



Royal Air Force Museum Account 2021-22

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CHARITABLE AIMS AND ACTIVITIES

Our Purpose

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

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

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

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

Governance

The RAF Museum is a National Museum, a Government non-departmental public body (NDPB) and a registered charity. The Museum is the National Museum of the Royal Air Force, unique in its size and scope, and officially recognised as such. The Museum works closely with the Royal Air Force, its sponsor organisation at the Ministry of Defence, including liaison with the Air Historical Branch, RAF Heritage and RAF Engagement. HRH Prince Philip, The Duke of Edinburgh, was Patron of the Museum from its inception in 1968 until his death in April 2021.

We are pleased to report that during the year 2021-22, Her Majesty The Queen honoured the Museum by granting our petition for a Royal Charter, creating a new legal entity on 17 December 2021, which was registered with the Charity Commission on 17 January 2022. Only prestigious institutions considered to be pre-eminent leaders in their field, and able to demonstrate permanence, are eligible to be considered, and the Museum is grateful for the full support of the RAF and Ministry of Defence in making our petition. The granting of a Charter will not only provide an appropriate governance structure to underpin the Museum's financial health and sustainability (affording the benefits of a company limited by guarantee but with the

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added reputational gravitas that Charter status brings), it also affirms the national importance of the Museum and our collective vision of inspiring everyone with the RAF story.

A Transfer Deed was signed by the Trustees of the Royal Air Force Museum, acknowledging that the Museum can be more conveniently and efficiently managed and operated by an incorporated charity, and thereby transferring all operations, assets and liabilities of the unincorporated charity to a new incorporated charity of the same name with Royal Charter status effective 1 April 2022.

Charitable Objects

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

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

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

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

Our Activities

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

2018 marked the Centenary of the Royal Air Force and in June 2018, we opened a major transformation at our London site, enabling the Museum to bring an additional 500 objects from our stores to share with our visitors – most of which had never been displayed before. Across both Cosford and London, we had our most successful year (2018-19) since the Museum's formation, welcoming a total of 989,600 people, a 39% increase.

During the course of our last strategic plan, the Museum concentrated its efforts on being outward focused and people centred, exploring the history of the RAF over its hundred-year

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history through its people and ensuring that our collection is relevant, shared and well cared for. Since the Centenary, our reach has broadened and diversified significantly, and the partnerships and friendships developed over recent years give us a firm and inspiring foundation to build on for the next chapter of the Museum's history.

Our current strategic plan 'Strategy 2030' sets out an ambitious vision for the future, shaped and shared by our Trustees, staff team (employees and volunteers) and key partners, and which continues to guide the Museum during a complex period of our history, with climate change and an unstable international environment, and ever-present threats to our way of life. We have much to do, but we look forward with confidence and clarity.

Our aim is to deepen further our focus on immersive RAF storytelling and be more ambitious in encouraging reflection and debate across our spaces and programmes, as well as welcoming all our visitors for a great day out. We are committed to engaging more people and, equally important, a more diverse range of people by ensuring that our governance, our teams, our collection and our storytelling are better reflective of the changing national population.

Both our sites continue to require significant investment to appropriately care for our unique collection and to reach wider audiences. Our priorities include the launch of a twenty-five year Master Plan for our Cosford site while continuing improvements at London. Our RAF Museum Midlands transformation will engage audiences by finding common interests and histories which link them. We will continue to develop and nurture meaningful partnerships and invest our funding strategically, recognising the importance of museums and culture to the social wellbeing and economic prosperity of our communities.

Meanwhile, we shall continue to build and sustain the foundations we need in terms of collections care and management, our estate, and our IT and digital infrastructure. Our team is vital to all of this and our leadership and development programmes will help ensure our committed people are the best we can be in order to deliver our vision and purpose with and for our visitors.

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

By 2030 the Royal Air Force Museum aims to be recognised as a world class National Museum, respected for our commitment to focusing on our audiences and using our collections and spaces in creative ways to engage them with the RAF's story. We shall remain financially sustainable, with firm foundations that enable an agile and creative future.

Our collection is central to everything we are and do and comprises around 1.3m objects which we hold in trust for the people of the UK. During the course of Strategy 2030 we plan a major shift to share our stored collections with visitors for the first time, moving them from our two non-public sites to a collections hub at RAF Museum Midlands. Here they will provide a welcome in and a springboard out to our communities, fostering local pride and belonging. New displays onsite will explore recent RAF history, complemented by immersive learning

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spaces and woodland landscaping that supports our commitment to achieve Carbon Net Zero by 2030.

Equally, we are committed to sharing the RAF story outside our walls across the UK and beyond through in-person outreach programmes and online engagement. Examples include touring iconic objects from the collection, research activities, community workshops, loans with partner organisations and storytelling through www.RAFStories.org.

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

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

- **AUDIENCES** - Inspiring innovative engagement, debate and reflection (onsite, offsite and online) - Why? We know relevance and dynamism are key to fulfilling our ambitions as a National Museum.
- **TEAM** - Inspiring our people within a dynamic, diverse and collaborative culture - Why? Our inspirational people in turn inspire our visitors and we know we achieve our best when we're committed and motivated.
- **AGILE** - Embedding an entrepreneurial, agile and sustainable approach - Why? Our visitors' lives and society are changing fast and we need to remain forward looking and resourced to fulfil our ambitions.
- **PERFORMANCE** – Fit for the future with brilliant basics - Why? We need strong and sustainable foundations to fully achieve our vision.
- **PARTNERSHIPS** - Connecting with communities and partners - Why? We know we can deliver better and more creatively through meaningful relationships with others.

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

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

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

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

The RAF Museum is a partner in the RAF100 Appeal, a joint venture between the Royal Air Force and its sister RAF charities – the RAF Benevolent Fund, RAF Association and the RAF Charitable Trust. The RAF100 Appeal was established as a charity (charity number 1167398) and company limited by guarantee (company number 09977273) to commemorate and celebrate the RAF’s Centenary in 2018, to enhance the reputation of the Royal Air Force, and to raise funds to support the partners’ future work. Funds raised up to £2.5 million were shared equally between the parties in 2019-20, and an additional £0.5 million grant was awarded in 2021-22 to fund the new Astra training accommodation block at RAF Cosford, which will enable the growth of STEM outreach work with young people there. RAF 100 Appeal Trustees have approved (July 2021) the winding up of the joint venture with any residual monies to be paid equally to the four charity partners. The Museum’s share of funds raised to date are accounted for in the Financial Statements.

Partnerships

As one of the UK’s National Museums, the RAF Museum’s responsibility and remit is UK-wide. A Partnering Agreement is in place between the RAF Museum and the RAF, its government sponsor body, which sets out the relationship and identifies the services that the Museum provides and the support given by the RAF in order that these aims are achieved. RAF colleagues past and present continue to provide fantastic support and inspiration to the Museum to enable us to share the ever-developing RAF story.

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

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

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

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

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

Charitable Fundraising

The Museum has an in-house Development (Fundraising) team who raise funds to support our core work, as well as to enable major capital projects as part of Strategy 2030, including the planned RAF Museum Midlands development project which will deliver a new Collections Hub and Learning Centre at our Midlands site; and the Research Centre project (to care for and provide access to our Archive and Library, and Photographic and Art collections) at our London site. The Museum is a member of the Institute of Fundraising and a registered member of the Fundraising Regulator. We work to the Fundraising Code and Promise set out by the Regulator and are signed up to their Code of Practice.

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PERFORMANCE REPORT

Overview

The Museum has continued to act promptly and with agility in considering and responding to the ongoing financial and operational implications of COVID-19 during 2021-22, the third consecutive financial year impacted by the pandemic. Our approach has consistently placed the safety of visitors, stakeholders and staff at the forefront of decision-making, while taking account of the wider governmental context and challenges, particularly in relation to the cultural sector. We were excited to be able to reopen both sites to the public on 17 May 2021 (in line with the third stage of the Government's roadmap out of lockdown) and have remained open since, welcoming a total of 549,467 visitors over the year (2021: 191,360 - with closure of both public sites for more than seven months during three separate lockdowns).

A highly successful summer 2021, followed by a welcome return of schools to both sites, saw visitor numbers back to their pre-COVID levels, before reducing again with the impact of the Omicron variant on visitor confidence over the winter period. Despite the challenges and uncertainty of another unprecedented year, with international visitors and corporate events slow to recover, the Museum has continued to significantly progress major projects and initiatives in line with our Strategy 2030, to reintroduce a strong onsite public events programme, and overall achieved its target of breakeven for 2021-22 with a small operational surplus. This success has been enabled by a combination of the enthusiasm of our returning visitors and supporters, the commitment, flexibility and creativity of our Museum team and partners, and the extension of Government COVID support initiatives and allocation of recovery funding from our Museum sponsor.

On 10 March 2022, we formally announced the name change of our Cosford site to RAF Museum Midlands, to better reflect our National Museum status and regional impact and commitment and launched our ambitious £26M RAF Museum Midlands Development Programme. We will use this programme to step up and into our new identity as RAF Museum Midlands serving our local, regional and national communities onsite, offsite and online. We intend that everyone we engage with will develop an understanding of the RAF's and their own limitless potential. As we emerge from the COVID pandemic, we are determined that the Museum's engagement programmes and the transformation of our spaces will positively contribute to confidence and economic recovery both regionally and nationally, as well continuing to support government priorities for social, health and wellbeing outcomes.

Future Plans

The detailed planning framework to deliver our over-arching Strategy 2030 is reviewed annually as part of the Museum's business planning cycle with an update of Strategy 2030 every three years. The coronavirus pandemic led to a first comprehensive review in summer 2020 by the senior leadership team with a full Board focus in winter 2021 to agree the prioritisation and phasing of major project delivery over the coming years. Both concluded that the tone, direction and values underpinning Strategy 2030 were more relevant and needed than ever while agreeing minor updates to reflect our changing context.

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Our Cosford Master Plan will deliver our £26M RAF Museum Midlands Development Programme as a priority, to share more inspiring stories with more people, while ever-mindful of the Museum's Carbon Net Zero ambitions. The wider capital Master Plan includes:

- A themed play area for under 11 year olds to engage our youngest visitors in the RAF story and ignite their curiosity through creative play. This first phase was opened in December 2020.
- A new centre where we will share and care for our stored collections, discovering their hidden stories and unlocking their potential through a major intergenerational programme. The centre will be a hub for learning and ideas-sharing, welcoming in young and old and reaching out into our communities, tackling social isolation and improving health and wellbeing outcomes.
- Sharing recent and contemporary stories of RAF men and women, through a new exhibition including space and cyber defence with their relevance for all of us.
- New learning and events spaces, indoors and out, engaging all our audiences from school groups and families to our specialist visitors with creative programming. We shall also celebrate and grow our relationship with RAF Cosford and other regional partners to support career pathways for our learners.
- Realigning our visitor centre for an impactful welcome to the site with new opportunities to sustain the Museum by growing our commercial business.

We shall also progress phase four of our London Master Plan to:

- Begin delivery of the final phases of our London interpretation strategy covering the inter-war period, Second World War and Cold War stories.
- Ensure we are caring for and sharing our archives and library more effectively, relocating them within a new accessible Research Centre.

In parallel we shall:

- Continue to share RAF stories across the UK and beyond through digital engagement and by working with partners across our loans, academic and outreach programmes.
- Focus on collecting and sharing the RAF's Space and Cyber stories.
- Explore the Inter War and Bomber Command RAF stories with our communities and partners at both sites, co-curating immersive new exhibitions, onsite and online, sparking conversations about their relevance to us today.
- Support our people through upgrades to our office accommodation and social spaces and improve the security and the maintenance of our estate.
- Integrate commercial opportunities for engagement with our storytelling in all our programmes that will help to sustain our Museum financially for future generations.

The Museum continues to be acutely conscious of the need to be agile in its approach and to build financial resilience against the background of a challenging economic landscape. We aspire to not only recover, but to grow and diversify our commercial and fundraising income streams in order to achieve agreed outcomes, whilst maximising use of our resources to deliver effectively within our means. At the same time, long term underfunding in our capital infrastructure means that our project phasing and financial planning must take account of the need for significant investment at both sites to deliver standards and outcomes befitting a

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National Museum, enabling us to care for and inspire with our amazing collection. The primary focus for fundraising and project development is on the Cosford Master Plan, but we also aim to deliver key London Master Plan projects that will move us towards our ambition of welcoming more visitors and extending our audience reach and impact on-site, off-site, and online.

