Framework Document drawn up by the MOD in consultation with the RAF Museum and which sets out the broad governance framework within which the Museum and the MOD operates. It sets out core responsibilities, describes the governance and accountability framework that applies between the roles of the MOD and the Museum and sets out how the day-to-day relationship works in practice, including in relation to governance and financial matters.

In addition to its own two public sites, the Museum seeks opportunities to share collections through loans and online, as well as through its enquiries service and research programme. The RAF Museum is a member of the UK Museums Association, the National Museums Directors' Council, the Association of Leading Visitor Attractions, the Association of Independent Museums and the Group for Education in Museums. It is committed to supporting other museums both across the UK and internationally by involvement in national and international programmes.

As well as being a National Museum which tells globally important stories, the RAF Museum's two public sites have an important role to play in their local communities. Museums help define a place: they help shape and convey a sense of identity and contribute to local distinctiveness. The Museum is committed to working with its local communities to collect and represent their diverse and collective history and heritage as part of the RAF story.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

The Museum also works with a wide range of individual and corporate partners who share its vision of inspiring everyone with the RAF story. Our partners not only support us financially through grants, sponsorship and gifts in kind but they enable us to continue to engage and inspire our audiences through shared programmes and activities.

We work with partners to ensure the collection is kept up to date and cared for and rely on them to help us acquire new items of national importance. In addition, our partners have supported our Access and Learning teams in London and Cosford to deliver workshops and activities for children across the UK. The Museum also works in partnership with the RAF Museum American Foundation, a legally separate organisation, sharing ideas and collaborating together on fundraising opportunities to support the RAF Museum and foster and celebrate relationships between our two air forces.

We should like to thank all our partners who have helped us to continue to share the RAF story.

Charitable Fundraising

The Museum has an in-house Development (Fundraising) team who raise funds to support our core work, as well as to enable major capital projects as part of Strategy 2030, including the planned RAF Museum Midlands Development Programme which will deliver a new Collections Hub and Learning Centre at our Midlands site; and the Research Centre project (to care for and provide access to our Archive and Library, and Photographic and Art collections) at our London site. The Museum is a member of the Institute of Fundraising and a registered member of the Fundraising Regulator. We work to the Fundraising Code and Promise set out by the Regulator and are signed up to their Code of Practice.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

PERFORMANCE REPORT

Overview

The Museum has continued to show agility and creativity during 2022-23 in considering and responding to the ongoing financial and operational implications of the wider economic challenges and cost of living crisis. We have warmly welcomed a total of 823,684 visitors over the year (2022: 549,467), the first full year of opening since the COVID-19 pandemic, with numbers just slightly short of our record Centenary year in 2018-19. We are pleased to report that the Museum has overall achieved its target of breakeven for 2022-23 with a small operational surplus.

The year has seen the return of a full and varied programme of public events at both sites and some exciting new innovations, including our Spitfire tour visiting five locations in the Midlands (summer 2022); the launch of our new art exhibition 'To the Stars' (marking the Museum's 50th anniversary); the unveiling of our Royal Charter (December 2022); and a new Falklands 40th anniversary exhibition. The Museum has continued to significantly progress other major projects and initiatives in line with our Strategy 2030, including development of new Bomber Command and Interwar exhibitions at both sites which are due to open in 2023-24; as well as investing in necessary infrastructure improvements, the largest a major project to replace the glazing of our iconic historic colonnade building at our London site, due to complete in summer 2023.

During 2022-23 the Museum's collection and knowledge has been incorporated into an active programme of events and exhibitions.

- The 40th anniversary of the Falklands Conflict provided the Museum with the opportunity to share the RAF's experiences through new displays both onsite and online (with our online platforms such as RAF Stories and reimagine providing a layered approach to interpretation of the Falkland stories in combination with the Museum's Collections Online website). As part of the physical interpretation the Museum displayed the Chinook helicopter 'Bravo November' for the first time with its unique history providing a lynchpin to explore the legacy of the Falklands Conflict to the RAF and our audience.
- As part of the activities to mark the Museum's 50th anniversary, a new art exhibition entitled 'To the Stars' opened in October 2022, featuring 50 key works from the Museum's Fine Art collection ranging from the Royal Flying Corps to the Space Age. Extended interpretation of these works has also been made available online, providing an in-depth experience for those viewing the works in-person, and a means to experience the show for those unable to reach our sites.
- Spitfire Tour - the Museum toured our Spitfire PR. XIX to town and city centres across the Midlands to reach out to our local communities and promote the Museum. The locations were Birmingham, Telford, Shrewsbury, Coventry and Leicester. Reaching individuals and community groups, the Spitfire tour helped with understanding our audiences and assisted with connecting with new areas in the Midlands.

Our capital master plans for our public sites will deliver our 'Inspiring Everyone' RAF Museum Midlands Development Programme as a priority with other projects designed to complete development in London. Work has included:

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

- The successful application for a National Lottery Heritage Fund Development grant in December 2022 with subsequent permission to start our Midlands Development Programme in February 2023
- The procurement of a capital project team including a quantity surveyor, a capital project manager, an architect led multidisciplinary team, and an exhibition design team ready to begin work in May 2023
- The completion of the London Hangar 3 foyer refurbishment and unveiling of our Royal Charter
- The launch of a major programme in London to replace and upgrade all glazing around the historic colonnade of Hangars 3 and 4
- Developing concept design proposals of a commercial zone in London including a pay-to-play area, simulator zone, and café
- Developing concept design proposals for a new London site Research Centre and the redevelopment of our immersive learning spaces.

Future Plans

The detailed planning framework to deliver our over-arching Strategy 2030 is reviewed annually as part of the Museum's business planning cycle with an update of Strategy 2030 every three years. The coronavirus pandemic led to a first comprehensive review in summer 2020 by the senior leadership team with a full Board focus in winter 2021 to agree the prioritisation and phasing of major project delivery over the coming years. Both concluded that the tone, direction and values underpinning Strategy 2030 were more relevant and needed than ever while agreeing minor updates to reflect our changing context.

The Museum continues to be acutely conscious of the need to be agile in its approach and to build financial resilience against the background of a challenging economic landscape. We aspire to not only recover, but to grow and diversify our commercial and fundraising income streams in order to achieve agreed outcomes, whilst maximising use of our resources to deliver effectively within our means. At the same time, long term underfunding in our capital infrastructure means that our project phasing and financial planning must take account of the need for significant investment at both sites to deliver standards and outcomes befitting a National Museum, enabling us to care for and inspire with our amazing collection.

A detailed Budget and Business Plan has been developed for 2023-24 against the backdrop of ongoing inflationary challenges. The primary focus for fundraising and project development is our RAF Museum Midlands Development Programme, however the year ahead will see the opening of our new Bomber Command and Interwar exhibitions at both sites, and we continue to deliver and develop additional London and Midlands projects that will move us towards our ambition of welcoming more visitors and extending our audience reach and impact on-site, off-site, and online.

The Museum's 2022-23 Business Plan objectives are focussed through our five strategic priorities in the context of Strategy 2030, against a background of economic uncertainty, high levels of inflation, the need to continue to rebuild visitor confidence, and an increasingly competitive fundraising landscape, mitigated by existing and proven strong partnerships with the RAF and other key stakeholders and partners. Our plan assumes that visitor numbers are budgeted to increase to 850,000, based on more successful school holiday periods and

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

reflecting the impact of our new exhibitions, supported by the benefit of being a free to enter Museum at a time when visitors are actively looking for inexpensive leisure experiences.

Strategic Priorities 2022-23

Despite the challenges of COVID-19 recovery and inflation, the Museum has made substantial progress throughout the year focussed through our five strategic priorities, and the Museum team, with crucial support from our visitors, friends and partners, has shown creativity and determination to continue to connect and inspire with the RAF story, striving to ensure our relevance and accessibility to a broad audience, while ensuring we continue to build firm foundations for our Strategy 2030.

Strategic priority 1: Inspiring innovative engagement, debate and reflection

The legacy of the 2018 RAF Centenary Programme and planned major programmes as part of our Strategy 2030 will have a significant impact on how we continue to inspire engagement with the RAF story, now and into the future.

The RAF Museum collection represents the national memory of the RAF at work and play, war and peace. It includes:

- The largest and most comprehensive collection of RAF related aircraft in the world, from the tiny Avro Rota autogyro, used for secret radar calibration missions during the Battle of Britain, to the VC-10 transport aircraft, in service for nearly fifty years
- Objects ranging from uniforms and medals to unique personal items – including the scrap books of Lord Trenchard and Sir Frederick Sykes, respectively the first and second Chief of the Air Staff, and the personal effects of Amy Johnson – that bring the stories of the iconic figures connected to the RAF to life
- An extensive oral history collection, from first-hand accounts of First World War pilots to the experiences of personnel deployed in current operations
- Large official collections, from manuals to training films, illustrating the inextricable link between the RAF and its suppliers.

Collection Loans and Acquisitions

In total 1,019 objects/object groups were accessioned to the Museum's collection. Key acquisitions of the past year include:

- *The papers of Warrant Officer Bill Beale*, 1932-1961 including a photograph album, two certificates and three periodicals relating to Cold War service and involvement with Operation Grapple.
- *The photographic collection of Richard Wilson*. Wilson was one of the foremost aviation photographers of his generation who worked closely with RAF Public Relations. The collection consists of about 6,000 colour slides together with prints and other material.

The Museum made a serious expression of interest to match the purchase price of Squadron Leader Arthur Scarf's Victoria Cross after it was deemed of National Importance by the Reviewing Council for the Export of Art and Culture and became subject to a temporary export ban. With incredible support from over 2,500 members of the public and generous funding from the National Heritage Memorial Fund, Bomber Command Association, The Hobson Charity, RAF Association, Richard Peskin, Aerospace Museum Society and RAF Historic Society, the

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Museum was successful in raising the funds to match the purchase price. The medals will enter the collection in May 2023.

We have continued to share our Collection widely at over 141 venues both nationally and internationally through our Loans Programme, with 1,081 items out on loan during 2022-23.

New and renewed loans included:

- Cosford Air Show (14 objects including six aircraft)
- Private individual (five art works)
- Pima Air & Space Museum (one aircraft: Yokosuka MXY7 Ohka - 65/O/879)
- Jet Age Museum (one engine)

RAF Stories

The Museum's RAF Stories programme remains a crucial way for sharing content, as well as remaining agile and proactive in tracking new developments in the RAF's story.

In the past 12 months the Museum's RAF Stories programme has continued to proactively collect and produced just under 150 pieces of content. When HM Queen Elizabeth II passed away, the team recorded interviews with the Air Bearer Party who had the eyes of the world on them as they carried HM Queen Elizabeth II's coffin. On-going developments such as the first RAF Pharmacist have also been captured.

The RAF Stories programme continues to grow and be utilised in wider Museum projects and will play a key part in the development of our next exhibition in the Midlands. The project plays a further important role by supporting and creating content for other projects and initiatives within the Museum, such as Jewish Hidden Heroes, Black History Month, Bomber Command displays and our Access and Learning resources.

Research

The Museum's Research Strategy and Programme is supported by a voluntary Research Advisory Board, chaired by Sebastian Cox OBE, Head of the Air Historical Branch of the RAF. In continuation of the previous year, the 2022-2023 research programme was offered in a hybrid format both virtually and in person. During this period the programme featured lectures to the Royal Aeronautical Society, Air Power lectures with the Lancaster University Centre for War and Diplomacy, and the University of Wolverhampton, and lectures at our Midlands site. Physical attendance has fluctuated but peaked in January 2023 and the average digital attendance remained well in excess of 100. This hybrid approach has enabled us to deliver engaging and intellectually rigorous content to a domestic and international audience.

The Museum also hosted its annual conference on 5-6 September 2022 with the theme 'Meaning, Memory and Misremembered Past', attracting 65 people to attend in person at the Museum's London site, with a further 202 people online, and an additional 181 watching the recording. The Museum's 2021 Academic Awards were presented to undergraduate, postgraduate and doctoral students, continuing to build upon our growing role in encouraging and developing the next generation of Air Power scholars. The academic prizes for 2022 have been awarded and will be presented formally to recipients at the 2023 conference.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

The Museum has continued developing and nurturing the next generation of Air Power specialists, supporting an existing doctoral student at Lancaster University, commencing the supervision of three new doctoral projects at Newcastle University, the University of Bristol, and the University of Glasgow. In addition, the Museum secured funding for a further doctoral project to commence in 2023-24.

The Museum hosted 219 researchers in our Reading Room and answered 3,927 enquiries. We were also active in sharing knowledge; papers and talks were delivered by Museum staff at national and international conferences, and we participated in a range of partnerships and stakeholder engagement sessions. Museum staff also contributed expert commentary to a variety of media outlets, including radio, print, television, and digital media including podcasts.

Exhibitions

During the year we have been continuing to work on the content development and design of two new exhibitions, to be opened in 2023-24: Interwar and Bomber Command. We also developed the main entrance exhibition in London's Hangar 3,4,5 which included the suspension of the Avro Rota as an impactful welcome to our planned Interwar exhibition, alongside the display of our Royal Charter.

Access and Learning London

Over this period, there has been a definite shift to schools wanting to visit the Museum again in person (post-Covid restrictions) rather than signing-up for online workshops. From September 2022 the full schools' programme was re-introduced, meaning that workshops with high-touch engagement (such as use of the Handling Collection or of science equipment) were re-introduced. While live streaming video software continues to be used, bookings have dropped off significantly. However, the online workshops are still appreciated by schools who would otherwise be unable to visit due to distance from the Museum or lack of budget for a school trip.

2022-23 figures for London show that 14 of the 30 schools joining us for online workshops were from outside London. Online workshops accounted for just 5% of all workshop bookings. As engagement in London moved back onsite - with teachers and students keen to be back out and about again – we had a bumper year characterised by a return to delivering and hosting large scale events such as the Family Festival of Flight and the First UK Robotics Challenge. We also contributed to Museum-wide celebration of HM Queen Elizabeth II's Platinum Jubilee by creating a Royal Trail, and to Falklands 40th programming by developing a Vulcan Quiz for younger learners and an air-to-air refuelling activity for older children. Encouraging debate and reflection, a new debate was written for the Interactive Debate Table at the Museum, on the theme of the environment. Year 6 STEM Days and Scouts Air Researcher Activity Badge Days sponsored by the RAF were oversubscribed throughout this period.

