

The American Air Museum in Britain

Trustees Report and Financial statements

As at 31 December 2024

Together with the Independent Auditors' Report

The American Air Museum in Britain Trustees' Report 2024

1. Introduction

Role of the American Air Museum in Britain (AAMB)

Mission Statement

The American Air Museum in Britain commemorates the pivotal role of air power in preserving freedom, by connecting generations to stories of heroism and aircraft that have shaped history.

Vision Statement

The American Air Museum in Britain endeavors to be an enduring monument and education hub that honors ingenuity, courage, and sacrifice from the First World War to today.

The American Air Museum in Britain building is owned and managed by the Imperial War Museum and is located at IWM Duxford. The American Air Museum (AAMB) stands as a memorial to almost 30,000 U.S. airmen and women who gave their lives flying from British shores during the Second World War, as well as the countless thousands of US air force and support personnel who served in myriad capacities and survived. It presents some of the best collections of American military aircraft on public display outside of North America and is the only facility of its kind outside of the United States that commemorates and highlights the special bond between the United States and the United Kingdom. Since opening in 1997 the American Air Museum has welcomed over 8 million visitors.

The charitable work of the AAMB supports the maintenance and operation of the facilities and preservation of the world-class collections, together with the learning programmes and a website that can be a first port of call for anyone looking for information about the air war as fought by the US Army Air Forces from the UK during World War II.

2. Review

2.1 The American Air Museum in Britain

The charitable work of the American Air Museum in Britain has provided crucial support in the ongoing fulfilment of this mission. We are grateful for the loyal support from members and generous donations from our supporters and trustees.

Working with the strength of the IWM brand, the successful operation of IWM Duxford ensures that a large audience has access to the powerful displays of the American Air Museum and its related learning programmes.

The American Air Museum at IWM Duxford was designed by Norman Foster and is listed at Grade II*. The curved concrete roof, inspired by the stressed skin structure often seen in aircraft construction, together with its ring-shaped geometry resembling the cockpit of a modern fighter jet, act as aeronautical metaphors in a dramatic yet simple way. Its resemblance to a Second World War blister hangar also adds to Foster's flying symbolism.

Renato Niemis' evocative memorial sculpture, 'Counting the Cost' which is made up of 52 large glass panels engraved with cross-like silhouettes of the 7,031 American aircraft that went missing in action, resembles both the massed formations of aircraft and the regimented lines of a war cemetery.

2.2 Collections development

The number of IWM acquisitions by the American Air Museum curator has been impacted by IWM's temporary collecting pause, which came into force in April 2024. Much of the collection activity has been on processing the backlog of acquisitions and improving catalogue records. Notable activities include:

- The processing of American Air Museum-related collections identified in the backlog, including a collection belonging to RCAF/USAAF gunner Daniel J Heffernan and 9th Air Force pilot James Alexander.
- The acquisition of a collection relating to 78th Fighter Group pilot James Sewall Peterson. This rich collection includes Peterson's flying jacket, wartime memorabilia relating to his time at Duxford, photographs, and documents. Some of the objects have been selected for display in the new 78th Fighter Group exhibition in Hangar Four, due to open in late 2025.
- The AAM curator has completed the review of a large collection of documents from historian Roger Freeman's archives. This archive was acquired by IWM alongside Freeman's photographic collection in 2014. The archive contains research materials collated by Roger Freeman over four decades and includes unpublished interviews and correspondence with many Eighth and Ninth Air Force veterans. This collection has now been formally accessioned. Off the back of this, IWM's publishing team are presenting a proposal for a book based on this archival material at the London Book Fair.
- The launch of a Collections Development Project titled "Off-Duty": American Opportunities for Rest and Recreation in Wartime Britain. The project will focus on developing IWM's collection around the off-duty lives of the US Army Air Forces, by exploring stories of the organizations and individuals tasked with delivering recreational programs. A significant output of the project is the recruitment of four new volunteers who will be working to research American Red Cross volunteers for inclusion in the AAM database.

2.3 Duxford Masterplan work and estates strategy

Transforming IWM Duxford Masterplan is the physical redevelopment and refurbishment of the buildings, exhibitions, landscape and infrastructure to reshape how the site is organised and operates in order to modernise the public offer to continue to be relevant and attract, engage and enthuse contemporary audiences. A key ambition of the masterplan is to put the historic site at the heart of the visitor experience, capitalising on the 'sense of place' and physical potential of the historic buildings, airfield, landscape and vistas to create a unique setting for a national visitor attraction. The AAM is an integral part of this with the story of the US Army Air Force woven into the physical fabric and intangible memory and sense of place at Duxford. Hangar 4 is especially significant as the Headquarters of the famous USAAF 78th Fighter Group, known as the 'Duxford Eagles' who were based at Duxford in 1943-45. The new permanent exhibition will feature key events for the Duxford Eagles such as the Allied Strategic Bombing Campaign, D-Day, and Operation Market Garden.