The year ahead (2022-23) continues to be one of recovery for the Museum in response to the COVID pandemic, while planning for significant progress in the design, development and delivery of our major projects and programmes at both sites. The Museum's 2022-23 Business Plan objectives are focussed through our five strategic priorities in the context of Strategy 2030, against a background of economic uncertainty, high levels of inflation, the need to continue to rebuild visitor confidence, and an increasingly competitive fundraising landscape, mitigated by existing and proven strong partnerships with the RAF and other key stakeholders and partners. Our plan assumes that the Museum will continue to be open to the public at both sites throughout the year with no further closures. Visitor numbers are budgeted to increase to 889,000, revised down from our original target of 1.02M, though significantly higher than our pre-Centenary numbers, to reflect fluctuating visitor confidence levels, and the slower than expected recovery of corporate events, international tourism and the groups market.

In November 2022, the Museum celebrates 50 years since Her Majesty The Queen opened our London site and it feels appropriate to assume our Royal Charter status during this special year. The Museum's 50th anniversary programme will inspire our visitors and wider audiences with the RAF story by celebrating and harnessing 50 years of the national collection to mark a number of milestones for the UK, the RAF and the Museum.

The programme comprises:

- *Falklands 40th* - The Museum will explore the RAF's Falklands experience in new displays onsite and online (through Collections Online, rafm.guide and RAFStories.org) in order to share familiar and untold RAF stories with audiences, as well as harnessing our displays to inspire STEM engagement. The Museum's acquisition of the Chinook helicopter, 'Bravo November' and her display from early April 2022 gives powerful amplification to this programme. The online Vulcan Challenge, from January to April 2022, engaged people of all abilities in a fitness challenge over a three month period inspired by this iconic aircraft which played such an important role in the liberation of the Falklands. RAF Day in London will have a Falklands theme, and our lecture / talks programme will focus on the Vulcan. We will also run a 12 week marketing programme engaging our enthusiast and family audiences with RAF stories that relate to this period.
- *Art exhibition, London* - A new exhibition opening at the end of June will share 50 highlights from our fine art collection complemented by a programme of art-based activities.
- *HM The Queen's Platinum Jubilee* - Trails of objects and stories connected to the Royal Family at both the Museum's London and Cosford sites will be launched through rafm.guide, alongside Platinum Jubilee inspired public events.
- *Spitfire Tour 2022* - During the spring and early summer, the Museum will tour our Spitfire XIX to town and city centres in the Midlands to reach out to our local communities and promote the Museum. The locations are Birmingham, Telford, Shrewsbury, Coventry and Leicester.

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Strategic Priorities 2021-22

Despite the continuing impact of COVID-19, the Museum has made substantial progress throughout the year focussed through our five strategic priorities, and the Museum team, with crucial support from our visitors, friends and partners, has shown creativity and determination to continue to connect and inspire with the RAF story, striving to ensure our relevance and accessibility to a broad audience, while ensuring we continue to build firm foundations for our Strategy 2030.

Strategic priority 1: Inspiring innovative engagement, debate and reflection

The legacy of the 2018 RAF Centenary Programme and planned major programmes as part of our Strategy 2030 will have a significant impact on how we continue to inspire engagement with the RAF story, now and into the future.

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

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

RAF Stories

The Museum's RAF Stories programme remains a crucial way for sharing content, as well as remaining agile and proactive in tracking new developments in the RAF's history. In the past 12 months we have passed the 1,000 story mark, adding a further 150. The team utilised in-person and digital recording, but also visited the RAF in the field, including a trip to RAF Fylingdales.

The RAF Stories programme continues to grow and be utilised in wider Museum projects such as physical displays, in lectures, and in digital projects. The project supports and creates content for other projects and initiatives within the Museum, such as Jewish Hidden Heroes, Black History Month, Bomber Command displays and our Access and Learning resources.

Exhibitions

During the year we have been working on the content development and design of two new exhibitions, to be opened in 2023-24: Interwar and Bomber Command. In readiness for the installation, we have decanted and demolished obsolete showcases and displays in London to conserve objects and make space for aircraft moves. We have also delivered several new interpretations including:

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- *Sonic Boom classroom, 100 years of RAF Apprentices* - A temporary exhibition in Cosford to mark the first centenary of RAF Apprentices. The installation was initially scheduled in March 2020 and delayed due to the Museum's closure.
- *Historic Hendon interpretation* - In response to audience feedback, we developed and installed new physical interpretation to share the story of the airfield in London, through the achievements and experiences of the people who worked here. The people stories featured for each time period were chosen by our local community of families, for whom the interpretation is written.
- *Hangar 3,4,5* - We have included some interpretation in our new public toilet block which shares the story of how Halifax RAF crews coped with the practicalities while on missions.
- The Exhibitions and Interpretation team have supported our Access and Learning team and the Museum's Youth Panel to curate and install a '*From shellshock to post traumatic stress disorder: mental health in the RAF*' display. The team discussed with the Panel best practices for design and interpretation and helped them with the installation.
- *The RAF in an Age of Uncertainty updates* - The Falklands Chapel has moved to join the exhibition in Hangar 6 where it is now interpreted with a new lectern and screen. The exhibition also now includes a new display on the RAF Medical Services, which features an Air Transportable Isolator on loan from the RAF Centre of Aviation Medicine. We have also updated the displays timeline to include a new decade and allow for added interpretation up to 2030.

Research

The Museum's Research Strategy and Programme is supported by a voluntary Research Advisory Board, chaired by Sebastian Cox OBE, Head of the Air Historical Branch of the RAF. In 2021–22 the research programme was offered in a hybrid format both virtually and in person. It included the return of the Trenchard Lectures to the Royal Aeronautical Society, Air Power lectures with the Lancaster University Centre for War and Diplomacy, and the two-lecture series at the Museum's London and Cosford sites. Physical attendance grew throughout the year, and digital attendance averaged at 120. This approach has enabled us to deliver engaging and intellectually rigorous content to a domestic and international audience.

The Museum also hosted its annual conference on 16-17 September 2021 with the theme '*New Thinking in Air Power*', attracting 55 people to attend on site, joined by hundreds more online. The Museum's 2020 prizes were awarded to postgraduate students, part of the RAF Museum's growing role in encouraging and developing the next generation of air power scholars – providing a physical space in which to meet, network, present and exchange ideas. The academic prizes for 2021 have been awarded and presentations will be given at the 2022 conference.

In terms of developing and nurturing the next generation of air power specialists, the Museum has continued to support a PhD student at Lancaster University in their doctoral studies, exploring the political, strategic, and economic rationale of Britain in the 1960s and 1970s, and funded in collaboration with Arts and Humanities Research Council.

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In addition, the Museum hosted 137 researchers in our Reading Room and answered 4,209 enquiries. We were also active in sharing knowledge; 27 papers and talks were delivered by Museum staff, and we participated in 272 partnership and stakeholder engagement sessions, including with the Singapore Ministry of Defence. Museum staff also contributed expert commentary to a variety of media outlets, including radio, print, television and digital media such as podcasts.

Collection Loans and Acquisitions

After an enforced suspension in 2020-21, the Museum's acquisitions process started up again. In total a further 1,382 objects were added to the Museum's Collection. Key acquisitions of the past year include:

- 'Bravo November' ZA718, the famous Chinook HC4 helicopter. This newest addition to the Museum's collection has a distinguished career within the RAF. It was one of the original 30 Chinooks ordered by the RAF in 1978 and has been in service ever since, serving in every major conflict of the last 40 years. As a veteran of the Falklands, Iraq and Afghanistan, Bravo November has seen four of its pilots awarded the Distinguished Flying Cross (DFC) for actions whilst at the controls of the aircraft.
- The medals, logbook and flying jacket owned by Lawrence 'Benny' Goodman, the Lancaster pilot who has supported the Museum's Jewish Hidden heroes programme.
- HRH The Duke of Edinburgh's RAF uniform was gifted to the Museum by HM The Queen.

We have continued to share our Collection widely at over 141 venues both nationally and internationally through our Loans Programme, with 1,149 items out on loan during 2021–22, of which three items were sent out as new loans during the period.

Access and Learning

Over this period, the priority across both sites has been the reintroduction of in-person workshops and activities, while continuing with the online engagements that were so successfully introduced in response to the pandemic in 2020-21. When schools reopened in April 2021, the learning teams in both Cosford and London returned to site (despite the Museum being closed to the public) to deliver online workshops. Using live video streaming software in combination with pre-recorded films, these sessions were a valuable offer while schools were nervous about leaving the classroom. The same software was used to maintain contact with schools unable to attend events and our community audiences. The online workshops have enabled us to inspire engagement and debate with a wider pool of schools than pre-COVID at both sites.

2021-22 figures for Cosford show that, of the 180 schools that have joined us for online workshops since they were introduced in September 2020, 50% schools were from outside the Midlands with some joining us internationally. The year has seen an increased appetite for project-based events and activities with teachers working alongside us to enable great experiences for their young people, despite COVID challenges. Since November 2021, we have been returning to pre-pandemic engagements with the return of many partner events and activities.

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Our 'at the Museum' engagement activities included delivering the Summer Time Advanced Aeronautical Residency (STAAR) programme to 80 young people, supported by our sponsors Northrop Grumman as well as our partners from RAF Cosford, RAF Youth and STEM and Tablet Academy. This year the programme was adapted to offer an online competition and residency for winning schools. We also offered Science, Technology, Engineering and Maths (STEM) days including a new Space themed day, a Key Stage 3 Glider challenge, a 'Beyond Image' day and the first post-Covid face-to-face large scale STEM event in the Midlands, with over 900 young people attending and many partners. This was fully supported by the RAF Youth and STEM team.

2021-22 figures for London show that, of the 276 schools that have joined us for online workshops since they were introduced in September 2020, 173 schools were from outside the London Boroughs. The year has been characterised by a return to face-to-face learning and teaching and by a willingness on the part of teachers to get their students out and about again. There has been a palpable energy as learning team members re-engage with live audiences, sharing the RAF story, responding to questions and reflecting on the history, present and future of air and space power.

Our 'at the Museum' engagement activities included a Digital Takeover Day by the Museum's Youth Panel, a Family Festival celebrating the science of Flight, an exhibition curated by the Museum's Youth Panel, Year 6 STEM Days sponsored by the RAF, Scouts Air Researcher Activity Badge Days, and a dance performance at the Museum by creative arts students from a local secondary school.

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

The RAF Museum staff, including those of its trading subsidiary, comprises over 230 employees and over 600 volunteers, and includes well-established work experience and apprenticeship programmes. Our priority is to ensure that individuals are proud to be part of a brilliant and diverse team, feeling valued, supported and appropriately skilled and rewarded, working positively together to deliver our vision. We are working to ensure that diversity and equality underpin all our activity and we actively focus on reflecting that by broadening both our audiences and our Museum teams.

Our EDI Group was launched during the year to actively promote and progress equity, diversity and inclusion, and encourage and underpin best practice. The RAF Museum does not tolerate any form of discrimination and our aim is to embed a supportive and open culture which is inclusive, positive and fair to all and develop flexible opportunities to encourage engagement with the Museum onsite, offsite and online.

The Museum is committed to equipping our people so they are proud to be part of a brilliant and diverse team, feeling valued, supported and appropriately skilled and rewarded, working positively together to deliver our vision. Our overarching 'Inspiring People – RAF Museum Training and Development Programme' launched in September 2020 has continued to be delivered throughout the year, with specific programmes in place for our Visitor Experience, Retail, Supervisor, Management, and Leadership teams, supporting them to develop the skills and confidence to excel in their roles.

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In the couple of months prior to reopening, we continued to utilise the Government's Coronavirus Job Retention Scheme (CJRS) where staff could not work effectively from home, while guaranteeing the 20% top-up to full salary and enabling staff to keep connected through the Museum intranet updates and regular webinars. Further to staff consultation during the year and a review of how things have been working in practice, we have formalised hybrid working guidelines that enable remote working for those roles where colleagues can effectively do so, while ensuring that all staff are on site for the majority of the time. As a public facing charity, all the team are here for visitors and the collection and the guidance aims to strike a balance that is both best for our business while making the most of our positive learning through COVID.

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

Throughout 2021-22 the Museum team have continued to closely monitor and appropriately respond to what has been a constantly changing and fluid situation.

We continue to focus our efforts on developing a two-tracked approach to fundraising that will support the Museum to achieve its Strategy 2030 vision - building on the success of previous campaigns to fund delivery of major capital programmes, whilst also striving to grow revenue fundraising to support core activity. Despite a challenging economic environment and increased competition for funds, our Development team has made progress in line with the Museum's Fundraising Strategy and Plan, including the development of a targeted RAF Museum Midlands Fundraising Campaign Plan, and the submission a £5M Expression of Interest (EOI) to National Lottery Heritage Fund (NLHF) to support the launch of the £26M programme. Individual giving initiatives have again surpassed our expectations, with our Adopt an Artefact programme continuing to inspire our supporters and we have seen donations per visitor once again increase on prior year.

