

THE ROYAL AIR FORCE CHARITABLE TRUST

England & Wales · Charity number 1176054

Details

Status Registered

Legal form CIO

Registered 2017-12-01

Register [View on the Charity Commission register](#)

Contact

Address Douglas Bader House
Horcott Hill
Fairford
GL7 4RB

Phone 01285713300

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Website www.rafct.com

Activities

Objects: For the public benefit:A. To promote recruitment to and the efficiency of the Royal Air Force (RAF). In particular, but without limitation, by enhancing its reputation through a programme of world-class events and activities. B. To advance such charitable purposes (according to the law of England and Wales) as the charity trustees shall think fit for the benefit of past and present members of any of the RAF, the auxiliary air force, the RAF reserves or any separate dominion air force (or any former organisation the place of which has substantially been taken by the said organisations or any future organisations which hereafter shall substantially take the place of the said organisations) and their dependants.C. To advance in life young people through events, grants and activities that provide access to and involvement in forward-looking air and space opportunities, so as to develop their capabilities that they may grow to full maturity as individuals and members of society.D. To advance education of the public in general in aviation, space and broader Science, Technology, Engineering and Mathematics, particularly as relates to the activities of the RAF?.

Activities: The Mission of the Royal Air Force Charitable Trust is to Promote the RAF and Inspire young people and RAF personnel to fulfil their potential in air, space and technology . This is achieved through the staging of the Royal International Air Tattoo annually and by the awarding of grants for flying scholarships and national STEM initiatives which are delivered throughout the year.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** General Charitable Purposes, Education/training, Armed Forces/emergency Service Efficiency
- **Who:** Children/young People, Other Charities Or Voluntary Bodies

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-09-30	£18,088,051	£16,447,501	£6,532,261	3
2023-09-30	£15,310,451	£13,572,628	£5,014,222	46
2022-09-30	£13,549,086	£11,855,979	£3,213,020	41
2021-09-30	£608,883	£2,552,744	£1,519,913	39
2020-09-30	£2,026,801	£2,289,074	£3,463,774	51

Trustees

Name	Role	Appointed
Air Marshal Philip Osborn CBE	Chair	2020-03-12
Amanda Hickson		2023-10-13
Felicity Chadwick-Histed		2019-06-13
Miles Cohen		2024-12-05
Raj Mody MA FIA		2019-06-13
Richard Nugee CB CVO CBE		2023-03-02
Simon Kimble		2023-10-13
Sir Julian Young KBE CB		2020-09-17
Stephen Oldfield		2021-09-16

Linked charities

- THE ROYAL AIR FORCE CHARITABLE TRUST (1176054-1)

THE ROYAL AIR FORCE CHARITABLE TRUST

England & Wales - Charity number 1176054

Accounts

Charity number: 1176054
CIO number: CEO12521

THE ROYAL AIR FORCE CHARITABLE TRUST

TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

THE ROYAL AIR FORCE CHARITABLE TRUST

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THE ROYAL AIR FORCE CHARITABLE TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

Trustees	Air Marshal Philip Osborn CBE, FRAeS Chairman Mr Ian Beresford MBE FRAeS CEng FIoD CDir (resigned 26 September 2024) Mr Peter Brown MBE BSc (resigned 26 September 2024) Mrs Mandy Hickson RFAeS (appointed 13 October 2023) Mrs Felicity Chadwick-Histed BA MSc Mr Raj Mody MA FIA Lt Gen Richard Nugee CB CVO CBE Mr Stephen Oldfield Dr Kevin Stenson MBA (appointed 7 December 2023, resigned 2 August 2024) Lady (Kate) Wigston LLB BA Air Marshal Sir Julian Young KBE CB FREng Mr Simon Kimble Mr Miles Cohen (appointed 5 December 2024)
Charity registered number	1176054
Principal office	Douglas Bader House Horcott Hill Fairford Gloucestershire GL7 4RB
Company number	CEO12521
Governing document	CIO Articles and Memorandum of Association 1 December 2017
Independent auditor	Crowe U.K. LLP Fourth Floor St James House St James' Square Cheltenham GL50 3PR
Bankers	Barclays Bank Plc The Docks Gloucester Gloucestershire GL1 2YJ
Solicitors	Charles Russell LLP 8-10 New Fetter Lane London EC4A 1RS

THE ROYAL AIR FORCE CHARITABLE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2024

Introduction

The Trustees present the consolidated group financial statements for The Royal Air Force Charitable Trust (RAFCT) for the 12 months to 30 September 2024 which incorporate the results of the Trust's subsidiary, The Royal Air Force Charitable Trust Enterprises Limited (RAFCTE) for the year ended 30 September 2024.

Reference and administrative details

Reference and administrative details are shown in the schedule of officers and professional advisers on page 1.

The Trustees

The Trustees who served during the period up to when the financial statements were signed are as follows:

Air Marshal Philip Osborn CBE FRAeS Chairman
Mr Ian Beresford MBE FRAeS CEng FloD CDir (Resigned 26 September 2024)
Mr Peter Brown MBE BSc (Resigned 26 September 2024)
Mr Raj Mody MA FIA
Mrs Felicity Chadwick-Histed BA MSc
Lady (Kate) Wigston LLB BA
Air Marshal Sir Julian Young KBE CB FREng
Mr Stephen Oldfield
Lt Gen Richard Nugee CB CVO CBE
Mrs Mandy Hickson RFAeS (Appointed 13 October 2023)
Mr Simon Kimble
Dr Kevin P Stenson PhD MBA (Appointed 7 December 2023, Resigned 2 August 2024)
Mr Miles Cohen (Appointed 5 December 2024)

STRUCTURE, GOVERNANCE AND MANAGEMENT

History and charitable objectives

The Trust was established in 1950 in England and Wales, with a grant of £30,000 from the then Air Council, now Ministry of Defence (MOD), to promote, present or co-operate in the organisation of air pageants and displays, in order to promote the recruitment and efficiency of the Royal Air Force (RAF). The original Trust Deed states that proceeds of such air shows may be used to further the aims of the charity, or for any other charitable purpose that will benefit past or present members of the Royal Air Force.

The Trust provided finance and administrative support for several air shows held at various locations during the period 1950 to 1987, and donated income to the RAF Benevolent Fund (RAFBF) for the benefit of serving and former members of the RAF. The Trust remained mostly inactive during the period 1988 to 1993, as the Fund had formed a trading subsidiary, The RAFBF Enterprises, to undertake the primary air show activity.

On 18 February 1994, the Charity Commission approved a revised Scheme of Administration, widening the permitted activities but retaining the Trust's original objects. Following this, the Trustees were able to take the leading role in financing the trading company's airshow activity, which donated profits to the Trust.

Following the completion of a governance review in 2004, a decision was taken to alter the relationship between the RAFBF, its trading company, and the Trust. In January 2005, with the support of the Charity Commission, the RAF, the Benevolent Fund and MOD, the Trust was renamed 'The Royal Air Force Charitable Trust' (Charity Number 210848). The Trust then assumed ownership of the trading company from the RAFBF and the Trust's Deed was amended to reflect this change. At the same time, it was decided to alter the name of the trading company to RAFCTE.

THE ROYAL AIR FORCE CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

On 1 March 2018, the former Trust (Charity Number 210848) was incorporated by way of a transfer of the assets and liabilities of the charity to a charitable incorporated organisation (CIO) (Charity Number 1176054 & CEO12521). The former Trust remains in existence to ensure that any legacies that may be left to the Trust are not lost; a 'uniting direction' was completed with the Charity Commission so that the Trust and the CIO are treated as a single charity for reporting and accounting purposes.

Governance

The Trustees are responsible for the governance of the Trust and routinely meet as a Board four times per calendar year; there are also currently two Trustee sub-committees which deal with finance, audit and risk, and grants strategy and assurance. RAFCTE governance and day-to-day management is exercised through its own Company Board, with the RAFCTE Chair and one RAFCT Trustee acting as full members on both Boards. Routine Charity business is delegated to the Director of the Trust. Most administrative governance activity is conducted electronically, and any substantive out-of-committee decisions are confirmed at the following formal Board.

Trustee and RAFCTE Board competences are matched to charity and business requirements, and Trustee and Board members backgrounds include industry, law, commerce, finance, risk, sustainability and charity governance, as well as service in the RAF. New Trustees and Board members are recruited through several avenues, both formal and informal, and the respective Boards approve new appointments, who then undertake an induction process and a basic training package. Trustees maintain their currency through charity briefing updates and serve a maximum of 2 terms of 4 years, extendable only by the full Board. A strategy and process is in place to ensure timely and appropriate replacements with relevant skill sets.

Remuneration

RAFCTE staff pay is considered and approved each year by the RAFCTE Remuneration Committee, whilst RAFCTE Company Directors' pay and remuneration is approved by the Trustees. In addition, the Trustees use equivalent criteria to set the pay of the Charity employees.

Charity Governance Code

The Charity Governance Code was reviewed by the Trustees during the year and policies for audit, risk, governance, and grant committees were all updated. The Board of Trustees continued to lead significant strategy work for the Group, including a detailed future vision that sets Group strategic intent out to 2026 and sets the context for the subsequent forward-looking RAFCTE Business Plan.

Fundraising

The RAFCT did not engage in any fundraising activities that require disclosure under S162A of the Charities Act 2011. The Charity does not conduct door-to-door fundraising or actively seek donations. The Charity does not have a dedicated fundraising department.

RAFCTE facilitates incidental charitable donations as part of the RIAT event booking process and collects public donations during the RIAT event. The charity is grateful for all contributions received.

THE ROYAL AIR FORCE CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

OBJECTIVES AND ACTIVITIES

Strategy

The RAFCT strategy is underpinned by a clear vision and purpose. Its vision is that the RAF is valued and respected by UK society and international allies, and future generations feel connected to the RAF, and to air, space and technology, and inspired to enhance their personal development. Its purpose is to **Promote** the RAF and **Inspire** young people and RAF personnel to fulfil their potential in air, space and technology.

To **Promote** the RAF, the Service is placed at the heart of a programme of world-class events and activities, with the Royal International Air Tattoo (RIAT) as its unique centrepiece. RIAT is widely recognised as the best military air show in the world, attracting truly global participation and very high numbers of public visitors over the three-day period of the show. RIAT is also a unique Defence diplomacy and engagement event, drawing together senior political, military and industrial leaders from around the world. Furthermore, RIAT hosts the well-established 'Techno Zone', which is designed to engage the many thousands of young people who visit the show with a myriad of interactive STEM-focused exhibits and inspiring speakers.

All this not only promotes the RAF, and air and space more generally, but every pound of profit from RIAT goes to support the Trust's **Inspire** agenda. These activities are focused on delivering, with and through partners, access for young people to forward-looking air, space and technology activities, with a particular focus on raising the profile of sustainable aviation. Acting as a leading STEM convener and supporter of air, space and tech innovation, the Trust's intent is to make a difference to the UK's Nationwide STEM endeavours by building to 500,000 high quality engagements with young people by 2026 (measured from 2022), and then to deliver 500,000 engagements every year thereafter. Within this, the Trust focuses on supporting young people, broadly aged 5 – 25 years old, in three key areas:

1. acquiring STEM and related careers knowledge;
2. building essential skills; and
3. celebrating and promoting achievement.

STRATEGIC REPORT

Charity Activities and Performance

In support of its purpose, and powered by RIAT, the Trust made grants, excluding clawbacks of £14,407, totalling £851,932 (2022-23: £264,626) in 2023-24. This marked increase reflects both a successful recovery from COVID and a transformation in RIAT delivery. These grants enabled a UK Nationwide 2023-2024 STEM endeavour of 226,201 engagements for young people (up from 127,342 engagements in 2023-2024). In this, the Trust is also increasing both the capacity and impact of the UK Nationwide STEM enterprise, building on its work with our principal partner RAF STEM, aligned RAF organisations (including the RAF Air Cadets and RAF Sports Aircraft), and strategic National STEM delivery partners.

Core to this scale of delivery are a number of National programmes and activities. Our flagship **Road to RIAT** programme continues to go from strength to strength, with 400 primary schools and over 23,000 engagements across the UK in 2023/24. Co-designed with RAF STEM, it engages young people in aviation and space themed STEM activities in the build up to, and during RIAT weekend and features four stages:

1. hands-on Glider or Space themed STEM challenge day in school;
2. a sustainability and future aircraft design National Competition;
3. meet the 'STEM Superstar' sessions, providing an opportunity to hear from and engage with real STEM Role Models; and
4. a National Competition Final at RIAT.

The programme was again supported by Accenture, who provided a grant donation and actively contributed to the programme's delivery.

THE ROYAL AIR FORCE CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2024

Furthermore, building on the success of the Road to RIAT programme, a new secondary school programme has been piloted in 2023/24. This new programme, **Road to RIAT: Blast Off**, with its space theme, reached 60 schools and 3,500 students, across the UK. Again co-designed with RAF STEM, it consists of three stages:

1. hands-on Space themed STEM challenge day in school;
2. space themed National Competition; and
3. a National Competition Final at RIAT.

Both of these Road to RIAT programmes exemplify the Trust's commitment to supporting young people acquire STEM and related careers knowledge, build essential skills, and celebrate their achievements, in this case at a National Final at RIAT.

This year also saw the commencement of a new strategic partnership with Tech She Can, a charity working to improve the ratio of women in technology roles. Our Grant supported the development of two new LIVE Lessons: Tech for Living in Space; and Tech for Sustainable Travel. In addition to 18,000 primary and secondary school students across the UK benefitting from these two new LIVE Lessons in school, visitors to the Inspire Stage at RIAT 2024 also experienced the same fantastic Lessons LIVE!

Similarly, the Trust continues to support Primary Engineer's Leaders Award 'If You Were an Engineer, What Would You Do' National competition. Over 75,000 competition entries were received from schools across the UK and, consistent with the Trust's commitment to building essential skills, the competition helps pupils build listening, speaking, problem solving, creativity and leadership skills. In 2023-24, the National Competition was backed by a generous grant donation from DXC Technology, one of RAFACT's partners.

THE ROYAL AIR FORCE CHARITABLE TRUST

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

Grants awarded

The Trust grants in 2023-24 supported a number of RAF partners, including RAF STEM, RAF Air Cadets and RAF Sport Aircraft. Prominent amongst the many productive collaborations between the Trust and RAF STEM is joint support of the Scouts' staged Air Activities badge. This partnership is in its fifth year and has proved hugely successful in developing new and exciting STEM-focused resources, activities and events. This enables all Scout sections, from Beavers to Explorer Scouts, to explore the secrets and science of flight with over 51,596 badges awarded in 2024 along with over 611,000 Scout engagement.

Grant making has to reflect the purpose of RAFCT, which is twofold:

1. Promote the RAF.
2. Inspire young people to fulfil their potential in Air, Space and Technology.

Delivering the Airshow is one way in which the Trust fulfils this purpose. The table below shows how our grants also fulfil the purpose of the Trust.

The Trust grants in 2023/24 are as follows:

	Partner	Grant Detail	Award
1	RAF STEM	Scouts Air Activity Badge 2023-24	£40,000
		Road to RIAT 2024 Teacher Resources	£9,500
		STEM Boxes	£49,500
2	RAF Air Cadets	Flight Simulator Hardware and Software for Squadrons	£42,400
3	RAF Cosford	Field Gun Team	£6,000
4	RAF No. 6 Flying Training School	University Air Squadron Adventure Training	£15,000
5	RAF Sport Aircraft	Junior Ranks Pilot Officer Scholarship Scheme	£93,000
6	Primary Engineer	Deep Sea, Deep Space	£85,000
		Engineering a Career	£49,000
		If You Were an Engineer, What Would You Do?	£50,000
		STATWARS	£10,000
7	RIAT FSDP	Flying Scholarships for Disabled People	£15,000
8	Tech She Can	LIVE Lessons	£102,000
9	The Honourable Company of Air Pilots	Air Pilot Scholarships	£9,000
10	The Smallpeice Trust	Arkwright Engineering Scholarships	£8,400
		Road to RIAT Key Stage 2	£85,632
		Road to RIAT: Blast Off Key Stage 3	£151,915
11	The Ulysses Trust	Adventure Training	£30,000
	TOTAL		£851,347

This table demonstrates our Grant making supporting our purpose to Promote the RAF and Inspire young people and RAF personnel to fulfil their potential in air, space and technology.

THE ROYAL AIR FORCE CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

ROYAL INTERNATIONAL AIR TATTOO

The Charity's trading company, RAFCTE, again delivered a highly successful RIAT in 2024, drawing in 168,000 aviation enthusiasts to the scenic RAF Fairford, showcasing a remarkable array of 248 aircraft from 29 Nations. Moreover, the international profile of the Tattoo continues to draw some of the most influential figures in Defence and Air Power, including Chiefs of Air Force, and senior officials and industry leaders. Attendees were immersed in a rich tapestry of aviation culture, celebrating significant milestones such as the 50th anniversary of the iconic F-16 Fighting Falcon and the centenary of the Royal Canadian Air Force. They were also treated to unique aircraft displays, including the British Antarctic Survey's Twin Otter, which plays a vital role in collecting environmental data from some of the most extreme climates on the planet.

The event's operational theme, 'Pushing the Boundaries in Air and Space,' resonated powerfully throughout the festival, highlighting not only significant anniversaries for the Royal Canadian Air Force, NATO, and the illustrious Red Arrows but also contributing to the rich diversity of aircraft on display. The considerable participation from the Canadian Air Force was particularly noteworthy, featuring an eclectic assortment of aircraft, including the striking Kingfisher airframe, which captivated audiences by making its highly anticipated debut at a European airshow. By positioning their aircraft closely together, the Canadians created an immersive experience for visitors, with their band providing lively entertainment as attendees navigated the beautifully arranged showground. This reflects our commitment to celebrating international aviation, proving that RIAT remains a vibrant global event even after more than 50 years.

The sentiment of international collaboration was further underscored by Serbia's inaugural participation as our 58th country, alongside contributions from nations around the globe to our Viper Line static display. This display showcased an eye-catching diversity of airframes and liveries, creating unique photographic opportunities that can only be found at RIAT.

'Pushing the Boundaries in Air and Space' also provided a platform to demonstrate the latest advancements in aviation technology, aligning with our on-going focus on sustainability. RIAT proudly featured several sustainable aircraft, including innovative electric-powered models, transforming the show into a landmark occasion. Through extensive collaboration with the Royal Air Force and our headline sponsor, BAE Systems, we achieved a groundbreaking milestone; the world's first Typhoon display powered by sustainable aviation fuel. This aircraft, affectionately known as 'Moggy,' soared gracefully through the Gloucestershire skies, powered by a blend of 35% sustainable aviation fuel and regular jet fuel. This achievement is a significant landmark, illustrating our deep commitment to sustainability and providing a benchmark for future innovations.

This year also marked the remarkable expansion of the Techno Zone and the Inspire Stage to their most prominent formats, creating a lively hub of activity and engagement that captivated our visitors. The Techno Zone showcased cutting-edge exhibits from renowned organisations such as BAE Systems, Dyson, and Lockheed Martin, while the Inspire Stage featured an inspiring lineup of speakers, including Red Arrows engineers, Miss England and aerospace engineering graduate Jessica Gagen, and astronaut Dr. Meganne Christian. Their shared experiences and insights inspired the audience, fulfilling our mission of encouraging young individuals to realise their potential in air, space, and technology.

In addition to the engaging activities in the Techno Zone, attendees had the opportunity to explore a static display of over 70 aircraft, where they could have meaningful conversations with crew members about their airframes and their experiences in the aviation industry. This facet of the event is fundamental to our objectives, reinforcing our commitment to empowering young people through direct interaction with industry professionals.

The financial success of RIAT 24 further aided the Group's recovery post COVID for the third year running, with annual profits of £2,517,901 – c£300k higher than RIAT 23 and the largest historic donation delivered from RAFCTE.

THE ROYAL AIR FORCE CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

Looking ahead to RIAT25

The theme for RIAT25, 'Eyes in the Skies,' will explore the aircraft used in intelligence, surveillance, maritime patrol, search and rescue, surveying, and reconnaissance missions. The summer of 2025 will also celebrate the 40th anniversary of the Air Tattoo at RAF Fairford, a significant milestone that will be honoured in the lead-up to and during the event.

FINANCIAL REVIEW

The financial position of RAFCT continues to improve, with steady growth underpinned by performance of RAFCTE. Indeed, Trustees strongly endorsed RAFCTE's operating profit for the financial year 2023/24, recognising the financial performance, and effective governance demonstrated by the RAFCTE Board of Directors throughout this period.

Throughout the financial year, a strategic approach to cash management was also implemented, allocating surplus cash into fixed-term bank deposits whenever cash flow forecasts were favourable. This prudent investment strategy resulted in a notable return of £237,541 for the year, representing a significant increase from the previous year's return of £140,011 in the financial year 2023/24.

The consolidated income the RAFCT and the subsidiaries generated for the fiscal year amounted to £18,088,051, marking an increase from the previous year's total of £15,310,451. Of this consolidated figure, £17,628,300 was derived explicitly from RAFCTE's core trading activities, an increase from £15,018,880 in 2022/23. Total expenditure for the reporting period reached £16,447,501, up from £13,467,152 the previous year, with RAFCTE accounting for £15,320,599 of this expense, reflecting an increase from £13,192,403 the year before. As a result of these financial dynamics, the net surplus for the year stood at £1,640,550, slightly lower than £1,906,678 in 2022/23.

Of note, the primary expenses incurred by RAFCTE were linked closely to the organisation and execution of RIAT, which is central to delivering against the Trust's objects.

The accompanying financial statements document the Trust's activities and financial performance. For the financial year, the gross income generated by the Trust was recorded at £2,789,218, representing an increase from £2,417,368 in 2022/23. Of this total, £2,539,667 was received from RAFCTE through a formal covenant, representing a slight increase from £2,244,787 the prior year. In the financial year 2023/24, the Trust had generated income from various donations totalling £299,551, an increase from £172,581 in 2022/23. The operating and governance costs incurred by RAFCT amounted to £839,037, a substantial increase from £274,749 in the previous year; grants distributed by the Trust totalled £837,525 compared to £264,626 in the earlier year.

At the conclusion of the reporting period, the consolidated net assets were recorded at £6,760,248, exhibiting a rise from £5,119,698 in 2022/23.

The financial statements have been prepared following current statutory requirements, adhering to the Statement of Recommended Practice, and complying with the Trust's Charitable Incorporated Organisation (CIO) Articles and Memorandum of Association dated December 1, 2017. They have also been developed with careful consideration of the guidance issued by the Charities Commission, ensuring a commitment to public benefit and transparency in operations.

GOING CONCERN

The Trustees have an expectation that the Group (RAFCT and RAFCTE) have adequate resources to continue their activities for the foreseeable future and therefore there are no material uncertainties. Informing the decision the Trustees ratified the 5-year business plan of RAFCTE in December 2024.

THE ROYAL AIR FORCE CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

VOLUNTEERS

We are delighted to welcome thousands of dedicated service and civilian volunteers who make such a significant contribution and without whose help and loyal support the annual staging of RIAT would not be possible. Volunteers have been intrinsic to the RIAT and RAFCT's consequent ability to support a wide range of charitable giving since the Air Tattoo's inception in 1971. An Air Tattoo volunteer chooses to contribute time and skill for the benefit of the annual Air Tattoo and the parent charity, and this event would not be viable without their participation.

Each year approximately 1,400 volunteers support the Air Tattoo, many giving over a week of their time to augment the small team of permanent and temporary staff who organise the event year-round. There are a range of skills brought by volunteers, and some are highly specialised. Some examples include those who support aircraft operations, such as engineers, aircraft refuelling, and follow me drivers who help the aircraft move about RAF Fairford safely. There is also an experienced and dedicated team of Air Traffic Controllers who ensure that aircraft are able to operate safely in the airspace around RAF Fairford. Other roles include medical specialists who run the RIAT Medical Centre and the Site Team who work behind the scenes to ensure that everything is safely in place when the gates open to the general public and all our visitors each day.

In addition to our volunteers, we also receive essential support from the RAF and approximately 1,000 cadets and staff from the RAFAC, providing essential 'summer camps' for cadets.

PUBLIC BENEFIT

By its continued support for recruitment to the RAF, the Trust contributes towards the sustainment of the Service and National Security. Furthermore, the activities performed and grants awarded by the Trust directly and indirectly promote the efficiency of the RAF and hence have a positive effect on the military effectiveness of the UK's air and space power. Moreover, RIAT is a major showcase for the RAF and the considerable international attendance provides a significant opportunity for UK Defence Diplomacy and influence to be reinforced. Finally, the Trust's work to promote an understanding of and interest in air, space and technology, and by implication STEM subjects, also supports the national employment base and prosperity.

