



Royal Aeronautical Society

**Trustees' Annual Report and Accounts
Year Ended 31 December 2023**

Charity Registration Number: 313708
Incorporating:
Charity Registration Number: 1013530
Charity Registration Number: 1045004

Report of the Board of Trustees for the year ended 31 December 2023

The members of the Board of Trustees are pleased to present their annual report and financial statements of the Society for the year ended 31 December 2023.

The Trustees confirm that they have complied with the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission in determining the activities undertaken by the Society. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition October 2019) - (Charities SORP (FRS 102)).

The guiding principles of the Royal Aeronautical Society ("RAeS") are embodied in this extract from the Society's Royal Charter: "The objects and purposes are the general advancement of aeronautical Art, Science and Engineering and for promoting that species of knowledge which distinguishes the profession of Aeronautics (which expression includes Astronautics)".

The Society provides free lectures and access to the National Aerospace Library to encourage the public to engage in aerospace and aviation. Membership is open to those who have an interest or pursuing a career in aviation and aerospace.

Objectives and Activities

The Society is the only global organisation serving the entire aviation, aerospace and space community as both a learned society and a professional body.

As such, the RAeS is independent, evidence-based and authoritative, relying on a body of knowledge going back more than 150 years. We play a leading role in influencing opinion on aviation and aerospace matters through various means including our publications, social media profile, interaction with Governments, and an extensive events programme.

Our mission is to:

- Provide influence and leadership to the aerospace, aviation and space domains, disseminating impartial and authoritative knowledge and information to a broad audience.
- Attract and support a diverse and active membership base both nationally and internationally, via a wide range of activities across the entire aerospace, aviation and space community.
- Maintain and facilitate professional standards across a wide range of competence and academic activities.
- Act in accordance with and maintain charitable status.

The Society aims to achieve its mission and vision through the following strategic aims:

1. Promote the Society's role as the source of authoritative impartial, evidence-based aerospace, aviation and space knowledge and policy advice.
2. Maintain, enhance and disseminate the Society's body of knowledge in all aerospace, aviation and space domains.
3. Extend and support the Society membership base nationally and internationally, ensuring inclusivity, diversity and active engagement.
4. Encourage the younger generation to enter the aerospace, aviation and space professional world.
5. Enhance the Society global outreach through existing and new Divisions and Branches, and through the Corporate Partners
6. Implement all Society activities in an efficient, professional and sustainable manner, maintaining the financial stability of the Society.

Achievements and performance

The goals for the Society's charitable and professional activities in 2023 were focussed on a number of key areas to continue working on delivering the strategic aims and meet charitable objectives. Success is measured through benchmarking key metrics, setting growth targets and gathering data on agreed outcomes and impact to determine trends and improvements.

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The completion of the Relevance Project delivered input from across the membership and wider stakeholders on what the Society will have to provide, and where so that it will be relevant to current members, and potential members of the future. The data and analysis will be reviewed to take forward into the next corporate plan.

The review of by-laws was approved by Privy Council and successfully implemented achieving the objective to streamline governance, and benchmarking has been set to measure the extent to which all paying members vote in General Elections.

The Society achieved its goal to be approved for a new L7 Systems Engineer Standard and will develop over the coming year for future delivery.

Building on The Aeronautical Journal's status as a Transformative Journal, a record number of 357 papers were submitted for review achieving the objective to increase submissions and attract a broader range of research papers.

In terms of delivering of our responsibilities to provide public benefit, technical and policy papers on contrail management and sustainability were published however the Mental Health and Wellbeing paper was delayed until publication in 2024.

The aim of increasing engagement with UK MPs was boosted by research undertaken on recognition of the Society amongst politicians which has increased over the past 2 years.

The Society's outreach programmes continued to encourage new generations to enter the industry with Phase 2 of the Falcon 2 Flight Simulator programme initiated, and the Education & Skills team participated in National Apprenticeship Week 2023 in March, the Big Bang Fair in June and RIAT in July.

Developing our Membership

- The Membership Development Team, with invaluable support from volunteer member support, have continued to be active in their engagement within the aerospace, aviation and space community, online and in person. RAeS work closely with companies and volunteers to deliver a mix of online briefings, workshops and mentoring training, with over 36 of these delivered in 2023, achieving an increase of 20%.
- The Membership and Registration webinar programme reached over 392 potential members and registrants.
- In 2023, RAeS continued to encourage members to upgrade their membership to a higher grade which is an essential activity to ensure that the membership reflects the appropriate level of skill and service to the Sector.
- RAeS continued to see support from Society members through the nomination process, encouraging Members and Fellows to nominate colleagues for membership through a streamlined application route, including over 287 nominations in 2023.
- The Membership Team continued to promote and expand knowledge of the Society through attendance at a wide range of exhibitions and conferences covering various disciplines within aerospace, aviation and space. These included Advanced Engineering, the UK Space Conference, Global Air & Space Chiefs' Conference and the RAF's Engineering Branch Conference.
- Over 180 volunteers supported a range of Membership and Professional Development activities which includes the support of Committees, Panels and Sub Panels. Activities which volunteers are integral to include support as Panel members on Academic and Professional Development Accreditation Visits and as Professional Review Interview Assessors.
- At the end of 2023 the Royal Aeronautical Society had 25,477 total members, in 115 countries. It also had more than 350 industry, academic, and charitable partners around the world.

Promoting professional standards

- The Society continued to encourage young people to pursue a career in the aerospace, aviation and space industries and support learners through our offer of free Apprentice and Student Affiliate membership with access to mentoring, knowledge resources, networking opportunities, awards and scholarships.

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- The Society continued to work with UK and international academic institutions to promote the benefits of membership to those at various levels of study, with over 2,900 full-time students joining the Society in 2023.
- The Membership and Education and Skills team presented to 37 Universities and Further Education Colleges, through live webinars and in-person visits.
- Over 160 Apprentices joined the Society in 2023.

Promoting professional standards

- The Society continued to review academic programmes that provide the recognised level of understanding, knowledge and skills to underpin professional competence to help graduates on their way to registration as Chartered or Incorporated Engineers.
- In 2023 we provided 103 Membership and Registration 1-to-1 support calls.
- The Society has participated in a full schedule of virtual and in person visits to review academic programmes and professional development schemes for accreditation, including 11 to Higher Education Institutions and 6 professional scheme visits.
- The Society successfully re-accredited academic programmes to maintain accreditation of 35 Universities and Further Education Colleges and 13 Professional Development Schemes.
- In total, End Point Assessment services were provided to over 75 aerospace, aviation, and advanced science and engineering employers across 5 different Apprenticeship Standards and, with thanks to our team of assessors, in 2023 completed 348 assessments for apprentices in the following disciplines:
 - Engineering Technician – ST0457 (Level 3)
 - Aircraft Certifying Technician – ST0019 (Level 4)
 - Aerospace Engineer – ST0010 (Level 6)
 - Aerospace Software Development Engineer – ST0013 (Level 6)
 - Post graduate Engineer – ST0456 (Level 7)
- We have worked with 20 Training Providers, 75+ Employers and 47 of which directly operate within the aerospace and aviation sectors (including supply chain).

Sharing knowledge and stimulating debate

- *AEROSPACE* coverage of the Future Combat Air & Space Summit in May made global headlines and significantly boosted the public profile of the Society, adding to the growing debate and discussion on AI and military aviation.
- *AEROSPACE* magazine featured one of the first public interviews with the new RAF Chief of the Air Staff in the summer - as well as a special survey on advanced manufacturing trends, the first report on BAE Systems HAPS UAV flight and an article on Cranfield University's Saab 340 flying lab, to tie in with its official Royal opening.
- 2023 saw the launch of the new monthly *AEROSPACE* NOTAM podcast series, which rounds up aerospace, aviation and spaceflight news from the previous month, as well as previewing the upcoming issue of the magazine and future RAeS events.
- In 2023 the *AEROSPACE* team reported from the Paris and Dubai Air Shows, which included a daily Insight blog and wrap-up news podcast, as well as other global events.
- The *AEROSPACE* Insight blog received 378,506 page views in 2023.
- The *Aeronautical Journal* achieved a record number of submissions - 357 papers were submitted and a record 104 papers were published.
- Papers downloaded from The *Aeronautical Journal's* website during 2023 surpassed 200,000 for the first time.
- A record 34% of papers were published as full open access.
- Approximately 1 in 5 members have now downloaded the *AEROSPACE* app.
- Five new articles were added to the Journal of Aviation History.
- We welcomed 3,323 attendees to events at the Royal Aeronautical Society's headquarters, No.4 Hamilton Place in London including:
 - 834 attendees across 10 conferences and Specialist Group seminars
 - 2,489 attendees across 20 talks, briefings, webinars and 8 social and networking events.
- We launched AeroSoc Late events including a Quiz night, Film night and Games night.
- Members had access to over 600 e-books and over 2,000 full-text journals via the e-Library.

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- 20 historic podcasts were released, including Interviews with the civil pioneers – a series of interviews with those who first took passengers and post to the other side of the world and The Fallen Eagle: the demise of the RAF's TSR-2, taken from the joint conference between the Society's Aviation Heritage Specialist Group and the RAF Museum.
- An additional 100 classic RAeS Conference proceedings are now available online.
- Working with the FAST Museum and QinetiQ, we have released over 450 Royal Aircraft Establishment reports covering aerodynamics research at the time scientists were trying to get military and civil projects to beat the sound barrier.

Influencing opinion

- In 2023 the Royal Aeronautical Society contributed valuable evidence to the House of Commons Defence Committee's paper 'Aviation procurement: winging it'. We were honored to share insights and were invited to deliver oral evidence at a hearing earlier this year.
- The Greener by Design Contrail Management Paper was produced and distributed on the behalf of the Greener by Design Group.
- The President for 2023-2024, Kerissa Khan MRAeS, was invited to be a member of the World Economic Forum Global Future Councils.

Inspirational outreach programmes

- Through Project Altitude events we reached at least 2,300 young people, of which at least 500 are low-income and 500 from rural areas.
- We supported the Boeing Girls into Engineering Day, bringing girls from three different schools together to learn about aviation and aerospace, taking part in glider making activities and talks.
- The Falcon 2 programme saw school children using their creative skills to design a flight simulator, to enable able bodied and disabled people to experience the thrill of flying. Over 200 children from 13 schools participated in 2023. 27% of Phase 1 participants identified as SEND.
- We held 11 events including 1 international event for Cool Aeronautics in 2023. Venues included RAF Halton, Manchester Aerozone, Connestoga College in Ontario (Canada), Shuttleworth Collection, Derby Airfield, National Space Centre in Leicester and at No.4 Hamilton Place in London.
- Cool Aeronautics reached a total of 1,020 students both here in the UK and Internationally.
- We welcomed 90 children from London schools to participate in an engaging event with the theme of 'Future of Flight', to conclude the President's Conference in September.
- The Futures Awards Committee was formed in March 2023 to oversee the launch and review of the newly created Futures Scholarship Awards.
 - 17 individual applications and 4 team applications were received.
 - 5 individual applications were given an award with another 2 awards given to team applications.
- The careers team attended several external events including several university careers fairs as well as Further Education colleges and secondary schools to deliver talks and workshops.
- The annual Big Bang STEM Fair led by Engineering UK took place at the NEC in Birmingham welcoming over 10,000 children across 3 days.
- Working alongside other partners such as The CAA and British Airways, we were able to showcase the Society and host some engaging STEM based activities for the attendees.
- In July we exhibited at the Royal International Air Tattoo (RIAT) at RAF Fairford, led by the RAF Charitable trust. We had a stand showcasing the Society with activities and were available to provide career advice to those with an interest in embarking on a career in aerospace. We were supported by several apprentices from Boeing and volunteers who were with us for the duration of the event.
- Careers in Aviation and Aerospace LIVE welcomed 700 attendees from all age groups. The annual recruitment fair featured 22 exhibitors from different parts of the sector and 20 talks were delivered by industry professionals throughout the day.

Recognition and celebration outstanding achievements

- Although increasingly significant projects are delivered by teams there were some individuals who have made significant and specific contributions who we felt should be recognised with Society

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Medals. No Gold Medals in 2023 were awarded although 1 Silver and 2 Bronze Medal recipients were identified together with 5 Specialist Group Named Award recipients this year. The Medals and Awards Committee was pleased to identify two Silver Team medal recipients for 2023, this reflected the increased in impact and innovation being achieved by teams rather than individuals. The Society were pleased to award the Young Person's Achievement Award, four Young Person's Commendations together with the Alan Marsh Award and the Herbert le Sueur Award

Royal Aeronautical Society Foundation – Fundraising

Since 2008/2009 the Foundation has focused on promoting Gift Aid to the Society's membership and ensuring that these funds are used to support the Society's charitable objectives. In 2023, The Society did not undertake any fundraising activity requiring disclosure under S162A of the Charities Act 2011. The Foundation has however continued to support a number of projects totalling £6,392 (2022: £8,732) with the following projects being supported:

- Cool Aeronautics (travel, venue costs for schools and programme delivery costs);
- Digitisation of the Society & NAL archive
- Student/Apprentice Learning & Development;
- Inspiration programme with Aeronautical professionals for today's generation

Financial Review

As a registered charity the Society is required to prepare its accounts under the Statement of Recommended Practice (SORP FRS 102).

