

Royal Air Force Museum Account 2018-19

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Administrative Information

Address of the charity

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Registered charity number

244708

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 and encourage learning.

The RAF Museum was established as a legacy of the Royal Air Force's fiftieth anniversary, opening our London (Hendon) site in 1972 on the historic pioneering airfield in Colindale (previously RAF Hendon). From 1979, the Museum has also managed the Cosford Aerospace Museum in the West Midlands (next to RAF Cosford and in operation since 1972) for the Ministry of Defence. This was renamed the RAF Museum Cosford in 1998 when it formally became part of the Museum portfolio. The Museum also has two external stores, one in Stafford and another within RAF Cosford.

The RAF Museum is a National Museum, a Government non-departmental public body (NDPB) and a registered charity. 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.

Our Activities

We are committed to using our collections to share the story of the Royal Air Force and its people. We are an educational charity and 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 playground, or enjoying a rest in our café, there are opportunities for learning and inspiration throughout our Museum.

During the course of the strategic plan in place from 2015-16 to 2018-19, the Museum has concentrated its efforts on being outward focused and people centred, exploring the story of the Royal Air Force over its hundred-year history through its incredible people and ensuring that our collection is relevant, shared and well cared for. Three strategic priorities have shaped its direction and activities:

- Interpret the RAF Story
- Focus the Collection
- Invest in the RAF Museum.

Delivery of these strategic priorities has focussed principally through the Museum's RAF Centenary Programme and legacy planning programmes and the Museum has enjoyed a unique opportunity to mark the Royal Air Force's Centenary in 2018 by improving its storytelling and building up its resilience for the next century.

The RAF Centenary Programme was a five-year phased programme of activities and capital development designed to connect people to the RAF story, and reimagine the RAF Museum's London site. The objectives of the programme were to:

- Connect with audiences at all levels providing access for all: intellectually, emotionally, aesthetically, physically and socially, and to welcome the world
- Communicate stories through new exhibitions on site and online
- Celebrate 100 years of RAF spirit and values: its people and its pioneering innovations
- Commemorate 100 years of service and sacrifice: bravery and honour.

The major capital programme is now complete, with associated community and RAF story activities continuing to be delivered through to December 2020.

A trading subsidiary Royal Air Force Museum Enterprises Ltd (company number 1511481) was 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 Enterprise Ltd are gift-aided to the Museum on an annual basis, as agreed in a Deed of Covenant between the parties.

The Royal Air Force Museum Investments Limited (company number 4026995) is a wholly owned subsidiary which was incorporated as a limited liability company to hold the real property assets of the charity on behalf of the Trustees. In March 2005, the Cosford and Stafford leasehold property was transferred to this company from the charity, followed by the London (Hendon) freehold property in January 2008.

The RAF Museum is a partner in the RAF100 Appeal, a joint venture between the Royal Air Force and its sister RAF charities – the RAF Benevolent Fund, RAF Association and the RAF Charitable Trust. The RAF100 Appeal has been established as a charity (charity number 1167398) and company limited by guarantee (company number 09977273) to commemorate and celebrate the 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 will be shared equally between the parties, with any final excess apportioned by way of grants for specific proposals. The Museum’s share of funds raised to date are accounted for in the 2018-19 Financial Statements.

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.

Partnerships

As one of the UK’s National Museums, the RAF Museum’s responsibility and remit is UK-wide. In addition to its own two public sites, the Museum takes opportunities to share collections through loans, roadshows, 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 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.

Charitable Fundraising

The Museum has an in-house Development team who raise funds for both major campaigns, such as the RAF Centenary Programme, and to support our core work. 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.

Future Plans

The RAF Museum Trustees, our staff – employees and volunteers – and our key partners have developed an ambitious, shared vision for our next ten years 2019-30, “Inspiring **everyone** with the RAF story – the people who shape it and its place in our lives”.

Our Strategy to 2030 priorities include the launch of our twenty-five year Master Plan for our Cosford site while planning the final phases of our London transformation, as we continue to build on the firm foundations and new partnerships made during the centenary year. We will continue 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 still have much to do to ensure we are fit for the future and we shall 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 that 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 today’s stories are at the top of our agenda through contemporary collecting and innovative programmes that keep us relevant and connected. Equally we will connect audiences who may not obviously identify with the RAF by finding common interests and histories which link them.

We can achieve none of this in isolation; we will continue to develop and nurture meaningful partnerships and invest our funding strategically with partners across our shared priorities.

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

Performance report

Overview

In June 2018, we opened the major transformation at our London site and, across both Cosford and London, 2018-19 has been our most successful year since the Museum's formation, exceeding our target of 940,000 visitors to welcome a total of 989,593 people (2018: 712,991), almost a 40% increase year on year. Equally importantly, our visitor profile has broadened and diversified significantly, and the partnerships – and friendships – that have developed over the period give us a firm and inspiring foundation to build on for this next chapter of the Museum's history.

The £26 million development of the London site as part of the RAF Centenary Programme is complete, with the formal reopening held on Armed Forces Day at the end of June 2018. All major construction and fit-out work was delivered within the financial year 2017-18, and successfully managed to time and to budget, with smaller projects and related activity taking place in 2018-19. The RAF's Centenary in 2018 has provided a wonderful opportunity to link the Museum more closely with the RAF story and its people, and we will continue to celebrate and commemorate this anniversary through major improvements in our visitor experience and engagement, sharing the RAF story to inspire the public on site and online.

The RAF Centenary Programme was kindly endorsed by the Museum's Patron, HRH The Duke of Edinburgh. The supporting Fundraising Strategy and Campaign was designed to raise £23 million, but this target was increased to £26 million during programme development to reflect an increased ambition for the projects. Fundraising for the core programme was achieved and exceeded thanks to the support of three National Lottery Heritage Fund (previously Heritage Lottery Fund) grants totalling £7.8 million; significant commitments from other sponsors including the State of Kuwait, BAE Systems and a number of other industry partners; grants from trusts and foundations including the Garfield Weston Foundation, Beaverbrook Foundation and Bomber Command Association; UK Government funding through the Ministry of Defence (£0.5 million) and LIBOR fines scheme (£5.5 million); and from the London Borough of Barnet (£0.5 million); as well as generous donations from individuals. A public campaign, 'Names on a Plane', encouraged support from the public with donors seeing their name on one of the Red Arrows' aircraft during 2017. In addition to meeting all costs of fundraising, the Museum has invested £0.2 million from trading profits into the Centenary Programme.

In total, the Museum has exceeded the RAF Centenary Programme fundraising target by £1.9 million which has enabled us to further extend our programme of works to include items previously value engineered from the Programme; to commit to additional projects which will enhance the visitor experience and support operational effectiveness; to develop opportunities for income generation and build financial sustainability; and to fund the initial stages of the Museum's Strategy to 2030 master planning across both sites.

Strategic priority 1: Interpret the RAF story

The RAF Centenary Programme and legacy planning programmes will have a significant impact on how we interpret the RAF story, now and into the future.

The completed RAF Centenary Programme delivered four new exhibitions at the London site: 'First World War in the Air' which opened in 2014 (winning the Best Heritage Project in the National Lottery awards of 2015), 'RAF Stories - The First 100 Years 1918-2018', 'The RAF in an Age of Uncertainty' and 'RAF - First to the Future', all opening to the public on 30 June 2018. These exhibitions have been developed as immersive learning spaces and use innovative technology to engage visitors of all backgrounds and ages. A smaller display of 'RAF Stories - The First 100 Years 1918-2018' has also been delivered on the Museum's Cosford site, which opened on 1 April 2018.

The exhibitions in London are supported by a transformed visitor experience which includes a new learning centre, new landscaping which draws on the heritage of The London Aerodrome and RAF Hendon, a new visitor centre including a café and shop, and a new restaurant housed in a previously derelict 1930s RAF building at the heart of the site. This physical redevelopment is making a key contribution to the regeneration of the local area, Colindale, as around 30,000 new residents arrive over a five-year period to an increasingly urban environment.

Programmes have also been designed to deliver small object conservation skills and workshop spaces, additional apprenticeships, increased volunteering and STEM (Science, Technology, Engineering and Maths) formal and informal learning activities. During 2018–19 we completed the redevelopment of 'Building 69', an historic 1930s building designed and used for parachute-packing, and now the home of our RAF Museum Volunteer Hub.