Therefore, having considered the relevant Charity Commission guidance, the Trustees believe that there is direct public benefit derived from the work of RAFCT in the sustainment and effectiveness of the RAF, which constitutes significantly to the defence of the Realm. Additionally, the Trust enables significant numbers of young people to further themselves through flying and engineering scholarships and grants that offer the ability to learn about and progress in aviation and engineering.

The Trustees confirm they have considered Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit.

RISKS

Risk policy and revised risk frameworks continue to adapt and are utilised regularly throughout the organisation. Led by the RAFCT Finance, Audit and Risk Assurance Committee and the RAFCTE Audit Committee, there is stringent audit and monitoring of key risks to both the Charity and the wider Group. At the Group level a full risk register is maintained and routinely monitored. Each risk is categorised and given a weighted score based on Impact Level and Probability level. Mitigations are put in place with an action plan and once acted on a reduced mitigated score is assigned.

Risks considered at the Charity level and mitigated include deliberate and inadvertent disruption to, or cancellation of RIAT. The risk is mitigated through a reserves policy which ensures the charity will have sufficient funds to cover all its commitments for the following academic year. RAFCT is currently reliant on funds from RAFCTE; mitigation of this risk is being sought through applications for corporate donations.

THE ROYAL AIR FORCE CHARITABLE TRUST

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

RESERVES POLICY

RAFCTE serves as the Trust's primary revenue source through a diverse array of activities, including the esteemed Royal International Air Tattoo (RIAT) and various other event management initiatives, in addition to merchandise sales. These revenue streams are particularly vulnerable to factors such as adverse weather conditions and other unpredictable circumstances, prompting the Trustees to take proactive measures by increasing the value of the Trust's reserves. This enhancement is intended to provide robust financial resilience against uninsurable risks associated with RIAT.

In 2021, in a significant decision, the RAFCT Board invested £1.7 million into RAFCTE to advance the Trust's Charitable Purpose. This fund is intended to ensure adequate working capital is available, enabling RAFCTE to execute the planning and delivery of RIAT successfully. Furthermore, the Trust annually reviews its reserves policies and the corresponding reserve balances. This review process aligns with the strategic objectives of both RAFCT and RAFCTE to further mitigate the potential financial impact of a partial or complete cancellation of the RIAT.

At the end of the fiscal year, the Trust reported total reserves of £6,532,261 (2023: £4,869,945). This figure encompasses £100 in restricted funds (2023: £100), while the unrestricted reserves are categorised into either designated funds totalling £227,987 (2023: £249,753) and General Funds amounting to £6,532,161 (2023: £4,869,845).

Moreover, the Trust's cash reserves reached a total of £2,545,061 (2023: £1,326,508). Out of this amount, the Trust has grant commitments yet to be disbursed, totalling £127,385 (2023: £59,290). After considering these commitments, the uncommitted and liquid funds amount to £2,417,676 (2023: £1,267,218). This remaining balance significantly surpasses the minimum reserve requirement of £400,000, which has been established by the Trust's reserves policy, thereby indicating a strong financial position for the Trust moving forward.

THE ROYAL AIR FORCE CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

PLANS FOR FUTURE PERIODS

The continued success of RIAT underpins the ambition of the Trust to further improve delivery against its objects, with a specific ambition of:

1. By RIAT 2026 and since 2022, RAFCT Grants will have delivered high-quality interventions to over 500,000 young people.
2. From RIAT 2026, RAFCT Grants will enable high-quality interventions for at least 500,000 young people every year.

Building on this year's achievements of grant scale (£851k) and beneficiary reach (226k engagements), In 2024/25 RAFCT is planning to make grants of the order of £1 million in order to enable a programme 300,000 engagements.

Within this, its focus over the next 12 months will be delivery against a pyramid of STEM interventions for young people broadly aged 5 – 25 years. Having now constructed a solid base to this pyramid for young people aged 5 – 11 years, the Trust's focus will move towards 11 – 14 year olds, and then further up the pyramid over subsequent years. This will required new partnerships, projects, collaborations and delivery platforms whilst maximising current partnerships.

Furthermore, over the next 12 months, the Trust will endeavour to support its strategic delivery partners to enhance the impact of their programmes through supporting their accreditation against nationally recognised STEM skills development frameworks. This is consistent with RAFCT's desire to support young people build essential skills and celebrate their achievements, an approach that will be piloted using our flagship Road to RIAT and Blast Off to RIAT programmes. Moreover, alongside these strategic developments, the Trust will remain fully engaged with the RAF, the other RAF Charities, the Air Cadet Organisation and other key partners.

Finally, the long-standing Charity Director, Group Captain Justine Morton OBE, stood down in December 2024. The Trustees are indebted to Justine for her incredible leadership of the Trust and, following a Nationwide recruitment process, Dr Kevin P Stenson will be appointed as the new Trust Director.

As we eagerly anticipate the upcoming Royal International Air Tattoo (RIAT) 2025, we are thrilled to unveil an array of exciting investments aimed at enhancing the event experience. One of the standout initiatives is the expansion of the Techno Zone, a vibrant area designed to inspire and engage our younger attendees. This expansion will not only accommodate more visitors but will also offer a diverse range of hands-on experiences that delve into the fascinating realms of technology and aviation, igniting curiosity and creativity among the youth.

In addition, we are pleased to announce the introduction of new customer service stations strategically placed throughout the venue. These stations are set to transform the visitor experience by featuring an extensive selection of delicious food and beverage options, catering to a variety of tastes and preferences. Beyond culinary delights, these stations will also provide enhanced shelter from the weather, whether it be under the warm sun or during an unexpected downpour. Our commitment is to ensure that every guest enjoys a comfortable and memorable experience at RIAT, no matter the conditions.

THE ROYAL AIR FORCE CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2024

Statement of Trustees' responsibilities

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

Charity law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and the Group and of the incoming resources and application of resources, of the Group for that period. In preparing these financial statements, the Trustees are required to:

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

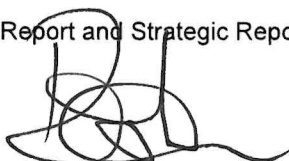
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions, disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Charity's constitution.

They are also responsible for safeguarding the Charity and Group's assets and taking reasonable steps to prevent and detect fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418 (2) of the Companies Act 2006) of which the group's auditors are unaware and each Trustee has taken all the steps that he or she ought to have taken as a Trustee in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

The Trustees' Report and Strategic Report is signed on behalf of the Trustees by:



Air Marshal Philip Osborn CBE

Date ...6.6.25...

THE ROYAL AIR FORCE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL AIR FORCE CHARITABLE TRUST

Opinion

We have audited the financial statements of The Royal Air Force Charitable Trust (the 'parent charity') and its subsidiaries (the 'group') for the year ended 30 September 2024 which comprise the Consolidated Statement of Financial Activities, the Charity Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 30 September 2024 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

THE ROYAL AIR FORCE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL AIR FORCE CHARITABLE TRUST (CONTINUED)

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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 Group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

THE ROYAL AIR FORCE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL AIR FORCE CHARITABLE TRUST (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the Charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management, cut-off of income recognition, merchandise and programme sales. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases, designing audit procedures to test the cut-off of income and merchandise and programme sales, reviewing regulatory correspondence and reading of minutes of meetings of those charged with governance.

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

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

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

THE ROYAL AIR FORCE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL AIR FORCE CHARITABLE TRUST (CONTINUED)

Use of our report

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

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
Fourth Floor
St James House
St James' Square
Cheltenham
GL50 3PR

Date: 18 June 2025

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

THE ROYAL AIR FORCE CHARITABLE TRUST

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

	Note	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Income from:					
Donations and grants	3	50,000	172,210	222,210	151,560
Other trading activities	4	-	17,628,300	17,628,300	15,018,880
Investments	5	-	237,541	237,541	140,011
Total income		50,000	18,038,051	18,088,051	15,310,451
Expenditure on:					
Raising funds	6	-	15,594,675	15,594,675	13,192,403
Charitable activities	7	50,000	802,826	852,826	274,749
Total expenditure		50,000	16,397,501	16,447,501	13,467,152
Net income before taxation		-	1,640,550	1,640,550	1,843,299
Taxation		-	-	-	63,379
Net movement in funds		-	1,640,550	1,640,550	1,906,678
Reconciliation of funds:					
Total funds brought forward		100	5,119,598	5,119,698	3,213,020
Net movement in funds		-	1,640,550	1,640,550	1,906,678
Total funds carried forward		100	6,760,148	6,760,248	5,119,698

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 22 to 42 form part of these financial statements.

THE ROYAL AIR FORCE CHARITABLE TRUST

**CHARITY STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Income from:				
Donations and grants	50,000	2,711,877	2,761,877	2,396,347
Investments	-	27,341	27,341	21,021
Total income	50,000	2,739,218	2,789,218	2,417,368
Expenditure on:				
Raising funds	-	287,865	287,865	194,987
Charitable activities	50,000	789,037	839,037	274,749
Total expenditure	50,000	1,076,902	1,126,902	469,736
Reconciliation of funds				
Total funds brought forward	100	4,869,845	4,869,945	2,922,313
Net movement in funds	-	1,662,316	1,662,316	1,947,632
Total funds carried forward	100	6,532,161	6,532,261	4,869,945

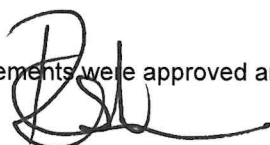
THE ROYAL AIR FORCE CHARITABLE TRUST

**CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2024**

Charity number: 1176054

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	12	76,060	90,625
Tangible assets	13	1,326,857	1,368,490
Current assets			
Stocks	15	106,682	79,454
Debtors	16	4,592,450	3,826,482
Cash at bank and in hand		5,431,030	4,869,004
		10,130,162	8,774,940
Creditors: amounts falling due within one year	17	(4,772,831)	(4,502,357)
Net current assets		5,357,331	4,272,583
Total assets less current liabilities		6,760,248	5,731,698
Creditors: amounts falling due after more than one year	18	-	(612,000)
Total net assets		6,760,248	5,119,698
Charity funds			
Restricted funds	19	100	100
Unrestricted funds			
Designated funds	19	227,987	249,753
General funds	19	6,532,161	4,869,845
Total unrestricted funds	19	6,760,148	5,119,598
Total funds		6,760,248	5,119,698

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Air Marshal Philip Osborn CBE
Trustee

Date: 6.6.25

The notes on pages 22 to 42 form part of these financial statements.

THE ROYAL AIR FORCE CHARITABLE TRUST

**CHARITY BALANCE SHEET
AS AT 30 SEPTEMBER 2024**

	Note	2024 £	2023 £
Fixed assets			
Investments	14	1,700,100	1,700,100
Current assets			
Debtors	16	2,431,556	1,911,215
Cash at bank and in hand		2,545,061	1,326,508
		4,976,617	3,237,723
Creditors: amounts falling due within one year	17	(144,456)	(67,878)
Net current assets		4,832,161	3,169,845
Total net assets		6,532,261	4,869,945
Charity funds			
Restricted funds	19	100	100
Unrestricted funds	19	6,532,161	4,869,845
Total funds		6,532,261	4,869,945

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Air Marshal Philip Osborn CBE

Trustee

Date: 6.6.25.

The notes on pages 22 to 42 form part of these financial statements.

THE ROYAL AIR FORCE CHARITABLE TRUST

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	21	1,329,729	(79,118)
Cash flows from investing activities			
Purchase of intangible assets		(4,450)	(90,625)
Purchase of tangible fixed assets		(48,608)	(248,538)
Interest received		237,541	140,011
Net cash provided by/(used in) investing activities		184,483	(199,152)
Cash flows from financing activities			
Repayments of borrowing		(943,500)	(280,500)
Interest paid		(8,686)	(68,950)
Net cash used in financing activities		(952,186)	(349,450)
Change in cash and cash equivalents in the year		562,026	(627,720)
Cash and cash equivalents at the beginning of the year		4,869,004	5,496,724
Cash and cash equivalents at the end of the year	22	5,431,030	4,869,004

The notes on pages 22 to 42 form part of these financial statements

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities. Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The consolidated financial statements have been prepared under the historical cost convention.

The Royal Air Force Charitable Trust meets the definition of a public benefit entity under FRS 102. The Royal Air Force Charitable Trust is a Charitable Incorporated Organisation (Company number: CE012521) (Charity number: 1176054) limited by guarantee. The Charity is incorporated in England and Wales and its registered address is Douglas Bader House, Horcott Hill, Fairford, Gloucestershire, GL7 4RB.

The Charity has taken advantage of the exemptions in FRS 102 from the requirement to present a charity only Cash Flow Statement and certain disclosures about its own financial instruments within the consolidated financial statements.

These financial statements consolidate the results of the charity and its subsidiaries, The Royal Air Force Charitable Trust Enterprises (Company no: 02190393) and Scampton Airshow Limited (Company no: 10233810). Scampton Airshow Limited was dormant throughout the year ended 30 September 2024. Scampton Airshow Limited ceased post year-end.

The Consolidated Statement of Financial Activities and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. All intergroup transactions are fully eliminated on consolidation.

1.2 Going concern

The Trustees have an expectation that the Group (RAFCT and RAFCTE) have adequate resources to continue their activities for the foreseeable future and therefore there are no material uncertainties. Informing the decision the Trustees ratified the 5-year business plan of RAFCTE in December 2024.

On this basis the Trustees are able to adopt a going concern basis for the preparation of these financial statements.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

1. Accounting policies (continued)

1.3 Income

Income from donations

Income from gifts/covenants is recognised in the financial statements when the Charity becomes entitled to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Income from other trading activities

The amounts shown in the Consolidated Statement of Financial Activities represents the value of all goods and services supplied to customers during the year, at selling price exclusive of Value Added Tax. Income is recognised at the point at which the Charity or Companies have fulfilled their contractual obligations to the customer. All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

1.4 Expenditure

Expenditure is accounted for on an accruals basis. Costs of raising funds reflect costs of RIAT, marketing, publicity and printing costs associated with enhancing public awareness of the Charity together with staff costs.

Grants payable have been recognised in the financial statements when the Charity has formally approved the individual institutions' application for grant monies, at the Trustees' Meeting and this has been communicated to the third party. Please refer to the Trustees' Annual Report for analysis of the grants awarded during the year.

Support costs include grant expenditure and governance costs, which are incurred in support of charitable expenditure. Governance costs include expenditure directly attributable to the Trustees' statutory, constitutional and strategic duties and are disclosed in Note 8.

All expenditure is classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

1.5 Taxation

As a registered charity, the Charity is entitled to taxation exemptions on all income and gains properly applied for its charitable purposes.

Tax is recognised in profit and loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Group operates and generates income.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

1. Accounting policies (continued)

1.6 Intangible assets and amortisation

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Website development	- 20 %
---------------------	--------

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Freehold land is not depreciated. Cost represents purchase price together with any incidental costs of acquisition. There is no capitalisation limit.

The carrying values of the tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Depreciation is provided on tangible fixed assets so as to write off the costs on a straight line basis, less any residual value, over their expected useful economic life as follows:

The estimated useful lives are as follows:

Freehold property	- 50 years
Motor vehicles	- 5 years
Fixtures and fittings	- 3 to 5 years

1.8 Investments

Fixed asset investments in subsidiaries are stated at cost less provision for diminution in value.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 Debtors

Trade debtors and accrued income are recognised at the settlement amount after any impairments. Prepayments are valued at the amount prepaid net of any trade discounts.

Included within the Charity's debtors and creditors are amounts owed from/to its subsidiaries which are recognised at the settlement amount after any impairments.

1.11 Cash and cash equivalents

Cash at bank and in hand is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

1. Accounting policies (continued)

1.12 Liabilities and provisions

Creditors are recognised where the Group and Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

1.13 Financial instruments

The Group and Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.14 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the consolidated Statement of Financial Activities on a straight line basis over the period of the lease.

1.15 Pensions

The Royal Air Force Charitable Trust and The Royal Air Force Charitable Trust Enterprises operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the entity pays fixed contributions into a separate entity. Once the contributions have been paid the entity has no further payment obligations.

The contributions are recognised as an expense in the Statement of Financial Activities when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance Sheet. The assets of the plan are held separately from the entity in independently administered funds.

The expense is recognised within unrestricted funds because this is the fund used to pay wages and salaries.

1.16 Termination benefits

Redundancy and termination costs are accounted for on an accruals basis when the commitment to terminate a post on the grounds of redundancy has been made.

1.17 Volunteers

Volunteers help out with various aspects of the running of the annual Royal International Air Tattoo and we are very grateful for their contribution. Their contribution is in time only. Placing a monetary value on their contribution presents significant difficulties, and together with the lack of a market comparator price for general volunteers, make it impractical for their contribution to be measured reliably for accounting purposes. Given the absence of a reliable measurement basis, the contribution of volunteers is not accounted for in these financial statements.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

1. Accounting policies (continued)

1.18 Fund accounting

The unrestricted funds are available for any purpose within the aims and objectives specified in the Trust Deed of the Charity.

Designated funds comprise general funds, which have been set aside at the discretion of the Trustees for specific purposes. The purpose of these are set out in Note 19.

Restricted funds are to be used in accordance with specific restrictions imposed by the donors and grant providers. The aim and use of the restricted funds are set out in Note 19.

2. Critical accounting estimates and areas of judgement

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

2.1 Useful economic lives of tangible fixed assets

The annual depreciation charge for the tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates, based on economic utilisation and the physical condition of the assets.

See Note 13 for the carrying amount of tangible fixed assets and Note 1.7 for the useful lives for each class of asset.

2.2 Recoverability of debtors

The Group and Charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See Note 16 for the net carrying amount of the debtors.

2.3 Historic accruals

In the instances where invoices are not received in relation to services that have been provided to The Royal Air Force Charitable Trust Enterprises and Scampton Airshow Limited, the Group makes an estimate of the expected cost to the Companies. When assessing the value of these accruals/provisions, management considers previous invoices relating to similar services and discussions held with the third parties in relation to the expected costs. Where invoices have not been received for 2 years, the accruals and provisions are written down over 5 years. See Note 17 for inclusion of the year end.

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

3. Income from donations and grants

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Donations and grants	50,000	172,210	222,210	151,560
<i>Total 2023</i>	-	151,560	151,560	

4. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
RIAT Income	17,355,214	17,355,214	14,732,345
Other Income	44,875	44,875	42,875
Trading Income	228,211	228,211	243,660
Total 2024	17,628,300	17,628,300	15,018,880
<i>Total 2023</i>	15,018,880	15,018,880	

5. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Investment income	237,541	237,541	140,011
Total 2024	237,541	237,541	140,011
<i>Total 2023</i>	140,011	140,011	

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

6. Expenditure on raising funds

Other trading expenses

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
RIAT expenditure	11,187,512	11,187,512	9,329,070
Interest paid	8,686	8,686	68,950
Admin costs	1,354,988	1,354,988	1,143,813
Payroll costs	2,934,233	2,934,233	2,599,360
Depreciation	90,241	90,241	51,210
Amortisation	19,015	19,015	-
Total 2024	<u>15,594,675</u>	<u>15,594,675</u>	<u>13,192,403</u>
<i>Total 2023</i>	<u>13,192,403</u>	<u>13,192,403</u>	

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total 2024 £	<i>Total 2023 £</i>
Charitable activities	50,000	802,826	852,826	274,749
Total 2024	<u>50,000</u>	<u>802,826</u>	<u>852,826</u>	<u>274,749</u>
<i>Total 2023</i>	<u>-</u>	<u>274,749</u>	<u>274,749</u>	

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

8. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Total funds 2024 £	Total funds 2023 £
Charitable activities	852,826	852,826	274,749
Total 2024	<u>852,826</u>	<u>852,826</u>	<u>274,749</u>
<i>Total 2023</i>	<u>274,749</u>	<u>274,749</u>	

Analysis of direct costs

	Support costs 2024 £	Total funds 2024 £	Total funds 2023 £
Grant expenditure	837,525	837,525	264,626
Governance costs	15,301	15,301	10,123
Total 2024	<u>852,826</u>	<u>852,826</u>	<u>274,749</u>
<i>Total 2023</i>	<u>274,749</u>	<u>274,749</u>	

Included within governance costs above for the charity is £3,753 (2023: £2,078) of travel and subsistence costs and £11,548 (2023: £8,045) of professional fees.

No grants to individuals were paid during the year.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

9. Auditor's remuneration

	2024 £	2023 £
Fees payable to the Charity's auditor in respect of:		
The auditing of the accounts of the Charity	4,630	4,500
The auditing of the accounts of the subsidiary entity	18,430	17,900
All assurance services not included above	3,630	3,780

10. Staff costs

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Wages and salaries	2,607,952	2,294,343	208,475	151,281
Social security costs	222,122	221,694	16,335	11,347
Contribution to defined contribution pension schemes	104,159	83,323	7,018	4,935
	2,934,233	2,599,360	231,828	167,563

During the year there were redundancy, termination payments and restructuring costs of £Nil (2023: £73,013) in relation to agreements made with employees to end employment contracts. There was £Nil outstanding at the year end (2023: £Nil).

In addition to wages and salaries, costs totalling £26,160 (2023: £97,990) were incurred in relation to self employed contractors.

The average number of persons employed by the Charity during the year was as follows:

	Group 2024 No.	Group 2023 No.	Charity 2024 No.	Charity 2023 No.
Air shows	52	44	-	-
Other	3	2	3	2
	55	46	3	2

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

10. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2024 No.	<i>Group 2023 No.</i>
In the band £60,001 - £70,000	2	-
In the band £80,001 - £90,000	1	3
In the band £90,001 - £100,000	2	2
In the band £100,001 - £110,000	1	-
In the band £120,001 - £130,000	-	1
In the band £130,001 - £140,000	1	-
In the band £180,001 - £190,000	-	1
In the band £190,001 - £200,000	1	-

Included in the above is 1 (2023: 1) employee of the Charity included in the £80,001 - £90,000 bracket (2023: £80,001 - £90,000).

The Senior Management Team of the Group are deemed to be the Directors of each entity and the Trust Director. The remuneration for these teams amounted to £777,144 (2023: £880,867). This is inclusive of employer's national insurance and pension costs.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023: £Nil).

During the year, expenses totalling £258 were reimbursed or paid directly to 3 Trustees (2023: £57 to 2 Trustees). These related to travel and subsistence and professional fees.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

12. Intangible assets

Group

	Website Development £
Cost	
At 1 October 2023	90,625
Additions	4,450
At 30 September 2024	<u>95,075</u>
Amortisation	
At 1 October 2023	-
Charge for the year	19,015
At 30 September 2024	<u>19,015</u>
Net book value	
At 30 September 2024	<u>76,060</u>
At 30 September 2023	<u>90,625</u>

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

13. Tangible fixed assets

Group

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 October 2023	1,663,394	53,212	931,764	2,648,370
Additions	-	-	48,608	48,608
Disposals	-	-	(347,872)	(347,872)
At 30 September 2024	<u>1,663,394</u>	<u>53,212</u>	<u>632,500</u>	<u>2,349,106</u>
Depreciation				
At 1 October 2023	559,945	50,011	669,924	1,279,880
Charge for the year	23,720	3,132	63,389	90,241
On disposals	-	-	(347,872)	(347,872)
At 30 September 2024	<u>583,665</u>	<u>53,143</u>	<u>385,441</u>	<u>1,022,249</u>
Net book value				
At 30 September 2024	<u>1,079,729</u>	<u>69</u>	<u>247,059</u>	<u>1,326,857</u>
At 30 September 2023	<u>1,103,449</u>	<u>3,201</u>	<u>261,840</u>	<u>1,368,490</u>

The net book value of freehold land and buildings includes £477,550 (2023: £477,550) of land which is not depreciated.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

14. Fixed asset investments

	Investments in subsidiary companies £
Charity	
Cost or valuation	
At 1 October 2023	1,700,100
At 30 September 2024	<u>1,700,100</u>
Net book value	
At 30 September 2024	1,700,100
At 30 September 2023	<u>1,700,100</u>

RAFCT made an investment in RAFCTE totalling £1.7m during the year ended 30 September 2021.

The Charity also owns £100 of Share Capital in SAL a dormant subsidiary. The company ceased after the year-end.

For details of subsidiaries see Note 27.

15. Stocks

	Group 2024 £	Group 2023 £
Finished goods and goods for resale	<u>106,682</u>	<u>79,454</u>

Stock is stated after a provision of £26,264 (2023: £26,264).

