Charity number: 297897
Company number: 2109510

Army Flying Museum Limited
(A Company limited by guarantee)

Trustees' annual report and Consolidated financial statements
For the year ended 28th February 2026

Compass Accountants Limited
Chartered Accountants and Statutory Auditors
Venture House
The Tanneries
East Street
Titchfield
Hampshire
PO14 4AR

Army Flying Museum Limited
Company number: 2109510

Contents

	Page
Legal and administrative information	**1**
Chairman's Report	**2**
Trustees' annual report (incorporating the Strategic Report)	**3 - 15**
Structure, governance & management	
Strategic report	
Objectives & activities	
Achievements & performance	
Financial review	
Plans for future periods	
Principal risks & uncertainties	
Statement of Trustees' responsibilities	**16**
Auditor's report to the Trustees	**17 - 19**
Consolidated Statement of financial activities	**20**
Consolidated balance sheet	**21**
Cash flow statement	**22**
Notes to the financial statements	**23 - 35**

Legal and Administrative Information

Charity number	297897
Company number	2109510
Registered Office	Middle Wallop Stockbridge Hampshire SO20 8FB
Chief Executive	Lucy Johnson
Trustees	Major General (Retd) Neil Sexton CB (Chairman) Colin Sibun (Vice Chairman) Caroline Hopkins (Treasurer) Paul Beaver Colonel Edward Butterworth Paul Edwards James Johnson Colonel Brendan Shaw David Short Rhonda Smith
Company Secretary	Andrew Simkins
Senior Statutory Auditor	Kerry Lawrance FCA
Auditors and Accountants	Compass Accountants Limited Venture House, The Tanneries East Street Titchfield Hampshire PO14 4AR
Bankers	Royal Bank of Scotland Holts Farnborough Branch Lawrie House, Victoria Road Farnborough Hampshire GU14 7NR

Army Flying Museum Limited
Company number: 2109510

Report of the trustees (incorporating the Directors' report) for the year ended 28th February 2026

Chairman's Report

I am pleased to report that 2025-2026 was another good year for the Army Flying Museum. Following all the excitement of 2024 (40th anniversary, an Apache, the King's visit), it was looking difficult to maintain momentum but we have built on those successes and continued to attract new visitors across all demographics.

One of most significant achievements this year was the updating of our audio-visual presentation, 'Helicopters in Action' to fully incorporate the Apache AH-Mk1. This presentation showcases the development of the attack helicopter in the British Army, from the Scout helicopter, through the Lynx, Huey and Cobra and finishing on the Apache. We worked with Ay-Pe and Fusion to fully update the show including new graphics, a bolder design and utilisation of projectors onto the aircraft to create a more contemporary feel. Early indications are that this is proving very popular with visitors young and old.

A key area of development has been in STEM education, one of our four strategic objectives (as identified in our Strategy 2025-2030):

1) A good day out for all the family
2) Trusted and accredited custodians
3) Leaders in aviation STEM for education
4) A great corporate venue

We introduced a new STEM event this year – an astro and aeronautics career day aimed at 16-19 year olds. We worked with partners at GKN Aerospace, Airbus, the University of Southampton and the Army Air Corps to introduce over 100 students to careers in this industry, with a particular focus on apprenticeships.

This new event sits very well alongside our existing programme of STEM school visits and our annual STEM day delivered in partnership with Leonardo Helicopters, and we are already planning our second iteration with more partners keen to get involved. We are developing a new drone/UAV themed schools workshop as well as utilising the themes of science and engineering in our themed holiday activities and museum trails.

Another strand to our STEM education activities is the continued development of the Discovery Den, an area dedicated to engineering and technology for all ages, at our annual flagship fundraising event, Wallop Wheels and Wings. Now in its 5th year, this event is a firm favourite in the calendar and has always sold out. This year we saw more companies and education providers wanting to take space in the Discovery Den, providing a vibrant, interactive and inspirational area for visitor of all ages.

There have been challenges this year though. Our financial year ended with a complete power failure that led to the Museum being forced to close for 3 weeks. We are grateful for the support of the Army Aviation Centre and their contractors in helping us rectify the situation relatively quickly, but it is a reminder that our infrastructure is aging and that we are dependent on the MoD and their contractors for some of this work. As a consequence, we are building our reserves to bolster our financial resilience to accommodate and manage any similar contingencies. This is in addition to planned work over the next couple of years to redevelop our popular outside play area and to upgrade our toilet facilities across the site.

One of our key strengths is our team of people. We are very lucky to have such a dedicated and enthusiastic team of staff, volunteers and trustees at the Museum, and this shone through this year across all our activities. We aim to be a welcoming and inclusive organisation, and our reviews and feedback this year have indicated that we are achieving this. We are all looking forward to the next steps for the Army Flying Museum.

Major General (Retd) Neil Sexton CB
Chairman

Army Flying Museum Limited
Company number: 2109510

Report of the trustees (incorporating the Directors' report) for the year ended 28th February 2026

The Trustees present their report and the financial statements for the year ended 28th February 2026. The Trustees, who are directors of company for the purposes of company law and, who served during the year and up to the date of this report are set out on page 1. The Trustees have had due regard to the guidance issued by the Charity Commission on Public Benefit.

Structure, governance and management

Governing Document

The Museum is governed by its Memorandum and Articles of Association. Trustees are selected by the existing Board from persons having an interest in the story of British Army flying, heritage, conservation and the local community and who have a particular skill or qualification which will add to the combined skills and experience of the Board of Directors. Trustees are recruited to fill gaps in specific skill areas within the Board. The Army Flying Museum Limited ('the Museum') was incorporated as a private company limited by guarantee, and without share capital, in March 1987 when the exhibits of the former AAC Museum were donated to it as a basis for public display. The company is also a registered charity (no. 297897).

Appointment of Trustees

The articles provide for the ex-officio appointment of 3 serving AAC officers as trustees. Remaining Trustees are recruited through advertising or recommendations. All trustees are interviewed for suitability before appointment. Selected trustees are also Directors of the Army Flying Museum Trading Company Limited, the Charity's 100% owned subsidiary. The Trading Company carries out trading activities to generate profits that are Gift Aided to the Museum. The Museum is the ultimate holding company of the Trading Company. While the Museum exercises responsibility as shareholder of the Army Flying Museum Trading Company Limited, the Trading Company board is solely responsible for all trading decisions. Each trustee's liability in the event of liquidation of the trust is limited to £1 in accordance with Memorandum of Association.

Induction and Training

Newly selected trustees are briefed by the Chairman and CEO before taking up their appointment and participate in annual Board Training. Governance arrangements, the subcommittee structure, and the role and conduct of trustees is the subject of a comprehensive paper that is based on Charity Commission, and other guidance and which is available to all trustees and issued to new trustees before taking up their appointment.

The objects for which the Museum is established are to advance the education of the public primarily, but not exclusively, by the provision of a public Museum recording and exhibiting all aspects of flying in the British Army both past and present.

Arrangements For Setting Pay and Remuneration of Key Management Personnel

Rates of pay for newly recruited staff are determined through analysis of the labour market for museum staff and affordability. Across the board annual pay increases are not awarded automatically, but according to affordability and included in the forecast budget which is subject to Board approval before the start of the financial year. Individual staff members can be awarded modest increases by the CEO in recognition of outstanding performance or other exceptional circumstances.

