



# Royal Aeronautical Society

**Trustees' Annual Report and Accounts  
Year Ended 31 December 2022**

**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 2022**

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 2022.

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 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 engineering institution.

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 Government, 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.

### **Achievements and performance**

The Society emerged from the challenges of the pandemic relatively strongly in 2022, meeting the objective to return to our in-person events, deliver a new conference model, and continue the programme of lectures, webinars and outreach work, building on the strength of the Learned output delivered virtually during 2020 and 2021.

The Society successfully achieved outreach and education objectives by maintaining OFQUAL, and launching Phase One of the Falcon 2 project although work continues to further develop CPD programmes and support via Aeroversity and the Career Flightpath platform, and to refresh the Corporate Partner Scheme.

The year was focussed on progressing the objective to review and strengthen the Society's Governance structures to take into account both the lessons learnt from the pandemic and our virtual delivery, together with ensuring that we continue to make the Society open and accessible to all.

The Society met the aim of enhancing our deployment of authoritative advice to stakeholders through delivering 10 responses to government consultations across a wide range of sector areas and meeting with key government Ministers including at the Farnborough Air Show. Overall financial targets were exceeded allowing reinvestment in the Society following the period of tight financial management during the pandemic.

### ***Developing our Membership***

- The Membership Development Team, with invaluable support from volunteer members, delivered 30 briefings, workshops and mentoring training sessions over the year, reaching over 300 potential members and registrants.
- There were over 160 nominations through the “member bring member” programme in 2022 (resulting in over 575 successful applications since its inception in 2018).
- Through the University and Further Education College visits programme, 2700 full time students and over 150 apprentices joined the Society in 2022, ending the year with total number of 25,333 members in 113 countries.
- The Membership Services Board led the 2022 Survey which attracted good response from both members and non-members. Analysis is currently being completed with a view to communicating the results and outcomes to the membership early in 2023 with an action plan supported by Council and the Trustees.

### **Promoting professional standards**

- 75 membership and registration 1-to-1 support sessions were delivered to those working towards Engineering Technician, Incorporated Engineer or Chartered Engineer status.
- We currently accredit 35 Universities and Further Education Colleges and 17 Professional Development Schemes. During 2022 we reviewed the accreditation of 10 academic programmes and 5 professional development schemes.
- We provided End Point Assessment services to over 65 aerospace, aviation, and advanced science & engineering employers across 5 different Apprenticeship Standards and, with thanks to our team of assessors, completed 393 assessments for apprentices
  - 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)

### ***Sharing knowledge and stimulating debate***

- *The Aeronautical Journal* celebrated the 125th anniversary with a special edition and increased its impact factor by 49%.
  - During 2022, 243 papers were submitted and 98 of those were published
  - A record 177,716 papers were downloaded from The Aeronautical Journal's website.
  - Three new Associate Editors joined The Aeronautical Journal during 2022, including Dr Ruxandra Botez, ETS, Canada, Katherine Smith, University of Manchester and Hever Moncayo, Embry-Riddle, US.
- *The Journal of Aeronautical History* published five new papers including A Celebration of the 250th Anniversary of the birth of Sir George Cayley.
- *AEROSPACE* magazine celebrated its 50th birthday.
- 400 events took place across our international branch network with 2,924 attendees at HQ-led events.
  - 1,939 attendees took part in 20 HQ talks, briefings and webinars and 2 networking receptions.
  - 985 people attended 9 Technical Conferences and Specialist Group seminars
- Our investment in supporting Continuing Professional Development provided members with access to 88 new e-books aimed at brushing-up skills and access to current awareness material through our e-journals and e-magazine platform.
- A new library catalogue has been implemented, which now includes 120,127 records detailing our library, journal and archive collections and hosting a growing selection of digital scans from our archive and historic library.
- 12 new classic podcasts were released, with our content leading the way towards the Society's total of 146,429 audio listens for 2022.

### ***Influencing opinion***

- In March 2022, a major joint report was launched from the RAeS and the University of the West of England, shining a light on the significant problem of gender discrimination and the lack of gender diversity amongst pilots in the airline industry with a specific focus on the airline pilot trainer role.
- The 2021-22 Greener by Design report was published at the seminar on the Non CO<sub>2</sub> climate effects of aviation and brought together stakeholders to agree.
- The Human Factors Engineering Sub-Group published a paper on the development of a strategy to enhance Human-Centred Design for Maintenance which gained good media and industry coverage and will be followed by a seminar in early 2023.
- In June, the ICAO Air Navigation Committee visited the RAeS HQ to build on collaborative opportunities and discuss strategic priorities. RAeS representatives from the Specialist Groups discussed aviation climate change impacts, design for maintenance and Mag to True North. The Flight Operations Group later submitted a response to an ICAO survey on this topic of runway designator changes
- The RAeS, as an Official Observer, attended the ICAO 41st Assembly in Montréal, Canada to present a Working Paper on the next generation and closing Skills Gaps resulting from the pandemic. It allowed the Society the opportunity to reengage with Regulators and Government officials from across the globe.
- With support from across the Specialist Groups network, 10 responses to government consultations were submitted on a wide variety of areas impacting our sector.

### ***Inspirational outreach programmes***

- Our primary-level Cool Aeronautics programme engaged with over 800 pupils.
- Phase One of our Falcon 2 Flight Simulator Project launched in September 2022 with 76 submissions from schools and youth groups from various regions of the UK.
- The Boeing Project Altitude programme delivered events to over 1500 14-18 year old students.
- Free Fun Kids Radio podcasts and Amy Aviation YouTube animated videos have soared over the last year with 450,000 views overall. Most popular videos include:
  - o 'How propellers work' (100,000 views)
  - o Satellites (55,000 views)
  - o Radars (47,000 view)
  - o Pilots (32,000 views)
  - o Jet Engines (25,000 views).

### ***Providing Careers Advice & Guidance***

- 100,000 visits to our Careers in Aerospace website that provides valuable resources, provided in partnership with Department for Transport and ADS Group.
- Over 500 visitors from all over the world interacted with almost 30 exhibitors at Careers in Aerospace & Aviation LIVE
- 1,200 students attended our careers and employability workshops at colleges and universities across the UK

### ***Promoting Equity, Diversity & Inclusion***

- Our woman-to-woman Alta mentoring programme won the Economic and Social Research Council Impact prize for work on empowering women in aviation ESRC is the UK's largest funder of economic, social, behavioural and human data science. Alta currently supports over 400 users with nearly 125 live relationships, and also welcomed 50 people to a networking event at the Farnborough Airshow in July.
- Delivered 4 EDI webinars and events across the year engaging with over 120 participants to shape discussions and policies including the introduction of a new discrimination reporting feedback system

### ***Recognition and celebration outstanding achievements***

- The Medals & Awards Committee awarded 4 Honorary Fellowships, 1 Honorary Companionship, together with a number of Gold, Silver and Bronze Medal individual and team awards, and also 5 Specialist Group Named Awards.
- With an increased emphasis on recognising achievement by young people, this year also saw the Young Person's Achievement Award, four Young Person's Commendations together with the Alan Marsh Award and the Herbert le Sueur Award.
- A silver, 2 bronze and a Young Person's Written Paper Prize were conferred for papers appearing in the twelve issues of The Aeronautical Journal. A Prize was also awarded for the best paper published in the Journal of Aeronautical History

### ***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 2022, 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 £8,732 (2021: £35,392) 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;
- External STEM & Skills Exhibitions
- RAeS Future Scholarship Fund (formerly Centennial Scholarship Fund).

### **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 2027 and the review of risks facing the charity including Covid-19. These forecasts incorporate key challenges surrounding the impact from Covid-19 and 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.

### ***Income***

Total income increased by 32% to £5,785,319 with total unrestricted income increasing by 32.9% to £5,590,554.