Access and Learning, Midlands

2022-23 figures for the Midlands show that we have returned to pre-Covid numbers, with some schools still choosing online to engage with us. The Midlands hosted 549 schools: of these 481 were onsite, 68 online. In total we engaged with 40,230 learners onsite, online and Outreach with 28,109 learners onsite and 12,121 learners off site and online. The Museum has seen an increase in requests for free activity and project-based learning, highlighting the financial impact on schools attending school trips.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Our 'at the Museum' engagement activities included delivering the Summertime Advanced Aeronautical Residency (STAAR) programme to 40 young people, supported by our sponsors Northrop Grumman as well as our partners from RAF Cosford, and Tablet Academy. The programme continued to offer an online competition with over 500 young people taking part in the competition element. We also offered Science, Technology, Engineering and Maths (STEM) days including a new Space themed day, a Key Stage 3 Glider challenge, a 'Beyond Image' day and a large-scale STEM event in the Midlands, with over 1,000 young people attending and many partners. This was fully supported by the RAF Youth and STEM team.

Strategic Priority 2: Inspiring our people within a dynamic, diverse and collaborative culture

The RAF Museum staff, including those of its trading subsidiary, comprises over 230 employees and c.400 volunteers, and includes well-established work experience and apprenticeship programmes. Our priority is to ensure that individuals are proud to be part of a brilliant and diverse team, feeling valued, supported and appropriately skilled and rewarded, working positively together to deliver our vision. We are working to ensure that diversity and equity underpin all our activity and we actively focus on reflecting that by broadening both our audiences and our Museum teams.

The Museum is committed to equipping our people so they are proud to be part of a brilliant and diverse team. Three key commitments have been developed with our staff team and shared this year which thread through all our Museum activities and plans – our EDI Commitment, Health and Safety Commitment and Sustainability Commitment.

Our EDI Group was launched in 2021-22 to actively promote and progress equity, diversity and inclusion, and encourage and underpin best practice. The RAF Museum does not tolerate any form of discrimination believes that everyone has the right to live without fear or prejudice regardless of race, age, gender, disability, sexual orientation, social class, religion and belief. Our aim is to embed a supportive and open culture which is inclusive, positive and fair to all, develop flexible opportunities to encourage engagement with the Museum onsite, offsite and online and celebrate differences.

The RAF Museum is committed to creating an environment where health and wellbeing are actively promoted, where people feel engaged and valued for their contribution. We aim to create a health promoting workplace where people can be themselves, feel their best and perform at their best, so we can deliver an exceptional experience for our visitors.

Our overarching 'Inspiring People – RAF Museum Training and Development Programme' which began in September 2020 completed during the year, including specific programmes for our Visitor Experience, Retail, Supervisor, Management, and Leadership teams, supporting them to develop the skills and confidence to excel in their roles.

Our volunteers are now more involved than ever in front-of-house roles which support our Visitor Experience team to provide our visitors with a great day out. The role of Welcome Host was initially developed in response to the pandemic to support visitor confidence but has proved to be a great addition to the team, receiving excellent visitor feedback. One of the

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Museum's projects last year that involved volunteer support was the Spitfire Tour which simply could not have run without the support of volunteers from both our sites who engaged with the public, ran the open cockpit and handling collection areas and generally promoted the work and spirit of the Museum. Other highlights include London Events volunteers supporting the Hendon Pageant to celebrate Her Late Majesty Queen Elizabeth II's Jubilee in June 2022, with activities including Storytime, pedal planes, mini golf, a vintage fairground, art zone, messy play and aircraft access; Access and Learning volunteers supporting the Family Festival of Flight weekend at the end of July 2022; and a team of Conservation volunteers at the Midlands site have worked tirelessly on the Nimrod, illuminating many of the consoles and instruments, to provide an enhanced visual experience for visitors when the aircraft reopens for public tours.

Strategic Priority 3: Embedding an entrepreneurial, agile and sustainable approach

Throughout 2022-23 the Museum team have continued to closely monitor and appropriately respond to what has been a constantly changing and fluid situation, in particularly with respect to inflationary, cost of living and supply chain challenges. We continue to grow and diversify our commercial and fundraising income streams in order to achieve planned outcomes for our audiences while ensuring long term sustainability, through both our financial and environmental performance. We are in a climate emergency and the RAF Museum is committed to addressing this crisis through our activities and with our audiences, and to operate in an environmentally sustainable way, applying the principles of sustainable development for the benefit of current and future generations, both locally and globally.

The Museum's Commercial Strategy, managed through the trading company, focuses on maximising commercial opportunities and income generation, whilst delivering new and improved experiences for our visitors. RAFMEL turnover increased on prior year due to the impact of higher visitor numbers on commercial activity as well as commissioning fees from the production of several exhibitions on behalf of the Royal Air Force Museum. Although retail conversion rates have reduced slightly at our Midlands site with removal of the one-way visitor route that was in place during the COVID-19 pandemic, conversion rates at our London site have remained consistent with the previous year. Summer 2022 saw the return of the popular Vintage and Handmade Festival and the Cosford Food Festival at the Midlands site after a two-year absence due to the pandemic, along with a full programme of smaller scale public events at both sites. Corporate events have picked up, particularly with the Museum hired for filming and external training, although large-scale corporate hospitality bookings have not returned to prior levels since the pandemic.

We continue to focus our efforts on developing a two-tracked approach to fundraising that will support the Museum to achieve its Strategy 2030 vision - building on the success of previous campaigns to fund delivery of major capital programmes, whilst also striving to grow revenue fundraising to support core activity. Despite a challenging economic environment and increased competition for funds, our Development team has made progress in line with the Museum's Fundraising Strategy and Plan, including the development of a targeted RAF Museum Midlands Fundraising Campaign Plan, and the successful outcome of a £5M Round 1 application to NLHF to develop the programme.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Strategic Priority 4: Leading the way with brilliant basics

The Museum's Collections Development Strategy and associated policies and procedures are central to our delivery of effective museum management and our audience engagement. After 50 years of formal collecting, the Museum continues to collect stories and objects to reflect the whole history of the RAF, including our priority to represent today's service. The team also continues work to rationalise the collection, improve storage and conservation, and to open up access to connect with all our audiences and share the rich and diverse story of the RAF through its people, culture, technology, timeline and places.

Objects are collected, preserved and used proactively for a clear purpose of engagement, including exhibitions, events programmes and research, in accordance with identified dynamic collecting priorities. The Museum's London site includes a hub for small objects conservation, which is complemented by the Museum's considerable large object conservation expertise at our Michael Beetham Conservation Centre (MBCC) at our Midlands site.

Across the year 111 objects were conserved, primarily within existing displays, for new exhibitions and loans and 44 objects were condition assessed by the conservation team.

Work continued on the restoration and conservation of aircraft with the Lysander and Wellington moving to new display locations at our London and Midlands sites respectively. The MBCC team were also heavily engaged in the successful Spitfire Tour. Large object moves included 11 to and within the Midlands site, four to London and two to external locations.

The Collections Storage team based at our Stafford store have supported the development of the Museum's Cosford Master Plan through a range of activities to document objects, account for hazards, improve storage arrangements and support Collections Review.

We continue to ensure that our brilliant basics enable us to achieve our full potential – leading the way in our governance, finance, estates and IT, ensuring a safe environment for all our visitors and with digital literacy embedded across our teams.

Strategic Priority 5: Connecting with communities and partners

Community Engagement, London

The community engagement programme in London returned to predominantly in-person delivery, although the online Historic Hendon talks which were introduced during Covid continued to be popular with care homes. We continued to play a key role in local forums including the Grahame Park Strategy Group and Colindale Consortium. New relationships were cultivated with Care4Calais refugee crisis charity and family sessions run for asylum-seekers currently housed in a hotel nearby. Also new this year were engagements with Barnet Young Carers and we welcomed our first art group to the Museum, who now meet weekly.

In April 2022, the Museum signed-up to be a delivery partner for BACE Holidays, which is organised and run by Barnet Council and Young Barnet Foundation and fully funded by the Department for Education. It supports children and young people aged 5-16 who receive benefit-related free school meals by providing engaging and healthy activities during the school holidays.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

We connected with our family audience in a variety of ways: the Family Festival of Flight - a weekend event held over the summer to celebrate the science in our collections which attracted over 2,000 visitors; twice monthly 'Little Swifts' sessions for the under-5s; costumed interpretation for Black History Month, and family art workshops to celebrate Children's Art Week. We continued to connect with our young adult audience via the Museum's Youth Panel who participated in a summer residency where – with assistance from staff across the Museum – they researched, wrote, produced and installed a display on the theme of 'Carbon Net Zero and the RAF'. Our older audiences were welcomed as part of Silver Sunday activities which took place across the borough.

We partnered with a local school to help them celebrate their Centenary. The older pupils co-wrote and narrated a short film exploring on foot the historic site of the London Aerodrome and RAF Hendon. Younger pupils designed large model aircraft which went on display at the Museum. Our partnership with the RAF Youth and STEM team continued to flourish and we put our relationship on a firm footing by successfully tendering for their STEM Framework Agreement.

The Museum ran a series of Visual Storytelling Workshops for local residents in partnership with a local professional photographer. Each participant created a series of images telling a story around their connection to the Museum and the outputs from this project will form the next community exhibition at the Museum. During the year, we hosted the launch of the Cultural Education Strategy for Barnet produced by the Barnet Cultural Education Partnership of which the Museum is a steering group member. We also hosted the launch of Barnet Libraries Summer Reading Challenge.

Led by the Community Engagement Manager, the RAF Museum London became accredited as a Dementia Friendly Venue, communicating to visitors and staff that it is accessible to people living with dementia and their families.

Community Engagement, Midlands

The priority for the year has been working on the RAF Museum Midlands Development Programme. The Community Engagement Manager has been out and about, delivering sessions to groups on and offsite and engaging with a wide range of people, meeting with different groups and organisations, networking, researching and planning, including on the Museum's Midlands Spitfire Tour.

The total number of events including hosting community groups and Museum-led activities was 58, including 28 onsite and 30 offsite. 2,192 people were engaged supported by 32 staff and 42 volunteers.

We continued with the Royal British Legion (RBL) Network for Carers sessions. This was a national project that offered peer-to-peer social groups for people that have caring responsibilities and have an armed forces connection. After discussions with the RBL we brought the session in-house in January 2023 and rebranded it to a Carer's Café. The group is growing month on month. We have had visitors come along to observe the session, they have been impressed at the group and have gone on to recommend the session to their contacts.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

We delivered sessions for community groups and organisations led by the Community Engagement Manager and volunteers. Examples of these are Plasma for Hope, a Walsall charity that advocates for people living with Sickle Cell Disease and Thalassaemia, Dementia Singing and Friendly Faces a group from Wombourne that are a lifeline for older people. A co-creation project engaged with the Telford and Wrekin Virtual School who support all children in care that live in the area. We also hosted a South East Shropshire Community Connectors session offering us an opportunity for us to share our Midlands Development ambitions and network with other organisations.

Throughout the year, we attended networking events, research and meetings with people and organisations to look at ways we can connect, support and work with them including the Black Country Living Museum, the Barber Institute of Fine Art, and Wolverhampton Art Gallery. We invited organisations onsite for a tour and have had meetings with the Care Leavers Covenant and have since signed for covenant to give support to young people leaving the care system. We are currently the only Midlands Museum to have made this commitment. The Public Programmes team from Black Country Living Museum came for an away day at the Museum and delivered a peer-to-peer review with us. We have also met with Energize Shropshire to look at co-creating outdoor trails, Birmingham Museums Trust to look at ways we can link and support each other and Equalinks. We also welcomed staff from Healthy Lives Children and Young People, Shropshire Council to the Museum during the February half term, they engaged with our visitors with activities and gave them information that would help families.

Offsite, the Community Engagement Manager and volunteers delivered sessions to community groups and organisations, including taking items from the handling collection and engaging with people at The Place, Telford, Coventry Library and Newarke Houses Museum in Leicester to bring awareness to the Spitfire tour. They attended two Fit 4 Life sessions at RAF Cosford, informing new RAF trainees as well as RAF personnel, their families and civilian staff about the Museum and the Midlands Development Programme. The team also led sessions at Alzheimer's Memory Cafes. They took items from the handling collection - taking authentic heritage objects to be handled by people living with dementia has been proven to have positive effects on well-being, mood, emotions and social inclusion and were able to witness this first hand.

During the Spitfire Tour, the team engaged with the public, interviewing people with a community engagement questionnaire to understand barriers and opportunities for future connections and consultation.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Performance Analysis

The Museum uses a number of KPIs to regularly measure and assess its performance and these are reported to the Board on a quarterly basis and reviewed by management on a monthly basis.

Key Performance Indicator:	2022-23	2021-22
Visitor numbers (including events such as the Midlands Air Show)		
- London	427,980	302,558
- Midlands	395,704	246,909
- Total	823,684	549,467
Trading income £	4,305,000	3,031,000
Number of school visits		
- London	580	386
- Midlands	549	404
Visitor satisfaction ratings*		
- Enjoyment		
o London	89%	90%
o Midlands	91%	94%
- Value for Money		
o London	94%	92%
o Midlands	96%	95%
- Likelihood to recommend		
o London (net promoter score)	78%	73%
o Midlands (net promoter score)	82%	85%
Social media interaction (no. of Facebook followers, Twitter users and Instagram subscribers)	250,000	232,000

*2021-22 surveys were not conducted in every quarter due to COVID-19.

Visitor Numbers

Visitor numbers totalled 823,684 for 2022-23 (2022: 549,467), 50% above prior year and reaching levels seen prior to the COVID-19 pandemic.

Trading Income

Turnover of £4,035,000 is reported for the year (2022: £3,031,000) with the increase on prior year (and corresponding increase in cost of sales) due to the impact of higher visitor numbers on commercial activity. During the year, a number of Museum staff and other resources were utilised in furtherance of commercial activities resulting in a cross charge of £693,000 (2022: £660,000). The profit after taxation for the year was £724,000 (2022: £354,000), with a distribution of £724,000 Gift Aid to the Museum (2022: £140,000).

