



Royal Air Force Museum Account 2022-23

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ADMINISTRATIVE INFORMATION

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Registered charity number 1197541

Names and addresses of other relevant organisations

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CHARITABLE AIMS AND ACTIVITIES

Our Purpose

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

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

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

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

Governance

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

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

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

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

Charitable Objects

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

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

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

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

Our Activities

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

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

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

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history through its people and ensuring that our collection is relevant, shared and well cared for. Since the 2018 RAF Centenary, our reach has broadened and diversified significantly, and the partnerships and friendships developed over recent years give us a firm and inspiring foundation to build on for the next chapter of the Museum's history.

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

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

Both our sites continue to require significant investment to appropriately care for our unique collection and to reach wider audiences. Our priority project is the RAF Museum Midlands Development Programme 'Inspiring Everyone' which forms the first major step of a twenty-five year Master Plan for our Cosford site, while we continue to make significant improvements at London.

The Museum's Midlands Development Programme of engagement and capital investment will continue these ambitions and transform our Museum and our impact through a series of phased projects – engaging audiences who may not obviously identify with the RAF story by finding common interests and histories which link them.

The £27M Programme was launched in March 2022. In February 2023, we entered a two-year Development Phase, supported by the National Lottery Heritage Fund (NLHF), to shape detailed plans for the Delivery Phase, with the public opening scheduled for mid-2027. The programme delivers four key changes underpinned and overlaid by a deep engagement programme with co-production and sustainability at its heart.

- An innovative nationally relevant Exhibition focusing on the critical role of the RAF over the past 40 years and into the future, inviting visitors to discover its mission today and in the future in air, space and cyberspace.
- A new Learning Centre providing bespoke facilities dedicated to the development and delivery of lifelong learning programmes.
- A new Collections Hub enabling us to care for and open up our stored collections through engagement in skills sharing, research and creative activities.
- Improvements to our Outdoor Spaces including areas for learning, discovery and contemplation set in a woodland landscape and new public realm.

These changes combine to provide transformational improvements in:

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- **Collection Scope:** The new exhibition will extend our focus on contemporary and future RAF, including the space and cyberspace domains, with immersive-themed exhibitions.
- **Collection Breadth:** The Collections Hub will enable greater access to our rich and fascinating collection of smaller objects, welcoming visitors in and providing a springboard out to our communities.
- **Collection Engagement:** Working in partnership with our communities and stakeholders, we shall develop new, creative avenues of engagement, improving physical and emotional accessibility through combining history, context and personal experiences that are relevant to today's audiences.
- **Education Scope:** The expanded collection scope offers a focus and support for new STEM opportunities in Space and Cyberspace.
- **Education Capacity:** The Learning Centre will enable a much-needed 25% increase in our schools' capacity, where we are currently fully-booked.
- **Education Engagement:** The Learning Centre, adjacent to and permeable with the new exhibition, will enable deeper engagement relevant for today's learners of all ages

We will continue to develop and nurture meaningful partnerships and invest our funding strategically, recognising the importance of museums and culture to the social wellbeing and economic prosperity of our communities.

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

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

By 2030 the Royal Air Force Museum aims to be recognised as a world class National Museum, respected for our commitment to focusing on our audiences and using our collections and spaces in creative ways to engage them with the RAF's story. We shall remain financially sustainable, with firm foundations that enable an agile and creative future. Our collection is central to everything we are and do and comprises around 1.3m objects which we hold in trust for the people of the UK.

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

We are immensely appreciative of Government investment in its National Museums, and specifically grateful to the MOD and Air Command for their support for the RAF Museum.

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However, to achieve our Strategy 2030 ambitions, both across day to day programmes and capital improvement, the Museum must grow our commercial and fundraising success significantly within the challenging financial context we operate in. Creative income generation opportunities are embedded in Museum planning and will continue to be focused on as both additional storytelling platforms and essential enablers for our plans.

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

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

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

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

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

The Royal Air Force Museum Investments Limited (company number 4026995) is a wholly owned subsidiary which is incorporated as a limited liability company to hold the real property

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assets of the charity on behalf of the Trustees. In March 2005, the Cosford and Stafford leasehold property was transferred to this company from the charity, followed by the London (Hendon) freehold property in January 2008. Effective 1 April 2022, the shares held by nominees on behalf of the trust were transferred to the Royal Charter company, which became the sole shareholder of the Royal Air Force Investments Ltd company.

The RAF Museum was a partner in the RAF100 Appeal, a joint venture between the Royal Air Force and its sister RAF charities – the RAF Benevolent Fund, RAF Association and the RAF Charitable Trust. The RAF100 Appeal was established as a charity (charity number 1167398) and company limited by guarantee (company number 09977273) to commemorate and celebrate the RAF's Centenary in 2018, to enhance the reputation of the Royal Air Force, and to raise funds to support the partners' future work. Funds raised up to £2.5 million were shared equally between the parties in 2019-20, and an additional £0.5 million grant was awarded in 2021-22 to fund the new Astra training accommodation block at RAF Cosford, which will enable the growth of STEM outreach work with young people there. In July 2021 the RAF100 Appeal Trustees have approved the winding up of the joint venture with any residual monies to be paid equally to the four charity partners. The RAF100 Appeal was formally dissolved on 4 April 2023. The Museum's share of funds raised to date are accounted for in the Financial Statements.

Partnerships

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

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

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

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

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

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

Charitable Fundraising

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

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PERFORMANCE REPORT

Overview

The Museum has continued to show agility and creativity during 2022-23 in considering and responding to the ongoing financial and operational implications of the wider economic challenges and cost of living crisis. We have warmly welcomed a total of 823,684 visitors over the year (2022: 549,467), the first full year of opening since the COVID-19 pandemic, with numbers just slightly short of our record Centenary year in 2018-19. We are pleased to report that the Museum has overall achieved its target of breakeven for 2022-23 with a small operational surplus.

The year has seen the return of a full and varied programme of public events at both sites and some exciting new innovations, including our Spitfire tour visiting five locations in the Midlands (summer 2022); the launch of our new art exhibition 'To the Stars' (marking the Museum's 50th anniversary); the unveiling of our Royal Charter (December 2022); and a new Falklands 40th anniversary exhibition. The Museum has continued to significantly progress other major projects and initiatives in line with our Strategy 2030, including development of new Bomber Command and Interwar exhibitions at both sites which are due to open in 2023-24; as well as investing in necessary infrastructure improvements, the largest a major project to replace the glazing of our iconic historic colonnade building at our London site, due to complete in summer 2023.

During 2022-23 the Museum's collection and knowledge has been incorporated into an active programme of events and exhibitions.

- The 40th anniversary of the Falklands Conflict provided the Museum with the opportunity to share the RAF's experiences through new displays both onsite and online (with our online platforms such as RAF Stories and reimagine providing a layered approach to interpretation of the Falkland stories in combination with the Museum's Collections Online website). As part of the physical interpretation the Museum displayed the Chinook helicopter 'Bravo November' for the first time with its unique history providing a lynchpin to explore the legacy of the Falklands Conflict to the RAF and our audience.
- As part of the activities to mark the Museum's 50th anniversary, a new art exhibition entitled 'To the Stars' opened in October 2022, featuring 50 key works from the Museum's Fine Art collection ranging from the Royal Flying Corps to the Space Age. Extended interpretation of these works has also been made available online, providing an in-depth experience for those viewing the works in-person, and a means to experience the show for those unable to reach our sites.
- Spitfire Tour - the Museum toured our Spitfire PR. XIX to town and city centres across the Midlands to reach out to our local communities and promote the Museum. The locations were Birmingham, Telford, Shrewsbury, Coventry and Leicester. Reaching individuals and community groups, the Spitfire tour helped with understanding our audiences and assisted with connecting with new areas in the Midlands.

Our capital master plans for our public sites will deliver our 'Inspiring Everyone' RAF Museum Midlands Development Programme as a priority with other projects designed to complete development in London. Work has included:

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- The successful application for a National Lottery Heritage Fund Development grant in December 2022 with subsequent permission to start our Midlands Development Programme in February 2023
- The procurement of a capital project team including a quantity surveyor, a capital project manager, an architect led multidisciplinary team, and an exhibition design team ready to begin work in May 2023
- The completion of the London Hangar 3 foyer refurbishment and unveiling of our Royal Charter
- The launch of a major programme in London to replace and upgrade all glazing around the historic colonnade of Hangars 3 and 4
- Developing concept design proposals of a commercial zone in London including a pay-to-play area, simulator zone, and café
- Developing concept design proposals for a new London site Research Centre and the redevelopment of our immersive learning spaces.

Future Plans

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

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

A detailed Budget and Business Plan has been developed for 2023-24 against the backdrop of ongoing inflationary challenges. The primary focus for fundraising and project development is our RAF Museum Midlands Development Programme, however the year ahead will see the opening of our new Bomber Command and Interwar exhibitions at both sites, and we continue to deliver and develop additional London and Midlands projects that will move us towards our ambition of welcoming more visitors and extending our audience reach and impact on-site, off-site, and online.

The Museum's 2022-23 Business Plan objectives are focussed through our five strategic priorities in the context of Strategy 2030, against a background of economic uncertainty, high levels of inflation, the need to continue to rebuild visitor confidence, and an increasingly competitive fundraising landscape, mitigated by existing and proven strong partnerships with the RAF and other key stakeholders and partners. Our plan assumes that visitor numbers are budgeted to increase to 850,000, based on more successful school holiday periods and

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reflecting the impact of our new exhibitions, supported by the benefit of being a free to enter Museum at a time when visitors are actively looking for inexpensive leisure experiences.

Strategic Priorities 2022-23

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

Strategic priority 1: Inspiring innovative engagement, debate and reflection

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

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

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

Collection Loans and Acquisitions

In total 1,019 objects/object groups were accessioned to the Museum's collection. Key acquisitions of the past year include:

- *The papers of Warrant Officer Bill Beale*, 1932-1961 including a photograph album, two certificates and three periodicals relating to Cold War service and involvement with Operation Grapple.
- *The photographic collection of Richard Wilson*. Wilson was one of the foremost aviation photographers of his generation who worked closely with RAF Public Relations. The collection consists of about 6,000 colour slides together with prints and other material.