- ***Income from Donations & Legacies*** comprises donations to various funds which have increased from £158,958 to £385,035 in 2022, including legacies of £160,687 from the late Gwendoline and Neville Duke and £100,000 from the late Captain Eric 'Winkle' Brown, £45,248 from Boeing and £29,057 (2021: £47,990) raised by the Society's Subsidiary Branches to fund their activities throughout the year.

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- **Income from Charitable Activities** at £4,459,078 (2021: £3,829,190), represents 77.1% of the income generated by the Society in 2022; 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 51% of the Society's income and increased by 1% in 2022 to £2,982,032 from £2,952,683.
  - The conferences and seminars were operated on hybrid and in person in 2022, the overall delegate and sponsorship income finished the year at £540,411 up by 156.3% on 2021.
  - Publications income increased by 19.5% to £151,879 by increased sales of *The Aeronautical Journal* (including archive sales) in 2022.
  - The Education, Skills and Diversity Team generated £38,875 in 2022 (2021: £23,523), income increased by just over 65% which included sponsorship and income from its annual Careers Fair and sponsorship for some of its activity.
  - Income from End Point Assessment (EPA) increased by just over 45%, finishing the year at £737,575 (2021: £507,710). It continued to have delayed assessments in 2022 while some companies were committed to completions on time.
- **Income from Other Trading Activities**, room hire services, income generated £770,712, increased by just over 226% in 2022 from £236,275, as the pandemic restrictions eased. This activity is run by the trading subsidiary Aeronautical Trading Limited (ATL) which made a profit of £71,701 (2021: £27,982) which is passed, free of Tax, to the Society. The building reopened for Room Hire services in 2022. The Society continued to lease (under licence to third parties) offices on the 4<sup>th</sup> and 5<sup>th</sup> floor and overall, this had generated £182,440 in 2022 (2021: £70,767).
- **Investment Income** increased to £168,394 from £159,241 in 2022. Of this, £96,657 (2021: £94,237) was reinvested by the Society during the year.

### **Expenditure**

Expenditure increased by 27.2% to £4,095,471 with total unrestricted spending increasing by 26.6% to £4,492,170 as a result of the Society returning to in-person events and office usage

- **The costs of Raising Funds** increased in 2022 by 362.3% to £555,809 with unrestricted costs also increasing by 415.1% to £541,814. Costs included room hire services, administration and investment fees. In 2022, 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 15.8% to £4,095,471 with unrestricted expenditure increasing by 14.8% to £3,950,356. 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 2022 Governance costs increased by 23.8% from £107,654 to £133,232. 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 £1,134,039 (2021: £727,103). During the year, the Society had losses on its investment of £842,966 and actuarial gains on the Society's Pension Scheme of £798,333. The net movement of funds for the year was a surplus of £1,448,236 (2021: £1,814,159).

- **Unrestricted funds** carried forward of £10,997,727 (2021: £9,549,491) represent approximately 40 months operating expenditure. However, not all these funds can be readily liquidated as they

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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.

- The overall income **for Room Hire Services** (*Operated by Aeronautical Trading Limited*) was up by 799.9% and finished the year at £538,872. 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 16 of the accounts).
- **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 2022 which showed a pension scheme asset. 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 2022. The Society contributed £76,000 to the fund in 2022.
  - 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 £8,222,361 (less depreciation on property) as at 31/12/2022. 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 2022 were:

- Ineffective Organisational Structure was mitigated by conducting a Governance Review, designed to ensure we have the governance in place to remain compliant and well managed. This concluded in a revised set of By-Laws and Regulations.

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- Cyber Security remains an ever-present risk our organisation; we continue to invest heavily in IT Security, Training and penetration testing to mitigate the risks.
- Decline in Relevance is being mitigated by this year's cross-Society relevance project to ensure we remain relevant to the membership and can fully perform our Charitable objectives.

## **Reserves Policy**

### ***Unrestricted Reserves and Designated Funds***

2022 was the fifth year of the Finance Strategy covering the period 2018-2022, which was approved by the Trustees in March 2018 and is reviewed annually by the Finance Committee; the Finance Strategy will enable the Society to meet its Strategic Objectives to 2022 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 2022, the Society's liquid reserves (Free, Mortgage and Premises and RAeS Foundation Reserves) stood at £2,903,369 (2020: £2,950,184); this is 174.8% (2021: 202.1%) of the reserve target of the equivalent to at least six months' operational costs of £1,660,758 (2021: £1,459,407); the Society achieved the Reserves target (as outlined in the Finance Strategy).

At the end of 2022 unrestricted reserves and designated funds were as follows:

#### ***Free Reserve***

The Trustees have reviewed the Society's Finance Strategy, covering the period to 2022. 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 2022, the balance of the fund was £2,402,289 (2021: £2,521,047). 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 2022 the fund received £260,761 (2021: £61,942) from legacy and other income, no funds were received from Gift Aid since this is pending and claims will be held until 2023. During the year, the Trustees released £8,733 (2021: £35,392) to support various charitable projects (educational/school projects); the fund balance stood at £261,279 at the end 2022 (2021: £222,301).

#### ***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 2022 (2021: Liability £858,333). The Trustees feel that the recoverability of the asset is too remote and have not recognised the asset in the accounts in 2022.

At the end of 2022 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 2022 due to impact from Covid-19. At the end of the year the fund stood at £51,336 (2021: £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. In 2022 the RAeS Foundation made a transfer of £200k into this fund

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(normally £50k) allowing the variable interest part of the mortgage to be repaid to reduce interest rate risks. At the end of 2022, the balance of the fund stood at £6,836 (2021: £106,836).

***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 4<sup>th</sup> and 5<sup>th</sup> floors in 2020 and 2021, however since the pandemic and the introduction of hybrid working this is being reviewed. At the end of 2022, the fund stood at £100k.

***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. At the end of 2022, the fund stood at £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. Due to Covid-19, there was no activities in 2022. The fund received a total of £5,373 (2021: £5,150) from investment income; at the end of 2022, the fund stood at £32,938 (2021: £34,560).

**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 sector. In 2022, the fund received a total of £1,149 (2021: 1,125) the fund stood at £2,243 (2021:£2,939) at the end of 2022.

**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 2022, the fund received a total of £44,098 and the fund stood at £77,537 (2021: £77,964) at the end of 2022.

**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 individual's Professional Development. In 2022, the fund received a total of £10,937 from donations and investment income and the fund stood at £243,651 at the end of 2022 (2021: £285,591).

***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 the opportunity to design a glider; the competition is run and managed jointly by the participating organisations. In 2022, the fund received a total of £1,200 from donations and investment income. At the end of 2022, the fund stood at £5,190 (2021: £12,398).

**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

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The assets of this fund are held as cash deposits and no prizes were awarded in 2022; at the end of 2022, the fund balance stood at £161,541 (2021: £161,130).

***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 2022, the fund stood at £16,453 (2021: £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 £7,047 (2021: £6,755) was received from donations and investment income and at the end of 2022 the fund stood at £146,459 (2021: £176,376).

**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 on-going research in this area. There had been no activities in 2022 due to Covid-19. At the end of 2022 the fund stood at £14,542 (2021: £14,542).

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

The Falcon 2 Programme is the Society's STEM outreach challenge for young pupils aged 6-19 years. Supported by Boeing and the Department for Transport, launched in September 2022. Falcon 2 provides an opportunity for underrepresented groups, especially students with Special Educational Needs and Disabilities, to design, conceptualise and build an accessible mobile flight simulator as well as increasing disability awareness. A learning platform for all students to collaborate with their peers to address accessibility issues in the aviation and aerospace industry, paving a way for the future workforce to provide unique solutions to current limitations all whilst experiencing the wonder of flight. At the end of 2022, the fund stood at £23,446 (2021: £23,994).

***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. World Skills UK is 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 2022, the fund stood at £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. At the end of 2022, the fund stood at £23,429.

