

Report of the Trustees and
Financial Statements
for the Year Ended 31 March 2023
for
Air Cadet Charity CIO
Previously known as
The Air Training Corps General Purpose
Fund CIO

Wright Vigar Limited
Statutory Auditors
Chartered Accountants & Business Advisers
Northgate House
Northgate
Sleaford
Lincolnshire
NG34 7BZ

Air Cadet Charity CIO
previously known as
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Fund CIO

Contents of the Financial Statements
for the Year Ended 31 March 2023

	Page
Report of the Trustees	1 to 9
Report of the Independent Auditors	10 to 11
Statement of Financial Activities	12
Balance Sheet	13
Cash Flow Statement	14
Notes to the Cash Flow Statement	15
Notes to the Financial Statements	16 to 29

Air Cadet Charity CIO
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Fund CIO

Report of the Trustees
for the Year Ended 31 March 2023

The trustees present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives

The objectives of the Charity are to carry on such charitable purposes as the Charity Trustees from time-to-time think fit for the benefit of personnel of the Air Training Corps and Air Cadets. This is without limiting the generality of the foregoing to provide support and activities for young people which develop their skills, capacities, and capabilities to enable them to participate in society as mature and responsible individuals.

The charitable activities of the Charity are as follows:

Sports - Enabling cadets to achieve high standards in the 7 Corps Sports at Corps Level (athletics, football, swimming, cross-country, rugby, hockey and netball).

Corps Activities - Including costs for the recognised Corps Activities, Sports Leadership Courses, water activities, Ten Tors and overseas expeditions, challenging activities which develop cadets.

Adventure Training Centres - Equipment, vehicles and maintenance for both AT Centres located at Windermere and Fairbourne. These centres provide Adventure Training for adult volunteers and cadets.

Training Ground Activities - These includes the BTEC in Aviation Studies open to every cadet, DofE award costs for bronze, silver and gold, volunteer training including the Leadership for Life Course, cadet messing costs, shooting competitions for cadets and music - encouraging training and development supported by nationally recognised qualifications. Recent developments include a renewed focus on STEM activities and the launch of a new space syllabus as well as continuing development of cyber training in line with Government objectives to increase skills in these key areas.

Air Cadet Engagement Platform Costs - Basic costs for maintenance and servicing of the three trailers which are now used as classrooms for cadet flight simulator and air traffic control, space communications and cyber training at RAF Syerston. The Fund supports the maintenance of the 25 Part Task Trainers (PTTs) flight simulators.

Air Fares - For overseas camps and International Air Cadet Exchange (IACE) flight tickets and insurance. The experience of an overseas camp or taking part in IACE representing the Air Cadets provides significant personal development opportunities.

Engagement - Cadet awards and finalists along with initial deposits for the National events.

Insurance for Cadet Activities - The Fund provides Personal Accident cover for all adults and cadets for all approved Air Training Corps activities. Additionally, Overseas Insurance can be purchased by volunteers and cadets as required.

Donations and Grants - Grants for sports kit, sports facilities, squadron administration and Regional Activity Centres (RAC) to ensure cadet sport at Corps level can be achieved and the RAC equipment is fully functional to support the cadet syllabus.

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Report of the Trustees
for the Year Ended 31 March 2023

Aims

The aims of the Royal Air Force Air Cadets, whose Royal Patron is HRH the Princess of Wales as the Honorary Air Commandant, which this Charity supports are: to promote and encourage among young men and women a practical interest in aviation and the Royal Air Force; to provide training which will be useful both in Service and civilian life; to foster the spirit of adventure; and to develop the qualities of leadership and good citizenship. These aims are reflected in our purpose, which is coherent with Air Officer Commanding No 22 Group's directive, the Cadet Forces 2025 Strategy and the Royal Air Force Project ASTRA.

In summary:

- **Core Purpose.** We are an Air, Space and Cyber focused uniformed youth organisation whose purpose is to grow young people's potential while fostering an interest in the Royal Air Force.
- **Core Values.** Within a safe, secure and enjoyable environment we will live by our core values of: Respect, Integrity, Service and Excellence.
- **2040 Ambition.** A leading, progressive, diverse and inclusive organisation delivering life-enhancing Air Cadet experiences that will equip our people to contribute to every aspect of the national Air, Space and Cyber enterprise.
- **The 2040 Vision.** The Air Cadets will transform as an Air and Space focussed uniformed youth organisation, providing innovative and inclusive life-enhancing experiences for young people, reflecting the needs of the Royal Air Force, education, industry and wider society. While continuing to fly our cadets Royal Air Force aircraft, we will immerse ourselves in technology to deliver exciting challenges, immersive training, and skills that will enhance education and improve employability. All this will be conducted in a safe, secure and sustainable environment with enjoyment, personal development and recognisable achievement at its heart. To do this we must continuously improve, developing and empowering our committed staff and volunteers to maximise their own potential. Improvements in well-being, resilience, confidence and self-efficacy for all members of the Air Cadets family will be our measure of success. In 2040 those who have benefitted from our endeavour will be better equipped to exercise influence across education, industry and the Armed Forces, creating a circle of support that contributes to the future success of the organisation.

Public benefit

In deciding its activities, the Fund has had due regard to the Charity Commission guidance in relation to public benefit. The Fund satisfies this as it ensures that the Air Training Corps continues to flourish and to remain true to the ideals laid down in its charters, particularly the provision of challenging activities to enable it to attract and retain membership and thereby providing example and leadership for the Nation's youth. This Fund is necessary to support the modern, dynamic, sustainable air-minded youth organisation that offers fun and challenging opportunities for all. As a result, public benefit is provided by the Fund as it assists in providing opportunities for today's youth to develop personal qualities and a sense of community and citizenship valued by employers, both military and civilian, creating a positive contribution to adulthood and the good of the Nation. Recent studies by the University of Northampton have been able to demonstrate the value of the Cadet Forces to wider society.

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Fund CIO

Report of the Trustees
for the Year Ended 31 March 2023

ACHIEVEMENT AND PERFORMANCE

Review

The Air Training Corps's 80th Anniversary was a major milestone during 2021, but unfortunately the last 2 years saw only intermittent cadet activity set against a backdrop of restrictions owing to the COVID19 Pandemic. Despite this, volunteers and cadets worked through the challenges and, whilst limited at times, found innovative solutions to deliver aspects of the cadet experience which this charity supports.

The past year, 2022, has seen squadrons return fully to face-to-face activities and there is once again a strong focus on recruitment and retention seeking to mitigate the impact of the Pandemic on cadet and adult volunteer numbers. Two excellent national recruiting campaigns for adult volunteers and cadets have been very successful and record numbers of cadets are now joining. This sends out a positive message about the quality of the Air Cadet offer.

There continues to be significant accomplishments over the past year with auditing of equipment, storage, security and maintenance being more firmly applied; all maintenance of equipment and statutory requirements continue to be met. The Trustees have continued to support the 13 Regional Activity Centres with the purchase and replacement of IT equipment along with maintenance, insurance and internet lines aiming to ensure that the cadets have a first-class effective training opportunity in their area of the country. The Fund also supports the maintenance of the 25 Part Task Trainers (PTTs) flight simulators (purchased from the significant RAF Charitable Trust donation in 2016/17) at various Volunteer Gliding Squadron locations around the UK. The PTT training is incorporated into the Air Cadet progressive aviation syllabus and cadets are very much enjoying the experience of learning the basics of flight. The Trustees have agreed to continue to fund successful projects such as making registration available to all cadets wishing to undertake a BTEC Certificate in Aviation Studies. Home-based activities have also continued successfully such as The Duke of Edinburgh Awards Scheme at all levels. The Adventure Training Centres, which saw a major reduction in activities throughout the Pandemic as well as a loss of instructors, have now regained momentum and the Trustees have been proactive in funding external support from qualified activity instructors alongside a recruitment campaign for adult volunteers.

Following the exceptional success of the Progressive Training Syllabus (PTS), the achievement badges are flourishing. They are much prized indicators of merit as the cadets work through the blue, bronze, silver and gold levels. The Trustees are pleased that their agreement to fund the purchase of these badges for the initial stock centrally and their subsequent issue directly to the cadets has been well received. Stocks of these have been replenished and are now funded locally.

ATC Personal Accident insurance cover is purchased by the Charity for the benefit of cadets and all adult volunteers. This is provided to ensure that all personnel taking part in cadet activities have an appropriate level of insurance cover. It remains an option for personnel to purchase cover with increased benefits if they so wish. It should be noted that there was no increase in premium costs this past year.

The Air Training Corps published its own in-house magazine entitled "The Air Cadet". The significant production costs of the magazine were met by the Fund, and it was provided free of charge to all squadrons and other elements of the Organisation; it was also published on the website. However, a wide-ranging review of the Magazine's utility and popularity across the Corps indicated that it was no longer a primary means of imparting information. The website was a far more popular means and able to be updated easily and regularly; it is the primary means by which young people seek and gain information. The magazine has passed into history and the savings will now be available to fund additional air cadet orientated activities.

The Junior Leaders' course continues to be supported by the Fund, which strives to develop the following attributes amongst participating cadets - leadership, general life skills and an understanding of Air Power and the other Regular Services. It is recognised as the zenith of Air Cadet leadership training and retains a high profile. The benefits of these types of activity develop the powers of leadership by means of training to promote the qualities of responsibility, self-reliance, resourcefulness, endurance and perseverance and a sense of service in the community. The ATC continues to deliver enjoyable, well-organised, military-themed activities in a challenging and safely managed environment to over 40,000 young people.

The RAF Cadet Development bursaries were conceived as part of the ATC's 75th anniversary and have taken a higher profile since RAF100. The aim is to provide a legacy for current and future generations of cadets and junior adult volunteers which will support their transition into full time employment, be that via college or university education, work placements or apprenticeships. An application process, structure and award panel have been formed so that awards can be made on a periodical basis to those who fulfil the eligibility criteria. The Trustees remain keen to support this venture and acknowledge that external sponsorship would boost funding for this exceptionally altruistic and well received scheme. The RAF Benevolent Fund led a fundraising campaign with RAFAC 2 years ago, to provide welfare support to air cadets and make a life-changing difference where and when it was needed the most. A proportion of the proceeds were donated to be used for the RAF Cadet Development bursary scheme.

Air Cadet Charity CIO
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Fund CIO

Report of the Trustees
for the Year Ended 31 March 2023

FINANCIAL REVIEW

Principal funding sources

Owing to the effects of the COVID19 Pandemic the Trustees made the decision to suspend the collection of subscriptions from 1 Apr 20 to 31 Mar 21; this was restarted wef 1 Apr 21. The Fund's working capital has now rebuilt to pre-Pandemic levels. The Fund is supported primarily by subscriptions of Air Training Corps cadets. The level of subscriptions is £2.50 per cadet, except for the month of August. The rate of subscriptions for cadets at overseas units is £1.25 per cadet per month, except August, to reflect the reduced access elements of the cadet experience that are available on the UK mainland. Additional income is derived from donations and a portfolio of long-term investments, held in accordance with the Trustees' powers. A number of funds are held where the income is used for specific purposes.

- a. The Malcolm Club Fund's income is used to fund flying scholarships and grants for expeditions (known as Scarman Scholarships).
- b. The BAE Millennium Fund's income is used to subsidise International Air Cadet Exchange airfares.
- c. The Joseph Singleton Memorial Fund's income is used to fund two annual cash prizes to accompany the presentation of the Lees and Morris Trophies. The Lees and Morris Trophies are competed for on a biennial basis, with large squadrons competing for the Morris Trophy and the smaller squadrons competing for the Lees Trophy. 2018 was the Lees Trophy year, with finalists receiving a cash award from the Fund in addition to the Joseph Singleton awards to the winner and runner up.
- d. The Stan Easton Memorial Fund is used to provide a cash award to an ATC cadet producing the best article linked to an aviation theme. This competition is not run annually and is dependent on having enough interested competitors.

Investment policy and objectives

Funds may be invested in any type of Investment other than partly paid shares or any other form of investment involving continuing liability to make contributions or payments in respect thereof, except for liabilities in respect of taxes, rates or rents.

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The Air Training Corps General Purpose
Fund CIO

Report of the Trustees
for the Year Ended 31 March 2023

FINANCIAL REVIEW

Reserves policy

The General Purposes Fund operates by holding investments to generate sufficient income to enable it to support its activities.

At the year end, the charity had total funds of £4,477,730 which was made up of unrestricted funds of £3,720,240, restricted funds of £365,219 and endowment funds of £392,271.

The level of free reserves at 31 March 2023 was £3,067,572. 'Free reserves' are the level of funds readily available to the Charity and are made up from the unrestricted funds less amounts tied up in fixed assets and long-term investments.

The Trustees aim to maintain sufficient cash reserves to provide a minimum of one year's operating costs. This is to provide sufficient time to identify alternative funding streams in the event of a material decline in income, or in a 'worst case' scenario, to wind up the Organisation's affairs and commitments in an orderly manner. At the year end, the Charity has sufficient free reserves to meet one year's operating costs.

Commentary on accounts

During the 12 months to 31st March 2023 the Fund had total receipts of £961,337 comprising cadet subscriptions, investment income, donations and sundry receipts.