The Museum made a serious expression of interest to match the purchase price of Squadron Leader Arthur Scarf's Victoria Cross after it was deemed of National Importance by the Reviewing Council for the Export of Art and Culture and became subject to a temporary export ban. With incredible support from over 2,500 members of the public and generous funding from the National Heritage Memorial Fund, Bomber Command Association, The Hobson Charity, RAF Association, Richard Peskin, Aerospace Museum Society and RAF Historic Society, the

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Museum was successful in raising the funds to match the purchase price. The medals will enter the collection in May 2023.

We have continued to share our Collection widely at over 141 venues both nationally and internationally through our Loans Programme, with 1,081 items out on loan during 2022-23.

New and renewed loans included:

- Cosford Air Show (14 objects including six aircraft)
- Private individual (five art works)
- Pima Air & Space Museum (one aircraft: Yokosuka MXY7 Ohka - 65/O/879)
- Jet Age Museum (one engine)

RAF Stories

The Museum's RAF Stories programme remains a crucial way for sharing content, as well as remaining agile and proactive in tracking new developments in the RAF's story.

In the past 12 months the Museum's RAF Stories programme has continued to proactively collect and produced just under 150 pieces of content. When HM Queen Elizabeth II passed away, the team recorded interviews with the Air Bearer Party who had the eyes of the world on them as they carried HM Queen Elizabeth II's coffin. On-going developments such as the first RAF Pharmacist have also been captured.

The RAF Stories programme continues to grow and be utilised in wider Museum projects and will play a key part in the development of our next exhibition in the Midlands. The project plays a further important role by supporting and creating content for other projects and initiatives within the Museum, such as Jewish Hidden Heroes, Black History Month, Bomber Command displays and our Access and Learning resources.

Research

The Museum's Research Strategy and Programme is supported by a voluntary Research Advisory Board, chaired by Sebastian Cox OBE, Head of the Air Historical Branch of the RAF. In continuation of the previous year, the 2022-2023 research programme was offered in a hybrid format both virtually and in person. During this period the programme featured lectures to the Royal Aeronautical Society, Air Power lectures with the Lancaster University Centre for War and Diplomacy, and the University of Wolverhampton, and lectures at our Midlands site. Physical attendance has fluctuated but peaked in January 2023 and the average digital attendance remained well in excess of 100. This hybrid approach has enabled us to deliver engaging and intellectually rigorous content to a domestic and international audience.

The Museum also hosted its annual conference on 5-6 September 2022 with the theme 'Meaning, Memory and Misremembered Past', attracting 65 people to attend in person at the Museum's London site, with a further 202 people online, and an additional 181 watching the recording. The Museum's 2021 Academic Awards were presented to undergraduate, postgraduate and doctoral students, continuing to build upon our growing role in encouraging and developing the next generation of Air Power scholars. The academic prizes for 2022 have been awarded and will be presented formally to recipients at the 2023 conference.

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The Museum has continued developing and nurturing the next generation of Air Power specialists, supporting an existing doctoral student at Lancaster University, commencing the supervision of three new doctoral projects at Newcastle University, the University of Bristol, and the University of Glasgow. In addition, the Museum secured funding for a further doctoral project to commence in 2023-24.

The Museum hosted 219 researchers in our Reading Room and answered 3,927 enquiries. We were also active in sharing knowledge; papers and talks were delivered by Museum staff at national and international conferences, and we participated in a range of partnerships and stakeholder engagement sessions. Museum staff also contributed expert commentary to a variety of media outlets, including radio, print, television, and digital media including podcasts.

Exhibitions

During the year we have been continuing to work on the content development and design of two new exhibitions, to be opened in 2023-24: Interwar and Bomber Command. We also developed the main entrance exhibition in London's Hangar 3,4,5 which included the suspension of the Avro Rota as an impactful welcome to our planned Interwar exhibition, alongside the display of our Royal Charter.

Access and Learning London

Over this period, there has been a definite shift to schools wanting to visit the Museum again in person (post-Covid restrictions) rather than signing-up for online workshops. From September 2022 the full schools' programme was re-introduced, meaning that workshops with high-touch engagement (such as use of the Handling Collection or of science equipment) were re-introduced. While live streaming video software continues to be used, bookings have dropped off significantly. However, the online workshops are still appreciated by schools who would otherwise be unable to visit due to distance from the Museum or lack of budget for a school trip.

2022-23 figures for London show that 14 of the 30 schools joining us for online workshops were from outside London. Online workshops accounted for just 5% of all workshop bookings. As engagement in London moved back onsite - with teachers and students keen to be back out and about again – we had a bumper year characterised by a return to delivering and hosting large scale events such as the Family Festival of Flight and the First UK Robotics Challenge. We also contributed to Museum-wide celebration of HM Queen Elizabeth II's Platinum Jubilee by creating a Royal Trail, and to Falklands 40th programming by developing a Vulcan Quiz for younger learners and an air-to-air refuelling activity for older children. Encouraging debate and reflection, a new debate was written for the Interactive Debate Table at the Museum, on the theme of the environment. Year 6 STEM Days and Scouts Air Researcher Activity Badge Days sponsored by the RAF were oversubscribed throughout this period.

Access and Learning, Midlands

2022-23 figures for the Midlands show that we have returned to pre-Covid numbers, with some schools still choosing online to engage with us. The Midlands hosted 549 schools: of these 481 were onsite, 68 online. In total we engaged with 40,230 learners onsite, online and Outreach with 28,109 learners onsite and 12,121 learners off site and online. The Museum has seen an increase in requests for free activity and project-based learning, highlighting the financial impact on schools attending school trips.

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Our 'at the Museum' engagement activities included delivering the Summertime Advanced Aeronautical Residency (STAAR) programme to 40 young people, supported by our sponsors Northrop Grumman as well as our partners from RAF Cosford, and Tablet Academy. The programme continued to offer an online competition with over 500 young people taking part in the competition element. We also offered Science, Technology, Engineering and Maths (STEM) days including a new Space themed day, a Key Stage 3 Glider challenge, a 'Beyond Image' day and a large-scale STEM event in the Midlands, with over 1,000 young people attending and many partners. This was fully supported by the RAF Youth and STEM team.

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

The RAF Museum staff, including those of its trading subsidiary, comprises over 230 employees and c.400 volunteers, and includes well-established work experience and apprenticeship programmes. Our priority is to ensure that individuals are proud to be part of a brilliant and diverse team, feeling valued, supported and appropriately skilled and rewarded, working positively together to deliver our vision. We are working to ensure that diversity and equity underpin all our activity and we actively focus on reflecting that by broadening both our audiences and our Museum teams.

The Museum is committed to equipping our people so they are proud to be part of a brilliant and diverse team. Three key commitments have been developed with our staff team and shared this year which thread through all our Museum activities and plans – our EDI Commitment, Health and Safety Commitment and Sustainability Commitment.

Our EDI Group was launched in 2021-22 to actively promote and progress equity, diversity and inclusion, and encourage and underpin best practice. The RAF Museum does not tolerate any form of discrimination believes that everyone has the right to live without fear or prejudice regardless of race, age, gender, disability, sexual orientation, social class, religion and belief. Our aim is to embed a supportive and open culture which is inclusive, positive and fair to all, develop flexible opportunities to encourage engagement with the Museum onsite, offsite and online and celebrate differences.

The RAF Museum is committed to creating an environment where health and wellbeing are actively promoted, where people feel engaged and valued for their contribution. We aim to create a health promoting workplace where people can be themselves, feel their best and perform at their best, so we can deliver an exceptional experience for our visitors.

Our overarching 'Inspiring People – RAF Museum Training and Development Programme' which began in September 2020 completed during the year, including specific programmes for our Visitor Experience, Retail, Supervisor, Management, and Leadership teams, supporting them to develop the skills and confidence to excel in their roles.

Our volunteers are now more involved than ever in front-of-house roles which support our Visitor Experience team to provide our visitors with a great day out. The role of Welcome Host was initially developed in response to the pandemic to support visitor confidence but has proved to be a great addition to the team, receiving excellent visitor feedback. One of the

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Museum's projects last year that involved volunteer support was the Spitfire Tour which simply could not have run without the support of volunteers from both our sites who engaged with the public, ran the open cockpit and handling collection areas and generally promoted the work and spirit of the Museum. Other highlights include London Events volunteers supporting the Hendon Pageant to celebrate Her Late Majesty Queen Elizabeth II's Jubilee in June 2022, with activities including Storytime, pedal planes, mini golf, a vintage fairground, art zone, messy play and aircraft access; Access and Learning volunteers supporting the Family Festival of Flight weekend at the end of July 2022; and a team of Conservation volunteers at the Midlands site have worked tirelessly on the Nimrod, illuminating many of the consoles and instruments, to provide an enhanced visual experience for visitors when the aircraft reopens for public tours.

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

Throughout 2022-23 the Museum team have continued to closely monitor and appropriately respond to what has been a constantly changing and fluid situation, in particularly with respect to inflationary, cost of living and supply chain challenges. We continue to grow and diversify our commercial and fundraising income streams in order to achieve planned outcomes for our audiences while ensuring long term sustainability, through both our financial and environmental performance. We are in a climate emergency and the RAF Museum is committed to addressing this crisis through our activities and with our audiences, and to operate in an environmentally sustainable way, applying the principles of sustainable development for the benefit of current and future generations, both locally and globally.

The Museum's Commercial Strategy, managed through the trading company, focuses on maximising commercial opportunities and income generation, whilst delivering new and improved experiences for our visitors. RAFMEL turnover increased on prior year due to the impact of higher visitor numbers on commercial activity as well as commissioning fees from the production of several exhibitions on behalf of the Royal Air Force Museum. Although retail conversion rates have reduced slightly at our Midlands site with removal of the one-way visitor route that was in place during the COVID-19 pandemic, conversion rates at our London site have remained consistent with the previous year. Summer 2022 saw the return of the popular Vintage and Handmade Festival and the Cosford Food Festival at the Midlands site after a two-year absence due to the pandemic, along with a full programme of smaller scale public events at both sites. Corporate events have picked up, particularly with the Museum hired for filming and external training, although large-scale corporate hospitality bookings have not returned to prior levels since the pandemic.