Our digital project, 'RAF Stories' is now well established, collecting and sharing over 300 engaging historical and contemporary stories related to the RAF. The public are encouraged to share their experiences and those of their loved ones within the RAF and the broader RAF family through a bespoke app. Additional stories are identified and collected by the Museum's in-house team. Content is shared internationally online, as well as being embedded in the new exhibitions, enhancing the Museum's storytelling.

Our Historic Hendon programme in London has included outreach and onsite activities designed to engage our local community in Colindale with the heritage of our site and their neighbourhood. Highlights have included the sharing of stories while creating collages based on Historic Hendon collection objects which have been used to decorate tables, bean bags, picnic rugs and benches. In turn, these items share the stories with our visitors. Offsite activities have included supporting the local Grahame Park annual fun day and leading heritage walking tours of the historic airfield.

We have continued to share our collection more widely at over 140 venues both nationally and internationally through our loans programme, with 1,479 items out on loan during 2018-19, of which 36 items were sent out as new loans during the period.

Our research and learning work also contribute to the Museum's priority to interpret the RAF story. Our Access and Learning Strategy has driven the development and delivery of increased audience engagement – putting audiences of all ages at the heart of everything we do, and inspiring and engaging them with the RAF story through the Museum's collections and stories of its people. Over this period, the priority in London has been to deliver STEM-focussed activities and partnerships as part of our RAF Centenary Programme. In Cosford, the team have continued to strengthen their partnership with the RAF delivering innovative programmes such as the Summer Time Advanced Aeronautics Residential (STAAR) with our partners RAF Cosford, RAF Youth and STEM Engagement and Tablet Academy, supported by partner and funder, Northrop Grumman.

Across the financial year 2018–19, 29,981 school children visited our London site, an uplift of 20% year on year; and 28,200 school children visited Cosford, an uplift of 10% on the previous year. Evaluation of the activities is carried out after each session with both schools and informal learners. Responses are overwhelmingly positive. 100% of teachers feel the workshops meet the curriculum requirements rating them as good to excellent, and 93% also rate their pupils' enjoyment as good to excellent. Most groups re-book immediately.

The Museum's Research Strategy and Programme is supported by a voluntary Research Board, chaired by Sebastian Cox OBE, Head of the Air Historical Branch of the RAF (replacing Professor Richard Overy). In 2019 the programme included the Trenchard Lectures, an evening series hosted in partnership with the Royal Aeronautical Society and the University of Wolverhampton, and two lunchtime lecture series. The Museum also continues to support and host two PhD students, one in partnership with the University of Exeter funded by an Arts and Humanities Research Council (AHRC) Research and Enterprise in Arts and Creative Technology Collaborative Studentship; and the other in partnership with King's College London supported by a Professor Sir Richard Trainor Scholarship. The Museum also presented three Academic Awards to Doctoral, Masters and Undergraduate students.

Although our Enquiry Service was suspended for some of the year to enable the Museum to deliver the RAF Centenary Programme, the Archive and Library team still responded to around 530 written and around 1500 telephone enquiries. Over 600 researchers engaged with the collections by visiting the Reading Room at our London site.

Meanwhile, strategic planning work to share and better interpret the RAF story at our Cosford site has continued to progress with the production of a site-wide Master Plan. Phased projects include plans to create a new resource hub to open up our stored collections to the public through intergenerational learning programmes, as well as immersive exhibitions and inspiring events spaces.

The RAF Centenary year saw the delivery of a successful public events programme across both sites, including a wide range of activities to mark the one hundred years of the RAF. Highlights included the Spitfire 100K Challenge, where over 1,000 people ran over 100 miles and the Vintage and Handmade Festival at Cosford, which has built on the incredibly successful Cosford Food Festival. An Armed Forces Day event opened our new London site at the end of June, and the Hendon Pageant returned to offer families a fun-packed look back at the airfield's history. The Pillows and Pilots sell-out sleepover events enabled visitors at our Cosford and London (for the first time) Museums to sleep under our amazing collection of aircraft. The Spitfire 10K run was also a fantastic success, selling out at both our sites, with 1900 runners in total.

Strategic Priority 2: Focus the collection

The RAF Museum collection comprises over 1.3 million objects representing 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 before WW2, to the gigantic VC-10 transport aircraft, in service for nearly fifty years
- Objects ranging from uniforms and medals to unique personal items, including the record collection of TE Lawrence and personal effects of Amy Johnson, that bring the stories of the iconic figures of the RAF to life
- An extensive oral history collection, from first-hand accounts of First World War pilots to the experiences of personnel deployed in current operations
- Large official collections, from manuals to training films, illustrating the inextricable link between the RAF and its suppliers.

The Collections Development Strategy and associated policies and procedures are central to our delivery of effective museum management and key to the delivery of effective audience engagement.

After 50 years of formal collecting, the Museum has an opportunity to reflect on past acquisitions, rationalise current collections, improve storage and conservation and transform access to connect all our audiences with the collections and the RAF story. The Museum continues to develop our collections to tell 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, interpretation and research, in accordance with identified proactive collecting priorities. As an element of the Museum's RAF Centenary Programme, part of the original 1931 workshop at its London site was developed as a small objects conservation hub, which complements the Museum's considerable large object conservation expertise based at our Michael Beetham Conservation Centre in Cosford. The Centenary Programme also provided an opportunity to build in-house skills by training the wider Museum teams in a number of collections care areas including object handling and mount making.

The Centenary Programme has, moreover, provided a superb opportunity for the Museum to continue to research our collection and share it with visitors. A comprehensive piece of work on the stored collection at Stafford took place to recognise and draw on its rich diversity resulting in over five hundred objects being selected for display. These include sand from Stalag Luft III (site of the Great Escape), a toothbrush with a concealed compass in the handle, a signed dress collar given to Barnes Wallis by Guy Gibson, leader of the Dam Busters raid, and an Amy Johnson doll from the 1930s. Moreover, the Museum's priority to ensure the collection reflects the contemporary story of the RAF resulted in new acquisitions including a Sea King Search and Rescue helicopter; and loans including a Prisoner of War suit from the 1991 Gulf War and a remotely piloted aircraft General Atomics MQ-1B Predator.

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

Strategic Priority 3: Invest in the RAF Museum

To deliver against its first two strategic priorities, the Museum is focused on broadening and developing its earned income streams; in ensuring efficiency and value for money; and in investing in our people, assets and infrastructure.

The development of a more resilient financial base underpins all aspects of the Museum's work, notably the RAF Centenary Programme planning where the inspiring content was designed hand in hand with a more energy efficient infrastructure and with spaces conceived to grow secondary spend.

Commercial development and sustainability is addressed through the Museum's Commercial Strategy which focuses on delivering new and improved experiences for visitors. Progress at our London site during the year included the opening of a new shop (with new and exclusive ranges reflecting our collection and the RAF story and aimed at our target audiences) and the development of a new entrance café, both situated in Hangar 1 and launched in May 2018 as part of the Centenary works. Catering and commercial events bookings at the London site have been strong, outperforming both budget and prior results as the benefits of a fully open site, combined with new event spaces, have been realised.

Ongoing work to improve the simulator and 4D experiences continued at both sites, with a new simulator experience opening in the redeveloped Hangar 1 at our London site in June 2018. In addition, March 2019 saw the opening of the Dam Busters Virtual Reality experience at our London site which has been well-received by visitors and generated significant media coverage.

An enhanced programme of open cockpit opportunities was delivered at Cosford and London, including both daytime access and exclusive events out of Museum hours. These were developed as part of a broader programme of activities and major events, many celebrating the RAF's Centenary, and including the Food Festival, the new Vintage Festival at Cosford, and the Spitfire 10K at both sites, which generated income for the Museum while welcoming in new audiences.

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:	2019	2018
Visitor numbers (including events such as the Cosford Air Show)		
■ London	544,628	343,009
■ Cosford	444,965	369,982
■ Total	989,593	712,991
Trading income	3,154,505	2,464,748
Number of school visits		
■ London	672	555
■ Cosford	818	794
Visitor satisfaction ratings		
Enjoyment		
■ London	89%	88%
■ Cosford	92%	90%
Value for Money		
■ London	90%	88%
■ Cosford	93%	90%
Likelihood to recommend		
■ London (net promoter score)	72%	62%
■ Cosford (net promoter score)	79%	82%
Social media interaction (no. of Facebook followers, Twitter users and YouTube and Instagram subscribers)	156,185	117,637

Visitor Numbers

During a challenging year for many museums and galleries, across both sites we recorded a total of 989,593 visitors (2018: 712,991) reflecting the success of the RAF Centenary Programme and also the impact of the RAF Centenary year. Visitor numbers are up 59% for London (1% under target) and 20% for Cosford (12% above target). The large increase in visitors at our London site is particularly impressive as the expected downturn in visitor numbers during the period of capital works in the prior year did not materialise.