***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 2022, the fund stood at £77,933 (2021: £99,123).

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***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 £7,500 to cover grants and awards and at the end of 2022 the fund stood at £1,216,710 (2021: £1,493,374).

***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 2022, the fund stood at £16,209 (2021: £20,175).

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 2022, the investments stood at £3,592,563 (2021: £4,296,997); over the past 12 months investments have decreased by 16.4% (against the target of RPI + 4%), though was up on the benchmark 0.3% (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 2022; since they took over in 2013 the investment advisors have produced an overall return of 59.8%.

***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.

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 2022 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 2022, the asset allocation was as follows:

**ROYAL AERONAUTICAL SOCIETY  
REPORT OF THE TRUSTEES  
FOR YEAR ENDED 31 DECEMBER 2022**

<b>Asset Distribution</b>			
<b>Sector</b>	<b>Bench Mark</b>	<b>Range</b>	<b>Fund Breakdown % Value as at 31/12/2022</b>
Fixed Interest	17.5%	12.5-22.5%	13.23%
Equities - UK	60.0%	55-65%	27.37%
Equities - Overseas			38.44%
Alternatives (Property/Infrastructure)	17.5%	12.5-22.5%	19.90%
Cash	5.0%	0-10%	1.06%
Accrued Interest/Other	0.0%	0.0%	0.00%
			<b>100.00%</b>

**Plans for future periods**

- With the pace of change of the world around us, consideration will be given to how we remain the relevant and accessible home for aviation, aerospace and space professionals of the future. During the course of 2023, the Relevance Project will be seeking views from members on what we will have to provide, and where so that we will be relevant to our current members, and potential members of the future.
- Following the Governance Review and consultations with Council, committee members and the membership last year, in 2023 we hope to have the Governance Review By-Law changes approved by the Privy Council (as required by our Royal Charter) and by the membership at a Special General Meeting. More detail on the proposed changes can be found at <https://www.youtube.com/watch?v=a5fOe2oNNNo>
- Outreach programmes will continue to develop with Phase 2 of the Falcon 2 flight simulator programme getting underway from March 2023 for the “Big Build” and the Education & Skills Team will support National Apprenticeship Week 2023 (March), the Big Bang (June) and RIAT (July) among many other industry outreach activities.
- In 2023, we hope to increase the number of Standards we can offer End Point Assessment for, this includes the Level 7 Systems Engineer Standard.
- As The Aeronautical Journal has become a Transformative Journal, which means it has committed to transition to open research, and meet the transformative journals requirements of Plan S, it should allow us to attract research papers from a broader range of organisations, researchers and authors committed to the principle of open access.
- Technical and policy papers on wellbeing in the industry, contrail management, sustainability and turbulence in relation to vertical flight are expected to be published to influence key stakeholders across government, operators and regulators.
- Engagement with incoming UK government ministers and Shadow Secretaries of State, civil service, and key international partners will be a focus for the policy and public affairs activity in 2023.
- The Society will continue to promote the RAeS Foundation as the primary vehicle for fundraising to support the Society’s long-term charitable objectives.
- As part of Finance Strategy 2018-2022, 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 2023 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.

## **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 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 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 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.

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**ROYAL AERONAUTICAL SOCIETY  
REPORT OF THE TRUSTEES  
FOR YEAR ENDED 31 DECEMBER 2022**

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**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 2022:**

M Broadhurst OBE MA CDir FIoD FRAeS (Chair of the Board of Trustees)  
Air Cdre Peter Round FRAeS (President)  
Kerrissa Khan MRAeS (President-Elect)  
Howard Nye FRAeS (Past President)  
Lt Cdr R Gearing BEng(Hons) CEng FRAeS MCGI MCMI  
Dr A 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

**Directors of Aeronautical Trusts Limited:**

D Edwards FRAeS, Chief Executive  
S Moynihan FCA CRAeS

**Executive Team:**

D Edwards FRAeS, Chief Executive  
E Bossom, Director, Knowledge and Networks  
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

**Bankers:**

HSBC Bank plc, Level 6, 71 Queen Victoria Street, London, EC4V 4AY, UK

**Reference and Administrative Details (continued)**

**Investment Managers:**

JM Finn & Co, 4 Coleman Street, London EC2R 5TA, UK

**Pension Advisors:**

***GPP Scheme***

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

***Defined Pension Scheme (Closed)***

Deloitte Total Reward and Benefits 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 17 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.....  
Martin Broadhurst (Mar 27, 2023 17:10 GMT+1)  
M Broadhurst OBE MA CDir FIoD FRAeS  
**Chair of the Board of Trustees**

Date: 27 March 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 2022 which comprise Consolidated Statement of Financial Activity, 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 2022 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.

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 15 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 revenue recognition, 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 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.

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**ROYAL AERONAUTICAL SOCIETY  
FOR YEAR ENDED 31 DECEMBER 2022**

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

**Crowe U.K. LLP**

Statutory Auditor

**Cheltenham**

Mar 30, 2023

**[Date]**

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  
REPORT OF THE TRUSTEES  
FOR YEAR ENDED 31 DECEMBER 2022**

**Consolidated Statement of Financial Activities (SOFA)**

For the Year ended 31 December 2022

	Note	Unrestricted Funds	Restricted Funds	Endowments (Subsidiary Charities) Funds	Designated (Branches) Funds	Total 2022	Total 2021
		£	£	£	£	£	£
<b>Income and endowments from:</b>							
Donations & Legacies		271,536	84,442	-	29,057	385,035	158,958
Charitable Activities		4,459,078	-	-	-	4,459,078	3,829,190
Other Trading Activities		772,812	-	-	-	772,812	236,275
Investments		87,128	81,266	-	-	168,394	159,241
<b>Total</b>	<b>2</b>	<b>5,590,554</b>	<b>165,708</b>	<b>-</b>	<b>29,057</b>	<b>5,785,319</b>	<b>4,383,664</b>
<b>Expenditure on:</b>							
Raising Funds		541,814	13,995	-	-	555,809	120,226
Charitable Activities		3,950,356	83,270	-	61,845	4,095,471	3,536,335
<b>Total</b>	<b>5</b>	<b>4,492,170</b>	<b>97,265</b>	<b>-</b>	<b>61,845</b>	<b>4,651,280</b>	<b>3,656,561</b>
<b>Net income/(expenditure) before gains on investments</b>		<b>1,098,384</b>	<b>68,443</b>	<b>-</b>	<b>(32,788)</b>	<b>1,134,039</b>	<b>727,103</b>
Net (losses)/gains on investments	8	(412,245)	(99,875)	(330,846)	-	(842,966)	312,056
<b>Net income/expenditure</b>		<b>686,139</b>	<b>(31,432)</b>	<b>(330,846)</b>	<b>(32,788)</b>	<b>291,073</b>	<b>1,039,159</b>
<b>Transfers between funds</b>	<b>13 - 14</b>	<b>(36,236)</b>	<b>(25,833)</b>	<b>29,026</b>	<b>33,043</b>	<b>-</b>	<b>-</b>
		<b>649,903</b>	<b>(57,265)</b>	<b>(301,820)</b>	<b>255</b>	<b>291,073</b>	<b>1,039,159</b>
<b>Other recognised (losses)/gains:</b>							
Net actuarial gains/(losses) on Pension Scheme	20	798,333	-	-	-	798,333	775,000
<b>Net movement in funds</b>		<b>1,448,236</b>	<b>(57,265)</b>	<b>(301,820)</b>	<b>255</b>	<b>1,089,406</b>	<b>1,814,159</b>
Balance at 1 January	12 - 15	9,549,491	805,949	1,612,672	359,451	12,327,563	10,513,404
<b>Funds at 31 December</b>		<b>10,997,727</b>	<b>748,684</b>	<b>1,310,852</b>	<b>359,706</b>	<b>13,416,969</b>	<b>12,327,563</b>

