

**ROYAL AIR FORCE MUSEUM ENTERPRISES LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

Company Registration No. 1511481

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# ROYAL AIR FORCE MUSEUM ENTERPRISES LIMITED

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# ROYAL AIR FORCE MUSEUM ENTERPRISES LIMITED

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## COMPANY DETAILS

### DIRECTORS

#### Non-executive

Jonathan Field (Chair)  
John Banks (appointed 25 November 2021)  
Samantha Bunis (appointed 21 June 2021)  
Julie Dixon (appointed 21 June 2021)  
Lord David Evans of Watford (resigned 21 June 2021)  
Richard Holman (resigned 21 June 2021)  
Catriona Lougher (resigned 17 May 2021)  
Julie McGarvey (appointed 21 June 2021)  
Sean Newmarch (appointed 21 June 2021)  
Nicola Ratcliffe (appointed 21 June 2021)  
Michael Schindler (resigned 21 June 2021)  
Dominique Sidley (appointed 21 May 2021)

#### Executive

Maggie Appleton

### COMPANY NUMBER

1511481 (England and Wales)

### REGISTERED OFFICE

The Royal Air Force Museum,  
Grahame Park Way,  
Hendon,  
London,  
NW9 5LL

### AUDITORS

Hillier Hopkins LLP  
Radius House  
51 Clarendon Road  
Watford, Hertfordshire  
WD17 1HP

### BANKERS

Barclays Bank Plc  
PO Box 12820  
Whetstone  
London  
N20 0WE

# ROYAL AIR FORCE MUSEUM ENTERPRISES LIMITED

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## DIRECTORS' REPORT

The Directors submit their report and the financial statements of the Royal Air Force Museum Enterprises Limited for the year ended 31 March 2022.

### PRINCIPAL ACTIVITIES

Royal Air Force Museum Enterprises Ltd has been established as a wholly owned trading subsidiary of the Royal Air Force Museum. The Company (no. 1511481) is registered in England and Wales and manages the commercial (non-primary purpose trading) activities associated with the Royal Air Force Museum, a registered charity in England and Wales (no.0244708).

Royal Air Force Museum Enterprises Ltd manages its commercial activities for the benefit of the charity and all profits will be gift-aided to the Royal Air Force Museum on an annual basis, as agreed in a Deed of Covenant between the parties. The principal activities of the Company during the period were conducting trading operations (including retail, corporate and public events, catering, car-parking, and hire of conferencing facilities and meeting-rooms) at the London and Cosford sites, and the provision of exhibition management services for the Royal Air Force Museum.

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Royal Air Force Museum Enterprises Ltd reports a profit for the year of £349,083 before tax (2021: £275,257 loss before tax). Results show a significant improvement year on year due to the more severe impact of the COVID-19 pandemic on the prior year, which resulted in the closure of both public sites for more than seven months during three separate lockdowns. However, during 2021-22 we were able to reopen both sites to the public on 17 May 2021 and remain open, welcoming a total of 549,467 visitors (2021: 191,360) over the remainder of the year. A highly successful summer saw visitor numbers back to their pre-COVID levels, before reducing again with the impact of the Omicron variant on visitor confidence over the winter period. The Directors of the Royal Air Force Museum Enterprises Limited have assessed that the Company is a going concern.

Turnover of £2,970,012 is reported for the year (2021: £1,850,926) with the increase on prior year (and corresponding increase in cost of sales) due to the impact of higher visitor numbers on commercial activity. Since reopening to the public, the retail businesses showed positive trends in visitor spend and conversion rates that we expect to sustain in the year ahead, supported by the introduction during the pandemic period of a pre-booking system. Our catering operations and commercial experiences were able to operate with limited offerings initially, expanding their range as restrictions were lifted. However, our major public events, such as the Food Festival, Vintage Festival, and other large scale public events were all cancelled during 2021-22. Commercial events were limited to a few filming hires at the Museum, including BBC's Question Time at the London site, and some smaller events.