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

16. Debtors

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Due within one year				
Trade debtors	3,788,819	3,194,295	-	-
Amounts owed by group undertakings	-	-	2,431,556	1,911,215
Prepayments and accrued income	212,773	261,246	-	-
Tax recoverable	590,858	370,941	-	-
	<u>4,592,450</u>	<u>3,826,482</u>	<u>2,431,556</u>	<u>1,911,215</u>

17. Creditors: Amounts falling due within one year

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Bank loans	-	331,500	-	-
Trade creditors	888,911	494,732	3,085	-
Other taxation and social security	59,245	52,750	-	-
Other creditors	19,974	19,671	-	5,750
Accruals and deferred income	3,677,316	3,544,404	13,986	2,828
Grants accrued - institutional	127,385	59,300	127,385	59,300
	<u>4,772,831</u>	<u>4,502,357</u>	<u>144,456</u>	<u>67,878</u>
			Group 2024 £	Group 2023 £
Deferred income at 1 October 2023			2,808,079	2,802,892
Resources deferred during the year			1,546,683	2,808,079
Amounts released from previous periods			(2,808,079)	(2,802,892)
			<u>1,546,683</u>	<u>2,808,079</u>

Included within deferred income are amounts which relate to future periods beginning on or after 1 October 2024.

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

17. Creditors: Amounts falling due within one year (continued)

	2024 £
Reconciliation of grant creditors - Group and Charity	
Commitments at 1 October 2023	59,290
Grants awarded in the year	(851,932)
Grants paid in the year	934,434
Grants clawed back in the year	(14,407)
Commitments at 30 September 2024	127,385

18. Creditors: Amounts falling due after more than one year

	Group 2024 £	<i>Group</i> <i>2023</i> £
Bank loans	-	612,000

Included within the above are amounts falling due as follows:

	Group 2024 £	<i>Group</i> <i>2023</i> £
Between one and two years		
Bank loans	-	306,000
Between two and five years		
Bank loans	-	306,000

Secured loan

The bank loan was paid in full during the year ended 30 September 2024. It was a loan from Barclays Bank and was secured by a mortgage debenture incorporating a first legal charge over the freehold property and land at Douglas Bader House, Horcott Hill, Fairford, Gloucestershire, GL7 4RB.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

19. Statement of funds

	Balance at 1 October 2023 £	Income £	Expenditure £	Gift aid and eliminations £	Balance at 30 September 2024 £
Unrestricted funds					
Designated funds					
RAFCTE	249,753	17,838,500	(15,320,599)	(2,539,667)	227,987
General funds					
General Funds - all funds	4,869,845	199,551	(1,076,902)	2,539,667	6,532,161
Total Unrestricted funds	5,119,598	18,038,051	(16,397,501)	-	6,760,148
Restricted funds					
Restricted Funds - all funds	100	50,000	(50,000)	-	100
Total of funds	5,119,698	18,088,051	(16,447,501)	-	6,760,248

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 October 2022 £	Income £	Expenditure £	Gift aid and eliminations £	Gains/ (Losses) £	Balance at 30 September 2023 £
Unrestricted funds						
Designated funds						
RAFCTE	440,707	15,137,870	(12,934,037)	(150,000)	(2,244,787)	249,753
General funds						
General Funds - all funds	2,772,213	172,581	(469,736)	150,000	2,244,787	4,869,845
Total Unrestricted funds	3,212,920	15,310,451	(13,403,773)	-	-	5,119,598
Restricted funds						
Restricted Funds - all funds	100	-	-	-	-	100
Total of funds	3,213,020	15,310,451	(13,403,773)	-	-	5,119,698

The RAFCTE Fund's purpose is to be used by the trading company to ensure there are enough funds to meet costs as they fall due, leading up to the RIAT each year.

Restricted funds

The RAF Waddington Fund was to fund the new air show at Scampton.

DXC technology provide a grant in order to support the annual delivery of Primary Engineer's "If You Were an engineer, What Would You Do?" National STEM competition, as included in the Grants table, partner 6 on Page 6.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	-	1,326,857	1,326,857
Intangible fixed assets	-	76,060	76,060
Current assets	100	10,130,062	10,130,162
Creditors due within one year	-	(4,772,831)	(4,772,831)
Total	100	6,760,148	6,760,248

Analysis of net assets between funds - prior period

	<i>Restricted funds 2023 £</i>	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Tangible fixed assets	-	1,368,490	1,368,490
Intangible fixed assets	-	90,625	90,625
Current assets	100	8,774,840	8,774,940
Creditors due within one year	-	(4,502,357)	(4,502,357)
Creditors due in more than one year	-	(612,000)	(612,000)
Total	100	5,119,598	5,119,698

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

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

	Group 2024 £	<i>Group 2023 £</i>
Net income for the period (as per Statement of Financial Activities)	1,640,550	1,906,678
Adjustments for:		
Depreciation charges	90,241	51,210
Amortisation	19,015	-
Interest paid	8,686	68,950
Interest received	(237,541)	(140,011)
(Increase)/decrease in stocks	(27,228)	(34,771)
(Increase) in debtors	(765,968)	(1,812,050)
Increase/ (decrease) in creditors	601,974	(55,745)
Tax paid	-	(63,379)
Net cash provided by/(used in) operating activities	1,329,729	(79,118)

22. Analysis of cash and cash equivalents

	Group 2024 £	<i>Group 2023 £</i>
Cash at bank and in hand	5,431,030	4,869,004
Total cash and cash equivalents	5,431,030	4,869,004

23. Analysis of changes in net debt

	At 1 October 2023 £	Cash flows £	At 30 September 2024 £
Cash at bank and in hand	4,869,004	562,026	5,431,030
Debt due within 1 year	(331,500)	331,500	-
Debt due after 1 year	(612,000)	612,000	-
	3,925,504	1,505,526	5,431,030

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

24. Pension commitments

The pension cost charge for the period represents contributions payable to the defined contribution scheme and amounted to £104,159 (2023: £78,388). Contributions totalling £19,974 (2023: £13,921) were payable to the scheme at the end of the period and are included within other creditors.

25. Operating lease commitments

At 30 September 2024 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2024	2023
	£	£
Not later than 1 year	3,866	3,866
Later than 1 year and not later than 5 years	6,765	15,462
	<u>10,631</u>	<u>19,328</u>

Total lease payments recognised as an expense in the year amounted to £3,866 (2023: £1,933).

26. Related party transactions

Royal Air Force Charitable Trust Enterprises (RAFCTE)

The Royal Air Force Charitable Trust Enterprises is a wholly owned subsidiary of the Charity.

During the year, RAFCTE were reimbursed costs of £231,828 (2023: £167,563) which were paid on behalf of RAFCT. There was an outstanding balance of £2,431,556 due to RAFCT at the year-end (2023: £1,857,232).

RAFCTE agreed a gift aid donation of £2,539,667 (2023: £2,244,787) to RAFCT.

Scampton Airshow Limited (SAL)

Scampton Airshow Limited is a wholly owned subsidiary of the Charity. The Company was dormant during the financial year.

RAF100

As part of a programme related investment RAFCT is a partner of RAF100.

Royal International Air Tattoo Flying Scholarships for Disabled People

This charity has a close relationship with the Royal Air Force Charitable Trust Enterprises Limited from which it derives its name.

During the year RAFCTE were reimbursed costs of £26,204 (2023: £24,797) which were paid on behalf of the Royal International Air Tattoo Flying Scholarships for Disabled People. The amount received from RAFCTE was £15,000. The amount payable to RAFCTE at year end was £20,615 (2023: £21,819).

There were no other related party transactions during the year ended 30 September 2024 (2023: None).

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

27. Principal subsidiaries

The following was a subsidiary undertaking of the Charity. Ownership of RAFCTE is held by the Charity. As such RAFCTE is deemed to be a wholly owned subsidiary of the Trust. Under the Trust Deed the Trustees have the power to appoint and/or remove any corporation acting as their nominee, ultimate control of RAFCTE is therefore held by the Trust.

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
The Royal Air Force Charitable Trust Enterprises (RAFCTE)	02190393	Douglas Bader House, Horcott Hill, Fairford, Gloucestershire, GL7 4RB	Running the Royal International Air Tattoo (RIAT)
Class of shares	Included in consolidation		
Limited by guarantee	Yes		

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
The Royal Air Force Charitable Trust Enterprises (RAFCTE)	17,838,500	(15,320,599)	2,517,901	1,927,987

Assets totalled £8,987,918 and liabilities totalled £7,059,931 giving total net assets of £1,927,987.

THE ROYAL AIR FORCE CHARITABLE TRUST

England & Wales - Charity number 1176054

Accounts

Charity number: 1176054
CIO number: CEO12521

THE ROYAL AIR FORCE CHARITABLE TRUST

TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

THE ROYAL AIR FORCE CHARITABLE TRUST

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THE ROYAL AIR FORCE CHARITABLE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 30 SEPTEMBER 2023

Trustees	Air Marshal Philip Osborn CBE Mr Ian Beresford MBE FRAeS CEng FloD CDir Mr Peter Brown MBE BSc Mrs Mandy Hickson (appointed 13 October 2023) Mrs Felicity Chadwick-Histed BA MSc Mr Raj Mody MA FIA Lt Gen Richard Nugee CB CVO CBE (appointed 2 March 2023) Mr Stephen Oldfield Dr Kevin P Stenson MBA (appointed 7 December 2023) Lady (Kate) Wigston LLB BA Air Marshal Sir Julian Young KBE CB FREng Mr Simon Kimble (appointed 7 June 2023)
Charity registered number	1176054
Principal office	Douglas Bader House Horcott Hill Fairford Gloucestershire GL7 4RB
Company number	CEO12521
Governing document	CIO Articles and Memorandum of Association 1 December 2017
Independent auditor	Crowe U.K. LLP Fourth Floor St James House St James' Square Cheltenham GL50 3PR
Bankers	Barclays Bank Plc The Docks Gloucester Gloucestershire GL1 2YJ
Solicitors	Charles Russell LLP 8-10 New Fetter Lane London EC4A 1RS

**THE ROYAL AIR FORCE CHARITABLE TRUST
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

Introduction

The Trustees present the consolidated group financial statements for The Royal Air Force Charitable Trust (RAFCT) for the 12 months to 30 September 2023 which incorporate the results of the Trust's subsidiaries, The Royal Air Force Charitable Trust Enterprises Limited (RAFCTE) and Scampton Airshow Limited (SAL), for the year ended 30 September 2023.

Reference and administrative details

Reference and administrative details are shown in the schedule of officers and professional advisers on page 1.

The Trustees

The Trustees who served during the period up to when the financial statements were signed are as follows:

Air Marshal Philip Osborn CBE
Mr Ian Beresford MBE FRAeS CEng FIoD CDir
Mr Peter Brown MBE BSc
Mrs Mandy Hickson (from 13 October 2023)
Mrs Felicity Chadwick-Histed BA MSc
Mr Raj Mody MA FIA
Lt Gen Richard Nugee CB CVO CBE (from 2 March 2023)
Mr Stephen Oldfield
Dr Kevin P Stenson MBA (from 7 Dec 2023)
Lady (Kate) Wigston LLB BA
Air Marshal Sir Julian Young KBE CB FREng
Mr Simon Kimble (from 7 June 2023)

STRUCTURE, GOVERNANCE AND MANAGEMENT

History and charitable objectives

The Trust was established in 1950 in England and Wales, with a grant of £30,000 from the then Air Council, now Ministry of Defence (MOD), to promote, present or co-operate in the organisation of air pageants and displays, in order to promote the recruitment and efficiency of the Royal Air Force (RAF). The original Trust Deed states that proceeds of such air shows may be used to further the aims of the charity, or for any other charitable purpose that will benefit past or present members of the Royal Air Force.

The Trust provided finance and administrative support for several air shows held at various locations during the period 1950 to 1987, and donated income to the RAF Benevolent Fund (RAFBF) for the benefit of serving and former members of the RAF. The Trust remained mostly inactive during the period 1988 to 1993, as the Fund had formed a trading subsidiary, The RAFBF Enterprises, to undertake the primary air show activity.

The Charity Commission approved a revised Scheme of Administration, widening the permitted activities, but retaining the original objects of the Trust, on 18 February 1994. Following this, the Trustees were able to take the leading role in financing the airshow activity of the trading company, which donated profits to the Trust.

Following the completion of a governance review in 2004, a decision was taken to alter the relationship between the RAFBF its trading company, and the Trust. In January 2005, with the support of the Charity Commission, the RAF, the Benevolent Fund and MOD, the Trust was renamed 'The RAFCT (Charity Number 210848). The Trust then assumed ownership of the trading company from the RAFBF and the Trust's Deed was amended to reflect this change. At the same time, it was decided to alter the name of the trading company to The RAFCTE.

**THE ROYAL AIR FORCE CHARITABLE TRUST
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

On 1 March 2018, the former Trust (Charity Number 210848) was incorporated by way of a transfer of the assets and liabilities of the charity to a charitable incorporated organisation (CIO) (Charity Number 1176054 & CEO12521).

The former Trust remains in existence to ensure that any legacies that may be left to the Trust are not lost; a 'uniting direction' was completed with the Charity Commission so that the Trust and the CIO are treated as a single charity for reporting and accounting purposes.

Governance

The Trustees are responsible for the governance of the Trust and the day-to-day running of the Trust is delegated to the Director of the Trust. Trustees routinely meet in formal session 4 times per calendar year, once with the Board of Directors of RAFCTE. Most Trust administrative activity is conducted electronically, including the circulation of policy documents, the approval of applications for grants and various other discussions. Any substantive out-of-committee decisions are confirmed at the following formal Trust Board.

Trustee competences are matched to Trust business, and Trustees' backgrounds include industry, law, commerce, finance, risk, sustainability and charity governance, as well as service in the RAF. New Trustees are recruited through several avenues, including informal networks of current Trustees and the RAF, as well as more formal recruitment methods using advertisements and websites, and recruitment agencies. The full Board approves new Trustee appointments, and new Trustees undertake an induction process and a basic training package. Trustees maintain their currency through charity briefing updates and serve a maximum of 2 terms of 4 years, extendable only by the full Board. A strategy and process is in place to ensure timely and appropriate replacements with relevant skill sets.

Remuneration

RAFCTE staff pay is considered each year by the Company's Remuneration Committee and approved by the Committee, whilst Company Director's pay and remuneration is recommended by the RAFCTE Boards and approved by the Trustees. In addition, the Trustees use equivalent criteria to set the pay of the Trust employees.

Charity Governance Code

The Charity Governance Code was reviewed by the Trustees during the year and policies for audit, risk, governance, and grant committees were all updated. The Board of Trustees continued to lead significant strategy work for the Group, including a detailed future vision that sets Group strategic intent out to 2026 and sets the context for a forward looking RAFCTE Business Plan.

Fundraising

The RAFCT had no fundraising activities requiring disclosure under S162A of the Charities Act 2011. The Charity does not door-to-door fundraise or proactively seek to fundraise other than through their website and through its key events but is grateful of donations that are received each year. The Charity does not have a fundraising department.

OBJECTIVES AND ACTIVITIES UPDATE

Strategy

Following the successful completion of the Group's COVID recovery plan, the Board of Trustees have concentrated on refining the strategic intent of the organisation to guide Charity and Company strategies and activities for the next 3-5 years. The purpose of RAFCT is to **Promote** the RAF and **Inspire** young people and RAF personnel to fulfil their potential in air, space and technology.

To **Promote** the RAF, the RAF is placed at the heart of a programme of world-class events and activities, with the Royal International Air Tattoo (RIAT) as its unique centrepiece. RIAT is widely recognised as the best military air show in the world, attracting truly global participation and very high numbers of public

**THE ROYAL AIR FORCE CHARITABLE TRUST
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

visitors over the three-day period of the show. RIAT is also a unique Defence diplomacy and engagement event, drawing together senior political, military and industrial leaders from around the world. Importantly, all of this not just promotes the RAF, and air and space more generally, but every pound of profit goes to support the Trust's Inspire charitable activities.

To **Inspire** young people, inside the RAF and wider UK society, to fulfil their potential in air, space and technology the charity aims to deliver, with and through partners, access to and involvement in forward-looking air and space activities, including highly stimulating personal development opportunities.

Picking up the Inspire theme, the Trust strives to inspire young people by funding engagement and development activities in air, space and technology. This focus is on young people, broadly aged 5-25 years old, and within the RAF and wider society, with a particular emphasis on under-represented communities. Trust activity is spread across three key areas: enabling hundreds of young people from the RAF, RAF Air Cadets, and across the UK more widely to learn to fly and to enter the world of engineering through flying and engineering scholarships; sponsoring and initiating national science, technology, engineering and maths (STEM) programmes; and supporting other smaller charities whose values and aims align with those of the Trust. Moreover, RIAT hosts the well-established Techno Zone, which is designed to engage the many thousands of young people who visit the show with a myriad of interactive STEM-focussed exhibits and inspiring speakers.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The Trust made grants totalling £264,626 (2021-22: £216,900). However, in accordance with the Group's 2-year COVID Recovery Plan, this continued to be an understandably much-reduced total when compared to historical grant commitments. Notwithstanding, investment in STEM programmes remained a key focus for the Trust, building on its work with young people through its steady support of the RAF Air Cadets (RAFAC), and with the RAF STEM Team and other delivery partners. This year there was specific focus on incorporating Space and sustainable aviation to broaden public appeal and most new grants were focussed on charitable activities at the National level to maximise the profile and impact of the charity.

Prominent amongst the many productive collaborations between RAFCT and the RAF's STEM Team is the joint sponsorship of the Scouts' staged Air Activities badge. This partnership is in its fourth year and has proved hugely successful in developing new and exciting STEM-focussed resources, activities and events. This enables all Scout sections, from Beavers to Explorer Scouts, to explore the secrets and science of flight with over 62,805 badges awarded in 2023 along with over 607,500 interactions.

In 2021, discussions with our partners about how more young people could be engaged in STEM activities both in the build up to, and during RIAT lead to the creation and funding of the Road to RIAT Competition. Supported by Accenture, who have provided a grant donation and have been actively involved in this initiative, the competition has grown year-on-year and now includes 300 schools nationwide growing to 400 in 23/24. The STEM days and competition are delivered in schools and are aerospace and space challenges, giving the primary school aged students chance to discover how gliders and rockets work, and to be inspired into further learning. Subsequently, students create competition entries which will be judged by an expert panel and the regional winners will compete in a grand final competition at RIAT in July 2023. The activities include 'STEM Superstar' sessions where schools can join a virtual Q & A session and meet STEM experts, and a spin-off competition for Secondary school students is under development for 2023/24.

In 2023, and backed by a grant donation from DXC technology, RAFCT again partnered with Primary Engineer to support and participate in Primary Engineer's Leaders Award 'If You Were an Engineer, What Would You Do' competition. Winning entries were showcased at RIAT alongside the Trust's Inspire Stage in the Techno Zone, and the the national competitions saw over 48,000 entries from all regions of the UK. The competition helps pupils develop Engineering Habits of Mind, problem finding, creative problem solving, visualising, improving, adapting along with critical thinking skills and communication skills.

RAFCT continued to support young people in RAF youth organisations. such as the RAFAC. Notably, RAFAC recently changed its mission statement, as part of an RAFAC Astra update, to read: "RAFAC is an Air, Space and Cyber focussed youth organisation whose purpose is to grow young people's potential whilst fostering

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an interest in the RAF". RAFCT provided a grant to support the development of a Space BTEC syllabus which is an exciting and innovative advancement in the cadet offer, and in direct support of the requirements for Space in the RAF and wider industry. The aim is to deliver the space syllabus to every cadet in the UK with the tangible award of a BTEC Level 2.

Grants

During the financial year, the Trust has maintained its established grants and has begun to build new grant opportunities, with a view to widely expanding its grant portfolio for 2023/24. For this FY, substantial support to the RAF Sport Aircraft Association (RAFSA), the Scouts and the RAF STEM organisation, the Air Cadet Organisation and the Smallpeice Trust have continued along with smaller grants to the Arkwright Trust, the Ulysses Trust, and Flying Scholarships for Disabled People. As the first steps in the delivery of the Trust's more ambitious strategy, two national initiatives were delivered with partners The Smallpeice Trust and Primary Engineer, both focussed on the delivery of national STEM programmes for young people.

Grant Detail	Awarded	Returned
RAFSA - JRPSS TUS 20		£(12,000.00)
RAFSA - JRPSS 23	£54,000.00	
RAFSA - JOPSS 23	£10,800.00	
RAFSA - JRPSS TUS 23	£21,500.00	
RAFSA - Tecnam hangar	£7,000.00	
Scouts badge first portion Autumn 23	£20,000.00	
Arkwright Engineering Scholarships 23-25	£12,150.00	
Smallpeice Trust Engineering Experience South	£15,000.00	
Smallpeice Trust Engineering Experience North	£15,000.00	
RAFAC Space BTEC	£40,000.00	
Ulysses Trust 2023	£15,000.00	
FSDP Bursary	£7,000.00	
Smallpeice Trust - Road to RIAT 23	£59,175.92	
Paul Bowen Winners LUAS		£(15,000.00)
Paul Bowen 2 nd Place NIUAS		£(10,000.00)
LUAS Adventure Training Grant	£5,000.00	
NIUAS Adventure Training Grant	£5,000.00	
UAS Inspire Adventure Award 2023	£15,000.00	
	£301,625.92	£(37,000.00)
	£264,625.92	

Royal Air Force Charitable Trust Enterprises – Royal International Air Tattoo

RAFCTE, founded in January 2005, is a company limited by guarantee and acts as the commercial and fundraising arm of the RAFCT. Normal working practice for RAFCTE, which is an event company with aviation at its core, is for any annual surplus generated from the RIAT to be gift aided to the RAFCT at the end of the financial year.

Following a second successful RIAT after two cancelled shows, the implementation of the Group's COVID recovery strategy has delivered on both the Charity's vision and the RAFCTE Business Plan. Over 150,000 visitors enjoyed the world's largest military air show, securing RIAT's place in the annual event calendar, delivering financial robustness to the RAFCT Group, and providing the right platform to celebrate and then sustain the Charity's ambitions. This success is down to some immense hard work by RAFCTE and RAFCT

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staff, volunteers, the RAF and overseas air forces, and the myriad of support organisations involved with staging RIAT.

RIAT23 was the biggest show to date, with an estimated 150,000 visitors at RAF Fairford including HRHs Prince and Princess of Wales and their three children - despite the Great British summer doing its best to impact the show.

In alignment with the objectives of RAFCT and its aim to inspire the next generation of aviators and STEM leaders, the Airshow offers many opportunities to engage with aviation, space and technology exhibits. Techno Zone is a hub of activity where young people are encouraged to explore technology exhibits and engage with industry leaders about the limitless possibilities within the aviation and aerospace industries with circa. 50,000 children visiting Techno Zone during the show.

The financial success of RIAT 23 further aided the Group's recovery post COVID, with annual profits of £2,203,833 - 50% higher than any historic donation delivered from RAFCTE.

Looking ahead to RIAT24

RIAT24 will be marking a trio of main themes, Pushing the Boundaries in Air and Space, 75-years of the Northern Atlantic Treaty Organisation (NATO) and the F-16 Fighting Falcon's 50th anniversary. In addition, we will also be recognising the Royal Canadian Air Force's Centenary and the Red Arrows' 60th display season.

VOLUNTEERS

We are delighted to welcome thousands of dedicated service and civilian volunteers who make such a significant contribution and without whose help and loyal support the annual staging of RIAT would not be possible. Volunteers have been intrinsic to the RIAT and RAFCT's consequent ability to support a wide range of charitable giving since the Air Tattoo's inception in 1971. An Air Tattoo volunteer chooses to contribute time and skill for the benefit of the annual Air Tattoo and the parent charity, and this event would not be viable without their participation.

Each year approximately 1,400 volunteers support the Air Tattoo, many giving over a week of their time to augment the small team of permanent and temporary staff who organise the event year-round. There are a range of skills brought by volunteers, and some are highly specialised. Some examples include those who support aircraft operations, such as engineers, aircraft refuelling, and follow me drivers who help the aircraft move about RAF Fairford safely. There is also an experienced and dedicated team of Air Traffic Controllers who ensure that aircraft are able to operate safely in the airspace around RAF Fairford. Other roles include medical specialists who run the RIAT Medical Centre and the Site Team who work behind the scenes to ensure that everything is safely in place when the gates open to the general public and all our visitors each day.

In addition to our volunteers, we also receive essential support from the RAF and approximately 1,000 cadets and staff from the RAFAC, providing essential 'summer camps' for cadets.

