

**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 28th February 2025**

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

Contents

	Page
Legal and administrative information	1
Chairman's Report	2
Trustees' annual report (incorporating the Strategic Report)	3 - 14
Structure, governance & management	
Strategic report	
Objectives & activities	
Achievements & performance	
Financial review	
Plans for future periods	
Principal risks & uncertainties	
Statement of Trustees' responsibilities	15
Auditor's report to the Trustees	16 - 18
Consolidated Statement of financial activities	19
Consolidated balance sheet	20
Cash flow statement	21
Notes to the financial statements	22 - 34

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) Colin Sibun (Vice Chairman) Caroline Hopkins (Treasurer) Paul Beaver Colonel Edward Butterworth Paul Edwards James Johnson Colonel Brendan Shaw 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 28th February 2025

Chairman's Report

This year has been one of the most significant in the Museum's history. As well as celebrating 40 years of the Army Flying Museum (50 if you include the 10 years the museum collection was based in the cinema on Middle Wallop camp), in May 2024, we became the first UK museum to display an Apache AH Mk.1 (ZJ224) – something that has been one of our core objectives for over a decade. This momentous occasion was made even more special with a visit from His Majesty King Charles III at the launch. ZJ224 is a very special aircraft having been in service in the Army Air Corps for over 20 years and it played an important role in the rescue mission at Jugroom Fort, Afghanistan. It is a fantastic addition to the Museum collection, and we are honoured to preserve it for future generations.

Following the upward trend of 23-24, it has been exciting to see the continued development of the Army Flying Museum this year. Visitor figures are up again this year (22% on the previous year), with a new audience being attracted from the area to the East of the museum including Newbury, Reading and Basingstoke.

We have spent a number of sessions over the last 8 months working with trustees, staff and volunteers to develop our new strategy which is summarised in the four key strategic objectives below:

- 1) A good day out for all the family
- 2) Trusted and accredited custodians
- 3) Leaders in aviation STEM for education
- 4) A great corporate venue

STEM in education is a huge opportunity for us and we are looking at providing experiences for young people of all ages to engage with it as a subject. Our continued partnership with Leonardo Helicopters has allowed us to grow our annual STEM day (aimed at 12-13 year olds) and over 150 attended this year's event. Our relationships with our key corporate partners help to bring value and experience to these opportunities, whilst also inspiring a new generation of engineers.

Another example of this is the introduction of the Discovery Den, an area dedicated to engineering and technology for all ages, at our annual flagship fundraising event, Wallop Wheels and Wings. Now in its fourth year, this event is a firm favourite in the calendar and has sold out every year. This year saw the museum team work with personnel from the Army Aviation Centre and Army Air Corps to enable display flying to take place for the first time. This is an extremely exciting step forward for us and the event was a great success.

A focus for the last few years has been to consolidate the work that was delivered during Project Eagle whilst also trying to recover from the Covid-19 pandemic and I am pleased to report that we are now seeing an upward trend of improved visitor figures, increased spend, better financial reports and an increase in positive feedback from visitors and users alike.

We cannot get complacent though – this is a challenging economic climate and we are seeing museums and cultural institutions struggling and closing across the country. We are lucky to receive some support from the MoD but that is not guaranteed and we are eager to build up some reserves for our financial resilience. This year will see the trustees, staff and volunteers consider our next 5 year plan to ensure that the organisation can continue to grow.

Major General (Retd) Neil Sexton CB
Chairman

Army Flying Museum Limited
Company number: 2109510

Report of the trustees (incorporating the Directors' report) for the year ended 28th February 2025

Report of the trustees (incorporating the Directors' report) for the year ended 28th February 2025

The Trustees present their report and the financial statements for the year ended 28th February 2025. 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 28th February 2025

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 continued to grow too.

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 Curriculum
- Educate, train and inspire the current generation of service men and women.

Mission, Vision and Values

Our Mission is:

To preserve, protect and explain the story of British Army flying.