Trading Income

The performance of our trading activities have significantly improved on prior year, primarily due to the impact of greater visitor numbers, particularly related to catering, the completion of the RAF Centenary Programme, strong sales of RAF100 merchandise, plus contractual commission payments on RAF100 Appeal products sold by commercial partners. The gift aid payment to the Museum from RAF Museum Enterprises Ltd totals £358,927 (2018: £114,608).

School Visits

Across the financial year 2018–19 there were 672 school visits (29,981 school children) to our London site, an uplift of 21% year on year; and 818 school visits (28,200 school children) to Cosford, an uplift of 3% on the previous year.

Visitor Satisfaction

The ALVA surveys show both sites achieving very high 'Enjoyment and Value for Money' ratings, considerably outperforming the Museums and Galleries average, with an improved performance on prior year. Our visitors are also highly likely to recommend a visit, compared to other Museum and Galleries, although this is slightly down for us on the previous year at Cosford.

Social Media Interaction

Total visits to the Museum's main website were recorded at 1.2 million unique visits (2018: 1.2 million).

The Museum's social media channels showed steady growth during the year with Facebook followers reaching 90,699 (2018: 75,357), Twitter 45,469 (2018: 40,860) and 17,829 (2018: 47,239) monthly recipients of the Museum's e-newsletters (with the decrease due to GDPR requirements and clean-up of old email addresses).

Financial Review

Statement of Financial Activities (SOFA)

Total Income for the financial year 2018-19 amounted to £17,562,000 (2018: £22,322,000), a decrease year on year primarily related to the receipt in the prior year of the majority of funding for delivery of the RAF Centenary Programme.

The Museum received £9,273,000 of Grant in Aid (2018: £9,139,000) for the financial year 2018-19. Other income included grants and donations totalling £3,899,000 (2018: £9,289,000), most of which was restricted funding from the National Lottery Heritage Fund for the RAF Centenary Programme. Income generated by the trading company on non-charitable activities was £3,154,000 (2018: £2,465,000). The Museum's share of income related to the RAF100 Appeal joint venture totalled £83,000 (2018: £105,000).

Total Expenditure on Museum activities amounted to £16,535,000 (2018: £15,932,000). The majority of costs, including the costs of salaries, are in respect of core charitable activities. Net income and expenditure before transfers between funds and other recognised gains and losses totalled £1,027,000 (2018: £6,390,000). The £1,571,000 loss shown against unrestricted funds for the year (2018: £2,240,000) is driven principally by depreciation of property assets. Excluding property depreciation, the Museum has generated an unrestricted operational surplus of £971,000 during the year (2018: £570,000). The increase year on year is primarily due to an increase in trading profits and car-parking income (led by increased visitor numbers on completion of the capital programme at the London site) and a one-off reversal of accrued Cosford rent payments further to negotiation of a more favourable rent review.

A total of £5,938,000 (2018: £12,306,000) has been transferred from restricted to unrestricted funds in 2018-19, principally due to the completion and capitalisation of the final phase of RAF Centenary Programme improvement works at the London site within the financial year.

The Museum's property assets are revalued by professional valuers on a quinquennial basis, with the last valuation brought forward by one year to 2017-18 to reflect the significant capital improvements delivered through the RAF Centenary Programme. For 2018-19 an annual revaluation adjustment of £1,239,000 (2018: £15,466,000) has been made in the year-end accounts to comply with Modified Historic Cost Accounting (MHCA) legislation per HM Treasury guidelines.

After transfers between funds and adjustment for recognised gains on revaluation of fixed assets, the net movement of funds for the year was an increase of £2,266,000 (2018: £21,856,000) and total funds carried forward as at 31 March 2019 amounted to £121,155,000 (2018: £118,889,000).

Balance Sheet

The value of the group net assets has increased during the year due to the fixed asset revaluation and now stands at £121,155,000 as at 31 March 2019 (2018: £118,889,000).

RAF100 Appeal

As a partner in the RAF100 Appeal joint venture, the Museum's share of income for 2019-20 totalled £83,000 in restricted funds (2018: £105,000) (SOFA, Note 4b).

Trading Company

Any non-charitable activities are undertaken by RAF Museum Enterprises Ltd, a wholly owned subsidiary of the Museum, with all profits gift-aided to the parent charity. The trading company generated total turnover of £3,154,000 (2018: £6,759,000) (Note 4b), with associated costs of sales of £2,796,000 (2018: £6,644,000).

The decrease in both turnover and costs of sales on prior year is mainly due to the trading company acting as the Museum's production company for four major exhibitions developed as part of the RAF Centenary Programme, which enabled the Group to benefit from the Government's new museum and galleries exhibition tax relief initiative, with £320,000 tax relief claimed in 2017-18.

During the year, a number of Museum staff and other resources were utilised in furtherance of those activities resulting in a cross charge of £480,000 (2018: £425,000). A total gift aid payment of £359,000 (2018: £115,000) was therefore due to the Museum for 2018-19, and which was outstanding at year-end (Note 9). £153,000 (2018: £77,000) of restricted funds generated from RAF100-related merchandise and commission fee activity are included in the gift-aid payment to the Museum and donated to the RAF100 Appeal, per the terms of the joint venture.

Grants and Donations

During the year, a total of £3,899,000 (2018: £9,289,000) (Note 3) was received by way of donations from industry partners and sponsors, trusts and foundations, and individual donations to fund the work of the Museum. The majority of funds received were in the form of restricted grants from the National Lottery Heritage Fund in relation to the RAF Centenary Programme. The Museum was also pleased to be gifted the Trenchard Archive through the Acceptance in Lieu scheme, resulting in the recognition of £490,000 in donated heritage assets.

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 Committee, the Trustees have agreed that as at 31 March 2019 the organisation should 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 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 the Fixed Asset Fund and maintaining free reserves of two months of operational expenditure) to be transferred to the designated Strategy to 2030 Fund (referred to in prior year as the Centenary Legacy Development Fund and renamed to reflect the new strategic plan).

This fund will be used to support delivery of the Museum's current key strategic priorities as detailed in the strategic plan to 2030 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.

This represents a change in the Museum's formal reserve policy to hold free reserves of at least £500,000 and up to sufficient to cover three months of operational expenditure as at 31 March 2018. The general fund has therefore decreased to £1,993,000 (2018: £2,720,000) (Note 15). Unrestricted surplus funds of £1,409,000 (2018: £453,000) over and above the planned level of free reserves, have been transferred to the designated Strategy to 2030 Fund.

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

Payment of Creditors

The Museum's policy, in accordance with the Government-wide standard on the payment of creditors, is to settle all undisputed bills within 30 days or in accordance with the supplier's terms of business. The Museum's actual payment performance during the year was an average of 39 days (2018: 33 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 Committee reviewed the principal deposits during 2018-19.

Environmental Policy

The Museum has a number of initiatives in place which underpin the creation of a more sustainable and environmentally friendly organisation. These include energy conservation measures (for example the increased use of LED lighting), a comprehensive recycling programme and new building construction which is consistent with reducing the Museum's carbon footprint.

Auditors

The accounts are audited by the Comptroller and Auditor General in accordance with the Government Resources and Accounts Act 2000 (Audit of Public Bodies). The fee for the audit of the Group 2018-19 accounts was £33,100 (2017-18: £31,350). This includes the NAO fee of £25,000 and Hillier Hopkins fee of £8,100 for the audit of RAF Museum Enterprises Ltd.

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 Andrew Pulford KCB CBE ADC
Chair
on behalf of the Board of Trustees

8 July 2019

Maggie Appleton MBE
Chief Executive Officer and Accounting Officer
Royal Air Force Museum

8 July 2019

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.

Chief Executive Officer's report and governance statement

The Governance Framework

The Royal Air Force Museum is a charity registered with the Charity Commission (registration number 244708), governed in accordance with a Deed of Trust dated 4 June 2007.

The Museum is an Accredited National Museum and Non-Departmental Public Body 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 branch, the Ministry of Defence, relating to the receipt of Grant-in-Aid and the conditions for its expenditure. This Framework was recently updated, with the new version in place with effect from 1 April 2017.