The Museum's Commercial Strategy, managed through the trading company, focuses on maximising commercial opportunities and income generation, whilst delivering new and improved experiences for our visitors. Inevitably, there has been a significant reduction in commercial activity across all areas due to the closures as result of the pandemic, combined with the social distancing and other restrictions in place to ensure a COVID-secure environment since reopening to the public. However, results show a marked improvement year on year due to the more severe impact of the COVID-19 pandemic on the prior year.

A highly successful summer saw visitor numbers back to their pre-COVID levels (before the impact of the Omicron variant was seen over the winter months) and we enjoyed our busiest summer ever at Cosford due to the success of a major regional radio campaign, new play area and a strong public programme. Since reopening to the public, our retail business has shown positive upward trends in visitor spend and conversion rates that we expect to sustain in the year ahead, supported by the introduction during the pandemic period of an online system that enables visitors to book their visit in advance. Our catering operations and commercial experiences were able to operate with limited offerings initially, expanding their range as restrictions were lifted. However, our major public events, such as the Food Festival, Vintage Festival, and other larger scale public events were all necessarily cancelled during 2021-22.

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Commercial events were limited to a few filming hires at the Museum, including BBC's Question Time at the London site, and some smaller events.

Strategic Priority 4: Leading the way with brilliant basics

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

Objects are collected, preserved and used proactively for a clear purpose of engagement, including exhibitions, events programmes and research, in accordance with identified dynamic collecting priorities. As an element of the Museum's RAF Centenary Programme, part of the original 1931 workshop at its London site was developed as a small objects conservation hub, which complements the Museum's considerable large object conservation expertise based at our Michael Beetham Conservation Centre (MBCC) in Cosford.

The Museum is in the ninth year of a comprehensive collection-wide review, with its Collections Review Committee assessment surveys making recommendations for action in line with the Museums Association's Code of Ethics. Where objects or aircraft are duplicates, or fall outside the Museum's Collection Development Strategy, wherever possible these are either offered as part of a new proactive loans programme or gifted to Accredited museums following the Museums' Association Disposals Toolkit guidelines. All disposals are approved in accordance with the RAF Museum's Disposals Policy and Procedures.

Despite the pandemic, we have continued to make substantial progress across all our activities over the past year reviewing and improving standards and processes from building more resilience into the IT infrastructure to support homeworking, cyber security and digital engagement, to developing a vibrant online events programme to continue to inspire with the RAF story. We continue to ensure that our brilliant basics enable us to achieve our full potential – leading the way in our governance, finance, estates and IT, ensuring a safe environment for all our visitors and with digital literacy embedded across our teams. We have also made significant progress in the phasing and planning of both our Cosford and London Master Plans which underpin our Strategy 2030.

Strategic Priority 5: Connecting with communities and partners

A new Community Engagement post was introduced at Cosford this year as part of our commitment to extend relationships with partners and communities across the Midlands region. The community programme is in early stages with consultation being the current focus. Our first project has been to engage in a two-year programme with the British Legion to support carers of veterans onsite at the Museum. To further support improved accessibility for community groups, a Changing Places toilet was opened in the main visitor centre. We worked with a group of disabled visitors to test the facilities, which gained very positive feedback.

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We have also started a programme with young people called Digital Innovators, opening up opportunities for young people to take part in our site re-development, looking at how we can make our spaces more inspiring for their peers. We continue to update our online family resources and have welcomed the return of the very popular family afternoon of activities in partnership with Wolverhampton College. We have also built a programme with a new Home Educator Network which is now taking bookings all year round.

Throughout the year at our London site, we continued to adapt our community engagement programme to include online and virtual offers, alongside our in-person activities, to keep us connected and engaged with our local community. We also continued to play a key role in local forums including the Grahame Park Strategy Group and Colindale Consortium.

Bespoke sessions for Age UK Barnet took place throughout autumn and winter 2021, with opportunities for the group to explore the handling, art, film and object collections while socialising and building relationships. We also welcomed our first reading group to the Museum, who now meet weekly in the Community Room. To further connect with our communities, the RAF Museum London is working towards becoming accredited as a Dementia Friendly Venue, ensuring that it is accessible to people living with dementia and their families. Staff information sessions to support this ambition were run throughout the year, with one of our Trustees and our Chief Executive Officer representing the Board and senior leadership team as Dementia Champions.

We connected with our family audience in a variety of ways: Flying Officer Bunny's videos and activity sheets, released daily over the Easter weekend; the Family Festival of Flight - a weekend event held over the summer to celebrate the science in our collections which attracted over 2,500 visitors; twice monthly 'Little Swifts' sessions for the under-5s; family storytelling for Black History Month, and family art workshops to accompany the Museum's temporary art exhibition. To increase our reach, this year we teamed up with the British Science Association to produce an activity for a family / community resource pack for British Science Week.

We continued to connect with our young adult audience via the Museum's Youth Panel who ran a Digital Takeover Day in June – taking over the Museum's social media channels - and in August, they participated in a summer residency where – with assistance from staff across the Museum – they researched, wrote, produced and installed a display: *'From Shellshock to Post Traumatic Stress Disorder: Mental Health In the RAF'*.

Offering support to Air Officer Wales, learning team members led on public engagement activities as part of Battle of Britain commemorations in Cardiff. Our partnership with the RAF Youth and STEM team continued to flourish, and we hosted various Year 6 STEM Days and a Scout Air Researcher Activity Badge Day. In December, we hosted MBDA's Aircraft Reconnaissance Challenge, and look forward to welcoming more STEM partners back as face-to-face events continue to resume in 2022.

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Performance Analysis

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

Key Performance Indicator:	2021-22	2020-21
Visitor numbers (including events such as the Cosford Air Show)		
- London	302,558	109,274
- Cosford	246,909	82,086
- Total	549,467	191,360
Trading income	2,970,012	1,850,926
Number of school visits		
- London	386	15
- Cosford	404	20
Visitor satisfaction ratings*		
- Enjoyment		
o London	90%	91%
o Cosford	94%	93%
- Value for Money		
o London	92%	91%
o Cosford	95%	96%
- Likelihood to recommend		
o London (net promoter score)	73%	76%
o Cosford (net promoter score)	85%	80%
Social media interaction (no. of Facebook followers, Twitter users and Instagram subscribers)	232,000	213,000

* 2020-21 and 2021-22 surveys were not conducted in every quarter due to COVID-19.

Visitor Numbers

Visitor numbers totalled 549,467 for 2021-22, nearly three times above prior year and 19% above our budgeted annual target, but significantly (40%) below 2019-20 due to the ongoing impact of the COVID-19 pandemic.

Trading Income

Turnover of £3,031,000 is reported for the year (2021: £1,974,000) with the increase on prior year (and corresponding increase in cost of sales) due to the impact of higher visitor numbers (with the Museum open for a greater proportion of the year) on commercial activity, along with an improved spend per visitor in part due to the pre-booking system in operation. During the year, a number of Museum staff and other resources were utilised in furtherance of commercial activities resulting in a cross charge of £660,000 (2021: £470,000). The profit after taxation for the year was £354,000 (2021: £214,000 loss), with a distribution of £140,000 Gift Aid to the Museum (2021: zero).

School Visits

London ended the year with a total of 33,632 learners (against a target of 26,500), split between 28,945 formal learners (students in education) and 4,687 informal learners (family,

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early years, scouts etc.), with 386 school visits. These are encouraging figures, which show numbers starting to return to pre-pandemic levels. Of the 28,945 formal learners, 70% of these visited the Museum, 29% took part in online sessions, and 1% engaged as part of outreach activities.

As in previous years, satisfaction with the learning offer was high. In London, teacher feedback on workshops was as follows. Percentage of respondents rating the following as 'good or excellent': Booking Process – 100%; Curriculum relevance – 98%; Suitability for age group – 98%; Pupils' enjoyment of the workshop - 97%; Level of Interactivity - 95%; The facilitator - 94%; Location of the session (onsite) – 100%; Ease of use of the technology (online) - 100%; Reliability of the technology (online) - 100%; The overall learning experience – 99%.

Cosford ended the year with a total of 30,006 learners (against a target of 23,213), split between 28,292 formal learners and 1714 informal learners, with 404 school visits, as numbers also start to return to pre-pandemic levels. Of the 28,292 formal learners, 59% of these visited the Museum, 39% took part in online sessions, and 2% engaged as part of outreach activities. Cosford Scouts/cadets and informal learners still book in via group bookings so data is only included when activities have been directly delivered.

Once again, satisfaction with the learning offer was high, and teacher feedback on workshops at Cosford was as follows. Percentage of respondents rating the following as 'good or excellent': Booking Process – 100%; Curriculum relevance – 97%; Suitability for age group – 98%; Pupils' enjoyment of the workshop - 97%; Level of Interactivity - 95%; The facilitator - 98%; Ease of use of the technology (online) - 100%; Reliability of the technology (online) - 98%; Met or exceeded expectations – 99% with 60% of visits exceeding schools' expectations.

Visitor Satisfaction

During the COVID-19 period, the Museum has needed to carefully balance providing a safe environment for our visitors with an enjoyable day out. The surveys also show that both sites continue to achieve very high 'Enjoyment' and 'Value for Money' ratings that remain above the industry average. In this context, we are particularly delighted to report that our Cosford site won the gold award for Large Visitor Attraction of the Year at the West Midlands Tourism Awards in March 2022.

Social Media Interaction

Total visits to the Museum's main website were recorded at 3.1 million unique visits (2021: 1.1 million). As this is used primarily as a planning tool for visits, this increase can be explained largely by people returning to the Museum following the COVID-19 closures.

The Museum's social media channels showed growth during the year with Facebook followers reaching 137,000 (2021: 126,000), Twitter 58,000 (2021: 54,000) and Instagram 37,000 (2021: 33,000).

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Financial Review

Statement of Financial Activities (SOFA)

Total income for the financial year 2021-22 amounted to £15,179,000 (2021: £14,620,000), with the increase year on year related to higher trading income, as the Museum has been open to the public from 17 May compared with closures of over seven months in 2020-21. This is offset by a lower Grant in Aid from MOD following their additional support in 2020-21 to enable operational breakeven during the period impacted by the pandemic.

The Museum received £10,745,000 of Grant in Aid (2021: £11,341,000) for the financial year 2021-22, including an allocation of £700,000 to support planned capital works. During the year, a total of £974,000 (2021: £1,084,000) (Note 3) was received by way of Government grants and donations from industry partners and sponsors, trusts and foundations, and individual donations to fund the work of the Museum. This included £139,000 restricted funding from the government's Coronavirus Job Recovery Scheme (CJRS) to support staff placed on furlough during the year (2021: £375,000); and £109,000 from Northrop Grumman to enable the continuation of our successful STAAR STEM programme at our Midlands site.

Total unrestricted income generated by the Museum was £13,763,000 (2021: £12,518,000) with the increase mainly due to an improvement in trading income after reopening both sites to the public in May. Income generated by the trading company on non-charitable activities was £3,031,000 (2021: £1,974,000), which, after accounting for associated expenditure and prior year loss, resulted in a total Gift Aid payment of £140,000 (2021: net loss of £214,000) to the Museum.

Total expenditure on Museum activities amounted to £17,018,000 (2021: £15,514,000). The majority of costs, including the costs of salaries, are in respect of core charitable activities. Net expenditure before transfers between funds and other recognised gains and losses totalled £1,838,000 (2021: £894,000). The £2,581,000 unrestricted loss for the year (2021: £2,368,000) is driven principally by depreciation of property assets and fully funded permanent exhibitions, which totals £3,508,000 in 2021-22 (2021: £2,696,000). Excluding depreciation costs of property and permanent exhibitions, the Museum has generated an unrestricted operational surplus of £287,000 during the year (2021: £301,000), which is above the targeted breakeven due to a rephasing of operational expenditure into the next financial year.

A total of £804,000 (2021: £355,000) has been transferred from restricted to unrestricted funds in 2021-22, reflecting the restricted funding of capital projects (related to the allocation of capital support from MOD) which transfers to unrestricted fixed asset funds when complete.

The Museum's property assets are revalued by professional valuers on a quinquennial basis, with the last valuation brought forward by one year to 2017-18 to reflect the significant capital improvements delivered through the RAF Centenary Programme. For 2021-22 an annual revaluation adjustment of £4,171,000 upwards (2021: £3,464,000 decrease in value) has been made in the year-end accounts using the annual indices provided by MOD to comply with Modified Historic Cost Accounting (MHCA) legislation per HM Treasury guidelines.