At the start of the year some retail and events staff remained on flexible furlough until the Museum reopened on 17 May. The Company received Job Retention Scheme Grants of £56,216 (2021: £123,000) during this period. The Company topped up the salaries of furloughed staff to 100%.

The Company provided exhibition management services for the Royal Air Force Museum in connection with our permanent displays opened at both sites sharing the story of the Battle of Britain. The Company also signed production agreements with the Royal Air Force Museum for Bomber Command Exhibitions and Interwar Exhibitions at both sites and a touring Spitfire Exhibition.

## ROYAL AIR FORCE MUSEUM ENTERPRISES LIMITED

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During 2021-22, Her Majesty the Queen honoured the Royal Air Force Museum by granting the petition for a Royal Charter, creating a new legal entity and associated charity number and a deed was signed by the Trustees of the Royal Air Force Museum to transfer all operations, assets and liabilities of the unincorporated trust, The Royal Air Force Museum (Registered Charity Number 244708) to a to a new incorporated charity of the same name with Royal Charter status (RC000922, Registered Charity Number 1197541) effective 1 April 2022. Only prestigious institutions considered to be pre-eminent leaders in their field, and able to demonstrate permanence, are eligible to be considered. The granting of a Charter will not only provide an appropriate governance structure to underpin the Museum's financial health and sustainability (affording the benefits of a company limited by guarantee but with the added reputational gravitas that Charter status brings). It is also an affirmation of the national importance of the Museum and our collective vision of inspiring everyone with the RAF story. Effective 1 April 2022, the shares held by nominees on behalf of the trust were transferred to the Royal Charter company, which became the sole shareholder of the Royal Air Force Enterprises Ltd company. Directors of the subsidiary company and Trustees of the Museum also took the opportunity to review the governance documents in place between the Museum and Royal Air Force Enterprises Ltd, aligning the terms of office, and modernising the language of the Articles of Association, adopted by written resolution on 1 April 2022.

### RESULTS AND DIVIDENDS

The profit after taxation for the year was £354,267 (2021: £214,143 loss). After the distribution of £140,124 Gift Aid to the Royal Air Force Museum, the retained profit in the Company was £nil (2021: accumulated deficit £214,143).

### DIRECTORS

No Director held any beneficial interest in the shares of the Company at any time during the year.

### CHARITABLE CONTRIBUTIONS

Other than those made to the parent charity, during the year the Company made no charitable contributions.

### DIRECTORS' RESPONSIBILITIES IN PREPARATION OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

## **ROYAL AIR FORCE MUSEUM ENTERPRISES LIMITED**

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The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **STATEMENT OF DISCLOSURE TO AUDITOR**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **AUDITORS**

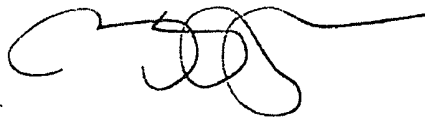
The auditor, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

### **BASIS OF PREPARATION**

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

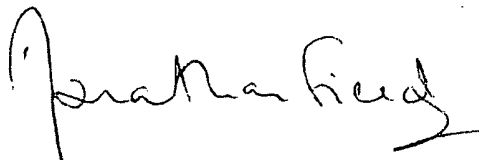
### **BY ORDER OF THE BOARD**

**Maggie Appleton**  
Director



Date: 13 June 2022

**Jonathan Field**  
Chair



Date: 13 June 2022

# ROYAL AIR FORCE MUSEUM ENTERPRISES LIMITED

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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

### ROYAL AIR FORCE MUSEUM ENTERPRISES LIMITED

We have audited the financial statements of Royal Air Force Museum Enterprises Limited (the 'Company') for the year ended 31<sup>st</sup> March 2022, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditors' responsibilities for the audit of the financial statements**