PUBLIC BENEFIT

By its continued support for recruitment to the RAF, the Trust contributes towards the sustainment of the Service and National Security. Furthermore, the activities performed and grants awarded by the Trust directly and indirectly promote the efficiency of the RAF and hence have a positive effect on the military effectiveness of the UK's air and space power. Moreover, RIAT is a major showcase for the RAF and the considerable international attendance provides a significant opportunity for UK Defence Diplomacy and influence to be reinforced. Finally, the Trust's work to promote an understanding of and interest in air, space and technology, and by implication STEM subjects, also supports the national employment base and prosperity.

Therefore, having considered the relevant Charity Commission guidance, the Trustees believe that there is direct public benefit derived from the work of RAFCT in the sustainment and effectiveness of the RAF, which constitutes significantly to the defence of the Realm. Additionally, the Trust enables

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significant numbers of young people, more than 129,750 in 2022/23, to further themselves through flying and engineering scholarships and grants that offer the ability to learn about and progress in aviation and engineering.

The Trustees confirm they have considered Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit.

RISKS

Risk policy and revised risk frameworks continue to adapt and are utilised regularly throughout the organisation. Led by the RAFCT Finance, Audit and Risk Assurance Committee and the RAFCTE Audit Committee, there is stringent audit and monitoring of key risks to both the Charity and the wider Group. Risk severity and mitigation actions are routinely monitored, including deliberate and inadvertent disruption to, or cancellation of RIAT.

FINANCIAL REVIEW

The Trustees consider that, despite the cancellation of RIAT 20 and RIAT 21 the success of RIAT22 and RIAT 23 underpins the belief that both the Trust and its trading subsidiary RAFCTE are financially healthy and well placed not only to meet the demands of on-going financial commitments, but also to take advantage of opportunities that may arise in forthcoming years.

Consolidated (i.e. for both the Trust and the Trading companies) income for the period was £15,310,451 (30 September 2022: £13,549,086) of which £15,018,880 (30 September 2022: £13,367,462) related to the trading activities of RAFCTE and £nil (30 September 2022: £nil) to SAL. Expenditure for the period was £13,467,152 (30 September 2022: £11,855,979) of which £12,934,037 (30 September 2022: £11,490,447) was attributable to RAFCTE. This resulted in net profit of £1,906,678 (30 September 2022: deficit of £1,693,107). The expenditure by RAFCTE is predominately associated with the staging of RIAT which delivers to the Trust's objective of promoting the RAF. SAL did not trade in the period. These costs can therefore be considered as a cost associated with the Group's expenditure on delivering the charitable activities of the Trust.

The Trust activity is shown in the financial statements. Gross income to the Trust in the year was £2,417,368 (30 September 2022: £181,624) of which £2,244,787 (30 September 2022: £150,000) was covenanted from RAFCTE. RAFCT governance costs were £10,123 (30 September 2022: £8,210) and grants of £264,626 (30 September 2022: £200,998).

Consolidated net assets were £5,119,698 (2022: £3,213,020) at the balance sheet date, of which £249,753 (2022: £440,707) represents designated funds.

During the year RAFCTE and the Charity placed surplus cash on fixed term bank deposit whenever cash flow prediction allowed. This generated a return of £140,011 (30 September 2022: £7,581).

The financial statements comply with current statutory requirements, the Statement of Recommended Practice (FRS102) and the Trust's CIO Articles and Memorandum of Association dated 1 December 2017. The financial statements have also been prepared with due regard to guidance published by the Charities Commission on the operation of the Public Benefit.

RESERVES POLICY

The RAFCTE traditionally provides the main revenue for the Trust through a range of activities including the RIAT and other event management activities, and sales of merchandise. As profits from some of these events have historically been potentially vulnerable to weather and other exigencies, of late two cancellation due to COVID19, the Trustees increased the value of reserves to provide prudent financial resilience against uninsurable risks. Of note, and aligned to the Group COVID recovery plan, the RAFCT Board approved a Designated Investment fund of £1.7M to provide the working capital required to facilitate the delivery of RIAT. The Group annually reviews the reserves policies, and the corresponding reserve balances, against the strategic direction of both RAFCT and RAFCTE, and to further ensure both strategically placed to react to external forces such as a partial or full cancellation.

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The Reserves policy consists of three subcategories:

Investment to further the charitable purposes.

Working Capital Management reserve in response to future income volatility.

Exit Contingency.

The Trustees note that at the year-end Trust reserves totalled £4,869,945 (2022: £2,922,313) of which £100 is restricted (2022: £100). Unrestricted reserves are allocated between designated funds (Breakdown below) of £2,052,537 (2022: 2,052,537), and free reserves £2,817,408 (2022: £869,776).

Designated Fund

- £1,700,000 to further the Charitable Purpose, £315,763 Working Capital Management Reserve and £36,774 as an exit contingency.

Within those reserves the Trust's cash balances totalled £1,326,508 (2022: £1,602,543) against which the Trust has made Grant commitments that have yet to be paid of £59,290 (2022: £155,988), with uncommitted and liquid funds therefore of £1,199,240(2022: £1,066,125), as compared to the minimum reserve of £400,000 requirement set out in the Trust's reserves policy. Under the Designated Fund, £1,700,000 was designated under further investment, £315,763 was a working capital Management Reserve and £36,774 was for an exit contingency.

PLANS FOR FUTURE PERIODS

The Board of Trustees' decision to update the Charity's objects and mission, combined with the success of a returning RIAT and projected growth of future grants, all provide real momentum to Group strategy and direction. Looking ahead to the next financial year, the Trustees and the RAFCTE Board will further refine Group strategy and resulting business plans, including Charity (and by implication RAFCTE) targets and improved governance commensurate with the anticipated increase in Charity funds. Throughout, the Group will remain fully engaged with the RAF, the other RAF Charities, the Air Cadet Organisation and our key partners.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Charity law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and the Group and of the incoming resources and application of resources, of the Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the Charity's transactions, disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Charity's constitution.

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They are also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418 (2) of the Companies Act 2006) of which the group's auditors are unaware and each Trustee has taken all the steps that he or she ought to have taken as a Trustee in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

The Trustees' Report and Strategic Report is signed on behalf of the Trustees by:

Air Marshal Philip Osborn CBE

Date 18 May 24



THE ROYAL AIR FORCE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL AIR FORCE CHARITABLE TRUST

Opinion

We have audited the financial statements of The RAFCT, (the 'parent charity') and its subsidiaries (the 'group') for the year ended 30 September 2023 which comprise the Consolidated Statement of Financial Activities, the Charity Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (UK Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 30 September 2023 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council'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 Group's or the parent 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.

THE ROYAL AIR FORCE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL AIR FORCE CHARITABLE TRUST (CONTINUED)

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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 Group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

THE ROYAL AIR FORCE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL AIR FORCE CHARITABLE TRUST (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the Charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management, cut-off of income recognition, merchandise and programme sales. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases, designing audit procedures to test the cut-off of income and merchandise and programme sales, reviewing regulatory correspondence and reading of minutes of meetings of those charged with governance.

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

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

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

THE ROYAL AIR FORCE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL AIR FORCE CHARITABLE TRUST (CONTINUED)

Use of our report

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

Crowe UK LLP

Crowe U.K. LLP

Statutory Auditor

Fourth Floor

St James House

St James' Square

Cheltenham

GL50 3PR

Date: 18 June 2024

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

THE ROYAL AIR FORCE CHARITABLE TRUST

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	3	-	151,560	151,560	28,477
Other trading activities	4	-	15,018,880	15,018,880	13,513,028
Investments	5	-	140,011	140,011	7,581
Total income		-	15,310,451	15,310,451	13,549,086
Expenditure on:					
Raising funds	6	-	13,192,403	13,192,403	11,646,771
Charitable activities	7	-	274,749	274,749	209,208
Total expenditure		-	13,467,152	13,467,152	11,855,979
Net income before taxation		-	1,843,299	1,843,299	1,693,107
Taxation		-	63,379	63,379	-
Net movement in funds		-	1,906,678	1,906,678	1,693,107
Reconciliation of funds:					
Total funds brought forward		100	3,212,920	3,213,020	1,519,913
Net movement in funds		-	1,906,678	1,906,678	1,693,107
Total funds carried forward		100	5,119,598	5,119,698	3,213,020

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 39 form part of these financial statements.

THE ROYAL AIR FORCE CHARITABLE TRUST

**CHARITY STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Income from:				
Donations	-	2,396,347	2,396,347	178,477
Investments	-	21,021	21,021	3,147
Total income	-	2,417,368	2,417,368	181,624
Expenditure on:				
Raising funds	-	194,987	194,987	156,324
Charitable activities	-	274,749	274,749	209,208
Total expenditure	-	469,736	469,736	365,532
Reconciliation of funds				
Total funds brought forward	100	2,922,213	2,922,313	3,106,221
Net movement in funds	-	1,947,632	1,947,632	(183,908)
Total funds carried forward	100	4,869,845	4,869,945	2,922,313

THE ROYAL AIR FORCE CHARITABLE TRUST

**CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2023**

Charity number: 1176054

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	12	90,625	-
Tangible assets	13	1,368,490	1,171,162
Current assets			
Stocks	15	79,454	44,683
Debtors	16	3,826,482	2,014,432
Cash at bank and in hand		4,869,004	5,496,724
		8,774,940	7,555,839
Creditors: amounts falling due within one year	17	(4,502,357)	(4,620,981)
Net current assets		4,272,583	2,934,858
Total assets less current liabilities		5,731,698	4,106,020
Creditors: amounts falling due after more than one year	18	(612,000)	(893,000)
Total net assets		5,119,698	3,213,020
Charity funds			
Restricted funds	19	100	100
Unrestricted funds			
Designated funds	19	249,753	440,707
General funds	19	4,869,845	2,772,213
Total unrestricted funds	19	5,119,598	3,212,920
Total funds		5,119,698	3,213,020

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Air Marshal Philip Osborn CBE
Trustee

Date:

12 May 24



The notes on pages 19 to 39 form part of these financial statements.

THE ROYAL AIR FORCE CHARITABLE TRUST

**CHARITY BALANCE SHEET
AS AT 30 SEPTEMBER 2023**

	Note	2023 £	2022 £
Fixed assets			
Investments	14	1,700,100	1,700,100
Current assets			
Debtors	16	1,911,215	-
Cash at bank and in hand		1,326,508	1,602,543
		<u>3,237,723</u>	<u>1,602,543</u>
Creditors: amounts falling due within one year	17	(67,878)	(380,330)
Net current assets		<u>3,169,845</u>	<u>1,222,213</u>
Total net assets		<u><u>4,869,945</u></u>	<u><u>2,922,313</u></u>
Charity funds			
Restricted funds	19	100	100
Unrestricted funds	19	4,869,845	2,922,213
Total funds		<u><u>4,869,945</u></u>	<u><u>2,922,313</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Air Marshal Philip Osborn CBE
Trustee

Date: 18 May 24



The notes on pages 19 to 39 form part of these financial statements.

THE ROYAL AIR FORCE CHARITABLE TRUST

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	21	(79,118)	77,476
Cash flows from investing activities			
Purchase of intangible assets		(90,625)	-
Purchase of tangible fixed assets		(248,538)	(36,867)
Interest received		140,011	7,581
Net cash used in investing activities		(199,152)	(29,286)
Cash flows from financing activities			
Repayments of borrowing		(280,500)	(306,000)
Interest paid		(68,950)	(42,856)
Net cash used in financing activities		(349,450)	(348,856)
Change in cash and cash equivalents in the year		(627,720)	(300,666)
Cash and cash equivalents at the beginning of the year		5,496,724	5,797,390
Cash and cash equivalents at the end of the year	22	4,869,004	5,496,724

The notes on pages 19 to 39 form part of these financial statements

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities. Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) – (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The consolidated financial statements have been prepared under the historical cost convention. The RAFCT meets the definition of a public benefit entity under FRS 102. The RAFCT is a Charitable Incorporated Organisation (Company number: CE012521) (Charity number: 1176054) limited by guarantee. The Charity is incorporated in England and Wales and its registered address is Douglas Bader House, Horcott Hill, Fairford, Gloucestershire, GL7 4RB.

The Charity has taken advantage of the exemptions in FRS 102 from the requirement to present a charity only Cash Flow Statement and certain disclosures about its own financial instruments within the consolidated financial statements.

These financial statements consolidate the results of the charity and its subsidiaries, The RAFCTE (Company no: 02190393) and SAL (Company no: 10233810). Scampton Airshow Limited was dormant throughout the year ended 30 September 2023.

The Consolidated Statement of Financial Activities and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. All intergroup transactions are fully eliminated on consolidation.

1.2 Going concern

The Trustees have a reasonable expectation that the Group (RAFCT and RAFCTE) have adequate resources to continue their activities for the foreseeable future and therefore there are no material uncertainties.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. Accounting policies (continued)

1.3 Income

Income from donations

Income from gifts/covenants is recognised in the financial statements when the Charity becomes entitled to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Income from other trading activities

The amounts shown in the Consolidated Statement of Financial Activities represents the value of all goods and services supplied to customers during the year, at selling price exclusive of Value Added Tax. Income is recognised at the point at which the Charity or Companies have fulfilled their contractual obligations to the customer. All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

1.4 Expenditure

Expenditure is accounted for on an accruals basis. Costs of raising funds reflect costs of RIAT, marketing, publicity and printing costs associated with enhancing public awareness of the Charity together with staff costs.

Grants payable have been recognised in the financial statements when the Charity has formally approved the individual institutions' application for grant monies, at the Trustees' Meeting and this has been communicated to the third party. Please refer to the Trustees' Annual Report for analysis of the grants awarded during the year.

Governance costs include expenditure directly attributable to the Trustees' statutory, constitutional and strategic duties and are disclosed in Note 8.

All expenditure is classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

1.5 Taxation

As a registered charity, the Charity is entitled to taxation exemptions on all income and gains properly applied for its charitable purposes.

Tax is recognised in profit and loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Group operates and generates income.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. Accounting policies (continued)

1.6 Intangible assets and amortisation

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Website development	- 20 %
---------------------	--------

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Freehold land is not depreciated. Cost represents purchase price together with any incidental costs of acquisition. There is no capitalisation limit.

The carrying values of the tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Depreciation is provided on tangible fixed assets so as to write off the costs on a straight line basis, less any residual value, over their expected useful economic life as follows:

The estimated useful lives are as follows:

Freehold property	- 50 years
Motor vehicles	- 5 years
Fixtures and fittings	- 3 to 5 years

1.8 Investments

Fixed asset investments in subsidiaries are stated at cost less provision for diminution in value.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 Debtors

Trade debtors and accrued income are recognised at the settlement amount after any impairments. Prepayments are valued at the amount prepaid net of any trade discounts.

Included within the Charity's debtors and creditors are amounts owed from/to its subsidiaries which are recognised at the settlement amount after any impairments.

1.11 Cash and cash equivalents

Cash at bank and in hand is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. Accounting policies (continued)

1.12 Liabilities and provisions

Creditors are recognised where the Group and Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

1.13 Financial instruments

The Group and Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.14 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the consolidated Statement of Financial Activities on a straight line basis over the period of the lease.

1.15 Pensions

The RAFCT and The RAFCTE operate a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the entity pays fixed contributions into a separate entity. Once the contributions have been paid the entity has no further payment obligations.

The contributions are recognised as an expense in the Statement of Financial Activities when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance Sheet. The assets of the plan are held separately from the entity in independently administered funds.

The expense is recognised within unrestricted funds because this is the fund used to pay wages and salaries.

1.16 Termination benefits

Redundancy and termination costs are accounted for on an accruals basis when the commitment to terminate a post on the grounds of redundancy has been made.

1.17 Volunteers

Volunteers help out with various aspects of the running of the annual RIAT and we are very grateful for their contribution. Their contribution is in time only.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. Accounting policies (continued)

1.18 Fund accounting

The unrestricted funds are available for any purpose within the aims and objectives specified in the Trust Deed of the Charity.

Designated funds comprise general funds, which have been set aside at the discretion of the Trustees for specific purposes. The purpose of these are set out in Note 19.

Restricted funds are to be used in accordance with specific restrictions imposed by the donors and grant providers. The aim and use of the restricted funds are set out in Note 19.

2. Critical accounting estimates and areas of judgement

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

2.1 Useful economic lives of tangible fixed assets

The annual depreciation charge for the tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates, based on economic utilisation and the physical condition of the assets.

See Note 13 for the carrying amount of tangible fixed assets and Note 1.7 for the useful lives for each class of asset.

2.2 Recoverability of debtors

The Group and Charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See Note 16 for the net carrying amount of the debtors.

2.3 Historic accruals

In the instances where invoices are not received in relation to services that have been provided to The RAFCTE and SAL, the Group makes an estimate of the expected cost to the Companies. When assessing the value of these accruals/provisions, management considers previous invoices relating to similar services and discussions held with the third parties in relation to the expected costs. Where invoices have not been received for 2 years, the accruals and provisions are written down over 5 years. See Note 17 for inclusion of the year end.

2.4 Stock

It is necessary to consider the recoverability of the cost of finished goods and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods, see Note 15.

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

3. Income from donations and grants

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Donations	151,560	151,560	28,477
<i>Total 2022</i>	<i>28,477</i>	<i>28,477</i>	

4. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
RIAT Income	14,732,345	14,732,345	13,319,718
Other Income	42,875	42,875	7,145
Trading Income	243,660	243,660	186,165
Total 2023	15,018,880	15,018,880	<i>13,513,028</i>
<i>Total 2022</i>	<i>13,513,028</i>	<i>13,513,028</i>	

5. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Investment income	140,011	140,011	7,581
Total 2023	140,011	140,011	<i>7,581</i>
<i>Total 2022</i>	<i>7,581</i>	<i>7,581</i>	

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

6. Expenditure on raising funds

Other trading expenses

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
RIAT expenditure	9,329,070	9,329,070	8,577,428
Interest paid	68,950	68,950	42,856
Admin costs	1,143,813	1,143,813	786,701
Payroll costs	2,599,360	2,599,360	2,190,680
Depreciation	51,210	51,210	49,106
Total 2023	13,192,403	13,192,403	11,646,771
<i>Total 2022</i>	<i>11,646,771</i>	<i>11,646,771</i>	

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Total 2023 £	<i>Total 2022 £</i>
Charitable activities	274,749	274,749	209,208
Total 2023	274,749	274,749	209,208
<i>Total 2022</i>	<i>209,208</i>	<i>209,208</i>	

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Charitable activities	274,749	274,749	209,208
Total 2023	<u>274,749</u>	<u>274,749</u>	<u>209,208</u>
<i>Total 2022</i>	<u>209,208</u>	<u>209,208</u>	

Analysis of direct costs

	Support costs 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Grant expenditure	264,626	264,626	200,998
Governance costs	10,123	10,123	8,210
Total 2023	<u>274,749</u>	<u>274,749</u>	<u>209,208</u>
<i>Total 2022</i>	<u>209,208</u>	<u>209,208</u>	

Included within governance costs above for the charity is £2,078 (2022: £907) of travel and subsistence costs and £8,045 (2022: £7,303) of professional fees.

No grants to individuals were paid during the year.

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

9. Auditor's remuneration

	2023	2022
	£	£
Fees payable to the Charity's auditor in respect of:		
The auditing of the accounts of the Charity	4,500	3,850
The auditing of the accounts of the subsidiary entity	17,900	15,300
All assurance services not included above	3,780	3,550
	<u>26,180</u>	<u>34,700</u>

10. Staff costs

	Group 2023	<i>Group 2022</i>	Charity 2023	<i>Charity 2022</i>
	£	£	£	£
Wages and salaries	2,294,343	1,911,388	151,281	116,467
Social security costs	221,694	197,365	11,347	8,182
Contribution to defined contribution pension schemes	83,323	81,927	4,935	4,628
	<u>2,599,360</u>	<u>2,190,680</u>	<u>167,563</u>	<u>129,277</u>

During the year there were redundancy, termination payments and restructuring costs of £73,013 (2022: £Nil) in relation to agreements made with employees to end employment contracts. There was £Nil outstanding at the year end (2022: £nil).

In addition to wages and salaries, costs totalling £97,990 (2022: £48,102) were incurred in relation to self employed contractors.

The average number of persons employed by the Charity during the year was as follows:

	Group 2023	<i>Group 2022</i>	Charity 2023	<i>Charity 2022</i>
	No.	No.	No.	No.
Air shows	44	39	-	-
Other	2	2	2	2
	<u>46</u>	<u>41</u>	<u>2</u>	<u>2</u>

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

10. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2023 No.	<i>Group 2022 No.</i>
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	3	1
In the band £90,001 - £100,000	2	2
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-
In the band £180,001 - £190,000	1	1

Included in the above is 1 employee of the Charity included in the £80,001 - £90,000 bracket (2022: £70,001 - £80,000).

The Senior Management Team of the Group are deemed to be the Directors of each entity and the Trust Director. The remuneration for these teams amounted to £880,867 (2022: £755,780). This is inclusive of employer's national insurance and pension costs.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022: £Nil).

During the year, expenses totalling £57 were reimbursed or paid directly to 2 Trustees (2022: £243 to 3 Trustees). These related to travel and subsistence.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

12. Intangible assets

Group

	Website Development £
Cost	
Additions	90,625
At 30 September 2023	<u>90,625</u>
Net book value	
At 30 September 2023	<u>90,625</u>
At 30 September 2022	<u>-</u>

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

13. Tangible fixed assets

Group and Charity

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 October 2022	1,663,394	52,763	683,675	2,399,832
Additions	-	449	248,089	248,538
At 30 September 2023	<u>1,663,394</u>	<u>53,212</u>	<u>931,764</u>	<u>2,648,370</u>
Depreciation				
At 1 October 2022	536,232	44,024	648,414	1,228,670
Charge for the year	23,713	5,987	21,510	51,210
At 30 September 2023	<u>559,945</u>	<u>50,011</u>	<u>669,924</u>	<u>1,279,880</u>
Net book value				
At 30 September 2023	<u><u>1,103,449</u></u>	<u><u>3,201</u></u>	<u><u>261,840</u></u>	<u><u>1,368,490</u></u>
At 30 September 2022	<u><u>1,127,162</u></u>	<u><u>8,739</u></u>	<u><u>35,261</u></u>	<u><u>1,171,162</u></u>

The net book value of freehold land and buildings includes £477,550 (2022: £477,550) of land which is not depreciated.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

14. Fixed asset investments

Charity	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2022	1,700,100
At 30 September 2023	<u>1,700,100</u>
Net book value	
At 30 September 2023	1,700,100
At 30 September 2022	<u>1,700,100</u>

RAFCT made an investment in RAFCTE totalling £1.7m during the year ending 30 September 2021.

The Charity also owns £100 of Share Capital in SAL a dormant subsidiary.

For details of subsidiaries see Note 27.

15. Stocks

	Group 2023 £	Group 2022 £
Finished goods and goods for resale	<u>79,454</u>	<u>44,683</u>

Stock is stated after a provision of £26,264 (2022: £26,264).

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

16. Debtors

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Due within one year				
Trade debtors	3,194,295	1,421,263	-	-
Amounts owed by group undertakings	-	-	1,911,215	-
Prepayments and accrued income	261,246	260,420	-	-
Tax recoverable	370,941	332,749	-	-
	<u>3,826,482</u>	<u>2,014,432</u>	<u>1,911,215</u>	<u>-</u>

17. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Bank loans	331,500	331,000	-	-
Trade creditors	494,732	465,160	-	-
Amounts owed to group undertakings	-	-	-	217,214
Corporation tax	-	63,379	-	-
Other taxation and social security	52,750	48,628	-	-
Other creditors	19,671	20,624	5,750	4,750
Accruals and deferred income	3,544,404	3,536,202	2,828	2,378
Grants accrued - institutional	59,300	155,988	59,300	155,988
	<u>4,502,357</u>	<u>4,620,981</u>	<u>67,878</u>	<u>380,330</u>

	Group 2023 £	Group 2022 £
Deferred income at 1 October 2022	2,802,892	4,080,967
Resources deferred during the year	2,808,079	2,802,892
Amounts released from previous periods	(2,802,892)	(4,080,967)
	<u>2,808,079</u>	<u>2,802,892</u>

Included within deferred income are amounts which relate to future periods beginning on or after 1 October 2023.

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

Reconciliation of grant creditors - Group and Charity

	2023 £
Commitments at 1 October 2022	155,988
Grants awarded in the year	264,626
Grants paid in the year	(324,324)
Grants clawed back in the year	(37,000)
Commitments at 30 September 2023	59,290

18. Creditors: Amounts falling due after more than one year

	Group 2023 £	<i>Group 2022 £</i>
Bank loans	612,000	893,000

Included within the above are amounts falling due as follows:

	Group 2023 £	<i>Group 2022 £</i>
Between one and two years		
Bank loans	306,000	306,000
Between two and five years		
Bank loans	306,000	587,000

Secured loan

The total bank loan is on a repayment basis. The outstanding balance of £943,500 is split between creditors due less than one year (Note 18) and creditors due over one year (Note 19). An interest rate of 2.75% is applied to the balance of the fixed rate loan facility of £943,500.