In the accompanying Statement of Financial Activity (SOFA) expenditure includes both the direct cost of the activity plus supporting costs which are apportioned on a basis consistent with the use of resources and is based on either the number of staff working on that activity or time allocated to support the activity. When comparing income against expenditure some activities such as Careers and Education, National Aerospace Library (NAL) and Publications and Information show a loss for the year. However, it should be noted that these activities are also supported by Membership Income which is not reallocated in the SOFA and are part of the benefits supplied by the Society to its members.

The Trustees have considered a number of factors in concluding that the adoption of a going concern basis in the preparation of these financial statement is appropriate. This includes a review of the budget and forecast including cash flow for up to December 2028 and the review of risks facing the charity. These forecasts incorporate key challenges surrounding the impact from ongoing cost of living crisis and have considered sensitivities surrounding our income in particular on Venue Hire. The Society has a strong portfolio of investment and financial performance and these continue to be monitored regularly. The Trustees have reviewed the key assumptions within forecast and satisfied that the current level of free reserves and cash balances are adequate to meet the Society's obligations as they fall due.

Income

Total income increased by 2.7% to £5,944,376 with total unrestricted income increasing by 1.7% to £5,685,241.

- ***Income from Donations & Legacies*** comprises donations to various funds, £429,918 was received in 2023 (2022: £385,035), including legacies of £250,000 from the late Captain Eric 'Winkle' Brown, £43,712 from Boeing and £79,993 (2022: £29,057) raised by the Society's Subsidiary Branches to fund their activities throughout the year.
- ***Income from Charitable Activities*** at £4,411,593 (2022: £4,459,078), represents 74.2% of the income generated by the Society in 2023; the principal income sources being Membership Services (including individual and Corporate Partner subscriptions), EPA, Conferences and Events and Publications.
 - Income from Membership Services represents just over 52% of the Society's income and increased by 4% in 2023 to £3,099,832 from £2,982,032.
 - The conferences and seminars were operated in person in 2023, the overall delegate and sponsorship income finished the year at £425,596 down by 21.2% on 2022.

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- Publications income increased by 21.4% to £184,337 by increased sales of Advertising and *The Aeronautical Journal* (including archive sales) in 2023.
- The Education, Skills and Diversity Team generated £40,700 in 2023 (2022: £38,875), income increased by 4.7% which included sponsorship and income from its annual conference and sponsorship for some of its activity.
- Income from End Point Assessment (EPA) at £653,077 (2022: £737,575), down by 11.5%. It continued to have delayed assessments in 2023 and shortage of internal assessors at providers and awarding bodies in the latter part of 2023.
- **Income from Other Trading Activities**, room hire services, income generated £886,425, increased by 15% in 2023 from £770,712. The room hire activity is run by the trading subsidiary Aeronautical Trading Limited (ATL) which made a profit of £88,366 (2022: £71,101) which is passed, via Gift Aid, to the Society. There are no plans to change the activities of this business, which involves the provision of facilities to external customers and the running of the Members' facilities. The Society continued to lease (under licence to third parties) offices on the 4th and 5th floor, overall this had generated £218,163 in 2023 (2022: £182,440). Room sponsorship had generated £73,702 (2022: £49,286). Other Trading activities include the additional licence income of £150,476 from an exclusive room hire from the watchmaker Omega during February and March 2023.
- **Investment Income** increased to £214,969 from £168,394 in 2023. Of this, £96,328 (2022: £96,657) was reinvested by the Society during the year.

Expenditure

Expenditure increased by 6.2% to £4,941,370 with total unrestricted spending increasing by 6.9% to £4,800,276 as a result of the Society returning to in-person events and office usage.

- **The costs of Raising Funds** increased in 2023 by 7.2% to £595,960 with unrestricted costs also increasing by 7.5% to £582,674. Costs included room hire services, administration and investment fees. In 2023, the Society continued to upgrade its services to provide enhanced facilities to members and the general public.
- **Charitable Activities** Resources expended on the Society's Charitable Activities increased by 6.1% to £4,345,410 with unrestricted expenditure increasing by 6.8% to £4,217,602. Costs include all the expenditure on the Society's conference/event programmes, providing membership services, career advice service, library, and producing the Society's publications.
- The Society's headquarters at No.4 Hamilton Place continue to be invested in and upgraded in line with its Strategic Objectives.
- In 2023, Governance costs increased by 6.47% from £133,232 to £141,855. Costs includes staff costs for Head of Governance to oversee the support to the Board of Trustees, Council, and internal Boards of the Society. Other costs included expenses associated with the return of in-person Council meetings, Council elections, maintaining the Society's constitution, external audit, and core executive management, plus travel costs for the President.

Surplus

The net incoming resources (before losses on investments) for the year produced a surplus of £1,003,006 (2022: £1,134,039). During the year, the Society had gains on its investment of £14,934 and actuarial losses on the Society's Pension Scheme of £82,000. The net movement of funds for the year was a surplus of £935,940 (2022: £1,448,236).

- **Unrestricted funds** carried forward of £11,776,596 (2022: £10,997,727) represent approximately 38 months operating expenditure. However, not all these funds can be readily liquidated as they represent the functional fixed assets of the Society. In accordance with Charity Commission guidance, the Trustees have adopted a formal Reserves Policy set out below.

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- The overall income **for Room Hire Services** (*Operated by Aeronautical Trading Limited*) was up by 10.33% and finished the year at £594,559. All surpluses from this activity were transferred to the Society (utilising Gift Aid) to support charitable activities and the aims of the Society (see note 18 of the accounts). The Society received income from other Trading activities including leased offices (under licence) on 4th and 5th floors, at £218,163 and room sponsorship income at £73,702 in 2023.
- **Pensions Scheme**
 - The financial statements reflect the full financial position of the Defined Benefits Pension Scheme which became a closed scheme on 31 March 2001. The Scheme must be accounted for under FRS102 and under FRS102 the scheme's liabilities are valued based on assumptions derived from yields on AA rated corporate bonds and gilts. Changes in the assumptions applied to the Scheme's liabilities have resulted in a decline in the FRS102 deficit in 2023 and 2022 which showed a pension scheme asset in both years. As the scheme was closed to future accruals, the Trustees feel that the recoverability of the asset is too remote and this had not been recognised in the accounts in 2023. The Society contributed £76,000 to the fund in 2023.
 - From 1 April 2001 the staff pension arrangements are in the form of Group Personal Pensions with Standard Life, in 2021 this was transferred to Aegon. The Society makes contributions, but the funds are owned by and are the responsibility of the individual staff members. From August 2015 the Society adopted Automatic Enrolment and received an acknowledgement of re-declaration of compliance in September 2021 from the Pension Regulator.
- Functional Assets are also used by Aeronautical Trading Limited and these are included in support costs.
- **No.4 Hamilton Place – Purchase, Valuation and Charges on the Property** - In March 2009, the Society purchased the freehold of No.4 Hamilton Place at a cost of £4,859,755. Prior to the purchase, No.4 Hamilton Place was leased from the Crown Estates; in 2002 the lease was revalued by the Trustees on a draft valuation of £3,864,407 (based on existing use). From 2009 the Trustees have decided to add this valuation to the actual cost of the purchase of £4,859,755 to value the property in the Balance Sheet at £8,195,137 (less depreciation on property) as at 31/12/2023. At the time of purchase in March 2009 the Market Value of the freehold interest in No.4 Hamilton Place was £11,700,000.
- **Charges on No.4 Hamilton Place** - The Society's bankers, HSBC, have taken out a charge (not exceeding £4,255,000) on No.4 Hamilton Place to act as security against their loan. The Trustees of the Society's Defined Benefit Pension Scheme (closed) have taken out a second charge on No.4 Hamilton Place to cover the Society's obligations if the Society defaults on its payments to the scheme. In return, by agreement with the Trustees of the Scheme, the Society will continue to pay reduced contributions to the Scheme in future years at a rate of £76,000.

Risk Management

The Board of Trustees establishes and periodically reviews the Risk Register. This is actively managed by the Audit Committee. The Chief Executive and Audit Committee are responsible for ensuring that risk registers and management plans are reviewed regularly by the executive staff and at appropriate governance meetings, and that risk-management plans are acted upon, updated, and monitored to eliminate, minimise, or otherwise avoid identified risks. They are also responsible for highlighting risk developments to the Board of Trustees throughout the year.

The trustees have a risk management strategy which comprises:

- An annual review of the risks identified and regularly reviewed by the CEO and Audit Committee
- The establishment of policies, systems and procedures to mitigate the principal risks.

The principal risks identified in 2023 were:

- Ineffective Organisational Structure was mitigated by conducting a Governance Review, as a result, changes to the Society's governance structure are being implemented. The updated By-Laws and

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Regulations have all been approved and can now be found on the Society website. Work is now in progress implementing changes and updating terms of reference.

- Cyber Security remains an ever-present risk our organisation; to protect our systems, networks, and programs from digital attacks we continue to invest heavily in IT Security, Training and we run periodic test exercises of staff and volunteers. All of these are designed to mitigate the risks and boost awareness of cyber security.
- Decline in Relevance is being mitigated by continuing to deliver and develop individual and corporate member benefits, increase awareness and generation of learned and charitable output. A programme of internal discussion on the future of the Society, particularly focusing on next generation requirements, with external expert support, occurred in 2023.

Reserves Policy

Unrestricted Reserves and Designated Funds

The Finance Strategy was extended for an additional year covering the period 2018-2023, which was approved by the Trustees in March 2022 and is reviewed annually by the Finance Committee; the Finance Strategy will enable the Society to meet its Strategic Objectives to 2024 by:

- Operations to generate sufficient funds annually to ensure that the Society is fully resourced to achieve its long-term Strategic Objectives; all annual surpluses to be allocated to one of the Society's free reserves setup to safeguard the Society against future (adverse) events;
- The Society continuing to focus on re-building its unrestricted liquid reserves and increase the level to the equivalent of six months' trading costs; and
- The Society should endeavour to reduce its long-term liabilities once it has built up its reserves to a level that covers operational requirements.

At the end of 2023, the Society's liquid reserves (Free, Mortgage and Premises, Flight Simulations, No4HP refurbishment, Designated IT and RAeS Foundation Reserves) stood at £3,668,274 (2022: £2,903,369); this is 199.4% (2022: 174.8%) of the reserve target of the equivalent to at least six months' operational costs of £1,839,990 (2022: £1,660,758); the Society achieved the Reserves target (as outlined in the Finance Strategy).

At the end of 2023 unrestricted reserves and designated funds were as follows:

Free Reserve

The Trustees have reviewed its Finance Strategy, covering the period to 2023. The Trustees have decided that in view of the considerable uncertainty which characterises the current economic climate the Society should concentrate its efforts on re-building its unrestricted reserves and hold any additional cash (on interest bearing deposits) to cover any income shortfalls; at the end of 2023, the balance of the fund was £3,173,532 (2022: £2,402,289). This excludes fixed assets, loan on property and designated funds.

Royal Aeronautical Society Foundation

The Foundation was setup in 2006 by the Trustees to organise and co-ordinate support for the Society's wider charitable activities such as supporting aviation heritage projects supporting the next generation of aerospace professionals, as well as supporting the development of No.4 Hamilton Place (including repaying of the mortgage). This fund is a Designated Fund, and the Foundation Committee (on behalf of the Trustees) will decide each year which projects to fund out of this reserve. In 2023 the fund received £54 (2022: £260,761) from other income, no funds were received from Gift Aid in 2023 since the claims are pending until 2024. During the year, the Trustees released £6,392 (2023: £8,733) to support various charitable projects (educational/school projects); the fund balance stood at £254,941 at the end of 2023 (2022: £261,279).

Pension Fund Reserve

Under FRS102, and in accordance with SORP, this reserve has been setup to reflect the liability of the Defined Benefits Pension Scheme which shows a pension scheme asset at the end of 2023 and 2022. The Trustees feel that the recoverability of the asset is too remote and has not recognised the asset in the accounts in 2023.