After transfers between funds and adjustment for recognised gains or losses on revaluation of fixed assets, the net movement of funds for the year was an increase of £2,333,000 (2021:

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decrease of £4,358,000) and total funds carried forward as at 31 March 2022 amounted to £119,031,000 (2021: £116,698,000).

Grant in Aid Funding

Despite the challenges of recent years, the Museum is fortunate to be in a relatively stable financial position, partly because we are 70% funded through Government Grant in Aid, and partly because we have a reserves policy in place to mitigate risk and build available funds for delivery of Strategy 2030. However, the impact of the COVID-19 crisis on the Museum has continued to significantly reduce our ability to generate commercial and fundraising income during 2021-22 and to build the funds necessary to maintain and develop our sites for the long term.

The MOD-funded National Museums (including the RAF Museum) were not eligible to access the Government's £1.57BN Culture Recovery Fund announced in the early stages of the pandemic, which acknowledged the social and economic benefits that flow from museums, and their importance as a major boost to national resilience, morale and pride, and champions of inclusion, innovation and excellence. However, the Museum is extremely grateful that the RAF as our MOD sponsor body, was able to confirm an allocation of £1.56M in early March 2021 and £700k in March 2022. This has enabled the Museum to mitigate the negative financial impact of the pandemic in order to achieve operational breakeven for 2021-22 (£250k), 2021-22 (£355k), and (budgeted) 2022-23 (£395k), and to continue to deliver essential capital project works.

The RAF Museum has not had access to planned capital funds through the MOD for some years and all improvements, including delivery of our Centenary Programme, have been externally funded or managed through its Grant in Aid. There has been recognition from Government of the need for significant investment in UK museums' infrastructure – national, regional and local with allocations made to the DCMS National Museums to address issues identified, plus the launch of the MEND fund to support regional museums, but the long-term need of the MOD-funded service museums has not been addressed. We continue to work with our sponsor to explore opportunities to include a planned capital allocation through the spending review in the same way as the DCMS-funded National Museums.

Balance Sheet

The value of the group net assets has increased during the year due to the fixed asset revaluation and now stands at £119,031,000 as at 31 March 2022 (2021: £116,698,000). The value of freehold and leasehold property represents 70% of the Museum's net assets at £83,554,000 (2020: £81,468,000); and the value of heritage assets (over the capitalisation threshold and accessioned since 1 April 2001) represents 18% of the Museum's net assets at £21,846,000 (2021: £21,790,000). The Museum Group holds a cash at bank and in hand balance of £10,165,000 as at 31 March 2022 (2021: £8,313,000).

Trading Company

Any non-charitable activities are undertaken by RAF Museum Enterprises Ltd, a wholly owned subsidiary of the Museum, with all profits gift-aided to the parent charity. The trading company generated total turnover of £3,031,000 (2021: £1,974,000) (Note 4b), with associated costs of sales and overheads of £2,677,000 (2021: £2,188,000). The increase in turnover year on year is due to the more significant comparative impact of periodic closures and restrictions in place

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during the prior year. During the year, a number of Museum staff and other resources were utilised in furtherance of those activities resulting in a cross charge of £660,000 (2021: £470,000). This resulted in a net profit in the subsidiary of £354,000 (2021: net loss £214,000) (Note 9).

Reserves Policy and Funds

During the year, and with reference to guidance from the Charity Commission, and further to review and recommendation by the Audit and Risk Committee and Finance and Resources Committee, the Trustees have confirmed that as at 31 March 2022 the organisation continues to hold unrestricted and undesignated free reserves (that is funds not tied up in fixed assets or designated or restricted funds) sufficient to cover two months of budgeted operational expenditure in order to enable financial stability and act as a safeguard against volatile and unpredictable income streams and unforeseen expenditure or liabilities. Any remaining operational net surplus (i.e. after transfers to / from the fixed asset fund and maintaining free reserves of two months of planned operational expenditure) is transferred to the designated Strategy 2030 Fund.

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

In March 2022, Trustees approved the creation of a designated RAF Museum Midlands Fund to hold funds earmarked to support the Museum's priority £26M RAF Museum Midlands Development Programme as part of the Cosford Master Plan and Strategy 2030 ambition. Trustees agreed that the £700k saving on planned capital spending from Museum reserves due to the unbudgeted capital allocation of Grant in Aid received in March 2022, be transferred to the designated RAF Museum Midlands Fund to kick start and underpin our fundraising campaign, and that this capital commitment be reflected as an investment by the RAF in our development programme. The Museum is also grateful for a donation from John and Adrienne Mars which supported the purchase of Lawrence 'Benny' Goodman's medals, logbooks and flying jacket, with the balance designated to the RAF Museum Midlands Fund. This designated fund is in addition to a new restricted RAF Museum Midlands Fund which consolidates existing restricted Cosford-specific fund balances to reflect the name change.

In line with the Museum's reserve policy, unrestricted surplus funds of £1,150,000 (2021: £448,000) have been transferred to the Museum's designated funds: £426,000 to the designated Strategy 2030 Fund, and £724,000 approved to be transferred to the newly created designated RAF Museum Midlands Fund. The closing balance held in designated funds at 31 March 2022 is £4,642,000 (2021: £3,492,000).

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

Payment of Creditors

The Museum's policy, in accordance with the Government-wide standard on the payment of creditors, is to settle all undisputed bills within 30 days or in accordance with the supplier's

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terms of business. The Museum's actual payment performance during the year was an average of 38 days (2021: 43 days).

Investment Policy

The Trustees continually monitor levels of all the Charity's funds. Available funds are currently invested in a variety of term deposits to maximise the level of return but with minimum risk. The amounts and terms of the investments are based on the Trustees' opinion of the immediate and future needs of the Museum and the Chair of the Finance and Resources Committee reviewed the principal deposits during 2021-22.

Environmental Policy and Sustainability Report

The RAF has committed to achieve Carbon Net Zero (CNZ) by 2040, ten years ahead of the Government target, and across its estate by 2030. The Museum has committed to match the RAF's CNZ 2030 target and to address the climate emergency through our operation and with our audiences. We have established a Sustainability Group to engage with our team and ensure environmental principles are always at the forefront of our thinking. We will operate in an environmentally sustainable way, applying the principles of sustainable development for the benefit of current and future generations. The Museum's Sustainability Commitment agrees four areas of focus:

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

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

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

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Headline Target	2017-18 Baseline	2021-22 Performance	Vs. baseline	Notes
Working towards net zero by 2050 (reduction of 30% overall and 10% direct emissions)	1,584 tonnes CO2	822 tonnes CO2	49% reduction	Scope 3 information is not available for 2017-18 and is incomplete for 2021-22. The figures shown represent scope 1 and 2 emissions only.
Reduce the overall amount of waste generated by 15%	123 tonnes	51 tonnes	59% reduction	Food waste information is incomplete and has been excluded. We are working to include this in future years.
Increase the proportion of waste which is recycled to at least 70% of overall waste	31%	51%	19pp below target	
Reduce water consumption by 8%	Not available	2559 m3	N/A	London only, data for other sites and 2017-18 not available.

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

Greenhouse gas emissions		2021-22	2020-21	2019-20	2018-19	2017-18
Non-financial indicators (tonnes CO2)	Scope 1	308	608	896	845	758
	Scope 2	513	457	722	708	826
	Scope 3	Not currently available				
Energy consumption (thousand kWh)	Gas	1,684	3,309	4,877	4,595	4,117
	Electricity	2,420	1,962	2,825	2,503	2,350
	Total	4,104	5,271	7,712	7,098	6,467
Financial indicators (£000)	Total energy cost	463	403	524	461	414
	Cost of business travel	127	31	189	208	186

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Significant progress has been made on emission reductions, with replacement of aged assets, including lighting replacements and careful control of plant. However, in line with our Sustainability Commitment we will continue to push to lower our operational emissions through investment in low carbon plant and careful controls and timings.

The Museum does not operate its own fleet of vehicles and is unable to quantify its use of Ultra-Low Emission Vehicles (ULEV compliant).

The Museum has infrequent travel by air and information on travel is not routinely captured; air travel is treated as exceptional travel by default with lower carbon options preferred.

Waste management		2021-22	2017-18 (benchmark year)
Non-financial indicators (tonnes)	Residual waste (incinerated for energy)	25	83
	Recycled	26	40
	Total waste	51	123
	% recycled	51	32
Financial indicators (£000)	Total disposal cost	28	Included with overall cleaning contracts and cannot be split out.

The Museum operates a zero to landfill policy, with residual waste used as waste to energy. Information on performance between 2018-19 to 2020-21 is incomplete and therefore not comparable. While overall recycling has improved on the 2017-18 baseline a waste management plan is being introduced in 2022-23 to enable further improvements.

The Museum has a catering offer at its London and Midlands site, as a commercial operation. Food waste from this operation is being gathered and will be reported on from 2022-23.

Starting in 2021-22 we began to engage local community groups as well as staff and volunteers informally to donate redundant items for reuse; several items including bags of gravel from Hangar 5 have been donated.

Paper use	2021-22	2020-21	2019-20	2018-19	2017-18
Non-financial indicator (A4 reams)	495	309	626	n/a	n/a

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

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Water consumption		2021-22	2020-21	2019-20	2018-19	2017-18
Non-financial indicators (m ³)	Total water consumption	2559	11623	N/A	N/A	N/A
Financial indicators (£000)	Total water cost	6	11	12	8	16

The Museum's London site is metered, however, historic information on water use is not available. Figures provided in 2020-21 and 2021-22 are based on estimate usage provided by the supplier and relate to the Museums London site only as the other sites are leasehold consumption information is not available. Reduction in water use is undertaken on an opportunity basis such as using low water use taps and controlled urinal flushing. In addition, water use on landscape management is limited. The large consumption in 2020-21 is due to a major leak at the London site which took several days to isolate.

Sustainable procurement

The Museum's existing contracts do not contain specific requirements for supply chain reporting on sustainability, although elements of sustainability and social value are evaluated in the procurement tender process. The Museum's procurement policies will be updated to reflect our commitment to sustainable procurement in 2022-23.

Nature recovery and biodiversity action planning

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

Climate Change Adaption

The Museum intends to undertake a Climate Change Risk Assessment in 2023-24 to inform a longer-term Climate Change Adaption Strategy and Plan as part of our internal Sustainability Commitment and Pathway.

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

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

The Museums IT department is reviewing the targets of the ICT and digital services strategy 2020-25 however in the interim it has made significant progress in the removal of redundant and inefficient IT legacy assets and actively seeks to reuse assets where appropriate. The IT department began a project of server virtualisation a couple years ago to reduce the amount of physical servers required. Physical servers used for testing purposes are switched off when not in use. The rollout of Microsoft Teams and video conferencing facilities in 2021-22 has supported colleagues to work from home as well as reducing business travel between sites.

Auditors

The accounts are audited by the Comptroller and Auditor General in accordance with the Government Resources and Accounts Act 2000 (Audit of Public Bodies). The fee for the audit of the Group 2021-22 accounts was £43,400 (2020-21: £38,100). This includes the NAO fee of £33,250 and Hillier Hopkins fee of £10,050 for the audit of RAF Museum Enterprises Ltd (RAFMEL).

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

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

ACM Sir Stephen Hillier GCB CBE DFC
Chair

on behalf of the Board of Trustees

4 July 2022

Margaret Appleton MBE
Chief Executive Officer and
Accounting Officer

Royal Air Force Museum

4 July 2022

ACCOUNTABILITY REPORT

Corporate Governance Report

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

Chief Executive Officer's report and governance statement

The Governance Framework

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

The Museum is an accredited National Museum and non-departmental public body (NDPB) obliged to comply with HM Treasury financial reporting requirements set out in the Financial Reporting Manual and the guidance contained in Managing Public Money. There is a Financial Framework document in place which defines the arrangements between the Museum and its sponsor department, the Ministry of Defence, relating to the receipt of Grant in Aid and the conditions for its expenditure alongside a Partnering Agreement between the Royal Air Force and the Museum. The Partnering Agreement and Financial Framework relevant to the 2021-22 financial year have been in place with effect from 1 April 2017 to 31 March 2022. A review has taken place and an updated Partnering Agreement and Financial Framework will be in place relevant to the five year period from 1 April 2022.