The impressive historic hangars of Duxford are core to the site and central to the narratives of this airfield from the end of the First World War to the 1960s. IWM has now embarked on delivering an exciting new programme of works to significantly enhance these buildings and offer visitors engaging exhibitions and experiences. A new dynamic and comprehensive Second World War exhibition is being developed over the northern half of Hangar 3 and the whole of Hangar 4. While funding for this activity is actively sought, IWM has secured funding to refurbish and re-present three annex spaces in Hangars 3 and 4 with interactive and immersive displays, due to be opened by January 2026. These spaces will provide powerful introductions to the wider hangar spaces and will offer fascinating and personal context to those larger exhibitions. They will also offer better control of temperature and light meaning we can present smaller objects and textiles that would sustain damage over time in a larger hangar display.

IWM Masterplan's ambition is to create two new outdoor play areas for IWM Duxford. The Weston Play Zone, an adventurous play offer inspired by flying with bespoke and accessible play structures, opened to visitors in July 2024 and was awarded a Silver Accreditation by PiPA for meeting criteria for accessibility, sensory-rich environments and dynamic play experiences. We are the first museum and heritage place to receive such an accreditation. This is the first step in IWM's ambition to evolve this site as a sector-leading destination for disabled access and inclusion. Summative evaluation found that the playzone enhances the family experience significantly and enables IWM Duxford to gain traction as a family friendly destination with a unique, themed accessible offering. Special insights include:

- Outstanding 9.5/10 family-friendly rating and an overall enjoyment score of 9/10.
- Increased dwell time at the playzone by 90 minutes on average.
- High levels of satisfaction among those visiting with disabled children, rating the Play Zone 9.7 on average with high levels of intergenerational play facilitated by the carefully constructed landscape.

There are plans for a second playscape, a low-level maze style landscape designed to inspire collaborative play exploring communication and navigation, which offers a different play environment for the diversity of disabled children.

IWM has also received funding to develop a Digital Zone in AirSpace, due for opening in 2027. This is a generous donation from Linda Mars, Trustee of the American Air Museum in Britain. This new interactive and immersive area will provide visitors with an introduction to Duxford as a fighter base and the experiences of air crews.

These projects are a few of our wider programme of change for IWM Duxford. Over the next 10 years IWM would like to transform the visitor experience at IWM Duxford by creating 6 major new exhibitions, 3 of these in our original First World War hangars. IWM's ambitions are to deliver:

- A sense of place, connecting visitors with the history that happened on this very site.
- A place where visitors can see the working airfield as it has been for over 100 years, with daily flights by some of the most iconic, historic military aircraft in the world.
- New world-class exhibitions, experiences and events that draw increasing numbers of visitors.

- A coherent narrative joining together all the content on site from our origins in the First World War through 20th and 21st century conflicts.
- Access to historic buildings and spaces never before opened to the public.
- The stories we will bring to the fore will allow visitors to explore common themes as they experience the site.

2.5 Partnerships and engagement

- The American Air Museum took advantage of the spike in interest generated by the release of *Masters of the Air* in January 2024. Engagement included the production of two *Masters of the Air*-themed Youtube videos, talks, participation in Q&As, podcasts, and Youtube videos, and local and national news coverage.
- The American Air Museum was well-represented at events commemorating the 80th anniversary of D-Day. The Executive Director spoke at the National D-Day Memorial's commemoration event in Bedford, VA alongside a number of public officials and historians. The AAM curator took part in a panel co-organised by IWM, US National Archives and the US Army Heritage & Education Center. She also spoke and manned an AAM booth at RAF Lakenheath's first Heritage Day, where she was able to engage the base's personnel with the AAM's mission.
- The AAM has built relationships with other organisations and museums, including the American Library, the US Heritage and Education Center, the National WWII Museum, and various Eighth Air Force museums and veterans' associations. In September, the Executive Director and AAM Curator attended the 8th Air Force Historical Society reunion in New Orleans.
- Representatives from the AAM have attended several commemorative events. In February the Curator attended the dedication of a memorial to the victims of an Eighth Air Force crash in Reedham, Norfolk. Wreaths were laid at Madingley Cemetery on Memorial Day and Veterans Day, and the Curator gave a speech at the unveiling of a memorial to the Eighth Air Force in Barsham, Suffolk.
- The AAM curator has worked with the IWM production team to research, write and present four YouTube videos showcasing aircraft and stories in the AAM's collection. These include videos on the D-Day air campaign, the F-15, the B-52, and the Eighth Air Force. The videos have amassed a combined total of almost 2 million views.
- The AAM was able to engage new audiences following the release of the Netflix film *Six Triple Eight* in December. The AAM was also featured in news coverage of the film.