Expenditure from the Fund totalled £517,653; therefore net income before transfers and net gains/(losses) on investments was £443,684.

Net losses on investments of £66,455 led to an overall surplus in fund movements of £377,229.

The Trustees are satisfied that the Fund is in a healthy financial position and continues to meet the purposes for which it was established.

Fundraising policy

The majority of income into the ATC GPF is from cadet subscriptions, investments and donations. Whilst there is currently no overt fundraising from members of the public, the Trustees are considering a fundraising policy, should this be required in the future. The Trustees plan to have effective systems in place so that the Charity complies fully with any legal regulations which would apply to its fundraising. There are no plans to engage a professional fundraiser or participate in street collections, door-to-door or other methods at this time. A detailed policy will be formulated for the Fund.

Air Cadet Charity CIO
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The Air Training Corps General Purpose
Fund CIO

Report of the Trustees
for the Year Ended 31 March 2023

FUTURE PLANS

RAFAC has embarked on a programme of transformation called RAF Air Cadets Astra, which is designed to take us on a journey of modernisation with its parent Service. The RAF Air Cadets is on a journey to transform to an Air and Space focused uniformed youth organisation, providing innovative and inclusive life-enhancing experiences for young people, reflecting the needs of the Royal Air Force, education, industry and wider society. While continuing to fly our cadets Royal Air Force aircraft, we will immerse ourselves in technology to deliver exciting challenges, immersive training, and skills that will enhance education and improve employability. All this will be conducted in a safe, secure and sustainable environment with enjoyment, personal development and recognisable achievement at its heart.

To do this we must continuously improve, developing and empowering our committed staff and volunteers to maximise their own potential. Improvements in well-being, resilience, confidence and self-efficacy for all members of the Air Cadets family will be our measure of success. In 2040 those who have benefitted from our endeavour will be better equipped to influence across education, industry and the Armed Forces, creating a circle of support that contributes to the future success of the organisation.

RAFAC's journey with the Royal Air Force is a strategy planned to 2040. It is envisaged that immersive technologies will increasingly feature in the Youth Aviation Programme as it gears into delivering the next generation of powered air experience flying, in turn playing an important part in the Air Cadet offer by enhancing the benefits of live flying and gliding. That technology will also catalyse an evolution of the Air Cadet Progressive Training Syllabus in the increasingly important areas of space, cyber, coding, aerospace technology and sustainability, alongside other challenging pursuits such as leadership, adventurous training, Duke of Edinburgh Awards, and small arms shooting. RAFAC seeks to create residential Air & Space Ground Schools at each gliding location, equipped with immersive technology to maximise the Air & Space training opportunities for Air Cadets. In parallel, RAFAC will need to find an inexpensive way of flowing such technology into the unit setting, so that training content and delivery can evolve at pace alongside the RAF's transformational journey, retaining RAFAC's world class status, enhancing the range of BTEC qualifications on offer, and creating highly employable air and space-minded citizens. The Air Training Corps General Purposes Fund supports the cadet element of this vision.

It is envisaged that funding may be directed towards various Astra scholarships and projects for example Air Cadet Astra Music Scholarships, Air Cadet Astra Science, Technology, Engineering and Mathematics (STEM) Scholarships and ambition for similar scholarship offers in Cyber, Coding and Space.

Looking forward and taking into account the impact of the pandemic on activity levels and methods of training delivery, the Trustees wish to continue with a full programme of activities and be prepared to fund Astra requirements. This important milestone will present engagement opportunities in a number of areas and provide extra occasions for Air Cadets to link with the Regular RAF. Additionally, as a progressive organisation the Trustees will continue to look for new opportunities to develop and enhance the cadet experience and help to enhance the aviation spirit in the Air Cadets. The Trustees wish to ensure that they provide the support to making the cadet experience more attractive, accessible and consistent regardless of location or unit attended and personal circumstances.

The Trustees intend to continue to allocate funding to the traditional key activities which include support for BTEC in Aviation Studies, Duke of Edinburgh Awards, the International Air Cadet Exchange programme, grants for squadrons and the continuation of funding for the ATC insurance scheme.

The priorities have been reviewed and funding for one-off projects continue to be considered. The Trustees are determined to augment aviation positively with consideration for scholarships, simulators and other aerospace activity to help fulfil the minimum offer to cadets. Other areas of the curriculum have been developed to incorporate modern and fun activities such as Cyber and STEM training courses. Commandant RAFAC is developing the RAF Air Cadets Astra Ambition, to take the Organisation to 2040 and beyond. This will have an impact on the Fund, but the Commandant continues seek Public funding for those activities and enhancements deemed essential for the betterment of the cadet experience. The Strategy is aimed at ensuring that the RAF Air Cadets endures as a world class uniformed youth organisation, closely connected to its parent Service the Royal Air Force and will review every aspect of the Royal Air Force Air Cadets enterprise.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

With effect from 1 July 2015 the ATC General Purposes Fund became a Charitable Incorporated Organisation, (Registered Charity Number: 1160910). Historically, the ATC General Purposes Fund Trust Charity (Registered Charity Number: 256391) was established under a Trust Deed dated 19 December 1960 and was approved by the Inland Revenue Charity Division on 28 February 1968. The Trust was registered with the Charity Commission on 29 March 1969 (with various amendments) as a charity whose primary purpose is to provide for the benefit of personnel of the Air Training Corps.

Air Cadet Charity CIO
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The Air Training Corps General Purpose
Fund CIO

Report of the Trustees
for the Year Ended 31 March 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Formerly, the Charity's Constitution required the appointment of a total of five Trustees, (two Ex-Officio and three Appointed). The Ex-Officio members (Commandant Air Cadets & Chief of Staff Air Cadets) were appointed for the duration of their term of office and the appointed Trustees (one nominated by Comdt RAFAC to act as a Financial Trustee, one by the ATC Finance & General Purposes Committee of the Air Cadet Council & one nominated by the Corps) for so long as the appointing body decides.

On 9 November 2022 it was decided that the Constitutional construct of the Trustees was incorrect. Having the Commandant and the Chief of Staff as ex-officio Trustees meant they were voting for funding for the organisation they represented; there was a significant Conflict of Interest. They resigned and a revised Constitution was agreed. It was apparent that under the developing transformation programme of Air Cadet Astra and the expected growth of the GPF as an entity as smaller unit funds moved under more centralised management, that there was a need to ensure specialist financial advice from within. One ideally two Trustees would fulfil that role and that has been achieved. In addition, a Charity Manager was engaged in January 2023, and this has assisted greatly in ensuring a greater degree of independence from the ATC accounts staff.

Organisational structure

The Fund is managed at HQ RAF Air Cadets and is overseen by the Board of Trustees (incorporated as a body), which meets formerly twice a year; this is under review. At the meetings, Trustees review the Fund's Audited Accounts and its general financial condition. In so doing, they consider forecast expenditure against anticipated income to determine, for example, whether or not increased contributions in the form of subscriptions are required to sustain the fund. Sub-committees have now been constituted and they will meet on an ad hoc basis as situations emerge; virtual meetings will enable more frequent meetings as required.

Induction and training of new trustees

When new Trustees are appointed they are given a formal induction to the work of the Charity and the Air Training Corps and provided with the information they need to fulfil their roles including Terms of Reference, which includes information about the role of trustees and charity law.

Related parties

The Finance and General Purposes Committee of the Air Cadet Council is the working group that meets a minimum of twice per year to agree the focus of activities to meet the Corps' objectives. The Committee has responsibility for vetting and proposing bids from the Fund for both repeat and non-regular activities. It can also bid for welfare grants for individuals or units, sporting activities at Regional level and other specific Corps activities. The Chair is the National Chair, there are six Regional Chairpersons and in attendance a nominated Regional Commandant and the Corps Chaplain.

The Air Training Corps General Purposes Fund (GPF) exists to provide financial support for purposes that the Trustees think fit for the benefit of personnel of the ATC. The GPF provides funding to the ATC which is applied to activities not covered by Public funds (i.e. funds from the RAF). Such activities include travel and subsistence for sports, BTEC in Aviation Studies, Duke of Edinburgh Bronze, Silver and Gold Awards and support for the International Air Cadet Exchange (IACE) programme. Thus, the Charity while being an independent organisation, is firmly related to the ATC. It is also related to the RAF i.e. part of the 'RAF Family' in modern terminology. The RAF supports the GPF by providing office accommodation for the GPF Charity Manager and for periodic meetings.

Air Cadet Charity CIO
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Fund CIO

Report of the Trustees
for the Year Ended 31 March 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Trustees have assessed the major risks to which the ATC General Purposes Fund is exposed, in particular, those relating to the finances of the Charity. The six major risks identified by the Trustees are:

- a. A reduction in MOD funding and general support for RAF Air Cadets. Government funding covers a majority of the costs to the ATC. A reduction of public funding would result in a significant increase in GPF expenditure if activity levels were to be maintained.
- b. A reduction in the number of air cadets. The major contribution to the Fund comes from cadet subscriptions, although it is accepted that this would also result in a decrease in demand for funding.
- c. Overseas camp Airfare Loans from the Fund.
- d. Reduced investment return.
- e. Disaster Recovery and Planning in the event of IT failure.
- f. Fraud or error to the Fund.

A system has been put in place to monitor the risks to the Fund and assess possible mitigating actions. Currently, public funding remains sufficient for delivery of core activity. As aviation opportunities are now improving it is hoped that cadet numbers will continue to increase. The HQ has a cadet exit survey to identify trends and the Air Cadet Council endorsed a reduction in the cadet entry age which has enhanced recruitment.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1160910

Principal address

HQ RAF Air Cadets
Royal Air Force College
Cranwell
Sleaford
Lincolnshire
NG34 8HB

Trustees

A Irvine (resigned 9.11.22)
Gp Capt (Ret'd) Bowerman OBE
M Neville CBE
Sir David Tweedie CVO
Air Cdre A C Keeling OBE (resigned 9.11.22)
S Ensor
Gp Capt M Adcock (resigned 9.11.22)
O Jones-Davies (appointed 9.11.22)
M Osman (appointed 9.11.22)

Auditors

Wright Vigar Limited
Statutory Auditors
Chartered Accountants & Business Advisers
Northgate House
Northgate
Sleaford
Lincolnshire
NG34 7BZ

Bankers

Lloyds TSB Plc
2 Northgate
Sleaford
Lincolnshire, NG34 7BL

Air Cadet Charity CIO
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Report of the Trustees
for the Year Ended 31 March 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Investment Managers

Schroder & Co Ltd
31 Gresham Street
London
EC2V 7QA

M & G Investments
PO Box 9038
Chelmsford
CM99 2XF

CHANGE OF NAME

The charity passed a special resolution on 1 December 2023 changing its name from The Air Training Corps General Purpose Fund CIO to Air Cadet Charity CIO.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 10 January 2024 and signed on its behalf by:


G A Bowerman (Jan 10, 2024 15:57 GMT)

Gp Capt (Ret'd) Bowerman OBE - Trustee

Report of the Independent Auditors to the Trustees of
Air Cadet Charity CIO
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Opinion

We have audited the financial statements of Air Cadet Charity CIO (the 'charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, 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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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 Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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.

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Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our work is performed to include an assessment of the susceptibility of the entity's financial statements to material misstatement, including the risk of fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We plan our work to gain an understanding of the significant laws and regulations that are of significance to the entity and the sector in which they operate. We perform our work to ensure that the entity is complying with its legal and regulatory framework.
- We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making inquiries to the management and people charged with governance.


We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- Substantive procedures performed in accordance with the ISAs (UK).
- Challenging assumptions and judgments made by management in its significant accounting estimates.
- Identifying and testing journal entries, in particular material journal entries and an assessment of year end journals.
- Assessing the extent of compliance with the relevant laws and regulations.

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

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.