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At the end of 2023 there were four Designated Funds as follows:

Flight Simulation Sponsorship Fund

Over the past couple of years, the Society has received sponsorship to support the Flight Simulation Group activities (events); there had been no movement in 2023. At the end of the year the fund stood at £51,336 (2022: £51,336).

Mortgage and Premises Reserve

This fund was setup in 2012 to be used to fund future capital improvements projects and to pay off the mortgage on the Society's HQ. At the end of 2023, the balance of the fund stood at £6,836 (2022: £6,836).

No.4 HP Refurbishment Project Fund

This fund was setup by the Trustees in 2019 to be used to fund the refurbishment and redecoration of the offices on the 4th and 5th floors in 2020 and 2021, however since the pandemic and the introduction of hybrid working this continues to be under review. At the end of 2023, the fund stood at £100,000 (2022: £100,000).

Designated IT Future Fund

This fund was setup by the Trustees in 2021 to be used to fund the IT projects to enhance and develop the digital capability of the Society. The IT project will start from 2024. At the end of 2023, the fund stood at £81,629 (2022: £81,629).

Restricted and Endowment Reserves

Restricted Funds

Alan Snudden Fund – Restricted

This is an Endowment Fund established to provide scholarships to young person's entering, or already engaged in, the air transport operating industry. The founding deed (1992) allowed the Trustees to initially accumulate unspent income into the Endowment Fund. However, the deed now allows the Trustees to hold the income generated in a restricted fund and this was setup in 2017. There were no activities in 2023. The fund received a total of £5,396 (2022: £5,373) from investment income; at the end of 2023, the fund stood at £37,600 (2022: £32,938).

ALTA

This fund was created from donations from a number of organisations to support the ALTA Mentoring Platform launched in 2019; the platform was setup for women in aerospace and aviation who are seeking woman-to-woman mentoring support with easy access to professional women working in the sector. In addition, the fund supports face-to-face networking events and research to provide greater support to women's retention and promotion within the industry. In 2023, the fund received a total of £2,642 (2022: £1,149) the fund stood at £4,852 (2022 £2,243) at the end of 2023.

Project Altitude – Boeing

In 2020, Boeing agreed to support various projects within the Society, one being **Project Altitude**; the aim is to encourage young people to become the innovators of tomorrow; the fund will support various STEM-based activities and events aimed at Primary, Middle and High Schools as well as young people just starting their careers. In 2023, the fund received a total of £38,177 and the fund stood at £103,272 (2022: £77,537) at the end of 2023.

RAeS Future Scholarship Fund (Formerly Centennial Scholarship Fund)

The Centennial Scholarship Fund was ceased in December 2020 and the balance of fund was transferred to RAeS Future Scholarship Fund from January 2021. The aim of the fund is to support funding costs for internships in the Aerospace sector to give the recipient an insight into working in the sector and enhancing the individuals Professional Development. In 2023, the fund received a total of £11,460 from donations and investment income and the fund stood at £249,740 at the end of 2023 (2022: £243,651).

Flying Start Challenge

This fund was setup in 2020 from donations from a number of Corporate Partners with the aim to support Flying Start Challenge; an annual competition aimed at providing secondary school students to design a glider; the competition is run and managed jointly by the participating organisations. In 2023, the fund received a total of £7,750 from donations and investment income. At the end of 2023, the fund stood at £5,641 (2022: £5,190).

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Kremer Fund

The Kremer Fund provided by the late Henry Kremer for the promotion of Human Powered Flight and are administered by the Society. There are four prizes set aside:

Robert Graham Competition	£500
Kremer HPA Schools Competition	£1,000
Kremer International Marathon Competition	£50,000
Kremer International Sporting Aircraft Competition	£100,000

The assets of this fund are held as cash deposits and this fund paid out a total of £2,000 covering prizes in 2023; at the end of 2023, the fund balance stood at £160,191 (2022: £161,541).

Michael Bishop Foundation Fund

The Fund was setup in 2019 by the Trustees from a donation of £25,000 from Lord Glendonbrook/Michael Bishop Foundation to fund the Sir Ralph Robins Medal; this award is given to individuals demonstrating excellence in Engineering Leadership. At the end of 2023, the fund stood at £16,453 (2022: £16,453).

National Aerospace Library (NAL)

An appeal was started in 2004 towards the creation of a National Aerospace Library (NAL). In 2008 the Society opened a branch of the NAL within the Hub Building at Farnborough. In 2009 this facility was expanded and now houses the vast majority of the Society's historic library collections. The fund is used to support some of the ongoing operations of the NAL at Farnborough as well as future capital projects. During the year, a total of £7,078 (2022: £7,047) was received from donations and investment income and at the end of 2023 the fund stood at £153,067 (2022: £146,459).

RAF Chair in Air Power Studies

In 2008 the Society began (with support from the RAF) to raise funds for the Chair in Air Power Studies with the aim of establishing an independent academic Research Fellow at a UK university. By 2015 the Society had received donations totaling £624,000 from a number of Corporate Partners and these funds have helped to consolidate the senior academic post at the University of Birmingham and now support ongoing research in this area. At the end of 2023 the fund stood at £14,542 (2022: £14,542).

Falcon 2 (Formerly School Build-a-Plane Challenge)

In 2008 the Society launched the Schools Build-a-Plane (SBAP) Challenge which aims to provide young people in UK secondary schools with the opportunity to build a real light aircraft from kits, giving them hands-on experience of building aircraft and an understanding of scientific and engineering principles behind flight. This project is supported by funding from The Boeing Company (USA) and sales of the completed aircraft. From 2023, the fund balance will be spent towards the **Falcon 2** Initiative which is an extension of the SBAP programme. At the end of 2023 the fund stood at £23,734 (2022: £23,446).

World Skills

In 2021, the Society received a grant from World Skills UK who are an independent charity and work with employers, education and governments. They are a proud member of WorldSkills, a global movement of over 80 countries. WorldSkills supports young people across the world via competitions-based training, assessment and benchmarking, with members' national teams ultimately testing their ability to achieve world-class standards in the biennial 'Skills Olympics'. This covers the management and delivery of skills in the Aircraft Maintenance competition activity. At the end of 2023, the fund stood at £4,775 (2022: £1,255).

AAU Outreach Fund

In 2022, the Society received a donation from Association of Aerospace Universities (AAU) after dissolution, in accordance with the wishes of the members and office holders. The fund was set up to support the Society towards outreach activities within Aerospace and Aviation. There were no activities in 2023. At the end of 2023, the fund stood at £23,429 (2022: £23,429).

DFT & CAA Sky Challenge Fund

In 2023, DFT and CAA joined Boeing as one of the supporters for the **Falcon 2** Programme. The contribution from industry and government will allow for the delivery of a national outreach programme empowering students of all ages and abilities to experience the thrill of flight and variety of careers in aviation through the pathways highlighted within the programme. At the end of 2023, the fund stood at £25,589.

**ROYAL AERONAUTICAL SOCIETY
REPORT OF THE TRUSTEES
FOR YEAR ENDED 31 DECEMBER 2023**

Endowment Funds

The Alan Snudden Fund, Awards Trust and the CAARC (Commonwealth Advisory Aeronautical Research Council) Fund are held in pooled investments which were referred to as the Common Investment Fund in previous accounts. These funds are subsidiary charities of the Society as explained in Note 13.

Alan Snudden Fund

This fund is established to provide scholarships to young persons entering, or already engaged in, the air transport operating industry. As noted under restricted funds, a new Restricted Alan Snudden Fund was setup in 2018 to hold the net income generated by the Endowment fund; at the end of 2023, the fund stood at £78,309 (2022: £77,933).

Awards Trust

This was created in 1995 from several separate funds held for the purposes of Medals, Merit Awards, Educational Awards and Lecture fees. With the agreement of the Trustees of the Society and the Charity Commission these separate funds were combined to give greater flexibility and more efficient use of those funds. In 2022 this fund paid out a total of £5,200 to cover grants and awards and at the end of 2023 the fund stood at £1,260,813 (2022: £1,216,710).

CAARC Fund

Through the Awards Trust, the Society administers the Commonwealth Advisory Aeronautical Research Council (CAARC) Bursaries. Grants were made in the year to a number of Commonwealth and UK candidates, however due to the cancellation of awards from previous years the fund received a net increase on grants to offset some of the admin and investment costs; at the end of 2023, the fund stood at £17,085 (2022: £16,209).

The Directors of Aeronautical Trusts Ltd, being the Trustees of the above funds, confirm that each has sufficient assets to fulfil its obligations.

Investments

Investments Policy

The investment advisors JM Finn & Co (appointed January 2013) manage the Society's investments in accordance with powers delegated by the Board of Trustees. There are no restrictions on the powers of the Board of Trustees to invest under the Royal Charter. The Finance Committee is responsible for reviewing the performance of the investments each quarter as outlined below.

Investment funds

This was set up to defray the running expenses and support the grant making (Restricted and Endowment Funds) activities of the Society. Since 2005 income generated is reinvested back into the fund.

At the end of 2023, the investments stood at £3,748,149 (2022: £3,592,563); over the past 12 months investments have increased by 4.3% (against the target of RPI + 4%), though was up on the benchmark 7.9% (FSTE All Share Index). Overall, the Trustees were satisfied that the investment advisors had done all they could to protect the Society's investments considering the volatile economic and political background in 2023; since they took over in 2013 the investment advisors have produced an overall return of 66.8%.

Risk/Investment strategy

The investment strategy minimises the level of risk required to meet the return objectives, subject to achieving a level of diversification across assets classes both within the UK and overseas markets. The high levels of stock market volatility and the continuing uncertainty regarding world economic prospects and the stability of certain banks continues to make the management of investments difficult. The charity is a long-term investor and the Trustees, on professional advice, continue to hold a mixed portfolio of equities, bonds, cash, and other investments designed to provide a level of stable income and the possibility of investment gains. The equity component of the investment portfolio is weighted with medium appetite for investment risk with the main exposure to investments in the leading advanced industrial economies with a history of paying dividends.

ROYAL AERONAUTICAL SOCIETY

REPORT OF THE TRUSTEES

FOR YEAR ENDED 31 DECEMBER 2023

The Society does not have any ethical restrictions on its investments. However, the Finance Committee (on behalf of the Trustees) will take reasonable steps to ensure that investments are not made in institutions that, to its knowledge, operate policies or have objectives that are opposed to the aims of the Society.

The Finance Committee agreed the asset allocation with the investment advisors, and this is reviewed on a quarterly basis. In 2023 the Finance Committee authorised the investment advisors to make short-term changes to the asset allocation to reflect market conditions and to give better opportunities for income and capital growth. At the end of 2023, the asset allocation was as follows:

Asset Distribution			
Sector	Bench Mark	Range	Fund Breakdown % as at 31/12/2023
Fixed Interest	17.5%	12.5-22.5%	16.11%
Equities - UK	60.0%	55-65%	30.58%
Equities - Overseas			40.86%
Alternatives (Property/Infrastructure)	17.5%	12.5-22.5%	11.55%
Cash	0.0%	0-10%	0.89%
Accrued Interest/Other	0.0%	0.0%	0.01%
			100.00%

Plans for future periods

Supporting the future of aerospace, aviation and space

- Global Impact: Addressing Challenges and Shaping Policies**
 In 2024, the Society remains dedicated to providing unparalleled opportunities for professional development and accreditation. We will continue to actively engage with global leaders, governments, and industry stakeholders to confront the urgent challenges posed by climate change. Our focus includes contributing to sustainable aviation practices and shaping policies that will define the future of flight.
- Landmark Initiatives: The President's Briefing Paper**
 The President's Briefing Paper on the 'Future of Flight: Safety Challenges and Action Plan.' will be launched later this year. This groundbreaking initiative brings together industry experts to outline strategies ensuring the highest safety standards in future aviation technologies.
- Inspiring the Next Generation: Nurturing Talent**
 Our commitment to inspiring the next generation remains unwavering. Through outreach events and activities, we aim to engage with students and young professionals, providing them with the tools and knowledge to excel in their aerospace, aviation and space careers, supported by our recently launched Next Generation Board. We are expecting to reach even more students with our Project Altitude and Careers events, including our 1-2-1 CV support programme, and our tailored AI CV checking tool through Career Flightpath.
- Advancing End Point Assessment services**
 During 2023, we have invested in the development of new systems to further support our EPA services and training, aimed at providing a higher and more efficient level of service; these new systems will be rolled out within 2024.

We are now approved to deliver the Systems Engineer – ST0107 (Level 7); development of delivery processes will be undertaken in the coming year. We will also be reviewing our EPA offering and exploring new opportunities within this area of the Society's activity.