School Visits

London ended the year with a total of 40,316 learners (against a target of 31,000), split between 34,244 formal learners (students in education) and 6,072 informal learners. Of the 34,244 formal learners, 89% of these visited the Museum, 8% took part in online sessions (workshops and special events), and 3% engaged as part of outreach activities.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

As in previous years, satisfaction with the learning offer was high with 91% rating the overall learning experience as 'good' or 'excellent', with the booking process, ease and reliability of technology all scoring 100% in teacher feedback, and curriculum relevance 98%.

The Midlands ended the year with a total of 40,371 learners (against a target of 28,000) split between 31,730 formal learners (students in education) and 8,500 informal learners. Of the 31,730 formal learners, 70% visited the Museum, 5% took part in online sessions (workshops and special events), and 27% engaged as part of outreach sessions.

Satisfaction levels continued to be high with over 98% of respondents rating the workshops as 'good' or 'excellent'. 100% of respondents rated the booking process as 'excellent' or 'good', the Museum facilities as excellent and 99% of respondents would book a return visit. Over 90% of respondents said the visit exceeded their expectations. 100% of respondents rated the teaching staff as 'good' or 'excellent'.

Visitor Satisfaction

The surveys show that both sites continue to achieve very high 'Enjoyment' and 'Value for Money' ratings that remain above the industry average. Furthermore, in a recent survey of our London visitors, we found that 95% of respondents were likely to recommend a visit to others and 84% were likely to revisit. We were also very pleased to be awarded Best Large Visitor Attraction in the West Midlands Tourism Awards 2022.

Social Media Interaction

Total visits to the Museum's main website were recorded at 5.4 million unique visits (2022: 3.1 million). As this is used primarily as a planning tool for visits, this increase can be explained largely by the increase in people returning to the Museum following the COVID-19 closures.

The Museum's social media channels showed growth during the year with Facebook followers reaching 148,000 (2022: 137,000), Twitter 61,000 (2022: 58,000) and Instagram 41,000 (2022: 37,000).

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Financial Review

Statement of Financial Activities (SOFA)

Total income for the financial year 2022-23 amounted to £19,854,000 (2022: £15,179,000), with the increase year on year related to higher trading income with both sites open for the first full year since the pandemic, and a welcome and significant allocation of capital funding (£3,750,000) from our sponsor body to deliver planned essential building works and support exhibition projects.

The Museum received £14,096,000 of Grant in Aid (2022: £10,745,000) for the financial year 2022-23 in total (revenue and capital). During the year, a total of £970,000 (2022: £974,000) (Note 3) was received by way of grants and donations from industry partners and sponsors, trusts and foundations, and individual donations to fund the work of the Museum. This included £136,000 from Northrop Grumman to enable the continuation of our successful STAAR STEM programme at our Midlands site; and generous donations of \$200,000 from John Mars and \$100,000 from the RAF Museum's American Foundation (RAFMAF) towards our RAF Museum Midlands Development Programme. The figure for 2021-22 included £139,000 restricted funding from the government's Coronavirus Job Recovery Scheme (CJRS) to support staff placed on furlough during the year.

Total unrestricted income generated by the Museum was £15,335,000 (2022: £13,763,000) with the increase mainly due to an improvement in visitor numbers and associated commercial income. Income generated by the trading company on non-charitable activities was £4,305,000 (2022: £3,031,000), which, after accounting for associated expenditure, resulted in a total Gift Aid payment of £724,000 (2022: £140,000) to the Museum.

Total expenditure on Museum activities amounted to £19,201,000 (2022: £17,018,000). The majority of costs, including the costs of salaries, are in respect of core charitable activities. Net income before transfers between funds and other recognised gains and losses totalled £653,000 (2022: net expenditure £1,838,000). The £3,095,000 unrestricted loss for the year (2022: £2,581,000) is driven principally by depreciation of property assets and fully funded permanent exhibitions, which totals £3,635,000 in 2022-23 (2022: £3,508,000). Excluding depreciation costs of property and permanent exhibitions, the Museum has generated an unrestricted operational surplus of £11,000 during the year (2022: £287,000), which is in line the targeted breakeven.

A total of £655,000 (2022: £804,000) has been transferred from restricted to unrestricted funds in 2022-23, reflecting the restricted funding of capital projects (related to the allocation of capital support from MOD) which transfers to unrestricted fixed asset funds when complete.

The Museum's property assets are revalued by professional valuers on a quinquennial basis. Further to a revaluation of both the freehold (London) and leasehold (Cosford and Stafford) properties comprising the RAF Museum Estate as at 31 March 2023, a total adjustment for recognised gains of £17,095,000 (2022: £4,171,000) has been made in the year-end accounts.

After transfers between funds and adjustment for recognised gains or losses on revaluation of fixed assets, the net movement of funds for the year was an increase of £17,748,000 (2022:

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

£2,333,000) and total funds carried forward as at 31 March 2023 amounted to £136,779,000 (2022: £119,031,000).

Grant in Aid Funding

Despite the challenges of recent years, the Museum is fortunate to be in a relatively stable financial position, because we are 70% funded through Government Grant in Aid, and partly because we have a reserves policy in place to mitigate risk and build available funds for delivery of Strategy 2030. However, the impact of the COVID-19 crisis and the subsequent inflationary challenges and cost of living crisis on the Museum has continued to temper our ability to generate commercial and fundraising income during 2022-23 and to build the funds necessary to maintain and develop our sites for the long term.

The MOD-funded National Museums (including the RAF Museum) were not eligible to access the Government's £1.57BN Culture Recovery Fund announced in the early stages of the pandemic, which acknowledged the social and economic benefits that flow from museums, and their importance as a major boost to national resilience, morale and pride, and champions of inclusion, innovation and excellence. However, the Museum is extremely grateful that the RAF as our MOD sponsor body, was able to confirm a recovery allocation of £1.56M in early March 2021 and £700k in March 2022. This has enabled the Museum to mitigate the negative financial impact of the pandemic in order to achieve operational breakeven for 2020-21 (£250k), 2021-22 (£355k), 2022-23 (£290k) and (budgeted) 2023-24 (£106k), and additional capital allocations over the past two years have support us to continue to deliver essential capital project works.

The RAF Museum has not had access to planned capital funds through the MOD for some years and all improvements, including delivery of our Centenary Programme, have been externally funded or managed through its Grant in Aid. There has been recognition from Government of the need for significant investment in UK museums' infrastructure – national, regional and local with allocations made to the DCMS National Museums to address issues identified, plus the launch of the MEND fund to support regional museums, but the long-term need of the MOD-funded service museums has not been addressed. We continue to work with our sponsor to explore opportunities to include a planned capital allocation through the spending review in the same way as the DCMS-funded National Museums.

Balance Sheet

The value of the group net assets has increased during the year due to the fixed asset revaluation and now stands at £136,779,000 as at 31 March 2023 (2022: £119,031,000). The value of freehold and leasehold property represents 72% of the Museum's net assets at £98,033,000 (2022: £83,551,000); and the value of heritage assets (over the capitalisation threshold and accessioned since 1 April 2001) represents 16% of the Museum's net assets at £21,627,000 (2022: £21,846,000). The Museum Group holds a cash at bank and in hand balance of £12,289,000 as at 31 March 2023 (2022: £10,165,000).

Trading Company

Any non-charitable activities are undertaken by RAF Museum Enterprises Ltd, a wholly owned subsidiary of the Museum, with all profits gift-aided to the parent charity. The trading company generated total turnover of £5,057,000 (2022: £3,031,000) (Note 4b), with associated costs of sales and overheads of £4,337,000 (2022: £2,677,000). The increase in turnover year on year

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

is due to the more significant comparative impact of periodic closures and restrictions in place during the prior year. During the year, a number of Museum staff and other resources were utilised in furtherance of those activities resulting in a cross charge of £693,000 (2022: £660,000). This resulted in a net profit in the subsidiary of £724,000 (2022: £354,000) (Note 9).

Reserves Policy and Funds

During the year, and with reference to guidance from the Charity Commission, and further to review and recommendation by the Audit and Risk Committee and Finance and Resources Committee, the Trustees have confirmed that as at 31 March 2023 the organisation continues to hold unrestricted and undesignated free reserves (that is funds not tied up in fixed assets or designated or restricted funds) sufficient to cover two months of budgeted operational expenditure in order to enable financial stability and act as a safeguard against volatile and unpredictable income streams and unforeseen expenditure or liabilities. Any remaining operational net surplus (i.e., after transfers to / from the fixed asset fund and maintaining free reserves of two months of planned operational expenditure) is transferred to the designated Strategy 2030 Fund.

This fund will be used to support delivery of the Museum's current key strategic priorities as detailed in the strategic plan Strategy 2030 including: planning for future capital development at both sites; ensuring the sustainability of the estate; recording of contemporary stories of RAF men and women; and development of the Museum's collection through new acquisitions.

During 2021-22, Trustees approved the creation of a designated RAF Museum Midlands Fund to hold funds earmarked to support the Museum's priority £27M RAF Museum Midlands Development Programme as part of the Cosford Master Plan and Strategy 2030 ambition. Trustees agreed that the £3.7M saving on planned capital spending from Museum reserves due to the unbudgeted capital allocation of Grant in Aid received in quarter 4 2022-23, be transferred to the designated RAF Museum Midlands Fund (in addition to the prior year £700k) to underpin our fundraising campaign, and that this capital commitment be reflected as an investment by the RAF in our development programme.

In March 2023, Trustees approved the creation of a designated RAF Museum Midlands Match Fund to ringfence the Museum's commitment of funding to be invested in the RAF Museum Midlands Development Programme.

In line with the Museum's reserve policy, unrestricted surplus funds of £890,000 (2022: £1,150,000) have been transferred to the Museum's designated Strategy 2030 Fund, from which £1,100,000 has been approved to be transferred to the newly created designated RAF Museum Midlands Match Fund and £3,700,000 to the designated RAF Museum Midlands Fund. The closing balance held in designated funds at 31 March 2023 is £5,528,000 (2022: £4,642,000).

The Finance and Resources Committee monitors the levels of reserves at the Museum on a quarterly basis as part of their review of the Management Accounts. The Board of Trustees reviews the reserves policy when circumstances change and at least annually.

Payment of Creditors

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

The Museum's policy, in accordance with the Government-wide standard on the payment of creditors, is to settle all undisputed bills within 30 days or in accordance with the supplier's terms of business. The Museum's actual payment performance during the year was an average of 36 days (2022: 38 days).

Investment Policy

The Trustees continually monitor levels of all the Charity's funds. Available funds are currently invested in a variety of term deposits to maximise the level of return but with minimum risk. The amounts and terms of the investments are based on the Trustees' opinion of the immediate and future needs of the Museum and the Chair of the Finance and Resources Committee reviewed the principal deposits during 2022-23.

Environmental Policy and Sustainability Report

Museum has committed to match the RAF's Carbon Net Zero 2030 target and to address the climate emergency through our operation and with our audiences. We have established a Sustainability Group to engage with our team and ensure environmental principles are always at the forefront of our thinking. We will operate in an environmentally sustainable way, applying the principles of sustainable development for the benefit of current and future generations.

The Museum's Sustainability Commitment agrees four areas of focus:

- Reduce our operational impact - committing to CNZ by 2030 and reducing the negative effects of our activities
- Develop a resilient and diverse estate - prepare for the changing climate and support diverse and rich ecology
- Enable our people - provide the knowledge, tools and support to help us achieve and exceed our commitments
- Share and engage with our audiences - share the Museum's and RAF's sustainable journey, advocate awareness and action.

Key points of the commitment are:

- Operate as Carbon Net Zero by 2030
- Commit to sustainable development for the RAF Midlands Development Programme
- Reduce our consumption of non-renewable fuels and water across the Estate
- Establish an environmental management system (EMS) in line with ISO 14001
- Communicate and inform audiences and our staff on climate change
- Provide resilient and biodiverse landscapes

The Museum already has a number of initiatives in place which underpin the creation of a more sustainable and environmentally friendly organisation. These include energy conservation measures, a comprehensive recycling programme and new building construction which is consistent with reducing the Museum's carbon footprint. The Sustainability Group is establishing our Sustainability Baseline for each site and developing a Sustainability Pathway to enable us to progress these initiatives and achieve our commitments.

The Museum measures performance against the Greening Government Commitments (GGC) framework for 2021 – 2025, as summarised below against the baseline year 2017-18.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Headline Target	2017-18 Baseline	2022-23 Performance	Vs. baseline	Notes
Working towards net zero by 2050 (reduction of 30% overall and 10% direct emissions)	1,584 tonnes CO2	1,573 tonnes CO2	1% reduction	Scope 3 information is not available for 2017-18 and is incomplete for 2021-22. The figures shown represent scope 1 and 2 emissions only.
Reduce the overall amount of waste generated by 15%	123 tonnes	68 tonnes	45% reduction	Food waste information is incomplete and has been excluded. We are working to include this in future years.
Increase the proportion of waste which is recycled to at least 70% of overall waste	32%	72%	2pp above target	
Reduce water consumption by 8%	Not available	2775 m3	N/A	London only, data for other sites and 2017-18 not available.

The following figures represent the Museum's best estimate of the impact of our activities on the environment at a local and global level through the resources it consumes, the waste it produces, its work patterns and the products it buys.

Greenhouse gas emissions		2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Non-financial indicators (tonnes CO2)	Scope 1	1,039	308	608	896	845	758
	Scope 2	534	513	457	722	708	826
	Scope 3	Not currently available					
Energy consumption (thousand kWh)	Gas	5,619	1,684	3,309	4,877	4,595	4,117
	Electricity	2,516	2,420	1,962	2,825	2,503	2,350
	Total	8,135	4,104	5,271	7,712	7,098	6,467
Financial indicators (£000)	Total energy cost	628	463	403	524	461	414
	Cost of business travel	204	127	31	189	208	186

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Significant progress has been made on emission reductions, with the replacement of aged assets, including lighting replacements and careful control of plant. However, in line with our Sustainability Commitment, we will continue to push to lower our operational emissions through investment in low carbon plant and careful controls and timings.

The Museum does not operate its own fleet of vehicles and is unable to quantify its use of Ultra-Low Emission Vehicles (ULEV compliant).

The Museum has infrequent travel by air and information on travel is not routinely captured; air travel is treated as exceptional travel by default with lower carbon options preferred. The Museum has switched to a centralised travel booking system and we are beginning to collect data on the amount of usage, type of travel (car hire/train) etc and the purpose of the journey, with the aim of reporting on this in 2023-24.