Wright Vigar Limited (Jan 10, 2024 19:48 GMT)

Wright Vigar Limited
Statutory Auditors
Chartered Accountants & Business Advisers
Northgate House
Northgate
Sleaford
Lincolnshire
NG34 7BZ

10 January 2024

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Statement of Financial Activities
for the Year Ended 31 March 2023

	Notes	Unrestricted fund £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
INCOME FROM						
Subscriptions, donations and grants	2	781,337	93,326	-	874,663	761,546
Charitable activities	4					
Air Fares		13,439	-	-	13,439	-
Adventure Training		92	-	-	92	-
Air Cadet Magazine		-	-	-	-	4,050
Corps Sports		2,919	-	-	2,919	331
Corps Activities		5,900	-	-	5,900	210
Training Ground Activities		26,895	-	-	26,895	6,084
Insurance for Cadet activities		13,540	-	-	13,540	4,913
Investment income	3	16,891	-	3,896	20,787	15,683
Other income		3,102	-	-	3,102	-
Total		864,115	93,326	3,896	961,337	792,817
EXPENDITURE ON						
Charitable activities	5					
Air Fares		19,878	-	-	19,878	-
Adventure Training		12,178	-	-	12,178	8,575
Air Cadet Magazine		-	-	-	-	4,371
Corps Sports		42,765	-	-	42,765	7,202
Corps Activities		12,580	-	-	12,580	240
Training Ground Activities		263,108	-	-	263,108	288,104
Insurance for Cadet activities		45,095	-	-	45,095	40,359
ACE Platform costs		1,320	-	-	1,320	1,040
Engagement		106	-	-	106	105
Donations and Grants		82,748	37,875	-	120,623	88,484
Total		479,778	37,875	-	517,653	438,480
Net gains/(losses) on investments		(24,289)	-	(42,166)	(66,455)	59,014
NET INCOME/(EXPENDITURE)		360,048	55,451	(38,270)	377,229	413,351
RECONCILIATION OF FUNDS						
Total funds brought forward		3,360,192	309,768	430,541	4,100,501	3,687,150
TOTAL FUNDS CARRIED FORWARD		3,720,240	365,219	392,271	4,477,730	4,100,501

The notes form part of these financial statements

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Balance Sheet
31 March 2023

	Notes	Unrestricted fund £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS						
Tangible assets	10	264,385	-	-	264,385	354,975
Investments	11	388,283	-	235,843	624,126	690,582
		<u>652,668</u>	<u>-</u>	<u>235,843</u>	<u>888,511</u>	<u>1,045,557</u>
CURRENT ASSETS						
Stocks	12	23,367	-	-	23,367	30,419
Debtors	13	407,426	-	-	407,426	308,934
Cash at bank		2,649,576	365,219	156,428	3,171,223	2,725,530
		<u>3,080,369</u>	<u>365,219</u>	<u>156,428</u>	<u>3,602,016</u>	<u>3,064,883</u>
CREDITORS						
Amounts falling due within one year	14	(12,797)	-	-	(12,797)	(9,939)
		<u>3,067,572</u>	<u>365,219</u>	<u>156,428</u>	<u>3,589,219</u>	<u>3,054,944</u>
NET CURRENT ASSETS						
		<u>3,067,572</u>	<u>365,219</u>	<u>156,428</u>	<u>3,589,219</u>	<u>3,054,944</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,720,240</u>	<u>365,219</u>	<u>392,271</u>	<u>4,477,730</u>	<u>4,100,501</u>
NET ASSETS		<u>3,720,240</u>	<u>365,219</u>	<u>392,271</u>	<u>4,477,730</u>	<u>4,100,501</u>
FUNDS	15					
Unrestricted funds					3,720,240	3,360,192
Restricted funds					365,219	309,768
Endowment funds					392,271	430,541
TOTAL FUNDS					<u>4,477,730</u>	<u>4,100,501</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 10 January 2024 and were signed on its behalf by:



S Ensor - Trustee

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Cash Flow Statement
for the Year Ended 31 March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	437,412	160,766
Net cash provided by operating activities		<u>437,412</u>	<u>160,766</u>
Cash flows from investing activities			
Sale of tangible fixed assets		4,385	-
Sale of fixed asset investments		-	949,480
Net cash provided by investing activities		<u>4,385</u>	<u>949,480</u>
Cash flows from financing activities			
Income attributable to endowment		3,896	4,650
Net cash provided by financing activities		<u>3,896</u>	<u>4,650</u>
Change in cash and cash equivalents in the reporting period		<u>445,693</u>	<u>1,114,896</u>
Cash and cash equivalents at the beginning of the reporting period		<u>2,725,530</u>	<u>1,610,634</u>
Cash and cash equivalents at the end of the reporting period		<u><u>3,171,223</u></u>	<u><u>2,725,530</u></u>

The notes form part of these financial statements

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Notes to the Cash Flow Statement
for the Year Ended 31 March 2023

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net income for the reporting period (as per the Statement of Financial Activities)	377,229	413,351
Adjustments for:		
Depreciation charges	89,307	89,761
Losses/(gain) on investments	66,455	(59,014)
Profit on disposal of fixed assets	(3,102)	-
Income attributable to endowment	(3,896)	(4,650)
Decrease in stocks	7,052	-
Increase in debtors	(98,492)	(278,621)
Increase/(decrease) in creditors	2,859	(61)
Net cash provided by operations	<u>437,412</u>	<u>160,766</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank	2,725,530	445,693	3,171,223
	<u>2,725,530</u>	<u>445,693</u>	<u>3,171,223</u>
Total	<u>2,725,530</u>	<u>445,693</u>	<u>3,171,223</u>

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Notes to the Financial Statements
for the Year Ended 31 March 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The charity is a Charitable Incorporated Organisation registered with the Charity Commission in England and Wales.

Incoming resources

Subscriptions

Cadet subscriptions as remitted by Wings via Regions are recognised in the period to which they relate.

Voluntary Income

Cash donations and gifts are recognised in the Statement of Financial Activities when they can be accurately valued, the right to the income has been transferred and it is probable that the income will be received. Cash collected at special fund raising events is included gross.

Significant non-cash donations are included in the Statement of Financial Activities at the Trustees' estimate of their market value when received. The value of voluntary help is not included in the accounts as it can not be accurately valued.

Investment Income

Investment income is included when receivable and the amount can be measured reliably by the charity. The charity has both Restricted and Unrestricted Endowment Funds. Income from these funds has been classified accordingly.

Grants

Grant income is recognised when there is sufficient probability of receipt, therefore being more likely than not. Grant income is only deferred where the specific conditions of the grant stipulate that it relates to a later period.

Support from the RAF

From 1 Jan 23 the Charity employed a Charity Manager to administer the fund, with effect from 1 Apr 23 responsibility transferred to the new role. No charge has been made for the support and services from the RAF and they have not been valued in the accounts.

Legacies

For legacies, entitlement is taken as the earlier of:

- the date on which the charity is aware that probate has been granted;
- the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made; or
- when a distribution is received from the estate.

Recognition of a legacy, in whole or in part, is only considered when receipt is probable, when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Expenditure

Expenditure is included on an accruals basis.

Section expenditure is applied in accordance with the charity's objects. Section income and expenditure have been included gross in the Statement of Financial Activities (SOFA). The analysis is shown in the notes as referenced. Income represents contributions to the costs of the activities and any surplus arising will be applied in furthering the objects of the charity. In the Trustees' opinion this treatment provides clarity and gives a true and fair view of the Income and Expenditure of the Charity in the year.

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

1. ACCOUNTING POLICIES - continued

Expenditure

The allocation of expenditure across the different headings shown in the SOFA reflects how costs are incurred by the individual sections which run independently.

Administration expenditure comprises those costs for the running of the charity itself as an organisation, and ensuring that its objects are complied with. The central administrative costs are fully apportioned to the training ground activities charitable activity.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Camping equipment	- 33% on cost
Simulators	- 10% on cost
Radio Comms	- 10% on cost
Motor vehicles	- 15% on reducing balance
Target Rifles	- 10% on cost and 5% on reducing balance

Fixed Assets whose original cost, (or if donated, value at the date of receipt) was more than £100 have been capitalised.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Details of the nature and purpose of each fund are set out in note 15.

Unrestricted Funds comprise those funds which the trustees are free to use in accordance with the charitable objects of the Fund.

Restricted Funds are funds which have been given for a particular purpose or project. The fund and income arising therefrom can only be used for that specific purpose.

Endowment Funds represent investments that must be held permanently by the charity. Income arising on an endowment fund can be used in accordance with the objects of the charity, provided no restriction has been applied to the fund.

Capital gains or losses relating to these investments form part of the fund.

Restricted Endowment Funds represent permanent investments whose uses are specifically restricted to the purposes for which they were intended.

Investments

Investments have been valued at market value as at the financial year end. The change in market valuation is reflected in the Statement of Financial Activities as an Unrealised Gain or Loss on Investment Assets.

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

2. SUBSCRIPTIONS, DONATIONS AND GRANTS

	2023	2022
	£	£
Subscriptions	780,853	714,001
Grants and donations	93,810	47,545
	<u>874,663</u>	<u>761,546</u>

	Restricted	Unrestricted	31.03.23
	£	£	£
Lloyds TSB Matched Giving	4,610	-	4,610
RAFAC Development Bursaries	2,500	-	2,500
BAE Systems	15,000	-	15,000
S&OTS Limited	24,000	-	24,000
RAF Lodge	3,000	-	3,000
RAFCT (Space BTEC)	40,000	-	40,000
Arkwright Scholarships	4,216	-	4,216
Miscellaneous Donations	-	484	484
	<u>93,326</u>	<u>484</u>	<u>93,810</u>

3. INVESTMENT INCOME

	2023	2022
	£	£
Dividend income	<u>20,787</u>	<u>15,683</u>

4. INCOME FROM CHARITABLE ACTIVITIES

		2023	2022
		£	£
Contributions	Activity		
	Air Fares	13,439	-
Contributions	Adventure Training	92	-
Contributions	Air Cadet Magazine	-	4,050
Contributions	Corps Sports	2,919	331
Contributions	Corps Activities	5,900	210
Contributions	Training Ground Activities	26,895	6,084
Contributions	Insurance for Cadet activities	13,540	4,913
		<u>62,785</u>	<u>15,588</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct	Grant	Support	Totals
	Costs	funding of	costs (see	£
	£	activities	note 7)	
		(see note		
		6)		
		£		
Air Fares	19,878	-	-	19,878
Adventure Training	12,178	-	-	12,178
Corps Sports	42,765	-	-	42,765
Corps Activities	12,580	-	-	12,580
Training Ground Activities	254,168	-	8,940	263,108
Insurance for Cadet activities	45,095	-	-	45,095
ACE Platform costs	1,320	-	-	1,320
Engagement	106	-	-	106
Donations and Grants	-	120,623	-	120,623
	<u>388,090</u>	<u>120,623</u>	<u>8,940</u>	<u>517,653</u>

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

5. CHARITABLE ACTIVITIES COSTS - continued

FURTHER ANALYSIS OF CHARITABLE ACTIVITIES FOR THE PERIOD

Corps Sports

	Contributions	Expenditure	Cost to the
	£	£	Charity
			£
Athletics	-	7,475	7,475
Soccer	1,685	12,305	10,620
Swimming	550	7,322	6,772
Cross Country	-	5,839	5,839
Rugby	-	2,594	2,594
Netball	-	4,966	4,966
Hockey	684	2,264	1,580
	2,919	42,765	39,846

Training Ground Activities

	Contributions	Expenditure	Cost to the
	£	£	Charity
			£
RIAT	-	158	158
Corporate Clothing	-	251	251
SQA	-	4,680	4,680
BTEC	-	8,352	8,352
Duke of Edinburgh Bronze, Silver & Gold Awards	24	21,762	21,738
Shooting	695	6,212	5,517
Music	1,977	10,477	8,500
Radios	-	50	50
IACE (Memorabilia & Clothing)	3,400	15,172	11,772
IACE Programme	4,767	23,990	19,223
IACE (Accommodation Costs)	-	298	298
IACE (Horizons Royalties)	147	-	(147)
IACE (Fees)	-	340	340
DACRE Finalists	5,393	5,300	(93)
Junior Leaders	8,807	8,342	(465)
Drill & Ceremonial Camp	1,685	-	(1,685)
Cyber	-	330	330
QAIC	-	1,122	1,122
Space Instructor	-	507	507
PTS Badges	-	39,192	39,192
Admin/Equipment	-	2,071	2,071
Support Costs	-	9,455	9,455
Trustee Expenses	-	320	320
Auditors' Remuneration	-	7,250	7,250
Auditors' Remuneration - non-audit	-	8,170	8,170
Depreciation on Tangible Fixed Assets	-	89,307	89,307
	26,895	263,108	236,213

Engagement

	Contributions	Expenditure	Cost to the
	£	£	Charity
			£
Bank charges	-	106	106
	-	106	106

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

5. CHARITABLE ACTIVITIES COSTS - continued

Insurance for Cadet Activities

Insurance cover is provided for personal accident, Regional Activity Centres (RAC) contents, Trustee Indemnity Insurance (TII) and Corps Trophies. Personal accident (entitled members) and overseas cover is provided on the payment of the appropriate premium by the individual or unit.

Auditors' Remuneration

	Cost to the Charity £
Auditors' Remuneration	7,250

6. GRANTS PAYABLE

	2023 £	2022 £
Donations and Grants	120,623	88,484

	Restricted £	Unrestricted £	31.03.23 £
RAFAC - Development Bursaries	4,245	-	4,245
Comdts Fund	-	1,436	1,436
Anne & John Singleton	1,100	-	1,100
Administration	-	380	380
Sports Grants to Regions	-	12,000	12,000
Regional/Wing Activity Centres	-	12,948	12,948
Facilities Grants	-	26,804	26,804
Staff Matched Giving Scheme	3,628	-	3,628
DBS Checks	-	5,750	5,750
AGS/VGS	-	6,430	6,430
STEM Scholarships	-	17,000	17,000
MOD Libor	4,000	-	4,000
RAF Lodge	3,000	-	3,000
RAFCT - Space BTEC	6,000	-	6,000
RAFCT (Motivational Flying)	15,902	-	15,902
	37,875	82,748	120,623

Air Cadet Charity CIO
previously known as
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Fund CIO

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

7. SUPPORT COSTS

	Management £
Training Ground Activities	8,940
	<u>8,940</u>

Further analysis can be found per note 9.

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

During the year ended 31 March 2023, Trustees claimed expenses of £320 (2022: £nil) for costs incurred which were necessary to fulfill their role within the Charity.