The bank loan is secured by a mortgage debenture incorporating a first legal charge over the freehold property and land at Douglas Bader House, Horcott Hill, Fairford, Gloucestershire, GL7 4RB. The net book value of the freehold land and property at the year end was £1,103,449 (2022: £1,127,162).

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

19. Statement of funds

	Balance at 1 October 2022	Income	Expenditure	Transfers in/out	Gift aid and eliminations	Balance at 30 September 2023
	£	£	£	£	£	£
Unrestricted funds						
Designated funds						
RAFCTE	440,707	15,137,870	(12,934,037)	(150,000)	(2,244,787)	249,753
General funds						
General Funds - all funds	2,772,213	172,581	(469,736)	150,000	2,244,787	4,869,845
Total Unrestricted funds	3,212,920	15,310,451	(13,403,773)	-	-	5,119,598
Restricted funds						
Restricted Funds - all funds	100	-	-	-	-	100
Total of funds	3,213,020	15,310,451	(13,403,773)	-	-	5,119,698

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

19. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 October 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 30 September 2020 £</i>
Unrestricted funds				
Designated funds				
RAFCTE	(1,586,308)	13,517,462	(11,490,447)	440,707
	<hr/>	<hr/>	<hr/>	<hr/>
General funds				
General Funds - all funds	3,106,121	31,624	(365,532)	2,772,213
	<hr/>	<hr/>	<hr/>	<hr/>
Total Unrestricted funds	<u>1,519,813</u>	<u>13,549,086</u>	<u>(11,855,979)</u>	<u>3,212,920</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds				
Restricted Funds - all funds	100	-	-	100
	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	<u><u>1,519,913</u></u>	<u><u>13,549,086</u></u>	<u><u>(11,855,979)</u></u>	<u><u>3,213,020</u></u>

The RAFCTE Fund's purpose is to be used by the trading company to ensure there are enough funds to meet costs as they fall due, leading up to the RIAT each year.

Restricted funds

The RAF Waddington Fund was to fund the new air show at Scampton.

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	1,368,490	1,368,490
Intangible fixed assets	-	90,625	90,625
Current assets	100	8,774,840	8,774,940
Creditors due within one year	-	(4,502,357)	(4,502,357)
Creditors due in more than one year	-	(612,000)	(612,000)
Total	100	5,119,598	5,119,698

Analysis of net assets between funds - prior year

	<i>Restricted funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	1,171,162	1,171,162
Current assets	100	7,555,739	7,555,839
Creditors due within one year	-	(4,620,981)	(4,620,981)
Creditors due in more than one year	-	(893,000)	(893,000)
Total	100	3,212,920	3,213,020

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

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

	Group 2023 £	Group 2022 £
Net income for the year (as per Statement of Financial Activities)	1,906,678	1,693,107
Adjustments for:		
Depreciation charges	51,210	49,106
Interest paid	68,950	42,856
Interest received	(140,011)	(7,581)
(Increase)/decrease in stocks	(34,771)	52,009
(Increase) in debtors	(1,812,050)	(1,186,042)
(Decrease) in creditors	(55,745)	(565,979)
Tax paid	(63,379)	-
Net cash (used in)/provided by operating activities	(79,118)	77,476

22. Analysis of cash and cash equivalents

	Group 2023 £	Group 2022 £
Cash at bank and in hand	4,869,004	5,496,724
Total cash and cash equivalents	4,869,004	5,496,724

23. Analysis of changes in net debt

	At 1 October 2022 £	Cash flows £	Other non- cash changes £	At 30 September 2023 £
Cash at bank and in hand	5,496,724	(627,720)	-	4,869,004
Debt due within 1 year	(331,000)	280,500	(281,000)	(331,500)
Debt due after 1 year	(893,000)	-	281,000	(612,000)
	4,272,724	(347,220)	-	3,925,504

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments

The pension cost charge for the period represents contributions payable to the defined contribution scheme and amounted to £78,388 (2022: £81,927). Contributions totalling £13,921 (2022: £15,874) were payable to the scheme at the end of the period and are included within other creditors.

25. Operating lease commitments

At 30 September 2023 the Charity had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2020 £
Not later than 1 year	3,866	-
Later than 1 year and not later than 5 years	15,462	-
	<u>19,328</u>	<u>-</u>

Total lease payments recognised as an expense in the year amounted to £1,933 (2022: £Nil).

26. Related party transactions

Royal Air Force Charitable Trust Enterprises (RAFCTE)

The RAFCTE is a wholly owned subsidiary of the Charity.

During the year, RAFCTE were reimbursed costs of £167,563 (2022: £131,591) which were paid on behalf of RAFCT. There was an outstanding balance of £53,983 due to RAFCT at the year-end (*due from 2022: £116,358*). RAFCTE agreed a gift aid donation of £2,244,787 (2022: £150,000) to RAFCT.

Scampton Airshow Limited (SAL)

SAL is a wholly owned subsidiary of the Charity. The Company was dormant during the financial year.

RAF100

As part of a programme related investment RAFCT is a partner of RAF100.

RIAT Flying Scholarships for Disabled People

This charity has a close relationship with the RAFCTE Limited from which it derives its name.

During the year RAFCTE were reimbursed costs of £24,797 (2022: £5,000) which were paid on behalf of the RIAT Flying Scholarships for Disabled People. The amount payable to RAFCTE at year end was £21,819 (2022: £2,206).

There were no other related party transactions during the year ended 30 September 2023 (2022: None).

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
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27. Principal subsidiaries

The following was a subsidiary undertaking of the Charity. Ownership of RAFCTE is held by the Charity. As such RAFCTE is deemed to be a wholly owned subsidiary of the Trust. Under the Trust Deed the Trustees have the power to appoint and/or remove any corporation acting as their nominee, ultimate control of RAFCTE is therefore held by the Trust.

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
The RAFCTE	02190393	Douglas Bader House, Horcott Hill, Fairford, Gloucestershire, GL7 4RB	Running RIAT

Class of shares	Included in consolidation
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Limited by guarantee	Yes
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The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
The RAFCTE	15,137,870	(12,934,037)	2,203,833	1,949,753

Assets totalled £8,907,447 and liabilities totalled £6,957,694 giving total net assets of £1,949,753.

THE ROYAL AIR FORCE CHARITABLE TRUST

England & Wales - Charity number 1176054

Accounts

THE ROYAL AIR FORCE CHARITABLE TRUST
CONSOLIDATED REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

Charity number: 1176054
CIO number: CEO12521

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**THE ROYAL AIR FORCE CHARITABLE TRUST
OFFICERS AND PROFESSIONAL ADVISERS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Registered Charity Name: The Royal Air Force Charitable Trust

Charity No: 1176054

Company No: CEO12521

Governing Document: CIO Articles and Memorandum of Association 1 December 2017

Trustees: Air Marshal Phillip Osborn CBE
Mr Ian Beresford MBE FRAeS CEng FloD CDir
Mr Peter Brown MBE BSc
Mrs Felicity Chadwick-Histed BA MSc
Mr Raj Mody MA FIA
Mr Stephen Oldfield
Lady (Della) Thornton LLB Barrister-at-Law (resigned 29 September 2022)
Lady (Kate) Wigston LLB BA
Air Marshal Sir Julian Young KBE CB FREng

Trust Secretary: Group Captain Justine Morton OBE BA MA FCIPD

Principal Office: Douglas Bader House
Horcott Hill
Fairford
Gloucestershire
GL7 4RB

Independent Auditor: Crowe U.K. LLP
Fourth Floor
St James House
St James Square
Cheltenham
Gloucestershire
GL50 3PR

Bankers: Barclays Bank Plc
Britannia Warehouse
The Docks
Gloucester
Gloucestershire
GL1 2YJ

Solicitors: Charles Russell LLP
8-10 New Fetter Lane
London
EC4A 1RS

**THE ROYAL AIR FORCE CHARITABLE TRUST
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Introduction

The Trustees present the consolidated group financial statements for The Royal Air Force Charitable Trust (RAFCT) for the 12 months to 30 September 2022 which incorporate the results of the Trust's subsidiaries, The Royal Air Force Charitable Trust Enterprises Limited (RAFCTE) and Scampton Airshow Limited (SAL), for the year ended 30 September 2022.

Reference and administrative details

Reference and administrative details are shown in the schedule of officers and professional advisers on page 1.

The Trustees

The Trustees who served during the period up to when the financial statements were signed are as follows:

Air Marshal Philip Osborn CBE
Mr Ian Beresford MBE FRAeS CEng FIoD CDir
Mr Peter Brown MBE BSc
Mrs Felicity Chadwick-Histed BA MSc
Mr Raj Mody MA FIA
Mr Stephen Oldfield
Lady (Della) Thornton LLB Barrister-at-Law (resigned 29 September 2022)
Lady (Kate) Wigston LLB BA
Air Marshal Sir Julian Young KBE CB FREng

STRUCTURE, GOVERNANCE AND MANAGEMENT

History and charitable objectives

The Trust was established in 1950 in England and Wales, with a grant of £30,000 from the then Air Council, now Ministry of Defence, to promote, present or co-operate in the organisation of air pageants and displays, in order to promote the recruitment and efficiency of the Royal Air Force. The original Trust Deed states that proceeds of such air shows may be used to further the aims of the charity, or for any other charitable purpose that will benefit past or present members of the Royal Air Force.

The Trust provided finance and administrative support for a number of air shows held at various locations, during the period 1950 to 1987, and donated income to the Royal Air Force Benevolent Fund for the benefit of serving and former members of the Royal Air Force. The Trust remained mostly inactive during the period 1988 to 1993, as the Fund had formed a trading subsidiary, The Royal Air Force Benevolent Fund Enterprises, to undertake the primary air show activity.

The Charity Commission approved a revised Scheme of Administration, widening the permitted activities, but retaining the original objects of the Trust, on 18 February 1994. Following this, the Trustees were able to take the leading role in financing the airshow activity of the trading company, which donated profits to the Trust.

Following the completion of a governance review in 2004, a decision was taken to alter the relationship between the Royal Air Force Benevolent Fund, its trading company, and the Trust. In January 2005, with the support of the Charity Commission, RAF, the Benevolent Fund and MOD, the Trust was renamed 'The Royal Air Force Charitable Trust', charity number (210848). The Trust then assumed ownership of the trading company from the Benevolent Fund and the Trust's Deed was amended to reflect this change. At the same time, it was decided to alter the name of the trading company to 'The Royal Air Force Charitable Trust Enterprises' (RAFCTE).

On 1 March 2018, the former Trust (Charity Number 210848) was incorporated by way of a transfer of the assets and liabilities of the charity to a charitable incorporated organisation (CIO) (charity number 1176054 & CEO12521).

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The former Trust remains in existence to ensure that any legacies that may be left to the Trust are not lost; a 'uniting direction' was completed with the Charity Commission so that the Trust and the CIO are treated as a single charity for reporting and accounting purposes.

Governance

The Trustees are responsible for the governance of the Trust and the day-to-day running of the Trust is delegated to the Director of the Trust. Trustees routinely meet in formal session 5 times per calendar year, once with the Board of Directors of RAFCTE. Most Trust administrative activity is conducted electronically, including the circulation of policy documents, the approval of applications for grants and various other discussions. Any substantive out-of-committee decisions are confirmed at the following formal Trust Board.

Trustee competences are matched to Trust business, and Trustees' backgrounds include industry, law, commerce, finance, risk, and charity governance, as well as service in the RAF. New Trustees are recruited through several avenues, including informal networks of current Trustees and the RAF, as well as more formal recruitment methods using advertisements and websites, and recruitment agencies. The full Board approves new Trustee appointments, and new Trustees undertake an induction process and a basic training package. Trustees maintain their currency through charity briefing updates and serve a maximum of 2 terms of 4 years, extendable only by the full Board. A strategy is in place to ensure timely and appropriate replacements with relevant skill sets.

Remuneration

RAFCTE staff pay is considered each year by the Company's Remuneration Committee and approved by the Committee, whilst Company Director's pay and remuneration is recommended by the RAFCTE Boards and approved by the Trustees. In addition, the Trustees use equivalent criteria to set the pay of the Trust employees.

Charity Governance Code

As usual, the Charity Governance Code was reviewed by the Trustees during the year and policies for audit, risk, governance, and grant committees were all updated. The Board of Trustees continued to lead significant strategy work for the Group, including a detailed future vision that sets Group strategic intent out to 2026 and sets the context for a forward looking RAFCTE Business Plan.

Fundraising

The RAFCT had no fundraising activities requiring disclosure under S162A of the Charities Act 2011. The Charity does not door-to-door fundraise or proactively seek to fundraise other than through their website and through its key events but is grateful of donations that are received each year. The Charity does not have a fundraising department.

OBJECTIVES AND ACTIVITIES UPDATE

Strategy

The Trust strategy work that was started in 2020 resulted this year in a formal refinement of the Trust's mission and stated objects.

The new mission headline, building on the previous high-level mission of 'Promote, Support and Encourage'¹, is '**Promote and Inspire: Promote the Royal Air Force and Inspire young people in air, space and technology**'.

To **Promote** the RAF, RAFCTE stage the Royal International Air Tattoo (RIAT), which is widely recognised as the best military air show in the world, attracting truly global participation and very high numbers of

¹ The previous mission of the Royal Air Force Charitable Trust was to PROMOTE the Royal Air Force, to SUPPORT its people now and into the future and to ENCOURAGE air-mindedness and the aviation-related education of young people.

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public visitors over the three day period of the show. RIAT is also a unique Defence diplomacy and engagement event, drawing together senior political, military and industrial leaders from around the world. Importantly, all of this not just promotes the RAF, and air and space more generally, but every pound of profit goes to support the Trust's **Inspire** charitable activities.

Picking up the **Inspire** theme, the Trust strives to inspire young people by funding engagement and development activities in air, space and technology. This focus is on young people, broadly aged 5-25 years old, and within the RAF and wider society, with a particular emphasis on under-represented communities. Trust activity is spread across three key areas: enabling hundreds of young people from the RAF, RAF Air Cadets, and more widely to learn to fly and to enter the world of engineering through flying and engineering scholarships; sponsoring national science, technology, engineering and maths (STEM) programmes; and supporting other smaller charities whose values and aims align with those of the Trust. Moreover, RIAT hosts the well-established Techno Zone, which is designed to engage the many thousands of young people who visit the show with a myriad of interactive STEM-focussed exhibits and inspiring speakers.

The new objects, approved on 15 August 2022, underpin this new mission and are as follows:

To advance education in aviation, space operations and STEM subjects.

To advance in life young people through events, grants and activities that provide access to and involvement in forward-looking air and space opportunities; and that empower them to contribute to and fulfil their potential in society.

To promote recruitment to and the efficiency of the Royal Air Force (RAF) by placing the RAF at the heart of a programme of world-class events and activities.

The Trustees are content that the new objects continue to complement the work undertaken by the other RAF Charities such as the RAF Benevolent Fund, the RAF Central Fund, the RAF Association, and the RAF Museum.

Grants

During the subject year, the Trust has been able to sustain, and then build from its reduced position during COVID.

The principal historic awards, funded fully or in part by the Trust, have been confirmed as in accordance with the Trust's new mission and objects and have hence continued. These include substantial support to the Royal Air Force Sport Aircraft Association (RAFSA), the Royal Air Force Youth STEM² organisation, the Arkwright Trust, the Air Cadet Organisation, the Ulysses Trust, and Flying Scholarships For Disabled People. In addition, as the first steps in the delivery of the Trust's more ambitious strategy, two new national initiatives have been commissioned with The Smallpeice Trust and Primary Engineer, both focussed on the delivery of national STEM programmes for young people.

The Royal International Air Tattoo

The successful return of RIAT during 2022 has given the Trustees and the RAFCTE Board confidence that their COVID recovery strategy is robust and sets the conditions for delivering both the Charity's vision and the RAFCTE Business Plan. Over 200,000 visitors enjoyed the world's largest military air show, securing RIAT's place in the annual event calendar, delivering financial robustness to the RAFCT Group, and providing the right platform to launch and then sustain the Charity's ambitions. This success is down to some immense hard work by RAFCTE and RAFCT staff, volunteers, the RAF and overseas air forces, and the myriad of support organisations involved with staging RIAT.

² Science, Technology, Engineering and Mathematics.

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Volunteers

Under normal operating years we would have been delighted to welcome the thousands of dedicated service and civilian volunteers who make such a significant contribution and without whose help and loyal support the annual staging of RIAT would not be possible. Volunteers have been intrinsic to the Royal International Air Tattoo and RAFCT's consequent ability to support a wide range of charitable giving since the Air Tattoo's inception in 1971. An Air Tattoo volunteer chooses to contribute time and skill for the benefit of the annual Air Tattoo and the parent charity, and this event would not be viable without their participation.

Each year approximately 1,200 volunteers support the Air Tattoo, many giving over a week of their time to augment the small team of permanent and temporary staff who organise the event year-round. There are a range of skills brought by volunteers, and some are highly specialised. Some examples include those who support aircraft operations, such as engineers, aircraft refuelling, and follow-me drivers who help the aircraft move about RAF Fairford safely. There is also an experienced and dedicated team of Air Traffic Controllers who ensure that aircraft are able to operate safely in the airspace around RAF Fairford. Other roles include medical specialists who run the RIAT Medical Centre and the Site Team who work behind the scenes to ensure that everything is safely in place when the gates open to the general public and all our visitors each day.

In addition to our volunteers, we also receive essential support from the Royal Air Force and approximately 1,000 cadets and staff from the Royal Air Force Air Cadets, providing essential 'summer camps' for cadets.

PUBLIC BENEFIT

By its continued support for recruitment to the RAF, the Trust contributes towards the sustainment of the Service and National Security. Furthermore, the activities performed, and grants awarded by the Trust directly and indirectly promote the efficiency of the Royal Air Force and hence have a positive effect on the military effectiveness of the UK's air and space power. Moreover, the Royal International Air Tattoo is a major showcase for the Royal Air Force and the considerable international attendance provides a significant opportunity for UK Defence Diplomacy and influence to be reinforced. Finally, the Trust's work to promote an understanding of and interest in air, space and technology, and by implication STEM subjects, also supports the national employment base and prosperity.

Therefore, having considered the relevant Charity Commission guidance, the Trustees believe that there is direct public benefit derived from the work of the Charitable Trust in the sustainment and effectiveness of the Royal Air Force, which constitutes significantly to the defence of the Realm. Additionally, the Trust enables significant numbers of young people to further themselves through flying and engineering scholarships, and grants that offer the ability to learn about and progress in aviation and engineering.

The Trustees confirm they have considered Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The Trust made grants totalling £216,900 (2021: £171,722). However, in accordance with the Group's 2-year COVID Recovery Plan, this continued to be an understandably much-reduced total when compared to historical grant commitments. Notwithstanding, investment in STEM remained a key focus for the Trust building on its work with young people through its steady support of the RAF Air Cadets and the RAF STEM Team.

Among the successful collaborations between RAFCT and the RAF's Youth & STEM Team is the joint sponsorship of the Scouts' staged Air Activities badge. Launched at RAF Cosford in 2019, and due to run for an initial period of three years, this has been agreed for another 3 years. This partnership has proved hugely successful in developing new and exciting STEM-focussed resources, activities and events that enable all Scout sections, from Beavers to Explorer Scouts, to explore the secrets and science of flight with over 58,000 badges awarded in 2022 along with over 500,000 engagements.

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In 2021, discussions with our partners about how more young people could be engaged in STEM activities both in the build up to, and during RIAT lead to the creation and funding of the Road to RIAT Competition. This year, the initiative grew to include 300 schools nationwide and RAFCT gained a new partner in Accenture who provided a grant donation to support and become involved in the initiative. The STEM days and competition are delivered in schools and are aerospace and space challenges, giving the primary school aged students chance to discover how gliders and rockets work, and to be inspired into learning more. Subsequently students create competition entries which will be judged by an expert panel and the regional winners will compete in a grand final competition at RIAT in July 2023. This year, the initiative will include 'STEM Superstar' sessions where schools can join a virtual Q & A session and meet STEM experts.

In 2022, RAFCT partnered with Primary Engineer, to support and participate in Primary Engineer's Leaders Award 'If you were an Engineer What Would you Do' competition. Going forward, RAFCT will be supported by DXC Technologies who will provide a grant donation to RAFCT to support and become involved with RAFCT in the competition. Winning entries were showcased at RIAT alongside the Trust's Inspire Stage in Technozone. The competition has national reach and in 2022 there were over 33,000 entries from all regions of the UK. The competition helps pupils develop Engineering Habits of Mind, problem finding, creative problem solving, visualising, improving, adapting along with critical thinking skills and communication skills.

RAFCT continued to support young people in RAF youth organisations. such as the Royal Air Force Air Cadets, where the opportunity to promote team work and learn new skills is enhanced by challenging expeditions. Amongst the seven supported expeditions this year, cadets from several units in Scotland spent 12 days navigating and sailing around Scottish Islands, some were novices, some were working toward their Gold Duke of Edinburgh's Award, but they all worked as one team. Additionally, RAFCT were one of the principal sponsors of the Air Cadets Annual Air and Space camp.

GRANTS

Grant detail	Awarded	Returned
HQ Air Cadets - Gliding Opportunities		-£15,902
15 JRPSS 2022	£46,650	
3 JOPSS 2022	£9,330	
5 TUS 2022	£13,250	
UT2836 Derbyshire Sector RAFAC	£744	
UT2837 Derbyshire Sector RAFAC	£943	
UT2838 UTC Reading CCF	£1,500	
UT2851 1105 (Winchester) Sqn RAFAC	£1,400	
Arkwright Scholarships (5)	£11,500	
Aviation and Space camp	£10,000	
IYWAE 2022 Tranche 1	£29,000	
FSDP part scholarship	£1,500	
UT2908 1019 (Stirling) Sqn	£2,500	
UT2902 282 (East Ham) Sqn	£2,250	
UT 2936 Bristol and Gloucester	£5,333	
Primary Engineer IYWAE Tranche 2	£81,000	
	£216,900	-£15,902
	£200,998	

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Royal Air Force Charitable Trust Enterprises – Royal International Air Tattoo

Last year's RIAT was the first show since 2019 due to COVID-19 and, happily, it was a huge success, with all days selling out for the first time ever. Over 200,000 people contributed to the biggest RIAT of all time with 60 senior military delegations from around the world, including 48 Chiefs of Air Forces across the weekend and, as always, a plethora of aircraft from across the globe.

Financially, the success of RIAT22 aided the financial recovery of RAFCTE as annual profits of £2,027,015 were achieved. However, it should also be recognised that despite opting to eventually cancel both RIAT 2020 and 2021, a large amount of customers who had bought tickets prior to cancellation elected to roll over their admission, which was a significant benefit in a challenging time.

Inevitably, there were some teething problems with the first show in three years. RIAT22 saw temperatures at the airfield reach 40 degrees, which heightened concerns of staff, volunteers, and customers about people's welfare. Also, developments in the use of mobile technology has put evermore pressure on wi-fi and internet access. A substantial amount of work has gone into rectifying these issues where possible ahead of RIAT23 and RAFCTE are confident of a further successful Tattoo.

Looking ahead to 2023

There are still after-effects from the pandemic, as well as new challenges that have emerged this year. The unavailability of global insurance for COVID-19/communicable disease remains a challenge, as is the current war in Ukraine. Accordingly, this, and any other world events are continually monitored.

More specifically, this year's show will be centred around our Skytanker theme, which recognises the 100-year anniversary since the first air-to-air refuelling manoeuvre was completed. Other highlights include the Italian Air Force celebrating their own Centenary which will be marked with an extensive static display.

RISKS

The recently implemented updated risk policy and revised risk frameworks continue to mature and are utilised regularly throughout the organisation. Led by the RAFCT Finance, Audit and Risk Assurance Committee and the RAFCTE Audit Committee, there is stringent audit and monitoring of key Risks to both the Charity and the wider Group. Risk severity and mitigation actions are routinely monitored, including deliberate and inadvertent disruption to, or cancellation of RIAT.

FINANCIAL REVIEW

During the year RAFCTE and the Charity placed surplus cash on fixed term bank deposit whenever cash flow prediction allowed. This generated a return of £7,581 (2021: £616).

