



Royal Air Force Museum Account 2023-24

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

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ADMINISTRATIVE INFORMATION

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Grahame Park Way
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Registered charity number 1197541

Names and addresses of other relevant organisations

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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

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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

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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.

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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

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- 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.

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- **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.

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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.

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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.

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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.

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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, 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 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

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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

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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

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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.

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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

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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

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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.

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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

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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.

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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).

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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.

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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.

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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.

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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).

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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
<p>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.</p> <p>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.</p>						

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
<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 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.</p>				

Paper use	2023-24	2022-23	2021-22	2020-21	2019-20
Non-financial indicator (A4 reams)	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. The paper used in advertising, packaging and other areas is not recorded and has been excluded from the above figures.</p>					

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:

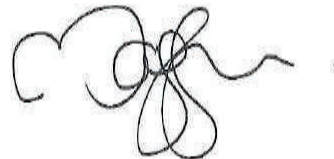
- a) there is no relevant audit information of which the Museum's auditors are unaware; and
- b) we have taken all the steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the Museum's auditors are aware of that information.



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

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

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(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

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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 (RAFMEI) **
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 RAFMEI Board	4 / 4			2 / 2			4 / 4
Matthew Gilpin	23-Jul-21		4 / 4	3 / 3				2 / 2	

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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

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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) £000	2023-24 (2022-23) £000	2023-24 (2022-23) Nearest £100	2023-24 (2022-24) £000	2023-24 £000	2022-23 £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

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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 31/03/24	CETV at 31/03/23	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	6,000
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)

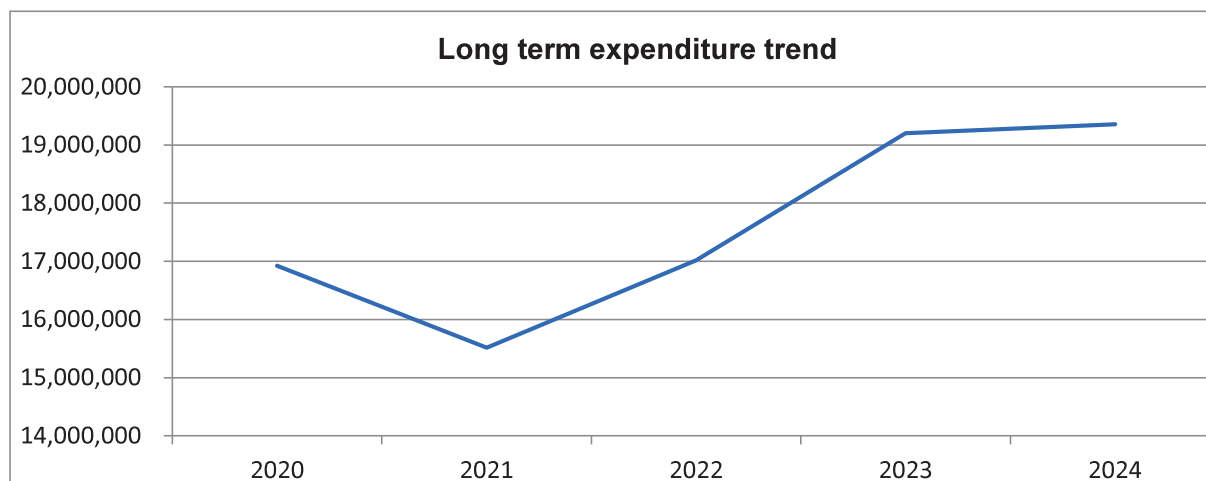
The support of our volunteers is vital to our Museum activities, with a diverse range of people generously giving their time to work alongside our paid staff team in a wide variety of areas, from front-of-house roles interacting with our visitors, to behind-the-scenes work caring for our collection in 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

Margaret Appleton MBE
Chief Executive Officer and
Accounting Officer

on behalf of the Board of Trustees

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.

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

		Unrestricted Funds 2024 £000	Restricted Funds 2024 £000	Total Funds 2024 £000	Unrestricted Funds 2023 £000	Restricted Funds 2023 £000	Total Funds 2023 £000
	Notes						
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.

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.

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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 £000	2023 £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 £000	2023 £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	2023	2024	2023
	£000	£000	£000	£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	2023
	£000	£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	Cashflow	31 March
	£000	£000	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
Total Funds	136,779	21,608	(19,358)	1,373	0	140,402

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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.

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	13,582	5,312	18,894	12,870	4,519	17,389
Expenditure on						
Fundraising	771	-	771	672	34	706
Charitable activities	14,763	1,110	15,873	15,293	737	16,030
Other	-	-	-	-	-	-
Total expenditure	15,534	1,110	16,644	15,965	771	16,736
Net gains/(losses) on investments	-	-	-	-	-	-
Net income/(expenditure)	(1,952)	4,202	2,250	(3,095)	3,748	653
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	1,464	2,159	3,623	14,655	3,093	17,748
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	126,514	13,888	140,402	125,050	11,729	136,779

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

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