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

**ROYAL AERONAUTICAL SOCIETY  
REPORT OF THE TRUSTEES  
FOR YEAR ENDED 31 DECEMBER 2022**

**Consolidated Balance Sheet**

	Note	Total 2022	Total 2021
		£	£
<b>Fixed Assets</b>			
Property - Land	7	5,527,222	5,527,222
Property - Property	7	2,695,139	2,722,363
Fixtures and Equipment	7	160,447	206,326
Heritage Assets at Valuation	7	410,843	410,843
Website Development	7	52,739	-
Investments at Market Value	8	3,592,563	4,296,997
		<u>12,438,953</u>	<u>13,163,751</u>
<b>Current Assets</b>			
Debtors	9	778,357	542,288
Cash at bank and in hand		2,481,705	2,480,011
		<u>3,260,062</u>	<u>3,022,299</u>
<b>Less: Current Liabilities</b>			
Creditors	10	(1,499,849)	(1,460,114)
		<u>(1,499,849)</u>	<u>(1,460,114)</u>
<b>Net Current Assets</b>			
		<u>1,760,213</u>	<u>1,562,185</u>
<b>Total Assets Less Current Liabilities</b>			
		<u>14,199,166</u>	<u>14,725,936</u>
Creditor due after one year	11	(782,197)	(1,540,040)
Defined Benefit Pension Scheme Liability	20	-	(858,333)
		<u>13,416,969</u>	<u>12,327,563</u>
<b>NET ASSETS</b>			
<b>Represented by:</b>			
Restricted Reserves	14	748,684	805,949
Endowments	13	1,310,852	1,612,672
Designated Funds - Branches	16	359,706	359,451
<b>Unrestricted Reserves</b>			
Unrestricted Reserves	15	10,997,727	10,407,824
<b>Unrestricted Reserves Excluding Pension Liability</b>		<u>10,997,727</u>	<u>10,407,824</u>
Pension Reserve	20	-	(858,333)
<b>Total Unrestricted Reserves</b>		<u>10,997,727</u>	<u>9,549,491</u>
<b>TOTAL RESERVES</b>			
		<u>13,416,969</u>	<u>12,327,563</u>

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 27 March 2023.

  
Martin Broadhurst (Mar 27, 2023 17:10 GMT+1)

M Broadhurst OBE MA CDir FIoD FRAeS  
Chair of the Board of Trustees

  
S Moynihan FCA CRAeS  
Trustee

**ROYAL AERONAUTICAL SOCIETY  
REPORT OF THE TRUSTEES  
FOR YEAR ENDED 31 DECEMBER 2022**

**Charity Balance Sheet**


	Note	Total 2022	Total 2021
		£	£
<b>Fixed Assets</b>			
Property - Land	7	5,527,222	5,527,222
Property - Property	7	2,695,139	2,722,363
Fixtures and Equipment	7	160,447	206,326
Heritage Assets at Valuation	7	410,843	410,843
Website Development	7	52,739	-
Investments at Market Value	8	3,592,563	4,296,997
Investments in subsidiary undertakings	18	3	3
		<u>12,438,956</u>	<u>13,163,754</u>
<b>Current Assets</b>			
Debtors	9	725,981	576,627
Cash at bank and in hand		2,451,664	2,011,515
		<u>3,177,645</u>	<u>2,588,142</u>
<b>Less: Current Liabilities</b>			
Creditors	10	(1,489,136)	(1,413,393)
		<u>(1,489,136)</u>	<u>(1,413,393)</u>
<b>Net Current Assets</b>		<u>1,688,509</u>	<u>1,174,749</u>
<b>Total Assets Less Current Liabilities</b>		<u>14,127,465</u>	<u>14,338,503</u>
Creditor due after one year	11	(782,197)	(1,540,040)
Defined Benefit Pension Scheme Liability	20	-	(858,333)
<b>NET ASSETS</b>		<u>13,345,268</u>	<u>11,940,130</u>
<b>Represented by:</b>			
Restricted Reserves	14	748,684	805,949
Endowments	13	1,310,852	1,612,672
Designated Funds - Branches	16	359,706	-
<b>Unrestricted Reserves</b>			
Unrestricted Reserves		10,926,026	10,379,842
<b>Unrestricted Reserves Excluding Pension Liability</b>		<u>10,926,026</u>	<u>10,379,842</u>
Pension Reserve	20	-	(858,333)
<b>Total Unrestricted Reserves</b>		<u>10,926,026</u>	<u>9,521,509</u>
<b>TOTAL CHARITY RESERVES</b>		<u>13,345,268</u>	<u>11,940,130</u>

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 27 March 2023.

  
Martin Broadhurst (Mar 27, 2023 17:10 GMT+1)

M Broadhurst OBE MA CDir FIoD FRAeS  
Chair of the Board of Trustees

  
S Moynihan FCA CRAeS  
Trustee

**ROYAL AERONAUTICAL SOCIETY  
REPORT OF THE TRUSTEES  
FOR YEAR ENDED 31 DECEMBER 2022**

**Consolidated Cash Flow Statement**

For the Year ended 31 December 2022

	Total 2022	Total 2021
	£	£
<b>Cash flows from operating activities</b>		
<b>Net cash provided by operating activities</b>	<b>961,637</b>	<b>689,044</b>
<b>Cash flows from investing activities</b>		
Dividends, Interest and rents from investments	171,909	159,241
Purchase of property, plant and equipment	(203,272)	(88,243)
Proceeds from sale of investments	585,238	362,072
Purchase of investments	(723,771)	(491,690)
<b>Net cash provided by operating activities</b>	<b>791,741</b>	<b>630,424</b>
<b>Cash flows from financing activities</b>		
Repayments of borrowing	(790,047)	(48,460)
<b>Net cash used in financing activities</b>	<b>(790,047)</b>	<b>(48,460)</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>1,694</b>	<b>581,964</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>2,480,011</b>	<b>1,898,047</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>2,481,705</b>	<b>2,480,011</b>

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

	Total 2022	Total 2021
	£	£
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	<b>291,073</b>	<b>1,039,159</b>
Depreciation charges	223,636	189,618
Losses/(Gains) on investments	842,966	(312,056)
Dividends, Interest and rents from investments	(171,909)	(159,241)
(Increase)/Decrease in debtors	(236,068)	168,782
Increase/(Decrease) in creditors	71,939	(184,218)
Movement of pension fund contributions/pension fund costs	(60,000)	(53,000)
<b>Net cash provided by operating activities</b>	<b>961,637</b>	<b>689,044</b>

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

**ROYAL AERONAUTICAL SOCIETY  
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**Analysis of changes in net debt**

	<b>1 January 2022</b>	<b>Cash Flows</b>	<b>Other Non- Cash changes</b>	<b>31 December 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cash and cash equivalents</b>				
Cash and cash equivalents	2,480,011	1,694	-	2,481,705
	<hr/>	<hr/>	<hr/>	<hr/>
	2,480,011	1,694	-	2,481,705
<b>Borrowings</b>				
Debt due within one year	(790,047)	790,047	(31,547)	(31,547)
Debt due after one year	(752,032)	-	31,547	(720,485)
	<hr/>	<hr/>	<hr/>	<hr/>
	(1,542,079)	790,047	-	(752,032)
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>937,932</b>	<b>791,741</b>	<b>-</b>	<b>1,729,673</b>
	<hr/>	<hr/>	<hr/>	<hr/>

## **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 2027 and the review of risks facing the charity including Covid-19. These forecasts incorporate key challenges surrounding the impact from Covid-19 and 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

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**ROYAL AERONAUTICAL SOCIETY  
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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.

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 capitalized. Heritage assets are held at valuation 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%.

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**ROYAL AERONAUTICAL SOCIETY  
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- 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 6 and 7.

- 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 2022, 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 this 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 extend 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 and have an indefinite life. The Trustees have concluded a valuation which they consider appropriate.