9. STAFF COSTS

	2023 £	2022 £
Wages and salaries	8,940	-
	<u>8,940</u>	<u>-</u>

The average monthly number of employees during the year was as follows:

	2023	2022
Management and administration	1	-
	<u>1</u>	<u>-</u>

No employees received emoluments in excess of £60,000.

10. TANGIBLE FIXED ASSETS

	Camping equipment £	Simulators £	Radio Comms £
COST			
At 1 April 2022	32,501	720,712	11,543
Disposals	-	-	-
	<u>32,501</u>	<u>720,712</u>	<u>11,543</u>
At 31 March 2023	32,501	720,712	11,543
DEPRECIATION			
At 1 April 2022	32,501	499,440	9,234
Charge for year	-	72,071	1,154
Eliminated on disposal	-	-	-
	<u>32,501</u>	<u>571,511</u>	<u>10,388</u>
At 31 March 2023	32,501	571,511	10,388
NET BOOK VALUE			
At 31 March 2023	-	149,201	1,155
	<u>-</u>	<u>149,201</u>	<u>1,155</u>
At 31 March 2022	-	221,272	2,309
	<u>-</u>	<u>221,272</u>	<u>2,309</u>

Air Cadet Charity CIO
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Fund CIO

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

10. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Target Rifles £	Totals £
COST			
At 1 April 2022	45,230	184,715	994,701
Disposals	(22,216)	-	(22,216)
	<hr/>	<hr/>	<hr/>
At 31 March 2023	23,014	184,715	972,485
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 April 2022	37,912	60,639	639,726
Charge for year	905	15,177	89,307
Eliminated on disposal	(20,933)	-	(20,933)
	<hr/>	<hr/>	<hr/>
At 31 March 2023	17,884	75,816	708,100
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 March 2023	5,130	108,899	264,385
	<hr/>	<hr/>	<hr/>
At 31 March 2022	7,318	124,076	354,975
	<hr/>	<hr/>	<hr/>

Air Cadet Charity CIO
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The Air Training Corps General Purpose
Fund CIO

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

11. FIXED ASSET INVESTMENTS

	<u>Schroders</u>			
	Fund 513 Charity Fixed Int	Fund 514 Charity Equity Inc	Fund 514 Charity Fixed Int	Fund 1066 Charity Fixed Int
	Stan Easton £	Unrestricted Funds £		J. Singleton £
<u>COST</u>				
At 1 April 2022	1,884	101,618	97,694	10,092
Introduced	-	-	-	-
Withdrawn	-	-	-	-
At 31 March 2023	1,884	101,618	97,694	10,092
<u>VALUATION</u>				
At 1 April 2022	2,122	303,333	109,238	10,823
Purchases	-	-	-	-
Sales	-	-	-	-
Change in Value	(356)	(5,954)	(18,335)	(1,816)
At 31 March 2023	1,766	297,379	90,903	9,007

	<u>Schroders</u> Fund 2161 Charity Fixed Int	<u>M&G</u> BAE Millenium Challenge (IACE)	<u>Total</u>
	Malcolm Club £	£	£
<u>COST</u>			
At 1 April 2022	200,000	50,000	964,893
Introduced	-	-	-
Withdrawn	-	-	-
At 31 March 2023	200,000	50,000	964,893
<u>VALUATION</u>			
At 1 April 2022	218,227	46,838	690,581
Purchases	-	-	-
Sales	-	-	-
Change in Value	(36,628)	(3,366)	(66,455)
At 31 March 2023	181,599	43,472	624,126

12. STOCKS

	2023 £	2022 £
IACE Supplies	23,367	30,419

Air Cadet Charity CIO
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Fund CIO

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Other debtors	407,426	308,934

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	(61)	(61)
Other creditors	12,858	10,000
	12,797	9,939

15. MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
Unrestricted Fund	3,360,192	360,048	-	3,720,240
Restricted funds				
BAE	76,264	15,000	-	91,264
Anne & John Singleton	99,523	(1,100)	-	98,423
Lloyds TSB Foundation	2,015	982	-	2,997
Convention	2,500	-	(2,500)	-
RAFAC - Development Bursaries	21,249	(1,745)	2,500	22,004
RAFCT - Motivational Flying	15,902	(15,902)	-	-
Reserve Forces & Cadets West Midlands - Development Bursaries				
	8,315	-	-	8,315
MOD Libor	4,000	(4,000)	-	-
Worshipful Company of Coachmakers	80,000	-	-	80,000
RAFCT - Astra Space	-	34,000	-	34,000
S&OTS Limited	-	24,000	-	24,000
Arkwright Scholarships	-	4,216	-	4,216
	309,768	55,451	-	365,219
Endowment funds				
BAE Millenium Fund	194,165	(2,313)	-	191,852
Joseph Singleton	11,574	(1,634)	-	9,940
Malcolm Club	221,736	(34,003)	-	187,733
Stan Easton	3,066	(320)	-	2,746
	430,541	(38,270)	-	392,271
TOTAL FUNDS	4,100,501	377,229	-	4,477,730

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

15. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted Fund	864,115	(479,778)	(24,289)	360,048
Restricted funds				
BAE	15,000	-	-	15,000
Anne & John Singleton	-	(1,100)	-	(1,100)
Lloyds TSB Foundation	4,610	(3,628)	-	982
RAFAC - Development Bursaries	2,500	(4,245)	-	(1,745)
RAFCT - Motivational Flying	-	(15,902)	-	(15,902)
MOD Libor	-	(4,000)	-	(4,000)
RAFCT - Astra Space	40,000	(6,000)	-	34,000
S&OTS Limited	24,000	-	-	24,000
RAF Lodge	3,000	(3,000)	-	-
Arkwright Scholarships	4,216	-	-	4,216
	93,326	(37,875)	-	55,451
Endowment funds				
BAE Millenium Fund	1,052	-	(3,365)	(2,313)
Joseph Singleton	183	-	(1,817)	(1,634)
Malcolm Club	2,625	-	(36,628)	(34,003)
Stan Easton	36	-	(356)	(320)
	3,896	-	(42,166)	(38,270)
TOTAL FUNDS	<u>961,337</u>	<u>(517,653)</u>	<u>(66,455)</u>	<u>377,229</u>

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

15. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
Unrestricted funds				
Unrestricted Fund	2,942,142	430,545	(12,495)	3,360,192
Restricted funds				
Air Cadet Magazine	-	(321)	321	-
BAE	76,264	-	-	76,264
Anne & John Singleton	99,523	-	-	99,523
Lloyds TSB Foundation	350	1,665	-	2,015
Convention	2,500	-	-	2,500
RAFAC - Development Bursaries	-	21,249	-	21,249
RAFCT - Motivational Flying	17,402	(1,500)	-	15,902
Reserve Forces & Cadets West Midlands - Development Bursaries				
	8,315	-	-	8,315
RAFCT - STEM	8,764	(8,764)	-	-
MOD Libor	6,314	(2,314)	-	4,000
The Award Scheme Limited - Duke of Edinburgh Award	-	(12,174)	12,174	-
Worshipful Company of Coachmakers	80,000	-	-	80,000
	299,432	(2,159)	12,495	309,768
Endowment funds				
BAE Millenium Fund	195,411	(1,246)	-	194,165
Joseph Singleton	12,220	(646)	-	11,574
Malcolm Club	234,752	(13,016)	-	221,736
Stan Easton	3,193	(127)	-	3,066
	445,576	(15,035)	-	430,541
TOTAL FUNDS	3,687,150	413,351	-	4,100,501

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

15. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted Fund	741,399	(389,553)	78,699	430,545
Restricted funds				
Air Cadet Magazine	4,050	(4,371)	-	(321)
Lloyds TSB Foundation	1,665	-	-	1,665
RAFAC - Development Bursaries	34,172	(12,923)	-	21,249
RAFCT - Motivational Flying	-	(1,500)	-	(1,500)
RAFCT - STEM	-	(8,764)	-	(8,764)
MOD Libor	6,881	(9,195)	-	(2,314)
The Award Scheme Limited - Duke of Edinburgh Award	-	(12,174)	-	(12,174)
	46,768	(48,927)	-	(2,159)
Endowment funds				
BAE Millenium Fund	933	-	(2,179)	(1,246)
Joseph Singleton	174	-	(820)	(646)
Malcolm Club	3,509	-	(16,525)	(13,016)
Stan Easton	34	-	(161)	(127)
	4,650	-	(19,685)	(15,035)
TOTAL FUNDS	792,817	(438,480)	59,014	413,351

Funds of the Charity

BAE

BAE have pledged donations which will be managed by Trustees for the RAF Cadet Development Bursaries.

Anne and John Singleton Trust - Restricted Donation

The Air Cadet Organisation has undertaken to use the funds donated to provide assistance to young people between the ages of 16-20 to undertake expeditions in both the British Isles and abroad with a community service aspect, especially where handicapped people are involved, either male or female, who are members of the Air Cadets. On 13 Oct 09 £163,975 was donated to the Air Training Corps, as at 31 March 2023 £65,552 has been spent from this fund.

Lloyds TSB Foundation

Matched giving achieved by Corps members which is then transferred to the sqn Civilian Committee concerned.

RAFAC Convention

The funding for the annual RAFAC Convention.

The RAF Cadet Development Bursaries

The RAF Cadet Development Bursaries were conceived as part of the ATC's 75th anniversary celebrations in 2016. The aim is to provide a legacy for current and future generations of cadets and junior adult volunteers which will support their transition into full time employment, be that via university education, work placements or apprenticeships.

RAFCT Motivational Flying

Motivational flying packages.

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

15. MOVEMENT IN FUNDS - continued

RFCA WM

Development Bursaries for cadets in 3 wings, West Mercian, Staffordshire and Warwick and Birmingham.

RAFCT STEM

Support of equipment for cadet STEM.

MOD Libor

This funding is now finalised.

Duke of Edinburgh Award

Support from The Award Scheme Limited for cadets completing the Duke of Edinburgh Award.

Worshipful Company of Coachmakers

Donation received to assist with the RAFAC Development Fund.

RAF Lodge

The RAF Lodge donated £3,000 to provide three £1,000 grants which were awarded as a Development Grant to the winners of the top RAF Air Cadets (DACRE Sword Winner, ATC 75 Sword Winner & Sir John Thomson Memorial Sword (SJTM Winner)) to be put towards their personal and/or professional development.

RAFCT Astra Space

The grant from the RAF Charitable Trust is for the purchase of training resources to support the RAFAC Astra Space Syllabus. So far, the grant has been used to purchase practical hands-on resources, for Lead Space Instructors to provide train-the-trainer sessions in every Region and at camps. Each set of resources consists of 41 types of resources and the plan is to provide up to 20 sets. Additionally, the grant will be used to purchase IT tablets, to support delivery, as agreed with the RAFCT.

The BAE Millennium Fund's - Restricted Endowment

Income is used to subsidise International Air Cadet Exchange airfares.

The Joseph Singleton Memorial Fund - Restricted Endowment

The Joseph Singleton Memorial Fund's income is used to fund two annual cash prizes to accompany the presentation of the Lees and Morris Trophies. The Lees and Morris Trophies are competed for on a biennial basis, with large squadrons competing for the Morris Trophy and the smaller squadrons competing for the Lees Trophy.

The Malcolm Club Fund

The investment fund generates interest income to provide flying scholarships and/or 4 overseas expeditions. Any shortfall between the income and the cost is made up by the General Purposes Fund.

The Stan Easton Memorial Fund - Restricted Endowment

Income is used to provide a cash award to an ATC cadet producing the best article linked to an aviation theme. This competition is not run annually and is dependent on having enough interested competitors.

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

15. MOVEMENT IN FUNDS - continued

Transfers between funds

During the period, the Trustees decided to move the remaining balance within the Convention fund to the RAFAC Development Bursaries fund. A transfer of £2,500 was completed between the funds to reflect this decision.

16. RELATED PARTY DISCLOSURES

The Royal Air Force Charitable Trust

The Charity is independent of the Royal Air Force Charitable Trust but has a close relationship with it and receives significant support as explained in the Trustees' Report. In the year ended 31 March, the charity received £40,000 (2022: £nil) in grants from the Charitable Trust.

Air Training Corps

The General Purposes Fund exists to support members of the Air Training Corps (ATC) and further its objects. Hence the ATC is considered a related party of the charity. All charitable expenditure in these financial statements is incurred with these objects in mind. Payment of grants directly to the squadrons, wings and regions of the ATC and purchases of equipment for them are shown in note 6 above. Other costs are borne directly by the General Purposes Fund.

Report of the Trustees and
Financial Statements
for the Year Ended 31 March 2023
for
Air Cadet Charity CIO
Previously known as
The Air Training Corps General Purpose
Fund CIO

Wright Vigar Limited
Statutory Auditors
Chartered Accountants & Business Advisers
Northgate House
Northgate
Sleaford
Lincolnshire
NG34 7BZ

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Contents of the Financial Statements
for the Year Ended 31 March 2023

	Page
Report of the Trustees	1 to 9
Report of the Independent Auditors	10 to 11
Statement of Financial Activities	12
Balance Sheet	13
Cash Flow Statement	14
Notes to the Cash Flow Statement	15
Notes to the Financial Statements	16 to 29

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Report of the Trustees
for the Year Ended 31 March 2023

The trustees present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives

The objectives of the Charity are to carry on such charitable purposes as the Charity Trustees from time-to-time think fit for the benefit of personnel of the Air Training Corps and Air Cadets. This is without limiting the generality of the foregoing to provide support and activities for young people which develop their skills, capacities, and capabilities to enable them to participate in society as mature and responsible individuals.