Our Vision is:

To be a sustainable organisation that inspires, educates and preserves its collections for future generations.

Report of the trustees (incorporating the Directors' report) for the year ended 28th February 2025

Our Values are:

- **Passionate** – staff and volunteers care deeply and believe in
- **Inspiring** – we want to use the heroic stories of Army aviation to inspire young and old people alike
- **Informative** – we want to deliver information in a variety of ways to allow easy access
- **Business minded** – we want to operate in a professional and financially sound manner
- **Integrity** – we value the work that we do and conduct ourselves with the highest standards
- **Inclusive** – everyone is welcome at the Army Flying Museum

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

Phase 2 of 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 28/02/2025	As at 29/02/2024	As at 28/02/2023	% Change over year
Twitter Followers	5,946	5,735	5,259	4%
Facebook Followers	20,397	13,673	11,111	49%
Instagram	6,370	5,281	3,576	21%
LinkedIn	746	495	321	51%
Mailing List	20,972	19,088	18,895	10%

Report of the trustees (incorporating the Directors' report) for the year ended 28th February 2025

Curatorial

Temporary Exhibitions:

- 'The Road to Ypres: The War Photography of Olive Edis'. On loan from Norfolk Museums Service (10/12/2023 – 30/06/2024).
- 'Apache AH Mk.1 ZJ224 at the Army Flying Museum'. (August 2024 – May 2025)

Permanent Exhibitions:

- Relocation of A109A
- Installation of Apache AH Mk.1

Interpretation:

- Update of Leonardo STEM trail to include the Apache AH MK.1
- Social media posts on objects in the collection and significant dates
- Object handling session in Museum

Enquiries: 67 received

Collections Management:

- Suspended aircraft checks completed
- Second line installed on Rotachute
- Firearms Licence renewed
- Application for surrender of Environment Agency permit completed

Collections documentation:

- Completion of gifting paperwork for Apache AH Mk.1
- 11 Donations (47 artefacts) accessioned
- Research and renewal of loans, including condition reports
- Maintenance of collections inventories: Aircraft, Flags, Flying Clothing, Medals, Models, Personal Equipment, Artwork, Uniforms, Vehicles, and Weapons.
- Creation of object digital record folders
- Improvements in location records

Volunteers:

- Creation and maintenance of Practical Jobs List with Job Request Forms
- Embley Cadets:
 - Gardening
 - Aircraft cleaning
 - Preparing craft materials for Education
- Engineers:
 - Exhibition maintenance
 - Building maintenance
 - Installation of fire extinguishers
 - Pedal plane repairs
 - Radiation checks

Report of the trustees (incorporating the Directors' report) for the year ended 28th February 2025

- Aircraft condition reports
- Creation of model play table
- Creation of Lego play table
- Creation of photograph stands
- Maintenance of simulators

Training: Emergency Planning Training (National Army Museum)

Archives

Enquiries and donations:

- Total enquiries: 269
- Research visits: 17
- Accepted donations: 31
- New archive services price structure in place.

Marketing:

- Blog posts: 1 – Operation MARKET GARDEN: 80 years on
- Hawkeye articles: 3 – Balloon Sections, D-Day 80 & Op VARSITY
- Regular social media posts written about items in the Archive & for anniversaries and national days.
- Collections pages on the website updated.

Other tasks:

- Continued cataloguing of donation backlog up to 2014.
- Retrospective cataloguing of the book/library collection.
- Several oral history recordings completed
- Retrospective cataloguing and rehousing of logbook collection.
- Research conducted into a potential new Collections Management System.
- Joint project with Hampshire Archives Trust and FAST underway to make important RFC collection available online.
- Work undertaken to get the climate control unit in the archive storeroom working again.
- Documentation Officer attended NAM Curator's Course; part funded by a grant from AIM.