2.6 American Air Museum in Britain website (americanairmuseum.com)

The American Air Museum's website, particularly its online archive, is one of the most important features in the digital landscape of Anglo-American Second World War history. It is a vital tool to achieving the primary aim of the American Air Museum in Britain: to record and recognise the service of American airmen, and the primary way of engaging audiences in the United States and across the globe. The American Air Museum's website: americanairmuseum.com relaunched in November 2022 after an extensive update.

2024 was highly unusual for audience engagement. The first quarter (January to April 2024) saw the release of Masters of the Air on Apple TV+ which led to unprecedented levels of traffic.

However, in Spring 2024 Google implemented new systems and tighter privacy laws, which required users to opt in to analytics tracking and in turn greatly impacted our ability to understand our traffic. The data for Q2 to Q4 from Google Analytics below reflects as little as 20 to 30% of our total traffic. Ultimately these forces are outside our control that are having a lot of impact across all sectors. We are therefore unable to report precise figures on audiences for 2024.

Despite the challenges in tracking users- we can identify the following trends:

- The AAM's archive remains the area most popular with users. The richness and depth of this user-generated content is continuing to draw users to the website.
- Archive content ranks very highly in search engines, meaning it is good at reaching users with an interest in the US Army Air Forces. Archive content performed very strongly for search terms related to Masters of the Air.

2.7 Membership and fundraising

Our Endowment fund, the Anglo-American Alliance, has been established to ensure the long-term survival of the American Air Museum and to help keep alive the memory of the sacrifice of nearly 30,000 U.S. fliers based in the United Kingdom in WWII. The museum building remains a unique memorial and reminder to the next generations far into the future.

The Endowment Fund is intended as a vehicle to attract new funding now and for many years, which will ensure our mission is fulfilled. It is a dedicated and permanent source of funding that will serve as a secure financial foundation for the Museum's many activities, not least preserving the large objects at the Museum and broadening knowledge of the sacrifice of those who built, repaired, flew and died in them.

In addition to targeted fundraising for the endowment, an extensive annual giving and membership program has been implemented to help grow support for the museum's more immediate and ongoing, annual needs.

2.8 Learning and engagement activity

Both schools and families have continued to see an impactful increase in IWM Duxford visits, with school engagements in particular continuing to grow against pre-Covid numbers. 26,602 schools were recorded in 2019/20, 7,690 in 2021/22, and 29,030 in 2022/23, with 33,117 school visits across self-guided and paid programming attending in 2023/24. This is a 14% increase on the previous year. IWM Duxford are currently at 75% achieved for our schools and families forecast for 2024/25. In addition to our regular schools programming, IWM continues to invest into the families programming, linking programming into exhibitions and anniversaries, which includes the current family holiday activity 'Spotlight! Design your own pop-up exhibition', where visitors are asked to complete their pop-up card to receive a free limited edition Super Top Trumps card, a one-off special for the 85th anniversary of the Battle of Britain and become an honorary IWM staff member for the day. The activity is also supported with 'You've Got Mail! The Americans at Duxford', with an activity sheet designed to help visitors explore the stories and experiences of American troops and how they adjusted to life in Britain during the Second World War.

Cockpit Control:

This fun and interactive family game is based on the technological developments seen in the American Air Force in the late 1940s. Through this activity, families learn how engineering and maths helped cockpit designers improve flight safety and open opportunities for future pilots.

Family mission Backpacks:

Families use interactive storytelling 'backpacks' to tell the story of a young paratrooper being guided by his Dakota pilot on the eve of D-Day. The final act of the trail takes place under the C-47 Skytrain in the AAM building with a specially commissioned piece of writing used to tell the story of the airborne operation on D-Day. As a team, families use jump bags to discover more across the Duxford site. They use the specialised replica Second World War equipment within each bag, including Cricket Clickers, K-Ration Kits, and Binoculars. Following a refresh of the activity in 2023, this has become one of our most popular activities. It is intergenerational and offers participants the opportunity to engage with different parts of IWM Duxford in creative and immersive ways. This programme has continued to drive interest and footfall from Hanger 1 where the bags are collected, to the AAM building, where the activity pinnacles. IWM Duxford has seen a 45% increase on engagement numbers for this activity 2024 vs 2023 to date.

Documentary Challenge:

Documentary Challenge continues to be a key part of IWM's schools programming. The programme enables learners to create their own documentaries as producers of the fictional Smash TV, finding the stories that are "too important" to be kept inside the museum walls. Activity takes place in Hangar 4 and often the AAM building. During upgrade works across IWM Duxford, IWM will be moving this programme to the AAM building in the Summer 2025.