Army Flying Museum Limited
Company number: 2109510

Report of the trustees (incorporating the Directors' report) for the year ended 28th February 2026

Public Benefit

Directors consider that they have complied with the duties expressed in Section 2(1)(b) of the Charities Act 2011 to have due regard to public benefit guidance as published by the Charities Commission. The activities undertaken by the museum throughout the year reached a significant audience of all ages. The Museum has provided a service of great public benefit, offering an educational, enjoyable and satisfying experience through its displays, events and internet presence.

Strategic Report

Museum activity over the last 12 months has been focussed on improving the financial operation of the Museum and managing the changes in consumer spending. We have seen another increase in visitor numbers and the number of free admissions has continued to grow too.

Trading activity this year was slightly better than forecast but expenditure costs have increased more than anticipated meaning activities have been less profitable than expected. Significant increases have been seen in corporate hires and public event attendees.

This year has been about focusing our activities on our four strategic aims to ensure we do not try to tackle too much. We need to make sure that we operate efficiently, and assess how we can improve.

Objectives and activities

The object for which the Museum was established is:

> 'to advance the education of the public primarily but not exclusively by the provision of a public museum recording and exhibiting all aspects of flying in the British Army both present and past'.

In addition to this charitable object, the Army sets objectives for its museums that include:

- Maintain and enhance the Army's connection with society
- Present the country's military heritage and provide an academic research resource
- Contribute to the education of children and adults including educational outreach and support for the National Curriculum
- Educate, train and inspire the current generation of service men and women.

Mission, Vision and Values

Our Mission is:

To preserve, protect and explain the story of British Army flying.

Our Vision is:

To be a sustainable organisation that inspires, educates and preserves its collections for future generations.

Our Values are:

- **Passionate** – staff and volunteers care deeply and believe in
- **Inspiring** – we want to use the heroic stories of Army aviation to inspire young and old people alike
- **Informative** – we want to deliver information in a variety of ways to allow easy access

- **Business minded** – we want to operate in a professional and financially sound manner
- **Integrity** – we value the work that we do and conduct ourselves with the highest standards
- **Inclusive** – everyone is welcome at the Army Flying Museum

Strategy Management and Strategic Plan

The Museum's Strategic Plan is reviewed and approved by Directors annually in March for the following year and covers a period of 5 years. The strategic aim is to underpin future viability by developing a programme of continuous improvement to the museum's Visitor Offer. This aim is delivered through a number of balanced strategic aims, operational and development objectives contained within the Plan.

Our strategic aims are:

1) A good day out for all the family
2) Trusted and accredited custodians
3) Leaders in aviation STEM for education
4) A great corporate venue

Now that operations are more stable, the Board of Directors are currently looking to develop the next 10-year plan for the Museum to ensure we keep looking forward.

Significant Activities Undertaken

Project Eagle – the Development of the Museum.

Phase 1 (the building of the Army Flying Memorial) was completed in September 2017.

Phase 2 (the modernisation of the Museum) was completed in April 2019 and the Activity Plan was completed in December 2021.

Phase 3 (the installation of an Apache AH-Mk.1) – in May 2024, the AFM became the first museum in Europe to display an Apache (ZJ224). In October 2025, the Helicopters in Action audio visual experience was updated to include the Apache and showcases the development of the attack helicopter over the last 60 years.

The future expansion of the Museum is now being considered by the Board of Trustees in their strategic review for 2027-2032.

Key Operational Activities

The Museum's key objectives have been to develop its audience in terms of visitors, event attendees, users, education groups and corporate users. The has been significant progress in these activities over the last 12 months. In particular:

Curatorial

Temporary Exhibitions:

- 'Apache AH Mk.1 ZJ224 at the Army Flying Museum' (August 2024 – May 2025).
- 'Echoes of War: Army Aviation 1939 -45' (May 2025 – August 2025).
- Display about the Enham Trust. Developed with input from Museum staff. (October 2025 – March 2026)

Army Flying Museum Limited
Company number: 2109510

Report of the trustees (incorporating the Directors' report) for the year ended 28th February 2026

Permanent exhibitions:

- Completion of an updated Helicopters in Action audio-visual display, incorporating the Apache AH Mk.1.
- Movement of the ZPU artillery piece into the display areas.

Social media:

- Creation of social media posts about objects in the collection and significant dates.
- Completion of an article about the Apache AH Mk.1 for the Museum website.

Collections management:

- Certification of the suspended aircraft.
- Installation of recording thermohygrographs for interim environmental monitoring.

Collections documentation:

- Accessioning of 14 artefact donations (comprising 34 items) by the Collections Documentation Officer.
- Work on legacy loans including the Pucara A528 and the Science Museum model loan.
- Launch of a significant, long-term project to overhaul artefact collections documentation. To cover:
  - An audit.
  - Continued conversion of paper records to digital records.
  - Improving the quality and quantity of information held.
  - Standardising database formats and ensuring compliance with Spectrum.
  - Tying up artefacts with old catalogue records wherever possible.
  - Identifying potential hazards.
  - Photography of artefacts.

Access:

- Liaison with Winchester Area Access for All.
- Provision of a one-to-one VR headset session for a regular visitor with SEN.

Enquiries:

- 52 enquiries answered, including offers of donations, queries about artefacts in the collection and requests to borrow items.

Fundraising support:

- Creation of content for UH-1H Iroquois Adopter's Notes.
- Selection of presents tailored for Platinum Members.

Promotion of the Museum:

- Filming with Henry Cole for 'Junk and Disorderly'.
- Filming for Airfix covering the pre-production Lynx and Lynx Mk.7.
- Involvement with the 'Ham and Jam' Second World War Airborne Forces podcast.
- Interview with That's TV to promote the 'Echoes of War' exhibition.
- Providing content for a feature about the Museum in the 'Britain at War' magazine.
- Presentation about navigation in the early years of flight for a one-day conference held by the University of Oxford St. Cross Centre for the History and Philosophy of Physics.
- Providing content for the Classic Military Vehicle Museum Guide.

Involvement with the wider sector:

- Acting as Accreditation Mentor for the volunteer-run Royal Observer Corps Museum.

- Contributing to the book 'Victory in 80 Objects', a cross-museum project led by the D-Day Story Portsmouth.

Training:

- An introduction to asbestos in museum collections.
- Working at Height.

Curatorial volunteer activities have included:

- Working at Height training.
- PASMA training.
- Practical tasks for the whole museum team including installation of fixtures and repairs.
- Maintenance of static aircraft.
- Clearance of the Workshop.
- Bringing Scout XP910 inside the Museum in preparation for refurbishment work.
- Installation of shelving in the vehicle pit.
- Maintenance of the simulators.
- Pedal plane repairs.

Archives

Enquiries and donations:

- Total enquiries: 283
- AAC/MOD enquiries: 44 (part of 283)
- Research visits: 22
- Accepted donations: 34
- 39 donations (464 records) accessioned

Collections Management:

- 2 oral history recordings completed.
- Project initiated to monitor climate in the Archive storeroom to ascertain if the room is sealed from the outside and check the accuracy of the climate control unit.
- Part 1 of Chris Hyslop's oral history turned into a video and uploaded to website.
- Project completed to create a new quarantine shelving catalogue to more accurately track the status of quarantined items and those awaiting accessioning.
- Digital records management ongoing, including removal of duplication in the Collections folders on the Server to create more storage.