Volunteers continued working in the archive:

- AOP personnel database completed and AAC database begun.
- Cataloguing the album collections ongoing.
- Cataloguing framed and print material completed.
- Cataloguing ex-display material completed.
- Cataloguing Air Publications ongoing.
- Cataloguing the large negative collection completed.
- Identifying negatives and maps in boxes.
- Surveying video collection ongoing.
- Scanning and cataloguing negatives ongoing.
- Transcribing oral history recordings.
- Writing up AAC Squadron histories ongoing.

Education and Learning

Report of the trustees (incorporating the Directors' report) for the year ended 28th February 2025

In terms of Education we still have room for growth, and we have seen numbers stay static for the last couple of years. However, we have introduced Home School Days which have been well attended too.

- 24 schools came on trips to the Museum – 898 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 dressing up, object handling and model making. The programme is developed in conjunction with the curatorial and marketing teams.

- Easter Holidays 2024: 745 participants
- May Half Term 2024: 255 participants
- Summer Holidays 2024: 1,095 participants
- October Half Term 2024: 397 participants
- Christmas Holidays 2024/25: 290 participants
- February Half Term 2025: 505 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

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: 179 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

Report of the trustees (incorporating the Directors' report) for the year ended 28th February 2025

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.

Name of Lecture	Date	Name of Presenter
Best Fighter Debate	15 April 25	Paul Beaver
SOFO Pegasus Bridge	23 May 25	Richard Folkes
Operation Overlord	03 June 25	Chris Cox
Secrets of D-Day	10 June 25	Paul Beaver
Airbourne Operations	02 Aug 25	James Daly
Operation Market Garden	16 Sept 25	Derek Armitage
In Search of the Band of Brothers	19 Sept 25	Richard Osgood
Reflections on Battle of Britain	16 Oct 25	Black Robertson
Silent Wings: GPR Tour	09 Nov 24	Ham & Jam
Op Freshman	18 Nov 24	Dr Bruce Tocher
The Berlin Airlift	16 Jan 25	Derek Armitage
Pegasus Bridge	27 Jan 25	Neil Barber
Knitted Comforts and Services	13 Feb 25	Joyce Mercer
Westland Lecture	24 Feb 25	In partnership with Leonardo

Report of the trustees (incorporating the Directors' report) for the year ended 28th February 2025

Volunteers

Volunteering is a vital part of the Museum operations. The volunteer teams are Engineering, Archive, Education and Tour Guides and we have around 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
28 FEB 2025	46,829	£304,376	£195,287	£85,723
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

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 and following a change in management in the Café in December, provision and profits are starting to improve.

MOD support

Report of the trustees (incorporating the Directors' report) for the year ended 28th February 2025

The MOD provides support in 2 ways:

- Grant in aid. This totalled £67,931.26 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 a Collections 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 on 01 March 2025 to both the online and on-the-door tickets (following the successful introduction of this system in November 2023). This helps to 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	NEW ONLINE PRICE	ONLINE PRICE	NEW ON THE DOOR PRICE	ON THE DOOR PRICE
Adult	£18.00	<i>£17.00</i>	£21.00	<i>£20.00</i>
Child	£10.50	<i>£10.00</i>	£13.00	<i>£13.00</i>
Concession	£15.00	<i>£14.00</i>	£18.00	<i>£17.00</i>
Universal Credit / Pension Credit holder	£15.00	<i>N/A</i>	£18.00	<i>N/A</i>
Family (1a+2c)	£34.00	<i>£34.00</i>	£40.00	<i>£40.00</i>
Family (2a+2c)	£50.00	<i>£48.00</i>	£60.00	<i>£60.00</i>
Under 4s	Free	<i>Free</i>	Free	<i>Free</i>

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
- Any UK Veteran with a valid Veterans' Membership Card
- Carers who are accompanying people with disabilities
- Children under 4

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.

Report of the trustees (incorporating the Directors' report) for the year ended 28th February 2025

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 reviewed the policy last year regarding free reserves and agreed to increase the requirement to £200,000.

At 28 February 2025 the level of the Museum's free reserves amounted to £317,022 (2024: £201,159).