The Trustees and the Committee Structure

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

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

Trustees are appointed by the Secretary of State for Defence in accordance with the provisions of the public appointments process set out in the Office of the Commissioner of Public Appointments Code of Practice. They are appointed for a term of five years and can be appointed for a second term of equivalent length. The Board of Trustees may appoint up to three additional co-opted Trustees by majority approval to serve on the Board and both co-opted Trustees and other individuals may serve on specific sub-committees to supplement the experience of Board members. From 1 April 2022, under the new Charter and bye-laws appointment terms will be of three years.

The Trustees receive induction training with the Chief Executive Officer and senior leadership team (SLT) and are encouraged to familiarise themselves with the Museum's priorities through work in sub-committees where they are supported by the Museum's executive, and by attending and hosting Museum events and receptions.

The Board of Trustees Sub-Committees

The Board of Trustees have established a number of sub-committees for specific purposes and to ensure the effective conduct of business. The Board of Trustees is responsible for

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

appointing to the sub-committees from within its membership and all sub-committee actions are taken on behalf of the Trustees as a whole, with recommendations made to the Board as appropriate.

These sub-committees comprise Audit and Risk (providing support on issues of risk, control and governance); Finance and Resources (responsible for financial control, governance and investment), Major Projects and Programmes (responsible for major capital and programme development); Staffing and Remuneration (providing assurance that the Museum's HR strategy, policies and procedures are appropriate and effective); and a Nominations and Governance Committee (keeping under review the leadership needs of the Museum - both trustee and executive - to ensure the continued ability of the organisation to perform effectively, and to be responsible for recommending the appointment of the Chair of the Board of Trustees from within the Board's membership). The Museum also has a Research Advisory Board, chaired by Sebastian Cox OBE, Head of the Air Historical Branch of the Royal Air Force.

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

The following individuals served as Trustees during 2021-22:

Board of Trustees			Attendance					
Board Member	Appointed	Further notes	Board	Audit & Risk (ARC)	Finance & Resources (FRC)	Staffing & Remuneration (SRC)	Major Projects & Programmes Committee (MPPC)	Nominations & Governance Committee (NGC)
Air Chief Marshal Sir Andrew Pulford	2-July-18	Chair until term ended 21-Mar-22	4/4	*	*	*	*	
Air Chief Marshal Sir Stephen Hillier	11-Oct-21	Co-opted Chair from 21-Mar-22	2/2					
John Banks	23-Jul-21	Chair FRC (from 23-Jul-21)	3/3		3/3			
Laurie Benson	17-May-16	-	4/4	3/3				
Dr Carol Cole	23-Mar-15	Chair SRC	4/4			3/3		1/1
David Cooper	23-Jul-21	-	3/3				1/2	
Dr Rodney Eastwood	23-Mar-15	Chair ARC	4/4	3/3		3/3		
Jonathan Field	23-Jul-21	Chair RAFMEL Board (from 21-Jun-21)	2/3			2/2		
Matthew Gilpin	23-Jul-21		3/3	2/2				1/1
Richard Holman	05-Jul-11	Chair FRC until term ended 05-Jul-21	1/1		1/1		1/1	
Catriona Lougher	17-May-16	Term ended 17-May-21	0/0					
Waseem Mahmood	23-Jul-21		2/3				2/2	
Julie McGarvey	17-May-16		4/4		2/2		4/4	
Andrew Reid	05-Jul-11	Term ended 05-Jul-21	1/1				0/1	
Air Marshall Peter Ruddock	23-Jul-21		3/3		2/2			
Nick Sanders	7-July16	Chair MPPC	4/4				4/4	
Helen Selby	23-Jul-21				1/2			
Michael Schindler	05-Jul-11	Term ended 05-Jul-21	1/1	3 / 3		1/1	1/1	

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

A Trustee skills audit was completed in 2020-21 led by the Nominations and Governance Committee (NGC). The Museum also commissioned an external facilitator to lead a Board effectiveness review (the previous external review was held in 2017-18). The review completed in early 2020-21 highlighting no significant concerns and an away day, originally postponed due to COVID, was held to review its recommendations in December 2021. The NGC will monitor the follow up priorities which include developing a Unitary Board focus, ensuring clarity of Trustee and SLT roles and establishing a light-touch Trustee training and development process.

The Museum has two subsidiary companies, the shares of which are held by or on behalf of the Trustees, although the decisions taken by these companies remain primarily their responsibility, summaries of activity are reported through the Board.

Register of Interests

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

The Board of Trustees' Performance

The Board has supported the organisation to successfully deliver its strategic objectives as outlined in the approved over-arching ten-year Strategy 2030 and Business Plan 2021-22.

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

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

Personal Data Loss

An incident is defined as a loss, unauthorised disclosure or insecure disposal. Protected personal data is information that links an identifiable living person with information about them which, if related, would put the individual at significant risk of harm or distress; the definition includes sources of information that because of the nature of the individuals or the nature, source or extent of the information, is treated as protected personal data by the Museum.

Internal Auditors

The Museum's internal auditors are RSM Risk Assurance Services LLP (appointed in November 2019), who work to the Public Sector Internal Audit Standards and provide an independent opinion for the financial year 2021-22 (contract year three) on the matters subject to review through the annual internal audit programme. The work programme is signed off by the Trustees' Audit and Risk Committee and the report of the internal auditors is received by that same sub-committee. The tender and appointment of RSM Risk Assurance Services LLP (RSM) was made as a joint initiative with our partner Service Museums – the National Army Museum and National Museum of the Royal Navy - to foster the sharing of best practice and economies of scale, including a shared thematic review to be agreed upon by all parties.

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

As part of this plan RSM have carried out several reviews for the RAF Museum this past year, including Donor Due Diligence, Business Cases, Consultants - Value For Money, Health and Safety Processes, a follow-up report on identified management actions from prior year audit reviews, and one shared Service Museums thematic review looking at Marketing and Communications. The Museum commissioned an additional Health and Safety specialist review with an independent consultant to include site visits and a review of the Museum's processes in practice.

The internal auditors provide an annual independent opinion, based upon the audit programme and limited to the work performed, on the overall adequacy and effectiveness of the Museum's risk management, control and governance processes. The internal audit opinion for 2021-22 is one of moderate assurance, stating that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

To inform the governance opinion for 2021-22, the internal auditors have taken into consideration the governance related elements within each of the assignment reviews undertaken as part of the 2021-22 internal audit plan. To inform the risk management opinion for 2021-22, the internal auditors have considered the risk mitigation procedures within each of the assignment reviews undertaken as part of the 2021-22 internal audit plan. For example, the review of Health and Safety considered processes for health and safety risk assessments and security arrangements. In addition, their governance and risk management opinion was informed by attendance at meetings of the Audit and Risk Committee throughout the year. The results of the internal audit assignment reviews have been taken into consideration in determining the internal control opinion for 2021-22. Of the five assurance assignments, it was concluded that the Board could take substantial assurance in one area and reasonable assurance in the other four. A total of nine 'medium' and nine 'low' priority management actions were agreed across the assignments undertaken, excluding follow up.

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

External Auditors

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

Risk Management

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

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

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

The strategic risk of financial instability is higher during the current period of economic uncertainty, as we face the challenges of COVID recovery alongside rapidly rising inflation and costs of living. However, this has been substantially mitigated by confirmed annual Grant in Aid including additional funding to enable budgeted operational breakeven in 2022-23, alongside the Museum's proven agility to flex variable and project costs. Nevertheless, a high proportion of planned Museum spend is necessary to support effective operations and /or drive visitor numbers / income, and cost reductions may impact detrimentally on Museum outcomes and impact even where activities are not immediately essential. Early indications in the new financial year show increasing challenges to retention and recruitment as the cost of living crisis continues, mitigated by an acknowledged pride in working for the Museum and a clear commitment to investing in our staff team and the development of a dynamic, diverse and collaborative culture.

The RAF Museum's Strategy 2030 sets out to build a robust financial model for the future, with operational savings to be identified, fundraising and trading activity to be increased and diversified, and programmes developed that attract funding support, to enable significant investment and development at both sites. There is and will continue to be continued pressure on Government funding and funding from trusts and foundations. There is much competition for funding in London, while potential sources in the West Midlands are fewer, though a shift away from London focussed investment and the levelling up agenda is an opportunity for our ambitious Cosford Master Plan and RAF Museum Midlands Development Programme.

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

As with the risk of financial instability, the risks from major incidents of any nature can only be mitigated to a certain degree. This includes phased capital investment in infrastructure and continued assurance of effective processes in place. Further to considerable progress thus far, one of the key strategic priorities for the Museum and a focus for the next financial year is to continue to invest in building the strong and sustainable basic foundations required to fully achieve the future vision.

Assurance Statement by the Audit and Risk Committee

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

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

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

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

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

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

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

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

Remuneration and Staff Report

In accordance with the Financial Reporting Manual the RAF Museum has prepared this report containing certain information about directors' remuneration. 'Directors' is interpreted to mean persons in senior positions having authority or responsibility for directing or controlling the major activities of the Museum. The figures in the remuneration and staff report are subject to audit.

The total number of employees whose emoluments for the year exceeded £60,000 is given in note 6, together with information on staff numbers and costs.

None of the directors were members of the Principal Civil Service Pension Scheme (PCSPS) and the Museum did not fund any Civil Service pension contributions for them in 2021-22. The Museum, under the auto-enrolment scheme (NEST) made employer's contribution to the directors' pension at the rate of 5% of their salary. Performance bonuses paid to directors are non-contractual. All employees, including directors, received £100 shopping vouchers, which are included as benefits in kind in the table below. All of the directors have contracts of employment carrying a period of notice of three months.

Single figure of total remuneration	Salary	Performance-related pay and bonuses	Benefits in kind	Pension Benefits	TOTAL	TOTAL
	2021-22 (2020-21) £000	2021-22 (2020-21) £000	2021-22 (2020-21) Nearest £100	2021-22 (2020-21) £000	2021-22 £000	2020-21 £000
Margaret Appleton MBE CEO	105-110 (105-110)	- (0-5)	100 (100)	- (-)	105-110	105-110
Marguerite Jenkin Director of Finance and Resources	85-90 (85-90)	- (0-5)	100 (100)	- (-)	85-90	85-90
Barry Smith Director of Visitor and Commercial Development	85-90 (85-90)	- (0-5)	100 (100)	- (-)	85-90	85-90
Karen Whitting Director of Content and Programmes	80-85 (80-85)	- (0-5)	100 (100)	- (-)	80-85	80-85

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

Pension benefits	Real increase in pension and lump sum at pension age £000	Accrued pension at pension age at 31/03/22 and related lump sum £000	CETV at 31/03/22 £000	CETV at 31/03/21 £000	Real increase in CETV £000	Employer contribution to Nest pension Nearest £100
Margaret Appleton MBE CEO	N/A	N/A	N/A	N/A	N/A	5,400
Marguerite Jenkin Director of Finance and Resources	N/A	N/A	N/A	N/A	N/A	4,400
Barry Smith Director of Visitor and Commercial Development	N/A	N/A	N/A	N/A	N/A	4,400
Karen Whitting Director of Content and Programmes	N/A	N/A	N/A	N/A	N/A	4,200

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

The remuneration ratios in the Museum are shown below. These represent the banded mid-point pay of the highest paid director as a multiple of the 25th percentile, median and 75th percentile pay rates. The banded mid-point pay of the highest paid director is £107,500 (2021: £107,500) and the median salary is £25,575 (2021: £26,244). The directors are all full-time employees employed on standard terms and conditions. The remuneration of the highest paid director increased by 2% against the prior year. The average percentage increase for employees of the Museum was also 2%.

	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2022	5.16	4.20	3.55
2021	5.27	4.10	3.46
% change	-2%	2%	3%

	25th percentile remuneration	Median remuneration	75th percentile remuneration
2022	£20,821	£25,575	£30,244
2021	£20,412	£26,244	£31,073
% change	2%	-3%	-3%

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

The Board of Trustees comprised thirteen members at 31 March 2022, including one co-opted Trustee, none of whom were full time employees of the Museum and they were reimbursed with £5,990 in expenses (2021: £467). Nine Trustees claimed expenses (2021: one).

Sickness absence

The Royal Air Force Museum employed 198 (2021: 190) members of staff as at 31 March 2022. In addition, the trading subsidiary employed 37 (2021: 38) members of staff at 31 March 2022. Periods of sickness absence are recorded in full days. The average number of days of sickness absence was 4.3 days per person (2021: 3.5). Long term absences have been excluded. This paragraph is not subject to audit.