We continue to focus our efforts on developing a two-tracked approach to fundraising that will support the Museum to achieve its Strategy 2030 vision - building on the success of previous campaigns to fund delivery of major capital programmes, whilst also striving to grow revenue fundraising to support core activity. Despite a challenging economic environment and increased competition for funds, our Development team has made progress in line with the Museum's Fundraising Strategy and Plan, including the development of a targeted RAF Museum Midlands Fundraising Campaign Plan, and the successful outcome of a £5M Round 1 application to NLHF to develop the programme.

Strategic Priority 4: Leading the way with brilliant basics

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

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

Across the year 111 objects were conserved, primarily within existing displays, for new exhibitions and loans and 44 objects were condition assessed by the conservation team.

Work continued on the restoration and conservation of aircraft with the Lysander and Wellington moving to new display locations at our London and Midlands sites respectively. The MBCC team were also heavily engaged in the successful Spitfire Tour. Large object moves included 11 to and within the Midlands site, four to London and two to external locations.

The Collections Storage team based at our Stafford store have supported the development of the Museum's Cosford Master Plan through a range of activities to document objects, account for hazards, improve storage arrangements and support Collections Review.

We continue to ensure that our brilliant basics enable us to achieve our full potential – leading the way in our governance, finance, estates and IT, ensuring a safe environment for all our visitors and with digital literacy embedded across our teams.

Strategic Priority 5: Connecting with communities and partners

Community Engagement, London

The community engagement programme in London returned to predominantly in-person delivery, although the online Historic Hendon talks which were introduced during Covid continued to be popular with care homes. We continued to play a key role in local forums including the Grahame Park Strategy Group and Colindale Consortium. New relationships were cultivated with Care4Calais refugee crisis charity and family sessions run for asylum-seekers currently housed in a hotel nearby. Also new this year were engagements with Barnet Young Carers and we welcomed our first art group to the Museum, who now meet weekly.

In April 2022, the Museum signed-up to be a delivery partner for BACE Holidays, which is organised and run by Barnet Council and Young Barnet Foundation and fully funded by the Department for Education. It supports children and young people aged 5-16 who receive benefit-related free school meals by providing engaging and healthy activities during the school holidays.

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We connected with our family audience in a variety of ways: the Family Festival of Flight - a weekend event held over the summer to celebrate the science in our collections which attracted over 2,000 visitors; twice monthly 'Little Swifts' sessions for the under-5s; costumed interpretation for Black History Month, and family art workshops to celebrate Children's Art Week. We continued to connect with our young adult audience via the Museum's Youth Panel who participated in a summer residency where – with assistance from staff across the Museum – they researched, wrote, produced and installed a display on the theme of 'Carbon Net Zero and the RAF'. Our older audiences were welcomed as part of Silver Sunday activities which took place across the borough.

We partnered with a local school to help them celebrate their Centenary. The older pupils co-wrote and narrated a short film exploring on foot the historic site of the London Aerodrome and RAF Hendon. Younger pupils designed large model aircraft which went on display at the Museum. Our partnership with the RAF Youth and STEM team continued to flourish and we put our relationship on a firm footing by successfully tendering for their STEM Framework Agreement.

The Museum ran a series of Visual Storytelling Workshops for local residents in partnership with a local professional photographer. Each participant created a series of images telling a story around their connection to the Museum and the outputs from this project will form the next community exhibition at the Museum. During the year, we hosted the launch of the Cultural Education Strategy for Barnet produced by the Barnet Cultural Education Partnership of which the Museum is a steering group member. We also hosted the launch of Barnet Libraries Summer Reading Challenge.

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

Community Engagement, Midlands

The priority for the year has been working on the RAF Museum Midlands Development Programme. The Community Engagement Manager has been out and about, delivering sessions to groups on and offsite and engaging with a wide range of people, meeting with different groups and organisations, networking, researching and planning, including on the Museum's Midlands Spitfire Tour.

The total number of events including hosting community groups and Museum-led activities was 58, including 28 onsite and 30 offsite. 2,192 people were engaged supported by 32 staff and 42 volunteers.

We continued with the Royal British Legion (RBL) Network for Carers sessions. This was a national project that offered peer-to-peer social groups for people that have caring responsibilities and have an armed forces connection. After discussions with the RBL we brought the session in-house in January 2023 and rebranded it to a Carer's Café. The group is growing month on month. We have had visitors come along to observe the session, they have been impressed at the group and have gone on to recommend the session to their contacts.

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We delivered sessions for community groups and organisations led by the Community Engagement Manager and volunteers. Examples of these are Plasma for Hope, a Walsall charity that advocates for people living with Sickle Cell Disease and Thalassaemia, Dementia Singing and Friendly Faces a group from Wombourne that are a lifeline for older people. A co-creation project engaged with the Telford and Wrekin Virtual School who support all children in care that live in the area. We also hosted a South East Shropshire Community Connectors session offering us an opportunity for us to share our Midlands Development ambitions and network with other organisations.

Throughout the year, we attended networking events, research and meetings with people and organisations to look at ways we can connect, support and work with them including the Black Country Living Museum, the Barber Institute of Fine Art, and Wolverhampton Art Gallery. We invited organisations onsite for a tour and have had meetings with the Care Leavers Covenant and have since signed for covenant to give support to young people leaving the care system. We are currently the only Midlands Museum to have made this commitment. The Public Programmes team from Black Country Living Museum came for an away day at the Museum and delivered a peer-to-peer review with us. We have also met with Energize Shropshire to look at co-creating outdoor trails, Birmingham Museums Trust to look at ways we can link and support each other and Equalinks. We also welcomed staff from Healthy Lives Children and Young People, Shropshire Council to the Museum during the February half term, they engaged with our visitors with activities and gave them information that would help families.

Offsite, the Community Engagement Manager and volunteers delivered sessions to community groups and organisations, including taking items from the handling collection and engaging with people at The Place, Telford, Coventry Library and Newarke Houses Museum in Leicester to bring awareness to the Spitfire tour. They attended two Fit 4 Life sessions at RAF Cosford, informing new RAF trainees as well as RAF personnel, their families and civilian staff about the Museum and the Midlands Development Programme. The team also led sessions at Alzheimer's Memory Cafes. They took items from the handling collection - taking authentic heritage objects to be handled by people living with dementia has been proven to have positive effects on well-being, mood, emotions and social inclusion and were able to witness this first hand.

During the Spitfire Tour, the team engaged with the public, interviewing people with a community engagement questionnaire to understand barriers and opportunities for future connections and consultation.

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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:	2022-23	2021-22
Visitor numbers (including events such as the Midlands Air Show)		
- London	427,980	302,558
- Midlands	395,704	246,909
- Total	823,684	549,467
Trading income £	4,305,000	3,031,000
Number of school visits		
- London	580	386
- Midlands	549	404
Visitor satisfaction ratings*		
- Enjoyment		
o London	89%	90%
o Midlands	91%	94%
- Value for Money		
o London	94%	92%
o Midlands	96%	95%
- Likelihood to recommend		
o London (net promoter score)	78%	73%
o Midlands (net promoter score)	82%	85%
Social media interaction (no. of Facebook followers, Twitter users and Instagram subscribers)	250,000	232,000

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

Visitor Numbers

Visitor numbers totalled 823,684 for 2022-23 (2022: 549,467), 50% above prior year and reaching levels seen prior to the COVID-19 pandemic.

Trading Income

Turnover of £4,035,000 is reported for the year (2022: £3,031,000) with the increase on prior year (and corresponding increase in cost of sales) due to the impact of higher visitor numbers on commercial activity. During the year, a number of Museum staff and other resources were utilised in furtherance of commercial activities resulting in a cross charge of £693,000 (2022: £660,000). The profit after taxation for the year was £724,000 (2022: £354,000), with a distribution of £724,000 Gift Aid to the Museum (2022: £140,000).

School Visits

London ended the year with a total of 40,316 learners (against a target of 31,000), split between 34,244 formal learners (students in education) and 6,072 informal learners. Of the 34,244 formal learners, 89% of these visited the Museum, 8% took part in online sessions (workshops and special events), and 3% engaged as part of outreach activities.

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As in previous years, satisfaction with the learning offer was high with 91% rating the overall learning experience as 'good' or 'excellent', with the booking process, ease and reliability of technology all scoring 100% in teacher feedback, and curriculum relevance 98%.

The Midlands ended the year with a total of 40,371 learners (against a target of 28,000) split between 31,730 formal learners (students in education) and 8,500 informal learners. Of the 31,730 formal learners, 70% visited the Museum, 5% took part in online sessions (workshops and special events), and 27% engaged as part of outreach sessions.

Satisfaction levels continued to be high with over 98% of respondents rating the workshops as 'good' or 'excellent'. 100% of respondents rated the booking process as 'excellent' or 'good', the Museum facilities as excellent and 99% of respondents would book a return visit. Over 90% of respondents said the visit exceeded their expectations. 100% of respondents rated the teaching staff as 'good' or 'excellent'.

Visitor Satisfaction

The surveys show that both sites continue to achieve very high 'Enjoyment' and 'Value for Money' ratings that remain above the industry average. Furthermore, in a recent survey of our London visitors, we found that 95% of respondents were likely to recommend a visit to others and 84% were likely to revisit. We were also very pleased to be awarded Best Large Visitor Attraction in the West Midlands Tourism Awards 2022.

Social Media Interaction

Total visits to the Museum's main website were recorded at 5.4 million unique visits (2022: 3.1 million). As this is used primarily as a planning tool for visits, this increase can be explained largely by the increase in people returning to the Museum following the COVID-19 closures.

The Museum's social media channels showed growth during the year with Facebook followers reaching 148,000 (2022: 137,000), Twitter 61,000 (2022: 58,000) and Instagram 41,000 (2022: 37,000).