Despite the operating loss during Financial Year 20/21, the 'Three Recovery' Business plan implemented by the Group has yielded positive results and supported by the financial success of RIAT22, the Group remains in a stable financial position. Financial resilience was bolstered in advance of RIAT22 with the support of a 6-year CBILS loan in September 2021 at £1,530,000, as of September 2022 the value of the CBILS loan was £1,224,000. These funds and financial instruments will help to maintain the Company's operations through the ongoing crisis and have enabled the Group to continue to manage the liquidity risk by maintaining a balance between the continuity of funding and flexibility through the availability of adequate cash reserves.

Consolidated (i.e. for both the Trust and the Trading companies) income for the period was £13,549,086 (2021: £608,883) of which £13,367,462 (2021: £608,833) related to the trading activities of RAFCTE and £NIL (2021: £NIL) to SAL. Expenditure for the period was £11,855,979 (2021: £2,552,744) of which £11,490,447 (2021: £2,451,636) was attributable to RAFCTE. This resulted in net profit of £1,693,107 (2021: deficit of £1,943,861). The expenditure by RAFCTE is predominately associated with the staging of RIAT which delivers to the Trust's objective of promoting the Royal Air Force. Scampton Airshow Ltd (SAL) did not trade in the period. These costs can therefore be considered as a cost associated with the group's expenditure on delivering the charitable activities of the Trust.

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The Trust activity is shown in the financial statements. Gross income to the Trust in the year was £181,624 (2021: £9,557) of which £150,000 (2021: £Nil) was covenanted from RAFCTE. RAFCT operating and governance costs were £8,210 (2021: £8,396) and grants of £200,998 (2021: £27,186 credited back to the Trust).

Consolidated net assets were £3,213,020 (2021: £1,519,913) at the balance sheet date, of which £440,707 (2021: deficit £1,586,308) represents designated funds.

The Trustees consider that, despite the cancellation of RIAT 20 and RIAT 21 the success of RIAT22 underpins the belief that both the Trust and its trading subsidiary RAFCTE are financially healthy and well placed not only to meet the demands of on-going financial commitments, but also to take advantage of opportunities that may arise in forthcoming years.

The financial statements comply with current statutory requirements, the Statement of Recommended Practice (FRS 102) and the Trust's CIO Articles and Memorandum of Association dated 1 December 2017. The financial statements have also been prepared with due regard to guidance published by the Charities Commission on the operation of the Public Benefit.

RESERVES POLICY

RAFCTE traditionally provides the main revenue for the Trust through a range of activities including the Royal International Air Tattoo and other event management activities, and sales of merchandise. As profits from RIAT have historically been impacted by inclement weather, and of late, two cancellations due to COVID19, the Trustees have increased the value of the reserves substantially to provide prudent financial resilience for unknown future events that RAFCTE is unable to insure against: COVID, WAR Etc. Of note, and aligned the Group COVID recovery plan, the RAFCT Board approved a Designated investment fund of £1.7million to provide the working capital required to facilitate RIAT22 to RAFCTE. The Group annually reviews the reserves policies, and the corresponding the reserve balances, against the strategic direction of both the RAFCT and RAFCTE, and to further ensure both strategically placed to react to external forces such as a partial or full cancellation. The reserves policy consists of three subcategories:

Investment to further the charitable purposes.

Working Capital Management reserve in response to future income volatility.

Exit Contingency.

After the successful delivery of RIAT22 aligned with the recovery business case, the RAFCT Board remains confident RAFCT is in a good position to continue its work and meet its aims and intent.

The Trustees note that at the year-end the Trust reserves totalled £2,922,313 (2021: £3,106,221) of which £100 is restricted (2021: £100); Unrestricted reserves are allocated between designated funds (Breakdown Below) of £2,052,537 (2021: 2,052,537), and free reserves £869,776 (2021: 1,053,685).

Designated Fund

- £1,700,000 to further the Charitable Purpose, £315,763 Working Capital Management Reserve and £36,774 was for an exit contingency.

Within those reserves the Trust's cash balances totalled £1,602,543 (2021: £1,906,681) against which the Trust has made Grant commitments that have yet to be paid of £155,988 (2021: £146,493), with uncommitted and liquid funds therefore of £1,066,125 (2021: £1,259,528). Cash Reserves are held above the minimum requirements to ensure RAFCT and RAFCTE are financially positioned for new financial challenges that cannot be insured against.

PLANS FOR FUTURE PERIODS

The Board of Trustees' decision to update the Charity's objects and mission, combined with the success of a returning RIAT, all provide real momentum to Group strategy and direction. Looking ahead to the next

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financial year, the Trustees and the RAFCTE Board are considering further refinements in Group strategy and resulting business plans, commensurate with their ambition to:

Continue to secure the future of the Charity and RIAT following the financial stress of COVID.

Further enhance the Tattoo to broaden public appeal, and incorporate a clear focus on Space and sustainable aviation.

Focus more charitable activities at the National level, and hence maximise the profile and impact of the Charity.

In this, the Group will remain fully engaged with the RAF, the other RAF Charities, the Air Cadet Organisation and our key partners. Moreover, Trustees also anticipate that, following the success of RIAT22, charitable grants will increase from reduced COVID-induced levels.

Statement of Trustees' responsibilities

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

Charity law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and the Group and of the incoming resources and application of resources, of the Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the Charity's transactions, disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418 (2) of the Companies Act 2006) of which the group's auditors are unaware and each Trustee has taken all the steps that he or she ought to have taken as a Trustee in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

The Trustees' Report and Strategic Report is signed on behalf of the Trustees by:

Air Marshal Philip Osborn CBE

Date

16/06/2023

THE ROYAL AIR FORCE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL AIR FORCE CHARITABLE TRUST

Opinion

We have audited the financial statements of The Royal Air Force Charitable Trust (the 'parent charity') and its subsidiaries (the 'group') for the year ended 30 September 2022 which comprise the Consolidated statement of financial activities, the Charity statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 30 September 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

THE ROYAL AIR FORCE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL AIR FORCE CHARITABLE TRUST (CONTINUED)

Other Information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Trustees' report is inconsistent in any material respect with the financial statements; or
- the parent Charity has not kept sufficient accounting records; or
- the parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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 Group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

THE ROYAL AIR FORCE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL AIR FORCE CHARITABLE TRUST (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management, cut-off of income recognition, merchandise and programme sales. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases, designing audit procedures to test the cut-off of income and merchandise and programme sales, reviewing regulatory correspondence and reading of minutes of meetings of those charged with governance.

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

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

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

Use of our report

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

THE ROYAL AIR FORCE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL AIR FORCE CHARITABLE TRUST (CONTINUED)

Crowe UK LLP

Crowe U.K. LLP

Statutory Auditor

Fourth Floor

St James House

St James Square

Cheltenham

GL50 3PR

Date: 20 June 2023

Crowe U.K. LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE ROYAL AIR FORCE CHARITABLE TRUST

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and grants	3	-	28,477	28,477	373,886
Other trading activities	4	-	13,513,028	13,513,028	234,381
Investments	5	-	7,581	7,581	616
Total income		-	13,549,086	13,549,086	608,883
Expenditure on:					
Raising funds	6	-	11,646,771	11,646,771	2,571,534
Charitable activities	7	-	209,208	209,208	(18,790)
Total expenditure		-	11,855,979	11,855,979	2,552,744
Net movement in funds		-	1,693,107	1,693,107	(1,943,861)
Reconciliation of funds:					
Total funds brought forward		100	1,519,813	1,519,913	3,463,774
Net movement in funds		-	1,693,107	1,693,107	(1,943,861)
Total funds carried forward		100	3,212,920	3,213,020	1,519,913

The notes on pages 19 to 40 form part of these financial statements.

THE ROYAL AIR FORCE CHARITABLE TRUST

**CHARITY STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Donations	-	178,477	178,477	9,248
Investments	-	3,147	3,147	309
	-	<u>181,624</u>	<u>181,624</u>	<u>9,557</u>
Total income				
Expenditure on:				
Raising funds	-	156,324	156,324	119,898
Charitable activities	-	209,208	209,208	(18,790)
	-	<u>365,532</u>	<u>365,532</u>	<u>101,108</u>
Total expenditure				
	-	<u>(183,908)</u>	<u>(183,908)</u>	<u>(91,551)</u>
Net movement in funds				
Reconciliation of funds				
Total funds brought forward	100	3,106,121	3,106,221	3,197,772
Net movement in funds	-	(183,908)	(183,908)	(91,551)
Total funds carried forward	<u>100</u>	<u>2,922,213</u>	<u>2,922,313</u>	<u>3,106,221</u>

THE ROYAL AIR FORCE CHARITABLE TRUST

**CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2022**

Charity number: 1176054

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	1,171,162	1,183,401
Current assets			
Stocks	14	44,683	96,693
Debtors	15	2,014,432	828,390
Cash at bank and in hand		5,496,724	5,801,538
		<u>7,555,839</u>	<u>6,726,621</u>
Creditors: amounts falling due within one year	16	<u>(4,620,981)</u>	<u>(5,166,109)</u>
Net current assets		2,934,858	1,560,512
Total assets less current liabilities		4,106,020	2,743,913
Creditors: amounts falling due after more than one year	17	<u>(893,000)</u>	<u>(1,224,000)</u>
Total net assets		3,213,020	1,519,913
Charity funds			
Restricted funds	18	100	100
Unrestricted funds			
Designated funds	18	440,707	(1,586,308)
General funds	18	2,772,213	3,106,121
Total unrestricted funds	18	<u>3,212,920</u>	<u>1,519,813</u>
Total funds		3,213,020	1,519,913

The financial statements were approved and authorised for issue by the Trustees on 16/06/2023 and signed on their behalf by:

Air Marshal Phillip Osborn CBE
Trustee



The notes on pages 19 to 40 form part of these financial statements.

THE ROYAL AIR FORCE CHARITABLE TRUST

**CHARITY BALANCE SHEET
AS AT 30 SEPTEMBER 2022**

Charity number: 1176054

	Note	2022 £	2021 £
Fixed assets			
Investments	13	1,700,100	1,700,100
Current assets			
Cash at bank and in hand		1,602,543	1,906,681
		<u>1,602,543</u>	<u>1,906,681</u>
Creditors: amounts falling due within one year	16	(380,330)	(500,560)
Net current assets		<u>1,222,213</u>	<u>1,406,121</u>
Total net assets		<u><u>2,922,313</u></u>	<u><u>3,106,221</u></u>
Charity funds			
Restricted funds	18	100	100
Unrestricted funds			
General funds	18	2,922,213	3,106,121
Total unrestricted funds	18	<u>2,922,213</u>	<u>3,106,121</u>
Total funds		<u><u>2,922,313</u></u>	<u><u>3,106,221</u></u>

The financial statements were approved and authorised for issue by the Trustees on 16/06/2023 and signed on their behalf by:

Air Marshal Phillip Osborn CBE
Trustee



The notes on pages 19 to 40 form part of these financial statements.

THE ROYAL AIR FORCE CHARITABLE TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	77,476	(969,789)
Cash flows from investing activities		
Purchase of tangible fixed assets	(36,867)	(1,268)
Government grants received	-	364,638
Interest received	7,581	616
Net cash (used in)/provided by investing activities	(29,286)	363,986
Cash flows from financing activities		
Repayments of borrowing	(306,000)	-
Interest paid	(42,856)	-
Net cash (used in)/provided by financing activities	(348,856)	-
Change in cash and cash equivalents in the year	(300,666)	(605,803)
Cash and cash equivalents at the beginning of the year	5,797,390	6,403,193
Cash and cash equivalents at the end of the year	5,496,724	5,797,390

The notes on pages 19 to 40 form part of these financial statements

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities. Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The consolidated financial statements have been prepared under the historical cost convention.

The Royal Air Force Charitable Trust meets the definition of a public benefit entity under FRS 102. The Royal Air Force Charitable Trust is a Charitable Incorporated Organisation (Company number: CE012521) (Charity number: 1176054) limited by guarantee. The Charity is incorporated in England and Wales and its registered address is Douglas Bader House, Horcott Hill, Fairford, Gloucestershire, GL7 4RB.

The Charity has taken advantage of the exemptions in FRS 102 from the requirement to present a charity only Cash Flow Statement and certain disclosures about its own financial instruments within the consolidated financial statements.

These financial statements consolidate the results of the charity and its subsidiaries, The Royal Air Force Charitable Trust Enterprises (Company no: 02190393) and Scampton Airshow Limited (Company no: 10233810). Scampton Airshow Limited was dormant throughout the year.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. All intergroup transactions are fully eliminated on consolidation.

1.2 Going concern

The emergence of the Covid-19 has brought unprecedented uncertainty and challenges through the cancellation of RIAT 2020 and 2021, the Company's main source of external revenue in each year.

Nevertheless, RIAT 2022 was a great success, which has given the Directors confidence in the future. Planning continues for RIAT 2023, with considerable support from and engagement with our stakeholders: our Volunteers; the Public; Corporate customers and Military Air Arms. In Sept 2021, the parent Trust, RAFCT, made a capital contribution of £1.7m in the financial year ending 30 September 2021 which has enabled the Board to confirm with confidence that the business remains a going concern and is well placed to deliver a world class event in 2023.

This has enabled the Directors to take the view that the Company is able to continue as a going concern as we plan for RIAT 2023 and beyond. The Directors remain confident that RIAT 2023 can evolve to meet the prevailing regulations and conditions we will face in July 2023. There of course remains a risk that RIAT 2023 might still face cancellation in these uncertain times; however with the continuing support of our stakeholders, the Directors believe that we will continue to have access to sufficient cash to remain solvent.

In addition, the Trustees of the RAFCT are confident that the Charity has access to sufficient cash, alongside the ability to grant or withhold funds, to ensure the Charity will continue as a going concern.

Accordingly, the going concern basis continues to be adopted in preparing the financial statements of

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. Accounting policies (continued)

1.2 Going concern (continued)

the Charity and the Group.

1.3 Income

Income from donations

Income from gifts/covenants is recognised in the financial statements when the Charity becomes entitled to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Income from other trading activities

The amounts shown in the Consolidated Statement of Financial Activities represents the value of all goods and services supplied to customers during the year, at selling price exclusive of Value Added Tax. Income is recognised at the point at which the Charity or Companies have fulfilled their contractual obligations to the customer. All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Government Grants: Job Retention Scheme: Income from government grants, whether 'capital' or 'revenue' grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Where entitlement occurs before income is received, the income is accrued. Where income is received in advance of the Charity having entitlement to the funds the income is deferred.

1.4 Expenditure

Expenditure is accounted for on an accruals basis. Costs of raising funds reflect costs of RIAT, marketing, publicity and printing costs associated with enhancing public awareness of the Charity together with staff costs.

Grants payable have been recognised in the financial statements when the Charity has formally approved the individual institutions' application for grant monies, at the Trustees' Meeting and this has been communicated to the third party. Please refer to the Trustees' Annual Report for analysis of the grants awarded during the year.

Governance costs include expenditure directly attributable to the Trustees' statutory, constitutional and strategic duties and are disclosed in Note 8.

All expenditure is classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. Accounting policies (continued)

1.5 Taxation

As a registered charity, the Charity is entitled to taxation exemptions on all income and gains properly applied for its charitable purposes.

Tax is recognised in profit and loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Group operates and generates income.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Freehold land is not depreciated. Cost represents purchase price together with any incidental costs of acquisition. There is no capitalisation limit.

The carrying values of the tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Depreciation is provided on tangible fixed assets so as to write off the costs on a straight line basis, less any residual value, over their expected useful economic life as follows:

The estimated useful lives are as follows:

Freehold property	- 50 years
Motor vehicles	- 5 years
Fixtures and fittings	- 3 years

1.7 Investments

Programme related investments are initially measured at cost, and are measured subsequently at cost price adjusted for impairments where necessary.

Included within current investments are short term cash deposits.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Debtors

Trade debtors and accrued income are recognised at the settlement amount after any impairments. Prepayments are valued at the amount prepaid net of any trade discounts.

Included within the Charity's debtors and creditors are amounts owed from/to its subsidiaries which are recognised at the settlement amount after any impairments.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. Accounting policies (continued)

1.10 Cash, cash equivalents and current asset investments

Cash and current asset investments are represented by cash in hand and deposits with financial institutions. Cash equivalents and current investments are highly liquid and mature between 3 and 12 months.

1.11 Liabilities and provisions

Creditors are recognised where the Group and Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

1.12 Financial instruments

The Group and Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.13 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the consolidated Statement of Financial Activities on a straight line basis over the period of the lease.

1.14 Pensions

The Royal Air Force Charitable Trust and The Royal Air Force Charitable Trust Enterprises operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the entity pays fixed contributions into a separate entity. Once the contributions have been paid the entity has no further payment obligations.

The contributions are recognised as an expense in the Statement of Financial Activities when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance Sheet. The assets of the plan are held separately from the entity in independently administered funds.

The expense is recognised within unrestricted funds because this is the fund used to pay wages and salaries.

1.15 Redundancy costs

Redundancy and termination costs are accounted for on an accruals basis when the commitment to terminate a post on the grounds of redundancy has been made.

1.16 Volunteers

Volunteers help out with various aspects of the running of the annual Royal International Air Tattoo and we are very grateful for their contribution. Their contribution is in time only.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. Accounting policies (continued)

1.17 Fund accounting

The unrestricted funds are available for any purpose within the aims and objectives specified in the Trust Deed of the Charity.

Designated funds comprise general funds, which have been set aside at the discretion of the Trustees for specific purposes. The purpose of these are set out in Note 18.

Restricted funds are to be used in accordance with specific restrictions imposed by the donors and grant providers. The aim and use of the restricted funds are set out in Note 18.

2. Critical accounting estimates and areas of judgement

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

2.1 Useful economic lives of tangible fixed assets

The annual depreciation charge for the tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates, based on economic utilisation and the physical condition of the assets.

See Note 13 for the carrying amount of tangible fixed assets and Note 1.6 for the useful lives for each class of asset.

2.2 Recoverability of debtors

The Group and Charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See Note 15 for the net carrying amount of the debtors.

2.3 Historic accruals

In the instances where invoices are not received in relation to services that have been provided to The Royal Air Force Charitable Trust Enterprises and Scampton Airshow Limited, the Group makes an estimate of the expected cost to the Companies. When assessing the value of these accruals/provisions, management considers previous invoices relating to similar services and discussions held with the third parties in relation to the expected costs. Where invoices have not been received for 2 years, the accruals and provisions are written down over 5 years. See Note 16 for inclusion of the year end.

2.4 Stock

It is necessary to consider the recoverability of the cost of finished goods and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods, see Note 14.

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

3. Income from donations and grants

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	28,477	28,477	9,248
Government grants	-	-	364,638
Total 2022	28,477	28,477	373,886
<i>Total 2021</i>	<i>373,886</i>	<i>373,886</i>	

4. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
RIAT Income	13,319,718	13,319,718	-
Other Income	7,145	7,145	57,272
Trading Income	186,165	186,165	165,539
Consultancy Income	-	-	11,570
Total 2022	13,513,028	13,513,028	234,381
<i>Total 2021</i>	<i>234,381</i>	<i>234,381</i>	

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

5. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment income	7,581	7,581	616
Total 2022	7,581	7,581	616
<i>Total 2021</i>	<i>616</i>	<i>616</i>	

6. Expenditure on raising funds

Other trading expenses

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
RIAT expenditure	8,577,428	8,577,428	51,253
Interest paid	42,856	42,856	-
Admin costs	786,701	786,701	568,827
Consultancy expenditure	-	-	11,570
Payroll costs	2,190,680	2,190,680	1,861,809
Depreciation	49,106	49,106	78,075
Total 2022	11,646,771	11,646,771	2,571,534
<i>Total 2021</i>	<i>2,571,534</i>	<i>2,571,534</i>	

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Total 2022 £	Total 2021 £
Charitable activities	209,208	209,208	(18,790)
Total 2022	<u>209,208</u>	<u>209,208</u>	<u>(18,790)</u>
<i>Total 2021</i>	<u>(18,790)</u>	<u>(18,790)</u>	

The Royal Air Force Charitable Trust cancelled or returned a number of grants for the year ended 30 September 2022 and 2021 as a result of Covid-19 meaning the grantees could not undertake the activities for which the grants were originally granted. This has resulted in a credit balance within charitable activities expenditure in 2021. The total number of grants the Royal Air Force Charitable Trust had returned to it were £15,902 (2021:£198,908).

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Total funds 2022 £	Total funds 2021 £
Charitable activities	209,208	209,208	(18,790)
Total 2022	<u>209,208</u>	<u>209,208</u>	<u>(18,790)</u>
<i>Total 2021</i>	<u>(18,790)</u>	<u>(18,790)</u>	

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Grant expenditure	200,998	200,998	(27,186)
Governance costs	8,210	8,210	8,396
Total 2022	<u>209,208</u>	<u>209,208</u>	<u>(18,790)</u>
<i>Total 2021</i>	<u>(18,790)</u>	<u>(18,790)</u>	

Included within governance costs above for the charity is £907 (2021: £886) of travel and subsistence costs and £7,303 (2021: £7,510) of professional fees.

No grants to individuals were paid during the year.

9. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Charity's auditor in respect of:		
The auditing of the accounts of the Charity	3,850	3,500
The auditing of the accounts of the subsidiary entity	15,300	11,950
All assurance services not included above	<u>3,550</u>	<u>3,776</u>

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

10. Staff costs

	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Wages and salaries	1,911,388	1,624,573	116,467	92,478
Social security costs	197,365	145,178	8,182	6,768
Contribution to defined contribution pension schemes	81,927	92,058	4,628	4,200
	<u>2,190,680</u>	<u>1,861,809</u>	<u>129,277</u>	<u>103,446</u>

During the year there were redundancy, termination payments and restructuring costs of £Nil (2021: £160,506) in relation to agreements made with employees to end employment contracts. There was £Nil outstanding at the year end (2021: £nil).

In addition to wages and salaries, costs totalling £48,102 (2021: £55,575) were incurred in relation to self employed contractors.

The average number of persons employed by the Charity during the year was as follows:

	Group 2022 No.	<i>Group 2021 No.</i>	Charity 2022 No.	<i>Charity 2021 No.</i>
Air shows	39	37	-	-
Other	2	2	2	2
	<u>41</u>	<u>39</u>	<u>2</u>	<u>2</u>

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

10. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	2	-
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-
In the band £150,001 - £160,000	-	1
In the band £180,001 - £190,000	1	-

Included in the above is 1 employee of the Charity included in the £70,001 - £80,000 bracket (2021: £60,001 - £70,000).

The Senior Management Team of the Group are deemed to be the Directors of each entity and the Trust Director. The remuneration for these teams amounted to £755,780 (2021: £697,834). This is inclusive of employer's national insurance and pension costs.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021: £Nil).

During the year, expenses totalling £243 were reimbursed or paid directly to 3 Trustees (2021: £694 to 4 Trustees). These related to travel and subsistence and professional fees.

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

12. Tangible fixed assets

Group and Charity

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 October 2021	1,663,394	52,763	646,808	2,362,965
Additions	-	-	36,867	36,867
At 30 September 2022	<u>1,663,394</u>	<u>52,763</u>	<u>683,675</u>	<u>2,399,832</u>
Depreciation				
At 1 October 2021	512,520	38,183	628,861	1,179,564
Charge for the year	23,712	5,841	19,553	49,106
At 30 September 2022	<u>536,232</u>	<u>44,024</u>	<u>648,414</u>	<u>1,228,670</u>
Net book value				
At 30 September 2022	<u>1,127,162</u>	<u>8,739</u>	<u>35,261</u>	<u>1,171,162</u>
At 30 September 2021	<u>1,150,874</u>	<u>14,580</u>	<u>17,947</u>	<u>1,183,401</u>

The net book value of freehold land and buildings includes £477,550 (2021: £477,550) of land which is not depreciated.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

13. Fixed asset investments

Charity	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2021	1,700,100
At 30 September 2022	<u>1,700,100</u>
Net book value	
At 30 September 2022	1,700,100
At 30 September 2021	<u>1,700,100</u>

RAFCT made an investment in RAFCTE totalling £1.7m during the year ending 30 September 2021.

The Charity also owns £100 of Share Capital in SAL a dormant subsidiary.

For details of subsidiaries see Note 22.

14. Stocks

	Group 2022 £	Group 2021 £
Finished goods and goods for resale	<u>44,683</u>	<u>96,693</u>

Stock is stated after a provision of £26,264 (2021: £6,781).

