

**Charity number: 297897
Company number: 2109510**

**Army Flying Museum Limited
(A Company limited by guarantee)**

**Trustees' annual report and Consolidated financial statements
For the year ended 29th February 2024**

**Compass Accountants Limited
Chartered Accountants and Statutory Auditors
Venture House
The Tanneries
East Street
Titchfield
Hampshire
PO14 4AR**

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Legal and Administrative Information

Charity number	297897
Company number	2109510
Registered Office	Middle Wallop Stockbridge Hampshire SO20 8FB
Chief Executive	Lucy Johnson
Trustees	Major General (Retd) Neil Sexton CB (Chairman) Sir Gary Coward (Chairman) (resigned 21 July 2023) Colin Sibun (Vice Chairman) Caroline Hopkins (Treasurer) Paul Beaver Colonel Edward Butterworth (appointed 5 May 2023) Paul Edwards Colonel Julian Facer (resigned 5 May 2023) James Johnson Colonel Brendan Shaw (appointed 5 May 2023) David Short Rhonda Smith
Company Secretary	Andrew Simkins
Senior Statutory Auditor	Kerry Lawrance FCA
Auditors and Accountants	Compass Accountants Limited Venture House, The Tanneries East Street Titchfield Hampshire PO14 4AR
Bankers	Royal Bank of Scotland Holts Farnborough Branch Lawrie House, Victoria Road Farnborough Hampshire GU14 7NR

Report of the trustees (incorporating the Directors' report) for the year ended 29th February 2024

Chairman's Report

This is my first report as Chair of the Army Flying Museum having taken over from Sir Gary Coward in July 2023. After the challenges of 22-23, this has been a good year for the Museum for several reasons. Our visitor figures grew another 14%, we have seen education visits return to pre-pandemic levels and our trading company is starting to generate more profit.

Our annual pass scheme continues to gather momentum with many local families visiting over four times per year and building a relationship with the Museum. We have expanded our school holiday activities to include additional activities like model making with Model For Heroes and other third party providers like local farm visits, science shows and STEM companies.

Saturday 1 July 2023 saw the third year of Wallop Wheels & Wings take place. The event was the biggest yet with 4,775 attendees and 50 aircraft flying in. We built new partnerships with Cadet groups, car clubs and other charities. The event delivered a reasonable surplus supporting the fundraising objectives of the Museum and helping with our operational costs.

A big focus this year has been on community development. We have worked hard to create meaningful relationships with local businesses, not only to create more income through corporate bookings but also to raise awareness of the Museum and what we do. We have reintroduced an outreach programme with local care homes and have been delighted to reinvigorate our offer for Scout/Guide/Brownie/Cub groups to support their Air Activities Badges.

We are continuing to grow our Corporate Partners scheme and have been delighted to add GKN Aerospace to our list of partners this year. Our work with Leonardo has allowed us to develop a new STEM trail looking at the development of military aircraft and aimed at the 11-14 year old age group. We held another successful STEM Day for local secondary schools with over 150 participants.

We have introduced new events like The Brick Event and Pre-School Pilots toddler group to help diversify our audience and have seen a widening of our catchment area. Our lectures now run monthly with a broad range of topics covered including more modern operations. We have also started to put on day-time talks and themed tours to offer more variety for our visitors.

Sustainability has been an important part of our work this year. We undertook a review of operations in the café to improve our green credentials and added recycling provision across the Museum. Staff undertook Carbon Literacy training and we are ensuring our sustainability is embedded in future plans. We received funding to install a defibrillator for use by our local community and are working on plans to renovate our outside play area to make it more accessible.

We are also, finally, looking forward to installing an Apache AH Mk.1 in the Museum this year – the final part of Project Eagle. The first gifting application was submitted 12 years ago and we are delighted that we will be the first museum in Europe to display one of these iconic aircraft. We've had a strong year, and it is imperative that we keep the momentum over the coming months to deliver an even stronger year in 2024-25.



Major General (Retd) Neil Sexton CB
Chairman

Report of the trustees (incorporating the Directors' report) for the year ended 29th February 2024

The Trustees present their report and the financial statements for the year ended 29th February 2024. The Trustees, who are directors of company for the purposes of company law and, who served during the year and up to the date of this report are set out on page 1. The Trustees have had due regard to the guidance issued by the Charity Commission on Public Benefit.

Structure, governance and management

Governing Document

The Museum is governed by its Memorandum and Articles of Association. Trustees are selected by the existing Board from persons having an interest in the story of British Army flying, heritage, conservation and the local community and who have a particular skill or qualification which will add to the combined skills and experience of the Board of Directors. Trustees are recruited to fill gaps in specific skill areas within the Board. The Army Flying Museum Limited ('the Museum') was incorporated as a private company limited by guarantee, and without share capital, in March 1987 when the exhibits of the former AAC Museum were donated to it as a basis for public display. The company is also a registered charity (no. 297897).

Appointment of Trustees

The articles provide for the ex-officio appointment of 3 serving AAC officers as trustees. Remaining Trustees are recruited through advertising or recommendations. All trustees are interviewed for suitability before appointment. Selected trustees are also Directors of the Army Flying Museum Trading Company Limited, the Charity's 100% owned subsidiary. The Trading Company carries out trading activities to generate profits that are Gift Aided to the Museum. The Museum is the ultimate holding company of the Trading Company. While the Museum exercises responsibility as shareholder of the Army Flying Museum Trading Company Limited, the Trading Company board is solely responsible for all trading decisions. Each trustee's liability in the event of liquidation of the trust is limited to £1 in accordance with Memorandum of Association.

Induction and Training

Newly selected trustees are briefed by the Chairman and CEO before taking up their appointment and participate in annual Board Training. Governance arrangements, the subcommittee structure, and the role and conduct of trustees is the subject of a comprehensive paper that is based on Charity Commission, and other guidance and which is available to all trustees and issued to new trustees before taking up their appointment.

The objects for which the Museum is established are to advance the education of the public primarily, but not exclusively, by the provision of a public Museum recording and exhibiting all aspects of flying in the British Army both past and present.

Arrangements For Setting Pay and Remuneration of Key Management Personnel

Rates of pay for newly recruited staff are determined through analysis of the labour market for museum staff and affordability. Across the board annual pay increases are not awarded automatically, but according to affordability and included in the forecast budget which is subject to Board approval before the start of the financial year. Individual staff members can be awarded modest increases by the CEO in recognition of outstanding performance or other exceptional circumstances.