Upcoming activity in 2025:

Following on from D Day 80 in 2024, 2025 will mark the 80th anniversary of VE Day and VJ Day. As part of family programming, VE and VJ 80 related content will feature across IWM London, IWM North, HMS Belfast, and IWM Duxford in May and August 2025. In February IWM's Learning and Engagement Team are running a Cold War CPD event for History teachers, as well as developing a new Cold War learning resource. The team will also be working across multiple departments at IWM Duxford to develop a trail for families to help them navigate the site during various object moves, ensuring they make the most of their visit and have a fantastically engaging visit across the breadth of the branch in 2025.

3 Financial Strategy

The fundraising plan aims to ensure that we maximise all avenues of support. The current fundraising strategy focusses on:

- a. the growth of the endowment fund and,
- b. the continued development of an annual gift program with,
- c. the continued development of major and planned giving programs.

The three together will help ensure that the American Air Museum's operating costs are fully met, and that it remains well-maintained, innovative and financially resilient. In addition, this will enable reserves to be built to provide development funding for the future.

4 Financial Results

The AAM has achieved a net surplus for the year of \$806,116.

The surplus will help bolster our unrestricted funds as we look to the future. This year has remained a transitional one for AAM with a change in management structure and an upweighting of the experience and capacity in our fundraising team.

A program grant of \$109,098 is able to be made to the Imperial War Museum towards the funding necessary for learning activities and the maintenance of the physical museum together with the exhibitions and the collections therein.

5 Governance

We have a routine of robust reporting to the Board of Trustees on how grants from the American Air Museum in Britain are spent. We have improved transparency by publishing, via our website, data such as links to the annual Form 990, audited accounts and other documents considered of interest to our stakeholders.

The Main Board meets three times a year. Other Committees support the work of the American Air Museum: the Board Development Committee, which oversees fundraising, the Audit and Board Affairs Committee, which considers the scope of the annual audit and the outcomes therefrom, nominations to the Board and all aspects of governance, and the Board Investment Committee, which oversees the performance and management of the endowment and Charitable Gift Annuity funds.

In 2022 the Board agreed to the creation of an Executive Committee made of the committee chairs and co-chairs and the Chairman of the Board. The Executive Committee will act as an extension of the Board of Trustees. As such, and within any restrictions imposed from time to time by the Board of Trustees, the Executive Committee is vested with the full power and authority of the Board. It will perform all functions of the Board of Trustees between Board meetings. Decisions of the Executive Committee shall be by majority vote and shall be subject to confirmation, revision, or reversal by the Board of Trustees. It will also act on recommendations concerning the financial affairs of the AAM which may include approving the annual budget as presented by the Treasurer and recommended by the ABAC.

At the 2024 November Board meeting, the Trustees approved a change of direction for the non-profit organization with IWM long term support of the financial management and governance support withdrawing as this will be relocated to the US and managed by the Executive Director of the AAMB. These changes will take effect as of the end and completion of the financial audit of the AAMB accounts for 2024.

5.1 Code of ethics

A formal code of ethics is not required by US law, but its adoption helps demonstrate our commitment to carry out our responsibilities ethically and effectively. A number of measures in this regard are already in place.

The Audit and Board Affairs Committee oversees various aspects of the American Air Museum's governance functions on behalf of the Board, including:

- Periodically reviewing Board performance

- Maintaining oversight of procedures for compliance with significant applicable legal, ethical and regulatory requirements that impact American Air Museum governance.
- Ensuring robust and respectful board-management interaction

Existing American Air Museum policies, such as the Conflict of Interest Policy and the Whistleblower Policy, also form part of this code.

5.2 Whistleblowing policy

The American Air Museum Whistleblowing Policy is included in the Amended & Restated By-Laws, Article XIII. The Compliance Officer is Chair, Audit and Board Affairs Committee.

5.3 Conflict of interest

The American Air Museum Conflict of Interest Policy includes a written declaration to ensure that each new member of the Board of Trustees is advised of this policy upon entering their duties of office. Every new Board member is required to sign a statement acknowledging understanding of an agreement to this policy. Furthermore, a verbal declaration of a conflict of interest is also required of trustees at the commencement of every Board meeting.

5.4 Risk management

Risk management is viewed as a dynamic process which actively seeks to incorporate good practice. It is responsive and managed through regular review of both internal developments and external factors such as the political, social, economic and legal developments that may influence our exposure to risks or opportunities. The American Air Museum in Britain risk register is periodically updated to assess the main risks faced by the non-profit organisation and the effectiveness of the controls in place to manage and mitigate these risks. It is reviewed and updated by the Board.