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

15. Debtors

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Due within one year				
Trade debtors	1,421,263	394,763	-	-
Prepayments and accrued income	260,420	419,274	-	-
Tax recoverable	332,749	14,353	-	-
	<u>2,014,432</u>	<u>828,390</u>	<u>-</u>	<u>-</u>

16. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Bank overdrafts	-	4,148	-	4,148
Bank loans	331,000	306,000	-	-
Trade creditors	465,160	78,451	-	-
Amounts owed to group undertakings	-	-	217,214	343,673
Corporation tax	63,379	63,379	-	-
Other taxation and social security	48,628	103,163	-	-
Other creditors	20,624	18,080	4,750	4,316
Accruals and deferred income	3,536,202	4,446,395	2,378	1,930
Grants accrued - institutional	155,988	146,493	155,988	146,493
	<u>4,620,981</u>	<u>5,166,109</u>	<u>380,330</u>	<u>500,560</u>

	Group 2022 £
Deferred income at 1 October 2021	4,256,117
Resources deferred during the year	2,627,742
Amounts released from previous periods	(4,080,967)
	<u>2,802,892</u>

Included within deferred income are amounts which relate to future periods beginning on or after 1 October 2022.

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Note 16. (continued) Reconciliation of grant creditors - Group and Charity

	Group and Charity 2022 £
Commitments at 1 October 2021	146,493
Grants awarded in the year	216,900
Grants paid in the year	(191,503)
Grants clawed back in the year	(15,902)
	155,988
Commitments at 30 September 2022	155,988

17. Creditors: Amounts falling due after more than one year

	Group 2022 £	Group 2021 £
Bank loans	893,000	1,224,000

Included within the above are amounts falling due as follows:

	Group 2022 £	Group 2021 £
Between one and two years		
Bank loans	306,000	306,000
Between two and five years		
Bank loans	587,000	918,000
Over five years		

Secured loan

The total bank loan is on a repayment basis. The outstanding balance of £1,224,000 is split between creditors due less than one year (Note 16) and creditors due over one year (Note 17). The bank loan incurs a variable interest rate of 2.34% plus BoE base rate. As at the 30th of September 2022, the rate was 4.59% (2021: 2.59%).

The bank loan is secured by a mortgage debenture incorporating a first legal charge over the freehold property and land at Douglas Bader House, Horcott Hill, Fairford, Gloucestershire, GL7 4RB. The net book value of the freehold land and property at the year end was £1,127,162 (2021: £1,150,874).

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

18. Statement of funds

Statement of funds - current year

	Balance at 1 October 2021 £	Income £	Expenditure £	Balance at 30 September 2022 £
Unrestricted funds				
Designated funds				
RAFCTE	(1,586,308)	13,517,462	(11,490,447)	440,707
General funds				
General Funds - all funds	3,106,121	31,624	(365,532)	2,772,213
Total Unrestricted funds	1,519,813	13,549,086	(11,855,979)	3,212,920
Restricted funds				
Restricted Funds - all funds	100	-	-	100
Total of funds	1,519,913	13,549,086	(11,855,979)	3,213,020

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

18. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 October 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 30 September 2020 £</i>
Unrestricted funds				
Designated funds				
RAFCTE	<u>266,002</u>	<u>599,326</u>	<u>(2,451,636)</u>	<u>(1,586,308)</u>
General funds				
General Funds - all funds	<u>3,197,672</u>	<u>9,557</u>	<u>(101,108)</u>	<u>3,106,121</u>
Total Unrestricted funds	<u>3,463,674</u>	<u>608,883</u>	<u>(2,552,744)</u>	<u>1,519,813</u>
Restricted funds				
Restricted Funds - all funds	<u>100</u>	<u>-</u>	<u>-</u>	<u>100</u>
Total of funds	<u><u>3,463,774</u></u>	<u><u>608,883</u></u>	<u><u>(2,552,744)</u></u>	<u><u>1,519,913</u></u>

The RAFCTE Fund's purpose is to be used by the trading company to ensure there are enough funds to meet costs as they fall due, leading up to the RIAT each year.

Restricted funds

The RAF Waddington Fund was to fund the new air show at Scampton.

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	1,171,162	1,171,162
Current assets	100	7,555,739	7,555,839
Creditors due within one year	-	(4,620,981)	(4,620,981)
Creditors due in more than one year	-	(893,000)	(893,000)
Total	100	3,212,920	3,213,020

Analysis of net assets between funds - prior year

	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	1,183,401	1,183,401
Current assets	100	6,726,521	6,726,621
Creditors due within one year	-	(5,166,109)	(5,166,109)
Creditors due in more than one year	-	(1,224,000)	(1,224,000)
Total	100	1,519,813	1,519,913

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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

	Group 2022 £	Group 2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	1,693,107	(1,943,861)
Adjustments for:		
Depreciation charges	49,106	78,075
Interest paid	42,856	-
Interest received	(7,581)	(616)
Decrease/(increase) in stocks	52,009	(96,693)
(Increase) in debtors	(1,186,042)	(204,912)
(Decrease)/increase in creditors	(565,979)	1,562,856
Government grants	-	(364,638)
Net cash provided by/(used in) operating activities	77,476	(969,789)

21. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	5,496,724	5,801,538
Overdraft facility repayable on demand	-	(4,148)
Total cash and cash equivalents	5,496,724	5,797,390

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

22. Analysis of changes in net debt

	At 1 October 2021	Cash flows	At 30 September 2022
	£	£	£
Cash at bank and in hand	5,801,538	(304,814)	5,496,724
Bank overdrafts repayable on demand	(4,148)	4,148	-
Debt due within 1 year	(306,000)	(25,000)	(331,000)
Debt due after 1 year	(1,224,000)	331,000	(893,000)
	<u>4,267,390</u>	<u>5,334</u>	<u>4,272,724</u>

23. Pension commitments

The pension cost charge for the period represents contributions payable to the defined contribution scheme and amounted to £81,927 (2021: £92,058). Contributions totalling £15,874 (2021: £13,764) were payable to the scheme at the end of the period and are included within other creditors.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

24. Related party transactions

Royal Air Force Charitable Trust Enterprises (RAFCTE)

The Royal Air Force Charitable Trust Enterprises is a wholly owned subsidiary of the Charity.

During the year, RAFCTE were reimbursed costs of £131,591 (2021: £103,445) which were paid on behalf of RAFCT. A donation was also paid in the year from RAFCTE to RAFCT of £150,000. There was an outstanding balance of £116,358 due to RAFCT at the year-end (*due from 2021: £10,101*).

Scampton Airshow Limited (SAL)

Scampton Airshow Limited is a wholly owned subsidiary of the Charity. The Company was dormant during the financial year.

RAF100

As part of a programme related investment RAFCT is a partner of RAF100.

Royal International Air Tattoo Flying Scholarships for Disabled People

This charity has a close relationship with the Royal Air Force Charitable Trust Enterprises Limited from which it derives its name.

During the year RAFCTE were reimbursed costs of £5,000 (2021: £7,000) which were paid on behalf of the Royal International Air Tattoo Flying Scholarships for Disabled People. The amount payable to RAFCTE at year end was £2,206 (2021: *£nil*).

There were/were not other related party transactions during the year (2021: *None*).

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

25. Principal subsidiaries

The following was a subsidiary undertaking of the Charity. Ownership of RAFCTE is held by the Charity. As such RAFCTE is deemed to be a wholly owned subsidiary of the Trust. Under the Trust Deed the Trustees have the power to appoint and/or remove any corporation acting as their nominee, ultimate control of RAFCTE is therefore held by the Trust.

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
The Royal Air Force Charitable Trust Enterprises (RAFCTE)	02190393	Douglas Bader House, Horcott Hill, Fairford, Gloucestershire, GL7 4RB	Running the Royal International Air Tattoo (RIAT)

Class of shares	Included in consolidation
------------------------	----------------------------------

Limited by guarantee	Yes
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The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
The Royal Air Force Charitable Trust Enterprises (RAFCTE)	13,544,371	(11,521,791)	2,027,015	1,990,707

Assets totalled £7,457,930 and liabilities totalled £5,467,223, giving total net assets of £1,990,707.

THE ROYAL AIR FORCE CHARITABLE TRUST

England & Wales - Charity number 1176054

Accounts

Signed copy

**THE ROYAL AIR FORCE CHARITABLE TRUST
CONSOLIDATED REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

**Charity Number 1176054
CIO number CEO12521**

**THE ROYAL AIR FORCE CHARITABLE TRUST
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FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**THE ROYAL AIR FORCE CHARITABLE TRUST
OFFICERS AND PROFESSIONAL ADVISERS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Registered Charity Name: The Royal Air Force Charitable Trust

Charity No: 1176054

Company No: CEO12521

Governing Document: CIO Articles and Memorandum of Association 1 December 2017

Trustees: Air Marshal Philip Osborn CBE
Mr Stephen Barrett (resigned 15 July 2021)
Mr Ian Beresford MBE FRAeS CEng FIoD CDir
Mr Peter Brown MBE BSc
Mrs Felicity Chadwick-Histed BA MSc
Mr Raj Mody MA FIA
Mr Stephen Oldfield (appointed 16 September 2021)
Air Commodore Andy Sudlow MBE BSc FCMI (resigned 16 September 2021)
Lady (Delia) Thornton LLB Barrister-at-Law
Lady (Kate) Wigston LLB BA
Air Marshal Sir Julian Young KBE CB FREng

Trust Secretary: Group Captain Justine Morton OBE BA MA FCIPD

Principal Office: Douglas Bader House
Horcott Hill
Fairford
Gloucestershire
GL7 4RB

Independent Auditor: Crowe U.K. LLP
4th Floor
St James House
St James Square
Cheltenham
Gloucestershire
GL50 3PR

Bankers: Barclays Bank Plc
Britannia Warehouse
The Docks
Gloucester
Gloucestershire
GL1 2YJ

Solicitors: Charles Russell LLP
8-10 New Fetter Lane
London
EC4A 1RS

**THE ROYAL AIR FORCE CHARITABLE TRUST
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Introduction

The Trustees present the consolidated group financial statements for The Royal Air Force Charitable Trust (RAFCT) for the 12 months to 30 September 2021 which incorporate the results of the Trust's subsidiaries, The Royal Air Force Charitable Trust Enterprises Limited (RAFCTE) and Scampton Airshow Limited (SAL), for the year ended 30 September 2021. For the last reporting period Trustees made the decision to alter the financial year end in order to align more effectively with the operational year. As a result of this shortened reporting period, the comparative figures are not directly comparable.

Reference and administrative details

Reference and administrative details are shown in the schedule of officers and professional advisers on page 1.

The Trustees

The Trustees who served during the period up to when the financial statements were signed are as follows:

Air Marshal Philip Osborn CBE
Mr Stephen Barrett (resigned 15 July 2021)
Mr Ian Beresford MBE FRAeS CEng FIoD CDir
Mr Peter Brown MBE BSc
Mrs Felicity Chadwick-Histed BA MSc
Mr Raj Mody MA FIA
Mr Stephen Oldfield (from 16 September 2021)
Air Commodore Andy Sudlow MBE BSc FCMI (resigned 16 September 2021)
Lady (Delia) Thornton LLB Barrister-at-Law
Lady (Kate) Wigston LLB BA
Air Marshal Sir Julian Young KBE CB FREng

STRUCTURE, GOVERNANCE AND MANAGEMENT

History and charitable objectives

The Trust was established in 1950 in England and Wales, with a grant of £30,000 from the then Air Council, now Ministry of Defence, to promote, present or co-operate in the organisation of air pageants and displays, in order to promote the recruitment and efficiency of the Royal Air Force. The original Trust Deed states that proceeds of such air shows may be used to further the aims of the charity, or for any other charitable purpose that will benefit past or present members of the Royal Air Force.

The Trust provided finance and administrative support for a number of air shows held at various locations, during the period 1950 to 1987, and donated income to the Royal Air Force Benevolent Fund ("the Fund") for the benefit of serving and former members of the Royal Air Force. The Trust remained mostly inactive during the period 1988 to 1993, as the Fund had formed a trading subsidiary, The Royal Air Force Benevolent Fund Enterprises ("the trading company"), to undertake the primary air show activity.

The Charity Commission approved a revised Scheme of Administration, widening the permitted activities, but retaining the original objects of the Trust, on 18 February 1994. Following this, the Trustees were able to take the leading role in financing the airshow activity of the trading company, which donated profits to the Trust.

Following the completion of a governance review in 2004, a decision was taken to alter the relationship between the Fund, its trading company, and the Trust. In January 2005, with the support of the Charity Commission, RAF, the Fund and MOD, the Trust was renamed 'The Royal Air Force Charitable Trust', charity number (210848). The Trust then assumed ownership of the trading company from the Fund and the Trust's Deed was amended to reflect this change. At the same time, it was decided to alter the name of the trading company to 'The Royal Air Force Charitable Trust Enterprises' (RAFCTE).

**THE ROYAL AIR FORCE CHARITABLE TRUST
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

On 1 March 2018, the former Trust (Charity Number 210848) was incorporated by way of a transfer of the assets and liabilities of the charity to a charitable incorporated organisation (CIO) (charity number 1176054 & CEO12521).

The former Trust remains in existence to ensure that any legacies that may be left to the Trust are not lost; a 'uniting direction' was completed with the Charity Commission so that the Trust and the CIO are treated as a single charity for reporting and accounting purposes.

Governance

The Trustees are responsible for the governance of the Trust. The day to day running of the Trust is delegated to the Director of the Trust.

Trustees normally meet in formal session 4 times per calendar year and can also hold up to 2 joint meetings with the Board of Directors of RAFCTE and SAL. However, due to the effect of COVID-19 on the charity and the subsidiary trading company's operations, there has been an increase to Trustee meetings throughout the reporting period. Additionally, the majority of these meetings were held remotely in accordance with government guidance.

The majority of Trust administrative activity is conducted electronically, including the circulation of policy documents, the approval of applications for grants and various other discussions. A matrix of Trustee competences is maintained and mapped to Trust business to ensure an adequate balance of skills is maintained within the Trustee body. Trustees' backgrounds include industry, law, commerce, finance, risk, and charity governance, as well as service in the Royal Air Force. New Trustees are recruited through a number of avenues: through informal networks of current Trustees and the Royal Air Force and through more formal recruitment methods using advertisements and websites and recruitment agencies. The full board approves new Trustee appointments. New Trustees undergo an induction process and undertake a basic training package. Trustees maintain their currency through charity briefing updates and serve a maximum of 2 terms of 4 years. A strategy is in place to ensure timely and appropriate replacements with relevant skill sets.

Remuneration

RAFCTE staff pay is considered each year by the Company's Remuneration Committee and approved by the Committee, whilst Company Director's pay/remuneration is recommended by the RAFCTE Boards and ratified by the Trustees. The Trustees set the pay of the Trust employees based on equivalent criteria. RAFCT staff pay (including Key Management Personnel) is benchmarked against similar charities and is approved by the Board of Trustees.

Charity Governance Code

The Charity Governance Code was reviewed by the Trustees during the year. Governance is kept under constant review and policies for audit, risk, governance, and grant committees were all updated. The Board of Trustees continued to lead significant work to implement a new Strategy for the Group and a Future Desired State that sets the strategic intent for the next 5 years.

Fundraising

The RAFCT had no fundraising activities requiring disclosure under S162A of the Charities Act 2011. The Charity does not door-to-door fundraise or proactively seek to fundraise other than through their website and through its key events but is grateful of donations that are received each year. The Charity does not have a fundraising department.

**THE ROYAL AIR FORCE CHARITABLE TRUST
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

OBJECTIVES AND ACTIVITIES UPDATE

As part of an ongoing strategic review, Trustees have reviewed the stated mission to 'Promote, Support & Encourage'¹ and after consultation with key partners that include the RAF, RAF charities and beneficiaries, the Board of Trustees agreed that a refinement of the current objects were necessary to modernise and keep RAFCT relevant. The Charity has always had as a key element of its work to promote aviation-related education, particularly of young people, and thereby to promote recruitment to the Royal Air Force. Under the Charity's proposed Five-Year Strategy this will become even more prominent in the work of the Charity. In the light of the establishment of UK Space Command in April 2021, the Charity also intends to promote interest in and to educate young people about space operations with a focus on the future.

The proposed new wording of the objects (see Plans for Future Periods page 10) reflects more clearly the educational work of the Charity and the work to be done to inspire young people to fulfil their potential in air and space and as members of the wider community.

Additionally, the objects continue to complement the work undertaken by the other RAF Charities such as the RAF Benevolent Fund, the RAF Central Fund, the RAF Association and the RAF Museum. Trustees have reiterated their belief that the delivery of their current, and proposed objectives is principally achieved through the staging of the Royal International Air Tattoo (RIAT) and other airshows, however, Trustees are focussed on widening the potential scope of future opportunities both with the commercial arm and also fundraising activities.

Throughout the last year, the Charity has maintained the principal awards funded by the Trust, and with, on occasion, third parties including the Royal Air Force Flying Clubs' Association (RAFFCA), the Royal Air Force STEM² organisation, the Arkwright Trust, Primary Engineer and the Air Cadet Organisation. Due to the impact of COVID-19 Trustees have been restricted in being fully able to meet their objectives with the cancellation of RIAT 20 and RIAT 21 and the limited opportunity to implement grants during national lockdowns and its associated effects. However, Trustees were able to authorise a number of strategic grants and were able to continue to oversee the Trust's governance and financial arrangements, working closely with the RAF, the RAF family of charities, their current partners, and the Air Cadet Organisation to ensure that Trust grants and activities were able, where possible, to be delivered to maximum effect.

PUBLIC BENEFIT

By its support for recruitment to the RAF, the Trust contributes towards the sustainment of the Service. Furthermore, the grants awarded by the Trust to promote the efficiency of the Royal Air Force have a positive effect on the military effectiveness of the UK's air power. The Trust's work to promote an understanding of and interest in aviation and STEM subjects supports the national employment base. The Royal International Air Tattoo is a major showcase for the Royal Air Force and the considerable international attendance provides a significant opportunity for UK Defence Diplomacy and influence to be reinforced. Having considered the Charity Commission guidance on public benefit, the Trustees believe that there is direct public benefit derived from the work of the Royal Air Force Charitable Trust in the sustainment and effectiveness of the Royal Air Force, which constitutes a significant element of the defence of the Realm. Additionally, a number of young people are provided with an opportunity to succeed by the giving of flying scholarships, engineering scholarships and grants that offer the ability to learn about and progress in aviation and engineering. The proposed amendments to the Charities objectives will reinforce the public benefit. The Trustees confirm they have considered Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit.

¹ The mission of the Royal Air Force Charitable Trust is to PROMOTE the Royal Air Force, to SUPPORT its people now and into the future and to ENCOURAGE air-mindedness and the aviation-related education of young people.

² Science, Technology, Engineering and Mathematics.

**THE ROYAL AIR FORCE CHARITABLE TRUST
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The Trust made grants totalling £171,722 (2020: £73,554), however, due to the inability of some grants to proceed because COVID-19 conditions prohibited their use, a number of grants both granted in year and in the previous financial year were returned to RAFCT resulting in a positive credit position totalling (£27,186).

This was understandably a much-reduced total when compared to historical grant commitments. All grant flying activity continued to be suspended during this time along with all Air Cadet AT activity and face-to-face activity cancelled. However, through lockdown some of the Trust's principal grants proved their worth.

Despite the reduced grant funding in 2021, investment in STEM remained a key focus for the Trust building on its work with young people through its steady support of the RAF Air Cadets and the RAF STEM Team.

Among the successful collaborations between RAFCT and the RAF's Youth & STEM Team is the joint sponsorship of the Scouts' staged Air Activities badge. Launched at RAF Cosford in 2019, and due to run for an initial period of three years, this partnership has proved hugely successful in developing new and exciting STEM-focussed resources, activities and events that enable all Scout sections, from Beavers to Explorer Scouts, to explore the secrets and science of flight. Over 60,000 badges were awarded in 2021 and the Scout organisation have been so impressed with quality of the online resources created that they have given a fourth year of sponsorship at no extra charge.

In 2021, discussions with our partners about how more young people could be engaged in STEM activities both in the build up to, and during RIAT, led to the creation and funding of the Road to RIAT Competition involving 200 schools from the islands of Scotland to the tip of Cornwall. Funded by RAFCT and delivered by our partners in schools, the competition creates entries which will be judged by an expert panel and the regional winners will compete in a grand final competition at RIAT in July 2022. The STEM days and competitions are aerospace and space challenges, giving the primary school aged students chance to discover how gliders and rockets work, and to be inspired into learning more.

As the country began to open up after the series of lockdowns, RAFCT supported Royal Air Force Air Cadets as they swapped their online learning for hiking and exploring, reinvigorating squadrons and giving some the chance to gain Duke of Edinburgh's Awards. Teamwork, planning, and navigation were amongst some of the useful skills learned and well as a much-needed experience for many young people. Amongst these expeditions, 12 cadets from London went climbing, trekking and canoeing in the Lake District. These young people were chosen by their unit to give them a break away from a challenging time at home, such as helping younger siblings with schoolwork while parents worked at home.

**THE ROYAL AIR FORCE CHARITABLE TRUST
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GRANTS

Grant Detail	Awarded	Returned
Sir Mike Knight Pilot Scholarship Scheme 2020 (8) (Air Cadets)		-£93,808.00
Ulysses Trust 2650 Winchester to Aberdovey		-£1,714.00
Paul Bowen Award University Air Squadron Adventurous Training		-£25,000.00
Scouts Air Activities badge sponsorship year 3 of 3	£40,000.00	
Junior Ranks Pilot Scholarship Scheme 2021	£49,760.00	
Junior Ranks Pilot Scholarship Scheme 2021		-£49,760.00
Junior Officers Pilot Scholarship Scheme 2021	£9,330.00	
Junior Officers Pilot Scholarship Scheme 2021		-£9,330.00
JRPSS Top Up Scheme 2021	£13,250.00	
JRPSS Top Up Scheme 2021		-£13,250.00
Ulysses Trust 2734 HQAC West Coast Scotland	£2,200.00	
Ulysses Trust 2734 HQAC West Coast Scotland		-£2,200.00
Ulysses trust 2739 B&G Wg Highlands Scotland	£3,846.00	
Ulysses Trust 2739 B&G Wg Highlands Scotland		-£3,846.00
Arkwright Engineering Scholarships (5)	£11,000.00	
Ulysses Trust 2751 Longbenton Lake District	£4,719.00	
Ulysses Trust 2767 HQAC West coast sailing	£2,292.00	
Ulysses Trust 2775 452 Hornchurch Lakes	£624.00	
Smallpeice Trust RIAT STEM Competition	£34,701.00	
	£171,722.00	-£198,908.00
		-£27,186.00

ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES - ROYAL INTERNATIONAL AIR TATTOO

RIAT 21 was due to have been the 50th Anniversary of the Air Tattoo. However, after the Government announced a third national COVID-19 lockdown on 6 January 21 the RAFCTE Board took the view at that time that an early cancellation was necessary to avoid the potential risk to public health and the risk of financial exposure, Trustees were fully supportive of this decision.

Following the RIAT 21 cancellation, the RAFCTE Board produced a Recovery Plan which set out the immediate actions needed to reduce the Company's overheads, generate new revenue and re-design business processes to ensure the successful delivery of RIAT 22. With significant pressure on the business, a 'minimise' approach was taken on all expenditure and whilst the Coronavirus Job Retention Scheme (CRJS) undoubtedly helped, the difficult decision was taken by the RAFCTE Board to restructure the organisation which resulted in a 20 per cent reduction in staff numbers. Significantly, in recognition of the value placed in its trading company, in May 21, the Board of Trustees agreed a Capital Contribution of £1.7M in FY 20/21 which enabled the RAFCTE Board to confirm with confidence that the business remained a going concern.

With no airshow for a second successive summer, the RAFCTE looked to build on the critically acclaimed inaugural Virtual Air Tattoo (vAT) that was staged in 2020. This free-to-view online event, streamed from the Company headquarters in Fairford, received an excellent response. With this new initiative firmly established, the Company has begun exploring a variety of income models that would see the vAT start to generate revenue in 2022 and beyond.

**THE ROYAL AIR FORCE CHARITABLE TRUST
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Volunteers

Under normal operating years we would have been delighted to welcome the thousands of dedicated service and civilian volunteers who make such a significant contribution and without whose help and loyal support the annual staging of RIAT would not be possible. Volunteers have been intrinsic to the Royal International Air Tattoo and RAFCT's consequent ability to support a wide range of charitable giving since the Air Tattoo's inception in 1971. An Air Tattoo volunteer chooses to contribute time and skill for the benefit of the annual Air Tattoo and the parent charity, and this event would not be viable without their participation.