The Trustees and the Committee Structure

The Royal Air Force Museum is governed by a Board of Trustees chaired by Air Chief Marshal Sir Glenn Torpy GCB CBE DSO who retired at the last Board meeting of the financial year 2018-19, to be replaced by Air Chief Marshal Sir Andrew Pulford KCB CBE ADC. The Charities Act 2011 requires the Trustees to exercise proper stewardship over the Museum and to take care of its collections.

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

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

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

These sub-committees comprise Audit and Risk (providing support on issues of risk, control and governance); Finance (responsibility for financial control, governance and investment), Development (to lead on and support the fundraising for and governance of major programmes as part of the Strategy to 2030; replacing the Centenary Development Committee from September 2018, which was specifically established to lead on and support the fundraising for and governance of the RAF Centenary Programme); Staffing and Remuneration (providing assurance that the Museum's HR strategy, policies and procedures are appropriate and effective). A Nominations Committee has been created during 2018-19 to keep under review the leadership needs of the Museum (both trustee and executive) to ensure the continued ability of the organisation to perform effectively, and to be responsible for recommending the appointment of the Chair of the Board of Trustees from within the Board's membership. The Museum also has a Research Board chaired by Sebastian Cox OBE, Head of the Air Historical Branch of the Royal Air Force, replacing Professor Richard Overy who stepped down during the year.

The terms of reference of each of these sub-committees have been approved by the Full Board. The table below shows the number of meetings and attendance. Minutes of all Board and sub-committee meetings are maintained.

The following individuals served as Trustees during 2018-2019:

Board Member	Appointed	Further notes	Attendance		Finance	Staffing & Remuneration	Nominations	Centenary Development
			Board Attendance	Audit & Risk				
Air Chief Marshal Sir Glenn Torpy GCB CBE DSO	5-Jul-11	Chair – Resigned 18-Mar-19	4/4	–	–	1/3	1/1	3/4
Air Chief Marshal Sir Andrew Pulford KCB CBE ADC	2-Jul-18	Co-opted Chair –Appointed 18-Mar-19	3/3	–	–	–	–	–
Peter Bateson	17-May-16	Chair Audit & Risk Committee Appointed 2-Jul-18	4/4	3/3	2/3	–	1/1	–
Laurie Benson	17-May-16	–	4/4	3/3	–	–	–	–
Dr Carol Cole	23-Mar-15	Chair Staffing & Remuneration Committee	4/4	1/1	–	3/3	1/1	–
Alan Coppin	8-Jul-13	Co-opted Resigned 2-Jul-18	1/2	–	–	–	–	1/2
Dr Rodney Eastwood	23-Mar-15	–	3/4	–	4/4	3/3	–	–
Sir Gerry Grimstone	9-Dec-08	Chair Audit & Risk Committee Resigned 2-Jul-18	1/1	1/1	–	–	–	–
Richard Holman	5-Jul-11	Chair Finance Committee	3/4	–	4/4	–	–	3/4
Malcolm White OBE	24-Sep-12	Co-opted Chair Centenary Development Committee Resigned 24-Sept-18	2/2	–	–	1/1	–	2/2
Catriona Lougher	17-May-16	–	2/4	–	–	–	–	2/2
Julie McGarvey	17-May-16	–	4/4	–	1/2	–	–	4/4
John Michaelson	9-Dec-08	Resigned 9-Dec-18	1/2	–	–	–	–	–
Andrew Reid	5-Jul-11	–	4/4	1/1	–	–	–	3/4

Nick Sanders	17-May-16	Co-opted Chair Centenary Development Committee Appointed 24- Sept-18	3/4	-	-	-	-	3/4
Michael Schindler	5-Jul-11	-	4/4	3/3	-	3/3	-	4/4
Robin Southwell	9-Dec-08	Resigned 3-Dec-18	2/2	-	-	-	-	2/4
Alan Spence	9-Dec-08	Resigned 3-Dec-18	2/2	-	-	-	-	-

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 Museum commissioned an external review of its Governance in 2017-18. This comprised desk assessment of its governance policies and procedures, observation of a Board and sub-committee meetings and interviews with a number of Trustees and the Senior Leadership Team. An action plan is following up the recommendations and a biennial skills audit will be completed in 2019-20.

The Museum has two subsidiary companies, the shares of which are held by or on behalf of the Trustees although the decisions taken by these companies remain primarily their responsibility. The Board of Royal Air Force Museum Enterprises Ltd includes three independent non-executive Directors.

Register of Interests

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

The Board of Trustees' Performance

The Board has supported the organisation to successfully deliver its strategic objectives as outlined in the approved Strategic Plan to 2018-19.

Sub-committee minutes are circulated to all Trustees with routine papers for the quarterly meetings of the Full Board and sub-committee Chairs highlight 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 Committee and summary management accounts quarterly to the Full Board, which the Board considers to be adequate management information.

Personal Data Loss

The Museum has not identified any personal data related incidents during 2018-19 or in the previous five financial years. 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 BDO LLP who work to the Public Sector Internal Audit Standards and provide an independent opinion on the matters subject of review through the 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.

As part of this plan BDO LLP have carried out several reviews this past year, including health and safety, HR processes, procurement, cyber-security and emergency plan and business continuity strategy follow-up. The internal auditors provide an annual independent opinion, based upon the audit programme, on the overall adequacy and effectiveness of the Museum's framework of governance, risk management and control. The audit opinion takes together the assurance ratings and recommendations of the five individual assignments conducted in 2018-19, management's responsiveness to internal audit recommendations and the direction of travel with regard to internal control, governance and risk management.

Internal Audit's opinion for 2018-19 is that there is some risk that the system of internal control, governance and risk management will fail to meet management's objectives – in most areas there are adequate and effective systems of governance, but there are also a few specific areas of significant risk. Substantial improvements were noted as required to improve the adequacy and / or effectiveness of governance, risk management and internal control in those areas. Since the audit review was completed, management have progressed a rapid remediation programme and the appetite to implement significant change demonstrates the Museum has taken appropriate action to ensure that there is an adequate and effective system of governance, risk management and internal control to address the risk that management's objectives are not fully achieved.

The Audit and Risk Committee accept 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 Risk Management Strategy. 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. Each department holds a more detailed departmental risk register which is reviewed at least annually by the senior leadership team. The Audit and Risk Committee review strategic risks at each meeting and the Board review annually.

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 a non-departmental public body (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 risk of 'financial stability' will remain high in a period of economic uncertainty. The RAF Museum's Strategic Plan to 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 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. There is much competition for funding in London, while potential sources in the West Midlands are fewer, though a shift away from London-centric investment is an opportunity for our ambitious Cosford master plan. The Museum will continue to diversify and broaden its income streams and be more efficient, principles which have been embedded in the delivery of the RAF Centenary Programme.

For both sites, there is a shift due to the passing of the wartime and National Service generations, to a public with little experience of the RAF, which requires different interpretation and communication methods. The Museum's users also have changing expectations in the ways they want to access content, both as physical and virtual users. The RAF Centenary Programme aims to ensure that the Museum remains relevant to visitors through innovative exhibitions and programming, as well as enhancing its digital capacity and interpretation to engage new visitors with the RAF story. The RAF has touched millions of lives around the world throughout its first 100 years as part of a global community. In the UK alone we estimate that 20 million people have direct family connections to the RAF with many more engaged through industry or as beneficiaries of RAF activity.

The Collections Review supports both care of the collection and development and delivery of exhibition programming. An important strand of this review is delivery of digitisation of the archives, 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.

As with financial stability, the risks from major incidents, of any nature, can only be mitigated to a certain amount through capital investment in infrastructure, such as IT to manage data loss risks and, tightening of procedures in response to the potential of a major incident or health and safety failure. Further to considerable progress thus far, one of the key strategic priorities for the Museum and a focus for the next financial year is to continue to invest in building the strong and sustainable basic foundations required to fully achieve the future vision.

Assurance Statement by the Audit & Risk 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 control issues have been identified during the course of the past year by the RAF Museum's executive team and independent internal audit review. The work to address these issues is underway as an immediate priority and is being monitored by 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.

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.