Report of the trustees (incorporating the Directors' report) for the year ended 29th February 2024

Public Benefit

Directors consider that they have complied with the duties expressed in Section 2(1)(b) of the Charities Act 2011 to have due regard to public benefit guidance as published by the Charities Commission. The activities undertaken by the museum throughout the year reached a significant audience of all ages. The Museum has provided a service of great public benefit, offering an educational, enjoyable and satisfying experience through its displays, events and internet presence.

Strategic Report

Museum activity over the last 12 months has been focussed on improving the financial operation of the Museum and managing the changes in consumer spending. We have seen another increase in visitor numbers and the number of free admissions has levelled out (compared to increasing in previous years).

Trading activity this year was slightly better than forecast but expenditure costs have increased more than anticipated meaning activities have been less profitable than expected. Significant increases have been seen in corporate hires and public event attendees.

This year has been about consolidating the work carried out over the last five years, really looking at how we operate and how we can improve. So much has changed over the last five years and it has been important to focus on the day to day operations for a period of time.

Objectives and activities

The object for which the Museum was established is:

'to advance the education of the public primarily but not exclusively by the provision of a public museum recording and exhibiting all aspects of flying in the British Army both present and past'.

In addition to this charitable object, the Army sets objectives for its museums that include:

- Maintain and enhance the Army's connection with society
- Present the country's military heritage and provide an academic research resource
- Contribute to the education of children and adults including educational outreach and support for the National Curricula
- Educate, train and inspire the current generation of service men and women.

Mission, Vision and Values

Our Mission is:

'We tell the story of British Army Flying'

Our Vision is:

Our vision is: a sustainable visitor attraction and heritage custodian of national significance.

Report of the trustees (incorporating the Directors' report) for the year ended 29th February 2024

Our Values are:

- Enterprising
- Innovative
- Focussed
- Inspiring
- Collaborative
- Inclusive

Strategy Management and Strategic Plan

The Museum's Strategic Plan is reviewed and approved by Directors annually in March for the following year and covers a period of 5 years. The strategic aim is to underpin future viability by developing a programme of continuous improvement to the museum's Visitor Offer. This aim is delivered through a number of balanced strategic aims, operational and development objectives contained within the Plan.

Now that operations are more stable, the Board of Directors are currently looking to develop the next 10 year plan for the Museum to ensure we keep looking forward.

Significant Activities Undertaken

Project Eagle – the Development of the Museum.

Phase 1 (the building of the Army Flying Memorial) was completed in September 2017.

Phase 2 (the modernisation of the Museum) was completed in April 2019 and the Activity Plan was completed in December 2021.

Phase 3 (the future expansion of the Museum) is being considered by the Board of Trustees in their strategic review for 2024-2030.

Beyond Project Eagle

Project Eagle concluded in December 2021. Following this investment, the Museum has made significant progress in non-project related activities over the last 12 months. In particular:

Media – our social media presence continues to grow and is summarised below:

MEDIA	As at 29/02/2024	As at 28/02/2023	% Change over year
Twitter Followers	5,735	5,259	9%
Facebook Followers	13,673	11,111	23%
Instagram	5,281	3,576	47%
LinkedIn	495	321	54%
Mailing List	19,088	18,895	1%

Report of the trustees (incorporating the Directors' report) for the year ended 29th February 2024

Curatorial

Temporary exhibitions:

- 'Palaces for the People: Prefabs of the Temporary Housing Programme 1944 to 1948' (to 22/05/2023).
- 'Pageantry, Professionalism and Pride: Preparing for a Coronation' (22/07/2023 to 19/11/2023).
- Poppy art installation (November 2023).
- 'The Road to Ypres: The War Photography of Olive Edis' (10/12/2023 to 30/06/2024).

Cataloguing / audits:

- 5 Donations accessioned.
- 88 Items of Corps Property logged (February / March 2023).
- Creation of digital folders for artefact images / documentation.
- Complete firearms audit (August 2023).
- Small edged-weapons audit (November / December 2023).

Enquiries:

- 56

Interpretation:

- Creation of a STEM Trail in collaboration with Leonardo.
- Artefact social media posts created for the marketing team.

Loans:

- Loan of Scout handling wheels to Boscombe Down Aviation Collection.

Volunteers:

- Engineers (aircraft maintenance / repairing and building exhibits / collections storage).
- Embley Cadets (cleaning of aircraft and the exhibition spaces / gardening / poppy art installation / trail testing).

Archives

Enquiries and donations:

- Total enquiries: 198
- Research visits: 12
- Accepted donations: 58

Marketing:

- Blog posts: 2 – Hamilton E. Hervey MC Part 1 and Part 2.
- Hawkeye articles: 3 – Autogyro, Scout release to service, and Balloon Sections.
- Regular social media posts written for anniversaries and national days.

Report of the trustees (incorporating the Directors' report) for the year ended 29th February 2024

Other tasks:

- Updating of the Post WW2 Campaign screen.
- Continued cataloguing of donation backlog up to 2014.
- Retrospective cataloguing of the book/library collection.
- Several oral history recordings completed, including recordings for temporary exhibitions.
- Retrospective cataloguing and rehousing of logbook collection.
- Negative collection surveyed by Lux and Livre and recommendations made – conservation and digitisation work explored but cost too high currently. Will seek grants to undertake.
- Volunteers continued working in the archive:
 - Ex-REME volunteers have been creating databases for AOP and AAC personnel, cataloguing the album collections, cataloguing framed and print material, identifying negatives and maps in boxes, cataloguing the large negative collection.
 - A new volunteer has started scanning and cataloguing negatives.
 - We have a volunteer transcribing oral history recordings.
 - We have a volunteer writing up AAC Squadron histories.

Education and Learning

In terms of Education, this has been the slowest recovery following Covid-19 but this year has seen a 17% increase and we are now back to pre-Covid levels:

- 29 schools came on trips to the Museum – 1,249 pupils

School Holiday Family Activities

Our school holiday activities have become a focal point for local families with many returning each holiday with their annual pass. We have developed these beyond the popular daily craft sessions to include visiting activity providers (for example, a petting farm at Easter and reptiles for our camouflage theme) as well as other activities provided by the staff team like the Apache VR Headsets and model making. The programme is developed in conjunction with the curatorial and marketing teams.

- Easter Holidays 2023: 874 participants
- May Half Term 2023: 302 participants
- Summer Holidays 2023: 1,874 participants
- October Half Term 2023: 490 participants
- Christmas Holidays 2023/24: 340 participants
- February Half Term 2024: 512 participants

Outreach

Outreach has been firmly embedded in the museum operations now, with a range of staff and volunteers working to deliver the different activities.