Investment Policy

The Museum's investment policy is to hold its liquid assets in its bank accounts. However, it has been agreed to move £100,000 into a separate COIF account to hopefully move towards starting an Investment Portfolio. Project Eagle reserves have largely been expended no significant sums are held in interest bearing accounts.

Plans for future periods

Directors have worked with the staff team to review the strategic plan for the Museum over the coming year to determine the priorities for delivering the Museum's vision in the next 5 years.

Review

The strategic plan has identified 4 key objectives for the next 5 years:

- 1) A good day out for all the family
- 2) Trusted and accredited custodians
- 3) Leaders in aviation STEM for education
- 4) A great corporate venue

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 continue for the foreseeable future.
- **Economy.** The UK economy will continue to grow very slowly, base interest rates will increase significantly, labour may be in short supply and all costs are likely to grow.

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.

Report of the trustees (incorporating the Directors' report) for the year ended 28th February 2025

- Seek to increase museum visitor footfall up to 55,000 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 25-27.
- 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.

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.	Work over the last 5 years has substantially increased footfall and trading. 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.	Significant Improvements in the material

Report of the trustees (incorporating the Directors' report) for the year ended 28th February 2025

Pressure on Ministry of Defence funding has reduced maintenance support putting additional pressure on museum funding	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.

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.

Major General Neil Sexton CB
On behalf of the Board

Date:

Statement of trustees' responsibilities for the year ended 28th February 2025

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:

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 28th February 2025 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 28th February 2025, 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.

Army Flying Museum Limited
Company number: 2109510

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:

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

For the year ended 28th February 2025

	Notes	Unrestricted funds £	Restricted funds £	2025 Total £	Unrestricted funds £	Restricted funds £	2024 Total £
Income from:							
Donations and legacies							
Grant in aid	4	-	67,931	67,931	-	65,056	65,056
Services donated by the Ministry of Defence (MoD)	4	-	71,571	71,571	-	71,571	71,571
Donations and grants	4	226,450	27,050	253,500	9,391	23,080	32,471
Charitable activities (incl admissions)	5	582,608	-	582,608	533,401	-	533,401
Other trading activities							
Trading company	3	283,600	-	283,600	265,551	-	265,551
Investments	6	3,755	2,043	5,798	2,471	2,359	4,830
Other	7	553	-	553	6,769	-	6,769
Total income		<u>1,096,966</u>	<u>168,595</u>	<u>1,265,561</u>	<u>817,583</u>	<u>162,066</u>	<u>979,649</u>
Expenditure on:							
Fundraising and publicity	8	78,072	-	78,072	58,025	-	58,025
Trading company	8	258,960	-	258,960	256,956	-	256,956
Charitable activities	9	497,851	386,390	884,241	473,310	390,099	863,409
Total expenditure		<u>834,883</u>	<u>386,390</u>	<u>1,221,273</u>	<u>788,291</u>	<u>390,099</u>	<u>1,178,390</u>
Net income/(expenditure)		262,083	(217,795)	44,288	29,292	(228,033)	(198,741)
Transfers between funds		<u>60,000</u>	<u>(60,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		322,083	(277,795)	44,288	29,292	(228,033)	(198,741)
Reconciliation of funds:							
Total funds brought forward		<u>1,290,023</u>	<u>764,215</u>	<u>2,054,238</u>	<u>1,260,731</u>	<u>992,248</u>	<u>2,252,979</u>
Total funds carried forward		<u><u>1,612,106</u></u>	<u><u>486,420</u></u>	<u><u>2,098,526</u></u>	<u><u>1,290,023</u></u>	<u><u>764,215</u></u>	<u><u>2,054,238</u></u>

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.