**ROYAL AERONAUTICAL SOCIETY
REPORT OF THE TRUSTEES
FOR YEAR ENDED 31 DECEMBER 2023**

- **Strengthening Global Partnerships**
In 2024, we prioritise strengthening international partnerships and supporting our global Branches and Divisions. Collaborative efforts with aerospace, aviation, and space communities worldwide will enrich our collective knowledge, fostering a more globally integrated sector.
- **Influence on the Global Stage: World Economic Forum and Beyond**
Having contributed to shaping the agenda for the 2024 World Economic Forum Annual Meeting in Davos, the Royal Aeronautical Society will continue to actively influence international economic, social, and technological futures as a thought leader on the global stage.
- **Exciting Events: Farnborough Airshow and More**
We look forward to our presence at major events such as the Farnborough International Airshow and Singapore Airshow. Our Education and Skills team have several Careers Fairs in the diary for early 2024. The Society will have a significant presence at RIAT and on 'Futures Day' at the Farnborough International Airshow.
- **Aeronautical Journal Expansion and Special Issues**
The Aeronautical Journal will increase in size, featuring an average of 10 papers per issue in 2024. Special issues commemorating milestones such as 75 years of Aeronautical Engineering at Bristol University, the ISABE 2024 conference, and the RAeS 8th Structural Design Conference are set to be published.
- **As part of Finance Strategy 2018 to 2023, with the aim of further reducing its two major liabilities, the Mortgage on No.4 Hamilton Place and the Society's Defined Benefit Pension Scheme (closed). The Finance Committee's focus in 2024 is to rebuild the Society's reserves to ensure finishing the year in a stronger and more stable position which enables the Society to refocus on reducing the major liabilities in future years.**

**ROYAL AERONAUTICAL SOCIETY
REPORT OF THE TRUSTEES
FOR YEAR ENDED 31 DECEMBER 2023**

Structure, Governance and Management

The Society is a Professional Membership Body and Learned Society holding a Royal Charter. It is established as a Charity under the terms issued by the Charity Commission. The Charter of Incorporation and the By-Laws form the code that governs the Society.

The Society has 4 international divisions, 13 international branches and 36 UK branches. Each branch is run by a committee of volunteers and office holders within each committee include Chair, Secretary and Treasurer.

The Board of Trustees is the governing body of the Society. It establishes and reviews the policies, strategy and business plan of the Society, ensuring that the Objects of the Society, its administration, and management of its finances (including its assets and investment portfolio) and property are upheld in compliance with the Society's Royal Charter and By-Laws and the law.

The Board of Trustees may delegate to any Board or Committee such powers and duties as it sees fit and the law and good practice for charities allows, but the Board of Trustees remains responsible for the actions of such Boards and Committees and the Board of Trustees may dissolve a Board or Committee at any time. The current Boards of the Board of Trustees are: The Learned Society Board (LSB), The Membership Services Board (MSB), and The Professional Standards Board (PSB). The Next Generation Board (NGB) will be established in 2024. The Board of Trustees has delegated the responsibility to the Finance Committee for directing the Society finances and developing sound financial practices and policies which protect and enhance the Society's finances and assets. The Audit Committee supports the Board of Trustees in monitoring the adequacy of the Society's governance, risk management, internal audit, and control processes through offering objective advice.

Members of the Council are elected, usually for a three-year term, by the voting members of the Society. The election takes place annually and the results are announced at the Society's Annual General Meeting (in May each year). The President is elected from within the Council approximately 18 months before taking office (from the AGM). Presidents serve a term of one year only. In the 12 months prior to taking office the President serves as President-Elect of the Society and in the 12 months after their one-year term the President serves as the immediate Past President of the Society. The President, President-Elect and Past President are ex officio members of the Council and Board of Trustees. The 6 other Trustee roles are recruited from open applications, with the process developed by the Nominations Committee.

The Society encourages all Trustees to attend training courses relating to their role and responsibilities as Trustees and a Trustee Training log is maintained.

The day-to-day management of the Society is delegated to the Chief Executive ("CE") who is responsible for all operational matters, including the implementation of the Strategic Review; the CE is supported by the Executive Team which comprises of the Financial Controller, two operational directors covering Knowledge (including, Community Engagement, Events, Knowledge and Information and IT), and Membership and Professional Standards. The Chief Executive consults closely with the Chair of the Board of Trustees and the President over issues of significance and ensures the staff are managed effectively.

All Trustees give their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 4 to the accounts. Trustees are required to disclose all relevant interests and register them with the Chief Executive and, in accordance with the Society's policy, withdraw from decisions where a conflict of interest arises.

The pay of the Society's Chief Executive is reviewed annually and normally increased in accordance with average earnings. When the Chief Executive or Executive Team member is appointed, the remuneration is bench-marked with other membership and professional bodies of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles. The pay of the Executive team is reviewed annually and any increase is approved by the Chief Executive.

The Chief Executive, boards and committees that report to the Trustees, prepare reports for each Trustee meeting. Each year the Annual Report and Annual Accounts are approved by the Trustees and are available to all members via the Society's website.

**ROYAL AERONAUTICAL SOCIETY
REPORT OF THE TRUSTEES
FOR YEAR ENDED 31 DECEMBER 2023**

Reference and Administrative Details

Name/Registered charity number:

Royal Aeronautical Society 313708

Subsidiary charities:

The Royal Aeronautical Society Awards Trust 1045004
Alan Snudden Memorial Trust Fund 1013530

Subsidiary Companies:

Aeronautical Trading Limited 03243525
Aeronautical Trusts Limited 00239631

Registered Address:

No.4 Hamilton Place, London, W1J 7BQ, UK

The following were Trustees for all or part of 2023:

M Broadhurst OBE MA CDir FIoD FRAeS (Chair of the Board of Trustees - *Resigned May 2023*)
Air Cdre Peter Round FRAeS (Chair of The Board of Trustees - *Appointed May 2023*) & (Past President)
Kerrissa Khan MRAeS (President)
David Chinn FRAeS (President-Elect *Appointed June 2023*)
Howard Nye FRAeS
Lt Cdr R Gearing BEng(Hons) CEng FRAeS MCGI MCMI
Dr Alisdair Wood EngD CEng FRAeS
Andrew Cowdery FRAeS
Andy A Allen FRAeS
S Moynihan FCA CRAeS

The following are in attendance at the meetings of the Board of Trustees:

D Edwards FRAeS, Chief Executive
L Price, Head of Governance & Compliance
P Mensah, Director of Membership and Professional Standards (for September 2023 meeting only)
R Saaristo, Council member (for November 2023 meeting only)

Directors of Aeronautical Trusts Limited:

D Edwards FRAeS, Chief Executive
S Moynihan FCA CRAeS

Executive Team:

D Edwards FRAeS, Chief Executive
E Bossom, MRAeS, Director of Knowledge and Networks (*Maternity leave March to December 2023*)
C Betts, Director of Operations (*Maternity cover – appointed February 2023*)
P Mensah, Director of Membership and Professional Standards
A Ng, Financial Controller

Advisors

Auditors:

Crowe U.K. LLP, 4th Floor, St James House, St James' Square, Cheltenham, GL50 3PR, UK

**ROYAL AERONAUTICAL SOCIETY
REPORT OF THE TRUSTEES
FOR YEAR ENDED 31 DECEMBER 2023**

Bankers:

HSBC Bank plc, West End Corporate Centre, 4th Floor, 133 Regent Street, London, W1B 4HX, UK

Reference and Administrative Details (continued)

Investment Managers:

JM Finn & Co, 25 Copthall Avenue, London, EC2R 7AH, UK

Pension Advisors:

GPP Scheme

Kerr Henderson (Financial Services) Ltd, 29-32 College Gardens, Belfast BT9 6BT, UK

Defined Pension Scheme (Closed)

ISIO Group Limited, 27-45 Great Victoria Street, Belfast BT2 7SL, UK

Solicitors:

Clyde & Co, 51 Eastcheap, London EC3M 1JP, UK.

Statement of the responsibilities of the Board of Trustees

The law applicable to charities in England and Wales requires the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the of the charity and group and of the financial activities of the group for that period. In preparing those financial statements the Board of Trustees is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities SORP;
- 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 departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group will continue in operation.

The Board of Trustees is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable the Board of Trustees to ensure that the financial statements comply with applicable law. The Board of Trustees is also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

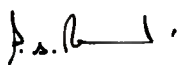
For the purpose of this statement the group comprises the Royal Aeronautical Society and subsidiary charities and companies as outlined in Note 18 within the notes accompanying the Financial Statements.

Website

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Board of Trustees. The Board of Trustee's responsibility also extends to the on-going integrity of the financial statements contained therein.

Financial statements

These financial statements reflect the requirements of the Statement of Recommended Practice: Accounting by Charities. The financial statements comply with the statutory requirements and the Society's Charter and By-Laws.


Signed.....
Air Cdre Peter Round FRAeS
Chair of the Board of Trustees

Date: 25 March 2024

**ROYAL AERONAUTICAL SOCIETY
FOR YEAR ENDED 31 DECEMBER 2023**

Independent Auditor's Report to the Members of Royal Aeronautical Society**Opinion**

We have audited the financial statements of Royal Aeronautical Society for the year ended 31 December 2023 which comprise Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Cashflow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2023 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 charity'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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

**ROYAL AERONAUTICAL SOCIETY
FOR YEAR ENDED 31 DECEMBER 2023**

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

We obtained an understanding of the legal and regulatory frameworks within which the group and charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102).

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be recognition of grant income, publications, events and commercial venue hire income and legacy income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing regulatory correspondence with the Charity Commission, designing audit procedures over the completeness and timing of grant income,

**ROYAL AERONAUTICAL SOCIETY
FOR YEAR ENDED 31 DECEMBER 2023**

publications, events and commercial venue hire income and legacy income, reading minutes of meetings of those charged with governance and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
Cheltenham

Date: 08 April 2024

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

**ROYAL AERONAUTICAL SOCIETY
FOR YEAR ENDED 31 DECEMBER 2023**

Consolidated Statement of Financial Activities (SOFA)

	Note	Unrestricted Funds	Restricted Funds	Endowments (Subsidiary Charities) Funds	Designated (Branches) Funds	Total 2023	Total 2022
		£	£	£	£	£	£
Income and endowments from:							
Donations & Legacies		255,936	93,989	-	79,993	429,918	385,035
Charitable Activities		4,411,593	-	-	-	4,411,593	4,459,078
Other Trading Activities		887,896	-	-	-	887,896	772,812
Investments		129,816	85,153	-	-	214,969	168,394
Total	2	5,685,241	179,142	-	79,993	5,944,376	5,785,319
Expenditure on:							
Raising Funds		582,674	13,286	-	-	595,960	555,809
Charitable Activities		4,217,602	53,930	-	73,878	4,345,410	4,095,471
Total	5	4,800,276	67,216	-	73,878	4,941,370	4,651,280
Net income/(expenditure) before gains on investments		884,965	111,926	-	6,115	1,003,006	1,134,039
Net (losses)/gains on investments	8	7,304	1,769	5,861	-	14,934	(842,966)
Net income/(expenditure)		892,269	113,695	5,861	6,115	1,017,940	291,073
Transfers between funds	13 - 15	(31,400)	(39,494)	39,494	31,400	-	-
		860,869	74,201	45,355	37,515	1,017,940	291,073
Other recognised (losses)/gains:							
Net actuarial (losses)/gains on Pension Scheme	20	(82,000)	-	-	-	(82,000)	798,333
Net movement in funds		778,869	74,201	45,355	37,515	935,940	1,089,406
Balance at 1 January	13 - 15	10,997,727	748,684	1,310,852	359,706	13,416,969	12,327,563
Funds at 31 December		11,776,596	822,885	1,356,207	397,221	14,352,909	13,416,969

All amounts relate to continuing activities. The notes 1 to 20 form part of these financial statements.

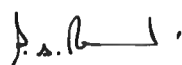
**ROYAL AERONAUTICAL SOCIETY
FOR YEAR ENDED 31 DECEMBER 2023**

Consolidated Balance Sheet

	Note	Total 2023	Total 2022
		£	£
Fixed Assets			
Property - Land	7	5,527,222	5,527,222
Property - Property	7	2,667,915	2,695,139
Fixtures and Equipment	7	173,037	160,447
Heritage Assets at Valuation	7	410,843	410,843
Website Development	7	49,719	52,739
Investments at Market Value	8	3,748,149	3,592,563
		12,576,885	12,438,953
Current Assets			
Debtors	9	757,705	778,357
Cash at bank and in hand		3,623,338	2,481,705
		4,381,043	3,260,062
Less: Current Liabilities			
Creditors	10	(1,857,630)	(1,499,849)
		(1,857,630)	(1,499,849)
Net Current Assets		2,523,413	1,760,213
Total Assets Less Current Liabilities		15,100,298	14,199,166
Creditor due after one year	11	(747,389)	(782,197)
Defined Benefit Pension Scheme Liability	20	-	-
NET ASSETS		14,352,909	13,416,969
Represented by:			
Restricted Reserves	14	822,885	748,684
Endowments	13	1,356,207	1,310,852
Designated Funds - Branches	16	397,221	359,706
Unrestricted Reserves			
Unrestricted Reserves	15	11,776,596	10,997,727
Unrestricted Reserves Excluding Pension Liability		11,776,596	10,997,727
Pension Reserve	20	-	-
Total Unrestricted Reserves		11,776,596	10,997,727
TOTAL RESERVES		14,352,909	13,416,969

The notes 1 to 20 form part of these financial statements.