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 PCSPS and the Museum did not fund any Civil Service pension contributions for them in 2018-19. The Museum, under the auto-enrolment scheme (NEST) made employer's contribution to the directors' pension at the minimum rate of 4% of their salary (increased to 5% where an employee elects to make an optional 1% increase in their employee contributions above the minimum 1% required). The directors received no other benefits. Performance bonuses paid to directors are non-contractual. All of the directors have contracts of employment carrying a period of notice of three months.

Single figure of total remuneration	Salary 2018-19 (2017-18) £000	Performance Related pay and bonuses 2018-19 (2017-18) £000	Benefits in kind (to nearest £100) 2018-19 (2017-18)	Pension Benefits 2018-19 (2017-18) £000	Total 2018-19 £000	Total 2017-18 £000
Maggie Appleton MBE CEO	100-105 (100-105)	0-5 (-)	- (-)	- (-)	105-110	100-105
Marguerite Jenkin Director of Finance and Resources	80-85 (50-55 full year equivalent 75-80)	0-5 (-)	- (-)	- (-)	80-85	50-55 full year equivalent 75-80
Karen Whitting Director of Content and Programmes	80-85 (70-75)	0-5 (-)	- (-)	- (-)	80-85	70-75
Barry Smith Director of Visitor and Commercial Development	80-85 (10-15 full year equivalent 80-85)	0-5 (-)	- (-)	- (-)	80-85	10-15 full year equivalent 80-85
Pension benefits	Real increase in pension and lump sum at pension age £000	Accrued pension at pension age at 31/03/18 and related lump sum £000	CETV at 31/03/19 £000	CETV at 31/03/18 £000	Real increase in CETV £000	Employer contribution to Nest pension Nearest £100
Maggie Appleton MBE CEO	N/A	N/A	N/A	N/A	N/A	5,300

Marguerite Jenkin Director of Finance and Resources	N/A	N/A	N/A	N/A	N/A	4,100
Karen Whitting Director of Content and Programmes	N/A	N/A	N/A	N/A	N/A	4,100
Barry Smith Director of Visitor and Commercial Development	N/A	N/A	N/A	N/A	N/A	3,300

The remuneration ratio in the Museum is 4.53 (2018: 4.41) - this represents the banded mid-point pay of the highest paid director as a multiple of the median pay award (the median salary is £23,712 (2018: £23,247). Any performance awards are made under the Museum appraisal-linked system which applies to all staff. The directors are all full-time employees employed on standard terms and conditions.

The Board of Trustees comprised eleven members at 31 March 2019, including two co-opted trustees, none of whom were full time employees of the Museum and they were reimbursed with £3,968 in expenses (2018: £3,037). Four Trustees claimed expenses (2018: two).

Sickness absence

The Royal Air Force Museum employed 191 (2018: 193) members of staff as at 31 March 2019. Periods of sickness absence are recorded in full days. The average number of days of sickness absence was 1.50 days per person (2018: 2.68). Long term absences have been excluded. This paragraph is not subject to audit.

Pension Costs and Benefits

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

Pension benefits for a small number of longer serving staff are provided through the Civil Service pension arrangements. The Principal Civil Service Pension Scheme (PCSPS) 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 2012. Details can be found in the resource account of the Cabinet Office: Civil Superannuation (www.civilservice.gov.uk/pensions).

For 2018-19 employer's contributions of £85,640 were payable (2018: £93,379) through the PCSPS. The applicable rates for the PCSPS are shown below:

Gross Salary	Rate %
77,001 and over	24.5
45,501 – 77,000	22.1
23,001 – 45,500	20.9
Up to 23,000	20.0

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 30 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.

The real increase in Cash Equivalent Transfer Value (CETV) reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Reporting of civil service and other compensation schemes – exit packages

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

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	2 (2)	– (–)	2 (2)
£10,000–£25,000	– (–)	– (–)	– (–)
£25,000–£50,000	– (–)	1 (1)	1 (1)
£50,000–£75,000	– (–)	– (–)	– (–)
Total number of exit packages	2 (2)	1 (1)	3 (3)
Total resource cost/ £	5,611 (2,934)	48,042 (30,000)	53,653 (32,934)

Redundancy and other departure costs have, where appropriate, been 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 and not by the Civil Service pension scheme. Ill-health retirement costs are met by pension scheme and are not included in the table.

Other Staff Costs

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

Trade Union Facility Time

This is not subject to audit

Table 1

	Full-time equivalent	
	2018-19	2017-18
Number of employees who were relevant union officials during the relevant period		
2	1.2	1

Table 2

	Number of employees	
	2018-19	2017-18
Percentage of time		
0	-	-
1-50%	2	1
51%-99%	-	-
100%	-	-

Table 3

	Figures	
	2018-19	2017-18
Total cost of facility time	£1,275	£1,203
Total pay bill	£5,305,000	£5,089,000
Percentage of the total pay bill spent on facility time	0%	0%

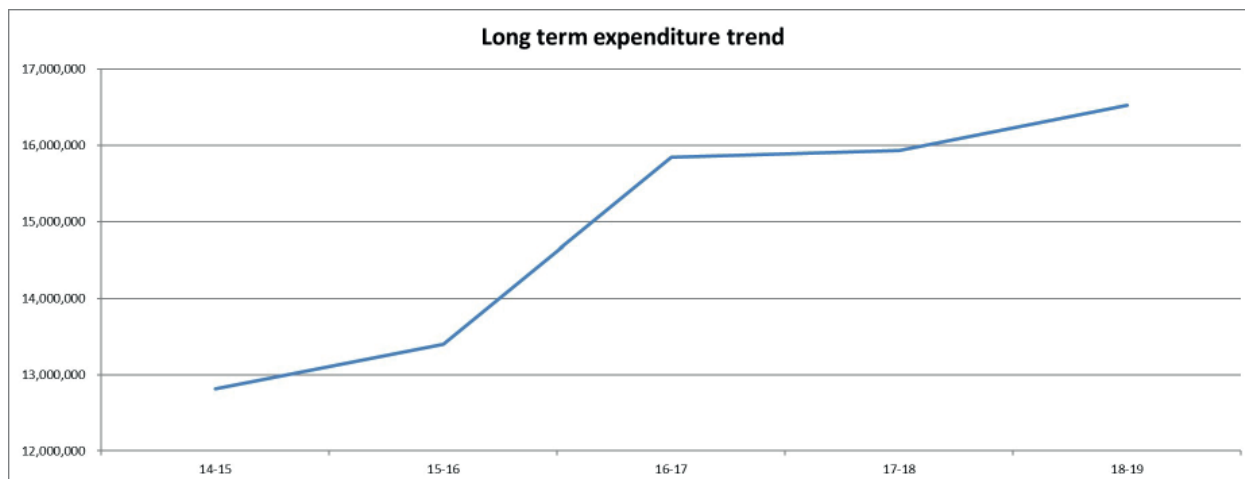
Table 4

	Percent	
	2018-19	2017-18
Time spent on paid trade union activities as a percentage of total paid facility time	1%	1%

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 over the past five years is a result of both cost inflation and the additional projects the Museum has embarked upon to improve our visitor experience, such as First World War in the Air exhibition and the wider RAF Centenary Programme. These projects have been funded from self-generated income, donations and sponsorship.

ACM Sir Andrew Pulford KCB CBE ADC
Chair
on behalf of the Board of Trustees

8 July 2019

Maggie Appleton MBE
Chief Executive Officer and Accounting Officer
Royal Air Force Museum

8 July 2019

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

Opinion on financial statements

I certify that I have audited the financial statements of Royal Air Force Museum for the year ended 31 March 2019 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as adopted by the European Union. I have also audited the information in the Remuneration and Staff Report, and the Parliamentary accountability and audit report disclosures that are described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the group's and of Royal Air Force Museum's affairs as at 31 March 2019 and of its incoming resources and application of resources for the year then ended; and
- the financial statements have been properly prepared in accordance with the Charities Act 2011 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects 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.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Royal Air Force Museum in accordance with the ethical requirements that are relevant to my audit and 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.

Conclusions relating to going concern

I am required to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the Royal Air Force Museum's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern. I have nothing to report in these respects.