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Financial Review

Statement of Financial Activities (SOFA)

Total income for the financial year 2022-23 amounted to £19,854,000 (2022: £15,179,000), with the increase year on year related to higher trading income with both sites open for the first full year since the pandemic, and a welcome and significant allocation of capital funding (£3,750,000) from our sponsor body to deliver planned essential building works and support exhibition projects.

The Museum received £14,096,000 of Grant in Aid (2022: £10,745,000) for the financial year 2022-23 in total (revenue and capital). During the year, a total of £970,000 (2022: £974,000) (Note 3) was received by way of grants and donations from industry partners and sponsors, trusts and foundations, and individual donations to fund the work of the Museum. This included £136,000 from Northrop Grumman to enable the continuation of our successful STAAR STEM programme at our Midlands site; and generous donations of \$200,000 from John Mars and \$100,000 from the RAF Museum's American Foundation (RAFMAF) towards our RAF Museum Midlands Development Programme. The figure for 2021-22 included £139,000 restricted funding from the government's Coronavirus Job Recovery Scheme (CJRS) to support staff placed on furlough during the year.

Total unrestricted income generated by the Museum was £15,335,000 (2022: £13,763,000) with the increase mainly due to an improvement in visitor numbers and associated commercial income. Income generated by the trading company on non-charitable activities was £4,305,000 (2022: £3,031,000), which, after accounting for associated expenditure, resulted in a total Gift Aid payment of £724,000 (2022: £140,000) to the Museum.

Total expenditure on Museum activities amounted to £19,201,000 (2022: £17,018,000). The majority of costs, including the costs of salaries, are in respect of core charitable activities. Net income before transfers between funds and other recognised gains and losses totalled £653,000 (2022: net expenditure £1,838,000). The £3,095,000 unrestricted loss for the year (2022: £2,581,000) is driven principally by depreciation of property assets and fully funded permanent exhibitions, which totals £3,635,000 in 2022-23 (2022: £3,508,000). Excluding depreciation costs of property and permanent exhibitions, the Museum has generated an unrestricted operational surplus of £11,000 during the year (2022: £287,000), which is in line the targeted breakeven.

A total of £655,000 (2022: £804,000) has been transferred from restricted to unrestricted funds in 2022-23, reflecting the restricted funding of capital projects (related to the allocation of capital support from MOD) which transfers to unrestricted fixed asset funds when complete.

The Museum's property assets are revalued by professional valuers on a quinquennial basis. Further to a revaluation of both the freehold (London) and leasehold (Cosford and Stafford) properties comprising the RAF Museum Estate as at 31 March 2023, a total adjustment for recognised gains of £17,095,000 (2022: £4,171,000) has been made in the year-end accounts.

After transfers between funds and adjustment for recognised gains or losses on revaluation of fixed assets, the net movement of funds for the year was an increase of £17,748,000 (2022:

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£2,333,000) and total funds carried forward as at 31 March 2023 amounted to £136,779,000 (2022: £119,031,000).

Grant in Aid Funding

Despite the challenges of recent years, the Museum is fortunate to be in a relatively stable financial position, because we are 70% funded through Government Grant in Aid, and partly because we have a reserves policy in place to mitigate risk and build available funds for delivery of Strategy 2030. However, the impact of the COVID-19 crisis and the subsequent inflationary challenges and cost of living crisis on the Museum has continued to temper our ability to generate commercial and fundraising income during 2022-23 and to build the funds necessary to maintain and develop our sites for the long term.

The MOD-funded National Museums (including the RAF Museum) were not eligible to access the Government's £1.57BN Culture Recovery Fund announced in the early stages of the pandemic, which acknowledged the social and economic benefits that flow from museums, and their importance as a major boost to national resilience, morale and pride, and champions of inclusion, innovation and excellence. However, the Museum is extremely grateful that the RAF as our MOD sponsor body, was able to confirm a recovery allocation of £1.56M in early March 2021 and £700k in March 2022. This has enabled the Museum to mitigate the negative financial impact of the pandemic in order to achieve operational breakeven for 2020-21 (£250k), 2021-22 (£355k), 2022-23 (£290k) and (budgeted) 2023-24 (£106k), and additional capital allocations over the past two years have support us to continue to deliver essential capital project works.

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

Balance Sheet

The value of the group net assets has increased during the year due to the fixed asset revaluation and now stands at £136,779,000 as at 31 March 2023 (2022: £119,031,000). The value of freehold and leasehold property represents 72% of the Museum's net assets at £98,033,000 (2022: £83,551,000); and the value of heritage assets (over the capitalisation threshold and accessioned since 1 April 2001) represents 16% of the Museum's net assets at £21,627,000 (2022: £21,846,000). The Museum Group holds a cash at bank and in hand balance of £12,289,000 as at 31 March 2023 (2022: £10,165,000).

Trading Company

Any non-charitable activities are undertaken by RAF Museum Enterprises Ltd, a wholly owned subsidiary of the Museum, with all profits gift-aided to the parent charity. The trading company generated total turnover of £5,057,000 (2022: £3,031,000) (Note 4b), with associated costs of sales and overheads of £4,337,000 (2022: £2,677,000). The increase in turnover year on year

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is due to the more significant comparative impact of periodic closures and restrictions in place during the prior year. During the year, a number of Museum staff and other resources were utilised in furtherance of those activities resulting in a cross charge of £693,000 (2022: £660,000). This resulted in a net profit in the subsidiary of £724,000 (2022: £354,000) (Note 9).

Reserves Policy and Funds

During the year, and with reference to guidance from the Charity Commission, and further to review and recommendation by the Audit and Risk Committee and Finance and Resources Committee, the Trustees have confirmed that as at 31 March 2023 the organisation continues to hold unrestricted and undesignated free reserves (that is funds not tied up in fixed assets or designated or restricted funds) sufficient to cover two months of budgeted operational expenditure in order to enable financial stability and act as a safeguard against volatile and unpredictable income streams and unforeseen expenditure or liabilities. Any remaining operational net surplus (i.e., after transfers to / from the fixed asset fund and maintaining free reserves of two months of planned operational expenditure) is transferred to the designated Strategy 2030 Fund.

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

During 2021-22, Trustees approved the creation of a designated RAF Museum Midlands Fund to hold funds earmarked to support the Museum's priority £27M RAF Museum Midlands Development Programme as part of the Cosford Master Plan and Strategy 2030 ambition. Trustees agreed that the £3.7M saving on planned capital spending from Museum reserves due to the unbudgeted capital allocation of Grant in Aid received in quarter 4 2022-23, be transferred to the designated RAF Museum Midlands Fund (in addition to the prior year £700k) to underpin our fundraising campaign, and that this capital commitment be reflected as an investment by the RAF in our development programme.

In March 2023, Trustees approved the creation of a designated RAF Museum Midlands Match Fund to ringfence the Museum's commitment of funding to be invested in the RAF Museum Midlands Development Programme.

In line with the Museum's reserve policy, unrestricted surplus funds of £890,000 (2022: £1,150,000) have been transferred to the Museum's designated Strategy 2030 Fund, from which £1,100,000 has been approved to be transferred to the newly created designated RAF Museum Midlands Match Fund and £3,700,000 to the designated RAF Museum Midlands Fund. The closing balance held in designated funds at 31 March 2023 is £5,528,000 (2022: £4,642,000).

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

Payment of Creditors

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The Museum's policy, in accordance with the Government-wide standard on the payment of creditors, is to settle all undisputed bills within 30 days or in accordance with the supplier's terms of business. The Museum's actual payment performance during the year was an average of 36 days (2022: 38 days).

Investment Policy

The Trustees continually monitor levels of all the Charity's funds. Available funds are currently invested in a variety of term deposits to maximise the level of return but with minimum risk. The amounts and terms of the investments are based on the Trustees' opinion of the immediate and future needs of the Museum and the Chair of the Finance and Resources Committee reviewed the principal deposits during 2022-23.

Environmental Policy and Sustainability Report

Museum has committed to match the RAF's Carbon Net Zero 2030 target and to address the climate emergency through our operation and with our audiences. We have established a Sustainability Group to engage with our team and ensure environmental principles are always at the forefront of our thinking. We will operate in an environmentally sustainable way, applying the principles of sustainable development for the benefit of current and future generations.

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

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

Key points of the commitment are:

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

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

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

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Headline Target	2017-18 Baseline	2022-23 Performance	Vs. baseline	Notes
Working towards net zero by 2050 (reduction of 30% overall and 10% direct emissions)	1,584 tonnes CO2	1,573 tonnes CO2	1% reduction	Scope 3 information is not available for 2017-18 and is incomplete for 2021-22. The figures shown represent scope 1 and 2 emissions only.
Reduce the overall amount of waste generated by 15%	123 tonnes	68 tonnes	45% reduction	Food waste information is incomplete and has been excluded. We are working to include this in future years.
Increase the proportion of waste which is recycled to at least 70% of overall waste	32%	72%	2pp above target	
Reduce water consumption by 8%	Not available	2775 m3	N/A	London only, data for other sites and 2017-18 not available.

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

Greenhouse gas emissions		2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Non-financial indicators (tonnes CO2)	Scope 1	1,039	308	608	896	845	758
	Scope 2	534	513	457	722	708	826
	Scope 3	Not currently available					
Energy consumption (thousand kWh)	Gas	5,619	1,684	3,309	4,877	4,595	4,117
	Electricity	2,516	2,420	1,962	2,825	2,503	2,350
	Total	8,135	4,104	5,271	7,712	7,098	6,467
Financial indicators (£000)	Total energy cost	628	463	403	524	461	414
	Cost of business travel	204	127	31	189	208	186

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

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

The Museum has infrequent travel by air and information on travel is not routinely captured; air travel is treated as exceptional travel by default with lower carbon options preferred. The Museum has switched to a centralised travel booking system and we are beginning to collect data on the amount of usage, type of travel (car hire/train) etc and the purpose of the journey, with the aim of reporting on this in 2023-24.