These financial statements were approved and authorised for issue on behalf of the Trustees of the Royal Aeronautical Society on 25 March 2024.



Air Cdre Peter Round FRAeS
Chair of the Board of Trustees



S Moynihan FCA CRAeS
Trustee

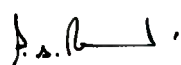
**ROYAL AERONAUTICAL SOCIETY
FOR YEAR ENDED 31 DECEMBER 2023**

Charity Balance Sheet as at 31 December 2023

	Note	Total 2023	Total 2022
		£	£
Fixed Assets			
Property - Land	7	5,527,222	5,527,222
Property - Property	7	2,667,915	2,695,139
Fixtures and Equipment	7	173,037	160,447
Heritage Assets at Valuation	7	410,843	410,843
Website Development	7	49,719	52,739
Investments at Market Value	8	3,748,149	3,592,563
Investments in subsidiary undertakings	18	3	3
		12,576,888	12,438,956
Current Assets			
Debtors	9	710,376	725,981
Cash at bank and in hand		3,583,908	2,451,664
		4,294,284	3,177,645
Less: Current Liabilities			
Creditors	10	(1,859,240)	(1,489,136)
		(1,859,240)	(1,489,136)
Net Current Assets		2,435,044	1,688,509
Total Assets Less Current Liabilities		15,011,932	14,127,465
Creditor due after one year	11	(747,389)	(782,197)
Defined Benefit Pension Scheme Liability	20	-	-
NET ASSETS		14,264,543	13,345,268
Represented by:			
Restricted Reserves	14	822,885	748,684
Endowments	13	1,356,207	1,310,852
Designated Funds - Branches	16	397,221	359,706
Unrestricted Reserves			
Unrestricted Reserves		11,688,230	10,926,026
Unrestricted Reserves Excluding Pension Liability		11,688,230	10,926,026
Pension Reserve	20	-	-
Total Unrestricted Reserves		11,688,230	10,926,026
TOTAL CHARITY RESERVES		14,264,543	13,345,268

The notes 1 to 20 form part of these financial statements.

These financial statements were approved and authorised for issue on behalf of the Trustees of the Royal Aeronautical Society on 25 March 2024.



Air Cdre Peter Round FRAeS
Chair of the Board of Trustees


Sarah Moynihan (Mar 26, 2024 16:26 GMT)

S Moynihan FCA CRAeS
Trustee

**ROYAL AERONAUTICAL SOCIETY
FOR YEAR ENDED 31 DECEMBER 2023**

Consolidated Cash Flow Statement

For the Year ended 31 December 2023	Total 2023	Total 2022
	£	£
Cash flows from operating activities		
Net cash provided by operating activities	1,257,373	961,637
Cash flows from investing activities		
Dividends, Interest and rents from investments	214,969	171,909
Purchase of property, plant and equipment	(158,439)	(203,272)
Proceeds from sale of investments	1,075,283	585,238
Purchase of investments	(1,215,935)	(723,771)
Net cash provided by operating activities	1,173,251	791,741
Cash flows from financing activities		
Repayments of borrowing	(31,618)	(790,047)
Net cash used in financing activities	(31,618)	(790,047)
Change in cash and cash equivalents in the reporting period	1,141,633	1,694
Cash and cash equivalents at the beginning of the reporting period	2,481,705	2,480,011
Cash and cash equivalents at the end of the reporting period	3,623,338	2,481,705

Reconciliation of net movement in funds to net cash flow from operating activities:

	Total 2023	Total 2022
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	1,017,940	291,073
Depreciation charges	176,093	223,636
Losses/(Gains) on investments	(14,934)	842,966
Dividends, Interest and rents from investments	(214,969)	(171,909)
Decrease/(Increase) in debtors	20,652	(236,068)
Increase in creditors	354,591	71,939
Movement of pension fund contributions/pension fund costs	(82,000)	(60,000)
Net cash provided by operating activities	1,257,373	961,637

Cash and cash equivalent are defined as bank accounts and short-term deposits which are ready convertible into cash.

ROYAL AERONAUTICAL SOCIETY
FOR YEAR ENDED 31 DECEMBER 2023

Analysis of changes in net debt

	1 January 2023	Cash Flows	Other Non-Cash changes	31 December 2023
	£	£	£	£
Cash and cash equivalents				
Cash and cash equivalents	2,481,705	1,141,633	-	3,623,338
Overdraft	-	-	-	-
	2,481,705	1,141,633	-	3,623,338
Borrowings				
Debt due within one year	(31,547)	31,618	(32,521)	(32,450)
Debt due after one year	(720,485)		32,521	(687,964)
	(752,032)	31,618	-	(720,414)
	1,729,673	1,173,251	-	2,902,924

Notes to the Financial Statements

1. Accounting policies, judgements, and key sources of estimation uncertainty

- a) The Society is a Professional Membership Body and Learned Society holding a Royal Charter. It is established as a Charity under the terms issued by the Charity Commission (registered number: 313707). The Charter of Incorporation and the By-Laws form the code that governs the Society. The registered office address is 4 Hamilton Place, London, W1J 7BQ.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition October 2019) - (Charities SORP (FRS 102)) and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The Trustees have considered a number of factors in concluding that the adoption of a going concern basis in the preparation of these financial statement is appropriate. This includes a review of the budget and forecast including cash flow for up to December 2028 and the review of risks facing the charity. These forecasts incorporate key challenges surrounding the impact from ongoing cost of living crisis and have considered sensitivities surrounding our income.

The Society has a strong portfolio of investment and financial performance and these continue to be monitored regularly. The Trustees have reviewed the key assumptions within forecast and satisfied that the current level of free reserves and cash balances are adequate to meet the Society's obligations as they fall due.

Taking into account the reserves position of the Society and the anticipated future results the Trustees do not consider that the appropriateness of this basis is subject to any material uncertainty.

- b) The consolidated accounts include the activities, assets and liabilities of the Society, its subsidiary companies, subsidiary charities and branches. Further information on the subsidiaries is disclosed in note 18. No separate SOFA or cashflow statement has been prepared for the charity as is permitted by the Charities SORP.

Aeronautical Trading Limited is the trading company and subsidiary company of the Society and its results, assets and liabilities are included in the consolidated accounts. The trading company operates the Venue Hire operations of the building. These activities are consolidated on a line by line basis and have the same year end as the Society.

Aeronautical Trusts Limited is the subsidiary company of the Society and is the corporate Trustee of the subsidiary charities - Royal Aeronautical Society Awards Trust (1045004) and Alan Snudden Memorial Trust Fund (1013530). This entity is clearly distinguished throughout, being those amounts as 'Endowments – subsidiary charities. No separate income and expenditure accounts are presented as the movement in endowment funds are not material.

The Royal Aeronautical Society Awards Trust registered in England and Wales (registered number: 1045004) is a subsidiary charity of the Society, this entity is clearly

distinguished throughout, being those amounts as 'Endowments – subsidiary charities. No separate income and expenditure account are presented as the movement in endowment funds are not material. The CAARC fund is shown as a distinct fund from the other funds of the Royal Aeronautical Society Award Trusts in these accounts. It is a specific fund administered within that charity.

Alan Snudden Memorial Trust Fund (1013530) is a subsidiary charity of the Society, this entity is clearly distinguished throughout, being those amounts as 'Endowments – subsidiary charities. No separate income and expenditure account are presented as the movement in endowment funds are not material.

Branches were established to promote the Society's Charter and objectives through Society activities in the area local to the branch and to represent the Society locally and organise lectures and other events. These activities are included in the charity results and distinguished those amounts as 'Designated – subsidiary Branches'. They have the same year end as the Society.

- c) Income is generally recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from Events, Education & Skills, Venue Hire, Donations, NAL, Publication, Policy are accounted for at the time of event in the year. Income from donations is recognised on receipt of payment. Income from legacies is recognised where evidence of entitlement exists, the value is measurable with sufficient reliability, and on the earlier or the date of receipt of finalised estate accounts of the date of payment.

Grant income is recognised in the SOFA when received or when the charity becomes entitled to receipt. Grants that have been received will be treated as deferred income where there are specific requirements in the terms of the grant that the income recognition is dependent on certain activities being completed in a future accounting period.

Individual subscriptions income is recognised on the amount received for the year. Amounts received during the year in relation to the future years are deferred. The Corporate Partners Scheme is recognised on receipt as anticipated funds are not enforceable debts. Where income is received net of tax, any taxation recoverable is taken to income on receipt of the net amount.

- d) Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Redundancy and termination costs only occur where absolutely necessary and are accounted for on an accruals basis when commitment to terminate a post on the grounds of redundancy has been made,

Direct expenditure is allocated to categories of activity. Where expenditure cannot be directly allocated it represents support costs and is apportioned on a basis consistent with the use of resources, by reference to the number of staff working on each activity. Governance costs which are the statutory and organisational costs of operating the Society as a legal entity are included in support costs and apportioned consistently.

- e) Quoted investments being a form of basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the closing market price.

Realised and unrealised gains on investments shown in the SOFA are taken to the fund for which the investments are held.

- f) Capital Expenditure - All purchases costing over £500 in total which are to be used for a period of more than one year are capitalised.

Heritage assets are held at deemed cost and not depreciated.

- g) Depreciation is provided on the following basis:

- Land is not depreciated.
- Freehold premises – Property is depreciated over 100 years at 1%.
- Fixtures and Equipment including computers - Over the estimated useful life of the asset which varies between two and ten years.

The Society only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

- h) The operating leases are disclosed in the note 12 to the financial statements. Lease payments under operating leases are charged against income on a straight line basis over term of the lease.
- i) Restricted income funds represent income subject to donor specified restrictions and the income arising on endowment funds for which specific uses have been specified. Expenditure for the specified purposes is set against the relevant income in the statement of financial activities. Unexpended balances are carried forward as restricted income funds or where the terms of the endowment provide for this, transferred to the capital balance of the endowment fund.

Unrestricted and Designated funds represent amounts set aside by the Trustees as detailed within the reserves policy on page 8.

- j) All employees of the Society may join the Group Personal Pension Scheme with Aegon (formerly Standard Life). The Society contributes according to a scale of contributions recommended by our Pensions Advisors, this scale being broadly designed to reproduce the scale of pensions they would have received on the basis of the old defined benefits scheme. The assets of the Group Personal Pension Scheme are paid into the Staff Member's individual accounts with the Aegon and all aspects are their own responsibility, although the Society provides free individual advice each year to the members from qualified professional advisors. The costs of the GPP are charged to the Statement of Financial Activities as they fall due.

In addition, there is a frozen defined benefit scheme to which the Society continues to contribute in order to fund past service costs. In 2023, the recent FRS102 valuation shows a pension scheme asset. Under the Governing documents the charity is entitled to a refund when the last payment is made. As the scheme is closed scheme for future accruals, the Trustees feel the recoverability of the asset is too remote and has not recognise the asset in these accounts (See Note 20).

- k) The Society has charitable status and is exempt from taxation of its income and gains falling under with section 478 of the Corporation Tax Act 2010 or section 256 of the taxation of Charitable Gains Act 1992 to the extent they are applied to its chargeable objectives.

Freehold premises are held at the historic valuation of the leasehold originally acquired by the Society plus the additional cost of the subsequent purchase of the freehold and less the depreciation on property (not land).

The heritage assets represent pictures, books and other items of Aeronautical interest held by the Society for which there are no readily identifiable market values, have an indefinite life and are therefore not depreciated. The Trustees have concluded a valuation in 1997 which on transition to FRS 102 has been used as deemed cost. The impairment on heritage assets is considered annually.

- i) In the application of the accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources.

The valuation of assets and liabilities of the Defined Pension Scheme are performed by a professional actuary. Fuller details are provided in note 20 and these include details of the actuarial assumptions adopted. There is a pension scheme asset at the year-end. As the scheme was closed to future accruals, the Trustees feel that the recoverability of the asset is too remote and this had not been recognised in the accounts as an asset on the balance sheet in 2023. In the opinion of the Trustees, these assumptions represent the only material areas of estimation uncertainty in the financial statements.