Marketing:

- Hawkeye articles: 2 – Tales from the Frontiers 1 & 2
- Regular social media posts written about items in the Archive & for anniversaries and national days.
- Collections pages on the website continually updated.

Collections Documentation:

- Continued cataloguing of donation backlog up to 2014.
- Retrospective cataloguing of the book/library collection ongoing.
- Retrospective cataloguing and rehousing of logbook collection ongoing.
- Digital records catalogue set up and retrospective cataloguing of the digital only records collection ongoing.
- Joint project with Hampshire Archives Trust and FAST ongoing to make important RFC collection available online.

- Project implemented to improve location records in the Archive.
    - Part 1 completed which was to create a plan of the Archive shelving and assign location codes to each shelf.
    - Part 2 completed which was to add labelling to shelving.
    - Part 3 ongoing which is to update indexes/catalogues with location codes.

Archive Volunteers:

- AAC database ongoing.
- Cataloguing the album collections ongoing.
- Cataloguing Air Publications completed.
- Cataloguing the map collection ongoing.
- Cataloguing the audio-visual collection ongoing.
- Scanning and cataloguing negatives ongoing.

Education and Learning

In terms of Education we still have room for growth, but we have seen a significant increase this year. We have also introduced Home School Days which have been well attended too.

- **1312** pupils came on **41** school trips
- **3** Home School Days with **85** pupils (STEM/WW2/WW1)

School Holiday Family Activities

Our school holiday activities have become a focal point for local families with many returning each holiday with their annual pass. We have developed these beyond the popular daily craft sessions to include visiting activity providers (for example, a petting farm at Easter and reptiles for our camouflage theme) as well as other activities provided by the staff team like the dressing up, object handling and model making. The programme is developed in conjunction with the curatorial and marketing teams.

- Easter Holidays 2025: **803** participants
- May Half Term 2025: **428** participants
- Summer Holidays 2025: **1,824** participants
- October Half Term 2025: **450** participants
- Family Learning Festival (25-26 October): **179** participants
- Christmas Holidays 2025/26: **276** participants
- February Half Term 2026: **1,156** participants (Home Front Themed Week, see below):

Monday 16 Feb	**Tuesday 17 Feb**	**Wednesday 18 Feb**	**Thursday 19 Feb**
Dig for Victory Seed Planting – **170 attendees** Evacuee Suitcase – **170 attendees**	Anderson Shelter Craft – **155 attendees** Second World War object handling and dressing up **-15 attendees** 1940s House Tours **-12 attendees**	Cartoon home from characters taken from the Nippers Annual -110 We'll Eat Again -**110 attendees** 1940s House Tours -**12 attendees**	Medal Making **– 170 attendees** Dig for Victory **– 170 attendees** Evacuee Suitcase- **170 atttendees** Historic Knits & Gramofun were also in attendance

Report of the trustees (incorporating the Directors' report) for the year ended 28th February 2026

Outreach

Outreach has been firmly embedded in the museum operations now, with a range of staff and volunteers working to deliver the different activities.

The following Outreach events took place:

Young Eagles Youth Group sessions (in partnership with the Army Welfare Service):

- No of Young Eagles sessions: 10 sessions
- No of Young Eagles participants: 198 participants

Pre-School Pilots (sessions for under-5s and their parent/carer)

- No of Pre-School Pilot sessions: 10 sessions
- No of Pre-School Pilot participants: 300 participants

Scout/Guide groups etc and the number of participants

- Museum visits by Youth Groups: 179 participants

Media – our social media presence continues to grow and is summarised below:

MEDIA	As at 28/02/2026	As at 28/02/2025	As at 29/02/2024	% Change over year
Facebook Followers	32,213	20,397	13,673	58%
Instagram	8,078	6,370	5,281	26%
Twitter Followers	N/A	5,946	5,735	N/A
LinkedIn	868	746	495	16%
Mailing List	26,954	20,972	19,088	29%

We made the decision to stop using Twitter/X this year and focus our efforts on Facebook and Instagram.

Fundraising

Fundraising is a key part of the Museum's operations. To keep the cost of fundraising down, the CEO provides the staff lead and has the support of a part time Development Manager. She reports to the Development Committee that provides guidance and support. The Committee comprises of Trustee, Staff and Volunteer representation. The Museum is registered with the Fundraising Regulator and the team abide by the Fundraising Code. The Museum's fundraising promise is linked to the website https://www.armyflying.com/project-eagle/fundraising/. Fundraising activities have concentrated on applications to grant making trusts, developing business relationships and major fundraising events. The Museum did not receive any complaints in the period.

Fundraising Events

Fundraising continues in earnest with an aim of generating £40k surplus every year. We have refreshed the Development Committee and are focussed on building new business relationships, increasing the Corporate Partnerships scheme and putting on public events to help raise funds whilst also increasing awareness of the Museum.

The Museum's flagship fundraising event, Wallop Wheels & Wings, took place on Saturday 12 July 2025 with a capacity of 5,000 and the event sold out for the fifth year running. We have built strong relationships with

Salisbury, Wilton and Andover Rotary, Hampshire Search & Rescue, and numerous Combined Cadet Force groups now and are extremely grateful for their support and the support we receive from the Army Air Corps and Army Aviation Centre in order to deliver this event.

This year, for the third year, we kept the management of the event in-house with the Museum's Marketing & Commercial Operations Manager taking the role of Event Manager. This works exceptionally well in terms of the Museum's ownership of the event, the staff team's engagement with the event and also greatly improved the profitability. This event is firmly embedded in the Museum's calendar and continues to grow each year, allowing us to build better partnerships with other businesses and organisations as well as providing us greater PR and promotion opportunities.

The Museum Lecture Programme

The Museum has always had a popular lecture programme and we have the ability to live stream all our lectures as well as having a live audience in the Museum. We also offer them to view on catch up too. We have also donated passes to watch our online lecture 'box-sets' to local care homes for their residents. However, over the last year we have noticed that consumer patterns have shifted and more people want to attend in person than access them online, and so we are now choosing which lectures to live-stream based on their potential popularity.

LECTURE	DATE	SPEAKER	TICKET	ONLINE
Bouncing the Rhine	24 Mar 25	Mike Peters	58	36
Glider Ops	27 Mar 25	Derek Armitage	24	Daytime talk
Gliders to Normandy	26 Apr 25	Andrew Wheale	38	Daytime talk
V80 Middle Wallop in the war years	09 May 25	Paul Beaver	50	Daytime talk
Airships, then and now	12 May 25	Tony Bray	13	Daytime talk
Operation Pluto	06 Jun 25	Ivor Ellis	33	Daytime talk
Walking the Uk coastline	11 Aug 25	Chris Lewis	99	N/A
Heritage Open Day – Pegasus bridge, in their own words	15 Sept 25	Richard Folkes	17	Daytime talk
Operation Market Garden	17 Sept 25	Derek Armitage	21	Daytime talk
Heritage Open Day – Spitfires Gifts of war	20 Sept 25	Paul Beaver	15	Daytime talk
How rotary winged flight has changed our world	22 Sept 25	Tony Bray	23	20
Wings over guns	16 Oct 25	Mike O'Donaghue	39	Daytime talk
Mitchell, Battle of Britain	20 Oct 25	Paul Beaver	66	33
The Shy Assassin	17 Nov 25	Black Robertson	27	22
Op FUSTIAN	19 Jan 26	Mike Peters	85	41
Supermarine Seaplane	26 Jan 26	Supermarine Ass.	50	Daytime talk
Youngest Bomber Pilot of WW2	12 Feb 26	Graham Waterton	41	Daytime talk

Volunteers

Volunteering is a vital part of the Museum operations. We have around 50 active volunteers now across Engineering, Archive, Education and Tour Guides, alongside our Board of Trustees. The roles our volunteers perform are invaluable to the running of the Museum and they often get involved in the wider activities too (like Wallop Wheels & Wings).