The Museum uses video-conferencing and collaboration systems, and Museum staff are challenging whether in-person meetings at other sites are necessary and whether the meeting could be conducted over video-conferencing instead.

Waste management		2022-23	2017-18 (benchmark year)
Non-financial indicators (tonnes)	Residual waste (incinerated for energy)	18	83
	Recycled	50	40
	Total waste	68	123
	% recycled	72	32
Financial indicators (£000)	Total disposal cost	36	Included with overall cleaning contracts and cannot be split out.

The Museum operates a zero to landfill policy, with residual waste used as waste to energy. Information on performance between 2018-19 to 2020-21 is incomplete and therefore not comparable. While overall recycling has improved on the 2017-18 baseline a waste management plan, originally scheduled for 2022-23, is being introduced in 2023-24 to enable further improvements.

The Museum has a catering offer at its London and Midlands sites as a commercial operation. From the period May 2022, when we started recording waste until March 2023, food waste amounted to 3,390kg. The Museum is partnering with our contract catering partners to reduce food wastage.

Starting in 2021-22 we began to engage local community groups as well as staff and volunteers informally to donate redundant items for reuse.

Paper use	2022-23	2021-22	2020-21	2019-20	2018-19
Non-financial indicator (A4 reams)	432	495	309	626	n/a

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

The Museum records paper use within the offices from 2019-20. Reductions have been achieved with the installation of print-on-demand network printers and mandatory double-sided printing as the default. We have been targeting those departments that are heavy users and have been trialling a Front of House tablet project. The paper used in advertising, packaging and other areas is not recorded and has been excluded from the above figures.

Water consumption		2022-23	2021-22	2020-21	2019-20	2018-19
Non-financial indicators (m ³)	Total water consumption	2775	2559	11623	N/A	N/A
Financial indicators (£000)	Total water cost	7	6	11	12	8

The Museum's London site is metered, however, historic information on water use is not available. Figures provided from 2020-21 are based on estimate usage provided by the supplier and relate to the Museums London site only as the other sites are leasehold consumption information is not available. Reduction in water use is undertaken on an opportunity basis such as using low water use taps and controlled urinal flushing. In addition, water use on landscape management is limited. The large consumption in 2020-21 is due to a major leak at the London site which took several days to isolate.

Sustainable procurement

The Museum's existing contracts do not contain specific requirements for supply chain reporting on sustainability, although elements of sustainability and social value are evaluated in the procurement tender process. The Museum has updated some policies to include sustainability guidelines. The Museum's procurement policies will be updated to reflect our commitment to sustainable procurement in 2023-24.

Nature recovery and biodiversity action planning

The Museum's estate has limited potential to improve overall biodiversity. However, in line with our Sustainability Commitment we manage and develop our estate to improve and sustain ecology. The Museum's estate contains areas of public grassland, managed planting and more wild areas as well as small copses of trees. The London site contains a swale that serves as an important site for wildlife in addition to providing a sustainable surface water run-off; a corner of our London site is purposely left wild, with minimal interventions following a landscape review in 2020 which identified it as an important habitat and source of food for local wildlife. The Museum's Midlands site contains grassed banks which have minimal intervention and trees which link into the nearby woodland; improvements to the landscape are planned as part as our RAF Museum Midlands Development Programme with additional trees and wild-escape.

Climate Change Adaption

The Museum intends to undertake a Climate Change Risk Assessment in 2023-24 to inform a longer-term Climate Change Adaption Strategy and Plan as part of our internal Sustainability Commitment and Pathway.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Reducing environmental impacts from Information Communication Technology (ICT) and digital

The Museums IT department is reviewing the targets of the ICT and digital services strategy 2020-25 however, in the interim, it has made significant progress in the removal of redundant and inefficient IT legacy assets and actively seeks to reuse assets where appropriate. The IT department has begun a project of server virtualisation to reduce the number of physical servers required. Physical servers used for testing purposes are switched off when not in use. The rollout of video conferencing facilities in 2021-22 has supported colleagues to work from home as well as reducing business travel between sites.

Auditors

The accounts are audited by the Comptroller and Auditor General. The fee for the audit of the Group 2022-23 accounts was £50,175 (2022: £43,400). This includes the NAO fee of £39,850 and Hillier Hopkins fee of £10,325 for the audit of RAF Museum Enterprises Ltd (RAFMEEL).

So far as I, as Accounting Officer of the Museum, and as we, as its Trustees, are aware:

- a) there is no relevant audit information of which the Museum's auditors are unaware; and
- b) we have taken all the steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the Museum's auditors are aware of that information.

ACM Sir Stephen Hillier GCB CBE DFC
Chair

on behalf of the Board of Trustees

6 July 2023

Margaret Appleton MBE
Chief Executive Officer and
Accounting Officer

Royal Air Force Museum

6 July 2023

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

ACCOUNTABILITY REPORT

Corporate Governance Report

This report sets out the arrangements for the governance of the Museum, including the Board and Committee structure for the Trustees. It specifically shows how the organisation identifies and manages key risks and provides the assurance from the Chair of the Board of Trustees and Accounting Officer.

Trustees have complied with their duty in section 11 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission. Trustees are also mindful of the Commission's guidance on public benefit.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Chief Executive Officer's report and governance statement

The Governance Framework

The Royal Air Force Museum is incorporated by Royal Charter with company number RC000922 and is a charity registered with the Charity Commission (registration number 1197541), governed in accordance with the Charter and Bye-laws. On 1 April 2022, all assets, activities and resources were transferred from an unincorporated charity (registration number 244708) of the same name and address which was governed in accordance with a Deed of Trust dated 4th June 2007 to deliver the same charitable objects.

The Museum is an accredited National Museum and non-departmental public body (NDPB) obliged to comply with HM Treasury financial reporting requirements set out in the Financial Reporting Manual and the guidance contained in Managing Public Money. There is a Financial Framework document in place which defines the arrangements between the Museum and its sponsor department, the Ministry of Defence, relating to the receipt of Grant in Aid and the conditions for its expenditure alongside a Partnering Agreement between the Royal Air Force and the Museum. The Partnering Agreement and Framework Document relevant to the 2022-23 financial year have been in place with effect from 1 April 2017 to 31 March 2022. A review has taken place and an updated Partnering Agreement and Financial Document will be in place relevant to the five-year period from 1 April 2022.

The Trustees and the Committee Structure

The Royal Air Force Museum is governed by a Board of Trustees chaired by Air Chief Marshal Sir Stephen Hillier GCB CBE DFC, who succeeded Air Chief Marshal Sir Andrew Pulford GCB CBE DL in March 2022. The Charities Act 2011 requires the Trustees to exercise proper stewardship over the Museum and to take care of its collections.

The Chief Executive Officer of the Museum, Margaret Appleton MBE, is the Accounting Officer responsible to Parliament for the day-to-day management of the Museum as set out in Chapter 3 of Managing Public Money.

Trustees are appointed by the Secretary of State for Defence in accordance with the provisions of the public appointments process set out in the Office of the Commissioner of Public Appointments Code of Practice. From 1 April 2022, under the new Charter and bye-laws appointment terms are of three years, and can be appointed for a second term of equivalent length. The Board of Trustees may appoint up to three additional co-opted Trustees by majority approval to serve on the Board and both co-opted Trustees and other individuals may serve on specific sub-committees to supplement the experience of Board members.

The Trustees receive induction training with the Chief Executive Officer and senior leadership team (SLT) and are encouraged to familiarise themselves with the Museum's priorities through work in sub-committees where they are supported by the Museum's executive, and by attending and hosting Museum events and receptions.

The Board of Trustees Sub-Committees

The Board of Trustees have established a number of sub-committees for specific purposes and to ensure the effective conduct of business. The Board of Trustees is responsible for appointing to the sub-committees from within its membership and all sub-committee actions

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

are taken on behalf of the Trustees as a whole, with recommendations made to the Board as appropriate.

These sub-committees comprise Audit and Risk (providing assurance on issues of risk, control and governance); Finance and Resources (responsible for financial control, governance and investment), Major Projects and Programmes (responsible for major capital and programme development); Staffing and Remuneration (providing assurance that the Museum's HR strategy, policies and procedures are appropriate and effective); and a Nominations and Governance Committee (keeping under review the leadership needs of the Museum – both trustee and executive – to ensure the continued ability of the organisation to perform effectively, and to be responsible for recommending to the Board the appointment of the Chair of the Board of Trustees from within the Board's membership). The Museum also has a Research Advisory Board, chaired by Sebastian Cox OBE, Head of the Air Historical Branch of the Royal Air Force.

The terms of reference of each of these sub-committees have been approved by the full Board. The table overleaf shows the number of meetings and attendance. The Board normally meets once a quarter, and these scheduled meetings are summarised in the table. Minutes of all Board and sub-committee meetings are maintained. Trustees complete a declaration of interests each year with an agenda prompt at each Committee and Board meeting regarding any possible conflicts of interest or loyalty.

Trustee attendance is shown as the number of meetings attended in relation to the number of meetings held whilst each individual was a member of the relevant committee. The Chair of Trustees also chairs the Nominations and Governance Committee and may attend other committees across the year.

During the year we began recruitment for two new co-opted Trustees in order to better represent and serve the population of the UK in terms of breadth of skills and cultural diversity.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

The following individuals served as Trustees during 2022-23:

Board of Trustees			Attendance					
Board Member	Appointed	Further notes	Board	Audit & Risk (ARC) *	Finance & Resources (FRC) *	Staffing & Remuneration (SRC) *	Major Projects & Programmes Committee (MPPC) *	Nominations & Governance Committee (NGC)
Air Chief Marshal Sir Stephen Hillier	11-Oct-21	Chair of Board Chair NGC	4 / 4				2 / 4	2 / 2
John Banks	23-Jul-21	Chair FRC	4 / 4		4 / 4			
Laurie Benson	17-May-16	Resigned (December 2023)	2 / 3	2 / 2				
Dr Carol Cole	23-Mar-15	Chair SRC	4 / 4			2 / 2		2 / 2
David Cooper	23-Jul-21	-	4 / 4				4 / 4	
Dr Rodney Eastwood	23-Mar-15	Chair ARC	4 / 4	3 / 3		2 / 2		
Jonathan Field	23-Jul-21	Chair RAFMEL Board	3 / 4			2 / 2		
Matthew Gilpin	23-Jul-21		4 / 4	3 / 3				2 / 2
Waseem Mahmood	23-Jul-21		4 / 4				3 / 4	
Julie McGarvey	17-May-16		4 / 4				4 / 4	
Air Marshall Peter Ruddock	23-Jul-21		3 / 4		4 / 4			
Nick Sanders	7-July16	Chair MPPC	3 / 4				4 / 4	
Helen Selby	23-Jul-21	Resigned (March 2022)	2 / 4		3 / 4			

* The Board Chair is not a formal member of this committee but invited to take part / observe as they wish.

Please note that due to the period of National Mourning for Her Late Majesty Queen Elizabeth II, one Board meeting date was changed at short notice. This resulted in some Trustees being unable to attend due to other commitments.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

A Trustee skills audit was completed in 2020-21 led by the Nominations and Governance Committee (NGC). The Museum also commissioned an external facilitator to lead a Board effectiveness review (the previous external review was held in 2017-18). The review completed in early 2020-21 highlighting no significant concerns and an away day, originally postponed due to COVID, was held to review its recommendations in December 2021. The NGC continues to monitor the follow up priorities which include developing a Unitary Board focus, ensuring clarity of Trustee and SLT roles and establishing a light-touch Trustee training and development process.

The Museum has two subsidiary companies, RAF Museum Enterprises Ltd and RAF Museum Investments Ltd, although the decisions taken by these companies remain primarily their responsibility, summaries of activity are reported through the Board.

Register of Interests

A register of Trustees' interests is maintained. Trustees are required to declare any interest, pecuniary or otherwise, in any matter being considered by the Board. Related Parties are disclosed in Note 17 of the Financial Statements.

The Board of Trustees' Performance

The Board has supported the organisation to successfully deliver its strategic objectives as outlined in the approved over-arching ten-year Strategy 2030 and Business Plan 2022-23.

Reports from each sub-committee are circulated to all Trustees with routine papers for the quarterly meetings of the full Board and sub-committee Chairs highlighting any matters of particular interest or concern for the attention of the full Board.

There is a wide range of information and data (financial and otherwise) routinely available to Trustees, including detailed management accounts quarterly to the Finance and Resources Committee and summary management accounts quarterly to the full Board, which the Board considers to be adequate management information.

Personal Data Loss

An incident is defined as a loss, unauthorised disclosure or insecure disposal. Protected personal data is information that links an identifiable living person with information about them which, if related, would put the individual at significant risk of harm or distress; the definition includes sources of information that because of the nature of the individuals or the nature, source or extent of the information, is treated as protected personal data by the Museum.

Internal Auditors

The Museum's internal auditors are RSM Risk Assurance Services LLP (appointed in November 2019), who work to the Public Sector Internal Audit Standards and provide an independent opinion for the financial year 2022-23 (contract year four) on the matters subject to review through the annual internal audit programme. The work programme is signed off by the Trustees' Audit and Risk Committee and the report of the internal auditors is received by that same sub-committee. The tender and appointment of RSM Risk Assurance Services LLP (RSM) was made as a joint initiative with our partner Service Museums – the National Army Museum and National Museum of the Royal Navy - to foster the sharing of best practice and economies of scale, including a shared thematic review to be agreed upon by all parties.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

As part of this plan RSM have carried out several reviews for the RAF Museum this past year, including Customer Service (advanced booking), Emergency Planning and Continuity, Major Project Management, Key Financial Controls, a follow-up report on identified management actions from prior year audit reviews, and one shared Service Museums thematic review looking at Equity, Diversity and Inclusion.

The internal auditors provide an annual independent opinion, based upon the audit programme and limited to the work performed, on the overall adequacy and effectiveness of the Museum's risk management, control and governance processes. The internal audit opinion for 2022-23 is one of moderate assurance, stating that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

To inform the governance opinion for 2022-23, the internal auditors have taken into consideration the governance related elements within each of the assignment reviews undertaken as part of the 2022-23 internal audit plan. To inform the risk management opinion for 2022-23, the internal auditors have considered the risk mitigation procedures within each of the assignment reviews undertaken as part of the 2022-23 internal audit plan. In addition, their governance and risk management opinion was informed by attendance at meetings of the Audit and Risk Committee throughout the year. The results of the internal audit assignment reviews have been taken into consideration in determining the internal control opinion for 2022-23. Of the five assurance assignments, it was concluded that the Board could take substantial assurance in one area and reasonable assurance in the other four.