**ROYAL AERONAUTICAL SOCIETY
FOR YEAR ENDED 31 DECEMBER 2023**

2. Analysis of Income

The analysis of income and expenditure by fund represents the activities of the Society including membership and the activities of its subsidiaries.

Income: 2023	Unrestricted Funds	Restricted Funds	Endowments (Subsidiary Charities) Funds	Designated (Branches) Funds	Total 2023
	£	£	£	£	£
Income from Donations & Legacies					
Voluntary income & donations	255,936	93,989	-	79,993	429,918
	255,936	93,989	-	79,993	429,918
Income from Charitable Activities					
Education, Skills and Diversity	40,700	-	-	-	40,700
Conferences, events, seminars	425,596	-	-	-	425,596
End Point Assessment	653,077	-	-	-	653,077
Library (NAL)	8,051	-	-	-	8,051
Membership services	3,099,832	-	-	-	3,099,832
Publications and information	184,337	-	-	-	184,337
Policy & Research	-	-	-	-	-
	4,411,593	-	-	-	4,411,593
Income from Other Trading Activities					
Room hire services	886,425	-	-	-	886,425
Admin services	1,471	-	-	-	1,471
	887,896	-	-	-	887,896
Investment Income					
Investment Income	129,816	85,153	-	-	214,969
	129,816	85,153	-	-	214,969
Total	5,685,241	179,142	-	79,993	5,944,376

In 2023, The Society received £251,000 in legacies (2022: £260,687).

**ROYAL AERONAUTICAL SOCIETY
FOR YEAR ENDED 31 DECEMBER 2023**

2. Analysis of Income (continued)

Income: 2022	Unrestricted Funds	Restricted Funds	Endowments (Subsidiary Charities) Funds	Designated (Branches) Funds	Total 2022
	£	£	£	£	£
Income from Donations & Legacies					
Voluntary income & donations	271,536	84,442	-	29,057	385,035
	271,536	84,442	-	29,057	385,035
Income from Charitable Activities					
Education, Skills and Diversity	38,875	-	-	-	38,875
Conferences, events, seminars	540,411	-	-	-	540,411
End Point Assessment	737,575	-	-	-	737,575
Library (NAL)	8,306	-	-	-	8,306
Membership services	2,982,032	-	-	-	2,982,032
Publications and information	151,879	-	-	-	151,879
Policy & Research	-	-	-	-	-
	4,459,078	-	-	-	4,459,078
Income from Other Trading Activities					
Room hire services	770,712	-	-	-	770,712
Admin services	2,100	-	-	-	2,100
	772,812	-	-	-	772,812
Investment Income					
Investment Income	87,128	81,266	-	-	168,394
	87,128	81,266	-	-	168,394
Total	5,590,554	165,708	-	29,057	5,785,319

**ROYAL AERONAUTICAL SOCIETY
FOR YEAR ENDED 31 DECEMBER 2023**

3. Employee information

The average numbers of staff employed during the year was 48.5/46 FTE (2022: 44/40.7FTE).

	2023	2022
	£	£
Staff costs (for the above persons)		
Salaries	1,910,742	1,726,203
Social security costs	163,241	189,701
Other pension costs	254,385	220,271
Temporary staff and other staff costs	150,744	42,626
	<u>2,479,112</u>	<u>2,178,801</u>

The charity contributes towards a defined contribution pension scheme. The cost of this scheme is charged to SOFA and amounted to £198,178 (2022: £220,271). The scheme did not give rise to any provision.

Employees receiving emoluments in excess of £60,000 (excluding pension contributions) fall within the following bands:

	2023	2022
	Number	Number
£60,001 - £70,000	2	2
£70,001 - £80,000	1	-
£80,001 - £90,000	-	2
£90,001 - £100,000	1	-
£130,001 - £140,000	-	1
£150,001 - £160,000	1	-

The key management personnel of the Society comprises the Board of Trustees and the Executive Team as listed on page 15. The total amount of employee benefits (including employer pension contributions) received by the Executive Team comprising the CE, three Directors (Head of Knowledge & Networks was on maternity leave) and Financial Controller for their services to the Society was £518,987 (2022: £399,188). Aggregate termination payments for the year were £11,171 (2022: £nil).

Trustees do not receive remuneration for their services. During the year the President was reimbursed £11,781 (2022: £9,540) and 2 (2022: 3) other Trustees were reimbursed £1,888 (2022: £1,044) in respect of travel and subsistence expenses incurred in performance of their duties.

In accordance with normal commercial practice the Society has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Society business. The insurance provides cover up to £5,000,000 on any one claim and the cost for 2023 was £3,773 (2022: £3,432).

ROYAL AERONAUTICAL SOCIETY FOR YEAR ENDED 31 DECEMBER 2023

4. Related party transactions

In 2023, The Society charged its subsidiary company Aeronautical Trading Limited £337,646 (2022: £338,753) in respect of administrative expenses which represents an allocation of overheads from the Society.

Under a Gift Aid declaration, Aeronautical Trading Limited will make a gift aid payment of the Charity of £88,366 (2022: £71,701).

The Aeronautical Trading Limited paid the charity £272,808 (2022: £452,568) of monies collected on invoices settled in 2023.

As at 31 December 2023, the charity owed the Aeronautical Trading Limited £49,359 (2022: £54,642).

There were no employment related transactions for any family of employees in 2023 (2022: £6,033). In 2022, the Society paid £6,033 to a close family of Financial Controller, who was on a temporary employment contract on data input entry for the Finance team within the Society and this was done on an arm length basis.

A number of Trustees hold senior positions in organisations in the aerospace industry which from time to time transact with the Society, the Trustees have no direct involvement with these transactions.

5. Analysis of expenditure

Expenditure: 2023	Direct Costs	Support Costs	Total	Grant Funding of Activities	Branch Activity	Total 2023
	£	£	£	£		£
Raising Funds:						
Fund Raising	12,289	39,940	52,229	-	-	52,229
Room Hire Services	168,547	337,646	506,193	-	-	506,193
Admin services	-	8,022	8,022	-	-	8,022
Investment management costs	12,717	3,513	16,230	13,286	-	29,516
	193,553	389,121	582,674	13,286	-	595,960
Charitable Activities:						
Careers & education	228,043	153,804	381,847	53,930	-	435,777
Conferences	336,759	215,983	552,742	-	-	552,742
End Point Assessment	336,173	206,315	542,488	-	-	542,488
NAL (Library)	309,665	89,948	399,613	-	-	399,613
Membership services	810,651	514,486	1,325,137	-	73,878	1,399,015
Publications & information	623,733	159,880	783,613	-	-	783,613
Policy & Research	141,707	90,455	232,162	-	-	232,162
	2,786,731	1,430,871	4,217,602	53,930	73,878	4,345,410
	2,980,284	1,819,992	4,800,276	67,216	73,878	4,941,370

Within Careers & Education, a total of £13,560 was paid to individuals (2022: £7,500) covering 26 grants and prizes (2022: 22). Grants are paid when approved and accrued from the time of approval.

**ROYAL AERONAUTICAL SOCIETY
FOR YEAR ENDED 31 DECEMBER 2023**

5. Analysis of expenditure (continued)

Expenditure: 2022	Direct Costs	Support Costs	Total	Grant Funding of Activities	Branch Activity	Total 2022
	£	£	£	£		£
Raising Funds:						
Fund Raising	13,416	37,380	50,796	-	-	50,796
Room Hire Services	128,418	338,753	467,171	-	-	467,171
Admin services	-	6,944	6,944	-	-	6,944
Investment management costs	13,395	3,508	16,903	13,995	-	30,898
	155,229	386,585	541,814	13,995	-	555,809
Charitable Activities:						
Careers & education	222,576	135,334	357,910	83,270	-	441,180
Conferences	413,605	233,319	646,924	-	-	646,924
End Point Assessment	323,936	165,021	488,957	-	-	488,957
NAL (Library)	224,082	75,329	299,411	-	-	299,411
Membership services	695,577	491,675	1,187,252	-	61,845	1,249,097
Publications & information	567,754	159,755	727,509	-	-	727,509
Policy & Research	170,811	71,582	242,393	-	-	242,393
	2,618,341	1,332,015	3,950,356	83,270	61,845	4,095,471
	2,773,570	1,718,600	4,492,170	97,265	61,845	4,651,280

**ROYAL AERONAUTICAL SOCIETY
FOR YEAR ENDED 31 DECEMBER 2023**

6. Analysis of support costs

The Society initially identifies the costs of its main activities and then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the key activities undertaken by the Society in the year. Refer to the table below for the basis for apportionment and the analysis of support and governance costs.

Support Costs: 2023	Management / Staff Costs	Finance Costs	Governance Costs	HR	IT Support	Premises Costs	Total 2023
	£	£	£	£	£		£
Raising Funds:							
Fund Raising	6,101	22,131	1,305	-	5,795	4,608	39,940
Room Hire Services	30,103	7,114	1,305	10,083	11,591	277,450	337,646
Admin services	400	3,162	-	1,260	2,898	302	8,022
Investment management costs	200	3,162	-	-	-	151	3,513
	36,804	35,569	2,610	11,343	20,284	282,511	389,121
Charitable Activities:							
Careers & education	47,306	9,485	19,704	12,604	28,976	35,729	153,804
Conferences	42,505	56,909	19,704	12,604	52,157	32,104	215,983
EPA	55,607	47,424	19,704	12,605	28,976	41,999	206,315
NAL (Library)	19,402	22,131	13,136	6,302	28,977	-	89,948
Membership services	129,515	104,334	45,975	44,116	92,725	97,821	514,486
Publications & information	50,906	15,808	13,136	12,605	28,976	38,449	159,880
Policy & Research	31,604	8,694	7,887	12,605	5,795	23,870	90,455
	376,845	264,785	139,246	113,441	266,582	269,972	1,430,871
	413,649	300,354	141,856	124,784	286,866	552,483	1,819,992

Support Costs: 2022	Management / Staff Costs	Finance Costs	Governance Costs	HR	IT Support	Premises Costs	Total 2022
	£	£	£	£	£		£
Raising Funds:							
Fund Raising	5,320	22,112	1,332	-	3,995	4,621	37,380
Room Hire Services	17,360	7,108	1,332	2,725	7,990	302,238	338,753
Admin services	373	3,159	-	1,090	1,998	324	6,944
Investment management costs	187	3,159	-	-	-	162	3,508
	23,240	35,538	2,664	3,815	13,983	307,345	386,585
Charitable Activities:							
Careers & education	40,133	9,477	19,985	10,902	19,976	34,861	135,334
Conferences	55,160	56,860	19,985	17,443	35,957	47,914	233,319
EPA	38,360	47,383	19,985	5,996	19,976	33,321	165,021
NAL (Library)	14,467	22,112	13,323	5,451	19,976	-	75,329
Membership services	124,412	104,243	39,970	49,059	65,921	108,070	491,675
Publications & information	53,386	15,795	13,323	10,902	19,976	46,373	159,755
Policy & Research	27,533	8,687	3,997	5,451	1,998	23,916	71,582
	353,451	264,557	130,568	105,204	183,780	294,455	1,332,015
	376,691	300,095	133,232	109,019	197,763	601,800	1,718,600

Direct expenditure is allocated to categories of activity. Where expenditure cannot be directly allocated it represents support costs and is apportioned on a basis consistent with the use of resources, by reference to the number of staff working on each activity (IT and Premises) and staff time (Management, Finance, HR, and Governance).

**ROYAL AERONAUTICAL SOCIETY
FOR YEAR ENDED 31 DECEMBER 2023**

6. Analysis of support costs (continued)

Governance costs are included in support costs and reallocated across all activities; they include costs for a Governance Manager, expenses associated with Council meetings, Council elections, maintaining the Society's constitution, external audit, and core executive management, plus costs for travel for the President.

Governance Costs

	Total 2023	Total 2022
	£	£
Staff Costs	70,520	59,781
Staff Training/Travel/Recruitment	1,058	680
President, Council & BofTs Expenses	21,188	16,773
Audit Fees	21,100	20,000
Support Costs	27,989	35,998
	141,855	133,232

The President, Council and Board of Trustees' Expenses were related to travel & subsistence, training and other administrative costs.