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

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



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- the nature of the industry and sector, control environment and business performance including the remuneration incentives and pressures of key management;
- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We consider the results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and relevant tax legislation.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

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### Use of our report

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



Alexander Bottom ACA (Senior statutory auditor)

for and on behalf of  
Hillier Hopkins LLP

Chartered Accountants  
Statutory Auditor

Radius House  
51 Clarendon Road  
Watford  
Herts  
WD17 1HP

Date: 

Company Registration No 1511481

# ROYAL AIR FORCE MUSEUM ENTERPRISES LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

|                                                                                        | Notes | <u>2022</u>           | <u>2021</u>             |
|----------------------------------------------------------------------------------------|-------|-----------------------|-------------------------|
|                                                                                        |       | £                     | £                       |
| <b>TURNOVER</b>                                                                        | 2     | 2,970,012             | 1,850,926               |
| Cost of sales                                                                          |       | <u>(956,078)</u>      | <u>(891,806)</u>        |
|                                                                                        |       | <b>2,013,934</b>      | <b>959,120</b>          |
| Other operating income                                                                 | 3     | 56,216                | 122,546                 |
| Other operating expenses                                                               |       | <u>(1,721,108)</u>    | <u>(1,356,960)</u>      |
| <b>OPERATING PROFIT/(LOSS)</b>                                                         |       | <b>349,042</b>        | <b>(275,294)</b>        |
| Investment income                                                                      | 4     | <u>41</u>             | <u>37</u>               |
| <b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE<br/>TAXATION ON ORDINARY ACTIVITIES</b> |       | <b><u>349,083</u></b> | <b><u>(275,257)</u></b> |
| <b>PROFIT BEFORE TAXATION</b>                                                          |       | <b>349,083</b>        | <b>(275,257)</b>        |
| Taxation                                                                               |       | <u>5,184</u>          | <u>61,114</u>           |
| <b>PROFIT/(LOSS) FOR THE YEAR<br/>AFTER TAXATION</b>                                   |       | <b><u>354,267</u></b> | <b><u>(214,143)</u></b> |

There was no other comprehensive income for 2022 (2021: £nil).

All income is derived from continuing activities.

The notes on pages 12 to 16 form part of these accounts.

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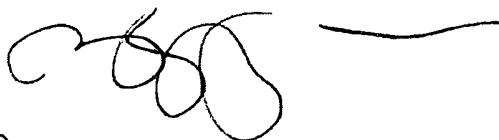
## BALANCE SHEET AS AT 31 MARCH 2022

|                                                       | Notes | 2022             | 2021             |
|-------------------------------------------------------|-------|------------------|------------------|
|                                                       |       | £                | £                |
| <b>CURRENT ASSETS</b>                                 |       |                  |                  |
| Stocks                                                |       | 245,253          | 267,384          |
| Debtors                                               | 7     | 164,221          | 181,693          |
| Cash at bank and in hand                              | 9     | 451,658          | 277,156          |
|                                                       |       | <u>861,132</u>   | <u>726,233</u>   |
| <b>CREDITORS:</b> Amounts falling due within one year | 8     | <u>(761,132)</u> | <u>(840,376)</u> |
| <b>NET CURRENT ASSETS/(LIABILITIES)</b>               |       | <u>100,000</u>   | <u>(114,143)</u> |
| <b>NET ASSETS/(LIABILITIES)</b>                       |       | <u>100,000</u>   | <u>(114,143)</u> |
| <b>CAPITAL AND RESERVES</b>                           |       |                  |                  |
| Called up share capital                               |       | 100,000          | 100,000          |
| Profit and loss account                               |       |                  | (214,143)        |
| <b>SHAREHOLDERS' FUNDS</b>                            |       | <u>100,000</u>   | <u>(114,143)</u> |

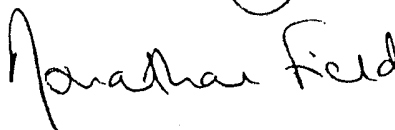
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A small entities.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 13 June 2022