The Audit and Risk Committee accepted the opinion and findings of the internal auditors. Progress against recommendations and risk status will continue to be monitored by the Committee as part of the internal audit follow up review process.

External Auditors

The external auditor of the Museum is the Comptroller and Auditor General with the audit conducted by the National Audit Office. The external auditor of its trading subsidiary, Royal Air Force Museum Enterprises Ltd, is Hillier Hopkins LLP. The accounts are consolidated.

Risk Management

The Museum's internal control system is designed to manage risk to a reasonable level, rather than eradicate all risk of failure. Therefore, it can only provide reasonable and not absolute assurance of effectiveness. In managing risk, we identify the opportunities and risks in achieving our strategic objectives, evaluate the likelihood of those risks being realised, the impact should they be realised and the controls in place to manage them efficiently and effectively. The Museum's approach to risk management and the process for implementation are documented in a Corporate Risk Management Strategy (reviewed and updated in 2021-22). The strategy is supported by our Strategic Risk Register, which groups our highest priority risk areas into key strategic risks which is reviewed regularly by the senior leadership team. The Audit and Risk Committee review strategic risks at each meeting and the Board review annually. Each department holds a detailed operational risk register and updates them regularly with input from their teams, with departmental risks reported to group directors and all new risks or residual risks that have been increased noted. Project and programme risks are included in status reports to the executive Programme Board. Any Departmental or

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Programme risks rated red/high when mitigated are summarised in a Corporate Risk Register which is reviewed quarterly by the senior leadership team and at each meeting by the Audit and Risk Committee.

Risk management overall is viewed as a dynamic process which actively seeks to incorporate good practice. It is responsive and current and is managed through regular review of both internal developments and external factors – the political, social, economic, demographic, technological, environmental and legal developments that may influence our exposure to risks or opportunities. As an NDPB the Museum has a low-risk appetite in relation to compliance, regulation and to our key strategic risks. In areas where we aim to be relevant and influential, we are prepared to take calculated risks. Risk appetite has been set by the Trustees and is reviewed annually for appropriateness by the senior leadership team and Audit and Risk Committee. The senior leadership team monitor whether our overall risk profile is commensurate with our risk appetite on an ongoing basis. The key risks identified, and the actions taken to date are set out below.

The strategic risk of financial instability is higher during the current period of economic uncertainty, with higher than pre-pandemic levels of inflation and costs of living. However, this has been substantially mitigated by confirmed annual Grant in Aid including additional funding to enable budgeted operational breakeven in 2023-24, alongside the Museum's proven agility to flex variable and project costs. Nevertheless, a high proportion of planned Museum spend is necessary to support effective operations and /or drive visitor numbers / income, and cost reductions may impact detrimentally on Museum outcomes and impact even where activities are not immediately essential. Early indications in the new financial year show continuing challenges to retention and recruitment as the cost-of-living crisis continues, mitigated by an acknowledged pride in working for the Museum and a clear commitment to investing in our staff team and the development of a dynamic, diverse and collaborative culture.

The RAF Museum's Strategy 2030 sets out to build a robust financial model for the future, with operational savings to be identified, fundraising and trading activity to be increased and diversified, and programmes developed that attract funding support, to enable significant investment and development at both sites. There is and will continue to be continued pressure on Government funding and funding from trusts and foundations. There is much competition for funding in London, while potential sources in the West Midlands are fewer, though a shift away from London focussed investment and the levelling up agenda is an opportunity for our ambitious Cosford Master Plan and RAF Museum Midlands Development Programme.

The Collections Review supports both care of the collection and development and delivery of our programming. An important strand of this review is delivery of digitisation of the collections, opening access to audiences while ensuring collection care is maintained. This will require considerable investment which is the reason for the risk of 'failure to adequately care for collections' remaining at a medium level assessment.

As with the risk of financial instability, the risks from major incidents of any nature can only be mitigated to a certain degree. This includes phased capital investment in infrastructure and continued assurance of effective processes in place. Further to considerable progress thus far, one of the key strategic priorities for the Museum and a focus for the next financial year is to

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

continue to invest in building the strong and sustainable basic foundations required to fully achieve the future vision.

Assurance Statement by the Audit and Risk Committee

The Audit and Risk Committee are reasonably confident that the reliability, integrity, quality and comprehensiveness of the assurances provided by the RAF Museum's internal and external auditors, and by management, are presently sufficient to support the Board and Accounting Officer in their decision making and in the fulfilment of their accountability obligations. Internal controls are monitored during the year by the RAF Museum's executive team and independent internal audit review and findings reported to the Audit and Risk Committee. The Audit and Risk Committee will continue to draw to the Board's and Accounting Officer's attention any matters of concern.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Statement of the Board of Trustees' and Chief Executive Officer's Responsibilities

Under Section 30(3) of the National Heritage Act 1983 and law applicable to charities in England and Wales, the Board of Trustees is required to prepare financial statements for each financial year which give a true and fair view of the Royal Air Force Museum's financial activities and of its financial position at the end of the year.

In preparing financial statements giving a true and fair view, the Board of Trustees is required to:

- observe any accounts direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the charity will continue in operation.

Under the law applicable to charities in England and Wales, the Board of Trustees is responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and which enable the Board to ensure that the financial statements comply with applicable law. The Board is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Permanent Under-Secretary of the Ministry of Defence has appointed the senior full time official, the Chief Executive Officer, as the Accounting Officer for the Royal Air Force Museum. Her relevant responsibilities as Accounting Officer, including her responsibility for the propriety and regularity of expenditure from Grant in Aid provided by Parliament and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officer's Memorandum issued by the Treasury and published in 'Managing Public Money'.

The Accounting Officer confirms that the annual report and accounts as a whole are fair, balanced and understandable and that she takes personal responsibility for the annual report and accounts and the judgments required for determining that they are fair, balanced and understandable.

The Accounting Officer also confirms that, as far as she is aware, there is no relevant audit information of which the Museum's auditors are unaware, and that all steps have been taken to make herself aware of relevant audit information and to make this available to the Museum's auditors.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Remuneration and Staff Report

In accordance with the Financial Reporting Manual the RAF Museum has prepared this report containing certain information about directors' remuneration. 'Directors' is interpreted to mean persons in senior positions having authority or responsibility for directing or controlling the major activities of the Museum. The figures in the remuneration and staff report are subject to audit.

The total number of employees whose emoluments for the year exceeded £60,000 is given in note 6, together with information on staff numbers and costs.

None of the directors were members of the Principal Civil Service Pension Scheme (PCSPS) and the Museum did not fund any Civil Service pension contributions for them in 2022-23. The Museum, under the auto-enrolment scheme (NEST) made employer's contribution to the directors' pension at the rate of 5% of their salary. Performance bonuses paid to directors are non-contractual. All employees, including directors, received £100 shopping vouchers, which are included as benefits in kind in the table below. All of the directors have contracts of employment carrying a period of notice of three months.

Single figure of total remuneration	Salary	Perform ance- related pay and bonuses	Benefits in kind	Pension Benefits	TOTAL	TOTAL
	2022-23 (2021-22)	2022-23 (2021-22)	2022-23 (2021-22)	2022-23 (2021-22)	2022-23	2021-22
	£000	£000	Nearest £100	£000	£000	£000
Margaret Appleton MBE CEO	110-115 (105-110)	0-5 (-)	100 (100)	- (-)	110-115	105-110
Marguerite Jenkin Director of Finance and Resources	90-95 (85-90)	0-5 (-)	100 (100)	- (-)	90-95	85-90
Barry Smith Director of Visitor and Commercial Development	90-95 (85-90)	0-5 (-)	100 (100)	- (-)	90-95	85-90
Karen Whitting Director of Content and Programmes	90-95 (80-85)	0-5 (-)	100 (100)	- (-)	90-95	80-85

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Pension benefits	Real increase in pension and lump sum at pension age	Accrued pension at pension age at 31/03/23 and related lump sum	CETV at 31/03/23	CETV at 31/03/22	Real increase in CETV	Employer contribution to Nest pension
	£000	£000	£000	£000	£000	Nearest £100
Margaret Appleton MBE CEO	N/A	N/A	N/A	N/A	N/A	5,700
Marguerite Jenkin Director of Finance and Resources	N/A	N/A	N/A	N/A	N/A	4,600
Barry Smith Director of Visitor and Commercial Development	N/A	N/A	N/A	N/A	N/A	4,600
Karen Whitting Director of Content and Programmes	N/A	N/A	N/A	N/A	N/A	4,600

* A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member of a final salary scheme, required where a pension member wishes to switch to a defined contribution scheme, and is therefore not applicable to the Museum directors.

The remuneration ratios in the Museum are shown below. These represent the banded mid-point pay of the highest paid director as a multiple of the 25th percentile, median and 75th percentile pay rates. The banded mid-point pay of the highest paid director is £112,500 (2022: £107,500) and the median salary is £28,437 (2022: £25,575). The directors are all full-time employees employed on standard terms and conditions. The remuneration of the highest paid director increased by 5% against the prior year. The average percentage increase for employees of the Museum was also 5%.

	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2023	5.06	3.96	3.37
2022	5.16	4.20	3.55
% change	-2%	-6%	-5%

	25th percentile remuneration	Median remuneration	75th percentile remuneration
2023	£22,216	£28,437	£33,351
2022	£20,821	£25,575	£30,244
% change	7%	11%	10%

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

The Board of Trustees comprised eleven members at 31 March 2023, including one co-opted Trustee, none of whom were full time employees of the Museum and they were reimbursed with £4,737 in expenses (2022: £5,990). Eight Trustees claimed expenses (2022: nine).

Sickness absence (not subject to audit)

The Royal Air Force Museum employed 200 (2022: 198) members of staff as at 31 March 2023. In addition, the trading subsidiary employed 42 (2022: 37) members of staff at 31 March 2023. Periods of sickness absence are recorded in full days. The average number of days of sickness absence was 2.25 days per person (2022: 4.3). Long term absences have been excluded.

Pension Costs and Benefits

The Museum's accounting policy in relation to Pensions is provided at Note 1 to the Financial Statements. From May 2014 the Museum has automatically enrolled all employees into a National Employment Savings Trust (NEST) pension scheme unless the employees choose to opt out. The NEST pension scheme is a defined contribution pension scheme that was created as part of the government's workplace pensions reform under the Pensions Act 2008. The assets of the scheme are held separately from those of the Museum and the Museum is unable to identify our share of the liability, employer's contributions are charged to the Statement of Financial Activities as they occur.

Pension benefits for a small number of longer serving staff are provided through the Civil Service Pension Scheme (CSPS), comprising the Principal Civil Service Pension Scheme (PCSPS) and alpha. The CSPS is an unfunded multi-employer defined benefit scheme but the RAF Museum is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2016 (signed 2021). Details can be found on the CSPS website here:

<https://www.civilservicepensionscheme.org.uk/about-us/scheme-valuations/>.

For 2022-23 employer's contributions of £86,758 were payable (2022: £94,970) through the CSPS. The applicable rates for the CSPS are shown below:

Gross Salary	Rate %
77,001 and over	30.3
45,501 – 77,000	27.9
23,001 - 45,500	27.1
Up to 23,000	26.6

The contribution rates reflect benefits as they are accrued, not when costs are actually incurred, and reflect past experience of the scheme. Pension benefits are provided through the Civil Service pension arrangements in place prior to 30th July 2007, with the unfunded cost of benefits met by monies voted by Parliament each year. Further details about the Civil Service pension arrangements can be found at the website: www.civilservice.gov.uk/pensions.

Reporting of civil service and other compensation schemes – exit packages
(Comparative data for the prior financial year is shown in brackets)

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	- (-)	- (-)	- (-)
£10,000–£25,000	- (-)	- (-)	- (-)
£25,000–£50,000	- (-)	- (-)	- (-)
£50,000–£75,000	- (-)	- (-)	- (-)
Total number of exit packages	- (-)	- (-)	- (-)
Total resource cost/ £	- (-)	- (-)	- (-)

Redundancy and other departure costs are, where appropriate, paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the department has agreed early retirements, the additional costs are met by the department. Ill-health retirement costs are met by pension scheme and are not included in the table.

Coronavirus Job Retention Scheme (CJRS)

From April to June 2021 a total of 59 staff (93 including the trading company) were furloughed on full pay for varying periods dependent on role and the ability to work from home effectively. The Museum received government CJRS grants of £139,000 (£195,000 including the trading company) covering up to 80% of the salary costs of staff on furlough during this period.

Trade Union Facility Time (not subject to audit)

Table 1

Number of employees who were relevant union officials during the relevant period	Full-time equivalent	
	2022-23	2021-22
	2	4

Table 2

Percentage of time	Number of employees	
	2022-23	2021-22
0	-	-
1-50%	2	4
51-99%	-	-
100%	-	-

Table 3

	Figures	
	2022-23	2021-22
Total cost of facility time	452	1,578
Total pay bill	6,118,000	5,696,000
Percentage of the total pay bill spent on facility time	0%	0%

Table 4

Time spent on paid trade union activities as a percentage of total paid facility time	Percent	
	2022-23	2020-21
	0%	1%

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Other Staff Costs

Further details relating to the Museum's other staff costs can be found in Note 6 to the financial statements.