The Museum uses video-conferencing and collaboration systems, and Museum staff are challenging whether in-person meetings at other sites are necessary and whether the meeting could be conducted over video-conferencing instead.

Waste management		2022-23	2017-18 (benchmark year)
Non-financial indicators (tonnes)	Residual waste (incinerated for energy)	18	83
	Recycled	50	40
	Total waste	68	123
	% recycled	72	32
Financial indicators (£000)	Total disposal cost	36	Included with overall cleaning contracts and cannot be split out.

The Museum operates a zero to landfill policy, with residual waste used as waste to energy. Information on performance between 2018-19 to 2020-21 is incomplete and therefore not comparable. While overall recycling has improved on the 2017-18 baseline a waste management plan, originally scheduled for 2022-23, is being introduced in 2023-24 to enable further improvements.

The Museum has a catering offer at its London and Midlands sites as a commercial operation. From the period May 2022, when we started recording waste until March 2023, food waste amounted to 3,390kg. The Museum is partnering with our contract catering partners to reduce food wastage.

Starting in 2021-22 we began to engage local community groups as well as staff and volunteers informally to donate redundant items for reuse.

Paper use	2022-23	2021-22	2020-21	2019-20	2018-19
Non-financial indicator (A4 reams)	432	495	309	626	n/a

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

The Museum records paper use within the offices from 2019-20. Reductions have been achieved with the installation of print-on-demand network printers and mandatory double-sided printing as the default. We have been targeting those departments that are heavy users and have been trialling a Front of House tablet project. The paper used in advertising, packaging and other areas is not recorded and has been excluded from the above figures.

Water consumption		2022-23	2021-22	2020-21	2019-20	2018-19
Non-financial indicators (m ³)	Total water consumption	2775	2559	11623	N/A	N/A
Financial indicators (£000)	Total water cost	7	6	11	12	8

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

Sustainable procurement

The Museum's existing contracts do not contain specific requirements for supply chain reporting on sustainability, although elements of sustainability and social value are evaluated in the procurement tender process. The Museum has updated some policies to include sustainability guidelines. The Museum's procurement policies will be updated to reflect our commitment to sustainable procurement in 2023-24.

Nature recovery and biodiversity action planning

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

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

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

Auditors

The accounts are audited by the Comptroller and Auditor General. The fee for the audit of the Group 2022-23 accounts was £50,175 (2022: £43,400). This includes the NAO fee of £39,850 and Hillier Hopkins fee of £10,325 for the audit of RAF Museum Enterprises Ltd (RAFMEEL).

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

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

ACM Sir Stephen Hillier GCB CBE DFC
Chair

on behalf of the Board of Trustees

6 July 2023

Margaret Appleton MBE
Chief Executive Officer and
Accounting Officer

Royal Air Force Museum

6 July 2023

ACCOUNTABILITY REPORT

Corporate Governance Report

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Chief Executive Officer's report and governance statement

The Governance Framework

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

The Museum is an accredited National Museum and non-departmental public body (NDPB) obliged to comply with HM Treasury financial reporting requirements set out in the Financial Reporting Manual and the guidance contained in Managing Public Money. There is a Financial Framework document in place which defines the arrangements between the Museum and its sponsor department, the Ministry of Defence, relating to the receipt of Grant in Aid and the conditions for its expenditure alongside a Partnering Agreement between the Royal Air Force and the Museum. The Partnering Agreement and Framework Document relevant to the 2022-23 financial year have been in place with effect from 1 April 2017 to 31 March 2022. A review has taken place and an updated Partnering Agreement and Financial Document will be in place relevant to the five-year period from 1 April 2022.

The Trustees and the Committee Structure

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

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

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

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

The Board of Trustees Sub-Committees

The Board of Trustees have established a number of sub-committees for specific purposes and to ensure the effective conduct of business. The Board of Trustees is responsible for appointing to the sub-committees from within its membership and all sub-committee actions

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

are taken on behalf of the Trustees as a whole, with recommendations made to the Board as appropriate.

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

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

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

During the year we began recruitment for two new co-opted Trustees in order to better represent and serve the population of the UK in terms of breadth of skills and cultural diversity.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

The following individuals served as Trustees during 2022-23:

Board of Trustees			Attendance					
Board Member	Appointed	Further notes	Board	Audit & Risk (ARC) *	Finance & Resources (FRC) *	Staffing & Remuneration (SRC) *	Major Projects & Programmes Committee (MPPC) *	Nominations & Governance Committee (NGC)
Air Chief Marshal Sir Stephen Hillier	11-Oct-21	Chair of Board Chair NGC	4 / 4				2 / 4	2 / 2
John Banks	23-Jul-21	Chair FRC	4 / 4		4 / 4			
Laurie Benson	17-May-16	Resigned (December 2023)	2 / 3	2 / 2				
Dr Carol Cole	23-Mar-15	Chair SRC	4 / 4			2 / 2		2 / 2
David Cooper	23-Jul-21	-	4 / 4				4 / 4	
Dr Rodney Eastwood	23-Mar-15	Chair ARC	4 / 4	3 / 3		2 / 2		
Jonathan Field	23-Jul-21	Chair RAFMEL Board	3 / 4			2 / 2		
Matthew Gilpin	23-Jul-21		4 / 4	3 / 3				2 / 2
Waseem Mahmood	23-Jul-21		4 / 4				3 / 4	
Julie McGarvey	17-May-16		4 / 4				4 / 4	
Air Marshall Peter Ruddock	23-Jul-21		3 / 4		4 / 4			
Nick Sanders	7-July16	Chair MPPC	3 / 4				4 / 4	
Helen Selby	23-Jul-21	Resigned (March 2022)	2 / 4		3 / 4			

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

Please note that due to the period of National Mourning for Her Late Majesty Queen Elizabeth II, one Board meeting date was changed at short notice. This resulted in some Trustees being unable to attend due to other commitments.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

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

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

Register of Interests

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

The Board of Trustees' Performance

The Board has supported the organisation to successfully deliver its strategic objectives as outlined in the approved over-arching ten-year Strategy 2030 and Business Plan 2022-23.

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

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

Personal Data Loss

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

Internal Auditors

The Museum's internal auditors are RSM Risk Assurance Services LLP (appointed in November 2019), who work to the Public Sector Internal Audit Standards and provide an independent opinion for the financial year 2022-23 (contract year four) on the matters subject to review through the annual internal audit programme. The work programme is signed off by the Trustees' Audit and Risk Committee and the report of the internal auditors is received by that same sub-committee. The tender and appointment of RSM Risk Assurance Services LLP (RSM) was made as a joint initiative with our partner Service Museums – the National Army Museum and National Museum of the Royal Navy - to foster the sharing of best practice and economies of scale, including a shared thematic review to be agreed upon by all parties.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

As part of this plan RSM have carried out several reviews for the RAF Museum this past year, including Customer Service (advanced booking), Emergency Planning and Continuity, Major Project Management, Key Financial Controls, a follow-up report on identified management actions from prior year audit reviews, and one shared Service Museums thematic review looking at Equity, Diversity and Inclusion.

The internal auditors provide an annual independent opinion, based upon the audit programme and limited to the work performed, on the overall adequacy and effectiveness of the Museum's risk management, control and governance processes. The internal audit opinion for 2022-23 is one of moderate assurance, stating that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

To inform the governance opinion for 2022-23, the internal auditors have taken into consideration the governance related elements within each of the assignment reviews undertaken as part of the 2022-23 internal audit plan. To inform the risk management opinion for 2022-23, the internal auditors have considered the risk mitigation procedures within each of the assignment reviews undertaken as part of the 2022-23 internal audit plan. In addition, their governance and risk management opinion was informed by attendance at meetings of the Audit and Risk Committee throughout the year. The results of the internal audit assignment reviews have been taken into consideration in determining the internal control opinion for 2022-23. Of the five assurance assignments, it was concluded that the Board could take substantial assurance in one area and reasonable assurance in the other four.

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

External Auditors

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

Risk Management

The Museum's internal control system is designed to manage risk to a reasonable level, rather than eradicate all risk of failure. Therefore, it can only provide reasonable and not absolute assurance of effectiveness. In managing risk, we identify the opportunities and risks in achieving our strategic objectives, evaluate the likelihood of those risks being realised, the impact should they be realised and the controls in place to manage them efficiently and effectively. The Museum's approach to risk management and the process for implementation are documented in a Corporate Risk Management Strategy (reviewed and updated in 2021-22). The strategy is supported by our Strategic Risk Register, which groups our highest priority risk areas into key strategic risks which is reviewed regularly by the senior leadership team. The Audit and Risk Committee review strategic risks at each meeting and the Board review annually. Each department holds a detailed operational risk register and updates them regularly with input from their teams, with departmental risks reported to group directors and all new risks or residual risks that have been increased noted. Project and programme risks are included in status reports to the executive Programme Board. Any Departmental or

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Programme risks rated red/high when mitigated are summarised in a Corporate Risk Register which is reviewed quarterly by the senior leadership team and at each meeting by the Audit and Risk Committee.

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

The strategic risk of financial instability is higher during the current period of economic uncertainty, with higher than pre-pandemic levels of inflation and costs of living. However, this has been substantially mitigated by confirmed annual Grant in Aid including additional funding to enable budgeted operational breakeven in 2023-24, alongside the Museum's proven agility to flex variable and project costs. Nevertheless, a high proportion of planned Museum spend is necessary to support effective operations and /or drive visitor numbers / income, and cost reductions may impact detrimentally on Museum outcomes and impact even where activities are not immediately essential. Early indications in the new financial year show continuing challenges to retention and recruitment as the cost-of-living crisis continues, mitigated by an acknowledged pride in working for the Museum and a clear commitment to investing in our staff team and the development of a dynamic, diverse and collaborative culture.

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

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

continue to invest in building the strong and sustainable basic foundations required to fully achieve the future vision.