Maggie Appleton - Director



Jonathan Field - Chair



Company Registration No 1511481

## ROYAL AIR FORCE MUSEUM ENTERPRISES LIMITED

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### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

|                             | Called-up Share<br>Capital<br>£ | Profit and Loss<br>Account<br>£ | Total<br>Equity<br>£ |
|-----------------------------|---------------------------------|---------------------------------|----------------------|
| At 1 April 2020             | 100,000                         |                                 | 100,000              |
| Loss for the year           |                                 | (214,143)                       | (214,143)            |
| Gift Aid Payments           |                                 |                                 |                      |
| Balance as at 31 March 2021 | 100,000                         | (214,143)                       | (114,143)            |
| Profit for the year         |                                 | 354,267                         | 354,267              |
| Gift Aid Payments           |                                 | (140,124)                       | (140,124)            |
| Balance as at 31 March 2022 | 100,000                         |                                 | 100,000              |

# ROYAL AIR FORCE MUSEUM ENTERPRISES LIMITED

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## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

### 1. ACCOUNTING POLICIES.

#### 1.1 GENERAL INFORMATION

Royal Air Force Museum Enterprises Limited is a private limited company incorporated in England, United Kingdom. It is a wholly owned subsidiary of the Royal Air Force Museum. The Company's registered office is:

The Royal Air Force Museum,  
Grahame Park Way,  
Hendon,  
London,  
NW9 5LL

#### 1.2 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

#### 1.3 GOING CONCERN

The Directors 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 Company'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 Directors have considered monthly forecast levels of income and expenditure and underlying assumptions. Having carefully considered the forecasts and assumptions the Directors are content to present the accounts on a going concern basis. The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future.

The following principal accounting policies have been applied:

#### 1.4 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably

### Government Grants

The Company accounts for government grants on an accruals basis and has elected to present receipts relating to government grants as Other Operating Income. During the year ended 31 March 2022, the Company has recognised grant income receipts from the UK Government's Coronavirus Job Retention Scheme of £56,216 (2021: £122,546).

### 1.5 TANGIBLE FIXED ASSETS

On 1 April 2017, ownership of Royal Air Force Museum Enterprises Limited's assets passed to the Royal Air Force Museum. The Company therefore does not hold any fixed assets, but pays the RAF Museum a fee for the use of its assets.

### 1.6 STOCK

Stocks are valued on bases which are consistent from one year to another. Stocks of goods purchased for resale and consumable stores are valued at the lower of cost and net realisable value.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

### 1.7 DEBTORS

Short term debtors are measured at transaction price, less any impairment.

### 1.8 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

### 1.9 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares

### 1.10 CREDITORS

Short term creditors are measured at the transaction price.

### 1.11 DEFINED CONTRIBUTION PENSION PLAN

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

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### 1.12 HOLIDAY PAY ACCRUAL

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance sheet date.

### 1.13 INTEREST INCOME

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

### 1.14 TAXATION

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income

### 1.15 RECHARGE OF COSTS

The Royal Air Force Museum, the Company's ultimate parent undertaking, charges the Company at cost, for all services provided to it. The Company raises a charge on the Museum on a similar basis. This has resulted in a net charge from the Museum to the Company of £660,000 for the year to 31st March 2022 [2021: £460,000].

## 2. TURNOVER

The Company's turnover was derived from its principal activity. Sales were made in the United Kingdom only.

## 3. OTHER OPERATING INCOME

The Company received government grants of £56,216 (2021: £122,546) under the Coronavirus Job Retention Scheme for staff placed on furlough during the year.