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

Consolidated Balance Sheet
as at 28th February 2025

	Notes	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Fixed assets					
Tangible assets	13	1,486,109	1,647,627	1,484,458	1,646,855
Heritage assets	14	210,000	10,000	210,000	10,000
Investments	15	-	-	100	100
		<u>1,696,109</u>	<u>1,657,627</u>	<u>1,694,558</u>	<u>1,656,955</u>
Current assets					
Stocks		14,656	13,591	-	-
Debtors	16	40,144	27,765	58,084	42,896
Cash at bank and in hand		429,424	407,182	403,038	382,982
		<u>484,224</u>	<u>448,538</u>	<u>461,122</u>	<u>425,878</u>
Creditors: amounts falling due within one year	17	<u>(81,807)</u>	<u>(51,927)</u>	<u>(97,588)</u>	<u>(63,425)</u>
Net current assets		<u>402,417</u>	<u>396,611</u>	<u>363,534</u>	<u>362,453</u>
Net assets		<u>2,098,526</u>	<u>2,054,238</u>	<u>2,058,092</u>	<u>2,019,408</u>
Funds					
Unrestricted funds	18	1,286,015	914,411	1,286,015	914,411
Restricted funds	19	486,420	764,215	486,420	764,215
Revaluation reserve		285,657	340,782	285,657	340,782
Non Charitable Trading funds		40,434	34,830	-	-
Total funds		<u>2,098,526</u>	<u>2,054,238</u>	<u>2,058,092</u>	<u>2,019,408</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

Caroline Hopkins
Treasurer

Date:

Date:

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

Cash flow statement

for the year ended 28th February 2025

	Group 2025	Group 2024
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	103,568	42,018
Cash flows from investing activities:		
Interest income	5,798	4,830
Purchase of fixed assets	(87,124)	(1,684)
Net cash provided by (used in) investing activities	(81,326)	3,146
Increase/(decrease) in cash and cash equivalents in the year	22,242	45,164
Cash and cash equivalents at 1 March 2024	407,182	362,018
Cash and cash equivalents at 28 February 2025	429,424	407,182
Net income/expenditure for the reporting period	44,288	(198,741)
Depreciation and impairment	248,642	251,912
Donated heritage assets	(200,000)	-
Income from investments	(5,798)	(4,830)
Decrease/(Increase) in stocks	(1,065)	(537)
Decrease/(Increase) in debtors	(12,379)	(16,786)
Increase/(Decrease) in creditors	29,880	11,000
Net cash provided by (used in) operating activities	103,568	42,018

Notes to financial statements
for the year ended 28th February 2025

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 28th February 2025

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 28th February 2025

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 28th February 2025

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 £9,099 (2024: £8,102).

Contributions totalling £684 (2024: £660) were payable to the scheme at the end of the period and are included in creditors.

Notes to financial statements
for the year ended 28th February 2025

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	2025	2024
	£	£
Turnover	283,152	265,125
Cost of sales	(113,056)	(107,853)
Gross Profit	170,096	157,272
Interest income	448	426
Overheads	(145,904)	(149,103)
Net profit/(loss) before tax	24,640	8,595
Amount gifted to The Army Flying Museum	(19,036)	(15,554)
Profit/(loss) for year before taxation	5,604	(6,959)
Taxation	-	-
Retained profit/(loss) for the period	5,604	(6,959)
Retained profit brought forward	34,830	41,789
Retained profit carried forward	40,434	34,830
Called up Ordinary Share Capital	100	100
Capital and reserves	40,534	34,930

4. Grants and Donations

During the year the following grants and donations were received:

	Unrestricted funds £	Restricted funds £	2025 Total £	2024 Total £
Grant in Aid	-	67,931	67,931	65,056
Services provided by Ministry of Defence	-	71,571	71,571	71,571
	<u>-</u>	<u>139,502</u>	<u>139,502</u>	<u>136,627</u>
Other grants and donations:				
General donations	6,450	27,050	33,500	32,471
Donated heritage asset – Apache	200,000	-	200,000	-
Donated heritage asset – 2 x Cockpit Trainers	20,000	-	20,000	-
Above assets donated by the Ministry of Defence	<u>226,450</u>	<u>27,050</u>	<u>253,500</u>	<u>32,471</u>

In 2024 £159,707 were restricted funds with £9,391 being unrestricted funds.