Volunteers (not subject to audit)

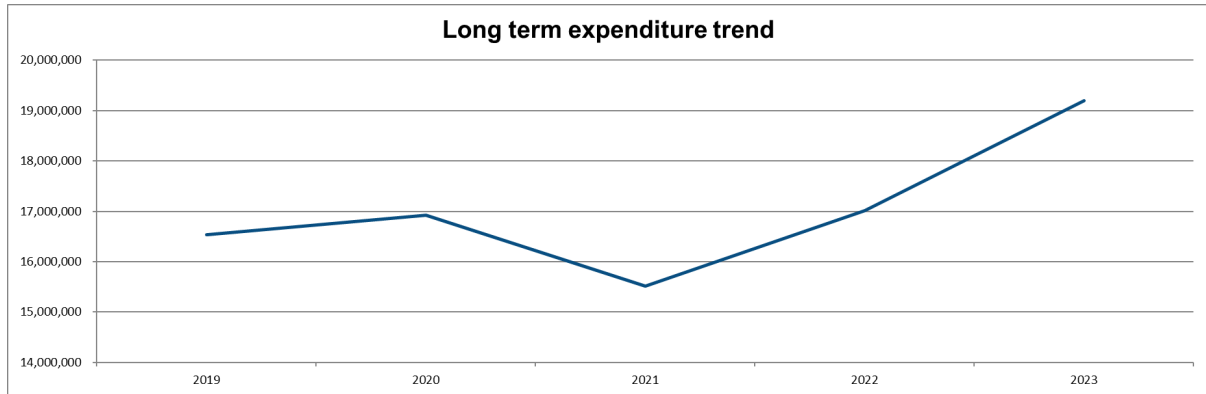
The support of our volunteers is vital to our Museum activities, with a diverse range of people generously giving their time to work alongside our paid staff team in a wide variety of areas, from front-of-house roles interacting with our visitors, to behind-the-scenes work caring for our collection in person or researching funding opportunities online. They contribute their skills, time and enthusiasm, connect with a diverse range of people as part of the RAF Museum family, and help us create meaningful experiences for them as individuals and for our audiences at our London or Cosford sites, or remotely by supporting projects such as RAF Stories. During 2022-23, over 384 individuals worked with the Museum in volunteer roles contributing a total of 9,543 hours (2022: 11,855) a slight decrease in volunteer numbers from the previous year due to an increase in leavers (a sector wide trend post-pandemic) for a variety of reasons including the need to return to work because of the cost of living crisis or finishing of the volunteering role requirement.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Parliamentary accountability and audit report

All expenditure is regular and has been applied as intended by donors and the Museum's sponsor body. There are no contingent liabilities, gifts, fees, charges or losses and special payments requiring further disclosure that have not been reported elsewhere in these financial statements. This paragraph is subject to audit.

Expenditure trend over the past five financial years is shown below:



The increase in expenditure pre-COVID was a result of both cost inflation and the additional projects the Museum had embarked upon to improve our visitor experience, including the RAF Centenary Programme. These projects have been funded from self-generated income, donations and sponsorship. This spend reduced in 2021-22 due to the impact of the COVID-19 pandemic, with some projects paused and staff placed on furlough, as well as a decline in trading costs. In 2021-22 spending returned to pre-pandemic levels as both sites reopened with investment in the website and marketing and a return to normal trading levels in the commercial areas of the Museum, and this has stabilised in 2022-23.

ACM Sir Stephen Hillier GCB CBE DFC
Chair

on behalf of the Board of Trustees

6 July 2023

Margaret Appleton MBE
Chief Executive Officer and
Accounting Officer

Royal Air Force Museum

6 July 2023

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

The Audit Report of The Comptroller and Auditor General to The Houses of Parliament

Opinion on financial statements

I have audited the financial statements of the Royal Air Force Museum and its Group for the year ended 31 March 2023 under the Charities Act 2011.

The financial statements comprise the Royal Air Force Museum and its Group's:

- Consolidated and Charity Balance sheet as at 31 March 2023
- Consolidated Statement of Financial Activities, Consolidated Cash Flow Statement; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the Royal Air Force Museum and its Group's affairs as at 31 March 2023 and their net income for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been properly prepared in accordance with Charities Act 2011.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the Royal Air Force Museum and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Royal Air Force Museum and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Royal Air Force Museum and its Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Board of Trustees and Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report, but does not include the financial statements nor my auditor's report thereafter. The Board of Trustees and Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury's Government Financial Reporting Manual.

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury's Government Financial Reporting Manual;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Matters on which I report by exception

In the light of the knowledge and understanding of the Royal Air Force Museum and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- Adequate accounting records have not been kept by the Royal Air Force Museum and its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report, subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance

Responsibilities of the Board of Trustees and Accounting Officer for the financial statements

As explained more fully in the Statement of the Board of Trustees' and Chief Executive Officer's Responsibilities, the Board of Trustees and the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Royal Air Force Museum and its Group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- preparing group financial statements, which give a true and fair view, in accordance with Charities Act 2011;
- preparing the Annual Report, which includes the Remuneration and Staff Report and Governance Statement, in accordance with HM Treasury's Government Financial Reporting Manual; and
- assessing the Royal Air Force Museum and its Group'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 Board of Trustees and the Accounting Officer either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with section 151 of the Charities Act 2011.

My 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 a report that includes my 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud:

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud:

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Royal Air Force Museum and its Group's accounting policies, key performance indicators and performance incentives.
- inquired of management, Royal Air Force Museum's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Royal Air Force Museum and its Group's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Royal Air Force Museum and its Group's controls relating to the Royal Air Force Museum's compliance with the Charities Act 2011;
- inquired of management, the Royal Air Force Museum's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team including significant component audit teams and the relevant internal and external specialists, including property specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

As a result of these procedures, I considered the opportunities and incentives that may exist within the Royal Air Force Museum and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Royal Air Force Museum and its Group's framework of authority and other legal and regulatory frameworks in which the Royal Air Force Museum and its Group operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Royal Air Force Museum and its Group. The key laws and regulations I considered in this context included The Charities Act 2011, employment law and tax Legislation.

Audit response to identified risk:

- To respond to the identified risks resulting from the above procedures: I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board of Trustees and internal audit reports;
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- in addressing the risk of fraud in revenue recognition, I assessed the recognition of income in line with the accounting framework and undertook procedures to test the completeness of income.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my 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 my report.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Other auditor's responsibilities:

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

14 July 2023

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Consolidated Statement of Financial Activities for the year ended 31 March 2023

	Unrestricted Funds 2023 £000	Restricted Funds 2023 £000	Total Funds 2023 £000	Unrestricted Funds 2022 £000	Restricted Funds 2022 £000	Total Funds 2022 £000
Income from						
Donations and legacies						
Grant in aid	10,346	3,750	14,096	10,045	700	10,745
Grants and donations	368	602	970	424	550	974
Charitable activities	142		142	116	-	116
Other trading activities						
Trading income	4,305	-	4,305	3,031	-	3,031
Fundraising events	5	-	5	92	-	92
Sponsorships	-	120	120	-	151	151
Share of RAF100 Appeal gain	-	1	1	-	15	15
Investments	160	42	202	10	-	10
Other	9	4	13	45	-	45
Total income	15,335	4,519	19,854	13,763	1,416	15,179
Expenditure on						
Fundraising	661	34	695	683	-	683
Trading	3,159	-	3,159	2,677	-	2,677
Charitable activities	14,610	737	15,347	12,985	673	13,658
Other	-	-	-	-	-	-
Share of RAF100 Appeal deficit	-	-	-	-	-	-
Total expenditure	18,430	771	19,201	16,345	673	17,018
Net gains/(losses) on investments	-	-	-	1		1
Net income/(expenditure)	(3,095)	3,748	653	(2,581)	743	(1,838)
Transfers between funds	655	(655)	-	804	(804)	-
Other recognised gains and losses						
Gains/(losses) on revaluation of fixed assets	17,095		17,095	4,171	-	4,171
Net movement in funds	14,655	3,093	17,748	2,394	(61)	2,333
Reconciliation of funds						
Total funds brought forward at 1 April 2022	110,465	8,566	119,031	108,071	8,627	116,698
Total funds carried forward at 31 March 2023	125,120	11,659	136,779	110,465	8,566	119,031

All of the Group's activities are classed as continuing. All recognised gains and losses are included above.

The notes on pages 53 to 70 form part of these financial statements.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Consolidated and Charity Balance Sheet as at 31 March 2023

	Notes	Group 2023	Group 2022	Charity 2023	Charity 2022
		£000	£000	£000	£000
Fixed assets					
Tangible assets	7a	103,616	87,969	103,616	87,969
Heritage Assets	7b	21,627	21,846	21,627	21,846
Investments	4a	-	-	100	100
Investment in RAF100 Appeal	4b		-	-	
Total Fixed Assets		125,243	109,815	125,343	109,915
Current assets					
Stock	8	247	245	-	-
Debtors	9	1,270	616	2,320	1,024
Investments	10	-		-	-
Cash at bank and in hand	11	12,289	10,165	11,097	9,713
Total Current Assets		13,806	11,026	13,417	10,737
Liabilities					
Creditors: Amounts falling due within one year	12	2,230	1,696	1,941	1,507
NET CURRENT ASSETS		11,576	9,330	11,476	9,230
Creditors: Amounts falling due after more than one year	12	40	114	40	114
NET ASSETS/LIABILITIES		136,779	119,031	136,779	119,031
The funds of the charity					
Unrestricted funds	15	125,120	110,465	125,050	110,395
Restricted funds	15	11,659	8,566	11,729	8,636
		136,779	119,031	136,779	119,031

The notes on pages 53 to 70 form part of these financial statements.

Approved by the Board of Trustees on 6 July 2023 and signed on its behalf by:

Air Chief Marshal Sir Stephen Hillier GCB CBE DFC
Chair
on behalf of Trustees

Ms M Appleton MBE
Chief Executive Officer and Accounting Officer
Royal Air Force Museum

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Consolidated Cash Flow Statement for the year ended 31 March 2023

Reconciliation of net incoming resources to net cash flow from operating activities

	Notes	2023 £000	2022 £000
Net Incoming Resources		653	(1,838)
Interest receivable		(202)	(10)
Depreciation of tangible assets	7a	3,635	3,508
(Profit)/loss on disposal of assets		398	-
Donated Assets		(86)	(40)
(Gain)/Loss on investments	4b, 15	-	-
(Increase) / decrease in stocks	8	(2)	22
(Increase) / decrease in current investments	10	-	2
(Increase) / decrease in debtors	9	(654)	790
(Decrease) / increase in creditors	12	460	209
Net cash provided by operating activities		4,202	2,643
Cash flows from investing activities			
Bank interest received		202	10
Distribution received from Joint Venture	4b		
Purchase of tangible fixed assets	7a	(2,280)	(801)
Net cash used in investing activities		(2,078)	(791)
Change in cash and cash equivalents		2,124	1,852
Cash and cash equivalents at 1 April 2022		10,165	8,313
Cash and cash equivalents at 31 March 2023		12,289	10,165

The notes on pages 53 to 70 form part of these financial statements.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Notes to the Financial Statements for the year ended 31 March 2023

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with applicable accounting standards, under the historical cost convention as modified by the revaluation of fixed assets.

The financial statements comply with the Statement of Recommended Practice: Accounting and Reporting by Charities SORP 2019 (FRS 102) and with the Government Financial Reporting Manual.

Basis of consolidation

Consolidated financial statements have been prepared for the year ended 31 March 2023 in respect of the charity and its wholly owned subsidiaries, Royal Air Force Museum Enterprises Ltd and The Royal Air Force Museum Investments Limited, using the acquisition method of accounting. Intra group transactions and profits are eliminated fully on consolidation.

The Royal Air Force Museum Investments Limited was formed to hold the real property assets of the charity on behalf of the Trustees. In March 2005, the Cosford and Stafford leasehold property was transferred to this company from the charity, followed by the London (Hendon) freehold property in January 2008. However, while the legal ownership remains with the company, in substance the RAF Museum retains the risks and rewards associated with these assets. In accordance with FRS 102 the RAF Museum has recognised these assets in the balance sheet.

The Museum is a partner in a Joint Venture, RAF100 Appeal (charity number 1167398, company number 9977273), as one of five investor organisations. RAF 100 Appeal is a charitable company established to raise funds during the RAF's centenary year. RAF100 Appeal is accounted for using the equity method, with the value of the Museum's stake being measured as its initial investment plus our equal share of RAF100 Appeal's net gain or loss for the period.

Going concern

The Trustees have presented the accounts on a going concern basis. This assumes that the Museum is able to meet its liabilities as they fall due for the foreseeable future and that current and future funding will be adequate for the charity's needs. We have considered a period of twelve months from the date of approval of the financial statements in accordance with accounting conventions.

In coming to their conclusion, the Trustees have considered monthly forecast levels of income and expenditure and underlying assumptions, including the impact of the COVID-19 pandemic. The over-riding assumption is that the funding from the MOD continues at a similar level for the foreseeable future having carefully considered the forecasts and assumptions the Trustees are content to present the accounts on this basis.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Income

Grant in Aid is recognised in the year to which it relates. Grants and donations are recognised once the Museum can demonstrate that SORP 2019 recognition criteria of measurement, entitlement and probability have been met. Earned income is accounted for as it is receivable. Donations in kind are recognised at their fair value, with an equivalent charge made to resources expended. Sponsorships are recognised in line with the sponsorship period. Gains and losses on investments are recognised in the period in which they arise. Income from commercial activities is included in the year in which the related goods or services are provided.

Expenditure

Resources expended are included in the statement of financial activities on an accruals basis, inclusive of any irrecoverable VAT. Expenditure is classified in the Statement of Financial Activities under the principal categories of raising funds and charitable activities.

Resources expended comprise direct expenditure including direct staff costs attributable to the activity. Where costs cannot be directly attributed, they are allocated to activities according to the method described in note 5.

Termination payments

Termination payments are payable when employment is terminated before the normal retirement date or end of employment contract. In line with the FReM, they are recognised when the employment ends.

Fund accounting

Unrestricted funds (including designated funds) are donations or other incoming resources received or generated for the charity's general purposes. The general fund comprises the accumulated surpluses of unrestricted incoming resources, which are available for use in furtherance of the general objectives of the charity. The fixed asset fund represents the value of the charity's fixed assets. The revaluation reserve represents the increase in value of the charity's assets through either indexation or professional revaluation.

Designated funds are a particular form of unrestricted funds consisting of amounts which have been allocated or designated for specific purposes by the Trustees. The use of designated funds remains at the discretion of the Trustees.