The charitable activities of the Charity are as follows:

Sports - Enabling cadets to achieve high standards in the 7 Corps Sports at Corps Level (athletics, football, swimming, cross-country, rugby, hockey and netball).

Corps Activities - Including costs for the recognised Corps Activities, Sports Leadership Courses, water activities, Ten Tors and overseas expeditions, challenging activities which develop cadets.

Adventure Training Centres - Equipment, vehicles and maintenance for both AT Centres located at Windermere and Fairbourne. These centres provide Adventure Training for adult volunteers and cadets.

Training Ground Activities - These includes the BTEC in Aviation Studies open to every cadet, DofE award costs for bronze, silver and gold, volunteer training including the Leadership for Life Course, cadet messing costs, shooting competitions for cadets and music - encouraging training and development supported by nationally recognised qualifications. Recent developments include a renewed focus on STEM activities and the launch of a new space syllabus as well as continuing development of cyber training in line with Government objectives to increase skills in these key areas.

Air Cadet Engagement Platform Costs - Basic costs for maintenance and servicing of the three trailers which are now used as classrooms for cadet flight simulator and air traffic control, space communications and cyber training at RAF Syerston. The Fund supports the maintenance of the 25 Part Task Trainers (PTTs) flight simulators.

Air Fares - For overseas camps and International Air Cadet Exchange (IACE) flight tickets and insurance. The experience of an overseas camp or taking part in IACE representing the Air Cadets provides significant personal development opportunities.

Engagement - Cadet awards and finalists along with initial deposits for the National events.

Insurance for Cadet Activities - The Fund provides Personal Accident cover for all adults and cadets for all approved Air Training Corps activities. Additionally, Overseas Insurance can be purchased by volunteers and cadets as required.

Donations and Grants - Grants for sports kit, sports facilities, squadron administration and Regional Activity Centres (RAC) to ensure cadet sport at Corps level can be achieved and the RAC equipment is fully functional to support the cadet syllabus.

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Report of the Trustees
for the Year Ended 31 March 2023

Aims

The aims of the Royal Air Force Air Cadets, whose Royal Patron is HRH the Princess of Wales as the Honorary Air Commandant, which this Charity supports are: to promote and encourage among young men and women a practical interest in aviation and the Royal Air Force; to provide training which will be useful both in Service and civilian life; to foster the spirit of adventure; and to develop the qualities of leadership and good citizenship. These aims are reflected in our purpose, which is coherent with Air Officer Commanding No 22 Group's directive, the Cadet Forces 2025 Strategy and the Royal Air Force Project ASTRA.

In summary:

- **Core Purpose.** We are an Air, Space and Cyber focused uniformed youth organisation whose purpose is to grow young people's potential while fostering an interest in the Royal Air Force.
- **Core Values.** Within a safe, secure and enjoyable environment we will live by our core values of: Respect, Integrity, Service and Excellence.
- **2040 Ambition.** A leading, progressive, diverse and inclusive organisation delivering life-enhancing Air Cadet experiences that will equip our people to contribute to every aspect of the national Air, Space and Cyber enterprise.
- **The 2040 Vision.** The Air Cadets will transform as an Air and Space focussed uniformed youth organisation, providing innovative and inclusive life-enhancing experiences for young people, reflecting the needs of the Royal Air Force, education, industry and wider society. While continuing to fly our cadets Royal Air Force aircraft, we will immerse ourselves in technology to deliver exciting challenges, immersive training, and skills that will enhance education and improve employability. All this will be conducted in a safe, secure and sustainable environment with enjoyment, personal development and recognisable achievement at its heart. To do this we must continuously improve, developing and empowering our committed staff and volunteers to maximise their own potential. Improvements in well-being, resilience, confidence and self-efficacy for all members of the Air Cadets family will be our measure of success. In 2040 those who have benefitted from our endeavour will be better equipped to exercise influence across education, industry and the Armed Forces, creating a circle of support that contributes to the future success of the organisation.

Public benefit

In deciding its activities, the Fund has had due regard to the Charity Commission guidance in relation to public benefit. The Fund satisfies this as it ensures that the Air Training Corps continues to flourish and to remain true to the ideals laid down in its charters, particularly the provision of challenging activities to enable it to attract and retain membership and thereby providing example and leadership for the Nation's youth. This Fund is necessary to support the modern, dynamic, sustainable air-minded youth organisation that offers fun and challenging opportunities for all. As a result, public benefit is provided by the Fund as it assists in providing opportunities for today's youth to develop personal qualities and a sense of community and citizenship valued by employers, both military and civilian, creating a positive contribution to adulthood and the good of the Nation. Recent studies by the University of Northampton have been able to demonstrate the value of the Cadet Forces to wider society.

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Report of the Trustees
for the Year Ended 31 March 2023

ACHIEVEMENT AND PERFORMANCE

Review

The Air Training Corps's 80th Anniversary was a major milestone during 2021, but unfortunately the last 2 years saw only intermittent cadet activity set against a backdrop of restrictions owing to the COVID19 Pandemic. Despite this, volunteers and cadets worked through the challenges and, whilst limited at times, found innovative solutions to deliver aspects of the cadet experience which this charity supports.

The past year, 2022, has seen squadrons return fully to face-to-face activities and there is once again a strong focus on recruitment and retention seeking to mitigate the impact of the Pandemic on cadet and adult volunteer numbers. Two excellent national recruiting campaigns for adult volunteers and cadets have been very successful and record numbers of cadets are now joining. This sends out a positive message about the quality of the Air Cadet offer.

There continues to be significant accomplishments over the past year with auditing of equipment, storage, security and maintenance being more firmly applied; all maintenance of equipment and statutory requirements continue to be met. The Trustees have continued to support the 13 Regional Activity Centres with the purchase and replacement of IT equipment along with maintenance, insurance and internet lines aiming to ensure that the cadets have a first-class effective training opportunity in their area of the country. The Fund also supports the maintenance of the 25 Part Task Trainers (PTTs) flight simulators (purchased from the significant RAF Charitable Trust donation in 2016/17) at various Volunteer Gliding Squadron locations around the UK. The PTT training is incorporated into the Air Cadet progressive aviation syllabus and cadets are very much enjoying the experience of learning the basics of flight. The Trustees have agreed to continue to fund successful projects such as making registration available to all cadets wishing to undertake a BTEC Certificate in Aviation Studies. Home-based activities have also continued successfully such as The Duke of Edinburgh Awards Scheme at all levels. The Adventure Training Centres, which saw a major reduction in activities throughout the Pandemic as well as a loss of instructors, have now regained momentum and the Trustees have been proactive in funding external support from qualified activity instructors alongside a recruitment campaign for adult volunteers.

Following the exceptional success of the Progressive Training Syllabus (PTS), the achievement badges are flourishing. They are much prized indicators of merit as the cadets work through the blue, bronze, silver and gold levels. The Trustees are pleased that their agreement to fund the purchase of these badges for the initial stock centrally and their subsequent issue directly to the cadets has been well received. Stocks of these have been replenished and are now funded locally.

ATC Personal Accident insurance cover is purchased by the Charity for the benefit of cadets and all adult volunteers. This is provided to ensure that all personnel taking part in cadet activities have an appropriate level of insurance cover. It remains an option for personnel to purchase cover with increased benefits if they so wish. It should be noted that there was no increase in premium costs this past year.

The Air Training Corps published its own in-house magazine entitled "The Air Cadet". The significant production costs of the magazine were met by the Fund, and it was provided free of charge to all squadrons and other elements of the Organisation; it was also published on the website. However, a wide-ranging review of the Magazine's utility and popularity across the Corps indicated that it was no longer a primary means of imparting information. The website was a far more popular means and able to be updated easily and regularly; it is the primary means by which young people seek and gain information. The magazine has passed into history and the savings will now be available to fund additional air cadet orientated activities.

The Junior Leaders' course continues to be supported by the Fund, which strives to develop the following attributes amongst participating cadets - leadership, general life skills and an understanding of Air Power and the other Regular Services. It is recognised as the zenith of Air Cadet leadership training and retains a high profile. The benefits of these types of activity develop the powers of leadership by means of training to promote the qualities of responsibility, self-reliance, resourcefulness, endurance and perseverance and a sense of service in the community. The ATC continues to deliver enjoyable, well-organised, military-themed activities in a challenging and safely managed environment to over 40,000 young people.

The RAF Cadet Development bursaries were conceived as part of the ATC's 75th anniversary and have taken a higher profile since RAF100. The aim is to provide a legacy for current and future generations of cadets and junior adult volunteers which will support their transition into full time employment, be that via college or university education, work placements or apprenticeships. An application process, structure and award panel have been formed so that awards can be made on a periodical basis to those who fulfil the eligibility criteria. The Trustees remain keen to support this venture and acknowledge that external sponsorship would boost funding for this exceptionally altruistic and well received scheme. The RAF Benevolent Fund led a fundraising campaign with RAFAC 2 years ago, to provide welfare support to air cadets and make a life-changing difference where and when it was needed the most. A proportion of the proceeds were donated to be used for the RAF Cadet Development bursary scheme.

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Report of the Trustees
for the Year Ended 31 March 2023

FINANCIAL REVIEW

Principal funding sources

Owing to the effects of the COVID19 Pandemic the Trustees made the decision to suspend the collection of subscriptions from 1 Apr 20 to 31 Mar 21; this was restarted wef 1 Apr 21. The Fund's working capital has now rebuilt to pre-Pandemic levels. The Fund is supported primarily by subscriptions of Air Training Corps cadets. The level of subscriptions is £2.50 per cadet, except for the month of August. The rate of subscriptions for cadets at overseas units is £1.25 per cadet per month, except August, to reflect the reduced access elements of the cadet experience that are available on the UK mainland. Additional income is derived from donations and a portfolio of long-term investments, held in accordance with the Trustees' powers. A number of funds are held where the income is used for specific purposes.

- a. The Malcolm Club Fund's income is used to fund flying scholarships and grants for expeditions (known as Scarman Scholarships).
- b. The BAE Millennium Fund's income is used to subsidise International Air Cadet Exchange airfares.
- c. The Joseph Singleton Memorial Fund's income is used to fund two annual cash prizes to accompany the presentation of the Lees and Morris Trophies. The Lees and Morris Trophies are competed for on a biennial basis, with large squadrons competing for the Morris Trophy and the smaller squadrons competing for the Lees Trophy. 2018 was the Lees Trophy year, with finalists receiving a cash award from the Fund in addition to the Joseph Singleton awards to the winner and runner up.
- d. The Stan Easton Memorial Fund is used to provide a cash award to an ATC cadet producing the best article linked to an aviation theme. This competition is not run annually and is dependent on having enough interested competitors.

Investment policy and objectives

Funds may be invested in any type of Investment other than partly paid shares or any other form of investment involving continuing liability to make contributions or payments in respect thereof, except for liabilities in respect of taxes, rates or rents.

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Report of the Trustees
for the Year Ended 31 March 2023

FINANCIAL REVIEW

Reserves policy

The General Purposes Fund operates by holding investments to generate sufficient income to enable it to support its activities.

At the year end, the charity had total funds of £4,477,730 which was made up of unrestricted funds of £3,720,240, restricted funds of £365,219 and endowment funds of £392,271.

The level of free reserves at 31 March 2023 was £3,067,572. 'Free reserves' are the level of funds readily available to the Charity and are made up from the unrestricted funds less amounts tied up in fixed assets and long-term investments.

The Trustees aim to maintain sufficient cash reserves to provide a minimum of one year's operating costs. This is to provide sufficient time to identify alternative funding streams in the event of a material decline in income, or in a 'worst case' scenario, to wind up the Organisation's affairs and commitments in an orderly manner. At the year end, the Charity has sufficient free reserves to meet one year's operating costs.

Commentary on accounts

During the 12 months to 31st March 2023 the Fund had total receipts of £961,337 comprising cadet subscriptions, investment income, donations and sundry receipts.

Expenditure from the Fund totalled £517,653; therefore net income before transfers and net gains/(losses) on investments was £443,684.

Net losses on investments of £66,455 led to an overall surplus in fund movements of £377,229.

The Trustees are satisfied that the Fund is in a healthy financial position and continues to meet the purposes for which it was established.

Fundraising policy

The majority of income into the ATC GPF is from cadet subscriptions, investments and donations. Whilst there is currently no overt fundraising from members of the public, the Trustees are considering a fundraising policy, should this be required in the future. The Trustees plan to have effective systems in place so that the Charity complies fully with any legal regulations which would apply to its fundraising. There are no plans to engage a professional fundraiser or participate in street collections, door-to-door or other methods at this time. A detailed policy will be formulated for the Fund.