Pension Costs and Benefits

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

Pension benefits for a small number of longer serving staff are provided through the Civil Service Pension Scheme (CSPS), comprising the Principal Civil Service Pension Scheme (PCSPS) and alpha. The CSPS is an unfunded multi-employer defined benefit scheme but the RAF Museum is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2016 (signed 2021). Details can be found on the CSPS website here:

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

For 2021-22 employer's contributions of £94,970 were payable (2021: £106,521) through the CSPS. The applicable rates for the CSPS are shown below:

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

The contribution rates reflect benefits as they are accrued, not when costs are actually incurred, and reflect past experience of the scheme. Pension benefits are provided through the Civil Service pension arrangements in place prior to 30th July 2007, with the unfunded cost of benefits met by monies voted by Parliament each year. Further details about the Civil Service pension arrangements can be found at the website: www.civilservice.gov.uk/pensions.

Reporting of civil service and other compensation schemes – exit packages

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

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

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

Coronavirus Job Retention Scheme (CJRS)

From April to June a total of 59 staff (93 including the trading company) were furloughed on full pay for varying periods dependent on role and the ability to work from home effectively. The Museum received government CJRS grants of £139,000 (£195,000 including the trading company) covering up to 80% of the salary costs of staff on furlough during this period (2021: £498,000).

Trade Union Facility Time (not subject to audit)

Table 1

	Full-time equivalent	
	2021-22	2020-21
Number of employees who were relevant union officials during the relevant period	4	4

Table 2

	Number of employees	
	2021-22	2020-21
Percentage of time		
0	-	-
1-50%	4	4
51-99%	-	-
100%	-	-

Table 3

	Figures	
	2021-22	2020-21
Total cost of facility time	1,578	1,250
Total pay bill	5,696,000	5,623,000
Percentage of the total pay bill spent on facility time	0%	0%

Table 4

	Percent	
	2021-22	2020-21
Time spent on paid trade union activities as a percentage of total paid facility time	0%	1%

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

Other Staff Costs

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

Volunteers (not subject to audit)

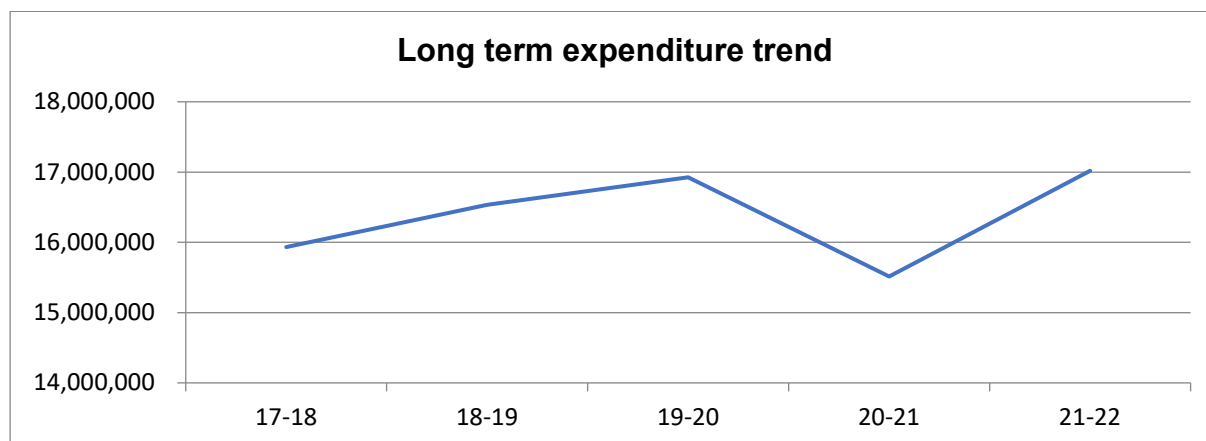
The support of our volunteers is vital to our Museum activities, with a diverse range of people generously giving their time to work alongside our paid staff team in a wide variety of areas, from front-of-house roles interacting with our visitors, to behind-the-scenes work caring for our collection in person or researching funding opportunities online. They contribute their skills, time and enthusiasm, connect with a diverse range of people as part of the RAF Museum family, and help us create meaningful experiences for them as individuals and for our audiences at our London or Cosford sites, or remotely by supporting projects such as RAF Stories. During 2021-22, over 400 individuals worked with the Museum in volunteer roles contributing a total of 11,855 hours (2021: 6,899) a significant increase on prior year due to the closure of the sites and COVID-19 restrictions during 2020-21.

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

Parliamentary accountability and audit report

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

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



The increase in expenditure pre-COVID was a result of both cost inflation and the additional projects the Museum had embarked upon to improve our visitor experience, including the RAF Centenary Programme. These projects have been funded from self-generated income, donations and sponsorship. This spend reduced in 2021-22 was due to the impact of the COVID-19 pandemic, with some projects paused and staff placed on furlough, as well as a decline in trading costs. In 2021-22 spending returned to pre-pandemic levels as both sites reopened with investment in the website and marketing and a return to normal trading levels in the commercial areas of the Museum.

ACM Sir Stephen Hillier GCB CBE DFC
Chair

on behalf of the Board of Trustees

4 July 2022

Margaret Appleton MBE
Chief Executive Officer and
Accounting Officer

Royal Air Force Museum

4 July 2022

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the Royal Air Force Museum and its Group for the year ended 31 March 2022 under the Government Resources and Accounts Act 2000.

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

- Consolidated and Charity Balance sheet as at 31 March 2022
- Consolidated Statement of Financial Activities, Consolidated Cash Flow Statement for the year then ended 31 March 2022; and
- the related notes including the significant accounting policies.

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

In my opinion, the financial statements:

- give a true and fair view of the state of the Royal Air Force Museum and its Group's affairs as at 31 March 2022 and its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with Charities Act 2011.

Opinion on regularity

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

Basis for opinions

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

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

Modified conclusions relating to going concern

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on this assessment. Note 1 to this account contains sufficient information to understand the alternative basis of account.

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

Other information

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

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

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

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

I have nothing to report in this regard.

Opinion on other matters

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

Matters on which I report by exception

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

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

- I have not received all of the information and explanations I require for my audit; or

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

- adequate accounting records have not been kept by the Royal Air Force Museum or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Annual Report, subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by the Charities Act 2011 have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Board of Trustees and Accounting Officer

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

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Trustees and the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing the Royal Air Force Museum and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees and the Accounting Officer either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with Government Resources Accounts Act 2000 .

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

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

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

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

- the nature of the sector, control environment and operational performance including the design of the Royal Air Force Museum and its Group's accounting policies and performance incentives.
- inquiring of management, the Royal Air Force Museum's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Royal Air Force Museum and its Group's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Royal Air Force Museum and its Group's controls relating to the Royal Air Force Museum's compliance with the Charities Act 2011, the Government Resources and Accounts Act 2000, and Managing Public Money;
- discussing among the engagement team including significant component audit teams and involving relevant external specialists, including property valuations regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

I also obtained an understanding of the Royal Air Force Museum and Group's framework of authority as well as other legal and regulatory frameworks in which the Royal Air Force Museum and Group operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Royal Air Force Museum and its Group. The key laws and regulations I considered in this context included the Charities Act 2011, the Government Resources and Accounts Act 2000, Managing Public Money, Employment Law, and Tax Legislation.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

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

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

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

Other auditor's responsibilities

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

14 July 2022

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

Consolidated Statement of Financial Activities for the year ended 31 March 2022

	Notes	Unrestricted Funds 2022 £000	Restricted Funds 2022 £000	Total Funds 2022 £000	Unrestricted Funds 2021 £000	Restricted Funds 2021 £000	Total Funds 2021 £000
Income from							
Donations and legacies							
Grant in aid		10,045	700	10,745	10,031	1,310	11,341
Grants and donations	3	424	550	974	442	642	1,084
Charitable activities		116		116	39	-	39
Other trading activities							
Trading income	4b	3,031	-	3,031	1,974	-	1,974
Fundraising events		92	-	92	-	-	-
Sponsorships		-	151	151	-	149	149
Share of RAF100 Appeal gain	4b	-	15	15	-	-	-
Investments		10	-	10	1		1
Other		45	-	45	31	1	32
Total income		13,763	1,416	15,179	12,518	2,102	14,620
Expenditure on							
Fundraising	5	683	-	683	412	-	412
Trading	4b	2,677	-	2,677	2,188	-	2,188
Charitable activities	5	12,985	673	13,658	12,286	513	12,799
Other	5	-	-	-	-	-	-
Share of RAF100 Appeal deficit	4b	-	-	-	-	115	115
Total expenditure		16,345	673	17,018	14,886	628	15,514
Net gains/(losses) on investments		1	-	1			
Net income/(expenditure)		(2,581)	743	(1,838)	(2,368)	1,474	(894)
Transfers between funds	15	804	(804)	-	355	(355)	-
Other recognised gains and losses							
Gains/(losses) on revaluation of fixed assets	7a	4,171		4,171	(3,464)	-	(3,464)
Net movement in funds		2,394	(61)	2,333	(5,477)	1,119	(4,358)
Reconciliation of funds							
Total funds brought forward at 1 April 2021		108,071	8,627	116,698	113,548	7,508	121,056
Total funds carried forward at 31 March 2022		110,465	8,566	119,031	108,071	8,627	116,698

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

The notes on pages 52 to 69 form part of these financial statements.

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

Consolidated and Charity Balance Sheet as at 31 March 2022

	Notes	Group 2022	Group 2021	Charity 2022	Charity 2021
		£000	£000	£000	£000
Fixed assets					
Tangible assets	7a	87,969	86,521	87,969	86,521
Heritage Assets	7b	21,846	21,790	21,846	21,790
Investments	4a	-	-	100	(114)
Investment in RAF100 Appeal	4b	-	-	-	-
Total Fixed Assets		109,815	108,311	109,915	108,197
Current assets					
Stock	8	245	267	-	-
Debtors	9	616	1,406	1,024	1,929
Investments	10	-	2	-	2
Cash at bank and in hand	11	10,165	8,313	9,713	8,036
Total Current Assets		11,026	9,988	10,737	9,967
Liabilities					
Creditors: Amounts falling due within one year	12	1,696	1,367	1,507	1,232
NET CURRENT ASSETS		9,330	8,621	9,230	8,735
Creditors: Amounts falling due after more than one year	12	114	234	114	234
NET ASSETS/LIABILITIES		119,031	116,698	119,031	116,698
The funds of the charity					
Unrestricted funds	15	110,465	108,071	110,395	108,001
Restricted funds	15	8,566	8,627	8,636	8,697
		119,031	116,698	119,031	116,698

The notes on pages 52 to 69 form part of these financial statements.

Approved by the Board of Trustees on 4 July 2022 and signed on its behalf by:

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

Consolidated Cash Flow Statement for the year ended 31 March 2022

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

	Notes	2022 £000	2021 £000
Net Incoming Resources		(1,838)	(894)
Interest receivable		(10)	(1)
Depreciation of tangible assets	7a	3,508	3,502
(Profit)/loss on disposal of assets		-	67
Donated Assets		(40)	(5)
(Gain)/Loss on investments	4b, 15	-	115
(Increase) / decrease in stocks	8	22	(39)
(Increase) / decrease in current investments	10	2	
(Increase) / decrease in debtors	9	790	(676)
(Decrease) / increase in creditors	12	209	(559)
Net cash provided by operating activities		2,643	1,510
Cash flows from investing activities			
Bank interest received		10	1
Distribution received from Joint Venture	4b		
Purchase of tangible fixed assets	7a	(801)	(1,102)
Net cash used in investing activities		(791)	(1,101)
Change in cash and cash equivalents		1,852	409
Cash and cash equivalents at 1 April 2021		8,313	7,904
Cash and cash equivalents at 31 March 2022		10,165	8,313

The notes on pages 52 to 69 form part of these financial statements.

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

Notes to the Financial Statements for the year ended 31 March 2022

1. ACCOUNTING POLICIES

Basis of Accounting

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

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

Basis of consolidation

Consolidated financial statements have been prepared for the year ended 31 March 2022 in respect of the charity and its wholly owned subsidiaries, Royal Air Force Museum Enterprises Ltd and The Royal Air Force Museum Investments Limited, using the acquisition method of accounting. Intra group transactions and profits are eliminated fully on consolidation.

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

The Museum is a partner in a Joint Venture, RAF100 Appeal (charity number 1167398, company number 9977273), as one of five investor organisations. RAF 100 Appeal is a charitable company established to raise funds during the RAF's centenary year. RAF100 Appeal is accounted for using the equity method, with the value of the Museum's stake being measured as its initial investment plus our equal share of RAF100 Appeal's net gain or loss for the period.