The following Outreach events took place:

Young Eagles Youth Group sessions (in partnership with the Army Welfare Service):

- No of Young Eagles sessions: 10 sessions
- No of Young Eagles participants: 198 participants

Report of the trustees (incorporating the Directors' report) for the year ended 29th February 2024

Pre-School Pilots (sessions for under-5s and their parent/carer)

- No of Pre-School Pilot sessions: 10 sessions
- No of Pre-School Pilot participants: 300 participants

Scout/Guide groups etc and the number of participants

- Museum visits by Youth Groups: 164 participants

Pop Up Museum events:

- No of events attended: 4 events
- No of participants: 500 participants (estimated)

Fundraising

Fundraising is a key part of the Museum's operations. To keep the cost of fundraising down, the CEO provides the staff lead and has the support of a part time Development Manager. She reports to the Development Committee that provides guidance and support. The Committee comprises of Trustee, Staff and Volunteer representation. The Museum is registered with the Fundraising Regulator and the team abide by the Fundraising Code. The Museum's fundraising promise is linked to the website <https://www.armyflying.com/project-eagle/fundraising/>. Fundraising activities have concentrated on applications to grant making trusts, developing business relationships and major fundraising events. The Museum did not receive any complaints in the period.

Fundraising Events

Fundraising continues in earnest with an aim of generating £40k surplus every year. We have refreshed the Development Committee and are focussed on building new business relationships, increasing the Corporate Partnerships scheme and putting on public events to help raise funds whilst also increasing awareness of the Museum.

The Museum's flagship fundraising event, Wallop Wheels & Wings, took place on Saturday 13 July 2024 with an increased capacity of 5,000 and the event sold out for the fourth year running. We have built strong relationships with Salisbury, Wilton and Andover Rotary, Hampshire Search & Rescue, and numerous Combined Cadet Force groups now and are extremely grateful for their support and the support we receive from the Army Air Corps and Army Aviation Centre in order to deliver this event.

This year, for the second year, we chose to bring the management of the event in-house with the Museum's Marketing & Commercial Operations Manager taking the role of Event Manager (rather than bringing in a freelance Event Manager). This worked exceptionally well in terms of the Museum's ownership of the event and also greatly improved the profitability of the event.

The Museum Lecture Programme

The Museum has always had a popular lecture programme but in response to the Covid-19 pandemic we developed the Lockdown Lectures which were broadcast online with a live Q&A. These launched in April 2020 and quickly grew in popularity, and a grant from the Heritage Fund Emergency Fund in late 2020 allowed us to purchase our own live-stream equipment.

Now, we live stream all our lectures as well as having a live audience in the Museum, and we offer them to view on catch up too. We have also donated passes to watch our online lecture 'box-sets' to local care homes for their residents.

Report of the trustees (incorporating the Directors' report) for the year ended 29th February 2024

Name of Lecture	Date	Name of Presenter	Attendees	Online
Bomb Group	27.03.23	Mike Peters	38	89
An Evening with Lady Carnarvon	03.04.23	Lady Carnarvon	85	89
Great Australian Air Race	24.04.23	Phil Wilkinson	20	53
A Spitfire Named Connie	16.05.23	Black Robertson	31	69
Burning Horizon	13.06.23	Julian Whippy	20	59
Winkle	20.07.23	Paul Beaver	118	142
Manna From Heaven	18.09.23	Tony Bray	32	55
Operation Time-Line-The Hunt for Dakota KN630	26.10.23	Paul Edwards	14	61
Naval Aviator	20.11.23	Chris Taylor	23	60
An Officer, Not A Gentleman	16.01.24	Mandy Hickson	82	n/a
Double Crossed	26.02.24	Brian Wood	41	55

Volunteers

Volunteering is a vital part of the Museum operations. The volunteer teams are Engineering, Archive, Education and Tour Guides and we have over 40 active volunteers now. The roles our volunteers perform are invaluable to the running of the Museum and they often get involved in the wider activities too (like Wallop Wheels & Wings).

Achievements and performance

Financial Review

The Museum, Café and Shop were open throughout the reporting period.

YTD	VISITOR NOS	TICKET INCOME	CAFÉ INCOME	SHOP INCOME
29 FEB 2024	44,033	£293,680	£182,170	£78,664
28 FEB 2023	38,596	£238,536	£161,430	£66,531
28 FEB 2022*	35,396	£195,357	£119,673	£57,584
28 FEB 2021**	14,388	£95,093	£46,538	£31,066
29 FEB 2020***	36,282	£257,320	£188,984	£67,692
28 FEB 2019****	23,568	£147,087	£142,183	£58,443
28 FEB 2018	30,354	£189,758	£146,681	£75,732

* NB. The Museum was closed due to Covid 19 from 01 Mar-16 May 2022

** NB. The Museum was closed due to Covid 19 apart from 13 Jul-04 Nov 20 and 04 Dec-23 Dec 20

*** NB. The Museum was closed in March 2019 for refurbishment

**** NB. The Museum was closed from Nov 18 – Feb 19 for refurbishment

Report of the trustees (incorporating the Directors' report) for the year ended 29th February 2024

Subsidiary Undertaking

The Army Flying Museum Trading Company Limited is the 100% subsidiary of the Army Flying Museum Limited. The subsidiary operated the trading activities of the museum and covenants its profits to the Museum on an annual basis.

Principal funding streams

The principal funding streams into the Museum are threefold, as detailed below. All funding has been used in the appropriate manner to support the management objectives for the period.

Income generation from trading and admission activity including gift aid

This income is directed towards the management of the Museum and the improvements required to develop the business. This year has seen an improvement in shop profits. The café continues to be a challenge and is undergoing a full review in the coming year to inform its future viability.

MOD support

The MOD provides support in 2 ways:

- Grant in aid. This totalled £65,056 for the year.
- Internal Business Agreement. This covers support such as the provision of utilities and some maintenance and which the MOD value at £71,571 for the year.

We also received an additional grant from the AAC Charity of £20,000 to support the employment of an Archivist and Archive Assistant, and we benefit from support from the AAC with the delivery of Wallop Wheels & Wings.

Grants and donations

Unless specified by the donor, grants and donations to the Museum are allocated to unrestricted funds.

Ticket Pricing

A planned price increase was implemented in November 2023, and at that time we also introduced an online price that was discounted from the on-the-door price. This was to help streamline the visitor experience and to also ease the collection of customer data. All full price tickets still provide an annual pass and we encourage visitors to agree to Gift Aid if they are able.