Respective responsibilities of the Board of Trustees and Chief Executive Officer

As explained more fully in the Statement of Board of Trustees' and Chief Executive Officer's Responsibilities, the Trustees and the Chief Executive Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the Royal Air Force Museum's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the Royal Air Force Museum's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

Other Information

The Board of Trustees' and Chief Executive Officer are responsible for the other information. The other information comprises information included in the Annual Report, other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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, and the Parliamentary accountability and audit report disclosures to be audited have been properly prepared in accordance with Secretary of State directions made under the Charities Act 2011; and
- in the light of the knowledge and understanding of the group and the parent and its environment obtained in the course of the audit, I have not identified any material misstatements in the Annual Report; and
- the information given in the Annual Report which we provide a positive consistency opinion on for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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 or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration and Staff Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Corporate Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

9 July 2019

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

Consolidated Statement of Financial Activities for the year ended 31 March 2019

		Unrestricted Funds 2019 £'000	Restricted Funds 2019 £'000	Total Funds 2019 £'000	Unrestricted Funds 2018 £'000	Restricted Funds 2018 £'000	Total Funds 2018 £'000
	Notes						
Income from							
Donations and legacies							
Grant in aid		9,273	–	9,273	9,139	–	9,139
Grants and donations	3	281	3,618	3,899	191	9,098	9,289
Charitable activities		102	–	102	72	–	72
Other trading activities							
Trading income	4b	3,037	117	3,154	2,388	77	2,465
Fundraising events		138	10	148	63	27	90
Sponsorships		–	410	410	–	538	538
Share of RAF100 Appeal gain	4b	–	83	83	–	105	105
Investments		9	18	27	2	10	12
Other		466	–	466	611	1	612
Total income		13,306	4,256	17,562	12,466	9,856	22,322
Expenditure on							
Raising funds							
Fundraising	5	867	–	867	550	–	550
Trading	4b	2,796	–	2,796	2,349	–	2,349
Charitable activities							
Interpret the RAF story	5	8,256	1,525	9,781	8,365	1,226	9,591
Focus the collection	5	1,968	–	1,968	2,185	–	2,185
Invest in the Museum	5	990	133	1,123	1,257	–	1,257
Total expenditure		14,877	1,658	16,535	14,706	1,226	15,932
Net gains/(losses) on investments		–	–	–	–	–	–
Net income (expenditure)		(1,571)	2,598	1,027	(2,240)	8,630	6,390
Transfers between funds	15	5,938	(5,938)	–	12,306	(12,306)	–
Other recognised gains and losses							
Gains/(losses) on revaluation of fixed assets	7a	1,239	–	1,239	15,466	–	15,466
Net movement in funds		5,606	(3,340)	2,266	25,532	(3,676)	21,856
Reconciliation of funds							
Total funds brought forward at 1 April 2018		107,611	11,278	118,889	82,079	14,954	97,033
Total funds carried forward at 31 March 2019		113,217	7,938	121,155	107,611	11,278	118,889

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

The notes on pages 33 to 50 form part of these financial statements.

Consolidated and Charity Balance Sheet as at 31 March 2019

	Notes	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Fixed assets					
Tangible assets	7a	92,843	91,009	92,843	91,009
Heritage Assets	7b	21,625	21,125	21,625	21,125
Investments	4a	-	-	100	100
Investment in RAF100 Appeal	4b	678	595	678	595
Total Fixed Assets		115,146	112,729	115,246	112,829
Current assets					
Stock	8	212	163	-	-
Debtors	9	1,081	1,937	1,768	2,283
Investments	10	2	2	2	2
Cash at bank and in hand	11	7,212	9,079	6,357	8,533
Total Current Assets		8,507	11,181	8,127	10,818
Liabilities					
Creditors: Amounts falling due within one year	12	2,013	4,516	1,733	4,253
Net Current Assets		6,494	6,665	6,394	6,565
Creditors: Amounts falling due after more than one year	12	485	505	485	505
Net Assets/Liabilities		121,155	118,889	121,155	118,889
The funds of the charity					
Unrestricted funds	15	113,217	107,611	113,147	107,456
Restricted funds	15	7,938	11,278	8,008	11,433
		121,155	118,889	121,155	118,889

The notes on pages 33 to 50 form part of these financial statements.

Approved by the Board of Trustees 8 July 2019 and signed on its behalf by:

Air Chief Marshal Sir Andrew Pulford KCB CBE ADC
Chair
on behalf of Trustees

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

Consolidated Cash Flow Statement for the year ended 31 March 2019

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

	2019	2018
	£'000	£'000
Net Incoming Resources	1,027	6,390
Interest receivable	(27)	(12)
Interest payable	–	36
Depreciation of tangible assets	3,025	(2,354)
(Profit)/loss on disposal of assets	–	779
Donnated Assets	(538)	–
(Gain)/Loss on investment	(83)	(105)
(Increase) / decrease in stocks	(49)	(4)
(Increase) / decrease in debtors	856	2,355
(Decrease) / increase in creditors	(2,523)	2,647
Net cash provided by operating activities	<u>1,688</u>	<u>14,440</u>
Cash flows from investing activities		
Bank interest received	27	12
Finance charges paid	–	(36)
Cash inflows from new borrowing	–	3,500
Repayment of borrowing	–	(4,060)
Purchase of tangible fixed assets	(3,582)	(12,668)
Investment in Joint Venture	–	25
Net cash used in investing activities	<u>(3,555)</u>	<u>(13,227)</u>
Change in cash and cash equivalents	<u>(1,867)</u>	<u>1,213</u>
Cash and cash equivalents at 1 April 2018	<u>9,079</u>	<u>7,866</u>
Cash and cash equivalents at 31 March 2019	<u>7,212</u>	<u>9,079</u>

The notes on pages 33 to 50 form part of these financial statements.

Notes to the Financial Statements for the year ended 31 March 2019

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 2015) and with the Accounts Direction issued by HM Treasury (pages 30 to 32).

Basis of consolidation

Consolidated financial statements have been prepared for the year ended 31 March 2019 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.

Going concern

The Trustees have presented the accounts on a going concern basis. This assumes that the Museum is able to meet its liabilities as they fall due for the foreseeable future and that current and future funding will be adequate for the charity's needs. We have considered a period of twelve months from the date of approval of the financial statements in accordance with accounting conventions. In coming to their conclusion the Trustees have considered monthly forecast levels of income and expenditure and underlying assumptions. The over-riding assumption is that the funding from the Ministry of Defence 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 a going concern basis.

Income

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

Income from commercial activities is included in the year in which the related goods or services are provided.

Expenditure

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

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

Termination payments

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

Fund accounting

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

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

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

Tangible fixed assets

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

Depreciation is provided straight line at rates calculated to write off the value of each asset over its expected useful life, as follows:

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

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

Impairment

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

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

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 a number of very strict policies on Heritage Asset acquisition, preservation and maintenance and disposals. The full list can be obtained from the RAF Museum Website, following the link: www.rafmuseum.org.uk/london/policy-performance/collections.cfm

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 (catalogued and entered on the database), and the un-accessioned collection (not yet recorded).

Heritage assets valued over the capitalisation threshold which have been accessioned in to 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 was to deploy internal resources to the task of valuation in respect of those exhibits which were added to the collection before 2001, and which represent a materially significant part of the 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 from pre-2001 period were added to the total value of all exhibits as at 31 March 2001. The exhibits 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.

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 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 arrangements. The assets of the scheme are held separately from those of the charity. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS scheme is an unfunded multi-employer defined benefit scheme but the RAFM 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. The PCSPS has four sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% of pensionable earnings.. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% up to 30 September 2015 and 8% and 14.75% from 1 October 2015 (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary up to 30 September 2015 and 0.5% of pensionable salary from 1 October 2015 to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website: www.civilservicepensionscheme.org.uk.

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 31st March 2019 was £nil (2018: £nil).