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Report of the Trustees
for the Year Ended 31 March 2023

FUTURE PLANS

RAFAC has embarked on a programme of transformation called RAF Air Cadets Astra, which is designed to take us on a journey of modernisation with its parent Service. The RAF Air Cadets is on a journey to transform to an Air and Space focused uniformed youth organisation, providing innovative and inclusive life-enhancing experiences for young people, reflecting the needs of the Royal Air Force, education, industry and wider society. While continuing to fly our cadets Royal Air Force aircraft, we will immerse ourselves in technology to deliver exciting challenges, immersive training, and skills that will enhance education and improve employability. All this will be conducted in a safe, secure and sustainable environment with enjoyment, personal development and recognisable achievement at its heart.

To do this we must continuously improve, developing and empowering our committed staff and volunteers to maximise their own potential. Improvements in well-being, resilience, confidence and self-efficacy for all members of the Air Cadets family will be our measure of success. In 2040 those who have benefitted from our endeavour will be better equipped to influence across education, industry and the Armed Forces, creating a circle of support that contributes to the future success of the organisation.

RAFAC's journey with the Royal Air Force is a strategy planned to 2040. It is envisaged that immersive technologies will increasingly feature in the Youth Aviation Programme as it gears into delivering the next generation of powered air experience flying, in turn playing an important part in the Air Cadet offer by enhancing the benefits of live flying and gliding. That technology will also catalyse an evolution of the Air Cadet Progressive Training Syllabus in the increasingly important areas of space, cyber, coding, aerospace technology and sustainability, alongside other challenging pursuits such as leadership, adventurous training, Duke of Edinburgh Awards, and small arms shooting. RAFAC seeks to create residential Air & Space Ground Schools at each gliding location, equipped with immersive technology to maximise the Air & Space training opportunities for Air Cadets. In parallel, RAFAC will need to find an inexpensive way of flowing such technology into the unit setting, so that training content and delivery can evolve at pace alongside the RAF's transformational journey, retaining RAFAC's world class status, enhancing the range of BTEC qualifications on offer, and creating highly employable air and space-minded citizens. The Air Training Corps General Purposes Fund supports the cadet element of this vision.

It is envisaged that funding may be directed towards various Astra scholarships and projects for example Air Cadet Astra Music Scholarships, Air Cadet Astra Science, Technology, Engineering and Mathematics (STEM) Scholarships and ambition for similar scholarship offers in Cyber, Coding and Space.

Looking forward and taking into account the impact of the pandemic on activity levels and methods of training delivery, the Trustees wish to continue with a full programme of activities and be prepared to fund Astra requirements. This important milestone will present engagement opportunities in a number of areas and provide extra occasions for Air Cadets to link with the Regular RAF. Additionally, as a progressive organisation the Trustees will continue to look for new opportunities to develop and enhance the cadet experience and help to enhance the aviation spirit in the Air Cadets. The Trustees wish to ensure that they provide the support to making the cadet experience more attractive, accessible and consistent regardless of location or unit attended and personal circumstances.

The Trustees intend to continue to allocate funding to the traditional key activities which include support for BTEC in Aviation Studies, Duke of Edinburgh Awards, the International Air Cadet Exchange programme, grants for squadrons and the continuation of funding for the ATC insurance scheme.

The priorities have been reviewed and funding for one-off projects continue to be considered. The Trustees are determined to augment aviation positively with consideration for scholarships, simulators and other aerospace activity to help fulfil the minimum offer to cadets. Other areas of the curriculum have been developed to incorporate modern and fun activities such as Cyber and STEM training courses. Commandant RAFAC is developing the RAF Air Cadets Astra Ambition, to take the Organisation to 2040 and beyond. This will have an impact on the Fund, but the Commandant continues seek Public funding for those activities and enhancements deemed essential for the betterment of the cadet experience. The Strategy is aimed at ensuring that the RAF Air Cadets endures as a world class uniformed youth organisation, closely connected to its parent Service the Royal Air Force and will review every aspect of the Royal Air Force Air Cadets enterprise.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

With effect from 1 July 2015 the ATC General Purposes Fund became a Charitable Incorporated Organisation, (Registered Charity Number: 1160910). Historically, the ATC General Purposes Fund Trust Charity (Registered Charity Number: 256391) was established under a Trust Deed dated 19 December 1960 and was approved by the Inland Revenue Charity Division on 28 February 1968. The Trust was registered with the Charity Commission on 29 March 1969 (with various amendments) as a charity whose primary purpose is to provide for the benefit of personnel of the Air Training Corps.

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Report of the Trustees
for the Year Ended 31 March 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Formerly, the Charity's Constitution required the appointment of a total of five Trustees, (two Ex-Officio and three Appointed). The Ex-Officio members (Commandant Air Cadets & Chief of Staff Air Cadets) were appointed for the duration of their term of office and the appointed Trustees (one nominated by Comdt RAFAC to act as a Financial Trustee, one by the ATC Finance & General Purposes Committee of the Air Cadet Council & one nominated by the Corps) for so long as the appointing body decides.

On 9 November 2022 it was decided that the Constitutional construct of the Trustees was incorrect. Having the Commandant and the Chief of Staff as ex-officio Trustees meant they were voting for funding for the organisation they represented; there was a significant Conflict of Interest. They resigned and a revised Constitution was agreed. It was apparent that under the developing transformation programme of Air Cadet Astra and the expected growth of the GPF as an entity as smaller unit funds moved under more centralised management, that there was a need to ensure specialist financial advice from within. One ideally two Trustees would fulfil that role and that has been achieved. In addition, a Charity Manager was engaged in January 2023, and this has assisted greatly in ensuring a greater degree of independence from the ATC accounts staff.

Organisational structure

The Fund is managed at HQ RAF Air Cadets and is overseen by the Board of Trustees (incorporated as a body), which meets formerly twice a year; this is under review. At the meetings, Trustees review the Fund's Audited Accounts and its general financial condition. In so doing, they consider forecast expenditure against anticipated income to determine, for example, whether or not increased contributions in the form of subscriptions are required to sustain the fund. Sub-committees have now been constituted and they will meet on an ad hoc basis as situations emerge; virtual meetings will enable more frequent meetings as required.

Induction and training of new trustees

When new Trustees are appointed they are given a formal induction to the work of the Charity and the Air Training Corps and provided with the information they need to fulfil their roles including Terms of Reference, which includes information about the role of trustees and charity law.

Related parties

The Finance and General Purposes Committee of the Air Cadet Council is the working group that meets a minimum of twice per year to agree the focus of activities to meet the Corps' objectives. The Committee has responsibility for vetting and proposing bids from the Fund for both repeat and non-regular activities. It can also bid for welfare grants for individuals or units, sporting activities at Regional level and other specific Corps activities. The Chair is the National Chair, there are six Regional Chairpersons and in attendance a nominated Regional Commandant and the Corps Chaplain.

The Air Training Corps General Purposes Fund (GPF) exists to provide financial support for purposes that the Trustees think fit for the benefit of personnel of the ATC. The GPF provides funding to the ATC which is applied to activities not covered by Public funds (i.e. funds from the RAF). Such activities include travel and subsistence for sports, BTEC in Aviation Studies, Duke of Edinburgh Bronze, Silver and Gold Awards and support for the International Air Cadet Exchange (IACE) programme. Thus, the Charity while being an independent organisation, is firmly related to the ATC. It is also related to the RAF i.e. part of the 'RAF Family' in modern terminology. The RAF supports the GPF by providing office accommodation for the GPF Charity Manager and for periodic meetings.

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Report of the Trustees
for the Year Ended 31 March 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Trustees have assessed the major risks to which the ATC General Purposes Fund is exposed, in particular, those relating to the finances of the Charity. The six major risks identified by the Trustees are:

- a. A reduction in MOD funding and general support for RAF Air Cadets. Government funding covers a majority of the costs to the ATC. A reduction of public funding would result in a significant increase in GPF expenditure if activity levels were to be maintained.
- b. A reduction in the number of air cadets. The major contribution to the Fund comes from cadet subscriptions, although it is accepted that this would also result in a decrease in demand for funding.
- c. Overseas camp Airfare Loans from the Fund.
- d. Reduced investment return.
- e. Disaster Recovery and Planning in the event of IT failure.
- f. Fraud or error to the Fund.

A system has been put in place to monitor the risks to the Fund and assess possible mitigating actions. Currently, public funding remains sufficient for delivery of core activity. As aviation opportunities are now improving it is hoped that cadet numbers will continue to increase. The HQ has a cadet exit survey to identify trends and the Air Cadet Council endorsed a reduction in the cadet entry age which has enhanced recruitment.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1160910

Principal address

HQ RAF Air Cadets
Royal Air Force College
Cranwell
Sleaford
Lincolnshire
NG34 8HB

Trustees

A Irvine (resigned 9.11.22)
Gp Capt (Ret'd) Bowerman OBE
M Neville CBE
Sir David Tweedie CVO
Air Cdre A C Keeling OBE (resigned 9.11.22)
S Ensor
Gp Capt M Adcock (resigned 9.11.22)
O Jones-Davies (appointed 9.11.22)
M Osman (appointed 9.11.22)

Auditors

Wright Vigar Limited
Statutory Auditors
Chartered Accountants & Business Advisers
Northgate House
Northgate
Sleaford
Lincolnshire
NG34 7BZ

Bankers

Lloyds TSB Plc
2 Northgate
Sleaford
Lincolnshire, NG34 7BL

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Report of the Trustees
for the Year Ended 31 March 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Investment Managers

Schroder & Co Ltd
31 Gresham Street
London
EC2V 7QA

M & G Investments
PO Box 9038
Chelmsford
CM99 2XF

CHANGE OF NAME

The charity passed a special resolution on 1 December 2023 changing its name from The Air Training Corps General Purpose Fund CIO to Air Cadet Charity CIO.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 10 January 2024 and signed on its behalf by:


G A Bowerman (Jan 10, 2024 15:57 GMT)

Gp Capt (Ret'd) Bowerman OBE - Trustee

Report of the Independent Auditors to the Trustees of
Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Opinion

We have audited the financial statements of Air Cadet Charity CIO (the 'charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, 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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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 Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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.

Report of the Independent Auditors to the Trustees of
Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our work is performed to include an assessment of the susceptibility of the entity's financial statements to material misstatement, including the risk of fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We plan our work to gain an understanding of the significant laws and regulations that are of significance to the entity and the sector in which they operate. We perform our work to ensure that the entity is complying with its legal and regulatory framework.
- We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making inquiries to the management and people charged with governance.


We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- Substantive procedures performed in accordance with the ISAs (UK).
- Challenging assumptions and judgments made by management in its significant accounting estimates.
- Identifying and testing journal entries, in particular material journal entries and an assessment of year end journals.
- Assessing the extent of compliance with the relevant laws and regulations.

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

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.


Wright Vigar Limited (Jan 10, 2024 19:48 GMT)

Wright Vigar Limited
Statutory Auditors
Chartered Accountants & Business Advisers
Northgate House
Northgate
Sleaford
Lincolnshire
NG34 7BZ

10 January 2024

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Statement of Financial Activities
for the Year Ended 31 March 2023

	Notes	Unrestricted fund £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
INCOME FROM						
Subscriptions, donations and grants	2	781,337	93,326	-	874,663	761,546
Charitable activities	4					
Air Fares		13,439	-	-	13,439	-
Adventure Training		92	-	-	92	-
Air Cadet Magazine		-	-	-	-	4,050
Corps Sports		2,919	-	-	2,919	331
Corps Activities		5,900	-	-	5,900	210
Training Ground Activities		26,895	-	-	26,895	6,084
Insurance for Cadet activities		13,540	-	-	13,540	4,913
Investment income	3	16,891	-	3,896	20,787	15,683
Other income		3,102	-	-	3,102	-
Total		864,115	93,326	3,896	961,337	792,817
EXPENDITURE ON						
Charitable activities	5					
Air Fares		19,878	-	-	19,878	-
Adventure Training		12,178	-	-	12,178	8,575
Air Cadet Magazine		-	-	-	-	4,371
Corps Sports		42,765	-	-	42,765	7,202
Corps Activities		12,580	-	-	12,580	240
Training Ground Activities		263,108	-	-	263,108	288,104
Insurance for Cadet activities		45,095	-	-	45,095	40,359
ACE Platform costs		1,320	-	-	1,320	1,040
Engagement		106	-	-	106	105
Donations and Grants		82,748	37,875	-	120,623	88,484
Total		479,778	37,875	-	517,653	438,480
Net gains/(losses) on investments		(24,289)	-	(42,166)	(66,455)	59,014
NET INCOME/(EXPENDITURE)		360,048	55,451	(38,270)	377,229	413,351
RECONCILIATION OF FUNDS						
Total funds brought forward		3,360,192	309,768	430,541	4,100,501	3,687,150
TOTAL FUNDS CARRIED FORWARD		3,720,240	365,219	392,271	4,477,730	4,100,501