On behalf of the Trustees



Chairman

Date

6 May 2025

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE AMERICAN AIR MUSEUM IN BRITAIN

Opinion

We have audited the financial statements of the American Air Museum in Britain for the year ended 31 December 2024 which comprise the Statement of Financial Position, Activities and Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and accounting principles generally accepted in the United States of America (US GAAP).

In our opinion the financial statements:

- present fairly, in all material respects, the financial position of the American Air Museum in Britain as at 31 December 2024 and 2023 and the changes in its net assets and its cash flows for the year then ended; and
- have been prepared in conformity with accounting principles generally accepted in the United States of America

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

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, 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 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

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are US GAAP and relevant legislation.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charity's trustees, as a body. 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 any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

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Moore Kingston Smith LLP, Statutory auditor

Date:

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The American Air Museum in Britain

Statement of Activities

As at 31 December 2024

	Note	Unrestricted \$	Operational \$	Restricted Temporarily \$	Permanent \$	Totals 2024 \$	Totals 2023 \$
Support and Revenues							
Direct Mail		543,453	-	-	-	543,453	807,696
Less Costs of Direct Mail		297,683	-	-	-	297,683	747,637
Net Contribution from Direct Mail		245,770	-	-	-	245,770	60,059
Board Donations		354,940	445,000	-	-	799,940	590,796
Major Gifts		349,308	-	-	-	349,308	431,313
Donated Services		105,371	-	-	-	105,371	15,251
Event Sponsorship		14,500	-	-	-	14,500	10,000
Legacies		32,812	-	-	-	32,812	-
Brick Campaign		1,050	-	-	-	1,050	-
Other Income		8,386	-	-	-	8,386	9,968
IWM Duxford Masterplan		-	-	-	-	-	581,353
		866,367	445,000	-	-	1,311,367	1,638,681
Investment income from the Endowment Fund held by the IWM Development Trust		30,117	-	-	-	30,117	59,026
Investment income from the Endowment Fund held by Manning & Napier		54,446	-	-	-	54,446	92,857
Interest & dividends		20,791	-	-	-	20,791	6,806
Change in value of split level interest agreements		-	-	11,751	-	11,751	(7,284)
		105,354	-	11,751	-	117,105	151,405
Total Income Generated after Direct Costs		1,217,491	445,000	11,751	-	1,674,242	1,850,145
Expenses							
The Annual Funding Requirement							
Operational Support of AAM in Britain	12	109,098	-	-	-	109,098	100,000
IWM Duxford Masterplan		-	-	-	-	-	731,353
IWM Acquisition		-	-	-	-	-	12,809
Predator		-	-	-	-	-	57,000
Website		-	-	-	-	-	19,500
Total Program Grants		109,098	-	-	-	109,098	920,662
Operational & Compliance Costs							
AAM Staff Costs		452,240	-	-	-	452,240	332,083
Staff Travel & Expenses		95,750	-	-	-	95,750	66,793
Consultancy		3,565	-	-	-	3,565	4,208
Telephone		919	-	-	-	919	640
Events		15,754	-	-	-	15,754	46,504
Rent & Office Equipment		63,730	-	-	-	63,730	47,940
Bank Charges		10,050	-	-	-	10,050	14,007
Postage Costs		16,251	-	-	-	16,251	25,856
Database and Gift Processing		85,109	-	-	-	85,109	106,711
Subscriptions & Licences		4,939	3,197	-	-	8,136	2,659
Legal Fees		15,344	-	-	-	15,344	19,142
Direct Benefits to Donors		28,504	-	-	-	28,504	12,121
Investment Management Fees		27,637	-	-	-	27,637	15,412
Total Operational Costs		819,791	3,197	-	-	822,988	694,077
Total Expenses		928,889	3,197	-	-	932,086	1,614,738
Change in Net Assets from Operations before transfers		288,601	441,803	11,751	-	742,156	235,407
Net Gain from investments		6,781	-	57,177	-	63,959	200,780
Change in Net Assets		295,383	441,803	68,929	-	806,115	436,187
Net assets:							
Beginning of the year		322,701	-	1,772,160	10,072	2,104,933	1,668,746
Change in net assets		295,383	441,803	68,929	-	806,115	436,187
Transfer between funds		-	-	-	-	-	-
End of the year		618,084	441,803	1,841,088	10,072	2,911,048	2,104,933