3 Grants and donations

	Unrestricted Funds 2019 £'000	Restricted Funds 2019 £'000	Total Funds 2019 £'000	Unrestricted Funds 2018 £'000	Restricted Funds 2018 £'000	Total Funds 2018 £'000
Donated Heritage Assets	–	490	490	–	46	46
NLHF for First World War in the Air	–	45	45	–	79	79
NLHF for Centenary Programme	–	3,022	3,022	–	2,521	2,521
State of Kuwait for Centenary Programme	–	–	–	–	4,880	4,880
Other Donations for Centenary Programme	–	1	1	–	1,185	1,185
Other Donations for First World War in the Air	–	–	–	–	48	48
Cosford Air Show Donation	–	–	–	–	7	7
STAAR Programme	–	–	–	–	247	247
Gifts in Kind	47	–	47	–	–	–
RAFMAF Learning Fund	–	35	35	–	–	–
Other	234	25	259	191	85	276
	<u>281</u>	<u>3,618</u>	<u>3,899</u>	<u>191</u>	<u>9,098</u>	<u>9,289</u>

4a Investment in subsidiary undertakings and joint ventures

Of the investment of £100,002 (2017: £100,002), £100,000 represents the charity's interest in 100% of the issued share capital of Royal Air Force Museum Enterprises Limited (company number 1511481) which is incorporated in England and Wales and operates souvenir shops and other trading activities at Hendon and Cosford. The company's aggregate capital and reserves were as follows:

	2019	2018
	£'000	£'000
The assets and liabilities of the subsidiary were:		
Current assets	1,574	1,219
Creditors: amounts falling due within one year	(1,474)	(1,119)
	100	100
	2019	2018
	£'000	£'000
At 1 April, 2018	100	100
Profit/(Loss) retained in subsidiary	-	-
At 31 March, 2019	100	100

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 have assessed that the subsidiary is a going concern and the Trustees are content, therefore, that the investment in the subsidiary retains its value.

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

4b Income from subsidiaries and joint ventures

RAF100 Appeal	RAF Museum share			
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Income				
Donations	655	26	131	5
Sponsorship	59	1,995	12	399
Publications	4	30	1	6
Interest	-	4	-	1
Other	459	38	91	8
Total	1,177	2,093	235	419
Expenditure				
Raising Funds	611	170	122	34
Charitable activities	151	1,399	30	280
Total	762	1,569	152	314
Net income/(expenditure)	415	524	83	105

As at 31 March 2019, the Museums share of the RAF100 Appeal's assets was £682,000 (2018: £,000). The Museum owed the joint venture £216,000 as at 31 March 2019 (2018: £77,000) and the joint venture had not entered into any capital commitments as at 31 March 2019 (2018: £nil).

Royal Air Force Museum Enterprises Limited	2019	2018
	£'000	£'000
Turnover	3,154	6,759
Cost of sales, administrative expenses and taxation.	(2,796)	(6,644)
	358	115
Interest receivable	1	-
Net Profit/(Loss)	359	115
Gift Aid to RAF Museum	(359)	(115)
Surplus (Deficit) in subsidiary	-	-

The difference between the trading income and expenditure on the SoFa in the prior year and as disclosed above is attributable to intragroup eliminations.

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 2019 £'000	Total 2018 £'000
Fundraising	776	89	2	867	550
Trading	2,796	–	–	2,796	2,349
Interpret the RAF story	6,346	1,065	2,370	9,781	9,591
Focus the collection	1,154	189	625	1,968	2,185
Invest in the museum	1,029	94	–	1,123	1,257
Total	12,101	1,437	2,997	16,535	15,932

	Fundraising £'000	Trading £'000	Interpret the RAF story £'000	Focus the collection £'000	Invest in the museum £'000	Total 2019 £'000	Total 2018 £'000	Allocation method
Finance	13	–	106	19	17	155	132	Expenditure
IT	14	–	310	45	–	369	195	Number of staff
HR	4	–	88	13	–	105	101	Number of staff
Estates	0	–	84	25	–	109	150	Floor space
Administration	25	–	208	38	34	305	482	Expenditure
Governance	33	–	269	49	43	394	449	Expenditure
	89	–	1,065	189	94	1,437	1,509	

The National Audit Office audit fee of £25,000 (2018: £23,500) is included within governance costs.

6 Staff costs and numbers

	2019 £'000	2018 £'000
Salaries and wages	4,579	4,451
Temporary agency staff	22	10
Social security costs	441	417
Pension costs	263	211
	5,305	5,089

The above costs exclude the trading subsidiary.

The average number of employees in the Museum during the year was 191 (2018: 193). FTE equivalent was 174 (2018: 178).

Employees whose emoluments amounted to over £60,000.

	2019	2018
70,001 - 80,000	3	1
100,001 - 110,000	1	1

7a Tangible fixed assets – group and charity

	Freehold property	Leasehold Property	Permanent Exhibitions	Fixtures, Fittings & Equipment	Plant, Machinery & Vehicles	Assets under Construction	Heritage Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation								
At 1 April 2018	71,086	16,203	750	1,451	520	3,172	21,125	114,307
Additions	718	3	1,444	1,223	90	141	500	4,119
Transfers	–	–	2,612	498	62	(3,172)	–	–
Disposals	–	–	–	–	–	–	–	–
Revaluations	1,066	167	10	5	2	–	–	1,250
At 31 March 2019	<u>72,870</u>	<u>16,373</u>	<u>4,816</u>	<u>3,177</u>	<u>674</u>	<u>141</u>	<u>21,625</u>	<u>119,676</u>
Depreciation								
At 1 April 2018	–	–	494	1,198	480	–	–	2,172
Charged in the year	1,433	792	441	332	27	–	–	3,025
Disposals	–	–	–	–	–	–	–	–
Revaluations	–	–	6	4	1	–	–	11
At 31 March 2019	<u>1,433</u>	<u>792</u>	<u>941</u>	<u>1,534</u>	<u>508</u>	<u>–</u>	<u>–</u>	<u>5,208</u>
Net Book Value								
At 31 March 2019	<u>71,437</u>	<u>15,581</u>	<u>3,875</u>	<u>1,643</u>	<u>166</u>	<u>141</u>	<u>21,625</u>	<u>114,468</u>
At 1 April 2018	<u>71,086</u>	<u>16,203</u>	<u>256</u>	<u>253</u>	<u>40</u>	<u>3,172</u>	<u>21,125</u>	<u>112,134</u>

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

The freehold and leasehold properties comprising the RAF Museum Estate were valued as at 31 March 2018 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standard 2017 and the national standards and guidance set out in RICS Valuation – Professional Standards UK January 2014 (revised 2015), and Financial Reporting Standard (FRS) 102. The valuation of the non-specialised properties was undertaken on a Fair Value basis, on the assumption of continuation of the existing use. Specialised properties were valued by reference to Depreciated Replacement Cost (DRC).

On the 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.

The Museum have introduced a new category of tangible fixed assets for 2018-19: permanent exhibitions, to reflect the new exhibitions opened in 2018-19. Fixtures and Fittings of NBV £256k (GBV £750k) were transferred into Permanent Exhibitions as at 1st April 2018 as these balances were better aligned with this new category.

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

The valuation of the Trenchard Archive has been provided by Arts Council England and represents the tax settled value of the donation in line with agreed Acceptance in Lieu methodology.

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 (for donated exhibits). At 31st March 2019 the book value comprised:

	2019	2018
	£'000	£'000
Heritage Assets recorded at Cost	2,523	2,513
Heritage Assets recorded at Valuation	19,102	18,612
Total book value of Heritage Assets	<u>21,625</u>	<u>21,125</u>

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

	2019	2018
	£'000	£'000
Aircraft and Aircraft Parts	17,777	17,777
Medals and Commemorative items	1,549	1,549
Artwork	1,027	1,017
Archives	729	239
Vehicles and Marine Craft	319	319
Models	84	84
Other	140	140
Total	<u>21,625</u>	<u>21,125</u>

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

Year ended	31.03.2015	31.03.2016	31.03.2017	31.03.2018	31.03.2019
	£'000	£'000	£'000	£'000	£'000
Book Value Brought Forward	21,005	21,061	21,202	21,156	21,125
Add Acquisitions					
Purchased at cost	16	205	–	8	10
Donated at valuation	40	8	25	46	490
Total Acquisitions	56	213	25	54	500
Revaluations	–	–	–	–	–
Disposals	–	(72)	(71)	(85)	–
Book Value Carried Forward	<u>21,061</u>	<u>21,202</u>	<u>21,156</u>	<u>21,125</u>	<u>21,625</u>

8 Stock

	Group		Charity	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Goods for resale	212	163	–	–

9 Debtors

	Group		Charity	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Trade debtors	302	120	206	47
Amounts due from subsidiary undertaking	–	–	800	704
Other debtors	449	1,531	163	1,248
Prepayments and accrued income	330	286	240	169
Gift Aid from the subsidiary	–	–	359	115
	1,081	1,937	1,768	2,283

10 Investments – group and charity

	2019	2018
	£'000	£'000
Quoted investments:		
Market value on 1 April 2018	2	2
Additions	–	–
Disposals	–	–
Realised gain on disposal	–	–
Unrealised investment (losses)/gains	–	–
Market value at 31 March 2019	<u>2</u>	<u>2</u>
Historical cost at 31 March 2019	<u>2</u>	<u>2</u>