Assurance Statement by the Audit and Risk Committee

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

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

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

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

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

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

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

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Remuneration and Staff Report

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

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

None of the directors were members of the Principal Civil Service Pension Scheme (PCSPS) and the Museum did not fund any Civil Service pension contributions for them in 2022-23. The Museum, under the auto-enrolment scheme (NEST) made employer's contribution to the directors' pension at the rate of 5% of their salary. Performance bonuses paid to directors are non-contractual. All employees, including directors, received £100 shopping vouchers, which are included as benefits in kind in the table below. All of the directors have contracts of employment carrying a period of notice of three months.

Single figure of total remuneration	Salary	Performance-related pay and bonuses	Benefits in kind	Pension Benefits	TOTAL	TOTAL
	2022-23 (2021-22) £000	2022-23 (2021-22) £000	2022-23 (2021-22) Nearest £100	2022-23 (2021-22) £000	2022-23 £000	2021-22 £000
Margaret Appleton MBE CEO	110-115 (105-110)	0-5 (-)	100 (100)	- (-)	110-115	105-110
Marguerite Jenkin Director of Finance and Resources	90-95 (85-90)	0-5 (-)	100 (100)	- (-)	90-95	85-90
Barry Smith Director of Visitor and Commercial Development	90-95 (85-90)	0-5 (-)	100 (100)	- (-)	90-95	85-90
Karen Whitting Director of Content and Programmes	90-95 (80-85)	0-5 (-)	100 (100)	- (-)	90-95	80-85

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Pension benefits	Real increase in pension and lump sum at pension age £000	Accrued pension at pension age at 31/03/23 and related lump sum £000	CETV at 31/03/23 £000	CETV at 31/03/22 £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	5,700
Marguerite Jenkin Director of Finance and Resources	N/A	N/A	N/A	N/A	N/A	4,600
Barry Smith Director of Visitor and Commercial Development	N/A	N/A	N/A	N/A	N/A	4,600
Karen Whitting Director of Content and Programmes	N/A	N/A	N/A	N/A	N/A	4,600

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

The remuneration ratios in the Museum are shown below. These represent the banded mid-point pay of the highest paid director as a multiple of the 25th percentile, median and 75th percentile pay rates. The banded mid-point pay of the highest paid director is £112,500 (2022: £107,500) and the median salary is £28,437 (2022: £25,575). The directors are all full-time employees employed on standard terms and conditions. The remuneration of the highest paid director increased by 5% against the prior year. The average percentage increase for employees of the Museum was also 5%.

	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2023	5.06	3.96	3.37
2022	5.16	4.20	3.55
% change	-2%	-6%	-5%

	25th percentile remuneration	Median remuneration	75th percentile remuneration
2023	£22,216	£28,437	£33,351
2022	£20,821	£25,575	£30,244
% change	7%	11%	10%

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

The Board of Trustees comprised eleven members at 31 March 2023, including one co-opted Trustee, none of whom were full time employees of the Museum and they were reimbursed with £4,737 in expenses (2022: £5,990). Eight Trustees claimed expenses (2022: nine).

Sickness absence (not subject to audit)

The Royal Air Force Museum employed 200 (2022: 198) members of staff as at 31 March 2023. In addition, the trading subsidiary employed 42 (2022: 37) members of staff at 31 March 2023. Periods of sickness absence are recorded in full days. The average number of days of sickness absence was 2.25 days per person (2022: 4.3). Long term absences have been excluded.

Pension Costs and Benefits

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

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

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

For 2022-23 employer's contributions of £86,758 were payable (2022: £94,970) through the CSPS. The applicable rates for the CSPS are shown below:

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

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

Reporting of civil service and other compensation schemes – exit packages

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

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

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

Coronavirus Job Retention Scheme (CJRS)

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

Trade Union Facility Time (not subject to audit)

Table 1

Number of employees who were relevant union officials during the relevant period	Full-time equivalent	
	2022-23	2021-22
	2	4

Table 2

Percentage of time	Number of employees	
	2022-23	2021-22
0	-	-
1-50%	2	4
51-99%	-	-
100%	-	-

Table 3

	Figures	
	2022-23	2021-22
Total cost of facility time	452	1,578
Total pay bill	6,118,000	5,696,000
Percentage of the total pay bill spent on facility time	0%	0%

Table 4

Time spent on paid trade union activities as a percentage of total paid facility time	Percent	
	2022-23	2020-21
	0%	1%

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Other Staff Costs

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

Volunteers (not subject to audit)

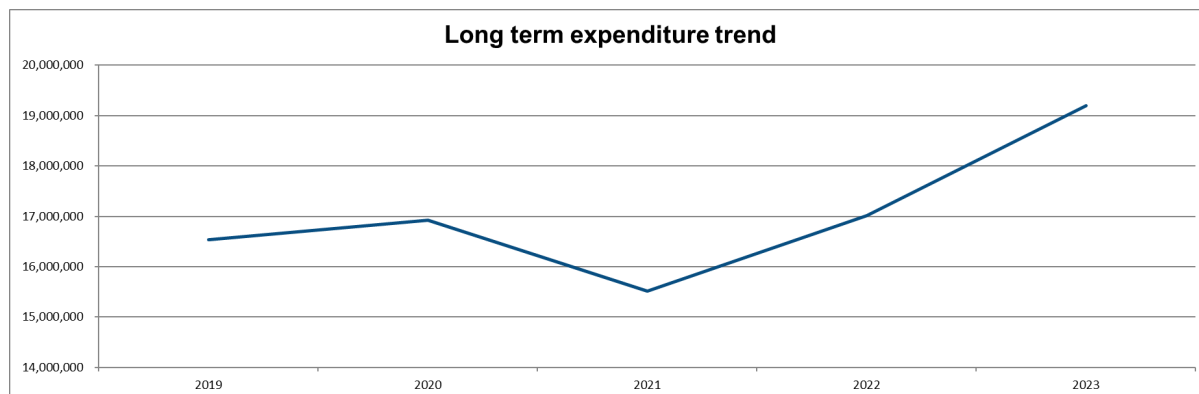
The support of our volunteers is vital to our Museum activities, with a diverse range of people generously giving their time to work alongside our paid staff team in a wide variety of areas, from front-of-house roles interacting with our visitors, to behind-the-scenes work caring for our collection in person or researching funding opportunities online. They contribute their skills, time and enthusiasm, connect with a diverse range of people as part of the RAF Museum family, and help us create meaningful experiences for them as individuals and for our audiences at our London or Cosford sites, or remotely by supporting projects such as RAF Stories. During 2022-23, over 384 individuals worked with the Museum in volunteer roles contributing a total of 9,543 hours (2022: 11,855) a slight decrease in volunteer numbers from the previous year due to an increase in leavers (a sector wide trend post-pandemic) for a variety of reasons including the need to return to work because of the cost of living crisis or finishing of the volunteering role requirement.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Parliamentary accountability and audit report

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

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



The increase in expenditure pre-COVID was a result of both cost inflation and the additional projects the Museum had embarked upon to improve our visitor experience, including the RAF Centenary Programme. These projects have been funded from self-generated income, donations and sponsorship. This spend reduced in 2021-22 due to the impact of the COVID-19 pandemic, with some projects paused and staff placed on furlough, as well as a decline in trading costs. In 2021-22 spending returned to pre-pandemic levels as both sites reopened with investment in the website and marketing and a return to normal trading levels in the commercial areas of the Museum, and this has stabilised in 2022-23.

ACM Sir Stephen Hillier GCB CBE DFC
Chair

on behalf of the Board of Trustees

6 July 2023

Margaret Appleton MBE
Chief Executive Officer and
Accounting Officer

Royal Air Force Museum

6 July 2023

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

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

Opinion on financial statements

I have audited the financial statements of the Royal Air Force Museum and its Group for the year ended 31 March 2023 under the Charities Act 2011.

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

- Consolidated and Charity Balance sheet as at 31 March 2023
- Consolidated Statement of Financial Activities, Consolidated Cash Flow Statement; and
- the related notes including the significant accounting policies.

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

In my opinion, the financial statements:

- give a true and fair view of the state of the Royal Air Force Museum and its Group's affairs as at 31 March 2023 and their net income for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been properly prepared in accordance with Charities Act 2011.

Opinion on regularity

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

Basis for opinions

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

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Conclusions relating to going concern

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

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

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

Other information

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

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

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

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

I have nothing to report in this regard.

Opinion on other matters

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

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Matters on which I report by exception

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

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

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

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

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

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

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

Audit response to identified risk:

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

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Other auditor's responsibilities:

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

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

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

14 July 2023

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Consolidated Statement of Financial Activities for the year ended 31 March 2023

	Notes	Unrestricted Funds 2023 £000	Restricted Funds 2023 £000	Total Funds 2023 £000	Unrestricted Funds 2022 £000	Restricted Funds 2022 £000	Total Funds 2022 £000
Income from							
Donations and legacies							
Grant in aid		10,346	3,750	14,096	10,045	700	10,745
Grants and donations	3	368	602	970	424	550	974
Charitable activities		142		142	116	-	116
Other trading activities							
Trading income	4b	4,305	-	4,305	3,031	-	3,031
Fundraising events		5	-	5	92	-	92
Sponsorships		-	120	120	-	151	151
Share of RAF100 Appeal gain	4b	-	1	1	-	15	15
Investments		160	42	202	10	-	10
Other		9	4	13	45	-	45
Total income		15,335	4,519	19,854	13,763	1,416	15,179
Expenditure on							
Fundraising	5	661	34	695	683	-	683
Trading	4b	3,159	-	3,159	2,677	-	2,677
Charitable activities	5	14,610	737	15,347	12,985	673	13,658
Other	5	-	-	-	-	-	-
Share of RAF100 Appeal deficit	4b	-	-	-	-	-	-
Total expenditure		18,430	771	19,201	16,345	673	17,018
Net gains/(losses) on investments		-	-	-	1		1
Net income/(expenditure)		(3,095)	3,748	653	(2,581)	743	(1,838)
Transfers between funds	15	655	(655)	-	804	(804)	-
Other recognised gains and losses							
Gains/(losses) on revaluation of fixed assets	7a	17,095		17,095	4,171	-	4,171
Net movement in funds		14,655	3,093	17,748	2,394	(61)	2,333
Reconciliation of funds							
Total funds brought forward at 1 April 2022		110,465	8,566	119,031	108,071	8,627	116,698
Total funds carried forward at 31 March 2023		125,120	11,659	136,779	110,465	8,566	119,031