## 4. INVESTMENT INCOME

|                        | <u>2022</u> | <u>2021</u> |
|------------------------|-------------|-------------|
|                        | £           | £           |
| Bank interest received | 41          | 37          |



## ROYAL AIR FORCE MUSEUM ENTERPRISES LIMITED

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### 5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

|                        | <u>2022</u><br>£ | <u>2021</u><br>£ |
|------------------------|------------------|------------------|
| Auditors' remuneration | 10,050           | 9,200            |
| Pensions               | 24,604           | 21,818           |

### 6. EMPLOYEES

|                                                                                              | <u>2022</u><br>No. | <u>2021</u><br>No. |
|----------------------------------------------------------------------------------------------|--------------------|--------------------|
| The number of persons employed by the Company as at 31 March 2022 (including part-time) was: |                    |                    |
| Retailing                                                                                    | 35                 | 34                 |
| Corporate Events                                                                             | 2                  | 4                  |
|                                                                                              | <u>37</u>          | <u>38</u>          |

|                                    | <u>2022</u><br>£ | <u>2021</u><br>£ |
|------------------------------------|------------------|------------------|
| Staff costs for the above persons: |                  |                  |
| Wages and salaries                 | 697,662          | 631,067          |
| Social security costs              | 48,521           | 46,660           |
| Pensions                           | 24,604           | 21,818           |
|                                    | <u>770,787</u>   | <u>699,545</u>   |

### DIRECTORS' REMUNERATION

No remuneration was paid to any directors (2021: £nil).

### 7. DEBTORS

|                                    | <u>2022</u><br>£ | <u>2021</u><br>£ |
|------------------------------------|------------------|------------------|
| Trade debtors                      | 8,135            |                  |
| Amounts owed by parent undertaking |                  |                  |
| Corporation tax                    | 66,298           | 61,114           |
| VAT                                |                  | 9,137            |
| Prepayments and accrued income     | 89,788           | 111,442          |
|                                    | <u>164,221</u>   | <u>181,693</u>   |

## ROYAL AIR FORCE MUSEUM ENTERPRISES LIMITED

### 8. CREDITORS:

| Amounts falling due within one year      | <u>2022</u><br>£ | <u>2021</u><br>£ |
|------------------------------------------|------------------|------------------|
| Trade creditors                          | 28,955           | 21,730           |
| VAT                                      | 53,631           |                  |
| Other taxation and social security costs | 11,247           | 10,013           |
| Amounts owed to parent undertaking       | 353,325          | 680,276          |
| Gift Aid owed to parent undertaking      | 165,003          | 24,879           |
| Other creditors                          | 1,419            | 1,008            |
| Accruals and deferred income             | 147,552          | 102,470          |
|                                          | <u>761,132</u>   | <u>840,376</u>   |

### 9. FINANCIAL INSTRUMENTS

|                                                                | <u>2022</u><br>£ | <u>2021</u><br>£ |
|----------------------------------------------------------------|------------------|------------------|
| Financial assets                                               |                  |                  |
| Financial assets measured at fair value through profit or loss | 451,658          | 277,156          |

Financial assets measured at fair value through profit and loss comprise cash at bank and in hand.

### 10. ULTIMATE CONTROLLING PARTY

The parent body is the RAF Museum. The ultimate controlling party at 31 March 2022 were the Trustees of the RAF Museum.

### 11. PENSION COMMITMENT

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

The contributions made during the year totalled £24,604 (2021: £21,818). At the balance sheet date £1,418 (2021: £1,384) was due to the pension scheme.

### 12. POST BALANCE SHEET EVENTS

A deed was signed by the Trustees Royal Air Force Museum to transfer all operations, assets and liabilities of the unincorporated trust, The Royal Air Force Museum (Registered Charity Number 244708) to a new incorporated charity with Royal Charter status (RC000922, Registered Charity Number 1197541) effective 1 April 2022. The new Royal Charter charity shares the same name, Royal Air Force Museum. Effective 1 April 2022, the shares held by nominees on behalf of the trust were transferred to the Royal Charter Company, which became the sole shareholder of the Company.