Army Flying Museum Limited
Company number: 2109510

Report of the trustees (incorporating the Directors' report) for the year ended 28th February 2026

Achievements and performance

Financial Review

The Museum, Café and Shop were open throughout the reporting period.

YTD	VISITOR NOS	TICKET INCOME	CAFÉ INCOME	SHOP INCOME
28 FEB 2026	**50,605**	**£318,588**	**£222,175**	**£86,466**
28 FEB 2025	46,829	£304,376	£195,287	£85,723
29 FEB 2024	44,033	£293,680	£182,170	£78,664
28 FEB 2023	38,596	£238,536	£161,430	£66,531
28 FEB 2022*	35,396	£195,357	£119,673	£57,584
28 FEB 2021**	14,388	£95,093	£46,538	£31,066
29 FEB 2020***	36,282	£257,320	£188,984	£67,692
28 FEB 2019****	23,568	£147,087	£142,183	£58,443
28 FEB 2018	30,354	£189,758	£146,681	£75,732

** NB. The Museum was closed due to Covid 19 from 01 Mar-16 May 2022*
*** NB. The Museum was closed due to Covid 19 apart from 13 Jul-04 Nov 20 and 04 Dec-23 Dec 20*
**** NB. The Museum was closed in March 2019 for refurbishment*
***** NB. The Museum was closed from Nov 18 – Feb 19 for refurbishment*

Subsidiary Undertaking

The Army Flying Museum Trading Company Limited is the 100% subsidiary of the Army Flying Museum Limited. The subsidiary operated the trading activities of the museum and covenants its profits to the Museum on an annual basis.

Principal funding streams

The principal funding streams into the Museum are threefold, as detailed below. All funding has been used in the appropriate manner to support the management objectives for the period.

Income generation from trading and admission activity including gift aid

This income is directed towards the management of the Museum and the improvements required to develop the business. This year has seen a continued improvement in both café and shop profits with gross profit raising from 60% to 65% in the café.

MOD support

The MOD provides support in 2 ways:

- Grant in aid. This totalled £70,529 for the year.
- Internal Business Agreement. This covers support such as the provision of utilities and some maintenance and which the MOD value at £71,571 for the year.

We also received an additional grant from the AAC Charity of £25,000 to support the employment of a Collections and Archive Assistant, and we benefit from support from the AAC with the delivery of Wallop Wheels & Wings.

MoD support is currently being considered as part of the Army Heritage Review 2026. Results of this will be shared at the end of 2026 / early 2027.

Grants and donations

Unless specified by the donor, grants and donations to the Museum are allocated to unrestricted funds.

Ticket Pricing

A planned price increase was implemented on 01 March 2025 to both the online and on-the-door tickets (following the successful introduction of this system in November 2023). This helps to streamline the visitor experience and to also ease the collection of customer data. All full price tickets still provide an annual pass and we encourage visitors to agree to Gift Aid if they are able.

TICKET	**NEW ONLINE PRICE**	***ONLINE PRICE***	**NEW ON THE DOOR PRICE**	***ON THE DOOR PRICE***
Adult	**£18.00**	*£17.00*	**£21.00**	*£20.00*
Child	**£10.50**	*£10.00*	**£13.00**	*£13.00*
Concession	**£15.00**	*£14.00*	**£18.00**	*£17.00*
Universal Credit / Pension Credit holder	**£15.00**	*N/A*	**£18.00**	*N/A*
Family (1a+2c)	**£34.00**	*£34.00*	**£40.00**	*£40.00*
Family (2a+2c)	**£50.00**	*£48.00*	**£60.00**	*£60.00*
Under 4s	**Free**	*Free*	**Free**	*Free*

Free Entry

The Museum offers free entry to:

- AAC members (plus their accompanying Spouse/Children)
- Army Air Cadets (when booked through the Army Air Corps)
- Serving British or Commonwealth Military personnel on production of a MOD90 or equivalent ID Card
- Any UK Veteran with a valid Veterans' Membership Card
- Carers who are accompanying people with disabilities
- Children under 4

Reserves Policy

The results for the period, and the company's financial position at the end of the year, are shown in the attached accounts. The agreements with the MOD continued to work well and are of enormous benefit to the Museum. However, MOD budget constraints continue to adversely affect the maintenance support for Phase 1 of the museum building (which is an MOD maintenance responsibility). This has resulted in Museum staff taking on some maintenance tasks and additional expense falling to the Museum.

The Museum maintains a level of free reserves as mitigation against the operational risks listed in the risk register. Restricted reserves are used in accordance with their specified restrictions. Free (i.e. non-committed) reserves are calculated on the basis of the excess of unrestricted funds over fixed assets. The minimum level of the unrestricted reserve is determined by the requirement to provide some financial mitigation of risks listed in the risk register. The most significant of these in financial terms is the risk of income falling to a level that prejudices the Museum's viability. Due to the increased cost of living and rising overheads, the Trustees reviewed the policy last year regarding free reserves and agreed to increase the requirement to £200,000.

At 28 February 2026 the level of the Museum's free reserves amounted to £349,546 (2025: £317,022).

Report of the trustees (incorporating the Directors' report) for the year ended 28th February 2026

Investment Policy

The Museum's investment policy is to hold its liquid assets in its bank accounts. However, it has been agreed to move £100,000 into a separate COIF account to hopefully move towards starting an Investment Portfolio. Project Eagle reserves have been expended so no significant sums are held in interest bearing accounts.

Plans for future periods

Directors have worked with the staff team to review the strategic plan for the Museum over the coming year to determine the priorities for delivering the Museum's vision in the next 5 years.

Review

The strategic plan has identified 4 key objectives for the next 5 years:

1) A good day out for all the family
2) Trusted and accredited custodians
3) Leaders in aviation STEM for education
4) A great corporate venue

Assumptions

The strategic plan is based on the following assumptions:

- **MOD Support**. MoD support including the grant in aid received via AMOT is currently being reviewed but our assumption is that no major changes will be implemented until 2027. Maintenance support will continue at current levels.

- **Airfield**. Army flying operations will continue for the foreseeable future.

- **Economy**. The UK economy will continue to grow very slowly, base interest rates will increase significantly, labour may be in short supply and all costs are likely to grow.

Key Strategies

The following strategies will be pursued by the Museum:

- Maintain and develop an effective board of trustees/directors.
- Nurture the close relationship with the Army Air Corps.
- Seek to increase museum visitor footfall up to 65,000 annually by 2030.
- Invest in Corporate and Membership schemes, aiming for 5% growth annually.
- Build on our outreach programme, seeking to double our coverage by 2027.
- Develop our fundraising activities to generate £80K annually by 2030.
- Market the Museum primarily through digital activities and social media and developing a plan to improve our PR profile regionally.
- Invest more in training our staff.