The American Air Museum in Britain

Statement of Financial Position

As at 31 December 2024

	Note	2024 \$	2023 \$
Assets			
Current Assets			
Cash & cash equivalents		780,987	828,409
Inventory		103,569	58,014
Contributions receivable	10	135,419	301,954
Other debtors and prepaid expenses		-	6,513
Other assets		-	-
Total current assets		1,019,975	1,194,890
Investments	2	2,068,353	1,986,860
Total assets		3,088,328	3,181,750
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	11a	22,280	755,289
Annuity obligations, current portion	11b	-	3,456
Total current liabilities		22,280	758,745
Accounts payable more than one year	11a	155,000	310,000
Non current portion of annuity obligations	11b	-	8,072
		155,000	318,072
		177,280	1,076,817
Net assets			
Unrestricted			
Undesignated		618,085	322,701
Total unrestricted		618,085	322,701
Temporarily restricted			
Operational		441,803	-
Expendable endowments		1,841,088	1,772,160
Total temporarily restricted		2,282,891	1,772,160
Permanently restricted			
Permanent Endowments		10,072	10,072
Total net assets		2,911,048	2,104,933
Total liabilities and net assets		3,088,328	3,181,750

The accompanying notes on pages 16 to 22 are an integral part of these financial statements.

These accounts were approved by the American Air Museum in Britain Board



Secretary and Treasurer

Date

22 April 2025

The American Air Museum in Britain

Statement of Cash Flows

As at 31 December 2024

	2024 \$	2023 \$
Change in net assets	806,115	436,187
Net gain from investments	(139,263)	(224,834)
Change in assets and liabilities		
Inventory	(45,555)	(18,020)
Other assets	-	4,193
Contributions receivable	166,535	81,645
Other debtors and prepaid expenses	6,513	3,231
Accounts payable	(888,009)	560,121
Annuity obligations	(11,528)	(714)
Net cash provided by operating activities	(105,192)	841,809
Cashflow from investing activities		
Purchase of investments	(1,765,323)	(1,660,291)
Proceeds from the sale and maturity of investments	1,823,093	1,099,811
Net cash provided by (used for) investing activities	57,771	(560,480)
Net (decrease)/increase in cash and cash equivalents	(47,423)	281,328
Cash and cash equivalents at the beginning of the year	828,409	547,081
Cash and cash equivalents at the end of the year	780,986	828,409

The American Air Museum in Britain

Notes to the Financial Statements

As at 31 December 2024

1 Significant Accounting Policies

Basis of Preparation

The financial statements present the financial position, financial activity, and cash flows of the company on the accrual basis of accounting.

The statement of financial activity includes certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the company's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Having reviewed the financial position, and the five year forecast for 2025-2029, the trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern for 12 months from the signing of these financial statements. Trustees have also revised operational plans and expenditures and have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the financial statements.

Net Assets

The AAM classifies net assets in the following categories: unrestricted, temporarily restricted, permanent endowments and expendable endowments.

All contributions are considered to be available for unrestricted use unless restricted by the donor as an endowment.

Temporarily restricted funds consist of contributions received and restricted by the donor and held until such time when the funds are drawn down to be used for their specific purpose.

Expendable endowments are contributions made to the AAM to secure its financial sustainability. Limited expenditure may be made in the future out of these funds, subject to a spending rule of 5% of the prior five-year average market value of the endowment, revised in accordance with market conditions.

Permanent endowments are contributions received with permanent donor-imposed restrictions. These include endowments, where the principal amount given is to be preserved by the Museum for posterity and are not to be used for current operational needs.

Cash and cash equivalents

Cash and cash equivalents are considered to be all cash and investments with short and long term maturities. All cash and cash equivalents consisted of cash at the bank as at December 31, 2024.

Contributions

The AAM recognises Contribution revenue in the year the money is received or when an unconditional promise is made generally. Contributions in respect of the Charitable Gift Annuity (CGA) scheme are recognised as temporarily restricted revenue under the expendable endowment fund in an amount equal to the excess of the principal received over the net present value of the expected future annuity payments to be made. All contributions receivable are expected to be collected within one year.

The American Air Museum in Britain

Notes to the Financial Statements

As at 31 December 2024

1 Significant Accounting Policies - continued

Inventory

The inventory consists of merchandise available for fulfilments and for a new online shop set up towards the end of 2024. All stock is stated at the lower of cost and market value, with cost based on the first-in, first out method.

Use of estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at December 31, 2024, and the reported amounts of revenues and expenses during the year then ended. Actual results could differ from those estimates.

2. Investments

The Organization's investments are measured at fair value and consist entirely of amounts invested in cash, fixed income, equity and fixed income mutual funds. Fair values for these investments are determined by reference to quoted market prices for identical securities. These inputs used to determine fair values are considered Level 1 inputs under generally accepted accounting principles (unadjusted quoted prices in active markets for identical assets).

Investments are carried at market value, and realised and unrealised gains and losses are reflected in the Statement of Activities. Gifts of shares are sold as soon as it is possible, through Morgan Stanley.