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

The notes on pages 53 to 70 form part of these financial statements.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Consolidated and Charity Balance Sheet as at 31 March 2023

	Notes	Group 2023	Group 2022	Charity 2023	Charity 2022
		£000	£000	£000	£000
Fixed assets					
Tangible assets	7a	103,616	87,969	103,616	87,969
Heritage Assets	7b	21,627	21,846	21,627	21,846
Investments	4a	-	-	100	100
Investment in RAF100 Appeal	4b	-	-	-	-
Total Fixed Assets		125,243	109,815	125,343	109,915
Current assets					
Stock	8	247	245	-	-
Debtors	9	1,270	616	2,320	1,024
Investments	10	-	-	-	-
Cash at bank and in hand	11	12,289	10,165	11,097	9,713
Total Current Assets		13,806	11,026	13,417	10,737
Liabilities					
Creditors: Amounts falling due within one year	12	2,230	1,696	1,941	1,507
NET CURRENT ASSETS		11,576	9,330	11,476	9,230
Creditors: Amounts falling due after more than one year	12	40	114	40	114
NET ASSETS/LIABILITIES		136,779	119,031	136,779	119,031
The funds of the charity					
Unrestricted funds	15	125,120	110,465	125,050	110,395
Restricted funds	15	11,659	8,566	11,729	8,636
		136,779	119,031	136,779	119,031

The notes on pages 53 to 70 form part of these financial statements.

Approved by the Board of Trustees on 6 July 2023 and signed on its behalf by:

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Consolidated Cash Flow Statement for the year ended 31 March 2023

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

	Notes	2023 £000	2022 £000
Net Incoming Resources		653	(1,838)
Interest receivable		(202)	(10)
Depreciation of tangible assets	7a	3,635	3,508
(Profit)/loss on disposal of assets		398	-
Donated Assets		(86)	(40)
(Gain)/Loss on investments	4b, 15	-	-
(Increase) / decrease in stocks	8	(2)	22
(Increase) / decrease in current investments	10	-	2
(Increase) / decrease in debtors	9	(654)	790
(Decrease) / increase in creditors	12	460	209
Net cash provided by operating activities		4,202	2,643
Cash flows from investing activities			
Bank interest received		202	10
Distribution received from Joint Venture	4b		
Purchase of tangible fixed assets	7a	(2,280)	(801)
Net cash used in investing activities		(2,078)	(791)
Change in cash and cash equivalents		2,124	1,852
Cash and cash equivalents at 1 April 2022		10,165	8,313
Cash and cash equivalents at 31 March 2023		12,289	10,165

The notes on pages 53 to 70 form part of these financial statements.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Notes to the Financial Statements for the year ended 31 March 2023

1. ACCOUNTING POLICIES

Basis of Accounting

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

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

Basis of consolidation

Consolidated financial statements have been prepared for the year ended 31 March 2023 in respect of the charity and its wholly owned subsidiaries, Royal Air Force Museum Enterprises Ltd and The Royal Air Force Museum Investments Limited, using the acquisition method of accounting. Intra group transactions and profits are eliminated fully on consolidation.

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

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

Going concern

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Income

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

Expenditure

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

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

Termination payments

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

Fund accounting

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

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Tangible fixed assets

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

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

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

Impairment

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

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

Exhibition costs

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

Heritage assets

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

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

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

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

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

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

Investments

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

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Leased assets and obligations

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

Stock

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

Financial instruments

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

Pensions

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

2. TAXATION

All of the charity's income is applied for charitable purposes and therefore the charity is exempt from Corporation Tax. The Corporation Tax liability of the trading subsidiary for the year ended 31 March 2023 was £nil (2022: £nil).

3. GRANTS AND DONATIONS

	Unrestricted Funds 2023 £000	Restricted Funds 2023 £000	Total Funds 2023 £000	Unrestricted Funds 2022 £000	Restricted Funds 2022 £000	Total Funds 2022 £000
Donated Heritage Assets	-	86	86	-	40	40
Other Donations for Centenary Programme	-	-	-	-	138	138
Swire Foundation Bomber Command Association	-	-	-	25	-	25
Shropshire Council	-	80	80	-	-	-
Hidden Heroes	-	-	-	-	25	25
STAAR Programme	-	-	-	-	40	40
Coronavirus Job Retention Scheme Grants*	-	136	136	-	109	109
RAFMAF	-	-	-	-	139	139
Legacies	73	244	244	-	41	41
Other - Individual Donations	295	56	351	11	-	11
	368	602	970	424	550	974

*An additional £56k in CJRS Grants was also received in the trading subsidiary in 2022.

4a. INVESTMENT IN SUBSIDIARY UNDERTAKINGS AND JOINT VENTURES

The investment of £100,000 (2022: £100,000), represents the charity's interest in 100% of the issued share capital and retained loss of Royal Air Force Museum Enterprises Limited (company number 1511481) which is incorporated in England and Wales and operates souvenir shops, car parking and other trading activities at Hendon and Cosford. The company's aggregate capital and reserves were as follows:

	2023 £000	2022 £000
The assets and liabilities of the subsidiary were:		
Current assets	2,068	861
Creditors: amounts falling due within one year	(1,968)	(761)
	100	100
	2023 £000	2022 £000
At 1 April 2022	100	(114)
Profit/(Loss) retained in subsidiary	-	214
At 31 March 2023	100	100

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

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

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

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

During the year, the Museum was a partner in a joint venture, RAF100 Appeal (charity number 1167398, company number 9977273), as one of five investor organisations. RAF 100 Appeal was a charitable company established to raise funds during the RAF's centenary year and was formally dissolved on 3 April 2023. RAF100 Appeal is accounted for using the equity method, with the value of the Museum's stake being measured as its initial investment plus our equal share of RAF100 Appeal's net gain or loss for the period.

4b. INCOME FROM SUBSIDIARIES AND JOINT VENTURES

RAF100 Appeal	Total		RAF Museum share	
	2023 £000	2022 £000	2023 £000	2022 £000
Income				
Donations	-	-	-	-
Sponsorship	-	-	-	-
Publications	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total	-	-	-	-
Expenditure				
Raising Funds	-	-	-	-
Charitable activities	-	-	-	-
Total	-	-	-	-
Net income/(expenditure)	-	-	-	-

As at 31 March 2023, the Museum's share of the RAF100 Appeal's net assets was £nil (2022: £nil). The Museum's share of the 2022-23 trading deficit is £nil (2022: £nil). In 2021-22 it was agreed by the joint venture Trustees the remaining funds be distributed equally between the partners. In 2022-23 the Museum received from the joint venture its share, which was £16k of which £15k which had been recognised as income in 2021-22 and as a debtor. The joint venture was formally dissolved on 4 April 2023.

The Museum owed the joint venture £nil as at 31 March 2023 (2022: £nil) and the joint venture had not entered into any capital commitments as at 31 March 2023 (2022: £nil).

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Royal Air Force Museum Enterprises Limited

	2023 £000	2022 £000
Turnover and other income	5,057	3,031
Cost of sales, administrative expenses and taxation.	(4,337)	(2,677)
	720	354
Interest receivable	4	-
Net Profit/(Loss)	724	354
Gift Aid to RAF Museum	(724)	(140)
Surplus/(Deficit) in subsidiary	-	214

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

5. Resources expended

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

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

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

The National Audit Office audit fee of £39,850 (2022: £33,250) is included within governance costs.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Prior year analysis

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

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

6. STAFF COSTS AND NUMBERS

	2023 £000	2022 £000
Salaries and wages	5,212	4,891
Temporary agency staff	12	-
Social security costs	566	486
Pension costs	328	319
	6,118	5,696

The above costs exclude the trading subsidiary.

The average number of employees in the Museum during the year was 202 (2022: 197). FTE equivalent was 180 (2022: 176).

Employees whose emoluments amounted to over £60,000.

	2023	2022
£80,001 - £90,000		3
£90,001 - £100,000	3	
£100,001 - £110,000		1
£110,001 - £120,000	1	

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

7a. TANGIBLE FIXED ASSETS - GROUP AND CHARITY

	Freehold property £000	Leasehold Property £000	Permanent Exhibitions £000	Fixtures, Fittings & Equipment £000	Plant, Machinery & Vehicles £000	Assets under Construction £000	Heritage Assets £000	Total £000
Cost or valuation								
At 1 April 2022	75,689	17,270	5,681	3,918	744	65	21,846	125,213
Additions	239	24	62	309	-	1,556	176	2,366
Transfers	0	0	65	-	-	(65)	-	-
Disposals	(3)	-	-	-	-	-	(395)	(398)
Revaluations	5,751	(936)	559	(829)	29	-	-	4,574
At 31 March 2023	81,676	16,358	6,367	3,398	773	1,556	21,627	131,755
Depreciation								
At 1 April 2022	6,091	3,317	2,490	2,928	572	-	-	15,398
Charged in the year	1,641	883	560	517	34	-	-	3,635
Disposals	-	-	-	-	-	-	-	-
Revaluations	(7,732)	(4,200)	202	(799)	8	-	-	(12,521)
At 31 March 2023	-	0	3,252	2,646	614	-	-	6,512
Net Book Value								
At 31 March 2023	81,676	16,358	3,115	752	159	1,556	21,627	125,243
At 1 April 2022	69,598	13,953	3,191	990	172	65	21,846	109,815

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

The freehold and leasehold properties known as the Royal Air Force Museum estate was valued as at 31 March 2023 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards (January 2022 edition) and the national standards and guidance set out in the UK national supplement (November 2018), the International Valuation Standards, and IFRS as adapted and interpreted by the Financial Reporting Manual (FRM). The valuations of specialised properties were derived using the Depreciated Replacement Cost (DRC) method, with other in-use properties reported on an Existing Use Value basis. The valuation was reported under the special assumption that on expiry of the existing lease term at the Cosford site the Museum will be granted a further lease on the same terms as the existing lease i.e. for a further 35 year term and with the benefit of the 35% discount to the Principle Rent given while the MOD remains the landlord. Tangible fixed assets are revalued using annual indices provided by the Ministry of Defence to comply with Modified Historic Cost Accounting (MHCA) legislation per HM Treasury guidelines. The year-end indices reflect the movements between Defence Economics' 2021-22 forecast price indices in their March 2022 report and their revised actual price indices in their March 2023 report. On 21 January 2008 the title of the deeds to the Museum's freehold property was transferred from the charity to a subsidiary, The Royal Air Force Museum Investments Limited.