- l) 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 apparently 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. In the opinion of the Trustees, these assumptions represent the only material areas of estimation uncertainty in the financial statements.

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**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: 2022	Unrestricted Funds	Restricted Funds	Endowments (Subsidiary Charities) Funds	Designated (Branches) Funds	Total 2022
	£	£	£	£	£
<b>Income from Donations &amp; Legacies</b>					
Voluntary income & donations	271,536	80,927	-	29,057	381,520
	<b>271,536</b>	<b>80,927</b>	<b>-</b>	<b>29,057</b>	<b>381,520</b>
<b>Income from Charitable Activities</b>					
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	-	-	-	-	-
	<b>4,459,078</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,459,078</b>
<b>Income from Other Trading Activities</b>					
Room hire services	770,712	-	-	-	770,712
Admin services	2,100	-	-	-	2,100
	<b>772,812</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>772,812</b>
<b>Investment Income</b>					
Investment Income	87,128	84,781	-	-	171,909
	<b>87,128</b>	<b>84,781</b>	<b>-</b>	<b>-</b>	<b>171,909</b>
<b>Total</b>	<b>5,590,554</b>	<b>165,708</b>	<b>-</b>	<b>29,057</b>	<b>5,785,319</b>

In 2022, The Society received £260,687 in legacies and £137,174 in insurance payout due to loss of income from Covid-19.

Income: 2021	Unrestricted Funds	Restricted Funds	Endowments (Subsidiary Charities) Funds	Designated (Subsidiary Branches) Funds	Total 2021
	£	£	£	£	£
<b>Income from Donations &amp; Legacies</b>					
Voluntary income & donations	62,868	48,100	-	47,990	158,958
	<b>62,868</b>	<b>48,100</b>	<b>-</b>	<b>47,990</b>	<b>158,958</b>
<b>Income from Charitable Activities</b>					
Education, Skills and Diversity	23,523	-	-	-	23,523
Conferences, events, seminars	210,816	-	-	-	210,816
End Point Assessment	507,710	-	-	-	507,710
Library (NAL)	7,399	-	-	-	7,399
Membership services	2,952,683	-	-	-	2,952,683
Publications and information	127,059	-	-	-	127,059
Policy & Research	-	-	-	-	0
	<b>3,829,190</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,829,190</b>
<b>Income from Other Trading Activities</b>					
Room hire services	236,275	-	-	-	236,275
	<b>236,275</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>236,275</b>
<b>Investment Income</b>					
Investment Income	77,975	81,266	-	-	159,241
	<b>77,975</b>	<b>81,266</b>	<b>-</b>	<b>-</b>	<b>159,241</b>
<b>Total</b>	<b>4,206,308</b>	<b>129,366</b>	<b>-</b>	<b>47,990</b>	<b>4,383,664</b>

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**3. Employee information**

The average numbers of staff employed during the year was 44/40.7 FTE (2021: 37/35.4 FTE).

	2022 £	2021 £
<b>Staff costs (for the above persons)</b>		
Salaries	1,726,203	1,544,042
Social security costs	189,701	159,892
Other pension costs	220,271	209,853
Temporary staff and other staff costs	42,626	78,345
	<u>2,178,801</u>	<u>1,992,132</u>

The charity contributes towards a defined contribution pension scheme. The cost of this scheme is charged to SOFA and the amounted to £220,271 (2021: £209,853). 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:

	2022 Number	2021 Number
£60,001 - £70,000	2	1
£70,001 - £80,000	-	2
£80,001 - £90,000	2	1
£90,001 - £100,000	-	-
£130,001 - £140,000	1	-

The key management personnel of the Society comprises the Board of Trustees and the Executive Team as listed on page 13. The total amount of employee benefits (including employer pension contributions) received by the Executive Team (comprising the CE, two Directors and Financial Controller) for their services to the Society was £399,188 (2021: £378,655). Aggregate termination payments for the year were £0 (2021: £12,105).

Trustees do not receive remuneration for their services. During the year the President was reimbursed £9,540 (2021: £593) and 3 (2021: 1) other Trustees were reimbursed £1,044 (2021: £265) 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 2021 was £3,432 (2021: £2,984).

**4. Related party transactions**

In 2022, The Society charged its subsidiary company Aeronautical Trading Limited £338,753 (2021: £0) 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 £71,701 (2021: £27,982).

The Aeronautical Trading Limited paid the charity £452,568 (2021: £47,522) of monies collected on invoices settled in 2022.

As at 31 December 2022, the charity owed the Aeronautical Trading Limited £54,642.

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During 2022, the Society paid £6,033 to a close family of the 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: 2022	Direct Costs	Support Costs	Total	Grant Funding of Activities	Branch Activity	Total 2022
	£	£	£	£		£
<b>Raising Funds:</b>						
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
	<b>155,229</b>	<b>386,585</b>	<b>541,814</b>	<b>13,995</b>	<b>-</b>	<b>555,809</b>
<b>Charitable Activities:</b>						
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
	<b>2,618,341</b>	<b>1,332,015</b>	<b>3,950,356</b>	<b>83,270</b>	<b>61,845</b>	<b>4,095,471</b>
	<b>2,773,570</b>	<b>1,718,600</b>	<b>4,492,170</b>	<b>97,265</b>	<b>61,845</b>	<b>4,651,280</b>

Within Careers & Education a total of £7,500 was paid to individuals (2021: £10,453) covering 22 grants and prizes (2021: 30 2020). Grants are paid when approved and accrued from the time of approval.

Expenditure: 2021	Direct Costs	Support Costs	Total	Grant Funding of Activities	Branch Activity	Total 2021
	£	£	£	£		£
<b>Raising Funds:</b>						
Fund Raising	15,145	35,493	50,638	-	-	50,638
Room Hire Services	31,898	-	31,898	-	-	31,898
Admin services	-	5,108	5,108	-	-	5,108
Investment management costs	14,391	3,154	17,545	15,037	-	32,582
	<b>61,434</b>	<b>43,755</b>	<b>105,189</b>	<b>15,037</b>	<b>-</b>	<b>120,226</b>
<b>Charitable Activities:</b>						
Careers & education	155,145	109,749	264,894	51,131	-	316,025
Conferences	206,108	214,682	420,790	-	-	420,790
End Point Assessment	251,364	179,542	430,906	-	-	430,906
NAL (Library)	190,470	66,672	257,142	-	-	257,142
Membership services	643,755	510,412	1,154,167	-	43,021	1,197,188
Publications & information	532,189	153,097	685,286	-	-	685,286
Policy & Research	147,664	81,334	228,998	-	-	228,998
	<b>2,126,695</b>	<b>1,315,488</b>	<b>3,442,183</b>	<b>51,131</b>	<b>43,021</b>	<b>3,536,335</b>
	<b>2,188,129</b>	<b>1,359,243</b>	<b>3,547,372</b>	<b>66,168</b>	<b>43,021</b>	<b>3,656,561</b>

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**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.