Operational Objectives

Our Key Operational Objectives are:

- Develop Wallop Wheels & Wings to deliver a £40K annual surplus.

- Maintain a routine events programme to generate £30K annually.
- Operate the Shop to generate £10K surplus annually.
- Operate the Café to generate £20K surplus annually.

Development Objectives

Our key development objectives are to:

- Assess the financial implications of reductions in MOD support.
- Resource and deliver a restroom refurbishment project 26-29.
- Resource and deliver an outdoor playpark replacement project 26-28
- Build on the visitor feedback collected to date and ensure that evaluation is embedded in all activities.
- Seek to extend and diversify our audience.
- Consider how to better reflect Army unmanned aerial platforms.
- Increase collaboration with other regional museums.

Risks

A number of high-level risks have been identified that affect the Museum

STRATEGIC RISK	RESPONSE
Income Generation The Museum has, in the past, relied on income from events supported by the Ministry of Defence to generate a surplus. These events are no longer available and so additional income needs to be generated through footfall, trading and fundraising. In addition, Ministry of Defence funding and material support is likely to decrease over time, putting further pressure on the Museum budget.	Work over the last 5 years has substantially increased footfall and trading. Fundraising is now embedded in the organisation and a component of core funding.
Loss of Reputation Adverse comment and poor reputation affect business performance.	Legal compliance and a culture of customer service and value for money.
Maintenance liability. Pressure on Ministry of Defence funding has reduced maintenance support putting additional pressure on museum funding	Significant Improvements in the material state of the Museum through Project Eagle plus a system of planned maintenance.
HR Risk Errors in HR management can lead to discontent, stress, loss of productivity and in extreme cases, tribunals and fines.	HR advice has been outsourced to Peninsula business services.
Health and Safety Inadvertent noncompliance with Health and Safety legislation leading to a fine.	Health and Safety advice has been outsourced.
Fraud	Implementation of Proper procedures.
Staff loading/Incapacity	Careful monitoring.

Report of the trustees (incorporating the Directors' report) for the year ended 28th February 2026

Auditors

The accounts have been audited by Compass Accountants Limited. A resolution to reappoint the auditor will be put to the members at the Annual General Meeting.

So far as the Trustees are aware, there is no relevant audit information of which the company's auditors are unaware. Trustees have taken all the steps necessary to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Major General Neil Sexton CB
On behalf of the Board

Date:

Army Flying Museum Limited
Company number: 2109510

Statement of trustees' responsibilities for the year ended 28th February 2026

The Trustees (who are also directors of the Army Flying Museum Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006**.** They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Major General Neil Sexton CB
On behalf of the Board

Date:

Army Flying Museum Limited
Company number: 2109510

Independent Auditor's Report to the Members and Trustees of the Army Flying Museum Limited

Opinion

We have audited the financial statements of the Army Flying Museum Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 28th February 2026 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 28th February 2026, 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 Companies Act 2006 and 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 and parent charitable company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine

whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- We gained an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates through discussions with management, sector research, and the application of relevant audit knowledge and experience
- We made enquiries of management around actual and potential litigation and claims
- We made enquiries of management and relevant staff, and designed our audit procedures, including reviewing financial statement disclosures and testing of supporting documentation, to assess compliance with applicable laws and regulations. We focussed on laws and regulations which could give rise to material misstatement in the financial statements including, but not limited to, the Companies Act 2006, the Charities Act 2011, the Charities SORP, and the Financial Reporting Standard 102.
- We identified the risk of material misstatement of the financial statements due to fraud and designed audit procedures to respond to the risk. We performed audit procedures designed to address the risk of fraud arising from management override of controls, including, but not limited to, testing of journal entries and other adjustments, reviewing accounting estimates for evidence of bias, and evaluating the business rationale of significant transactions outside the normal course of business

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company'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 charitable company's members and its 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 charitable company and the charitable company's members as a body and the charitable company's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Kerry Lawrance FCA
Senior Statutory Auditor
For and on behalf of Compass Accountants, Statutory Auditor

Venture House, The Tanneries
East Street, Titchfield
Hampshire
PO14 4AR

Date:

Army Flying Museum Limited
Company number: 2109510

Consolidated Statement of financial activities (incorporating the income and expenditure account)

For the year ended 28th February 2026

	Notes	Unrestricted funds £	Restricted funds £	2026 Total £	Unrestricted funds £	Restricted funds £	2025 Total £
Income from:							
Donations and legacies							
Grant in aid	4	-	70,529	70,529	-	67,931	67,931
Services donated by the Ministry of Defence (MoD)	4	-	71,571	71,571	-	71,571	71,571
Donations and grants	4	5,473	38,000	43,473	226,450	27,050	253,500
Charitable activities (incl admissions)	5	608,917	-	608,917	582,608	-	582,608
Other trading activities							
Trading company	3	308,642	-	308,642	283,600	-	283,600
Investments	6	4,215	2,092	6,307	3,755	2,043	5,798
Other	7	19,358	-	19,358	553	-	553
Total income		946,605	111,663	1,128,797	1,096,966	168,595	1,265,561
Expenditure on:							
Fundraising and publicity	8	100,931	-	100,931	78,072	-	78,072
Trading company	8	273,417	-	273,417	258,960	-	258,960
Charitable activities	9	522,884	404,082	926,966	497,851	386,390	884,241
Total expenditure		897,232	333,553	1,301,314	834,883	386,390	1,221,273
Net income/(expenditure)		49,373	(221,890)	(172,517)	262,083	(217,795)	44,288
Transfers between funds		(11,620)	11,620	-	60,000	(60,000)	-
Net movement in funds		37,753	(210,270)	(172,517)	322,083	(277,795)	44,288
Reconciliation of funds:							
Total funds brought forward		1,612,106	486,420	2,098,526	1,290,023	764,215	2,054,238
Total funds carried forward		1,649,859	276,150	1,926,009	1,612,106	486,420	2,098,526

All recognised gains and losses are included in the statement of financial activities. All transactions are derived from continuing activities.

The depreciation costs of the capital expenditure on Project Eagle will reduce the balance of restricted reserves over the life of the lease and will result in deficits after depreciation being recognised in future years.

The notes on pages 23 to 35 form an integral part of these financial statements.

Army Flying Museum Limited
Company number: 2109510

Consolidated Balance Sheet as at 28th February 2026

	Notes	Group 2026 £	Group 2025 £	Charity 2026 £	Charity 2025 £
Fixed assets					
Tangible assets	13	1,298,874	1,486,109	1,293,441	1,484,458
Heritage assets	14	210,000	210,000	210,000	210,000
Investments	15	-	-	100	100
		1,508,874	1,696,109	1,503,541	1,694,558
Current assets					
Stocks		17,161	14,656	-	-
Debtors	16	38,315	40,144	64,558	58,084
Cash at bank and in hand		432,575	429,424	408,937	403,038
		488,051	484,224	473,495	461,122
Creditors: amounts falling due within one year	17	(70,916)	(81,807)	(99,117)	(97,588)
Net current assets		417,135	402,417	374,378	363,534
Net assets		1,926,009	2,098,526	1,877,919	2,058,092
Funds					
Unrestricted funds	18	1,257,237	1,226,015	1,257,237	1,226,015
Designated funds		65,000	60,000	65,000	60,000
Revaluation reserve		279,532	285,657	279,532	285,657
Total unrestricted funds		1,601,769	1,571,672	1,601,769	1,571,672
Restricted funds	19	276,150	486,420	276,150	486,420
Non Charitable Trading funds		48,090	40,434	-	-
Total funds		1,926,009	2,098,526	1,877,919	2,058,092

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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

Major General Neil Sexton CB
Chairman

Date:

Caroline Hopkins
Treasurer

Date:

The notes on pages 23 to 35 form an integral part of these financial statements.