The notes form part of these financial statements

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Balance Sheet
31 March 2023

	Notes	Unrestricted fund £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS						
Tangible assets	10	264,385	-	-	264,385	354,975
Investments	11	388,283	-	235,843	624,126	690,582
		<u>652,668</u>	<u>-</u>	<u>235,843</u>	<u>888,511</u>	<u>1,045,557</u>
CURRENT ASSETS						
Stocks	12	23,367	-	-	23,367	30,419
Debtors	13	407,426	-	-	407,426	308,934
Cash at bank		2,649,576	365,219	156,428	3,171,223	2,725,530
		<u>3,080,369</u>	<u>365,219</u>	<u>156,428</u>	<u>3,602,016</u>	<u>3,064,883</u>
CREDITORS						
Amounts falling due within one year	14	(12,797)	-	-	(12,797)	(9,939)
		<u>3,067,572</u>	<u>365,219</u>	<u>156,428</u>	<u>3,589,219</u>	<u>3,054,944</u>
NET CURRENT ASSETS						
		<u>3,067,572</u>	<u>365,219</u>	<u>156,428</u>	<u>3,589,219</u>	<u>3,054,944</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,720,240</u>	<u>365,219</u>	<u>392,271</u>	<u>4,477,730</u>	<u>4,100,501</u>
NET ASSETS		<u>3,720,240</u>	<u>365,219</u>	<u>392,271</u>	<u>4,477,730</u>	<u>4,100,501</u>
FUNDS	15					
Unrestricted funds					3,720,240	3,360,192
Restricted funds					365,219	309,768
Endowment funds					392,271	430,541
TOTAL FUNDS					<u>4,477,730</u>	<u>4,100,501</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 10 January 2024 and were signed on its behalf by:



S Ensor - Trustee

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Cash Flow Statement
for the Year Ended 31 March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	437,412	160,766
Net cash provided by operating activities		<u>437,412</u>	<u>160,766</u>
Cash flows from investing activities			
Sale of tangible fixed assets		4,385	-
Sale of fixed asset investments		-	949,480
Net cash provided by investing activities		<u>4,385</u>	<u>949,480</u>
Cash flows from financing activities			
Income attributable to endowment		3,896	4,650
Net cash provided by financing activities		<u>3,896</u>	<u>4,650</u>
Change in cash and cash equivalents in the reporting period		<u>445,693</u>	<u>1,114,896</u>
Cash and cash equivalents at the beginning of the reporting period		<u>2,725,530</u>	<u>1,610,634</u>
Cash and cash equivalents at the end of the reporting period		<u><u>3,171,223</u></u>	<u><u>2,725,530</u></u>

The notes form part of these financial statements

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Notes to the Cash Flow Statement
for the Year Ended 31 March 2023

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net income for the reporting period (as per the Statement of Financial Activities)	377,229	413,351
Adjustments for:		
Depreciation charges	89,307	89,761
Losses/(gain) on investments	66,455	(59,014)
Profit on disposal of fixed assets	(3,102)	-
Income attributable to endowment	(3,896)	(4,650)
Decrease in stocks	7,052	-
Increase in debtors	(98,492)	(278,621)
Increase/(decrease) in creditors	2,859	(61)
Net cash provided by operations	<u>437,412</u>	<u>160,766</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank	2,725,530	445,693	3,171,223
	<u>2,725,530</u>	<u>445,693</u>	<u>3,171,223</u>
Total	<u>2,725,530</u>	<u>445,693</u>	<u>3,171,223</u>

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Notes to the Financial Statements
for the Year Ended 31 March 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The charity is a Charitable Incorporated Organisation registered with the Charity Commission in England and Wales.

Incoming resources

Subscriptions

Cadet subscriptions as remitted by Wings via Regions are recognised in the period to which they relate.

Voluntary Income

Cash donations and gifts are recognised in the Statement of Financial Activities when they can be accurately valued, the right to the income has been transferred and it is probable that the income will be received. Cash collected at special fund raising events is included gross.

Significant non-cash donations are included in the Statement of Financial Activities at the Trustees' estimate of their market value when received. The value of voluntary help is not included in the accounts as it can not be accurately valued.

Investment Income

Investment income is included when receivable and the amount can be measured reliably by the charity. The charity has both Restricted and Unrestricted Endowment Funds. Income from these funds has been classified accordingly.

Grants

Grant income is recognised when there is sufficient probability of receipt, therefore being more likely than not. Grant income is only deferred where the specific conditions of the grant stipulate that it relates to a later period.

Support from the RAF

From 1 Jan 23 the Charity employed a Charity Manager to administer the fund, with effect from 1 Apr 23 responsibility transferred to the new role. No charge has been made for the support and services from the RAF and they have not been valued in the accounts.

Legacies

For legacies, entitlement is taken as the earlier of:

- the date on which the charity is aware that probate has been granted;
- the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made; or
- when a distribution is received from the estate.

Recognition of a legacy, in whole or in part, is only considered when receipt is probable, when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Expenditure

Expenditure is included on an accruals basis.

Section expenditure is applied in accordance with the charity's objects. Section income and expenditure have been included gross in the Statement of Financial Activities (SOFA). The analysis is shown in the notes as referenced. Income represents contributions to the costs of the activities and any surplus arising will be applied in furthering the objects of the charity. In the Trustees' opinion this treatment provides clarity and gives a true and fair view of the Income and Expenditure of the Charity in the year.

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

1. ACCOUNTING POLICIES - continued

Expenditure

The allocation of expenditure across the different headings shown in the SOFA reflects how costs are incurred by the individual sections which run independently.

Administration expenditure comprises those costs for the running of the charity itself as an organisation, and ensuring that its objects are complied with. The central administrative costs are fully apportioned to the training ground activities charitable activity.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Camping equipment	- 33% on cost
Simulators	- 10% on cost
Radio Comms	- 10% on cost
Motor vehicles	- 15% on reducing balance
Target Rifles	- 10% on cost and 5% on reducing balance

Fixed Assets whose original cost, (or if donated, value at the date of receipt) was more than £100 have been capitalised.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Details of the nature and purpose of each fund are set out in note 15.

Unrestricted Funds comprise those funds which the trustees are free to use in accordance with the charitable objects of the Fund.

Restricted Funds are funds which have been given for a particular purpose or project. The fund and income arising therefrom can only be used for that specific purpose.

Endowment Funds represent investments that must be held permanently by the charity. Income arising on an endowment fund can be used in accordance with the objects of the charity, provided no restriction has been applied to the fund.

Capital gains or losses relating to these investments form part of the fund.

Restricted Endowment Funds represent permanent investments whose uses are specifically restricted to the purposes for which they were intended.

Investments

Investments have been valued at market value as at the financial year end. The change in market valuation is reflected in the Statement of Financial Activities as an Unrealised Gain or Loss on Investment Assets.

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

2. SUBSCRIPTIONS, DONATIONS AND GRANTS

	2023	2022
	£	£
Subscriptions	780,853	714,001
Grants and donations	93,810	47,545
	<u>874,663</u>	<u>761,546</u>

	Restricted	Unrestricted	31.03.23
	£	£	£
Lloyds TSB Matched Giving	4,610	-	4,610
RAFAC Development Bursaries	2,500	-	2,500
BAE Systems	15,000	-	15,000
S&OTS Limited	24,000	-	24,000
RAF Lodge	3,000	-	3,000
RAFCT (Space BTEC)	40,000	-	40,000
Arkwright Scholarships	4,216	-	4,216
Miscellaneous Donations	-	484	484
	<u>93,326</u>	<u>484</u>	<u>93,810</u>

3. INVESTMENT INCOME

	2023	2022
	£	£
Dividend income	<u>20,787</u>	<u>15,683</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
	£	£
Contributions	13,439	-
Contributions	92	-
Contributions	-	4,050
Contributions	2,919	331
Contributions	5,900	210
Contributions	26,895	6,084
Contributions	13,540	4,913
	<u>62,785</u>	<u>15,588</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct	Grant	Support	Totals
	Costs	funding of	costs (see	£
	£	activities	note 7)	£
	£	(see note	£	£
	£	6)	£	£
Air Fares	19,878	-	-	19,878
Adventure Training	12,178	-	-	12,178
Corps Sports	42,765	-	-	42,765
Corps Activities	12,580	-	-	12,580
Training Ground Activities	254,168	-	8,940	263,108
Insurance for Cadet activities	45,095	-	-	45,095
ACE Platform costs	1,320	-	-	1,320
Engagement	106	-	-	106
Donations and Grants	-	120,623	-	120,623
	<u>388,090</u>	<u>120,623</u>	<u>8,940</u>	<u>517,653</u>

Air Cadet Charity CIO
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Fund CIO

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

5. CHARITABLE ACTIVITIES COSTS - continued

FURTHER ANALYSIS OF CHARITABLE ACTIVITIES FOR THE PERIOD

Corps Sports

	Contributions	Expenditure	Cost to the
	£	£	Charity
			£
Athletics	-	7,475	7,475
Soccer	1,685	12,305	10,620
Swimming	550	7,322	6,772
Cross Country	-	5,839	5,839
Rugby	-	2,594	2,594
Netball	-	4,966	4,966
Hockey	684	2,264	1,580
	2,919	42,765	39,846

Training Ground Activities

	Contributions	Expenditure	Cost to the
	£	£	Charity
			£
RIAT	-	158	158
Corporate Clothing	-	251	251
SQA	-	4,680	4,680
BTEC	-	8,352	8,352
Duke of Edinburgh Bronze, Silver & Gold Awards	24	21,762	21,738
Shooting	695	6,212	5,517
Music	1,977	10,477	8,500
Radios	-	50	50
IACE (Memorabilia & Clothing)	3,400	15,172	11,772
IACE Programme	4,767	23,990	19,223
IACE (Accommodation Costs)	-	298	298
IACE (Horizons Royalties)	147	-	(147)
IACE (Fees)	-	340	340
DACRE Finalists	5,393	5,300	(93)
Junior Leaders	8,807	8,342	(465)
Drill & Ceremonial Camp	1,685	-	(1,685)
Cyber	-	330	330
QAIC	-	1,122	1,122
Space Instructor	-	507	507
PTS Badges	-	39,192	39,192
Admin/Equipment	-	2,071	2,071
Support Costs	-	9,455	9,455
Trustee Expenses	-	320	320
Auditors' Remuneration	-	7,250	7,250
Auditors' Remuneration - non-audit	-	8,170	8,170
Depreciation on Tangible Fixed Assets	-	89,307	89,307
	26,895	263,108	236,213

Engagement

	Contributions	Expenditure	Cost to the
	£	£	Charity
			£
Bank charges	-	106	106
	-	106	106

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

5. CHARITABLE ACTIVITIES COSTS - continued

Insurance for Cadet Activities

Insurance cover is provided for personal accident, Regional Activity Centres (RAC) contents, Trustee Indemnity Insurance (TII) and Corps Trophies. Personal accident (entitled members) and overseas cover is provided on the payment of the appropriate premium by the individual or unit.

Auditors' Remuneration

	Cost to the Charity £
Auditors' Remuneration	7,250

6. GRANTS PAYABLE

	2023 £	2022 £
Donations and Grants	120,623	88,484

	Restricted £	Unrestricted £	31.03.23 £
RAFAC - Development Bursaries	4,245	-	4,245
Comdts Fund	-	1,436	1,436
Anne & John Singleton	1,100	-	1,100
Administration	-	380	380
Sports Grants to Regions	-	12,000	12,000
Regional/Wing Activity Centres	-	12,948	12,948
Facilities Grants	-	26,804	26,804
Staff Matched Giving Scheme	3,628	-	3,628
DBS Checks	-	5,750	5,750
AGS/VGS	-	6,430	6,430
STEM Scholarships	-	17,000	17,000
MOD Libor	4,000	-	4,000
RAF Lodge	3,000	-	3,000
RAFCT - Space BTEC	6,000	-	6,000
RAFCT (Motivational Flying)	15,902	-	15,902
	37,875	82,748	120,623

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

7. SUPPORT COSTS

	Management £
Training Ground Activities	8,940
	<u>8,940</u>

Further analysis can be found per note 9.

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

During the year ended 31 March 2023, Trustees claimed expenses of £320 (2022: £nil) for costs incurred which were necessary to fulfill their role within the Charity.

9. STAFF COSTS

	2023 £	2022 £
Wages and salaries	8,940	-
	<u>8,940</u>	<u>-</u>

The average monthly number of employees during the year was as follows:

	2023	2022
Management and administration	1	-
	<u>1</u>	<u>-</u>

No employees received emoluments in excess of £60,000.