<b>Support Costs: 2022</b>	<b>Management / Staff Costs</b>	<b>Finance Costs</b>	<b>Governance Costs</b>	<b>HR</b>	<b>IT Support</b>	<b>Premises Costs</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>		<b>£</b>
<b>Raising Funds:</b>							
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
	<b>23,240</b>	<b>35,538</b>	<b>2,664</b>	<b>3,815</b>	<b>13,983</b>	<b>307,345</b>	<b>386,585</b>
<b>Charitable Activities:</b>							
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
	<b>353,451</b>	<b>264,557</b>	<b>130,568</b>	<b>105,204</b>	<b>183,780</b>	<b>294,455</b>	<b>1,332,015</b>
	<b>376,691</b>	<b>300,095</b>	<b>133,232</b>	<b>109,019</b>	<b>197,763</b>	<b>601,800</b>	<b>1,718,600</b>

<b>Support Costs: 2021</b>	<b>Management / Staff Costs</b>	<b>Finance Costs</b>	<b>Governance Costs</b>	<b>HR</b>	<b>IT Support</b>	<b>Premises Costs</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>		<b>£</b>
<b>Raising Funds:</b>							
Fund Raising	4,812	19,122	861	-	3,486	7,212	35,493
Room Hire Services	-	-	-	-	-	-	-
Admin services	253	2,732	-	-	1,743	380	5,108
Investment management costs	169	2,732	-	-	-	253	3,154
	<b>5,234</b>	<b>24,586</b>	<b>861</b>	<b>-</b>	<b>5,229</b>	<b>7,845</b>	<b>43,755</b>
<b>Charitable Activities:</b>							
Careers & education	23,892	8,195	12,918	11,506	17,431	35,807	109,749
Conferences	33,939	55,316	13,780	22,436	38,347	50,864	214,682
EPA	40,777	40,975	12,918	6,328	17,431	61,113	179,542
NAL (Library)	13,171	19,120	11,197	5,753	17,431	-	66,672
Membership services	107,219	90,145	43,062	51,775	57,521	160,690	510,412
Publications & information	40,777	13,658	8,612	11,506	17,431	61,113	153,097
Policy & Research	24,821	7,512	4,306	5,753	1,743	37,199	81,334
	<b>284,596</b>	<b>234,921</b>	<b>106,793</b>	<b>115,057</b>	<b>167,335</b>	<b>406,786</b>	<b>1,315,488</b>
	<b>289,830</b>	<b>259,507</b>	<b>107,654</b>	<b>115,057</b>	<b>172,564</b>	<b>414,631</b>	<b>1,359,243</b>

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).

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**6. Analysis of support costs (continued)**

Governance costs are now 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 2022	Total 2021
	£	£
Staff Costs	59,781	59,165
Staff Training/Travel/Recruitment	680	-
President, Council & BofT's Expenses	16,773	6,415
Audit Fees	20,000	19,500
Support Costs	35,998	22,574
	<b>133,232</b>	<b>107,654</b>

The President, Council and BofT's 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
	£	£	£	£	£	£
<b>Cost or Valuation</b>						
At 1 January 2022	5,527,222	2,722,363	744,857	410,843	-	9,405,285
Additions	-	-	124,163	-	79,109	203,272
Disposals and other adjustments	-	-	(203,053)	-	-	(203,053)
<b>Balance 31 December 2022</b>	<b>5,527,222</b>	<b>2,722,363</b>	<b>665,967</b>	<b>410,843</b>	<b>79,109</b>	<b>9,405,504</b>
<b>Depreciation</b>						
At 1 January 2022	-	-	538,531	-	-	538,531
Charge for the year	-	27,224	170,042	-	26,370	223,636
Removed on disposal	-	-	(203,053)	-	-	(203,053)
<b>Balance 31 December 2022</b>	<b>-</b>	<b>27,224</b>	<b>505,520</b>	<b>-</b>	<b>26,370</b>	<b>559,114</b>
<b>Net book value</b>						
<b>At 31 December 2022</b>	<b>5,527,222</b>	<b>2,695,139</b>	<b>160,447</b>	<b>410,843</b>	<b>52,739</b>	<b>8,846,390</b>
<b>At 31 December 2021</b>	<b>5,527,222</b>	<b>2,722,363</b>	<b>206,326</b>	<b>410,843</b>	<b>-</b>	<b>8,866,754</b>

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.

Of the above £8,435,547 (2021 £8,455,911) 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.

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**7. Fixed Assets – Group and Charity (continued)**

The heritage assets of £410,843 (2021: £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 in 1997 which they consider appropriate. A number of items are on display at the NAL (Farnborough) and a large number of historical papers have been digitised and can be viewed on the Society's Website.

**8. Investments – Group and Charity**

The Finance Committee (on behalf of the Trustees) review the Society's investments with JM Finn & Co (investment advisors) on a quarterly basis; in 2022 there were minor changes to the asset allocation to reflect the ongoing changes within the markets.

	2022	2021
	£	£
Investments in Government and other listed securities:		
UK	269,381	277,781
Overseas	75,425	212,153
Official Investments Funds at market values:		
UK	1,067,596	1,273,092
Overseas	1,293,881	1,550,851
Property Funds	780,729	850,946
Bank Deposits	105,551	132,174
	<u>3,592,563</u>	<u>4,296,997</u>
Analysis of movements of investment assets:	2022	2022
	£	£
Investments at 1 January	4,296,997	3,855,323
Additions	723,771	491,690
Disposals	(585,238)	(362,072)
Revaluations	(842,966)	312,056
Investments at 31 December	<u>3,592,563</u>	<u>4,296,997</u>

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	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	543,904	347,251	491,528	347,106
Other debtors	67,750	65,039	67,750	65,039
Prepayments	166,703	129,998	166,703	129,998
Amount due from subsidiary undertaking	-	-	-	34,484
	<u>778,357</u>	<u>542,288</u>	<u>725,981</u>	<u>576,627</u>

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**10. Creditors falling due within one year**

	Group		Charity	
	2022	2021	2022	2021
<b>falling due within one year:</b>	£	£	£	£
Trade creditors	294,438	77,898	294,318	77,106
Accruals and deferred income	952,517	1,153,941	904,417	1,118,811
Other taxes and social security	87,640	119,925	87,640	119,925
Loan for Property	31,547	66,037	31,547	66,037
Other creditors	133,707	42,313	116,572	31,514
Amount due to subsidiary undertaking	-	-	54,642	-
	<u>1,499,849</u>	<u>1,460,114</u>	<u>1,489,136</u>	<u>1,413,393</u>

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

Reconciliation of deferred income	Group		Charity	
	2022	2021	2022	2021
	£		£	
Balance as at 1 January	1,011,446	1,063,409	976,316	1,025,349
Income deferred in the current year	646,073	815,576	603,123	803,356
Release from prior year	(925,320)	(867,539)	(895,340)	(852,389)
Balance as at 31 December	<u>732,199</u>	<u>1,011,446</u>	<u>684,099</u>	<u>976,316</u>

**11. Creditors falling due after one year**

	Group			Charity		
	2022	2021		2022	2021	
<b>falling due after one year:</b>	£	£	£	£	£	£
Loan for Property:						
Within 2 to 5 years	141,499			141,499		
After 5 years	<u>578,986</u>	720,485	1,476,042	<u>578,986</u>	720,485	1,476,042
Sponsorship: Marshalls		61,712	63,998		61,712	63,998
		<u>782,197</u>	<u>1,540,040</u>		<u>782,197</u>	<u>1,540,040</u>

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 2022, the outstanding loan on property was £752,032 (2021: £1,542,079).

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**12. Operating lease**

The RAeS is committed on operating leases as follows:

	2022	2021
	£	£
Within 1 year	1,196	-
Within 2 to 5 years	2,093	-
	<u>3,289</u>	<u>-</u>

The Society currently hold an operating lease with a third party, on a 36 month period and expiring in 2025.

**13 . Endowment funds**

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

Funds: 2022	Fund Balances Brought Forward 01/01/2022	Income	Expenditure	Transfers	Gains and Loses	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
<b>Total Expendable Endowment Funds</b>	<b>1,612,672</b>	<b>-</b>	<b>-</b>	<b>29,026</b>	<b>(330,846)</b>	<b>1,310,852</b>

Funds: 2021	Fund Balances Brought Forward 01/01/2021	Income	Expenditure	Transfers	Gains and Loses	Fund Balances Carried Forward 31/12/2021
	£	£	£	£	£	£
CAARC Fund	17,689	-	-	729	1,757	20,175
Alan Snudden	91,278	-	-	-	7,844	99,122
Awards Trust	1,364,514	-	-	15,987	112,874	1,493,375
<b>Total Expendable Endowment Funds</b>	<b>1,473,481</b>	<b>-</b>	<b>-</b>	<b>16,716</b>	<b>122,475</b>	<b>1,612,672</b>

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**14. Restricted income funds**

The following reserves are held in accordance with the reserves policy set out on pages 7 to 9 of this report.