7. Fixed Assets – Group and Charity

	Property Land	Freehold Property	Fixtures and Equipment	Heritage Assets At Valuation	Website Development	Total
	£	£	£	£	£	£
Cost or Valuation						
At 1 January 2023	5,527,222	2,722,363	665,967	410,843	79,109	9,405,504
Additions	-	-	123,415	-	35,024	158,439
Disposals and other adjustments	-	-	(278,737)	-	-	(278,737)
Balance 31 December 2023	5,527,222	2,722,363	510,645	410,843	114,133	9,285,206
Depreciation						
At 1 January 2023	-	27,224	505,520	-	26,370	559,114
Charge for the year	-	27,224	110,825	-	38,044	176,093
Removed on disposal	-	-	(278,737)	-	-	(278,737)
Balance 31 December 2023	-	54,448	337,608	-	64,414	456,470
Net book value						
At 31 December 2023	5,527,222	2,667,915	173,037	410,843	49,719	8,828,736
At 31 December 2022	5,527,222	2,695,139	160,447	410,843	52,739	8,846,390

Freehold premises are held at the historic valuation of the leasehold originally acquired by the Society plus the additional cost of the subsequent purchase of the freehold and less the depreciation on property (not land).

The Society's bankers, HSBC, have taken out a charge (not exceeding £4,255,000) on No.4 Hamilton Place to act as security against their loan.

The Trustees of the Society's Defined Benefit Pension Scheme (closed) have taken out a second charge on No.4 Hamilton Place to cover the Society's obligations in the event that the Society defaults on its payments to the scheme; in return the Society has received reduced contributions to the Scheme in future years.

ROYAL AERONAUTICAL SOCIETY FOR YEAR ENDED 31 DECEMBER 2023

Of the above £8,417,893 (2022: 8,435,547) represents assets held for the Society's use. Functional Assets are also used by Aeronautical Trading Limited and this is reflected in their normal management charge.

The heritage assets of £410,843 (2022: £410,843) represent pictures, books and other items of Aeronautical interest held by the Society for which there are no readily identifiable market values. The Trustees have concluded a valuation 1997 which on transition to FRS 102 has been used as deemed cost. The impairment on heritage assets is considered annually.

8. Investments – Group and Charity

The Finance Committee (on behalf of the Board of Trustees) review the Society's investments with JM Finn & Co (investment advisors) on a quarterly basis; in 2023 there were minor changes to the asset allocation to reflect the ongoing changes within the markets.

	2023 £	2022 £
Investments in Government and other listed securities:		
UK	500,770	269,381
Overseas	102,744	75,425
Official Investments Funds at market values:		
UK	1,145,017	1,067,596
Overseas	1,530,374	1,293,881
Property Funds	432,709	780,729
Bank Deposits	36,535	105,551
	3,748,149	3,592,563
Analysis of movements of investment assets:	2023 £	2022 £
Investments at 1 January	3,592,564	4,296,997
Additions	1,215,935	723,771
Disposals	(1,075,283)	(585,238)
Revaluations	14,934	(842,966)
Investments at 31 December	3,748,149	3,592,563

Dividend income in the statement of financial activities arise from the above holdings which are all listed on the London Stock Exchange.

9. Debtors

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	444,015	543,904	396,688	491,528
Other debtors	70,145	67,750	70,145	67,750
Prepayments	243,545	166,703	243,543	166,703
	757,705	778,357	710,376	725,981

**ROYAL AERONAUTICAL SOCIETY
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10. Creditors falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	363,794	294,438	357,674	294,318
Accruals and deferred income	1,283,389	952,517	1,258,969	904,417
Other taxes and social security	62,802	87,640	62,801	87,640
Loan for Property	32,450	31,547	32,450	31,547
Other creditors	115,194	133,707	97,987	116,572
Amount due to subsidiary undertaking	-	-	49,359	54,642
	1,857,630	1,499,849	1,859,240	1,489,136

Deferred income represents income from Subscription for Membership, Publications, Venue Hire, Conference, Sponsorship for future periods. This includes sponsorship from Marshall.

	Group		Charity	
Reconciliation of deferred income	2023	2022	2023	2022
	£	£	£	£
Balance as at 1 January	732,199	1,011,446	684,099	976,316
Income deferred in the current year	1,008,862	646,073	994,702	603,123
Release from prior year	(637,099)	(925,320)	(601,759)	(895,340)
Balance as at 31 December	1,103,962	732,199	1,077,042	684,099

11. Creditors falling due after one year

	Group			Charity		
	2023	2022		2023	2022	
	£	£		£	£	
Loan for Property:						
Within 2 to 5 years	149,923			149,923		
After 5 years	<u>538,040</u>	687,963	720,485	<u>538,040</u>	687,963	720,485
Sponsorship: Marshalls		59,426	61,712		59,426	61,712
	747,389	782,197		747,389	782,197	

In March 2009 the Society purchased the freehold of No 4 Hamilton Place (Society's HQ) at a cost of £4,859,755; the Society repaid its variable mortgage in 2022. At the end of 2023, the outstanding loan on property was £720,413 (2022: £752,032).

**ROYAL AERONAUTICAL SOCIETY
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12. Operating lease

The RAeS is committed on operating leases as follows:

	2023	2022
	£	£
Within 1 year	1,196	1,196
Within 2 to 5 years	897	2,093
	2,093	3,289

In 2023, the operating leases cost was £1,196 (2022: £1,196).

13 . Endowment funds

The following reserves are held in accordance with the reserves policy set out on page 11 of this report.

Funds: 2023	Fund Balances Brought Forward 01/01/2023	Income	Expenditure	Transfers	Gains/ (losses)	Fund Balances Carried Forward 31/12/2023
	£	£	£	£	£	£
CAARC Fund	16,209	-	-	792	84	17,085
Alan Snudden	77,933	-	-	-	376	78,309
Awards Trust	1,216,710	-	-	38,702	5,401	1,260,813
Total Expendable Endowment Funds	1,310,852	-	-	39,494	5,861	1,356,207

Funds: 2022	Fund Balances Brought Forward 01/01/2022	Income	Expenditure	Transfers	Gains/ (losses)	Fund Balances Carried Forward 31/12/2022
	£	£	£	£	£	£
CAARC Fund	20,175	-	-	780	(4,746)	16,209
Alan Snudden	99,122	-	-	-	(21,189)	77,933
Awards Trust	1,493,375	-	-	28,246	(304,911)	1,216,710
Total Expendable Endowment Funds	1,612,672	-	-	29,026	(330,846)	1,310,852

**ROYAL AERONAUTICAL SOCIETY
FOR YEAR ENDED 31 DECEMBER 2023**

14. Restricted income funds

The following reserves are held in accordance with the reserves policy set out on pages 9 and 10 of this report.

Funds: 2023	Fund Balances Brought Forward 01/01/2023	Income	Expenditure	Transfers	Gains/ (losses)	Fund Balances Carried Forward 31/12/2023
	£	£	£	£	£	£
CAARC Fund	-	938	(146)	(792)	-	-
Alan Snudden	32,938	5,396	(842)	-	108	37,600
Awards Trust	-	60,281	(18,579)	(41,702)	-	-
Future Scholarship Fund (Formerly Centennial Scholarship)	243,651	11,460	(9,398)	3,000	1,027	249,740
National Aerospace Library Fund	146,459	7,078	(1,104)	-	634	153,067
RAeS Chair of Air Power Studies	14,542	-	-	-	-	14,542
Falcon 2 (Formerly School Build a Plane Challenge)	23,446	-	288	-	-	23,734
ALTA	2,243	2,642	(33)	-	-	4,852
Boeing - Project Altitude	77,537	38,177	(12,442)	-	-	103,272
Flying Start Challenge	5,190	7,750	(7,299)	-	-	5,641
Michael Bishop Foundation	16,453	-	-	-	-	16,453
Kremer Fund	161,541	650	(2,000)	-	-	160,191
Worldskills	1,255	3,520	-	-	-	4,775
AAU Outreach	23,429	-	-	-	-	23,429
CAA Sky Challenge	-	41,250	(15,661)	-	-	25,589
Total Funds	748,684	179,142	(67,216)	(39,494)	1,769	822,885

Funds: 2022	Fund Balances Brought Forward 01/01/2022	Income	Expenditure	Transfers	Gains/ (losses)	Fund Balances Carried Forward 31/12/2022
	£	£	£	£	£	£
CAARC Fund	-	934	(154)	(780)	-	-
Alan Snudden	34,560	5,374	(887)	-	(6,109)	32,938
Awards Trust	-	60,017	(28,771)	(31,246)	-	-
Centennial Scholarship Fund	285,592	11,409	1,616	3,000	(57,966)	243,651
National Aerospace Library Fund	176,376	7,047	(1,164)	-	(35,800)	146,459
RAeS Chair of Air Power Studies	14,542	-	-	-	-	14,542
School Build a Plane Challenge	23,994	-	(548)	-	-	23,446
ALTA	2,939	1,149	(1,845)	-	-	2,243
Boeing - Project Altitude	77,965	44,098	(44,526)	-	-	77,537
Flying Start Challenge	12,398	1,200	(8,408)	-	-	5,190
Michael Bishop Foundation	16,453	-	-	-	-	16,453
Kremer Fund	161,130	411	-	-	-	161,541
Worldskills	-	10,640	(12,578)	3,193	-	1,255
AAU Outreach	-	23,429	-	-	-	23,429
Total Funds	805,949	165,708	(97,265)	(25,833)	(99,875)	748,684

Alan Snudden Fund – The Trustees had the power to accumulate surpluses for 21 years from the founding deed which was dated 1992; transfers to net income made from 2013-16 have been transferred back to Restricted to cover future commitments.

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15. Unrestricted reserve funds

The following reserves are held in accordance with the reserves policy set out on pages 8 and 9 of this report.

Funds : 2023	Fund Balances Brought Forward 01/01/2023	Income	Expenditure	Transfers	Gains/ (losses)	Fund Balances Carried Forward 31/12/2023
	£	£	£	£	£	£
General Reserve - Functional Assets	8,435,547	-	(17,654)	-	-	8,417,893
General Reserve - Functional Assets Loan	(752,032)	-	-	31,618	-	(720,414)
General Reserve - Free Reserve	2,402,289	5,685,187	(4,782,230)	(139,018)	7,304	3,173,532
Heritage Assets	410,843	-	-	-	-	410,843
Flight Sims Sponsorship Fund	51,336	-	-	-	-	51,336
Mortgage & Premises Reserve	6,836	-	-	-	-	6,836
No.4 HP Refurbishment Project	100,000	-	-	-	-	100,000
Designated IT Project Fund	81,629	-	-	-	-	81,629
RAeS Foundation	261,279	54	(6,392)	-	-	254,941
	10,997,727	5,685,241	(4,806,276)	(107,400)	7,304	11,776,596
Pension Fund - FRS17 Reserve	-	-	6,000	76,000	(82,000)	-
Total Funds	10,997,727	5,685,241	(4,800,276)	(31,400)	(74,696)	11,776,596

The Free reserve represents the surplus on funds available for future general activities after allowances for the reserves specified in the policy. In 2023, branches received £31,400 subvention transfers from the Society's free reserves.