TICKET	PREVIOUS PRICE	NEW ONLINE PRICE	NEW ON THE DOOR PRICE
Adult	£16.00	£17.00	£20.00
Child	£9.50	£10.00	£13.00
Concession	£12.00	£14.00	£17.00
Family (1a+2c)	N/A	£34.00	£40.00
Family (2a+2c)	£42.00	£48.00	£60.00
Under 5s	Free	Free	Free

Report of the trustees (incorporating the Directors' report) for the year ended 29th February 2024

Free Entry

The Museum offers free entry to:

- AAC members (plus their accompanying Spouse/Children)
- Army Air Cadets (when booked through the Army Air Corps)
- Serving British or Commonwealth Military personnel on production of a MOD90 or equivalent ID Card
- AAC Veterans with an AAC Veterans' Association Membership Card
- Carers who are accompanying people with disabilities
- Children under 5

Reserves Policy

The results for the period, and the company's financial position at the end of the year, are shown in the attached accounts. The agreements with the MOD continued to work well and are of enormous benefit to the Museum. However, MOD budget constraints continue to adversely affect the maintenance support for Phase 1 of the museum building (which is an MOD maintenance responsibility). This has resulted in Museum staff taking on some maintenance tasks and additional expense falling to the Museum.

The Museum maintains a level of free reserves as mitigation against the operational risks listed in the risk register. Restricted reserves are used in accordance with their specified restrictions. Free (i.e. non-committed) reserves are calculated on the basis of the excess of unrestricted funds over fixed assets. The minimum level of the unrestricted reserve is determined by the requirement to provide some financial mitigation of risks listed in the risk register. The most significant of these in financial terms is the risk of income falling to a level that prejudices the Museum's viability. Due to the increased cost of living and rising overheads, the Trustees have reviewed the policy regarding free reserves and agreed to increase the requirement to £200,000.

At 29 February 2024 the level of the Museum's free reserves amounted to £201,159 (2023: £144,074).

Investment Policy

The Museum's investment policy is to hold its liquid assets in its bank accounts. Project Eagle reserves have largely been expended no significant sums are held in interest bearing accounts.

Plans for future periods

Directors are reviewing the strategic plan for the Museum over the coming year to determine the priorities for delivering the Museum's vision in the next 10 years.

Review

The strategic plan is reviewed annually. Key imperatives from this annual analysis are that we must:

- consolidate our operational and resource position following Project EAGLE.
- address our outstanding infrastructure issues.
- continue to build up our fundraising capability.
- continue to press and plan for the installation of an Apache.
- consider our options for further development during the next strategic period (27-33).

Report of the trustees (incorporating the Directors' report) for the year ended 29th February 2024

Assumptions

The strategic plan is based on the following assumptions:

- **MOD Support.** MoD support including the grant in aid received via AMOT will continue at current levels until at least 2027 but may well reduce thereafter. Maintenance support will continue at current patchy levels.
- **Airfield.** Army flying operations will increase 23-26 and continue for the foreseeable future.
- **Economy.** The UK economy will continue to grow very slowly, base interest rates will increase significantly, labour will be in short supply and there is a high risk of stagflation, leading to a recession.

Key Strategies

The following strategies will be pursued by the Museum:

- Maintain and develop an effective board of trustees/directors.
- Nurture the close relationship with the Army Air Corps.
- Seek to increase museum visitor footfall up to 50,000 annually by 2027.
- Invest in Corporate and Membership schemes, aiming for 5% growth annually.
- Build on our outreach programme, seeking to double our coverage by 2027.
- Develop our fundraising activities to generate £70K annually by 2027.
- Market the Museum primarily through digital activities and social media and developing a plan to improve our PR profile regionally.
- Invest more in training our staff.

Operational Objectives

Our Key Operational Objectives are:

- Develop Wallop Wheels & Wings to deliver a £40K annual surplus.
- Maintain a routine events programme to generate £20K annually.
- Sustain the Lecture Series to generate £20K annually.
- Operate the Shop to generate £10K surplus annually.
- Operate the Café to generate £20K surplus annually.

Development Objectives

Our key development objectives are to:

- Assess the financial implications of reductions in MOD support.
- Resource and deliver a restroom refurbishment project 23-25.
- Build on the visitor feedback collected to date and ensure that evaluation is embedded in all activities.
- Seek to extend and diversify our audience.
- Consider how to better reflect Army unmanned aerial platforms.
- Increase collaboration with other regional museums.

Report of the trustees (incorporating the Directors' report) for the year ended 29th February 2024

Risks

A number of high-level risks have been identified that affect the Museum

STRATEGIC RISK	RESPONSE
Income Generation The Museum has, in the past, relied on income from events supported by the Ministry of Defence to generate a surplus. These events are no longer available and so additional income needs to be generated through footfall, trading and fundraising. In addition, Ministry of Defence funding and material support is likely to decrease over time, putting further pressure on the Museum budget.	Project Eagle has substantially increased footfall and trading, but these have now been affected by the pandemic, cost of living crisis and the situation in Ukraine. However, fundraising is now embedded in the organisation and a component of core funding.
Covid-19 The impact of any future peaks and subsequent lockdowns will have a significant impact on the reserves.	All opportunities for fundraising and income generation must be actioned when possible.
Loss of Reputation Adverse comment and poor reputation affect business performance.	Legal compliance and a culture of customer service and value for money.
Maintenance liability. Pressure on Ministry of Defence funding has reduced maintenance support putting additional pressure on museum funding	Significant Improvements in the material state of the Museum through Project Eagle plus a system of planned maintenance.
HR Risk Errors in HR management can lead to discontent, stress, loss of productivity and in extreme cases, tribunals and fines.	HR advice has been outsourced to Peninsula business services.
Health and Safety Inadvertent noncompliance with Health and Safety legislation leading to a fine.	Health and Safety advice has been outsourced.
Fraud	Implementation of Proper procedures.
Staff loading/Incapacity	Careful monitoring.

Auditors

The accounts have been audited by Compass Accountants Limited. A resolution to reappoint the auditor will be put to the members at the Annual General Meeting.

So far as the Trustees are aware, there is no relevant audit information of which the company's auditors are unaware. Trustees have taken all the steps necessary to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Army Flying Museum Limited
Company number: 2109510

Report of the trustees (incorporating the Directors' report) for the year ended 29th February 2024

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

A handwritten signature in blue ink, appearing to read 'Neil Sexton', with a stylized flourish at the end.