Army Flying Museum Limited
Company number: 2109510

Cash flow statement

for the year ended 28th February 2026

	Group 2026	Group 2025
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	64,408	103,568
Cash flows from investing activities:		
Interest income	6,307	5,798
Purchase of fixed assets	(67,564)	(87,124)
Net cash provided by (used in) investing activities	(61,257)	(81,326)
Increase/(decrease) in cash and cash equivalents in the year	3,151	22,242
Cash and cash equivalents at 1 March 2025	429,424	407,182
Cash and cash equivalents at 28 February 2026	432,575	429,424
Net income/expenditure for the reporting period	(172,517)	44,288
Depreciation and impairment	254,799	248,642
Donated heritage assets	-	(200,000)
Income from investments	(6,307)	(5,798)
Decrease/(Increase) in stocks	(2,505)	(1,065)
Decrease/(Increase) in debtors	1,829	(12,379)
Increase/(Decrease) in creditors	(10,891)	29,880
Net cash provided by (used in) operating activities	64,408	103,568

Notes to financial statements for the year ended 28th February 2026

1. Accounting policies

1.1. Charity information

The Army Flying Museum Limited is a private company limited by guarantee and incorporated in England and Wales. The registered office is the Army Flying Museum, Army Aviation Centre, Middle Wallop, Stockbridge, Hampshire, SO20 8DY.

The Army Flying Museum Limited meets the definition of a public benefit entity under section 34 of FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value, unless otherwise stated in the relevant accounting policy.

The principal objectives of the charity are detailed in the Trustees report.

1.2. Basis of preparation of financial statements

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) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are presented in sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The consolidated financial statements incorporate the results of the Army Flying Museum Limited and of its subsidiary, Army Flying Museum Trading Company. The Consolidated Statement of Financial Activities includes the results of the trading subsidiary as single line items. The consolidated Balance Sheet includes the net assets of the trading subsidiary on a line by line basis.

A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by Section 408 of the Companies Act 2006.

1.3. Incoming resources

All incoming resources are included in the SOFA when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy, and it is probable that the income will be received. The following polices are applied to particular categories of income:

Income from trading activities represents monies received (exclusive of Value Added Tax) from shop and restaurant sales during the year.

All donations are accounted for on a receivable basis. Separate reserves are maintained for restricted funds in accordance with the Charities Act 2011.

Grants receivable are accounted for when received and are included under the heading of donations.

Services donated by the Ministry of Defence is the value of the services of staff and facilities paid directly by the Ministry of Defence. These have been included on a cost basis in the accounts.

Grant in aid is a donation from the Ministry of Defence towards employment costs. Investment income is recognised on a receivable basis.

1.4. Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the cost of Trustee meetings and the cost of any legal advice to Trustees on governance or constitutional matters.

Notes to financial statements for the year ended 28th February 2026

1.5. Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

1.6. Basis of allocation

Costs of generating funds comprise costs incurred in encouraging people and organisations to contribute financially to the charity's work and to promote the Army Flying Museum as a visitor attraction.

Support costs include central functions and have been allocated to cost categories on a basis consistent with the use of resources.

1.7. Irrecoverable VAT

Irrecoverable VAT has been included as a cost of charitable activities.

1.8. Fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost.

1.9. Heritage assets

The Army Flying Museum holds in trust artefacts comprising its collection. The collections have not been included in the financial statements due to their historic and inalienable nature and due to the specific and individual nature of the artefacts held, it is not believed to be possible to obtain a reliable value of the collection without incurring a cost disproportionate to the benefit of the information reported to the readers of the accounts.

Assets acquired prior to 1st April 2000 have not been capitalised and included in the accounts but with effect from 1st April 2000, additions to the collection with a cost in excess of £5,000, have been capitalised. These assets are not revalued or depreciated.

Heritage assets donated to the Museum with a value in excess of £5,000 are included in the accounts on the basis of internal valuations.

The Collection

The main museum collection comprises aircraft, vehicles, equipment, uniforms, medals, weapons, artwork and ephemera. It also includes an archive of documents, books, photographs, photographic negatives, albums, slides and film. The collection, which numbers many hundreds of thousands of items, contains material which has a unique provenance relating to British Army Flying. Information regarding cost of value of this collection is not readily available and the charity considers that the cost of obtaining such valuation for the collection of assets held is significant, and is not commensurate with the benefit obtained by including the additional capitalised value in the financial statements.

Policy for the acquisition, preservation, management and disposal of heritage assets

Acquisition and disposal of items in the collection is governed by its Collections Development Policy (2016) which is based on an approved template provided by Arts Council England. It takes into account the Museum Association Code of Ethics.

Documenting. The Museum's approach to documenting the collection is stated in its Collections Documentation Policy (2016) and is formalised in a forward plan of work. It operates a system which meets Spectrum basic standards including entry, exit and transfer of title forms; accession records and inventories.

Conservation. The Museum's approach to conserving the collection is stated in its Collections Care and Conservation Policy (2016) and is formalised in a plan of work forward. Work in this area is undertaken by staff, volunteers under the supervision of staff or specialist contractors.

Access. The Museum's approach to providing access to collections is stated in its Access Policy (2016). The collections, and the information held therein, is made available through permanent and temporary exhibitions, website features, loans to other organisations and an enquiries service. Members of the public can also access material by appointment. Access is only limited where legislation requires it.

Memorial Wall
The Museum commissioned and built a memorial wall, completed in 2017, to commemorate those that have lost their lives in the service of British Army Flying however this is not considered to be a heritage asset as defined by FRS 102.

1.10. Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over the expected useful economic life as follows:

Museum displays & equipment - 13% & 25% Straight line basis
Leasehold property - Over the life of the lease
Leasehold improvements - 10 or 25 years
Shop & kitchen equipment - 20% Straight line basis

1.11. Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

1.12. Financial Instruments

The Museum has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

Term deposits of less than one year are classified as investments within current assets.

1.13. Stocks

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

1.14. Leased assets

Rentals applicable to operating leases are charged to the Statement of Financial Activities as incurred.

Notes to financial statements for the year ended 28th February 2026

1.15. Fund accounting policy

Unrestricted income funds are generally funds that are available for use at the Trustees discretion in futherance of the objectives of the charity.

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Further details of each fund are disclosed in note 19.

1.16. Restricted funds

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

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

1.17. Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.18. Termination benefits

The Museum recognises a liability for termination benefits at the point where the group is committed to making the payments in return for employee redundancy.

2. Pension costs

The company operates a defined contribution pension scheme. The pension cost for the period represents contributions payable by the charity to the scheme and amounted to £9,957 (2025: £9,099).

Contributions totalling £669 (2025: £684) were payable to the scheme at the end of the period and are included in creditors.

Notes to financial statements for the year ended 28th February 2026

3. Income and expenses from trading activities of subsidiaries

The charity has a wholly owned trading subsidiary which is incorporated in the United Kingdom, Army Flying Museum Trading Company Limited.