**Notes to financial statements
for the year ended 28th February 2025**

5. Charitable activities

	Unrestricted	Restricted		
	funds	funds	2025	2024
	£	£	£	£
Museum Admissions	318,276	-	318,276	307,007
Gift aid tax claimed	66,664	-	66,664	59,105
Hire of museum facilities	28,298	-	28,298	34,107
Special events	136,588	-	136,588	112,221
Sponsorship	32,782	-	32,782	20,961
	<hr/>	<hr/>	<hr/>	<hr/>
	582,608	-	582,608	533,401
	<hr/>	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>	<hr/>

All the income for 2024 were unrestricted funds

6. Investment income

	Unrestricted	Restricted		
	funds	funds	2025	2024
	£	£	£	£
Dividends and interest	3,755	2,043	5,798	4,830
	<hr/>	<hr/>	<hr/>	<hr/>

In 2024 £2,359 were restricted funds with £2,471 being unrestricted funds

7. Other incoming resources

	Unrestricted	Restricted		
	funds	funds	2025	2024
	£	£	£	£
Museum & Galleries Exhibition Tax Relief (MGETR)	553	-	553	-
Insurance claim	-	-	-	6,769
	<hr/>	<hr/>	<hr/>	<hr/>

553	-	553	6,769
_____	_____	_____	_____
_____	_____	_____	_____

All the income for 2024 were unrestricted funds

8. Cost of generating funds

	Unrestricted	Restricted		
	funds	funds	2025	2024
	£	£	£	£
Shop and restaurant expenses	258,960	-	258,960	256,956
Event Expenditure	78,072	-	78,072	58,025
	_____	_____	_____	_____
	337,032	-	337,032	314,981
	_____	_____	_____	_____
	_____	_____	_____	_____

All the expenditure for 2024 were unrestricted funds

**Notes to financial statements
for the year ended 28th February 2025**

9. Costs of charitable activities

	Unrestricted funds £	Restricted funds £	2025 £	2024 £
Staff costs	307,136	87,931	395,067	380,094
Costs paid by Ministry of Defence	-	71,571	71,571	71,571
Staff training	898	-	898	2,180
Outreach costs	1,497	-	1,497	1,403
Repairs and maintenance	26,940	-	26,940	44,919
Computer expenses	18,609	-	18,609	15,328
Hire of plant and machinery	10,311	-	10,311	10,529
Travel and subsistence	1,803	-	1,803	1,732
Unattributable VAT	18,418	-	18,418	11,672
Professional fees	9,772	-	9,772	12,750
Depreciation	23,633	224,512	248,145	238,073
Loss on disposal of assets	-	-	-	1,118
Office costs	14,183	2,376	16,559	16,293
Advertising & promotion costs	16,848	-	16,848	14,633
Bad debt expense	-	-	-	25
Governance and support costs	47,803	-	47,803	41,089
	<u>497,851</u>	<u>386,390</u>	<u>884,241</u>	<u>863,409</u>

In 2024 £390,099 were restricted funds with £473,310 being unrestricted funds

10. Governance and support costs

	Governance costs £	2025 £	2024 £
Governance costs			
Staff costs	37,235	37,235	30,543
Auditors remuneration	3,975	3,975	3,600
Costs of Trustees meetings	943	943	776
Support costs			
Bank charges and interest	5,650	5,650	6,170
	<u>47,803</u>	<u>47,803</u>	<u>41,089</u>

11. Auditors' remuneration

	2025 £	2024 £
Auditors' remuneration - audit of the financial statements	3,975	3,600
Auditors' remuneration - other fees:		
- Preparation of statutory accounts and payroll	5,345	4,870
- Taxation services	295	265
- Consultancy and advice regarding VAT and other charity matters, including MGETR	1,554	1,638
	<u>7,194</u>	<u>6,773</u>

**Notes to financial statements
for the year ended 28th February 2025**

12. Employees

	2025 £	2024 £
Employee costs		
Wages and salaries	510,269	486,372
Social security costs	32,670	27,987
Pension costs	9,099	8,102
	<u>552,038</u>	<u>522,461</u>

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

	2025	2024
Management staff	11	11
Museum staff	18	20
	<u>29</u>	<u>31</u>

No employees received termination benefits in the year (2024: Nil).