Major General Neil Sexton CB
On behalf of the Board

Date: 26 July 2024

Statement of trustees' responsibilities for the year ended 29th February 2024

The Trustees (who are also directors of the Army Flying Museum Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Major General Neil Sexton CB
On behalf of the Board

Date: 26 July 2024

Independent Auditor's Report to the Members and Trustees of the Army Flying Museum Limited

Opinion

We have audited the financial statements of the Army Flying Museum Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 29th February 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 29th February 2024, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine

whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- We gained an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates through discussions with management, sector research, and the application of relevant audit knowledge and experience
- We made enquiries of management around actual and potential litigation and claims
- We made enquiries of management and relevant staff, and designed our audit procedures, including reviewing financial statement disclosures and testing of supporting documentation, to assess compliance with applicable laws and regulations. We focussed on laws and regulations which could give rise to material misstatement in the financial statements including, but not limited to, the Companies Act 2006, the Charities Act 2011, the Charities SORP, and the Financial Reporting Standard 102.
- We identified the risk of material misstatement of the financial statements due to fraud and designed audit procedures to respond to the risk. We performed audit procedures designed to address the risk of fraud arising from management override of controls, including, but not limited to, testing of journal entries and other adjustments, reviewing accounting estimates for evidence of bias, and evaluating the business rationale of significant transactions outside the normal course of business

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body for our audit work, for this report, or for the opinions we have formed.



Kerry Lawrance FCA
Senior Statutory Auditor
For and on behalf of Compass Accountants, Statutory Auditor

Venture House, The Tanneries
East Street, Titchfield
Hampshire
PO14 4AR

Date: 21st AUGUST 2024

Consolidated Statement of financial activities (incorporating the income and expenditure account)

For the year ended 29th February 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total £	Unrestricted funds £	Restricted funds £	2023 Total £
Income from:							
Donations and legacies							
Grant in aid	4	-	65,056	65,056	-	80,450	80,450
Services donated by the Ministry of Defence	4	-	71,571	71,571	-	71,571	71,571
Donations and grants	4	9,391	23,080	32,471	8,241	7,632	15,873
Charitable activities							
Admissions	5	533,401	-	533,401	391,908	-	391,908
Other trading activities							
Trading company	3	265,551	-	265,551	250,739	-	250,739
Investments	6	2,471	2,359	4,830	593	575	1,168
Other	7	6,769	-	6,769	756	-	756
Total income		817,583	162,066	979,649	652,237	160,228	812,465
Expenditure on:							
Fundraising and publicity	8	58,025	-	58,025	63,342	-	63,342
Trading company	8	256,956	-	256,956	249,614	-	249,614
Charitable activities	9	473,310	390,099	863,409	433,923	376,538	810,461
Total expenditure		788,291	390,099	1,178,390	746,879	376,538	1,123,417
Net income/(expenditure)		29,292	(228,033)	(198,741)	(94,642)	(216,310)	(310,952)
Transfers between funds		-	-	-	-	-	-
Net movement in funds		29,292	(228,033)	(198,741)	(94,642)	(216,310)	(310,952)
Reconciliation of funds:							
Total funds brought forward		1,260,731	992,248	2,252,979	1,355,373	1,208,558	2,563,931
Total funds carried forward		1,290,023	764,215	2,054,238	1,260,731	992,248	2,252,979

All recognised gains and losses are included in the statement of financial activities. All transactions are derived from continuing activities.

The depreciation costs of the capital expenditure on Project Eagle will reduce the balance of restricted reserves over the life of the lease and will result in deficits after depreciation being recognised in future years.

**Consolidated Balance Sheet
as at 29th February 2024**

	Notes	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Fixed assets					
Tangible assets	13	1,647,627	1,897,855	1,646,855	1,884,362
Heritage assets	14	10,000	10,000	10,000	10,000
Investments	15	-	-	100	100
		<u>1,657,627</u>	<u>1,907,855</u>	<u>1,656,955</u>	<u>1,894,462</u>
Current assets					
Stocks		13,591	13,054	-	-
Debtors	16	27,765	10,979	42,896	19,346
Cash at bank and in hand		407,182	362,018	382,982	330,662
		<u>448,538</u>	<u>386,051</u>	<u>425,878</u>	<u>350,008</u>
Creditors: amounts falling due within one year	17	<u>(51,927)</u>	<u>(40,927)</u>	<u>(63,425)</u>	<u>(33,280)</u>
Net current assets		<u>396,611</u>	<u>345,124</u>	<u>362,453</u>	<u>316,728</u>
Net assets		<u>2,054,238</u>	<u>2,252,979</u>	<u>2,019,408</u>	<u>2,211,190</u>
Funds					
Unrestricted funds		914,411	878,160	914,411	878,160
Restricted funds	18	764,215	992,248	764,215	992,248
Revaluation reserve		340,782	340,782	340,782	340,782
Non Charitable Trading funds		34,830	41,789	-	-
Total funds		<u>2,054,238</u>	<u>2,252,979</u>	<u>2,019,408</u>	<u>2,211,190</u>

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

The financial statements were approved and authorised for issue by the Board and signed on its behalf by

**Major General Neil Sexton CB
Chairman**

Date: 26 July 2024

**Caroline Hopkins
Treasurer**

Date: 26 July 2024

The notes on pages 22 to 34 form an integral part of these financial statements.

Cash flow statement

for the year ended 29th February 2024

	Group 2024	Group 2023
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	42,018	(36,032)
Cash flows from investing activities:		
Interest income	4,830	1,168
Purchase of fixed assets	(1,684)	(1,099)
Net cash provided by (used in) investing activities	3,146	69
Increase/(decrease) in cash and cash equivalents in the year	45,164	(35,963)
Cash and cash equivalents at 1 March 2023	362,018	397,981
Cash and cash equivalents at 29 February 2024	407,182	362,018
Net income/expenditure for the reporting period	(198,741)	(310,952)
Depreciation and impairment	251,912	254,822
Income from investments	(4,830)	(1,168)
Decrease/(Increase) in stocks	(537)	51
Decrease/(Increase) in debtors	(16,786)	23,888
Increase/(Decrease) in creditors	11,000	(2,673)
Net cash provided by (used in) operating activities	42,018	(36,032)

**Notes to financial statements
for the year ended 29th February 2024**

1. Accounting policies

1.1. Charity information

The Army Flying Museum Limited is a private company limited by guarantee and incorporated in England and Wales. The registered office is the Army Flying Museum, Army Aviation Centre, Middle Wallop, Stockbridge, Hampshire, SO20 8DY.

The Army Flying Museum Limited meets the definition of a public benefit entity under section 34 of FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value, unless otherwise stated in the relevant accounting policy.

The principal objectives of the charity are detailed in the Trustees report.