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overhead costs.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Tangible fixed assets

The charity's tangible fixed assets are capitalised at cost on acquisition and revalued annually using the most appropriate indices calculated by Defence Economics and Valuation Office Agency for the relevant class of asset. Fixed assets with a cost of less than £2,500 are not capitalised. Any gains or losses on revaluation are reported as unrealised until an asset is disposed. The freehold and leasehold properties comprising the RAF Museum estate are independently valued every five years. The most recent such valuation was undertaken as at 31 March 2023. Further detail is provided in Note 7a. On 1 April 2016 the Museum took ownership of assets held by Royal Air Force Museum Enterprises Ltd. The Museum levies a charge on RAFMEL for the use of these assets. Depreciation is provided straight line at rates calculated to write off the value of each asset over its expected useful life, as follows:

- Freehold buildings 5 to 75 years
- Leasehold property over the lease term
- Permanent exhibitions 5 to 10 years
- Fixtures, fittings and equipment 3 to 5 years
- Plant and machinery 5 years
- Simulators 15 years
- Motor vehicles 4 years

Assets in the course of construction are not depreciated or revalued until brought into use.

Impairment

The RAF Museum assesses whether there is any indication of impairment for all fixed assets at the balance sheet date. A fixed asset is considered to be impaired if the recoverable amount of the asset has fallen below its carrying amount on the balance sheet, as a result of damage, deterioration poor performance or external factors affecting its value.

If any indication of impairment exists, the Museum shall estimate the recoverable amount of the asset, determined as the higher of its fair value less costs to sell the asset and its value in use. The method of estimation used shall be that deemed most suitable for the type of asset. Where there is objective evidence that an impairment loss exists, an impairment charge will be made to the Revaluation Reserve to reduce the carrying value of the asset to the estimated recoverable amount. Where there are no historical revaluations in a revaluation reserve, impairment losses are charged through the Statement of Financial Activities.

Exhibition costs

Long term exhibition equipment is capitalised as a fixed asset under fixtures and fittings. Temporary exhibition costs are written off as resources expended in the year they are incurred.

Heritage assets

The Museum has approved policies for Collections Development and our management of Heritage Assets. Our key collections policies and further information on the acquisition, safeguarding and disposal of Heritage Assets can be found on the RAF Museum Website, following the link:

<https://www.rafmuseum.org.uk/research/default/acquisitions-and-disposals/>

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Any other collections-related policies can be made available on request.

The Museum has been consistently reviewing and recording all the heritage assets on its database for several years now and the collection can be divided between the accessioned collection (objects that have been formally acquired and accepted into the Permanent Collection), and the un-accessioned collection (long-term deposited objects which have yet to be assigned a status, catalogued, or passed through the Collections Review process). Un-accessioned objects, the majority of which are aircraft technical drawings and library objects, represent two thirds of the accumulated objects held by the Museum.

Heritage assets valued over the capitalisation threshold which have been accessioned into the collection on or after 1 April 2001 have been capitalised but not revalued or depreciated. Heritage assets are accounted for as a distinct category of fixed asset with indefinite life and are therefore not depreciated. If available, valuation is based on acquisition costs increased by restoration costs (if applicable). The Museum's response to the introduction of FRS 30 effective 1 April 2010 was to deploy internal resources to the task of valuation in respect of those assets acquired before 1 April 2001, and which represent a materially significant part of the accessioned collection.

Given the diverse nature of the collection, the unique nature of some items and also taking into account changing market conditions, the resulting valuations represent indicative estimates. The valuations of the most significant items acquired pre-2001 were added to the total value of heritage assets as at 31 March 2011. The heritage assets will not be re-valued in future periods; however, impairment reviews will be annually carried out by the Museum.

For donated assets, in most cases valuations are based on internal estimates determined by the relevant curator's experience and judgement, as an accurate figure is very difficult to establish. In some cases (e.g. a significant painting), a dealer may be sometimes consulted for advice.

Investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value. Those held as current assets are stated at their market value. Term deposits of less than one year are classified as investments within current assets.

Investments in joint ventures are accounted for using the equity method, with the carrying amount measured as the Museum's initial investment plus its share of the joint venture's profit or loss.

Dividends are recognised on the Statement of Financial Activities when received. The distribution received from the Museum's partnership in the RAF100 joint venture has been accounted for using the equity method in accordance with FRS 102

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Leased assets and obligations

Assets held under finance leases, where the lease terms give rights approximating to ownership, are capitalised with an equivalent liability recognised under creditors due within one and after one year as appropriate. Rentals payable under operating leases are charged to resources expended as they are incurred.

Stock

Stock is valued at the lower of cost and net realisable value. Specific provision is made for obsolete and slow-moving items.

Financial instruments

The Museum's financial assets and liabilities consist of cash and cash equivalents, short term investments, trade debtors, trade creditors and accrued expenses. The fair value of these items approximates their carrying value due to their short-term value. Unless otherwise noted, the Museum is not exposed to significant interest, foreign exchange or credit risks arising from these instruments.

Pensions

From May 2014 the Museum has automatically enrolled all employees into a National Employment Savings Trust (NEST) pension scheme unless the employees choose to opt out. The NEST pension scheme is a defined contribution pension scheme that was created as part of the government's workplace pensions reform under the Pensions Act 2008. The assets of the scheme are held separately from those of the Museum and the Museum is unable to identify its share of the liability. Employer's contributions are charged to the Statement of Financial Activities as they occur.

Pension benefits for a small number of longer serving staff are provided through the Civil Service pension arrangements, which provide benefits based on final pensionable pay. Employer's contributions are charged to the Statement of Financial Activities as they occur. The assets of the scheme are held separately from those of the charity and the Museum is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation is carried out periodically. Details can be found in the resource accounts for these schemes, which are published and laid before the House of Commons.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

2. TAXATION

All of the charity's income is applied for charitable purposes and therefore the charity is exempt from Corporation Tax. The Corporation Tax liability of the trading subsidiary for the year ended 31 March 2023 was £nil (2022: £nil).

3. GRANTS AND DONATIONS

	Unrestricted Funds 2023 £000	Restricted Funds 2023 £000	Total Funds 2023 £000	Unrestricted Funds 2022 £000	Restricted Funds 2022 £000	Total Funds 2022 £000
Donated Heritage Assets	-	86	86	-	40	40
Other Donations for Centenary Programme	-	-	-	-	138	138
Swire Foundation Bomber Command Association	-	-	-	25	-	25
Shropshire Council	-	80	80	-	-	-
Hidden Heroes	-	-	-	-	25	25
STAAR Programme	-	-	-	-	40	40
Coronavirus Job Retention Scheme Grants*	-	136	136	-	109	109
RAFMAF	-	-	-	-	139	139
Legacies	73	244	244	-	41	41
Other - Individual Donations	295	56	351	11	-	11
	368	602	970	424	550	974

*An additional £56k in CJRS Grants was also received in the trading subsidiary in 2022.

4a. INVESTMENT IN SUBSIDIARY UNDERTAKINGS AND JOINT VENTURES

The investment of £100,000 (2022: £100,000), represents the charity's interest in 100% of the issued share capital and retained loss of Royal Air Force Museum Enterprises Limited (company number 1511481) which is incorporated in England and Wales and operates souvenir shops, car parking and other trading activities at Hendon and Cosford. The company's aggregate capital and reserves were as follows:

	2023 £000	2022 £000
The assets and liabilities of the subsidiary were:		
Current assets	2,068	861
Creditors: amounts falling due within one year	(1,968)	(761)
	100	100
	2023 £000	2022 £000
At 1 April 2022	100	(114)
Profit/(Loss) retained in subsidiary	-	214
At 31 March 2023	100	100

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

A summary of the Company's trading results is shown overleaf. Audited accounts will be filed with the Registrar of Companies.

The remaining £2 represents the charity's interest on 100% of the issued share capital of The Royal Air Force Investments Limited (company number 4026995), which is incorporated in England and Wales and holds the real property assets of the charity for administrative purposes.

The Directors of RAF Museum Enterprises Limited, having considered monthly forecast levels of income and expenditure and the underlying assumptions, have assessed that the subsidiary is a going concern and the Trustees are content, therefore, that the investment in the subsidiary retains its value.

During the year, the Museum was a partner in a joint venture, RAF100 Appeal (charity number 1167398, company number 9977273), as one of five investor organisations. RAF 100 Appeal was a charitable company established to raise funds during the RAF's centenary year and was formally dissolved on 3 April 2023. RAF100 Appeal is accounted for using the equity method, with the value of the Museum's stake being measured as its initial investment plus our equal share of RAF100 Appeal's net gain or loss for the period.

4b. INCOME FROM SUBSIDIARIES AND JOINT VENTURES

RAF100 Appeal	Total		RAF Museum share	
	2023 £000	2022 £000	2023 £000	2022 £000
Income				
Donations	-	-	-	-
Sponsorship	-	-	-	-
Publications	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-
Expenditure				
Raising Funds	-	-	-	-
Charitable activities	-	-	-	-
Total	-	-	-	-
Net income/(expenditure)	-	-	-	-

As at 31 March 2023, the Museum's share of the RAF100 Appeal's net assets was £nil (2022: £nil). The Museum's share of the 2022-23 trading deficit is £nil (2022: £nil). In 2021-22 it was agreed by the joint venture Trustees the remaining funds be distributed equally between the partners. In 2022-23 the Museum received from the joint venture its share, which was £16k of which £15k which had been recognised as income in 2021-22 and as a debtor. The joint venture was formally dissolved on 4 April 2023.

The Museum owed the joint venture £nil as at 31 March 2023 (2022: £nil) and the joint venture had not entered into any capital commitments as at 31 March 2023 (2022: £nil).

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Royal Air Force Museum Enterprises Limited

	2023	2022
	£000	£000
Turnover and other income	5,057	3,031
Cost of sales, administrative expenses and taxation.	<u>(4,337)</u>	<u>(2,677)</u>
	720	354
Interest receivable	4	-
Net Profit/(Loss)	<u>724</u>	<u>354</u>
Gift Aid to RAF Museum	(724)	(140)
Surplus/(Deficit) in subsidiary	<u>-</u>	<u>214</u>

The turnover and cost of sales include £752k received from the Museum and £1,178k paid to the Museum under exhibition production agreements. These amounts have been eliminated in the consolidated results.

5. Resources expended

As required by the charity SORP, expenditure is analysed between that directly attributable to activities and support costs. These support costs are allocated to activities based on the criteria outlined below.

	Direct costs	Support costs	Depreciation	Total
	£000	£000	£000	£000
Fundraising	582	110	3	695
Trading	3,159	-	-	3,159
Charitable activities	8,879	3,027	3,441	15,347
Other	-	-	-	-
	<u>12,620</u>	<u>3,137</u>	<u>3,444</u>	<u>19,201</u>

	Fundraising	Trading	Charitable Activities	Other	Total	Allocation method
	£000	£000	£000	£000	£000	
Finance	15	-	232	-	247	Expenditure
IT	39	-	766	-	805	Number of staff
HR	19	-	368	-	387	Number of staff
Estates	-	-	226	-	226	Floor space
Administration	37	-	583	-	620	Expenditure
Governance	-	-	852	-	852	Expenditure
	<u>110</u>	<u>-</u>	<u>3,027</u>	<u>-</u>	<u>3,137</u>	

The National Audit Office audit fee of £39,850 (2022: £33,250) is included within governance costs.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Prior year analysis

	Direct costs £000	Support costs £000	Depreciation £000	Total 2022 £000
Fundraising	586	95	2	683
Trading	2,677	-	-	2,677
Charitable activities	7,820	2,848	2,990	13,658
Other	-	-	-	-
	11,083	2,943	2,992	17,018

	Fundraising £000	Trading £000	Charitable Activities £000	Other £000	Total 2022 £000	Allocation method
Finance	14	-	180	-	194	Expenditure
IT	27	-	868	-	895	Number of staff
HR	10	-	319	-	329	Number of staff
Estates	-	-	283	-	283	Floor space
Administration	44	-	592	-	636	Expenditure
Governance	-	-	606	-	606	Expenditure
	95	-	2,848	-	2,943	

6. STAFF COSTS AND NUMBERS

	2023 £000	2022 £000
Salaries and wages	5,212	4,891
Temporary agency staff	12	-
Social security costs	566	486
Pension costs	328	319
	6,118	5,696

The above costs exclude the trading subsidiary.

The average number of employees in the Museum during the year was 202 (2022: 197). FTE equivalent was 180 (2022: 176).

Employees whose emoluments amounted to over £60,000.

	2023	2022
£80,001 - £90,000		3
£90,001 - £100,000	3	
£100,001 - £110,000		1
£110,001 - £120,000	1	

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

7a. TANGIBLE FIXED ASSETS - GROUP AND CHARITY

	Freehold property £000	Leasehold Property £000	Permanent Exhibitions £000	Fixtures, Fittings & Equipment £000	Plant, Machinery & Vehicles £000	Assets under Construction £000	Heritage Assets £000	Total £000
Cost or valuation								
At 1 April 2022	75,689	17,270	5,681	3,918	744	65	21,846	125,213
Additions	239	24	62	309	-	1,556	176	2,366
Transfers	0	0	65	-	-	(65)	-	-
Disposals	(3)	-	-	-	-	-	(395)	(398)
Revaluations	5,751	(936)	559	(829)	29	-	-	4,574
At 31 March 2023	81,676	16,358	6,367	3,398	773	1,556	21,627	131,755
Depreciation								
At 1 April 2022	6,091	3,317	2,490	2,928	572	-	-	15,398
Charged in the year	1,641	883	560	517	34	-	-	3,635
Disposals	-	-	-	-	-	-	-	-
Revaluations	(7,732)	(4,200)	202	(799)	8	-	-	(12,521)
At 31 March 2023	-	0	3,252	2,646	614	-	-	6,512
Net Book Value								
At 31 March 2023	81,676	16,358	3,115	752	159	1,556	21,627	125,243
At 1 April 2022	69,598	13,953	3,191	990	172	65	21,846	109,815

On 1 April 2016, ownership of fixed assets held in Royal Air Force Museum Enterprises Limited transferred to the Museum. The Museum charges RAFMEL a fee for the use of these assets.