<b>Funds: 2022</b>	<b>Fund Balances Brought Forward 01/01/2022</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Gains and Losses</b>	<b>Fund Balances Carried Forward 31/12/2022</b>
	£	£	£	£	£	£
CAARC Fund	-	934	(154)	(780)	-	-
Alan Snudden	34,560	5,374	(887)	-	(6,109)	32,938
Awards Trust	-	60,017	(28,771)	(31,246)	-	-
Future Scholarship Fund (Formerly Centennial Scholarship)	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
Falcon 2 (Formerly 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
<b>Total Funds</b>	<b>805,949</b>	<b>165,708</b>	<b>(97,265)</b>	<b>(25,833)</b>	<b>(99,875)</b>	<b>748,684</b>

<b>Funds: 2021</b>	<b>Fund Balances Brought Forward 01/01/2021</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Gains and Losses</b>	<b>Fund Balances Carried Forward 31/12/2021</b>
	£	£	£	£	£	£
CAARC Fund	-	895	(166)	(729)	-	-
Alan Snudden	28,101	5,150	(952)	-	2,261	34,560
Awards Trust	-	57,529	(38,542)	(18,987)	-	-
Centennial Scholarship Fund	252,231	10,937	(2,035)	3,000	21,459	285,592
National Aerospace Library Fund	163,613	6,755	(7,245)	-	13,253	176,376
RAeS Chair of Air Power Studies	14,542	-	-	-	-	14,542
School Build a Plane Challenge	16,702	10,416	(3,124)	-	-	23,994
ALTA	1,814	1,125	-	-	-	2,939
Boeing - Project Altitude	57,255	30,059	(9,349)	-	-	77,965
Flying Start Challenge	8,590	6,500	(2,692)	-	-	12,398
Michael Bishop Foundation	16,453	-	-	-	-	16,453
Kremer Fund	163,193	-	(2,063)	-	-	161,130
<b>Total Funds</b>	<b>722,494</b>	<b>129,366</b>	<b>(66,168)</b>	<b>(16,716)</b>	<b>36,973</b>	<b>805,949</b>

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 7 and 8 of this report.

<b>Funds : 2022</b>	<b>Fund Balances Brought Forward 01/01/2022</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Gains and Loses</b>	<b>Fund Balances Carried Forward 31/12/2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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
	<b>10,407,824</b>	<b>5,590,554</b>	<b>(4,476,170)</b>	<b>(112,236)</b>	<b>(412,245)</b>	<b>10,997,727</b>
Pension Fund - FRS17 Reserve	(858,333)	-	(16,000)	76,000	798,333	-
<b>Total Funds</b>	<b>9,549,491</b>	<b>5,590,554</b>	<b>(4,492,170)</b>	<b>(36,236)</b>	<b>386,088</b>	<b>10,997,727</b>

The Free reserve represents the surplus on funds available for future general activities after allowances for the reserves specified in the policy.

<b>Funds : 2021</b>	<b>Fund Balances Brought Forward 01/01/2021</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Gains and Loses</b>	<b>Fund Balances Carried Forward 31/12/2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General Reserve - Functional Assets	8,557,286	-	(101,375)	-	-	8,455,911
General Reserve - Functional Assets Loan	(1,590,540)	-	-	48,461	-	(1,542,079)
General Reserve - Free Reserve	1,836,837	4,136,366	(3,374,524)	(230,240)	152,608	2,521,047
Heritage Assets	410,843	-	-	-	-	410,843
Flight Sims Sponsorship Fund	56,417	8,000	(13,081)	-	-	51,336
Mortgage & Premises Reserve	106,836	-	-	-	-	106,836
No.4 HP Refurbishment Project	100,000	-	-	-	-	100,000
Designated IT Project Fund	-	-	-	81,629	-	81,629
RAeS Foundation	195,751	61,942	(35,392)	-	-	222,301
	<b>9,673,430</b>	<b>4,206,308</b>	<b>(3,524,372)</b>	<b>(100,150)</b>	<b>152,608</b>	<b>10,407,824</b>
Pension Fund - FRS17 Reserve	(1,686,333)	-	(23,000)	76,000	775,000	(858,333)
<b>Total Funds</b>	<b>7,987,097</b>	<b>4,206,308</b>	<b>(3,547,372)</b>	<b>(24,150)</b>	<b>927,608</b>	<b>9,549,491</b>

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**16. Designated Branches funds**

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

Funds: 2021	Fund Balances Brought Forward 01/01/2021	Income	Expenditure	Transfers	Gains and Loses	Fund Balances Carried Forward 31/12/2021
	£	£	£	£	£	£
Branches	330,332	47,990	(43,021)	24,150	-	359,451
<b>Total Funds</b>	<b>330,332</b>	<b>47,990</b>	<b>(43,021)</b>	<b>24,150</b>	<b>-</b>	<b>359,451</b>

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**17. Analysis of funds**

<b>Funds: 2022</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Endowed Funds</b>	<b>Designated Branches Funds</b>	<b>Total</b>
	£	£	£	£	£
<b>Fund balances at 31 December 2022 are represented by:</b>					
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)
<b>Total Funds Excluding Pension Liability and Non-Current liabilities</b>	<b>11,779,924</b>	<b>748,684</b>	<b>1,310,852</b>	<b>359,706</b>	<b>14,199,166</b>
Long Term Liabilities	(782,197)	-	-	-	(782,197)
Defined Benefit Pension Scheme Liability	-	-	-	-	-
<b>Total Funds</b>	<b>10,997,727</b>	<b>748,684</b>	<b>1,310,852</b>	<b>359,706</b>	<b>13,416,969</b>
<b>Funds: 2021</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Endowed Funds</b>	<b>Designated Branches Funds</b>	<b>Total</b>
	£	£	£	£	£
<b>Fund balances at 31 December 2021 are represented by:</b>					
Fixed assets	8,866,754	-	-	-	8,866,754
Investments	2,101,406	509,114	1,686,477	-	4,296,997
Current assets	2,434,818	301,835	(73,805)	359,451	3,022,299
Current Liabilities	(1,455,114)	(5,000)	-	-	(1,460,114)
<b>Total Funds Excluding Pension Liability</b>	<b>11,947,864</b>	<b>805,949</b>	<b>1,612,672</b>	<b>359,451</b>	<b>14,725,936</b>
Long Term Liabilities	(1,540,040)	-	-	-	(1,540,040)
Defined Benefit Pension Scheme Liability	(858,333)	-	-	-	(858,333)
<b>Total Funds</b>	<b>9,549,491</b>	<b>805,949</b>	<b>1,612,672</b>	<b>359,451</b>	<b>12,327,563</b>

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**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:

	<b>Registration Number</b>	<b>Registered in</b>
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:

	<b>Percentage of shares held</b>	<b>Net Assets £</b>	<b>Registered in</b>
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**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Turnover	538,872	59,880
Cost of sales	(128,418)	(31,898)
<b>Gross Profit</b>	<b>410,454</b>	<b>27,982</b>
Administrative expenses	(338,753)	-
<b>Operating profit</b>	<b>71,701</b>	<b>27,982</b>

**Aeronautical Trading Ltd - Balance Sheet**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Debtors	52,376	144
Cash at Bank	30,041	109,044
Due from parent undertaking	54,642	-
Creditors: amounts falling due within 1 year		
Due to parent undertaking	-	(34,484)
Other creditors	(65,356)	(46,720)
<b>Net Assets</b>	<b>71,703</b>	<b>27,984</b>
<b>Represented By:</b>		
<b>Total Equity</b>	<b>71,703</b>	<b>27,984</b>

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**19. Consolidated Statement of Activities 2021**