Going concern

A Transfer Deed was signed by the Trustees of the Royal Air Force Museum, acknowledging that the Museum can be more conveniently and efficiently managed and operated by an incorporated charity, and thereby transferring all operations, assets and liabilities of the unincorporated charity to a new incorporated charity of the same name with Royal Charter status effective 1 April 2022. Therefore, the Royal Air Force Museum in its unincorporated form is not expected to be a going concern after 1 April 2022 and the accounts are not prepared on a going concern basis. However, the Trustees are of the opinion that no adjustments are necessary as a result of the accounts being prepared on a basis other than going concern, as operations, the assets and the liabilities have been transferred to the new incorporated charity. This assessment assumes that the Museum is able to meet its liabilities as they fall due for the foreseeable future and that current and future funding will be adequate for the charity's needs. We have considered a period of twelve months from the date of approval of the financial statements in accordance with accounting conventions.

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

In coming to their conclusion, the Trustees have considered monthly forecast levels of income and expenditure and underlying assumptions, including the impact of the COVID-19 pandemic. The over-riding assumption is that the funding from the MOD continues at a similar level for the foreseeable future having carefully considered the forecasts and assumptions the Trustees are content to present the accounts on this basis.

Income

Grant in Aid is recognised in the year to which it relates. Grants and donations are recognised once the Museum can demonstrate that SORP 2015 recognition criteria of measurement, entitlement and probability have been met. Earned income is accounted for as it is receivable. Donations in kind are recognised at their fair value, with an equivalent charge made to resources expended. Sponsorships are recognised in line with the sponsorship period. Gains and losses on investments are recognised in the period in which they arise. Income from commercial activities is included in the year in which the related goods or services are provided.

Expenditure

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

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

Termination payments

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

Fund accounting

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

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

Tangible fixed assets

The charity's tangible fixed assets are capitalised at cost on acquisition and revalued annually using the most appropriate indices calculated by Defence Economics and Valuation Office Agency for the relevant class of asset. Fixed assets with a cost of less than £2,500 are not capitalised. Any gains or losses on revaluation are reported as unrealised until an asset is disposed. The freehold and leasehold properties comprising the RAF Museum estate are independently valued every five years. The most recent such valuation was undertaken as at 31 March 2018. Further detail is provided in Note 7a. On 1 April 2016 the Museum took ownership of assets held by Royal Air Force Museum Enterprises Ltd. The Museum levies a charge on RAFMEL for the use of these assets. Depreciation is provided straight line at rates calculated to write off the value of each asset over its expected useful life, as follows:

- Freehold buildings 30 to 50 years
- Leasehold property over the lease term
- Permanent exhibitions 5 to 10 years
- Fixtures, fittings and equipment 3 to 5 years
- Plant and machinery 5 years
- Simulator 15 years
- Motor vehicles 4 years

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

Impairment

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

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

Exhibition costs

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

Heritage assets

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

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

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

Heritage assets valued over the capitalisation threshold which have been accessioned into the collection on or after 1 April 2001 have been capitalised but not revalued or depreciated. Heritage assets are accounted for as a distinct category of fixed asset with indefinite life and are therefore not depreciated. If available, valuation is based on acquisition costs increased by restoration costs (if applicable). The Museum's response to the introduction of FRS 30 effective 1 April 2010 was to deploy internal resources to the task of valuation in respect of those assets acquired before 1 April 2001, and which represent a materially significant part of the accessioned collection.

Given the diverse nature of the collection, the unique nature of some items and also taking into account changing market conditions, the resulting valuations represent indicative estimates. The valuations of the most significant items acquired pre-2001 were added to the total value of heritage assets as at 31 March 2011. The heritage assets will not be re-valued in future periods; however, impairment reviews will be annually carried out by the Museum.

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

Investments

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

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

Leased assets and obligations

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

Stock

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

Financial instruments

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

Pensions

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

2. TAXATION

All of the charity's income is applied for charitable purposes and therefore the charity is exempt from Corporation Tax. The Corporation Tax liability of the trading subsidiary for the year ended 31 March 2022 was £nil (2021: £nil).

3. GRANTS AND DONATIONS

	Unrestricted Funds 2022 £000	Restricted Funds 2022 £000	Total Funds 2022 £000	Unrestricted Funds 2021 £000	Restricted Funds 2021 £000	Total Funds 2021 £000
Donated Heritage Assets	-	40	40	-	5	5
NLHF for First World War in the Air	-	-	-	-	-	-
NLHF for Centenary	-	138	138	-	-	-
Other Donations for Centenary Programme	-	-	-	-	214	214
Swire Foundation	25	-	25	-	-	-
Shropshire Council	-	25	25	-	-	-
Chelsea Foundation	-	40	40	-	-	-
STAAR Programme	-	109	109	-	46	46
Coronavirus Job Retention Scheme Grants*	-	139	139	-	375	375
RAFMAF	-	41	41	-	-	-
Legacies	11	-	11	98	-	98
Other - Individual Donations	388	18	406	344	2	346
	424	550	974	442	642	1,084

*An additional £56k in CJRS Grants was also received in the trading subsidiary (2021: £123).

4a. INVESTMENT IN SUBSIDIARY UNDERTAKINGS AND JOINT VENTURES

The investment of £100,000 (2021: -£114,141), represents the charity's interest in 100% of the issued share capital and retained loss of Royal Air Force Museum Enterprises Limited (company number 1511481) which is incorporated in England and Wales and operates souvenir shops, car parking and other trading activities at Hendon and Cosford. The company's aggregate capital and reserves were as follows:

	2022 £000	2021 £000
The assets and liabilities of the subsidiary were:		
Current assets	861	726
Creditors: amounts falling due within one year	(761)	(840)
	100	(114)
	2022 £000	2021 £000
At 1 April 2021	(114)	100
Profit/(Loss) retained in subsidiary	214	(214)
At 31 March 2022	100	(114)

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

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

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

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

The Museum is a partner in a joint venture, RAF100 Appeal (charity number 1167398, company number 9977273), as one of five investor organisations. RAF 100 Appeal is a charitable company established to raise funds during the RAF's centenary year. RAF100 Appeal is accounted for using the equity method, with the value of the Museum's stake being measured as its initial investment plus our equal share of RAF100 Appeal's net gain or loss for the period.

4b. INCOME FROM SUBSIDIARIES AND JOINT VENTURES

RAF100 Appeal	Total		RAF Museum share	
	2022 £000	2021 £000	2022 £000	2021 £000
Income				
Donations	-	-	-	-
Sponsorship	-	-	-	-
Publications	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-
Expenditure				
Raising Funds	-	-	-	-
Charitable activities	-	574	-	115
Total	-	574	-	115
Net income/(expenditure)	-	(574)	-	(115)

As at 31 March 2022, the Museum's share of the RAF100 Appeal's net assets was £nil (2021: £46). The Museum's share of the 2021-22 trading deficit is £nil (2021: -£115k). In 2020-21 it was agreed by the joint venture Trustees that a £500k grant would be made to the Royal Air Force Cosford Project and any remaining funds will be distributed equally between the partners. The grant of £500k was been reflected in the expenditure of the joint venture for the year ended 31 March 2021, of which the Museum's share was £100k. The remaining funds will be distributed equally between the partners. It is expected that any final distributions will be made in 2022-23 and the company wound up. The Museum's expected share is £15k, which has been recognised as income in 2021-22 and as a debtor.

The Museum owed the joint venture £nil as at 31 March 2022 (2021: £nil) and the joint venture had not entered into any capital commitments as at 31 March 2022 (2021: £nil).

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

Royal Air Force Museum Enterprises Limited

	2022 £000	2021 £000
Turnover and other income	3,031	1,974
Cost of sales, administrative expenses and taxation.	(2,677)	(2,188)
	354	(214)
Interest receivable	-	-
Net Profit/(Loss)	354	(214)
Gift Aid to RAF Museum	(140)	
Surplus/(Deficit) in subsidiary	214	(214)

5. Resources expended

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

	Direct costs £000	Support costs £000	Depreciation £000	Total 2022 £000
Fundraising	586	95	2	683
Trading	2,677	-	-	2,677
Charitable activities	7,820	2,848	2,990	13,658
Other	-	-	-	-
	11,083	2,943	2,992	17,018

	Fundraising £000	Trading £000	Charitable Activities £000	Other £000	Total 2022 £000	Allocation method
Finance	14	-	180	-	194	Expenditure
IT	27	-	868	-	895	Number of staff
HR	10	-	319	-	329	Number of staff
Estates	-	-	283	-	283	Floor space
Administration	44	-	592	-	636	Expenditure
Governance	-	-	606	-	606	Expenditure
	95	-	2,848	-	2,943	

The National Audit Office audit fee of £33,250 (2021: £28,900) is included within governance costs.

Prior year analysis

	Direct costs £000	Support costs £000	Depreciation £000	Total 2021 £000
Fundraising	340	70	2	412
Trading	2,188	-	-	2,188
Charitable activities	7,009	2,711	3,079	12,799
Other	-	-	-	-
	9,537	2,781	3,081	15,399

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

	Fundraising	Trading	Charitable Activities	Other	Total 2021 £000	Allocation method
	£000	£000	£000	£000	£000	
Finance	9	-	182	-	191	Expenditure
IT	27	-	872	-	899	Number of staff
HR	9	-	275	-	284	Number of staff
Estates	-	-	231	-	231	Floor space
Administration	25	-	518	-	543	Expenditure
Governance	-	-	633	-	633	Expenditure
	70	-	2,711	-	2,781	

6. STAFF COSTS AND NUMBERS

	2022 £000	2021 £000
Salaries and wages	4,891	4,819
Temporary agency staff	-	30
Social security costs	486	467
Pension costs	319	307
	5,696	5,623

The above costs exclude the trading subsidiary.

The average number of employees in the Museum during the year was 197 (2021: 196). FTE equivalent was 176 (2021: 174).

Employees whose emoluments amounted to over £60,000.

	2022	2021
£70,001 - £80,000	-	-
£80,001 - £90,000	3	3
£100,001 - £110,000	1	1

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

7a. TANGIBLE FIXED ASSETS - GROUP AND CHARITY

	Freehold property £000	Leasehold Property £000	Permanent Exhibitions £000	Fixtures, Fittings & Equipment £000	Plant, Machinery & Vehicles £000	Assets under Construction £000	Heritage Assets £000	Total £000
Cost or valuation								
At 1 April 2021	71,890	16,209	5,461	3,673	665	490	21,790	120,178
Additions	287	89	47	209	88	65	56	841
Transfers	76	-	-	414	-	(490)	-	-
Disposals	-	-	-	(427)	(16)	-	-	(443)
Revaluations	3,436	972	173	49	7	-	-	4,637
At 31 March 2022	75,689	17,270	5,681	3,918	744	65	21,846	125,213
Depreciation								
At 1 April 2021	4,285	2,346	1,960	2,721	555	-	-	11,867
Charged in the year	1,549	831	487	611	30	-	-	3,508
Disposals	-	-	-	(427)	(16)	-	-	(443)
Revaluations	257	140	43	23	3	-	-	466
At 31 March 2022	6,091	3,317	2,490	2,928	572	-	-	15,398
Net Book Value								
At 31 March 2022	69,598	13,953	3,191	990	172	65	21,846	109,815
At 1 April 2021	67,605	13,863	3,501	952	110	490	21,790	108,311

On 1 April 2016, ownership of fixed assets held in Royal Air Force Museum Enterprises Limited transferred to the Museum. The Museum charges RAFMEL a fee for the use of these assets.

The freehold and leasehold properties comprising the RAF Museum Estate were valued as at 31 March 2018 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standard 2017 and the national standards and guidance set out in RICS Valuation – Professional Standards UK January 2014 (revised 2015), and Financial Reporting Standard (FRS) 102. The valuation of the non-specialised properties was undertaken on a Fair Value basis, on the assumption of continuation of the existing use. Specialised properties were valued by reference to Depreciated Replacement Cost (DRC). The principal land and building assets at both sites are recognised as specialised properties of a construction and use for which there is no identifiable market. These are defined in the standards as “A property that is rarely, if ever, sold in the market, except by way of a sale of the business or entity of which it is part, due to the uniqueness arising from its specialised nature and design, its configuration, size, location or otherwise.” Tangible fixed assets are revalued using annual indices provided by the Ministry of Defence to comply with Modified Historic Cost Accounting (MHCA) legislation per HM Treasury guidelines. The year-end indices reflect the movements between Defence Economics' 2020-21 forecast price indices in their March 2021 report and their revised actual price indices in their March 2022 report. Indices for estate assets are provided by the Valuation Office Agency and the relevant UK Industrial & Warehouse Land index applied to the Museum's land valuation.