1.2. Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The consolidated financial statements incorporate the results of the Army Flying Museum Limited and of its subsidiary, Army Flying Museum Trading Company. The Consolidated Statement of Financial Activities includes the results of the trading subsidiary as single line items. The consolidated Balance Sheet includes the net assets of the trading subsidiary on a line by line basis.

A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by Section 408 of the Companies Act 2006.

1.3. Incoming resources

All incoming resources are included in the SOFA when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy, and it is probable that the income will be received. The following policies are applied to particular categories of income:

Income from trading activities represents monies received (exclusive of Value Added Tax) from shop and restaurant sales during the year.

All donations are accounted for on a receivable basis. Separate reserves are maintained for restricted funds in accordance with the Charities Act 2011.

Grants receivable are accounted for when received and are included under the heading of donations.

Services donated by the Ministry of Defence is the value of the services of staff and facilities paid directly by the Ministry of Defence. These have been included on a cost basis in the accounts.

Grant in aid is a donation from the Ministry of Defence towards employment costs. Investment income is recognised on a receivable basis.

1.4. Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the cost of Trustee meetings and the cost of any legal advice to Trustees on governance or constitutional matters.

**Notes to financial statements
for the year ended 29th February 2024**

1.5. Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

1.6. Basis of allocation

Costs of generating funds comprise costs incurred in encouraging people and organisations to contribute financially to the charity's work and to promote the Army Flying Museum as a visitor attraction.

Support costs include central functions and have been allocated to cost categories on a basis consistent with the use of resources.

1.7. Irrecoverable VAT

Irrecoverable VAT has been included as a cost of charitable activities.

1.8. Fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost.

1.9. Heritage assets

The Army Flying Museum holds in trust artefacts comprising its collection. The collections have not been included in the financial statements due to their historic and inalienable nature and due to the specific and individual nature of the artefacts held, it is not believed to be possible to obtain a reliable value of the collection without incurring a cost disproportionate to the benefit of the information reported to the readers of the accounts.

Assets acquired prior to 1st April 2000 have not been capitalised and included in the accounts but with effect from 1st April 2000, additions to the collection with a cost in excess of £5,000, have been capitalised. These assets are not revalued or depreciated.

Heritage assets donated to the Museum with a value in excess of £5,000 are included in the accounts on the basis of internal valuations.

The Collection

The main museum collection comprises aircraft, vehicles, equipment, uniforms, medals, weapons, artwork and ephemera. It also includes an archive of documents, books, photographs, photographic negatives, albums, slides and film. The collection, which numbers many hundreds of thousands of items, contains material which has a unique provenance relating to British Army Flying. Information regarding cost of value of this collection is not readily available and the charity considers that the cost of obtaining such valuation for the collection of assets held is significant, and is not commensurate with the benefit obtained by including the additional capitalised value in the financial statements.

Policy for the acquisition, preservation, management and disposal of heritage assets

Acquisition and disposal of items in the collection is governed by its Collections Development Policy (2016) which is based on an approved template provided by Arts Council England. It takes into account the Museum Association Code of Ethics.

Documenting. The Museum's approach to documenting the collection is stated in its Collections Documentation Policy (2016) and is formalised in a forward plan of work. It operates a system which meets Spectrum basic standards including entry, exit and transfer of title forms; accession records and inventories.

Conservation. The Museum's approach to conserving the collection is stated in its Collections Care and Conservation Policy (2016) and is formalised in a plan of work forward. Work in this area is undertaken by staff, volunteers under the supervision of staff or specialist contractors.

**Notes to financial statements
for the year ended 29th February 2024**

Access. The Museum's approach to providing access to collections is stated in its Access Policy (2016). The collections, and the information held therein, is made available through permanent and temporary exhibitions, website features, loans to other organisations and an enquiries service. Members of the public can also access material by appointment. Access is only limited where legislation requires it.

Memorial Wall

The Museum commissioned and built a memorial wall, completed in 2017, to commemorate those that have lost their lives in the service of British Army Flying however this is not considered to be a heritage asset as defined by FRS 102.

1.10. Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over the expected useful economic life as follows:

Museum displays & equipment - 13% & 25% Straight line basis

Leasehold property - Over the life of the lease

Leasehold improvements - 10 or 25 years

Shop & kitchen equipment - 20% Straight line basis

1.11. Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

1.12. Financial Instruments

The Museum has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

Term deposits of less than one year are classified as investments within current assets.

1.13. Stocks

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

1.14. Leased assets

Rentals applicable to operating leases are charged to the Statement of Financial Activities as incurred.

**Notes to financial statements
for the year ended 29th February 2024**

1.15. Fund accounting policy

Unrestricted income funds are generally funds that are available for use at the Trustees discretion in furtherance of the objectives of the charity.

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Further details of each fund are disclosed in note 19.

1.16. Restricted funds

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 overheads and support costs.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

1.17. Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.18. Termination benefits

The Museum recognises a liability for termination benefits at the point where the group is committed to making the payments in return for employee redundancy.

2. Pension costs

The company operates a defined contribution pension scheme. The pension cost for the period represents contributions payable by the charity to the scheme and amounted to £8,102 (2023: £6,880).

Contributions totalling £660 (2023: £576) were payable to the scheme at the end of the period and are included in creditors.

Notes to financial statements
for the year ended 29th February 2024

3. Income and expenses from trading activities of subsidiaries

The charity has a wholly owned trading subsidiary which is incorporated in the United Kingdom, Army Flying Museum Trading Company Limited.

Profit and Loss Account	2024	2023
	£	£
Turnover	265,125	235,781
Cost of sales	(107,853)	(225,296)
Gross Profit	157,272	10,485
Sundry income	426	14,958
Overheads	(149,103)	(24,317)
Net profit/(loss) before tax	8,595	1,126
Amount gifted to The Army Flying Museum	(15,554)	(4,721)
Profit/(loss) for year before taxation	(6,959)	(3,595)
Taxation	-	-
Retained profit/(loss) for the period	(6,959)	(3,595)
Retained profit brought forward	41,789	45,384
Retained profit carried forward	34,830	41,789
Called up Ordinary Share Capital	100	100
Capital and reserves	34,930	41,889

4. Grants and Donations

During the year the following grants and donations were received:

	Unrestricted	Restricted	2024	2023
	funds	funds	Total	Total
	£	£	£	£
Grant in Aid	-	65,056	65,056	80,450
Services provided by Ministry of Defence	-	71,571	71,571	71,571
	-	136,627	136,627	152,021
Other grants and donations:				
General donations	9,391	23,080	32,471	15,873
	9,391	23,080	32,471	15,873

In 2023 £159,653 were restricted funds with £8,241 being unrestricted funds.