Profit and Loss Account	**2026**	**2025**
	£	**£**
Turnover	308,309	283,152
Cost of sales	(110,173)	(113,056)
Gross Profit	198,136	170,096
Interest income	333	448
Overheads	(163,244)	(145,904)
Net profit/(loss) before tax	35,225	24,640
Amount gifted to The Army Flying Museum	(27,569)	(19,036)
Profit/(loss) for year before taxation	7,656	5,604
Taxation	-	-
Retained profit/(loss) for the period	7,656	5,604
Retained profit brought forward	40,434	34,830
Retained profit carried forward	48,090	40,434
Called up Ordinary Share Capital	100	100
Capital and reserves	48,190	40,534

4. Grants and Donations

During the year the following grants and donations were received:

	Unrestricted funds	**Restricted funds**	**2026 Total**	**2025 Total**
	£	**£**	**£**	**£**
Grant in Aid	70,529	-	70,529	67,931
Services provided by Ministry of Defence	-	71,571	71,571	71,571
	70,529	71,571	142,100	139,502
Other grants and donations:				
General donations	5,473	38,000	43,473	33,500
Donated heritage asset – Apache	-	-	-	200,000
Donated heritage asset – 2 x Cockpit Trainers	-	-	-	20,000
Above assets donated by the Ministry of Defence				
	5,473	38,000	43,473	253,500

In 2025 £27,050 were restricted funds with £226,450 being unrestricted funds.

Notes to financial statements for the year ended 28th February 2026

5. Charitable activities

	Unrestricted funds £	Restricted funds £	2026 £	2025 £
Museum Admissions	332,860	-	332,860	318,276
Gift aid tax claimed	68,454	-	68,454	66,664
Hire of museum facilities	32,267	-	32,267	28,298
Special events	153,128	-	153,128	136,588
Sponsorship	22,208	-	22,208	32,782
	608,917	-	608,917	582,608

All the income for 2025 were unrestricted funds

6. Investment income

	Unrestricted funds £	Restricted funds £	2026 £	2025 £
Dividends and interest	4,215	2,092	6,307	5,798

In 2025 £2,043 were restricted funds with £3,755 being unrestricted funds

7. Other incoming resources

	Unrestricted funds £	Restricted funds £	2026 £	2025 £
Museum & Galleries Exhibition Tax Relief (MGETR)	19,358	-	19,358	553
	19,358	-	19,358	553

All the income for 2025 were unrestricted funds

8. Cost of generating funds

	Unrestricted funds £	Restricted funds £	2026 £	2025 £
Shop and restaurant expenses	273,417	-	273,417	258,960
Event Expenditure	100,931	-	100,931	78,072
	374,348	-	374,348	337,032

All the expenditure for 2025 were unrestricted funds

Notes to financial statements for the year ended 28th February 2026

9. Costs of charitable activities

	Unrestricted funds	Restricted funds	2026	2025
	£	£	£	£
Staff costs	402,577	29,933	432,510	395,067
Costs paid by Ministry of Defence	-	71,571	71,571	71,571
Staff training	1,091	-	1,091	898
Outreach costs	250	-	250	1,497
Repairs and maintenance	26,141	-	26,141	26,940
Computer expenses	18,933	-	18,933	18,609
Hire of plant and machinery	10,010	-	10,010	10,311
Travel and subsistence	2,066	-	2,066	1,803
Unattributable VAT	16,767	-	16,767	18,418
Professional fees	7,930	-	7,930	9,772
Depreciation	21,567	231,668	253,235	248,145
Office costs	17,596	381	17,977	16,559
Advertising & promotion costs	17,435	-	17,435	16,848
Governance and support costs	51,050	-	51,050	47,803
	593,413	333,553	926,966	884,241

In 2025 £386,390 were restricted funds with £497,851 being unrestricted funds

10. Governance and support costs

	Governance costs	2026	2025
	£	£	£
Governance costs			
Staff costs	39,316	39,316	37,235
Auditors remuneration	4,100	4,100	3,975
Costs of Trustees meetings	1,668	1,668	943
Support costs			
Bank charges and interest	5,966	5,966	5,650
	51,050	51,050	47,803

11. Auditors' remuneration

	2026	2025
	£	£
Auditors' remuneration - audit of the financial statements	4,100	3,975
Auditors' remuneration - other fees:		
- Preparation of statutory accounts and payroll	4,930	5,345
- Taxation services	410	295
- Consultancy and advice regarding VAT and other charity matters, including MGETR	1,834	1,554
	7,174	7,194
	11,274	11,169

Notes to financial statements for the year ended 28th February 2026

12. Employees

	2026	2025
	£	£
Employee costs		
Wages and salaries	546,904	510,269
Social security costs	44,607	32,670
Pension costs	9,957	9,099
	601,468	552,038

Including the Chief Executive Officer, the average number of employees, analysed by function, was:

	2026	2025
Management staff	10	11
Museum staff	24	18
	34	29

No employees received termination benefits in the year (2025: Nil).

No trustees received remuneration during the period, no trustees were reimbursed for expenses (2025: Nil).

No employees received remuneration of more than £60,000 during the year (2025: Nil).

Key management personnel
Employee benefits received by key management personnel total £52,826 (2025: £50,701) which included employers' national insurance contributions.

13. Tangible fixed assets

Group	Leasehold Property & Improvement	Shop & Kitchen Equipment	Museum Displays & Equipment	Heritage Assets	Total
	£	£	£	£	£
Cost					
At 1 March 2025	1,471,644	130,526	1,904,086	210,000	3,716,256
Additions	-	5,346	62,218	-	67,564
Disposals	-	(1,281)	(3,368)	-	(4,649)
At 28 February 2026	1,471,644	134,591	1,962,936	210,000	3,779,171
Depreciation					
At 1 March 2025	446,011	128,875	1,445,261	-	2,020,147
Charge for the year	16,734	1,564	236,501	-	254,799
Eliminated on disposal	-	(1,281)	(3,368)	-	(4,649)
At 28 February 2026	462,745	129,158	1,678,394	-	2,270,297
Net book values					
At 28 February 2026	1,008,899	5,433	284,542	210,000	1,508,874
At 29 February 2025	1,025,633	1,651	458,825	210,000	1,696,109

Notes to financial statements for the year ended 28th February 2026

Charity	Leasehold Property & Improvement	Museum Displays & Equipment	Heritage Assets	Total
	£	£	£	£
Cost				
At 1 March 2025	1,471,644	1,904,086	210,000	3,585,730
Additions	-	62,218	-	62,218
Disposals	-	(3,368)	-	(3,368)
At 28 February 2026	1,471,644	1,962,936	210,000	3,644,580
Depreciation				
At 1 March 2025	446,011	1,445,261	-	1,891,272
Charge for the year	16,734	236,501	-	253,235
Eliminated on disposal	-	(3,368)	-	(3,368)
At 28 February 2026	462,745	1,678,394	-	2,141,139
Net book values				
At 28 February 2026	1,008,899	284,542	210,000	1,503,441
At 29 February 2025	1,025,633	458,825	210,000	1,694,458

Revaluation of fixed assets

The leasehold property was restated at open market value at 31st March 1993 and subsequently reduced by depreciation on that value.