As a result of COVID-19, the circumstances and impact on markets has led to an increased level of uncertainty in indices used to revalue land and property. Further, in the case of the Museum's land there is limited market commentary/data available which directly relates to the nature of the site as defined as part of the latest professional valuation. In the view of management, the level of uncertainty attributable to revaluation of the Museum's land and buildings would not be material to the financial statements as a result of the largely industrial nature of the land and buildings held and the resultant indices applied. There is no evidence to show that the indices used are materially incorrect, and they remain the most appropriate indices to employ, although management do recognise that the inherent uncertainty may lead to a revision of values, albeit not considered to be material, when the potential impact of market changes are recognised in future indices.

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

On 21 January 2008 the title of the deeds to the Museum's freehold property was transferred from the charity to a subsidiary, The Royal Air Force Museum Investments Limited.

On 16 March 2005, the ownership of the leasehold property at Cosford, was transferred from the charity, to a subsidiary company, The Royal Air Force Museum Investments Limited. However, while the legal ownership remains with the company, in substance the RAF Museum retains the risks and rewards associated with these assets. In accordance with FRS 102 the RAF Museum has recognised these assets in the balance sheet.

There are no Tangible Fixed Assets held under Finance Leases in the Royal Air Force Museum Group.

7b. HERITAGE ASSETS

The number of Heritage Assets which the Museum acquires through donations means that the total book value of Heritage Assets is a mixture of cost (for purchased exhibits) and valuation at the point of donation (for donated exhibits), and includes a historic valuation of a materially significant part of the collection. Heritage assets which have been accessioned into the collection on or after 1 April 2001 are not revalued, as such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the Museum. At 31 March 2022 the book value comprised:

	2022	2021
	£000	£000
Heritage Assets recorded at cost	2,699	2,683
Heritage Assets recorded at valuation	19,147	19,107
Total book value of Heritage Assets	21,846	21,790

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

	2022	2021
	£000	£000
Aircraft and Aircraft Parts	17,793	17,777
Medals and Commemorative items	1,589	1,549
Artwork	1,027	1,027
Archives	889	889
Vehicles and Marine Craft	319	319
Models	84	84
Other	145	145
Total	21,846	21,790

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

	31.03.18	31.03.19	31.03.20	31.03.21	31.03.22
	£000	£000	£000	£000	£000
Book Value Brought Forward	21,156	21,125	21,625	21,785	21,790
Add Acquisitions					
Purchased at cost	8	10	160		16
Donated at valuation	46	490		5	40
Total Acquisitions	54	500	160	5	56
Revaluations	-	-	-	-	-
Disposals	(85)	-	-	-	-
Book Value Carried Forward	21,125	21,625	21,785	21,790	21,846

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

8. STOCK

	Group		Charity	
	2022	2021	2022	2021
	£000	£000	£000	£000
Goods for resale	245	267	-	-

9. DEBTORS

	Group		Charity	
	2022	2021	2022	2021
	£000	£000	£000	£000
Trade debtors	39	257	31	257
Amounts due from subsidiary undertaking	-	-	353	680
Other debtors	287	794	275	723
Prepayments and accrued income	290	355	200	244
Gift Aid from the subsidiary	-	-	165	25
	616	1,406	1,024	1,929

Amounts due from subsidiary undertaking at 31 March 2021 includes an unsecured interest-free loan made in December 2020 to Royal Air Force Museum Trading Limited. The loan was repaid in full in December 2021.

10. INVESTMENTS - GROUP AND CHARITY

	2022	2021
	£000	£000
Quoted investments:		
Market value on 1 April 2021	2	2
Additions	-	-
Disposals	(3)	-
Realised gain on disposal	1	-
Unrealised investment (losses) / gains	-	-
Market value on 31 March 2022	-	2
Historical cost on 31 March 2022	-	2

11. CASH AT BANK AND IN HAND

	Group		Charity	
	2022	2021	2022	2021
	£000	£000	£000	£000
Commercial bank accounts	10,153	8,300	9,710	8,032
Cash in hand	12	13	3	4
	10,165	8,313	9,713	8,036

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

12. CREDITORS

	Group		Charity	
	2022	2021	2022	2021
	£000	£000	£000	£000
Amounts falling due within one year				
Trade creditors	832	638	803	616
Taxation and social security	138	127	127	117
Amounts due to subsidiary undertaking	-	-	-	-
Other creditors	32	29	31	28
Accruals and deferred income	694	573	546	471
	1,696	1,367	1,507	1,232
Amounts falling after more than one year				
Accruals and deferred income	114	234	114	234
	114	234	114	234

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

	2022	2021
	£000	£000
Increase/(decrease) in cash in period	1,852	409
Cash inflow from investment dividends	-	-
Change in net funds resulting from cash flow	1,852	409
Change in market value of liquid resources (Realised Profit)	-	-
Net funds at 1 April 2021	8,313	7,904
Net funds at 31 March 2022	10,165	8,313

14. ANALYSIS OF GROUP NET FUNDS

	1 April 2021	Cashflow	31 March
	£000	£000	2022
			£000
Cash at bank and in hand (See note 11)	8,313	1,852	10,165
Current asset investments	2	(2)	-
	8,315	1,850	10,165

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

15. STATEMENT OF GROUP FUNDS

Analysis of group net assets between funds

	Unrestricted funds £000	Restricted funds £000	Total funds 2022 £000	Unrestricted funds £000	Restricted funds £000	Total funds 2021 £000
Tangible fixed assets	103,692	6,123	109,815	102,293	6,018	108,311
Investments in joint ventures	-	-	-	-	-	-
Cash at bank and in hand	7,722	2,443	10,165	5,704	2,609	8,313
Other net current assets	(949)	114	(835)	74	234	308
Net non current assets	-	(114)	(114)	-	(234)	(234)
Total assets less liabilities	110,465	8,566	119,031	108,071	8,627	116,698
Net assets	110,465	8,566	119,031	108,071	8,627	116,698

Analysis of funds	2021 £000	Income £000	Expenditure £000	Revaluation £000	Transfers £000	2022 £000
Restricted funds						
Fixed assets	6,018	-	-	-	105	6,123
RAF Centenary Programme	733	289	(3)	-	-	1,019
RAF 100 Appeal	-	15	-	-	(15)	-
RAF Museum Midlands	232	-	-	-	-	232
Watchtower	122	-	-	-	-	122
STAAR	95	109	(120)	-	(53)	31
Jewish Hidden Heroes	62	40	-	-	-	102
Bomber Command Association	250	-	-	-	-	250
RAFMAF Learning Fund	54	-	-	-	-	54
Restricted Grant in Aid	1,038	700	(385)	-	(801)	552
Coronavirus Job Retention Scheme	-	139	(139)	-	-	-
Other	23	124	(26)	-	(40)	81
Total Restricted Funds	8,627	1,416	(673)	-	(804)	8,566
	2021 £000	Income £000	Expenditure £000	Revaluation £000	Transfers £000	2022 £000
Unrestricted funds						
Fixed assets	58,942	-	(3,508)	-	736	56,170
Revaluation reserve	43,351	-	-	4,171	-	47,522
General	2,286	13,764	(12,837)	-	(1,082)	2,131
Designated funds						
Strategy 2030 Fund	3,492	-	-	-	426	3,918
RAF Museum Midlands	-	-	-	-	724	724
Total Unrestricted Funds	108,071	13,764	(16,345)	4,171	804	110,465
Total Funds	116,698	15,180	(17,018)	4,171	-	119,031

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

Restricted funds

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

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

Watchtower - funds from St George Property Developers to cover the running costs of the Grahame White Factory.

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

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

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

Bomber Command Association - a donation from the BCA to be used to support a permanent exhibition to commemorate the achievements of Bomber Command.

Jewish Hidden Heroes - a grant from the Chelsea Foundation to fund the Jewish Hidden Heroes Exhibition and to contribute to Museum activities and projects which highlight stories of Jewish RAF personnel. The fund balance includes only amounts received prior to the Ukraine crisis, further to which Trustees agreed that the Museum decline any planned future donations.

RAF100 Appeal - represents the Museum's investment in the RAF100 Appeal joint venture.

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

Donated Heritage Assets - Heritage Assets donated to the Museum in year.

Restricted Grant in Aid - grants from the Ministry of Defence to fund specific capital work and Museum operations through the COVID-19 pandemic recovery period.

Coronavirus Job Retention Scheme - government grants to support the costs of staff placed on furlough during the COVID-19 pandemic. The grants fund up to 80% of the salary costs of staff on furlough, with the Museum paying the remaining costs for all staff. The grants and associated costs have been accounted for as restricted income and expenditure; the portion borne by the Museum is accounted for as unrestricted operational expenditure.

The Museum also has several small restricted funds for use on specific short-term projects most of which complete within the space of twelve months

Unrestricted funds

A significant proportion of these funds represents the capitalised value of inalienable fixed assets, including unrestricted heritage assets.

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

Unrestricted designated funds

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

RAF Museum Midlands Fund - supports the twenty-five-year Development Programme for our Cosford site. This programme of engagement activities and capital investment will continue our focus on immersive RAF storytelling and support our ambition to encourage reflection and debate across our spaces and programmes, including delivery of a new Collections Hub and Learning Centre.

Transfers

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

16. COMMITMENTS

	Group or charity	
	2022	2021
	£000	£000
Operating lease commitments due:		
Plant and machinery:		
within one year	25	50
in the second to fifth years	6	31
Land and Buildings:		
within one year	530	530
in the second to fifth years	1,936	2,120
after five years	4,142	4,487
	6,639	7,218

The Museum paid £580k under operating lease arrangements in the year to 31 March 2022 (2021: £575k).

Capital Commitments

As at 31 March 2022, the Museum had capital contracts in place totalling £nil (2021 £210k).

All prior year contracts related to security and health and safety projects funded by restricted Grant in Aid.

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

17. RELATED PARTIES

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

Royal Air Force Museum Enterprises Ltd

The relationship of the Museum to the company is disclosed in Note 4, and the balance of £353k due from the company at the year end (2021: £680k) is disclosed in Note 9.

The Royal Air Force Museum Investments Limited

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

Ministry of Defence

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

RAF100 Appeal

The Royal Air Force Museum is a partner in the RAF100 Appeal joint venture. Maggie Appleton (Chief Executive Officer) is also a Director of RAF 100. During the year the joint venture distributed £60k (2021: £nil) to its partners, of which the Museum received £15k (2021: £nil).

The Trustees' involvement with the RAF Museum Enterprises Ltd and the RAF Museum Investments Ltd is disclosed in the Governance statement on page 29.

18. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 March 2022 (2021: Nil).

19. POST BALANCE SHEET EVENTS

On 1 April 2022, all assets, liabilities, activities and resources of the unincorporated charity transferred to the new incorporated charity of the same name and address with Royal Charter status (RC000922, Registered Charity Number 1197541), which is governed in accordance with the Charter and Bye-laws to deliver the same charitable objects.

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

There were no other post balance sheet events.

ROYAL AIR FORCE MUSEUM ACCOUNT 2021-22

20. SINGLE ENTITY STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds 2022 £000	Restricted Funds 2022 £000	Total Funds 2022 £000	Unrestricted Funds 2021 £000	Restricted Funds 2021 £000	Total Funds 2021 £000
Income from						
Donations and legacies						
Grant in aid	10,045	700	10,745	10,031	1,310	11,341
Grants and donations	424	550	974	442	642	1,084
Charitable activities	116	-	116	39	-	39
Other trading activities						
Fundraising events	92	-	92	-	-	-
Sponsorships	-	151	151	-	149	149
Share of RAF100 Appeal gain	-	15	15	-	-	-
Investments	10	-	10	1	-	1
Other	1,064	-	1,064	500	1	501
Total income	11,751	1,416	13,167	11,013	2,102	13,115
Expenditure on						
Fundraising	690	-	690	415	-	415
Charitable activities	13,643	673	14,316	12,752	513	13,265
Other	-	-	-	-	-	-
Share of RAF100 Appeal deficit	-	-	-	-	115	115
Total expenditure	14,333	673	15,006	13,167	628	13,795
Net gains/(losses) on investments	1	-	1	(214)	-	(214)
Net income/(expenditure)	(2,581)	743	(1,838)	(2,368)	1,474	(894)
Transfers between funds	804	(804)	-	355	(355)	-
Other recognised gains and losses						
Gains/(losses) on revaluation of fixed assets	4,171	-	4,171	(3,464)	-	(3,464)
Net movement in funds	2,394	(61)	2,333	(5,477)	1,119	(4,358)
Reconciliation of funds						
Total funds brought forward at 1 April 2021	108,001	8,697	116,698	113,478	7,578	121,056
Total funds carried forward at 31 March 2022	110,395	8,636	119,031	108,001	8,697	116,698

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

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