**Notes to financial statements
for the year ended 29th February 2024**

5. Activities for generating funds

	Unrestricted funds £	Restricted funds £	2024 £	2023 £
Museum Admissions	307,007	-	307,007	238,664
Gift aid tax claimed	59,105	-	59,105	47,858
Hire of museum facilities	34,107	-	34,107	26,041
Special events	112,221	-	112,221	79,345
Sponsorship	20,961	-	20,961	-
	<u>533,401</u>	<u>-</u>	<u>533,401</u>	<u>391,908</u>

All the income for 2023 were unrestricted funds

6. Investment income

	Unrestricted funds £	Restricted funds £	2024 £	2023 £
Dividends and interest	2,471	2,359	4,830	1,168
	<u>2,471</u>	<u>2,359</u>	<u>4,830</u>	<u>1,168</u>

In 2023 £575 were restricted funds with £593 being unrestricted funds

7. Other incoming resources

	Unrestricted funds £	Restricted funds £	2024 £	2023 £
Museum & Galleries Exhibition Tax Relief (MGETR)	-	-	-	756
Insurance claim	6,769	-	6,769	-
	<u>6,769</u>	<u>-</u>	<u>6,769</u>	<u>756</u>

All the income for 2023 were unrestricted funds

8. Cost of generating funds

	Unrestricted funds £	Restricted funds £	2024 £	2023 £
Shop and restaurant expenses	256,956	-	256,956	249,614
Event Expenditure	58,025	-	58,025	63,342
	<u>314,981</u>	<u>-</u>	<u>314,981</u>	<u>312,956</u>

All the expenditure for 2023 were unrestricted funds

**Notes to financial statements
for the year ended 29th February 2024**

9. Costs of charitable activities

	Unrestricted funds £	Restricted funds £	2024 £	2023 £
Staff costs	295,038	85,056	380,094	362,602
Costs paid by Ministry of Defence	-	71,571	71,571	71,571
Staff training	1,292	888	2,180	1,396
Outreach costs	1,403	-	1,403	1,571
Repairs and maintenance	30,489	14,430	44,919	21,276
Computer expenses	15,328	-	15,328	14,435
Hire of plant and machinery	10,529	-	10,529	8,634
Travel and subsistence	1,490	242	1,732	1,887
Unattributable VAT	11,672	-	11,672	8,663
Professional fees	11,610	1,140	12,750	12,465
Depreciation	21,301	216,772	238,073	238,776
Loss on disposal of assets	1,118	-	1,118	-
Office costs	16,293	-	16,293	15,460
Advertising & promotion costs	14,633	-	14,633	16,379
Bad debt expense	25	-	25	96
Governance and support costs	41,089	-	41,089	35,250
	<u>473,310</u>	<u>390,099</u>	<u>863,409</u>	<u>810,461</u>

In 2023 £376,538 were restricted funds with £433,923 being unrestricted funds

10. Governance and support costs

	Governance costs £	2024 £	2023 £
Governance costs			
Staff costs	30,543	30,543	24,953
Auditors remuneration	3,600	3,600	3,550
Costs of Trustees meetings	776	776	159
Support costs			
Bank charges and interest	6,170	6,170	6,588
	<u>41,089</u>	<u>41,089</u>	<u>35,250</u>

**Notes to financial statements
for the year ended 29th February 2024**

11. Auditors' remuneration

	2024	2023
	£	£
Auditors' remuneration - audit of the financial statements	<u>3,600</u>	<u>3,550</u>
Auditors' remuneration - other fees:		
- Preparation of statutory accounts and payroll	4,870	5,093
- Taxation services	265	265
- Consultancy and advice regarding VAT and other charity matters, including MGETR	<u>1,638</u>	<u>1,545</u>
	<u>6,773</u>	<u>6,903</u>

12. Employees

	2024	2023
	£	£
Employee costs		
Wages and salaries	486,372	449,308
Social security costs	27,987	24,807
Pension costs	8,102	6,880
Redundancy costs	-	5,033
	<u>522,461</u>	<u>486,028</u>

Including the Chief Executive Officer, the average number of employees, analysed by function, was:

	2024	2023
Management staff	11	11
Museum staff	20	19
	<u>31</u>	<u>30</u>

No employees received termination benefits in the year (2023: Two employees received termination benefits totalling £5,033).

No trustees received remuneration during the period, no trustees were reimbursed for expenses (2023: Nil).

No employees received remuneration of more than £60,000 during the year (2023: Nil).

Key management personnel

Employee benefits received by key management personnel total £47,018 (2023: £44,088) which included employers' national insurance contributions.

Notes to financial statements
for the year ended 29th February 2024

13. Tangible fixed assets

Group	Leasehold Property & Improvement £	Shop & Kitchen Equipment £	Museum Displays & Equipment £	Heritage Assets £	Total £
Cost					
At 1 March 2023	1,482,824	129,150	1,834,251	10,000	3,456,225
Additions	-	-	1,684	-	1,684
Disposals	11,180	-	17,597	-	28,777
At 29 February 2024	1,471,644	129,150	1,818,338	10,000	3,429,132
Depreciation					
At 1 March 2023	420,904	115,657	1,011,809	-	1,548,370
Charge for the year	18,435	12,721	219,638	-	250,794
Eliminated on disposal	10,062	-	17,597	-	27,659
At 29 February 2024	429,277	128,378	1,213,850	-	1,771,505
Net book values					
At 29 February 2024	1,042,367	772	604,488	10,000	1,657,627
At 28 February 2023	1,061,920	13,493	822,442	10,000	1,907,855

Charity	Leasehold Property & Improvement £	Museum Displays & Equipment £	Heritage Assets £	Total £
Cost				
At 1 March 2023	1,482,824	1,834,251	10,000	3,327,075
Additions	-	1,684	-	1,684
Disposals	11,180	17,597	-	28,777
At 29 February 2024	1,471,644	1,818,338	10,000	3,328,759
Depreciation				
At 1 March 2023	420,904	1,011,809	-	1,432,713
Charge for the year	18,435	219,638	-	238,073
Eliminated on disposal	10,062	17,597	-	27,659
At 29 February 2024	429,277	1,213,850	-	1,643,127
Net book values				
At 29 February 2024	1,042,367	604,488	10,000	1,656,855
At 28 February 2023	1,061,920	822,442	10,000	1,894,362

Revaluation of fixed assets

The leasehold property was restated at open market value at 31st March 1993 and subsequently reduced by depreciation on that value.