The balance of \$5,152 on the Community Future Fund for the Fox Valley Community Region Inc. was transferred to the Fund in 2006, to facilitate the setting up of the American Air Museum in Britain Fund from which the AAM will receive annual distributions when the fund reaches \$10,000.

Endowment Policy

The AAM's endowments serve as a secure financial foundation for many of the Museum's activities.

The AAM's investment objectives are:

1. To provide a stable, growing stream of payouts for current expenditure; and
2. To protect the purchasing power of the endowment against inflation.

Investment Policy and Review

The Audit and Board Affairs Committee determines the specific investment approach, and consults with the investment managers as necessary to conduct a review of the results of AAM investments, establish appropriate benchmarks to compare results and report to the full board.

Such reviews include an examination of all Charitable Gift Annuity funds held by AAM, any trusts where AAM may be the trustee or co-trustee and any trusts where AAM is the beneficiary and where the information on trust investments is available to AAM.

During the year \$39,587 was invested with Manning and Napier to manage the Anglo-American Endowment Fund. The main objective of the investment strategy is the pursuit of long-term capital growth, with the goal of meeting the long-term needs of the portfolio. Additional objectives are to exceed the rate of inflation over the long-term and moderation of volatility.

The American Air Museum in Britain

Notes to the Financial Statements

As at 31 December 2024

The AAM has endowment funds held on its behalf in sterling in the UK as restricted funds by the Imperial War Museum Development Trust. The investment managers to this fund report progress and results to the AAM Audit and Board Affairs Committee on a regular basis. The funds themselves do not form part of these accounts. At 31 December 2024 the value of these funds was £1,808,825. The investment income generated by them is granted to the AAM and is shown in these accounts as Investment income. This amounted to \$54,446 in 2024. Early in 2025, these funds (£1,808,825) were transferred from Sarasin for investment at Manning & Napier.

Spending Policy

Investment activity is reflected in the table below:

	Fox Community Future Fund \$	Manning & Napier Exeter Trust Fund \$	PNC CGAs \$	Total \$
Investments as at 1 January 2024	4,650	1,791,077	191,133	1,986,860
Gifts available for investment				
Shares	-	-	278,663	278,663
Cash	-	39,587	-	39,587
Other Receipts	-	8,907	212	9,119
Total Gifts available for investment	-	48,494	278,875	327,369
Investment Returns				
Dividend income	-	33,437	6,651	40,088
Interest income	51	8,972	469	9,492
Capital Gains	-	11,247	-	11,247
	51	53,656	7,120	60,827
Fund management charges	(16)	(18,146)	(3,954)	(22,116)
Transfers to cash account	-	(104,507)	(308,216)	(412,723)
Other charges	-	(9,614)	-	(9,614)
Realised and unrealised gains	467	124,450	14,346	139,263
	451	(7,817)	(297,824)	(305,190)
Annuity trust payments	-	-	(1,513)	(1,513)
Investments as at 31 December 2024	5,152	1,885,410	177,791	2,068,353
Represented by				
Cash & cash equivalents	5,152	47,476	4,612	57,240
Equity Funds	-	1,350,455	68,209	1,418,664
Fixed income and fixed income funds	-	420,409	104,970	525,379
Mutual Funds	-	67,070	-	67,070
	5,152	1,885,410	177,791	2,068,353

The American Air Museum in Britain

Notes to the Financial Statements

As at 31 December 2024

3. Grants to the Imperial War Museum

For the year ended December 31, 2024, funds generated from operations of the AAM to the amount of \$109,098 (2023, \$100,000) were allocated to support the curatorial and exhibition display in the American Air Museum physical site located at Imperial War Museum Duxford, Cambridgeshire, UK.

4. Restricted Operational Donations received

During the year, a gift of \$600,000 was received and pledged towards the following projects; \$155,000 towards outstanding amounts due to Imperial War Museum; \$110,000 for the setting up of Financial Operations in the US; \$35,000 for the sponsorship, acquisition and set up of new exhibit showcases; and \$300,000 towards the heating, ventilation and air conditioning system (HVAC) in the American Air Museum.

5. Endowment Fund held by the Imperial War Museum Development Trust

There are funds held separately in the UK as restricted for AAM. The Audit and Board Affairs Committee monitors the management and performance of these funds on behalf of the Board. The value of this fund at 31st December 2024 was £1,808,825 (2023, £1,664,949). These funds were transferred to Manning and Napier for investment in January 2025.

6. Staff Costs

The staffing costs for 2024 include salaries and wages of \$413,387 (2023, \$308,244), and medical insurance and workers compensation of \$28,291 (2023, \$17,440).