Funds : 2022	Fund Balances Brought Forward 01/01/2022	Income	Expenditure	Transfers	Gains/ (losses)	Fund Balances Carried Forward 31/12/2022
	£	£	£	£	£	£
General Reserve - Functional Assets	8,455,911	-	(20,364)	-	-	8,435,547
General Reserve - Functional Assets Loan	(1,542,079)	-	-	790,047	-	(752,032)
General Reserve - Free Reserve	2,521,047	5,329,793	(4,447,023)	(589,283)	(412,245)	2,402,289
Heritage Assets	410,843	-	-	-	-	410,843
Flight Sims Sponsorship Fund	51,336	-	-	-	-	51,336
Mortgage & Premises Reserve	106,836	-	-	(100,000)	-	6,836
No.4 HP Refurbishment Project	100,000	-	-	-	-	100,000
Designated IT Project Fund	81,629	-	-	-	-	81,629
RAeS Foundation	222,301	260,761	(8,783)	(213,000)	-	261,279
	10,407,824	5,590,554	(4,476,170)	(112,236)	(412,245)	10,997,727
Pension Fund - FRS17 Reserve	(858,333)	-	(16,000)	76,000	798,333	-
Total Funds	9,549,491	5,590,554	(4,492,170)	(36,236)	386,088	10,997,727

**ROYAL AERONAUTICAL SOCIETY
FOR YEAR ENDED 31 DECEMBER 2023**

16. Designated Branches funds

Funds: 2023	Fund Balances Brought Forward 01/01/2023	Income	Expenditure	Transfers	Gains/ (losses)	Fund Balances Carried Forward 31/12/2023
	£	£	£	£	£	£
Branches	359,706	79,993	(73,878)	31,400	-	397,221
Total Funds	359,706	79,993	(73,878)	31,400	-	397,221

Funds: 2022	Fund Balances Brought Forward 01/01/2022	Income	Expenditure	Transfers	Gains/ (losses)	Fund Balances Carried Forward 31/12/2022
	£	£	£	£	£	£
Branches	359,451	29,057	(61,845)	33,043	-	359,706
Total Funds	359,451	29,057	(61,845)	33,043	-	359,706

**ROYAL AERONAUTICAL SOCIETY
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17. Analysis of funds

Funds: 2023	Unrestricted Funds	Restricted Funds	Endowed Funds	Designated Branches Funds	Total
	£	£	£	£	£
Fund balances at 31 December 2023 are represented by:					
Fixed assets	8,828,736	-	-	-	8,828,736
Investments	1,832,997	444,086	1,471,066	-	3,748,149
Current assets	3,719,882	378,799	(114,859)	397,221	4,381,043
Current Liabilities	(1,857,630)	-	-	-	(1,857,630)
Total Funds Excluding Pension Liability and Non-Current liabilities	12,523,985	822,885	1,356,207	397,221	15,100,298
Long Term Liabilities	(747,389)	-	-	-	(747,389)
Defined Benefit Pension Scheme Liability	-	-	-	-	-
Total Funds	11,776,596	822,885	1,356,207	397,221	14,352,909

Funds: 2022	Unrestricted Funds	Restricted Funds	Endowed Funds	Designated Branches Funds	Total
	£	£	£	£	£
Fund balances at 31 December 2022 are represented by:					
Fixed assets	8,846,390	-	-	-	8,846,390
Investments	1,756,909	425,652	1,410,002	-	3,592,563
Current assets	2,676,474	323,032	(99,150)	359,706	3,260,062
Current Liabilities	(1,499,849)	-	-	-	(1,499,849)
Total Funds Excluding Pension Liability	11,779,924	748,684	1,310,852	359,706	14,199,166
Long Term Liabilities	(782,197)	-	-	-	(782,197)
Defined Benefit Pension Scheme Liability	-	-	-	-	-
Total Funds	10,997,727	748,684	1,310,852	359,706	13,416,969

**ROYAL AERONAUTICAL SOCIETY
FOR YEAR ENDED 31 DECEMBER 2023**

18. Subsidiary charities and companies

Accounts for the Society only have been presented as the amounts relating to subsidiary entities are clearly distinguished throughout, being those amounts shown as "Endowments - subsidiary charities" or "Aeronautical Trading Ltd". No separate income and expenditure account are presented as the movements in endowment funds are not material.

The subsidiary charities are:

	Registration Number	Registered in
The Royal Aeronautical Society Awards Trust	1045004	England and Wales
Alan Snudden Memorial Trust Fund	1013530	England and Wales

The CAARC fund, which is shown as a distinct fund from the other funds of The Royal Aeronautical Society Awards Trust in these accounts is a specified fund administered within that charity.

The subsidiary companies are:

	Percentage of shares held	Net Assets £	Registered in
Aeronautical Trusts Limited	100%	1	England and Wales
Aeronautical Trading Limited	100%	2	England and Wales

Aeronautical Trusts Limited is the corporate trustee of the subsidiary charities set out above.

Aeronautical Trading Limited (registered number 03243525) is the only trading company and its results, assets and liabilities are included in the consolidated accounts. Its results and financial position are summarised below:

Aeronautical Trading Ltd - Profit and Loss Account

	2023	2022
	£	£
Turnover	594,559	538,872
Cost of sales	(168,547)	(128,418)
Gross Profit	426,012	410,454
Administrative expenses	(337,646)	(338,753)
Operating profit	88,366	71,701

Aeronautical Trading Ltd - Balance Sheet

	2023	2022
	£	£
Debtors	96,686	107,018
Cash at Bank	39,430	30,041
Creditors: amounts falling due within 1 year		
Due to parent undertaking	-	-
Other creditors	(47,748)	(65,356)
Net Assets	88,368	71,703
Represented By:		
Total Equity	88,368	71,703

**ROYAL AERONAUTICAL SOCIETY
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19. Consolidated Statement of Activities 2022

The following Consolidated Statement of Financial Activities for the year ended 31 December 2022:

	Unrestricted Funds	Restricted Funds	Endowments (Subsidiary Charities) Funds	Designated (Branches) Funds	Total 2022
	£	£	£	£	£
Income and endowments from:					
Donations & Legacies	271,536	84,442	-	29,057	385,035
Charitable Activities	4,459,078	-	-	-	4,459,078
Other Trading Activities	772,812	-	-	-	772,812
Investments	87,128	81,266	-	-	168,394
Total	5,590,554	165,708	-	29,057	5,785,319
Expenditure on:					
Raising Funds	541,814	13,995	-	-	555,809
Charitable Activities	3,950,356	83,270	-	61,845	4,095,471
Total	4,492,170	97,265	-	61,845	4,651,280
Net income/(expenditure) before losses on investments	1,098,384	68,443	-	(32,788)	1,134,039
Net losses on investments	(412,245)	(99,875)	(330,846)	-	(842,966)
Net income/expenditure	686,139	(31,432)	(330,846)	(32,788)	291,073
Transfers between funds	(36,236)	(25,833)	29,026	33,043	-
	649,903	(57,265)	(301,820)	255	291,073
Other recognised (losses)/gains:					
Net actuarial (losses) on Pension Scheme	798,333	-	-	-	798,333
Net movement in funds	1,448,236	(57,265)	(301,820)	255	1,089,406
Balance at 1 January	9,549,491	805,949	1,612,672	359,451	12,327,563
Funds at 31 December	10,997,727	748,684	1,310,852	359,706	13,416,969

20. Defined Benefit Pension Scheme (now frozen)

The valuation used for FRS102 disclosures has been based on the most recent actuarial valuation as at 1 April 2023 and updated by the Actuary to take account of the requirements of FRS102 in order to assess the liabilities of the scheme at 31 December 2023. Scheme assets are stated at their market value at 31 December 2023.

The most recent valuation on a discontinued basis was at 1 April 2022 which showed that the scheme's assets fully covered its priority liabilities and 77% of the remaining liabilities on that date; the actuarial valuation shows a deficit of £982k (2019: £1,294k).

The following notes comprise the full disclosures as set out in FRS102.

**ROYAL AERONAUTICAL SOCIETY
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20. Defined Benefit Pension Scheme (now frozen) (continued)

Economic assumptions

	Proposed assumption at 31 December 2023	Assumption Adopted at 31 December 2022
Discount rate	4.50% p.a.	4.90% p.a.
Future increase in Retail Prices Index ("RPI")	3.05% p.a.	3.15% p.a.
Future increase in Consumer Prices Index ("CPI")	2.20% p.a.	2.20% p.a.
Deferred revaluation rate		
CPI subject to a maximum of 5.00% p.a.	2.20%p.a.	2.20%p.a.
Pension increase		
- Pre April 1997 in excess of GMP	4.00% p.a.	4.00% p.a.
- April 1997 - April 2005	2.85% p.a.	2.85% p.a.

Demographic assumptions

	Proposed assumption at 31 December 2023	Assumption adopted at 31 December 2022
Pre-retirement mortality	98% of SAPS3 tables, based on members' years of birth with CMI 2022 core projections with a longterm trend of 1.25% p.a	98% of SAPS3 tables, based on members' years of birth with CMI 2021 core projections with a longterm trend of 1.25% p.a
Post-retirement mortality	98% of SAPS3 tables, based on members' years of birth	98% of SAPS3 tables, based on members' year of birth
Future improvements in longevity	CMI 2022 projections with a long term trend of 1.25% p.a.	CMI 2021 projections with a long term trend of 1.25% p.a.
Life expectancy		
Male currently aged 60	26.1	26.7
Female currently aged 60	28.9	29.3
Male currently aged 40	27.6	28.2
Female currently aged 40	30.3	30.8
Commutation	50% of members assumed to commute some of their pension, using current commutation factors, to receive 100% of maximum tax-free cash lump sum.	50% of members assumed to commute some of their pension, using current commutation factors, to receive 100% of maximum tax-free cash lump sum.
Retirement age	1st April nearest to 60th birthday.	1st April nearest to 60th birthday.
Marital statistics	80% of males and 70% of females.	80% of males and 70% of females assumed to be married at retirement or earlier death.
Age difference	Males assumed to be 3 years older than females	Males assumed to be 3 years older than females
Options (e.g. transfers out)	No allowance	No allowance

**ROYAL AERONAUTICAL SOCIETY
FOR YEAR ENDED 31 DECEMBER 2023**

20. Defined Benefit Pension Scheme (now frozen) (continued)

A) Assets and DBO

	31 December 2023	31 December 2022
	£'000	£'000
Total Value of total Scheme assets	2,224	2,443
Total Value of assets in respect of insured pensioners	682	729
Present value of DBO	(2,906)	(3,172)
Funded surplus / (deficit)	-	-

B) Reconciliation of the value of the DBO

	31 December 2023	31 December 2022
	£'000	£'000
Opening DBO	3,172	5,242
Service cost	-	-
Past service cost	-	-
Members contributions	-	-
Interest on liabilities	153	95
Actuarial losses / (gains)		
From change on assumptions	128	(2,341)
From experience	46	358
Curtailments loss / (gain)	-	-
Settlements	(483)	-
Benefits paid out	(110)	(182)
Expenses	-	-
Closing defined benefit obligation	2,906	3,172

**ROYAL AERONAUTICAL SOCIETY
FOR YEAR ENDED 31 DECEMBER 2023**

20. Defined Benefit Pension Scheme (now frozen) (continued)

C) Reconciliation of the value of the assets

	31 December 2023	31 December 2022
	£'000	£'000
Opening value assets	3,821	4,384
Interest income on Scheme Assets	187	79
Actuarial gains / (losses)	20	(536)
Society contributions	76	76
Member contributions	-	-
(Loss)/gain on Settlements	(511)	-
Benefits paid	(110)	(182)
Derecognition of surplus	(577)	(649)
Closing value of assets	2,906	3,172

D) Return on the Scheme Assets

	31 December 2023	31 December 2022
	£'000	£'000
Actual return on assets	207	(457)

E.1) Analysis of the amount charged to Profit and Loss

	31 December 2023	31 December 2022
	£'000	£'000
Service cost	-	-
Past service cost	-	-
Losses/ (gains) on settlement and curtailments	-	-
Administrative costs	-	-
Net interest cost	(6)	16
Total	(6)	16

E.2) Analysis of net interest cost

	31 December 2023	31 December 2022
	£'000	£'000
Interest income on Scheme assets	(187)	(79)
Interest in Scheme liabilities	153	95
Interest expense on irrecoverable surplus	-	-
Net interest (credit) / cost	(34)	16

**ROYAL AERONAUTICAL SOCIETY
FOR YEAR ENDED 31 DECEMBER 2023**

20. Defined Benefit Pension Scheme (now frozen) (continued)

F) Amount recognised in Other Comprehensive Income

	31 December 2023	31 December 2022
	£'000	£'000
Return on Scheme assets less interest income	92	(1,185)
Actuarial gains/(losses from a change in assumptions	(128)	2,341
Actuarial gains/(losses) from experience	(46)	(358)
Expense recognised in Actuarial Losses	(82)	798

G) Society Contributions

Under the current Schedule of Contributions, the Society contributes the following:

- Deficit contributions of £76k per annum from 1 April 2019 to 31 March 2034; and
- all Scheme expenses (including PPF levies).

H) Amounts for the current and previous two periods

	31 December 2023	31 December 2022	31 December 2021
	£'000	£'000	£'000
Present value of funded DBO	(2,906)	(3,172)	(5,242)
Scheme Assets	2,224	2,443	3,410
Value of assets in respect of insured pensions	682	729	974
Surplus/(deficit)	-	-	(858)
Experience gain/(loss) on DBO	(46)	(358)	34
Experience gain/(loss) on assets	20	(536)	200

The recent FRS 102 valuation shows a pension scheme asset. Under the Governing documents the charity is entitled to a refund when the last payment is made. As the scheme is a closed scheme for future accruals, the trustees feel that the recoverability of the asset is too remote and has not recognise the Pension Scheme asset in these accounts as a result

20. Defined Benefit Pension Scheme (now frozen) (continued)

I) Sensitivity of movement in key assumptions	£'000
Discount rate + 0.50%	(199)
Inflation (RPI and CPI) + 0.50%	55
Life Expectancy + 1year	100

J) Forecast Profit & Loss for the next account period

	31 December 2024
	£'000
Service cost	-
Losses /(gains) on settlements and curtailments	-
Interest income	(154)
Administrative costs	-
Net interest cost/(credit)	128
Total	(26)