No trustees received remuneration during the period, no trustees were reimbursed for expenses (2024: Nil).

No employees received remuneration of more than £60,000 during the year (2024: Nil).

Key management personnel

Employee benefits received by key management personnel total £50,701 (2024: £47,018) which included employers' national insurance contributions.

13. Tangible fixed assets

Group	Leasehold Property & Improvement £	Shop & Kitchen Equipment £	Museum Displays & Equipment £	Heritage Assets £	Total £
Cost					
At 1 March 2024	1,471,644	129,150	1,818,338	10,000	3,429,132
Additions	-	1,376	85,748	200,000	287,124
Disposals	-	-	-	-	-
At 28 February 2025	<u>1,471,644</u>	<u>130,526</u>	<u>1,904,086</u>	<u>210,000</u>	<u>3,716,256</u>
Depreciation					
At 1 March 2024	429,277	128,378	1,213,850	-	1,771,505
Charge for the year	16,734	497	231,411	-	248,642
Eliminated on disposal	-	-	-	-	-
At 28 February 2025	<u>446,011</u>	<u>128,875</u>	<u>1,445,261</u>	<u>-</u>	<u>2,020,147</u>
Net book values					
At 28 February 2025	<u>1,025,633</u>	<u>1,651</u>	<u>458,825</u>	<u>210,000</u>	<u>1,696,109</u>
At 29 February 2024	<u>1,042,367</u>	<u>772</u>	<u>604,488</u>	<u>10,000</u>	<u>1,657,627</u>

**Notes to financial statements
for the year ended 28th February 2025**

Charity	Leasehold Property & Improvement	Museum Displays & Equipment	Heritage Assets	Total
	£	£	£	£
Cost				
At 1 March 2024	1,471,644	1,818,338	10,000	3,299,982
Additions	-	85,748	200,000	285,748
Disposals	-	-	-	-
At 28 February 2025	1,471,644	1,904,086	210,000	3,587,730
Depreciation				
At 1 March 2024	429,277	1,213,850	-	1,643,127
Charge for the year	16,734	231,411	-	248,145
Eliminated on disposal	-	-	-	-
At 28 February 2025	446,011	1,445,261	-	1,891,272
Net book values				
At 28 February 2025	1,025,633	458,825	210,000	1,694,458
At 29 February 2024	1,042,367	604,488	10,000	1,656,855

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.

14. Heritage assets

					Total £
Cost					
At 1 March 2024					10,000
Additions					200,000
At 28 February 2025					210,000
Five year summary	2025	2024	2023	2022	2021
	£	£	£	£	£
<u>Additions</u>					
Purchases	-	-	-	-	-
Donations	200,000	-	-	-	-
	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

15. Fixed asset investments

		Charity Unlisted £	Charity Total £
Cost			
At 1 March 2024 and 28 February 2025		100	100
		<u>100</u>	<u>100</u>

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

Notes to financial statements for the year ended 28th February 2025

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: amounts due within 1 year

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Trade debtors	6,855	9,976	6,855	9,976
Other debtors	26,501	6,019	26,501	5,596
Accrued income	1,879	6,769	19,819	22,323
Prepayments	4,909	5,001	4,909	5,001
	<u>40,144</u>	<u>27,765</u>	<u>58,084</u>	<u>42,896</u>

17. Creditors: amounts falling due within one year

Group 2025	Group 2024	Charity 2025	Charity 2024
---------------	---------------	-----------------	-----------------

	£	£	£	£
Trade creditors	16,696	6,683	15,996	5,999
Other taxes and social security	16,648	15,293	16,155	14,812
Other creditors	7,413	4,164	4,161	1,906
Accruals and deferred income	41,050	25,787	37,050	22,087
Amount owed to group undertakings	-	-	24,226	18,621
	<u>81,807</u>	<u>51,927</u>	<u>97,588</u>	<u>63,425</u>