7. Corporation Tax

The Organization generally has exemption from payments of corporation tax, and accounts for income taxes in accordance with Accounting Standards Codification (ASC) Topic *Income Taxes*. These provisions provide consistent guidance for the accounting for the uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and de-recognition of tax positions taken or expected to be taken in a tax return. The Organization believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

8. Related Parties

During the year \$799,940 (2023, \$1,160,796) of gifts were received from Trustees, of which \$455,000 was restricted to the following projects; \$110,000 for the setting up of Financial Operations in the US; \$35,000 for the sponsorship, acquisition and set up of new exhibit showcases; and \$300,000 towards the heating, ventilation and air conditioning system (HVAC) in the American Air Museum. The balance of \$344,940 is unrestricted.

9. Subsequent Events Review

Subsequent events have been evaluated through to the date of the auditor's report, which is the date the financial statements were available to be issued. This review and evaluation revealed no new material event or transaction which would require an additional adjustment to or disclosure in the accompanying financial statements.

The American Air Museum in Britain

Notes to the Financial Statements

As at 31 December 2024

10. Contributions Receivable

Contributions receivable, net, are summarized as follows on 31st December 2024.

	31 December 2024	31 December 2023
	\$	\$
Due within less than one year	55,419	201,954
Of which includes amounts owed by		
Imperial War Museum Development Trust	30,117	45,050
Manning and Napier	-	65,000
Donors	25,302	132,454
Due in more than one year		
Donors	80,000	100,000

11a. Accounts Payable

Accounts payable are summarized as follows, with the largest creditors listed separately:

	31 December 2024	31 December 2023
	\$	\$
Current	22,280	755,289
Of which includes amounts owed to		
Imperial War Museum for operational costs	-	100,000
Imperial War Museum for IWM Duxford Masterplan	-	570,000
Accounts payable more than one year		
Imperial War Museum for operational costs	155,000	310,000

11b. Annuity Obligations

No Annuity Obligations were due at the end of 2024.

	31 December 2024	31 December 2023
	\$	\$
Current	-	3,456
Non-current	-	8,072
	-	11,528

The American Air Museum in Britain

Notes to the Financial Statements

As at 31 December 2024

12. Expenditure

During the year, the American Air Museum in Britain received pro bono legal fees from Gibson, Dunn & Crutcher LLP to the total of \$105,371. This amount was allocated across all unrestricted, operational, non-staff, expenditure.

	Unrestricted 2024 Direct Costs \$	2024 Pro Bono Legal Fees \$	Total 2024 Unrestricted Costs \$
Expenses			
Costs of Direct Mail	250,531	47,152	297,683
Operational Support of AAMiB	109,098	-	109,098
Operational & Compliance Costs			
AAM Staff Costs	452,240	-	452,240
Staff Travel & Office Expenses	80,584	15,166	95,750
Consultancy	3,000	565	3,565
Telephone	774	145	919
Events	13,258	2,495	15,753
Rent & Office Equipment	53,635	10,095	63,730
Bank Charges	8,458	1,592	10,050
Postage Costs	13,677	2,574	16,251
Database & Gift processing	71,628	13,481	85,109
Subscriptions & Licences	4,157	782	4,939
Legal Fees	12,914	2,430	15,344
Direct benefits to Donors	23,989	4,515	28,504
Investment Management Fees	23,259	4,378	27,637
Total Operational Costs	761,573	58,218	819,791
Total Expenses	1,121,202	105,371	1,226,573

The American Air Museum in Britain

Notes to the Financial Statements

As at 31 December 2024

12. Expenditure - continued

The 2023 pro bono legal fee received was \$15,251. The 2023 unrestricted costs have been presented in addition to the 2024 unrestricted costs to aid comparability.

	Unrestricted 2023 Direct Costs \$	2023 Pro Bono Legal Fees \$	Total 2023 Unrestricted Costs \$
Expenses			
Costs of Direct Mail	737,255	10,382	747,637
Operational Support of AAMiB	100,000	-	100,000
IWM Acquisition	12,809	-	12,809
Operational & Compliance Costs			
AAM Staff Costs	332,083	-	332,083
Staff Travel & Office Expenses	65,865	928	66,793
Consultancy	4,150	58	4,208
Telephone	631	9	640
Events	45,858	646	46,504
Rent & Office Equipment	47,275	666	47,940
Bank Charges	13,812	195	14,007
Postage Costs	25,497	359	25,856
Database & Gift processing	105,229	1,482	106,711
Subscriptions & Licences	2,622	37	2,659
Legal Fees	18,876	266	19,142
Direct benefits to Donors	11,953	168	12,121
Investment Management Fees	3,960	56	4,016
Total Operational Costs	345,728	4,869	350,597
Total Expenses	1,527,875	15,251	1,543,126