**Notes to financial statements
for the year ended 29th February 2024**

14. Heritage assets

Cost	Total				
	£				
At 1 March 2023 and 28 February 2024	<u>10,000</u>				
Five year summary	2024	2023	2022	2021	2020
	£	£	£	£	£
<u>Additions</u>					
Purchases	-	-	-	-	-
Donations	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

15. Fixed asset investments

Cost	Charity Unlisted	Charity Total
	£	£
At 1 March 2023 and 28 February 2024	<u>100</u>	<u>100</u>

Unlisted investments represents 100% of the issued share capital of Army Flying Museum Trading Company Limited.

15.1. Investments held

The company holds 20% or more of the share capital of the following companies:

Company	Nature of business	Shares held class	% of shares held
Army Flying Museum Trading Company Limited	Commercial activities of the parent company	Ordinary	100%

16. Debtors

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£	£	£	£
Amounts due within 1 year:				
Trade debtors	9,976	2,413	9,976	2,413
Other taxes and social security	-	-	-	-
Other debtors	6,019	5,245	5,596	5,002
Accrued income	6,769	-	22,323	4,721
Prepayments	5,001	3,321	5,001	3,321
Amount owed by group undertakings	-	-	-	3,889
	<u>27,765</u>	<u>10,979</u>	<u>42,896</u>	<u>19,346</u>

**Notes to financial statements
for the year ended 29th February 2024**

17. Creditors: amounts falling due within one year

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Trade creditors	6,683	1,903	5,999	1,071
Other taxes and social security	15,293	13,321	14,812	13,321
Other creditors	4,164	4,766	1,906	1,651
Accruals and deferred income	25,787	20,937	22,087	17,237
Amount owed to group undertakings	-	-	18,621	-
	<u>51,927</u>	<u>40,927</u>	<u>63,425</u>	<u>33,280</u>

18. Restricted funds

	1 March 2023 £	Incoming £	Outgoing £	Transfers £	28 February 2024 £
Grant in aid	4,933	85,056	(85,056)	-	4,933
Ministry of Defence services provided	-	71,571	(71,571)	-	-
Project Eagle development fund	971,456	2,359	(223,702)	-	750,113
Memorial Garden & Wall fund	10,432	-	(7,000)	-	3,432
Cannon display fund	4,472	-	-	-	4,472
Other restricted funds	955	3,080	(2,770)	-	1,265
	<u>992,248</u>	<u>162,066</u>	<u>(390,099)</u>	<u>-</u>	<u>764,215</u>

	1 March 2022 £	Incoming £	Outgoing £	Transfers £	28 February 2023 £
Grant in aid	9,000	80,450	(84,517)	-	4,933
Ministry of Defence services provided	-	71,571	(71,571)	-	-
Heritage & Archive appeal fund	1,283	-	(1,283)	-	-
Project Eagle development fund	1,188,876	575	(217,995)	-	971,456
Memorial Garden & Wall fund	4,432	6,000	-	-	10,432
Cannon display fund	4,472	-	-	-	4,472
Other restricted funds	495	1,632	(1,172)	-	955
	<u>1,208,558</u>	<u>160,228</u>	<u>(376,538)</u>	<u>-</u>	<u>992,248</u>

The Grant in Aid fund is a grant from the Ministry of Defence heritage branch for employees' salaries.

The Ministry of Defence services provided fund represents expenses paid by the Ministry of Defence as part of the ongoing IBA agreement in place between the Museum and the Ministry of Defence.

The Heritage and Archive appeal fund has been set up to fund archive and display projects. The donor of the fund has agreed that the donation can also be used for the development project if required.

The Project Eagle development fund represents funds raised towards phase II of Project Eagle.

**Notes to financial statements
for the year ended 29th February 2024**

The Memorial Wall fund represents funds donated for the building of a wall to commemorate those that have lost their lives in the service of British Army Flying at a cost of £310,000.

The Cannon Display fund represents a donation from Major R.W Hogarth R.A (Retired) for the purpose of making a suitable display cabinet for a scale model of a Waterloo Nine Pounder Cannon.

Sufficient resources are held to enable each fund to be applied in accordance with any restrictions.

19. Analysis of net assets between funds

	Tangible Fixed Assets	Net Current Assets	2024
	£	£	£
Unrestricted funds	1,054,034	201,159	1,255,193
Restricted funds	602,821	161,394	764,215
	<u>1,656,855</u>	<u>362,553</u>	<u>2,019,408</u>
Non charitable trading funds	772	34,058	34,830
	<u>1,657,627</u>	<u>389,842</u>	<u>2,047,469</u>
Included in the above figures is the revaluation reserve:			
Revaluation reserve	<u>340,782</u>	<u>-</u>	<u>340,782</u>

	Tangible Fixed Assets	Net Current Assets	2023
	£	£	£
Unrestricted funds	1,074,868	144,074	1,218,942
Restricted funds	819,594	172,654	992,248
	<u>1,894,462</u>	<u>316,728</u>	<u>2,211,190</u>
Non charitable trading funds	13,393	28,396	41,789
	<u>1,907,855</u>	<u>345,124</u>	<u>2,252,979</u>
Included in the above figures is the revaluation reserve:			
Revaluation reserve	<u>340,782</u>	<u>-</u>	<u>340,782</u>

20. Commitments and contingent liabilities

The charity had capital commitments contracted for but not provided for in the financial statements amounting to £Nil (2023: £Nil). There were no contingent liabilities at 29th February 2024 (2023: £Nil).

**Notes to financial statements
for the year ended 29th February 2024**

21. Taxation

All of the charity's income is applied for charitable purposes and therefore the charity is exempt from corporation tax. The charity's trading subsidiary had a corporation tax liability of £Nil as at 29th February 2024.

22. Related party transactions

There were no related party transactions.

23. Ultimate controlling party

The ultimate controlling party is the Board of Trustee Directors.

24. Analysis of changes in net funds

Group	Opening balance £	Cash flows £	Closing balance £
Cash at bank and in hand	362,018	45,164	407,182
Net funds	<u>362,018</u>	<u>45,164</u>	<u>407,182</u>

25. Financial instruments

The carrying amounts of the group's financial instruments are as follows:

	2024 £	2023 £
Financial assets		
Debt instruments measured at amortised cost:		
- Trade debtors (note 16)	9,976	2,413
- Other debtors (note 16)	6,019	5,245
	<u>15,995</u>	<u>7,658</u>
Financial liabilities		
Measured at amortised cost:		
- Trade creditors (note 17)	6,683	1,903
- Other taxes and social security (note 17)	15,293	13,321
- Other creditors (note 17)	4,164	4,766
	<u>26,140</u>	<u>19,990</u>