14. Heritage assets

Cost	Total £
At 1 March 2025	210,000
Additions	-
At 28 February 2026	210,000

Five year summary	2026 £	2025 £	2024 £	2023 £	2022 £
Additions					
Purchases	-	-	-	-	-
Donations	-	200,000	-	-	-
	-	200,000	-	-	-

15. Fixed asset investments

Cost	Charity Unlisted £	Charity Total £
At 1 March 2025 and 28 February 2026	100	100

Unlisted investments represents 100% of the issued share capital of Army Flying Museum Trading Company Limited.

Notes to financial statements for the year ended 28th February 2026

15.1. Investments held

The company holds 20% or more of the share capital of the following companies:

Company	Nature of business	Shares held class	% of shares held
Army Flying Museum Trading Company Limited	Commercial activities of the parent company	Ordinary	100%

16. Debtors: amounts due within 1 year

	Group 2026 £	Group 2025 £	Charity 2026 £	Charity 2025 £
Trade debtors	6,545	6,855	5,219	6,855
Other debtors	25,048	26,501	25,048	26,501
Accrued income	-	1,879	27,569	19,819
Prepayments	6,722	4,909	6,722	4,909
	38,315	40,144	64,558	58,084

17. Creditors: amounts falling due within one year

	Group 2026 £	Group 2025 £	Charity 2026 £	Charity 2025 £
Trade creditors	6,577	16,696	4,356	15,996
Other taxes and social security	17,452	16,648	17,452	16,155
Other creditors	3,773	7,413	669	4,161
Accruals and deferred income	43,114	41,050	38,786	37,050
Amount owed to group undertakings	-	-	37,854	24,226
	70,916	81,807	99,117	97,588

18. Unrestricted funds

	1 March 2025 £	Incoming £	Outgoing £	Transfers £	28 February 2026 £
Unrestricted funds	1,511,672	646,174	(623,815)	2,738	1,536,769
Designated funds:					
The Museum development and improvement fund	60,000	5,000	-	-	65,000
Other designated funds	-	14,358	-	(14,358)	-
Total designated funds	60,000	19,358	-	(14,358)	65,000
Total unrestricted Charity funds	1,571,672	665,532	(623,815)	(11,620)	1,601,769
Non Charitable Trading funds	40,434	281,073	(273,417)	-	48,090
Total unrestricted funds	1,612,106	946,605	(897,232)	(11,620)	1,649,859

Notes to financial statements for the year ended 28th February 2026

	1 March 2024	Incoming	Outgoing	Transfers	28 February 2025
	£	£	£	£	£
Unrestricted funds	1,255,193	832,402	(575,923)	-	1,511,672
Designated funds:					
The Museum development and improvement fund	-	-	-	60,000	60,000
Total designated funds	-	-	-	60,000	60,000
Total unrestricted Charity funds	1,255,193	832,402	(575,923)	60,000	1,571,672
Non Charitable Trading funds	34,830	264,564	(258,960)	-	40,434
Total unrestricted funds	1,290,023	1,096,966	(834,883)	60,000	1,612,106

19. Restricted funds

	1 March 2025	Incoming	Outgoing	Transfers	28 February 2026
	£	£	£	£	£
Grant in aid	4,933	95,529	(100,462)	-	-
Ministry of Defence services provided	-	71,571	(71,571)	-	-
Project Eagle development fund	468,253	2,092	(231,668)	24,488	263,165
Apache fund	-	11,630	-	(11,630)	-
Memorial Garden & Wall fund	3,432	-	-	-	3,432
Cannon display fund	5,774	-	-	-	5,774
Bike shed fund	1,500	-	-	(1,238)	262
Other restricted funds	2,528	1,370	(381)	-	3,517
	486,420	182,192	(404,082)	11,620	276,150

	1 March 2024	Incoming	Outgoing	Transfers	28 February 2025
	£	£	£	£	£
Grant in aid	4,933	87,931	(87,931)	-	4,933
Ministry of Defence services provided	-	71,571	(71,571)	-	-
Project Eagle development fund	750,113	2,652	(224,512)	(60,000)	468,253
Memorial Garden & Wall fund	3,432	-	-	-	3,432
Cannon display fund	4,472	1,302	-	-	5,774
Bike shed fund	-	1,500	-	-	1,500
Other restricted funds	1,265	3,639	(2,376)	-	2,528
	764,215	168,595	(386,390)	(60,000)	486,420

The Grant in Aid fund is a grant from the Ministry of Defence heritage branch for employees' salaries.

The Ministry of Defence services provided fund represents expenses paid by the Ministry of Defence as part of the ongoing IBA agreement in place between the Museum and the Ministry of Defence.

The Project Eagle development fund represents funds raised towards phase II of Project Eagle.

The Memorial Wall fund represents funds donated for the building of a wall to commemorate those that have lost their lives in the service of British Army Flying at a cost of £310,000.

Notes to financial statements for the year ended 28th February 2026

The Cannon Display fund represents a donation from Major R.W Hogarth R.A (Retired) for the purpose of making a suitable display cabinet for a scale model of a Waterloo Nine Pounder Cannon.

Sufficient resources are held to enable each fund to be applied in accordance with any restrictions.

20. Analysis of net assets between funds

	Tangible Fixed Assets £	Net Current Assets £	2026 £
Unrestricted funds	1,242,263	294,506	1,536,769
Designated funds	-	65,000	65,000
Restricted funds	261,178	14,972	276,150
	1,503,441	374,478	1,877,919
Non charitable trading funds	5,433	42,657	48,090
	1,508,874	417,135	1,926,009
Included in the above figures is the revaluation reserve:			
Revaluation reserve	279,532	-	279,532

	Tangible Fixed Assets £	Net Current Assets £	2025 £
Unrestricted funds	1,256,656	255,016	1,511,672
Designated funds	-	60,000	60,000
Restricted funds	437,802	48,618	486,420
	1,694,458	363,634	2,058,092
Non charitable trading funds	1,651	38,783	40,434
	1,696,109	402,417	2,098,526
Included in the above figures is the revaluation reserve:			
Revaluation reserve	285,657	-	285,657

21. Commitments and contingent liabilities

The charity had capital commitments contracted for but not provided for in the financial statements amounting to £Nil (2025: £Nil). There were no contingent liabilities at 28th February 2026 (2025: £Nil).

22. Taxation

All of the charity's income is applied for charitable purposes and therefore the charity is exempt from corporation tax. The charity's trading subsidiary had a corporation tax liability of £Nil as at 28th February 2026.

23. Related party transactions

Other than the funding provided by Grant in Aid detailed in note 4, there were no related party transactions.

Notes to financial statements for the year ended 28th February 2026

24. Ultimate controlling party

The ultimate controlling party is the Board of Trustee Directors.

25. Analysis of changes in net funds

Group	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	429,424	3,151	432,575
Net funds	429,424	3,151	432,575

26. Financial instruments

The carrying amounts of the group's financial instruments are as follows:

	2026	2025
Financial assets	£	£
Debt instruments measured at amortised cost:		
- Trade debtors (note 16)	6,545	6,855
- Other debtors (note 16)	23,048	26,501
	29,593	33,356
Financial liabilities		
Measured at amortised cost:		
- Trade creditors (note 17)	6,577	16,696
- Other taxes and social security (note 17)	17,452	16,648
- Other creditors (note 17)	3,773	7,413
	27,802	40,757