11 Cash at bank and in hand

	Group		Charity	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Commercial bank accounts	7,197	9,064	6,351	8,525
Cash in hand	15	15	6	8
	<u>7,212</u>	<u>9,079</u>	<u>6,357</u>	<u>8,533</u>

12 Creditors

	Group		Charity	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade creditors	1,066	2,457	969	2,375
Taxation and social security	117	115	106	105
Other creditors	21	18	19	17
Accruals and deferred income	809	1,926	639	1,756
	<u>2,013</u>	<u>4,516</u>	<u>1,733</u>	<u>4,253</u>
Amounts falling after more than one year				
Accruals and deferred income	485	505	485	505
	<u>485</u>	<u>505</u>	<u>485</u>	<u>505</u>

13 Reconciliation of group net cash flow to movement in group net funds

	2019	2018
	£'000	£'000
(Decrease)/increase in cash in period	(1,867)	1,211
Cash inflow from investment dividends	-	-
Change in net funds resulting from cash flow	<u>(1,867)</u>	<u>1,211</u>
Disposal of Liquid Resources	-	-
Change in market value of liquid resources(Realised Profit)	-	-
Net funds at 1 April 2018	9,079	7,868
Net funds at 31 March 2019	<u>7,212</u>	<u>9,079</u>

14 Analysis of group net funds

	1 April 2018	Cash flow	Other changes	31 March 2019
	£'000	£'000	£'000	£'000
Cash at bank and in hand (See note 11)	9,079	(1,867)	-	7,212
Current asset investments	2	-	-	2
	<u>9,081</u>	<u>(1,867)</u>	<u>-</u>	<u>7,214</u>

15 Statement of group funds

	Unrestricted funds	Restricted funds	Total funds 2019	Unrestricted funds	Restricted funds	Total funds 2018
	£'000	£'000	£'000	£'000	£'000	£'000
Analysis of group net assets between funds						
Tangible fixed assets	108,804	5,664	114,468	103,879	8,255	112,134
Investments in joint ventures	-	678	678	-	595	595
Cash at bank and in hand	4,940	2,272	7,212	3,248	5,831	9,079
Other net current assets	(527)	(191)	(718)	484	(2,899)	(2,415)
Net non current assets	-	(485)	(485)	-	(505)	(505)
Total assets less liabilities	<u>113,217</u>	<u>7,938</u>	<u>121,155</u>	107,611	11,278	118,889
Net assets	<u>113,217</u>	<u>7,938</u>	<u>121,155</u>	107,611	11,278	118,889

Analysis of funds

	2018	Income	Expenditure	Revaluation	Transfers	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted funds						
Fixed assets	8,255	-	-	-	(2,591)	5,664
RAF Centenary Programme	1,634	3,451	(1,233)	-	(2,857)	995
RAF 100 Appeal	595	83	-	-	-	678
Cosford Sprinklers	24	-	-	-	-	24
Watchtower	315	2	(151)	-	-	166
First World War in the Air	-	45	(45)	-	-	-
Cosford Air Show	159	-	-	-	-	159
Cosford Large Model Aircraft Association	74	7	-	-	-	81
STAAR	184	-	(90)	-	-	94
Cosford Wifi	1	-	-	-	-	1
RAF100 Appeal Contribution Fund	-	139	(139)	-	-	-
RAFMAF Learning Fund	-	35	-	-	-	35
Donated Heritage Assets	-	490	-	-	(490)	-
Other	37	4	-	-	-	41
Total Restricted Funds	11,278	4,256	(1,658)	-	(5,938)	7,938
Unrestricted funds						
Fixed assets	59,440	-	(3,025)	-	6,710	63,125
Revaluation reserve	44,439	-	-	1,239	-	45,678
General	2,720	13,306	(11,852)	-	(2,181)	1,993
Designated funds						
Strategy to 2030 Fund	1,012	-	-	-	1,409	2,421
Total Unrestricted Funds	107,611	13,306	(14,877)	1,239	5,938	113,217
Total Funds	118,889	17,562	(16,535)	1,239	-	121,155

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.

Cosford sprinklers - a grant from the Ministry of Defence for the installation of a sprinkler system at the Cosford site.

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

First World War in the Air - various grants and donations towards the renovation of the Grahame White Factory and First World War in the Air exhibition.

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.

Cosford Air Show - donations received relating to the Cosford Air Show which are restricted for use at the Cosford Site.

Cosford Large Model Aircraft Association - donations received relating to the Large Model Aircraft show which are restricted for use at the Cosford site.

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

Cosford wifi - a grant from the Aerospace Museum Society to install wifi at the Cosford site.

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

RAF100 Appeal Contribution Fund - income generated related to RAF100 that the Museum is due to contribute to the RAF100 Appeal.

RAFMAF Learning Fund - grants from RAFMAF to support Access and Learning activities

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

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 to 2030 Fund - referred to in prior year as the Centenary Legacy Development Fund (and renamed to reflect the new strategic plan) will support 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.

Transfers

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

16 Commitments

	Group and charity	
	2019	2018
Operating lease commitments due:	£'000	£'000
Plant and machinery:		
within one year	5	20
in the second to fifth years	2	46
Land and Buildings:		
within one year	530	588
in the second to fifth years	2,120	2,352
after five years	5,547	7,003
	<u>8,204</u>	<u>10,009</u>

The Museum paid £551,000 under operating lease arrangements in the year to 31 March 2019 (2018: £608,000).

Capital Commitments

As at 31 March 2019, the Museum had capital contracts in place totalling £516,000 (2018 £2,163,000).

All contracts related to either the RAF Centenary Programme or related additional projects to support the Strategy to 2030.

17 Related parties

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

Royal Air Force Museum Enterprises Ltd

The relationship of the Museum to the company is disclosed in Note 4, and the balances due from the company at the year end 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 20% partner in the RAF100 Appeal joint venture. Maggie Appleton (Chief Executive Officer) is also a Director of RAF 100. The Museum owed the joint venture £216k as at 31 March 2019 (2018: £77,000) for royalties relating to the sale of RAF100 branded merchandise.

Colindale Communities Trust

Karen Whitting (Director of Content and Programmes) is a Trustee of Colindale Communities Trust (CCT). The Museum made a £18,000 (2018: £10,000) grant to CCT towards a Community Engagement Officer staff post as part of its Heritage Lottery Fund commitment.

The Trustees' involvement with the RAF Museum Enterprises Ltd and the RAF Museum Investments Ltd is disclosed in the Governance statement on page 9.

18 Contingent liabilities

There were no contingent liabilities as at 31 March 2019 (2018: Nil)

19 Post balance sheet events

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

There were no other post balance sheet events.

20 Single entity statement of financial activities for the year ended 31 March 2019

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £
Income from						
Donations and legacies						
Grant in aid	9,273	–	9,273	9,139	–	9,139
Grants and donations	608	3,650	4,258	191	9,213	9,404
Charitable activities	102	–	102	4,687	–	4,687
Other trading activities						
Fundraising events	138	10	148	63	27	90
Sponsorships	–	410	410	–	538	538
Share of RAF100 Appeal gain	–	83	83	–	105	105
Investments	9	18	27	2	10	12
Other	946	–	946	716	1	717
Total income	11,076	4,171	15,247	14,798	9,894	24,692
Expenditure on						
Raising funds						
Fundraising	888	–	888	559	–	559
Charitable activities						
Interpret the RAF story	8,645	1,525	10,170	13,013	1,226	14,239
Focus the collection	2,018	–	2,018	2,230	–	2,230
Invest in the Museum	1,011	133	1,144	1,273	–	1,273
Total expenditure	12,562	1,658	14,220	17,075	1,226	18,301
Net gains/(losses) on investments	–	–	–	–	–	–
Net income/(expenditure)	(1,486)	2,513	1,027	(2,277)	8,668	6,391
Transfers between funds	5,938	(5,938)	–	12,306	(12,306)	–
Other recognised gains and losses						
Gains/(losses) on revaluation of fixed assets	1,239	–	1,239	15,466	–	15,466
Net movement in funds	5,691	(3,425)	2,266	25,495	(3,639)	21,856
Reconciliation of funds						
Total funds brought forward at 1 April 2018	107,456	11,433	118,889	81,961	15,072	97,033
Total funds carried forward at 31 March 2019	113,147	8,008	121,155	107,456	11,433	118,889

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

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