The freehold and leasehold properties known as the Royal Air Force Museum estate was valued as at 31 March 2023 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards (January 2022 edition) and the national standards and guidance set out in the UK national supplement (November 2018), the International Valuation Standards, and IFRS as adapted and interpreted by the Financial Reporting Manual (FRm). The valuations of specialised properties were derived using the Depreciated Replacement Cost (DRC) method, with other in-use properties reported on an Existing Use Value basis. The valuation was reported under the special assumption that on expiry of the existing lease term at the Cosford site the Museum will be granted a further lease on the same terms as the existing lease i.e. for a further 35 year term and with the benefit of the 35% discount to the Principle Rent given while the MOD remains the landlord. Tangible fixed assets are revalued using annual indices provided by the Ministry of Defence to comply with Modified Historic Cost Accounting (MHCA) legislation per HM Treasury guidelines. The year-end indices reflect the movements between Defence Economics' 2021-22 forecast price indices in their March 2022 report and their revised actual price indices in their March 2023 report. On 21 January 2008 the title of the deeds to the Museum's freehold property was transferred from the charity to a subsidiary, The Royal Air Force Museum Investments Limited.

On 16 March 2005, the ownership of the leasehold property at Cosford, was transferred from the charity, to a subsidiary company, The Royal Air Force Museum Investments Limited. However, while the legal ownership remains with the company, in substance the RAF Museum retains the risks and rewards associated with these assets. In accordance with FRS 102 the RAF Museum has recognised these assets in the balance sheet.

There are no Tangible Fixed Assets held under Finance Leases in the Royal Air Force Museum Group.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

7b. HERITAGE ASSETS

The number of Heritage Assets which the Museum acquires through donations means that the total book value of Heritage Assets is a mixture of cost (for purchased exhibits) and valuation at the point of donation (for donated exhibits), and includes a historic valuation of a materially significant part of the collection. Heritage assets which have been accessioned into the collection on or after 1 April 2001 are not revalued, as such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the Museum. At 31 March 2023 the book value comprised:

	2023	2022
	£000	£000
Heritage Assets recorded at cost	2,789	2,699
Heritage Assets recorded at valuation	18,838	19,147
Total book value of Heritage Assets	21,627	21,846

A summary of the nature and scope of the collection is as follows

	2023	2022
	£000	£000
Aircraft and Aircraft Parts	17,478	17,793
Medals and Commemorative items	1,645	1,589
Artwork	1,067	1,027
Archives	889	889
Vehicles and Marine Craft	319	319
Models	84	84
Other	145	145
Total	21,627	21,846

Summary of Heritage Asset Acquisitions and Disposals over the last five years

	31.03.19	31.03.20	31.03.21	31.03.22	31.03.23
	£000	£000	£000	£000	£000
Book Value Brought Forward	21,125	21,625	21,785	21,790	21,846
Add Acquisitions					
Purchased at cost	10	160	-	16	90
Donated at valuation	490		5	40	86
Total Acquisitions	500	160	5	56	176
Revaluations	-	-	-	-	-
Disposals	-	-	-	-	(395)
Book Value Carried Forward	21,625	21,785	21,790	21,846	21,627

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

8. STOCK

	Group		Charity	
	2023 £000	2022 £000	2023 £000	2022 £000
Goods for resale	247	245	-	-

9. DEBTORS

	Group		Charity	
	2023 £000	2022 £000	2023 £000	2022 £000
Trade debtors	72	39	26	31
Amounts due from subsidiary undertaking	-	-	930	353
Other debtors	892	287	380	275
Prepayments and accrued income	306	290	235	200
Gift Aid from the subsidiary	-	-	749	165
	1,270	616	2,320	1,024

Amounts due from subsidiary undertaking at 31 March 2021 includes an unsecured interest-free loan made in December 2020 to Royal Air Force Museum Trading Limited. The loan was repaid in full in December 2021.

10. INVESTMENTS - GROUP AND CHARITY

	2023 £000	2022 £000
Quoted investments:		
Market value on 1 April 2022	-	2
Additions	-	-
Disposals		(3)
Realised gain on disposal		1
Unrealised investment (losses) / gains	-	-
Market value on 31 March 2023	-	-
Historical cost on 31 March 2023	-	-

11. CASH AT BANK AND IN HAND

	Group		Charity	
	2023 £000	2022 £000	2023 £000	2022 £000
Commercial bank accounts	12,277	10,153	11,094	9,710
Cash in hand	12	12	3	3
	12,289	10,165	11,097	9,713

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

12. CREDITORS

	Group		Charity	
	2023	2022	2023	2022
	£000	£000	£000	£000
Amounts falling due within one year				
Trade creditors	1,180	832	1,059	803
Taxation and social security	143	138	130	127
Amounts due to subsidiary undertaking	-	-	-	-
Other creditors	33	32	33	31
Accruals and deferred income	874	694	719	546
	2,230	1,696	1,941	1,507
Amounts falling after more than one year				
Accruals and deferred income	40	114	40	114
	40	114	40	114

13. RECONCILIATION OF GROUP NET CASH FLOW TO MOVEMENT IN GROUP NET CASH FUNDS

	2023	2022
	£000	£000
Increase/(decrease) in cash in period	2,124	1,852
Net funds at 1 April 2022	10,165	8,313
Net funds at 31 March 2023	12,289	10,165

14. ANALYSIS OF GROUP NET FUNDS

	1 April 2022	Cashflow	31 March
	£000	£000	2023
			£000
Cash at bank and in hand (See note 11)	10,165	2,124	12,289
Current asset investments	-	-	-
	10,165	2,124	12,289

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

15. STATEMENT OF GROUP FUNDS

Analysis of group net assets between funds

	Unrestricted funds £000	Restricted funds £000	Total funds 2023 £000	Unrestricted funds £000	Restricted funds £000	Total funds 2022 £000
Tangible fixed assets	117,478	7,765	125,243	103,692	6,123	109,815
Investments in joint ventures	-	-	-	-	-	-
Cash at bank and in hand	8,395	3,894	12,289	7,722	2,443	10,165
Other net current assets	(753)	40	(713)	(949)	114	(835)
Net non current assets	-	(40)	(40)	-	(114)	(114)
Total assets less liabilities	125,120	11,659	136,779	110,465	8,566	119,031
Net assets	125,120	11,659	136,779	110,465	8,566	119,031

Analysis of funds

	2022 £000	Income £000	Expenditure £000	Revaluation £000	Transfers £000	2023 £000
Restricted funds						
Fixed assets	6,123	-	2,210	-	(568)	7,765
RAF Centenary Programme	1,019	139	(16)	-	(150)	992
RAF 100 Appeal	-	1	-	-	(1)	-
RAF Museum Midlands	232	259	-	-	150	641
Watchtower	122	2	(60)	-	-	64
STAAR	31	137	(119)	-	-	49
Hidden Heroes	102	2	(9)	-	-	95
Bomber Command Assoc'n	250	85	(335)	-	-	-
RAFMAF Learning Fund	54	1	-	-	-	55
Restricted Grant in Aid	552	3,761	(2,402)	-	-	1,911
Other	81	132	(40)	-	(86)	87
Total Restricted Funds	8,566	4,519	(771)	-	(655)	11,659

	2022 £000	Income £000	Expenditure £000	Revaluation £000	Transfers £000	2023 £000
Unrestricted funds						
Fixed assets	56,170	-	(3,963)	-	654	52,861
Revaluation reserve	47,522	-	-	17,095	-	64,617
General	2,131	15,335	(14,467)	-	(885)	2,114
Designated funds						
Strategy 2030 Fund	3,918	-	-	-	(3,914)	4
RAF Museum Midlands	724	-	-	-	3,700	4,424
RAF Museum Midlands Match	-	-	-	-	1,100	1,100

Total Unrestricted Funds	110,465	15,335	(18,430)	17,095	655	125,120
Total Funds	119,031	19,854	(19,201)	17,095	-	136,779

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Restricted funds

A significant proportion of these funds represents the capitalised value of restricted and inalienable fixed assets. This also includes the restricted element of the heritage assets.

Restricted income funds consist of a number of funds where the donors have specified the uses to which they may be put.

Watchtower - funds from St George Property Developers to cover the running costs of the Grahame White Factory.

RAF Centenary Programme - various grants and donations towards delivery of the five-year phased programme of activities and capital works designed to connect people to the RAF story, and reimagine the London site.

RAF Museum Midlands - All donations and grants received to support the programme of activities and capital works at the Cosford site have been grouped together as a single fund supporting the RAF Museum Midlands Development Programme. This includes the following funds disclosed separately in previous years based on funding source rather than programme of activity - Cosford Air Show, Cosford Large Model Aircraft Association and Cosford Sprinklers funds.

STAAR - a grant from Northrup Grumman to fund the Summer Time Advanced Aeronautics Residential (STAAR) STEM programme.

Bomber Command Association - a donation from the BCA to be used to support a permanent exhibition to commemorate the achievements of Bomber Command.

Jewish Hidden Heroes - a grant from the Chelsea Foundation to fund the Jewish Hidden Heroes Exhibition and to contribute to Museum activities and projects which highlight stories of Jewish RAF personnel. The fund balance includes only amounts received prior to the Ukraine crisis, further to which Trustees agreed that the Museum decline any planned future donations.

RAF100 Appeal - represents the Museum's investment in the RAF100 Appeal joint venture.

RAFMAF Learning Fund - grants from RAF Museum American Foundation to support Access and Learning activities.

Donated Heritage Assets - Heritage Assets donated to the Museum in year.

Restricted Grant in Aid - grants from the Ministry of Defence to fund specific capital work and Museum operations through the COVID-19 pandemic recovery period.

The Museum also has several small restricted funds for use on specific short-term projects most of which complete within the space of twelve months

Unrestricted funds

A significant proportion of these funds represents the capitalised value of inalienable fixed assets, including unrestricted heritage assets.

General Funds - these are funds not associated with fixed assets that are expendable at the discretion of Trustees.

Unrestricted designated funds

These are funds that Trustees have set aside for a specific purpose.

Strategy 2030 Fund - supports delivery of the Museum's key strategic priorities in the future including planning for future capital development at both sites; ensuring the sustainability of the estate; focus on the recording of contemporary stories of RAF men and women; and development of the Museum's collection through new acquisitions.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

RAF Museum Midlands Fund and the RAF Museum Midlands Match Fund - supports the twenty-five-year Development Programme for our Cosford site. This programme of engagement activities and capital investment will continue our focus on immersive RAF storytelling and support our ambition to encourage reflection and debate across our spaces and programmes, including delivery of a new Collections Hub and Learning Centre.

Transfers

Generally, transfers between funds represent the capitalisation of fixed assets.

16. COMMITMENTS

	Group or charity	
	2023	2022
	£000	£000
Operating lease commitments due:		
Plant and machinery:		
within one year	32	25
in the second to fifth years	21	6
Land and Buildings:		
within one year	530	530
in the second to fifth years	1,750	1,936
after five years	3,797	4,142
	6,130	6,639

The Museum paid £574k under operating lease arrangements in the year to 31 March 2023 (2022: £580k).

Capital Commitments

As at 31 March 2023, the Museum had capital contracts in place totalling £1.25M (2022 £nil).

The majority of this related to a capital project in London funded by restricted Grant in Aid.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

17. RELATED PARTIES

Related parties with which the Museum had transactions during the year or balances at the year end were as follows:

Royal Air Force Museum Enterprises Ltd

The relationship of the Museum to the company is disclosed in Note 4. The balance of £930k due from the company at the year end (2022: £353k) in relation to production agreements and overhead charges and the balance of £749k Gift Aid payable (2022: £165k) are disclosed in Note 9.

The Royal Air Force Museum Investments Limited

The company was formed to hold, on behalf of the Trustees, the real property assets of the charity and thus minimise the administrative burden whenever a change in Trustees takes place. The leasehold property was transferred to this company from the charity in March 2005 and the freehold property in January 2008.

Ministry of Defence

The Royal Air Force Museum is a Non-Departmental Public Body, sponsored by the Ministry of Defence (the MOD). The MOD is regarded as the related party. Grant in Aid funding from the MOD is separately disclosed in the Statement of Financial Activities.

RAF100 Appeal

The Royal Air Force Museum is a partner in the RAF100 Appeal joint venture. Maggie Appleton (Chief Executive Officer) is also a Director of RAF 100. During the year the joint venture distributed £nil (2022: £60k) to its partners, of which the Museum received £nil (2022: £15k).

The Trustees' involvement with RAF Museum Enterprises Ltd and RAF Museum Investments Ltd is disclosed in the Governance statement on page 33.

18. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 March 2023 (2022: Nil).

19. POST BALANCE SHEET EVENTS

On 4 April 2023, the RAF100 Appeal, a joint venture in which the Museum was a partner, was formally dissolved.

The annual report and financial statements were authorised for issue by the Accounting Officer on the date that the audit certificate was signed by the Comptroller and Auditor General.

There were no other post balance sheet events.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

20. SINGLE ENTITY STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds 2023 £000	Restricted Funds 2023 £000	Total Funds 2023 £000	Unrestricted Funds 2022 £000	Restricted Funds 2022 £000	Total Funds 2022 £000
Income from						
Donations and legacies						
Grant in aid	10,346	3,750	14,096	10,045	700	10,745
Grants and donations	368	602	970	424	550	974
Charitable activities	142	-	142	116	-	116
Other trading activities						
Fundraising events	5	-	5	92	-	92
Sponsorships	-	120	120	-	151	151
Share of RAF100 Appeal gain	-	1	1	-	15	15
Investments	160	42	202	10	-	10
Other	1,849	4	1,853	1,064	-	1,064
Total income	12,870	4,519	17,389	11,751	1,416	13,167
Expenditure on						
Fundraising	672	34	706	690	-	690
Charitable activities	15,293	737	16,030	13,643	673	14,316
Other	-	-	-	-	-	-
Share of RAF100 Appeal deficit	-	-	-	-	-	-
Total expenditure	15,965	771	16,736	14,333	673	15,006
Net gains/(losses) on investments	-	-	-	1	-	1
Net income/(expenditure)	(3,095)	3,748	653	(2,581)	743	(1,838)
Transfers between funds	655	(655)	-	804	(804)	-
Other recognised gains and losses						
Gains/(losses) on revaluation of fixed assets	17,095	-	17,095	4,171	-	4,171
Net movement in funds	14,655	3,093	17,748	2,394	(61)	2,333
Reconciliation of funds						
Total funds brought forward at 1 April 2022	110,395	8,636	119,031	108,001	8,697	116,698
Total funds carried forward at 31 March 2023	125,050	11,729	136,779	110,395	8,636	119,031

All of the Museum's activities are classed as continuing. All recognised gains and losses are included above.

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