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

7b. HERITAGE ASSETS

The number of Heritage Assets which the Museum acquires through donations means that the total book value of Heritage Assets is a mixture of cost (for purchased exhibits) and valuation at the point of donation (for donated exhibits), and includes a historic valuation of a materially significant part of the collection. Heritage assets which have been accessioned into the collection on or after 1 April 2001 are not revalued, as such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the Museum. At 31 March 2023 the book value comprised:

	2023 £000	2022 £000
Heritage Assets recorded at cost	2,789	2,699
Heritage Assets recorded at valuation	18,838	19,147
Total book value of Heritage Assets	21,627	21,846

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

	2023 £000	2022 £000
Aircraft and Aircraft Parts	17,478	17,793
Medals and Commemorative items	1,645	1,589
Artwork	1,067	1,027
Archives	889	889
Vehicles and Marine Craft	319	319
Models	84	84
Other	145	145
Total	21,627	21,846

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

	31.03.19 £000	31.03.20 £000	31.03.21 £000	31.03.22 £000	31.03.23 £000
Book Value Brought Forward	21,125	21,625	21,785	21,790	21,846
Add Acquisitions					
Purchased at cost	10	160	-	16	90
Donated at valuation	490		5	40	86
Total Acquisitions	500	160	5	56	176
Revaluations	-	-	-	-	-
Disposals	-	-	-	-	(395)
Book Value Carried Forward	21,625	21,785	21,790	21,846	21,627

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

8. STOCK

	Group		Charity	
	2023	2022	2023	2022
	£000	£000	£000	£000
Goods for resale	247	245	-	-

9. DEBTORS

	Group		Charity	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade debtors	72	39	26	31
Amounts due from subsidiary undertaking	-	-	930	353
Other debtors	892	287	380	275
Prepayments and accrued income	306	290	235	200
Gift Aid from the subsidiary	-	-	749	165
	1,270	616	2,320	1,024

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

10. INVESTMENTS - GROUP AND CHARITY

	2023	2022
	£000	£000
Quoted investments:		
Market value on 1 April 2022	-	2
Additions	-	-
Disposals		(3)
Realised gain on disposal		1
Unrealised investment (losses) / gains	-	-
Market value on 31 March 2023	-	-
Historical cost on 31 March 2023	-	-

11. CASH AT BANK AND IN HAND

	Group		Charity	
	2023	2022	2023	2022
	£000	£000	£000	£000
Commercial bank accounts	12,277	10,153	11,094	9,710
Cash in hand	12	12	3	3
	12,289	10,165	11,097	9,713

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

12. CREDITORS

	Group		Charity	
	2023	2022	2023	2022
	£000	£000	£000	£000
Amounts falling due within one year				
Trade creditors	1,180	832	1,059	803
Taxation and social security	143	138	130	127
Amounts due to subsidiary undertaking	-	-	-	-
Other creditors	33	32	33	31
Accruals and deferred income	874	694	719	546
	2,230	1,696	1,941	1,507
Amounts falling after more than one year				
Accruals and deferred income	40	114	40	114
	40	114	40	114

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

	2023	2022
	£000	£000
Increase/(decrease) in cash in period	2,124	1,852
Net funds at 1 April 2022	10,165	8,313
Net funds at 31 March 2023	12,289	10,165

14. ANALYSIS OF GROUP NET FUNDS

	1 April 2022	Cashflow	31 March
	£000	£000	2023
			£000
Cash at bank and in hand (See note 11)	10,165	2,124	12,289
Current asset investments	-	-	-
	10,165	2,124	12,289

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

15. STATEMENT OF GROUP FUNDS

Analysis of group net assets between funds

	Unrestricted funds £000	Restricted funds £000	Total funds 2023 £000	Unrestricted funds £000	Restricted funds £000	Total funds 2022 £000
Tangible fixed assets	117,478	7,765	125,243	103,692	6,123	109,815
Investments in joint ventures	-	-	-	-	-	-
Cash at bank and in hand	8,395	3,894	12,289	7,722	2,443	10,165
Other net current assets	(753)	40	(713)	(949)	114	(835)
Net non current assets	-	(40)	(40)	-	(114)	(114)
Total assets less liabilities	125,120	11,659	136,779	110,465	8,566	119,031
Net assets	125,120	11,659	136,779	110,465	8,566	119,031

Analysis of funds	2022 £000	Income £000	Expenditure £000	Revaluation £000	Transfers £000	2023 £000
Restricted funds						
Fixed assets	6,123	-	2,210	-	(568)	7,765
RAF Centenary Programme	1,019	139	(16)	-	(150)	992
RAF 100 Appeal	-	1	-	-	(1)	-
RAF Museum Midlands	232	259	-	-	150	641
Watchtower	122	2	(60)	-	-	64
STAAR	31	137	(119)	-	-	49
Hidden Heroes	102	2	(9)	-	-	95
Bomber Command Assoc'n	250	85	(335)	-	-	-
RAFMAF Learning Fund	54	1	-	-	-	55
Restricted Grant in Aid	552	3,761	(2,402)	-	-	1,911
Other	81	132	(40)	-	(86)	87
Total Restricted Funds	8,566	4,519	(771)	-	(655)	11,659

	2022 £000	Income £000	Expenditure £000	Revaluation £000	Transfers £000	2023 £000
Unrestricted funds						
Fixed assets	56,170	-	(3,963)	-	654	52,861
Revaluation reserve	47,522	-	-	17,095	-	64,617
General	2,131	15,335	(14,467)	-	(885)	2,114
Designated funds						
Strategy 2030 Fund	3,918	-	-	-	(3,914)	4
RAF Museum Midlands	724	-	-	-	3,700	4,424
RAF Museum Midlands Match	-	-	-	-	1,100	1,100

Total Unrestricted Funds	110,465	15,335	(18,430)	17,095	655	125,120
Total Funds	119,031	19,854	(19,201)	17,095	-	136,779

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

Restricted funds

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

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

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

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

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

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

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

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

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

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

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

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

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

Unrestricted funds

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

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

Unrestricted designated funds

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

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

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

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

Transfers

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

16. COMMITMENTS

	Group or charity	
	2023	2022
	£000	£000
Operating lease commitments due:		
Plant and machinery:		
within one year	32	25
in the second to fifth years	21	6
Land and Buildings:		
within one year	530	530
in the second to fifth years	1,750	1,936
after five years	3,797	4,142
	6,130	6,639

The Museum paid £574k under operating lease arrangements in the year to 31 March 2023 (2022: £580k).

Capital Commitments

As at 31 March 2023, the Museum had capital contracts in place totalling £1.25M (2022 £nil).

The majority of this related to a capital project in London funded by restricted Grant in Aid.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

17. RELATED PARTIES

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

Royal Air Force Museum Enterprises Ltd

The relationship of the Museum to the company is disclosed in Note 4. The balance of £930k due from the company at the year end (2022: £353k) in relation to production agreements and overhead charges and the balance of £749k Gift Aid payable (2022: £165k) are disclosed in Note 9.

The Royal Air Force Museum Investments Limited

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

Ministry of Defence

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

RAF100 Appeal

The Royal Air Force Museum is a partner in the RAF100 Appeal joint venture. Maggie Appleton (Chief Executive Officer) is also a Director of RAF 100. During the year the joint venture distributed £nil (2022: £60k) to its partners, of which the Museum received £nil (2022: £15k).

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

18. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 March 2023 (2022: Nil).

19. POST BALANCE SHEET EVENTS

On 4 April 2023, the RAF100 Appeal, a joint venture in which the Museum was a partner, was formally dissolved.

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

There were no other post balance sheet events.

ROYAL AIR FORCE MUSEUM ACCOUNT 2022-23

20. SINGLE ENTITY STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds 2023 £000	Restricted Funds 2023 £000	Total Funds 2023 £000	Unrestricted Funds 2022 £000	Restricted Funds 2022 £000	Total Funds 2022 £000
Income from						
Donations and legacies						
Grant in aid	10,346	3,750	14,096	10,045	700	10,745
Grants and donations	368	602	970	424	550	974
Charitable activities	142	-	142	116	-	116
Other trading activities						
Fundraising events	5	-	5	92	-	92
Sponsorships	-	120	120	-	151	151
Share of RAF100 Appeal gain	-	1	1	-	15	15
Investments	160	42	202	10	-	10
Other	1,849	4	1,853	1,064	-	1,064
Total income	12,870	4,519	17,389	11,751	1,416	13,167
Expenditure on						
Fundraising	672	34	706	690	-	690
Charitable activities	15,293	737	16,030	13,643	673	14,316
Other	-	-	-	-	-	-
Share of RAF100 Appeal deficit	-	-	-	-	-	-
Total expenditure	15,965	771	16,736	14,333	673	15,006
Net gains/(losses) on investments	-	-	-	1	-	1
Net income/(expenditure)	(3,095)	3,748	653	(2,581)	743	(1,838)
Transfers between funds	655	(655)	-	804	(804)	-
Other recognised gains and losses						
Gains/(losses) on revaluation of fixed assets	17,095	-	17,095	4,171	-	4,171
Net movement in funds	14,655	3,093	17,748	2,394	(61)	2,333
Reconciliation of funds						
Total funds brought forward at 1 April 2022	110,395	8,636	119,031	108,001	8,697	116,698
Total funds carried forward at 31 March 2023	125,050	11,729	136,779	110,395	8,636	119,031

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

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