The following Consolidated Statement of Financial Activities for the year ending 31 December 2021:

	Unrestricted Funds	Restricted Funds	Endowments (Subsidiary Charities) Funds	Designated (Branches) Funds	Total 2021
	£	£	£	£	£
<b>Income and endowments from:</b>					
Donations & Legacies	62,868	48,100	-	47,990	158,958
Charitable Activities	3,829,190	-	-	-	3,829,190
Other Trading Activities	236,275	-	-	-	236,275
Investments	77,975	81,266	-	-	159,241
<b>Total</b>	<b>4,206,308</b>	<b>129,366</b>	<b>-</b>	<b>47,990</b>	<b>4,383,664</b>
<b>Expenditure on:</b>					
Raising Funds	105,189	15,037	-	-	120,226
Charitable Activities	3,442,183	51,131	-	43,021	3,536,335
<b>Total</b>	<b>3,547,372</b>	<b>66,168</b>	<b>-</b>	<b>43,021</b>	<b>3,656,561</b>
<b>Net income/(expenditure) before losses on investments</b>	<b>658,936</b>	<b>63,198</b>	<b>-</b>	<b>4,969</b>	<b>727,103</b>
Net losses on investments	152,608	36,973	122,475	-	312,056
<b>Net income/expenditure</b>	<b>811,544</b>	<b>100,171</b>	<b>122,475</b>	<b>4,969</b>	<b>1,039,159</b>
<b>Transfers between funds</b>	<b>(24,150)</b>	<b>(16,716)</b>	<b>16,716</b>	<b>24,150</b>	<b>-</b>
	<b>787,394</b>	<b>83,455</b>	<b>139,191</b>	<b>29,119</b>	<b>1,039,159</b>
<b>Other recognised (losses)/gains:</b>					
Net actuarial (losses) on Pension Scheme	775,000	-	-	-	775,000
<b>Net movement in funds</b>	<b>1,562,394</b>	<b>83,455</b>	<b>139,191</b>	<b>29,119</b>	<b>1,814,159</b>
Balance at 1 January	7,987,097	722,494	1,473,481	330,332	10,513,404
<b>Funds at 31 December</b>	<b>9,549,491</b>	<b>805,949</b>	<b>1,612,672</b>	<b>359,451</b>	<b>12,327,563</b>

**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 2019 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 2022. Scheme assets are stated at their market value at 31 December 2022.

The most recent valuation on a discontinued basis was at 1 April 2019 which showed that the scheme's assets fully covered its priority liabilities and 68% of the remaining liabilities on that date; the actuarial valuation shows a deficit of £1,294k (2016: £1,115k).

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

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

**Economic assumptions**

	<b>Proposed assumption at 31 December 2022</b>	<b>Assumption Adopted at 31 December 2021</b>
Discount rate	4.90% p.a.	1.85% p.a.
Future increase in Retail Prices Index ("RPI")	3.15% p.a.	3.20% p.a.
Future increase in Consumer Prices Index ("CPI")	2.20% p.a.	2.25% p.a.
Deferred revaluation rate		
CPI subject to a maximum of 5.00% p.a.	2.20%p.a.	2.25%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.	3.10% p.a.

**Demographic assumptions**

	<b>Proposed assumption at 31 December 2022</b>	<b>Assumption adopted at 31 December 2021</b>
Pre-retirement mortality	98% of SAPS3 tables, based on members' years of birth with CMI 2021 core projections with a longterm trend of 1.25% p.a	100% of A92 Ultimate tables
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 2021 projections with a long term trend of 1.25% p.a.	CMI 2020 projections with a long term trend of 1.25% p.a.
Life expectancy		
Male currently aged 60	26.7	26.7
Female currently aged 60	29.3	29.3
Male currently aged 40	28.2	28.2
Female currently aged 40	30.8	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.	No allowance
Retirement age	1st April nearest to 60th birthday.	1st April nearest to 60th birthday.
Marital statistics	80% of males and 70% of females assumed to be married at retirement or earlier death.	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

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

**A) Assets and DBO**

	31 December 2022	31 December 2021
	£'000	£'000
Total Value of total Scheme assets	3,092	3,410
Total Value of assets in respect of insured pensioners	729	974
Present value of DBO	(2,443)	(4,268)
Liability in respect of insured pensioners	(729)	(974)
<b>Funded surplus / (deficit)</b>	<b>649</b>	<b>(858)</b>
Limitation of amount recognised	(649)	-
<b>Total surplus / (deficit)</b>	<b>-</b>	<b>(858)</b>

**B) Reconciliation of the value of the DBO**

	31 December 2022	31 December 2021
	£'000	£'000
Opening DBO	5,242	5,854
Service cost	-	-
Past service cost	-	-
Members contributions	-	-
Interest on liabilities	95	78
<b>Actuarial losses / (gains)</b>		
From change on assumptions	(2,341)	(541)
From experience	358	(34)
Curtailments loss / (gain)	-	-
Settlements	-	-
Benefits paid out	(182)	(115)
Expenses	-	-
<b>Closing defined benefit obligation</b>	<b>3,172</b>	<b>5,242</b>

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

**C) Reconciliation of the value of the assets**

	31 December 2022	31 December 2021
	£'000	£'000
Opening value assets	4,384	4,168
Interest income on Scheme Assets	79	55
Actuarial gains / (losses)	(536)	200
Society contributions	76	76
Member contributions	-	-
Assets distributed on settlements	-	-
Benefits paid	(182)	(115)
Expenses	-	-
<b>Closing value of assets</b>	<b>3,821</b>	<b>4,384</b>

**D) Return on the Scheme Assets**

	31 December 2022	31 December 2021
	£'000	£'000
Actual return on assets	(457)	255

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

	31 December 2022	31 December 2021
	£'000	£'000
Service cost	-	-
Past service cost	-	-
Losses/ (gains) on settlement and curtailments	-	-
Administrative costs	-	-
Net interest cost	16	23
<b>Total</b>	<b>16</b>	<b>23</b>

**E.2) Analysis of net interest cost**

	31 December 2022	31 December 2021
	£'000	£'000
Interest income on Scheme assets	(79)	(55)
Interest in Scheme liabilities	95	78
Interest expense on irrecoverable surplus	-	-
<b>Net interest cost / (credit)</b>	<b>16</b>	<b>23</b>

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

**F) Amount recognised in Other Comprehensive Income**

	31 December 2022	31 December 2021
	£'000	£'000
Return on Scheme assets less interest income	(536)	200
Actuarial gains/(losses from a change in assumptions	2,341	541
Actuarial gains/(losses) from experience	(358)	34
Limitation of asset recognised	<b>(649)</b>	-
Expense recognised in Actuarial Losses	<b>798</b>	<b>775</b>

**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 2022	31 December 2021	31 December 2020
	£'000	£'000	£'000
Present value of funded DBO	(2,443)	(4,268)	(4,804)
Liability in respect of insured pensioners	(729)	(974)	(1,050)
Scheme Assets	3,092	3,410	3,118
Value of assets in respect of insured pensions	729	974	1,050
<b>Limitation of amount recognised</b>	<b>(649)</b>	-	-
<b>Surplus/(deficit)</b>	<b>-</b>	<b>(858)</b>	<b>(1,686)</b>
Experience gain/(loss) on DBO	(358)	34	26
Experience gain/(loss) on assets	(536)	200	133

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.

<b>I) Sensitivity of movement in key assumptions</b>	<b>£'000</b>
Discount rate (+ / - 0.1%)	-/+ 230
Inflation(+/- 0.1%)	+/- 50
Mortality (+/-1year)	+/- 110

**J) Forecast Profit & Loss for the next account period**

	31 December 2023
	£'000
Service cost	-
Losses /(gains) on settlements and curtailments	-
Administrative costs	-
Net interest cost/(credit)	(34)
<b>Total</b>	<b>(34)</b>