10. TANGIBLE FIXED ASSETS

	Camping equipment £	Simulators £	Radio Comms £
COST			
At 1 April 2022	32,501	720,712	11,543
Disposals	-	-	-
	<u>32,501</u>	<u>720,712</u>	<u>11,543</u>
At 31 March 2023	32,501	720,712	11,543
DEPRECIATION			
At 1 April 2022	32,501	499,440	9,234
Charge for year	-	72,071	1,154
Eliminated on disposal	-	-	-
	<u>32,501</u>	<u>571,511</u>	<u>10,388</u>
At 31 March 2023	32,501	571,511	10,388
NET BOOK VALUE			
At 31 March 2023	-	149,201	1,155
	<u>-</u>	<u>149,201</u>	<u>1,155</u>
At 31 March 2022	-	221,272	2,309
	<u>-</u>	<u>221,272</u>	<u>2,309</u>

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

10. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Target Rifles £	Totals £
COST			
At 1 April 2022	45,230	184,715	994,701
Disposals	(22,216)	-	(22,216)
	<hr/>	<hr/>	<hr/>
At 31 March 2023	23,014	184,715	972,485
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 April 2022	37,912	60,639	639,726
Charge for year	905	15,177	89,307
Eliminated on disposal	(20,933)	-	(20,933)
	<hr/>	<hr/>	<hr/>
At 31 March 2023	17,884	75,816	708,100
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 March 2023	5,130	108,899	264,385
	<hr/>	<hr/>	<hr/>
At 31 March 2022	7,318	124,076	354,975
	<hr/>	<hr/>	<hr/>

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

11. FIXED ASSET INVESTMENTS

	<u>Schroders</u>			
	Fund 513 Charity Fixed Int	Fund 514 Charity Equity Inc	Fund 514 Charity Fixed Int	Fund 1066 Charity Fixed Int
	Stan Easton	Unrestricted Funds		J. Singleton
<u>COST</u>	£	£	£	£
At 1 April 2022	1,884	101,618	97,694	10,092
Introduced	-	-	-	-
Withdrawn	-	-	-	-
At 31 March 2023	1,884	101,618	97,694	10,092
<u>VALUATION</u>				
At 1 April 2022	2,122	303,333	109,238	10,823
Purchases	-	-	-	-
Sales	-	-	-	-
Change in Value	(356)	(5,954)	(18,335)	(1,816)
At 31 March 2023	1,766	297,379	90,903	9,007

	<u>Schroders</u> Fund 2161 Charity Fixed Int	<u>M&G</u> BAE Millenium Challenge (IACE)	<u>Total</u>
	Malcolm Club		
<u>COST</u>	£	£	£
At 1 April 2022	200,000	50,000	964,893
Introduced	-	-	-
Withdrawn	-	-	-
At 31 March 2023	200,000	50,000	964,893
<u>VALUATION</u>			
At 1 April 2022	218,227	46,838	690,581
Purchases	-	-	-
Sales	-	-	-
Change in Value	(36,628)	(3,366)	(66,455)
At 31 March 2023	181,599	43,472	624,126

12. STOCKS

	2023 £	2022 £
IACE Supplies	23,367	30,419

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Other debtors	407,426	308,934

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	(61)	(61)
Other creditors	12,858	10,000
	12,797	9,939

15. MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
Unrestricted Fund	3,360,192	360,048	-	3,720,240
Restricted funds				
BAE	76,264	15,000	-	91,264
Anne & John Singleton	99,523	(1,100)	-	98,423
Lloyds TSB Foundation	2,015	982	-	2,997
Convention	2,500	-	(2,500)	-
RAFAC - Development Bursaries	21,249	(1,745)	2,500	22,004
RAFCT - Motivational Flying	15,902	(15,902)	-	-
Reserve Forces & Cadets West Midlands - Development Bursaries				
	8,315	-	-	8,315
MOD Libor	4,000	(4,000)	-	-
Worshipful Company of Coachmakers	80,000	-	-	80,000
RAFCT - Astra Space	-	34,000	-	34,000
S&OTS Limited	-	24,000	-	24,000
Arkwright Scholarships	-	4,216	-	4,216
	309,768	55,451	-	365,219
Endowment funds				
BAE Millenium Fund	194,165	(2,313)	-	191,852
Joseph Singleton	11,574	(1,634)	-	9,940
Malcolm Club	221,736	(34,003)	-	187,733
Stan Easton	3,066	(320)	-	2,746
	430,541	(38,270)	-	392,271
TOTAL FUNDS	4,100,501	377,229	-	4,477,730

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

15. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted Fund	864,115	(479,778)	(24,289)	360,048
Restricted funds				
BAE	15,000	-	-	15,000
Anne & John Singleton	-	(1,100)	-	(1,100)
Lloyds TSB Foundation	4,610	(3,628)	-	982
RAFAC - Development Bursaries	2,500	(4,245)	-	(1,745)
RAFCT - Motivational Flying	-	(15,902)	-	(15,902)
MOD Libor	-	(4,000)	-	(4,000)
RAFCT - Astra Space	40,000	(6,000)	-	34,000
S&OTS Limited	24,000	-	-	24,000
RAF Lodge	3,000	(3,000)	-	-
Arkwright Scholarships	4,216	-	-	4,216
	93,326	(37,875)	-	55,451
Endowment funds				
BAE Millenium Fund	1,052	-	(3,365)	(2,313)
Joseph Singleton	183	-	(1,817)	(1,634)
Malcolm Club	2,625	-	(36,628)	(34,003)
Stan Easton	36	-	(356)	(320)
	3,896	-	(42,166)	(38,270)
TOTAL FUNDS	<u>961,337</u>	<u>(517,653)</u>	<u>(66,455)</u>	<u>377,229</u>

Air Cadet Charity CIO
previously known as
The Air Training Corps General Purpose
Fund CIO

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

15. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
Unrestricted funds				
Unrestricted Fund	2,942,142	430,545	(12,495)	3,360,192
Restricted funds				
Air Cadet Magazine	-	(321)	321	-
BAE	76,264	-	-	76,264
Anne & John Singleton	99,523	-	-	99,523
Lloyds TSB Foundation	350	1,665	-	2,015
Convention	2,500	-	-	2,500
RAFAC - Development Bursaries	-	21,249	-	21,249
RAFCT - Motivational Flying	17,402	(1,500)	-	15,902
Reserve Forces & Cadets West Midlands - Development Bursaries				
	8,315	-	-	8,315
RAFCT - STEM	8,764	(8,764)	-	-
MOD Libor	6,314	(2,314)	-	4,000
The Award Scheme Limited - Duke of Edinburgh Award	-	(12,174)	12,174	-
Worshipful Company of Coachmakers	80,000	-	-	80,000
	299,432	(2,159)	12,495	309,768
Endowment funds				
BAE Millenium Fund	195,411	(1,246)	-	194,165
Joseph Singleton	12,220	(646)	-	11,574
Malcolm Club	234,752	(13,016)	-	221,736
Stan Easton	3,193	(127)	-	3,066
	445,576	(15,035)	-	430,541
TOTAL FUNDS	3,687,150	413,351	-	4,100,501

Air Cadet Charity CIO
previously known as
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Fund CIO

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

15. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted Fund	741,399	(389,553)	78,699	430,545
Restricted funds				
Air Cadet Magazine	4,050	(4,371)	-	(321)
Lloyds TSB Foundation	1,665	-	-	1,665
RAFAC - Development Bursaries	34,172	(12,923)	-	21,249
RAFCT - Motivational Flying	-	(1,500)	-	(1,500)
RAFCT - STEM	-	(8,764)	-	(8,764)
MOD Libor	6,881	(9,195)	-	(2,314)
The Award Scheme Limited - Duke of Edinburgh Award	-	(12,174)	-	(12,174)
	46,768	(48,927)	-	(2,159)
Endowment funds				
BAE Millenium Fund	933	-	(2,179)	(1,246)
Joseph Singleton	174	-	(820)	(646)
Malcolm Club	3,509	-	(16,525)	(13,016)
Stan Easton	34	-	(161)	(127)
	4,650	-	(19,685)	(15,035)
TOTAL FUNDS	792,817	(438,480)	59,014	413,351

Funds of the Charity

BAE

BAE have pledged donations which will be managed by Trustees for the RAF Cadet Development Bursaries.

Anne and John Singleton Trust - Restricted Donation

The Air Cadet Organisation has undertaken to use the funds donated to provide assistance to young people between the ages of 16-20 to undertake expeditions in both the British Isles and abroad with a community service aspect, especially where handicapped people are involved, either male or female, who are members of the Air Cadets. On 13 Oct 09 £163,975 was donated to the Air Training Corps, as at 31 March 2023 £65,552 has been spent from this fund.

Lloyds TSB Foundation

Matched giving achieved by Corps members which is then transferred to the sqn Civilian Committee concerned.

RAFAC Convention

The funding for the annual RAFAC Convention.

The RAF Cadet Development Bursaries

The RAF Cadet Development Bursaries were conceived as part of the ATC's 75th anniversary celebrations in 2016. The aim is to provide a legacy for current and future generations of cadets and junior adult volunteers which will support their transition into full time employment, be that via university education, work placements or apprenticeships.

RAFCT Motivational Flying

Motivational flying packages.

Air Cadet Charity CIO
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The Air Training Corps General Purpose
Fund CIO

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

15. MOVEMENT IN FUNDS - continued

RFCA WM

Development Bursaries for cadets in 3 wings, West Mercian, Staffordshire and Warwick and Birmingham.

RAFCT STEM

Support of equipment for cadet STEM.

MOD Libor

This funding is now finalised.

Duke of Edinburgh Award

Support from The Award Scheme Limited for cadets completing the Duke of Edinburgh Award.

Worshipful Company of Coachmakers

Donation received to assist with the RAFAC Development Fund.

RAF Lodge

The RAF Lodge donated £3,000 to provide three £1,000 grants which were awarded as a Development Grant to the winners of the top RAF Air Cadets (DACRE Sword Winner, ATC 75 Sword Winner & Sir John Thomson Memorial Sword (SJTM Winner)) to be put towards their personal and/or professional development.

RAFCT Astra Space

The grant from the RAF Charitable Trust is for the purchase of training resources to support the RAFAC Astra Space Syllabus. So far, the grant has been used to purchase practical hands-on resources, for Lead Space Instructors to provide train-the-trainer sessions in every Region and at camps. Each set of resources consists of 41 types of resources and the plan is to provide up to 20 sets. Additionally, the grant will be used to purchase IT tablets, to support delivery, as agreed with the RAFCT.

The BAE Millennium Fund's - Restricted Endowment

Income is used to subsidise International Air Cadet Exchange airfares.

The Joseph Singleton Memorial Fund - Restricted Endowment

The Joseph Singleton Memorial Fund's income is used to fund two annual cash prizes to accompany the presentation of the Lees and Morris Trophies. The Lees and Morris Trophies are competed for on a biennial basis, with large squadrons competing for the Morris Trophy and the smaller squadrons competing for the Lees Trophy.

The Malcolm Club Fund

The investment fund generates interest income to provide flying scholarships and/or 4 overseas expeditions. Any shortfall between the income and the cost is made up by the General Purposes Fund.

The Stan Easton Memorial Fund - Restricted Endowment

Income is used to provide a cash award to an ATC cadet producing the best article linked to an aviation theme. This competition is not run annually and is dependent on having enough interested competitors.

Air Cadet Charity CIO
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Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

15. MOVEMENT IN FUNDS - continued

Transfers between funds

During the period, the Trustees decided to move the remaining balance within the Convention fund to the RAFAC Development Bursaries fund. A transfer of £2,500 was completed between the funds to reflect this decision.

16. RELATED PARTY DISCLOSURES

The Royal Air Force Charitable Trust

The Charity is independent of the Royal Air Force Charitable Trust but has a close relationship with it and receives significant support as explained in the Trustees' Report. In the year ended 31 March, the charity received £40,000 (2022: £nil) in grants from the Charitable Trust.

Air Training Corps

The General Purposes Fund exists to support members of the Air Training Corps (ATC) and further its objects. Hence the ATC is considered a related party of the charity. All charitable expenditure in these financial statements is incurred with these objects in mind. Payment of grants directly to the squadrons, wings and regions of the ATC and purchases of equipment for them are shown in note 6 above. Other costs are borne directly by the General Purposes Fund.

AIR CADET CHARITY CIO
Headquarters Air Cadets
RAF College Cranwell
Sleaford
Lincolnshire
NG34 8HB
(Charity Number: 1160910)

Wright Vigar Limited
Chartered Accountants &
Business Advisers
15 Newland
Lincoln
LN1 1XG

10 January 2024

Dear Sirs

Accounts and audit of Air Cadet Charity CIO for the year ended 31 March 2023

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the charitable company's financial statements for the year ended 31 March 2023. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

General

1. We have fulfilled our responsibilities as directors / trustees as set out in the terms of your engagement letter dated 22 May 2023, under the Companies Act 2006 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
2. All the transactions undertaken by the charitable company have been properly reflected and recorded in the accounting records.
3. All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the charitable company, and with all other records and related information requested, including minutes of all management and trustee meetings and correspondence with The Charity Commission.
4. The financial statements are free of material misstatements, including omissions.
5. The effects of uncorrected misstatements (as set out in management report) are immaterial both individually and in total.

Internal control and fraud

6. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and we believe that we have appropriately fulfilled these responsibilities. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
7. We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others where fraud could have a material effect on the financial statements.
8. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

Assets and liabilities

9. The charitable company has satisfactory title to all assets and there are no liens or encumbrances on the charitable company's assets, except for those that are disclosed in the notes to the financial statements.
10. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
11. We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.

Accounting estimates

12. The methods, data and significant assumptions used by us in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

Loans and arrangements

13. The charitable company has not granted any advances or credits to, or made guarantees on behalf of, directors other than those disclosed in the financial statements.

Legal claims

14. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

Laws and regulations

15. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

Related parties

16. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with legislative and accounting standards requirements.

Subsequent events

17. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

Going concern

18. We believe that the charitable company's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charitable company's needs. We also confirm our plans for future action(s) required to enable the charitable company to continue as a going concern are feasible. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the charitable company's ability to continue as a going concern need to be made in the financial statements.

Grants and donations

19. All grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully



G A Bowerman (Jan 10, 2024 15:57 GMT)

Mr G Bowerman

Chair

Signed on behalf of the board of trustees