18. Unrestricted funds

	1 March 2024	Incoming	Outgoing	Transfers	28 February 2025
	£	£	£	£	£
Unrestricted funds	1,290,023	1,096,966	(834,883)	-	1,552,106
Designated funds:					
The Museum development and improvement fund	-	-	-	60,000	60,000
Total designated funds	-	-	-	60,000	60,000
Total unrestricted funds	<u>1,290,023</u>	<u>1,096,966</u>	<u>(834,883)</u>	<u>60,000</u>	<u>1,612,106</u>

	1 March 2023	Incoming	Outgoing	Transfers	29 February 2024
	£	£	£	£	£
Unrestricted funds	1,260,731	817,583	(788,291)	-	1,290,023
	<u>1,260,731</u>	<u>817,583</u>	<u>(788,291)</u>	<u>-</u>	<u>1,290,023</u>

Notes to financial statements

for the year ended 28th February 2025

19. Restricted funds

	1 March 2024	Incoming	Outgoing	Transfers	28 February 2025
	£	£	£	£	£
Grant in aid	4,933	87,931	(87,931)	-	4,933
Ministry of Defence services provided	-	71,571	(71,571)	-	-
Project Eagle development fund	750,113	2,652	(224,512)	(60,000)	468,253
Memorial Garden & Wall fund	3,432	-	-	-	3,432
Cannon display fund	4,472	1,302	-	-	5,774
Other restricted funds	1,265	5,139	(2,376)	-	4,028
	<u>764,215</u>	<u>168,595</u>	<u>(386,390)</u>	<u>(60,000)</u>	<u>486,420</u>

	1 March 2023	Incoming	Outgoing	Transfers	29 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>

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

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.

**Notes to financial statements
for the year ended 28th February 2025**

20. Analysis of net assets between funds

	Tangible Fixed Assets	Net Current Assets	2025
	£	£	£
Unrestricted funds	1,256,656	255,016	1,511,672
Designated funds	-	60,000	60,000
Restricted funds	437,802	48,618	486,420
	<u>1,694,458</u>	<u>363,634</u>	<u>2,058,092</u>
Non charitable trading funds	1,651	38,783	40,434
	<u>1,696,109</u>	<u>402,417</u>	<u>2,098,526</u>
Included in the above figures is the revaluation reserve:			
Revaluation reserve	<u>285,657</u>	<u>-</u>	<u>285,657</u>

	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>396,611</u>	<u>2,054,238</u>
Included in the above figures is the revaluation reserve:			
Revaluation reserve	<u>340,782</u>	<u>-</u>	<u>340,782</u>

21. Commitments and contingent liabilities

The charity had capital commitments contracted for but not provided for in the financial statements amounting to £Nil (2024: £Nil). There were no contingent liabilities at 28th February 2025 (2024: £Nil).

22. 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 28th February 2025.

23. Related party transactions

There were no related party transactions.

24. Ultimate controlling party

The ultimate controlling party is the Board of Trustee Directors.

**Notes to financial statements
for the year ended 28th February 2025**

25. Analysis of changes in net funds

Group	Opening balance £	Cash flows £	Closing balance £
Cash at bank and in hand	407,182	22,242	429,424
Net funds	<u>407,182</u>	<u>22,242</u>	<u>429,424</u>

26. Financial instruments

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

	2025 £	2024 £
Financial assets		
Debt instruments measured at amortised cost:		
- Trade debtors (note 16)	6,855	9,976
- Other debtors (note 16)	26,501	6,019
	<u>33,356</u>	<u>15,995</u>
Financial liabilities		
Measured at amortised cost:		
- Trade creditors (note 17)	16,696	6,683
- Other taxes and social security (note 17)	16,648	15,293
- Other creditors (note 17)	7,413	4,164
	<u>40,757</u>	<u>26,140</u>