Each year approximately 1,200 volunteers support the Air Tattoo, many giving over a week of their time to augment the small team of permanent and temporary staff who organise the event year-round. There are a range of skills brought by volunteers, and some are highly specialised. Some examples include those who support aircraft operations, such as engineers, aircraft refuelling, and follow-me drivers who help the aircraft move about RAF Fairford safely. There is also an experienced and dedicated team of Air Traffic Controllers who ensure that aircraft are able to operate safely in the airspace around RAF Fairford. Other roles include medical specialists who run the RIAT Medical Centre and the Site Team who work behind the scenes to ensure that everything is safely in place when the gates open to the general public and all our visitors each day.

In addition to our volunteers, we also receive essential support from the Royal Air Force and approximately 1,000 cadets and staff from the Royal Air Force Air Cadets, providing essential 'summer camps' for cadets.

PRINCIPAL RISKS AND GOING CONCERN

In 2021, following a wider strategic review of the Group, Trustees began implementing a revised Risk Framework with an updated policy and new frameworks for all Risk Registers. These are utilised regularly throughout the organisation. Significantly, the Finance, Audit and Risk Assurance Committee has led this process and has ensured stringent audit and monitoring of key Risks to both the charity and the wider Group. This has led to key current risks being correctly mitigated to reduce the overall impact. For instance, one key risk such as the cancellation of the 2023 RIAT is balanced through prudent financial planning and the evaluation of the reserves policy. Similarly, another key risk such as a national mourning period over the timescales of RIAT have been analysed in depth as a consequence of the Risk Framework in place.

On reviewing the Going Concern of RAFCT, the Board of Trustees considered the viability of RAFCTE as a substantial income generator, and its own budgeting approach to mitigate future uncertainties.

RAFCT review of RAFCTE Business Plan

The RAFCTE Board took the decision to develop three financial projections for the financial year 2021/22 largely based on differing income and expenditure outcomes for RIAT 2022. The Recovery Plan has now been superseded by the Company Business Plan (FY21/22 to 24/25) detailing RAFCTE's growth strategy over the next four years. Among its key objectives are to:

- recover from the COVID-19 legacy by delivering a significant profit in 21/22.
- identify and establish a portfolio of new and enduring commercial projects and events from 2023
- optimise the Company's relationships with key stakeholders and customers to generate new revenue.

RAFCT reviewed and approved the Company Business Plan and supported the financial modelling which included alternative financial projections.

RAFCT Risk Management through budgeting and reserves

Acting prudently, the RAFCT Board approved a multi-year budget with a reduced grant scheme to mitigate the potential lost income from RAFCTE until post RIAT23. The multiyear budget was set with a new reserves policy to ensure RAFCT could honour all outstanding grant commitments and maintain an acceptable grant commitment for the next three years.

**THE ROYAL AIR FORCE CHARITABLE TRUST
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FINANCIAL REVIEW

During the year RAFCTE and the Charity placed surplus cash on fixed term bank deposit whenever cash flow prediction allowed. This generated a return of £616 (*7 months to 30 September 2020: £8,307*).

Despite the operating loss during Financial Year 20/21, Trustees noted the Group remains in a stable financial position, with RAFCTE securing Government support through CJRS and CBILS. The company had claimed additional CJRS funding of £364,638 (*7 months to 30 September 2020: £343,984*) through to the end of September 2021 and a 6-year £1,530,000 loan under the CBILS. These funds and financial instruments will help to maintain the Company's operations through the ongoing crisis and have enabled the Group to continue to manage the liquidity risk by maintaining a balance between the continuity of funding and flexibility through the availability of adequate cash reserves.

Consolidated (i.e. for both the Trust and the Trading companies) income for the period was £608,883 (*7 months to 30 September 2020: £2,026,801*) of which £599,326 (*7 months to 30 September 2020: £2,008,728*) related to the trading activities of RAFCTE and £NIL (*7 months to 30 September 2020: £NIL*) to SAL. Expenditure for the period was £2,552,744 (*7 months to 30 September 2020: £2,289,074*) of which £2,451,637 (*7 months to 30 September 2020: £2,148,083*) was attributable to RAFCTE. This resulted in net deficit of £1,943,861 (*7 months to 30 September 2020: £262,273*). The expenditure by RAFCTE is predominately associated with the staging of RIAT which delivers to the Trust's objective of promoting the Royal Air Force. Scampton Airshow Ltd (SAL) did not trade in the period. These costs can therefore be considered as a cost associated with the group's expenditure on delivering the charitable activities of the Trust.

The Trust activity is shown in the financial statements. Gross income to the Trust in the year was £9,557 (*7 months to 30 September 2020: £18,073*) of which £Nil (*7 months to 30 September 2020: £Nil*) was covenanted from RAFCTE. RAFCT operating and governance costs were £8,396 (*7 months to 30 September 2020: £9,451*) and grants of £27,186 credited back to the Trust (*7 months to 30 September 2020: £73,554*) were made, details of which are shown above.

Consolidated net assets were £1,519,813 (*2020: £3,463,674*) at the balance sheet date, of which negative £1,586,308 (*2020: £266,002*) represents retained losses (*2020: profits*) of RAFCTE, £Nil the retained profits of SAL (*2020 £Nil*) and £1,519,913 (*2020: £3,463,674*) represents the Trust's unrestricted fund and £100 (*2020 £100*) the restricted funds.

The RAFCTE fund is in deficit at the year-end as a result of the RIAT 20 and RIAT 21 shows being cancelled. Trustees are confident that RIAT 22 will go ahead as planned and will be profitable and therefore, reduce the deficit as seen at 30 September 2021.

The Trustees consider that, despite the cancellation of RIAT 20 and RIAT 21, both the Trust and its trading subsidiary RAFCTE are financially healthy and well placed not only to meet the demands of on-going financial commitments, but also to take advantage of opportunities that may arise in forthcoming years.

The financial statements comply with current statutory requirements, the Statement of Recommended Practice (FRS102) and the Trust's CIO Articles and Memorandum of Association dated 1 December 2017. The financial statements have also been prepared with due regard to guidance published by the Charities Commission on the operation of the Public Benefit.

RESERVES POLICY

The RAFCTE traditionally provides the main revenue for the Trust through a range of activities including the Royal International Air Tattoo, RAF Band Concert Tours, other event management activities and sales of merchandise. As profits from some of these events have historically been potentially vulnerable to weather and other exigencies, the Trustees have maintained a minimum reserve of £400,000, although in recent years the level of cash reserves has been much higher. This year, the sustained impact of COVID, has resulted in a review of the charity's reserve policy and the consideration of its wider cash holdings and has resulted in a comprehensive reassessment. The Board of Trustees agreed a new reserves policy that outlined the treatment of free reserves and further established a Designated Fund with three subcategories:

**THE ROYAL AIR FORCE CHARITABLE TRUST
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

- Investment to further the charitable purposes
- Working Capital Management reserve in response to future income volatility
- Exit Contingency

Under these conditions, the Trust remains in a good position to continue its work and meet its aims and intent.

The Trustees note that at the year-end Trust reserves totalled £3,106,121 (2020: £3,197,672) of which £100 is restricted (2020: £100). Within those reserves the Trust's cash balances totalled £1,906,681 (2020: £2,149,741), against which the Trust has made Grant commitments that have yet to be paid of £146,493 (2020: £335,022), with uncommitted and liquid funds of £1,295,528 (2020: £2,262,450), as compared to the minimum reserve of £400,000 requirement set out in the Trust's reserves policy. Under the Designated Fund, £1,700,000 was designated under further investment, £315,763 was a working capital Management Reserve and £36,774 was for an exit contingency.

PLANS FOR FUTURE PERIODS

The Board of Trustees' decision to update the Charity's objects (subject to ratification by the Charities Commission) is a key element in driving the new Strategy of the Group forward. This will entail a rebrand of the Group and a focus on delivering against the new objects which are:

- To advance education in aviation, space operations and Science, Technology, Engineering and Maths (STEM) subjects.
- To advance in life young people through events, grants and activities that provide access to and involvement in forward-looking air and space opportunities; and that empower them to contribute to and fulfil their potential in society.
- To promote recruitment to and the efficiency of the Royal Air Force (RAF) by placing the RAF at the heart of a programme of world-class events and activities.

The RAFCT will continue to look for opportunities to refine and promote its aims and, in doing so, will remain fully engaged with the RAF, the other RAF Charities, the Air Cadet Organisation and our key partners. Following a second challenging year, Trustees are principally concerned with protecting the Charity, supporting the Group through to a successful Airshow in 2022 and diversifying its activity. There remain key challenges as we move to a re-launch of the charity as part of recovery post the cancellation of RIAT 20 and RIAT 21 and the Trustee Board are content with the considerable progress made in defining its future desired state and governance. Charitable grants made by the RAFCT are likely to continue to be at a reduced level while the Group consolidates its position through the next 12 months. However, Trustees are confident that RIAT 22, following considerable work over the last year, will place the Group in a strong position in the years to come.

**THE ROYAL AIR FORCE CHARITABLE TRUST
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Statement of Trustees' responsibilities

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

Charity law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and the Group and of the incoming resources and application of resources, of the Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the Charity's transactions, disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

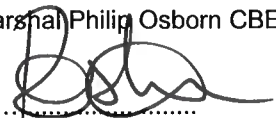
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418 (2) of the Companies Act 2006) of which the group's auditors are unaware and each Trustee has taken all the steps that he or she ought to have taken as a Trustee in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

The Trustees' Report and Strategic Report is signed on behalf of the Trustees by:

Air Marshal Philip Osborn CBE

Date



21 May 2022

THE ROYAL AIR FORCE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL AIR FORCE CHARITABLE TRUST

Opinion

We have audited the financial statements of The Royal Air Force Charitable Trust (the 'parent charity') and its subsidiaries (the 'group') for the year ended 30 September 2021 which comprise the Consolidated statement of financial activities, the Charity statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 30 September 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

THE ROYAL AIR FORCE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL AIR FORCE CHARITABLE TRUST (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Trustees' report is inconsistent in any material respect with the financial statements; or
- the parent Charity has not kept sufficient accounting records; or
- the parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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 Group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

THE ROYAL AIR FORCE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL AIR FORCE CHARITABLE TRUST (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and the timing of recognition of income. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases, designing audit procedures over the timing of recognition of income, reviewing regulatory correspondence and reading of minutes of meetings of those charged with governance.

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

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

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

Use of our report

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

THE ROYAL AIR FORCE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL AIR FORCE CHARITABLE TRUST (CONTINUED)

Crowe UK LLP.

Crowe U.K. LLP
Statutory Auditor
Fourth Floor
St James House
St James Square
Cheltenham
GL50 3PR

Date: 23 June 2022

Crowe U.K. LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE ROYAL AIR FORCE CHARITABLE TRUST

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Note	Restricted funds Year ended 30 September 2021 £	Unrestricted funds Year ended 30 September 2021 £	Total funds Year ended 30 September 2021 £	<i>Total funds 7 months ended 30 September 2020 £</i>
Income from:					
Donations and grants	3	-	373,886	373,886	359,694
Other trading activities	4	-	234,381	234,381	433,680
Investments	5	-	616	616	8,307
Other income	6	-	-	-	1,225,120
Total income		-	608,883	608,883	2,026,801
Expenditure on:					
Raising funds	7	-	2,571,534	2,571,534	2,206,069
Charitable activities	8	-	(18,790)	(18,790)	83,005
Total expenditure		-	2,552,744	2,552,744	2,289,074
Net movement in funds		-	(1,943,861)	(1,943,861)	(262,273)
Reconciliation of funds:					
Total funds brought forward		100	3,463,674	3,463,774	3,726,047
Net movement in funds		-	(1,943,861)	(1,943,861)	(262,273)
Total funds carried forward		100	1,519,813	1,519,913	3,463,774

The notes on pages 21 to 43 form part of these financial statements.

THE ROYAL AIR FORCE CHARITABLE TRUST

**CHARITY STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Restricted funds	Unrestricted funds	Total funds	<i>Total funds 7 months ended 30 September 2020 £</i>
	Year ended 30 September 2021 £	Year ended 30 September 2021 £	Year ended 30 September 2021 £	
Income from:				
Donations	-	9,248	9,248	15,710
Investments	-	309	309	2,363
	-	9,557	9,557	18,073
Total income				
Expenditure on:				
Raising funds	-	119,898	119,898	57,986
Charitable activities	-	(18,790)	(18,790)	83,005
	-	101,108	101,108	140,991
Total expenditure				
Net movement in funds	-	(91,551)	(91,551)	(122,918)
Reconciliation of funds				
Total funds brought forward	100	3,197,672	3,197,772	3,320,690
Net movement in funds	-	(91,551)	(91,551)	(122,918)
Total funds carried forward	100	3,106,121	3,106,221	3,197,772

THE ROYAL AIR FORCE CHARITABLE TRUST

**CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2021**

Charity Number:1176054

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	1,183,401	1,260,208
		1,183,401	1,260,208
Current assets			
Stocks	15	96,693	-
Debtors	16	828,390	623,478
Cash at bank and in hand		5,801,538	6,403,636
		6,726,621	7,027,114
Creditors: amounts falling due within one year	17	(5,166,109)	(3,319,048)
		1,560,512	3,708,066
Net current assets			
		2,743,913	4,968,274
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	18	(1,224,000)	(1,504,500)
		1,519,913	3,463,774
Total net assets			
		1,519,913	3,463,774
Charity funds			
Restricted funds	19	100	100
Unrestricted funds			
Designated funds	19	(1,586,308)	266,002
General funds	19	3,106,121	3,197,672
		1,519,813	3,463,674
Total unrestricted funds	19	1,519,813	3,463,674
		1,519,913	3,463,774
Total funds			

The financial statements were approved and authorised for issue by the Trustees on 21 May 2022 and signed on their behalf by:



Air Marshal Philip Osborn CBE
Trustee

The notes on pages 21 to 43 form part of these financial statements.

THE ROYAL AIR FORCE CHARITABLE TRUST

**CHARITY BALANCE SHEET
AS AT 30 SEPTEMBER 2021**

Charity number: 1176054

	Note	2021 £	2020 £
Fixed assets			
Investments	14	1,700,100	600,100
		1,700,100	600,100
Current assets			
Debtors	16	-	1,123,373
Cash at bank and in hand		1,906,681	2,149,741
		1,906,681	3,273,114
Creditors: amounts falling due within one year	17	(500,560)	(675,442)
		1,406,121	2,597,672
Net current assets		1,406,121	2,597,672
Total net assets		3,106,221	3,197,772
Charity funds			
Restricted funds	19	100	100
Unrestricted funds			
General funds	19	3,106,121	3,197,672
Total unrestricted funds	19	3,106,121	3,197,672
Total funds		3,106,221	3,197,772

The financial statements were approved and authorised for issue by the Trustees on 21 May 2022 and signed on their behalf by:



Air Marshal Philip Osborn CBE
Trustee

The notes on pages 21 to 43 form part of these financial statements.

THE ROYAL AIR FORCE CHARITABLE TRUST

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Year ended 30 September 2021 £	<i>7 months ended 30 September 2020 £</i>
Cash flows from operating activities		
Net cash used in operating activities	(969,789)	<i>(1,443,469)</i>
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,268)	<i>(2,925)</i>
Government grants received	364,638	<i>343,984</i>
Interest received	616	<i>8,307</i>
Net cash provided by investing activities	363,986	<i>349,366</i>
Cash flows from financing activities		
New secured loans	-	<i>1,530,000</i>
Repayments of borrowing	-	<i>(32,099)</i>
Interest paid	-	<i>(397)</i>
Net cash provided by financing activities	-	<i>1,497,504</i>
Change in cash and cash equivalents in the year	(605,803)	<i>403,401</i>
Cash and cash equivalents at the beginning of the year	6,403,193	<i>5,999,792</i>
Cash and cash equivalents at the end of the year	5,797,390	<i>6,403,193</i>

The notes on pages 21 to 43 form part of these financial statements

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities. Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The consolidated financial statements have been prepared under the historical cost convention.

The Royal Air Force Charitable Trust meets the definition of a public benefit entity under FRS 102.

The Charity has taken advantage of the exemptions in FRS 102 from the requirement to present a charity only Cash Flow Statement and certain disclosures about its own financial instruments within the consolidated financial statements.

These financial statements consolidate the results of the charity and its subsidiaries, The Royal Air Force Charitable Trust Enterprises (Company no: 02190393) and Scampton Airshow Limited (Company no: 10233810). Scampton Airshow Limited was dormant throughout the year.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. All intergroup transactions are fully eliminated on consolidation.

During the previous financial period, The Royal Air Force Charitable Trust shortened its accounting period from 29 February 2020 to 30 September 2020. The Royal Air Force Charitable Trust has the legal authority to shorten its year end in line with its governing documents. As such the prior year comparative figures are not directly comparable to the current year results.

1.2 Going concern

With the emergence of the Covid-19 pandemic, 2020 has brought unprecedented uncertainty and challenges. RIAT 2020, the group's usual main source of external revenue in each year, was cancelled in March 2020, potentially putting at risk the future financial security of the wholly owned subsidiary company (Royal Air Force Charitable Trust Enterprises "RAFCTE") at that time.

In January 2021, Government announced a third national lockdown and the second wave of the pandemic presented RAFCTE with unprecedented challenges. The decision was taken by the RAFCTE board on 12 February 2021 to cancel RIAT 21.

Nevertheless, substantial work has been performed in the period since the cancellation which the RAFCTE Directors are pleased to report has stabilised the current financial position. In Sept 2021, RAFCT, made a capital contribution of £1.7m which enabled the RAFCTE Board to confirm with confidence that the business remains a going concern and is well placed to deliver a world class event in 2022. The Directors remain confident that RIAT 2022 can evolve to meet the prevailing regulations and conditions we will face in July 2022. There of course remains a risk that RIAT 2022 might still face cancellation in these uncertain times; however, with the continuing support of our stakeholders, the Directors believe that we will continue to have access to sufficient cash to remain solvent.

In addition, the Trustees of the RAFCT are confident that the Charity has access to sufficient cash,

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. Accounting policies (continued)

1.2 Going concern (continued)

alongside the ability to grant or withhold funds, to ensure the Charity will continue as a going concern.

Accordingly, the going concern basis continues to be adopted in preparing the financial statements of the Charity and the Group.

1.3 Income

Income from donations

Income from gifts/covenants is recognised in the financial statements when the Charity becomes entitled to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Income from other trading activities

The amounts shown in the Consolidated Statement of Financial Activities represents the value of all goods and services supplied to customers during the year, at selling price exclusive of Value Added Tax. Income is recognised at the point at which the Charity or Companies have fulfilled their contractual obligations to the customer. All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Government Grants: Job Retention Scheme: Income from government grants, whether 'capital' or 'revenue' grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Where entitlement occurs before income is received, the income is accrued. Where income is received in advance of the Charity having entitlement to the funds the income is deferred.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

Expenditure is accounted for on an accruals basis. Costs of raising funds reflect costs of RIAT, marketing, publicity and printing costs associated with enhancing public awareness of the Charity together with staff costs.

Grants payable have been recognised in the financial statements when the Charity has formally approved the individual institutions' application for grant monies, at the Trustees' Meeting and this has been communicated to the third party. Please refer to the Trustees' Annual Report for analysis of the grants awarded during the year.

Governance costs include expenditure directly attributable to the Trustees' statutory, constitutional and strategic duties and are disclosed in Note 9.

All expenditure is classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. Accounting policies (continued)

1.5 Taxation

As a registered charity, the Charity is entitled to taxation exemptions on all income and gains properly applied for its charitable purposes.

Tax is recognised in profit and loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Group operates and generates income.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Freehold land is not depreciated. Cost represents purchase price together with any incidental costs of acquisition. There is no capitalisation limit.

The carrying values of the tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable

Depreciation is provided on tangible fixed assets so as to write off the costs on a straight line basis, less any residual value, over their expected useful economic life as follows:

The estimated useful lives are as follows:

Freehold property	- 50 years
Motor vehicles	- 5 years
Fixtures and fittings	- 3 years

1.7 Investments

Programme related investments are initially measured at cost, and are measured subsequently at cost price adjusted for impairments where necessary.

Included within current investments are short term cash deposits.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Debtors

Trade debtors and accrued income are recognised at the settlement amount after any impairments. Prepayments are valued at the amount prepaid net of any trade discounts.

Included within the Charity's debtors and creditors are amounts owed from/to its subsidiaries which are recognised at the settlement amount after any impairments.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. Accounting policies (continued)

1.10 Cash, cash equivalents and current asset investments

Cash and current asset investments are represented by cash in hand and deposits with financial institutions. Cash equivalents and current investments are highly liquid and mature between 3 and 12 months.

1.11 Liabilities and provisions

Creditors are recognised where the Group and Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

1.12 Financial instruments

The Group and Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.13 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the consolidated Statement of Financial Activities on a straight line basis over the period of the lease.

1.14 Pensions

The Royal Air Force Charitable Trust and The Royal Air Force Charitable Trust Enterprises operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the entity pays fixed contributions into a separate entity. Once the contributions have been paid the entity has no further payment obligations.

The contributions are recognised as an expense in the Statement of Financial Activities when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance Sheet. The assets of the plan are held separately from the entity in independently administered funds.

The expense is recognised within unrestricted funds because this is the fund used to pay wages and salaries.

1.15 Redundancy costs

Redundancy and termination costs are accounted for on an accruals basis when the commitment to terminate a post on the grounds of redundancy has been made.

1.16 Volunteers

Volunteers help out with various aspects of the running of the annual Royal International Air Tattoo and we are very grateful for their contribution. Their contribution is in time only.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. Accounting policies (continued)

1.17 Fund accounting

The unrestricted funds are available for any purpose within the aims and objectives specified in the Trust Deed of the Charity.

Designated funds comprise general funds, which have been set aside at the discretion of the Trustees for specific purposes. The purpose of these are set out in Note 19.

Restricted funds are to be used in accordance with specific restrictions imposed by the donors and grant providers. The aim and use of the restricted funds are set out in Note 19.

2. Critical accounting estimates and areas of judgement

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

2.1 Useful economic lives of tangible fixed assets

The annual depreciation charge for the tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates, based on economic utilisation and the physical condition of the assets.

See Note 13 for the carrying amount of tangible fixed assets and Note 1.6 for the useful lives for each class of asset.

2.2 Recoverability of debtors

The Group and Charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See Note 16 for the net carrying amount of the debtors.

2.3 Historic accruals

In the instances where invoices are not received in relation to services that have been provided to The Royal Air Force Charitable Trust Enterprises and Scampton Airshow Limited, the Group makes an estimate of the expected cost to the Companies. When assessing the value of these accruals/provisions, management considers previous invoices relating to similar services and discussions held with the third parties in relation to the expected costs. Where invoices have not been received for 2 years, the accruals and provisions are written down over 5 years. See Note 17 for inclusion of the year end.

2.4 Stock

It is necessary to consider the recoverability of the cost of finished goods and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods, see Note 15.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

3. Income from donations and grants

	Unrestricted funds	Total funds	Total funds 7 months ended 30 September 2020
	Year ended 30 September 2021 £	Year ended 30 September 2021 £	September 2020 £
Donations	9,248	9,248	15,710
Government grants	364,638	364,638	343,984
Total year ended 30 September 2021	373,886	373,886	359,694
<i>Total 7 months ended 30 September 2020</i>	<i>359,694</i>	<i>359,694</i>	

4. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds	Total funds	Total funds 7 months ended 30 September 2020
	Year ended 30 September 2021 £	Year ended 30 September 2021 £	September 2020 £
RIAT Income	-	-	379,611
Other Income	57,272	57,272	8,166
Trading Income	165,539	165,539	7,618
Consultancy Income	11,570	11,570	38,285
Total year ended 30 September 2021	234,381	234,381	433,680
<i>Total 7 months ended 30 September 2020</i>	<i>433,680</i>	<i>433,680</i>	

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

5. Investment income

	Unrestricted funds	Total funds	<i>Total funds 7 months ended 30 September 2020</i>
	Year ended 30 September 2021 £	Year ended 30 September 2021 £	
Investment income	616	616	8,307
	<u>616</u>	<u>616</u>	
<i>Total 7 months ended 30 September 2020</i>	<u>8,307</u>	<u>8,307</u>	

6. Other incoming resources

	Unrestricted funds	Total funds	<i>Total funds 7 months ended 30 September 2020</i>
	Year ended 30 September 2021 £	Year ended 30 September 2021 £	
Insurance claims	-	-	1,225,120
	<u>-</u>	<u>-</u>	
<i>Total 7 months ended 30 September 2020</i>	<u>1,225,120</u>	<u>1,225,120</u>	

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

7. Expenditure on raising funds

Other trading expenses

	Unrestricted funds Year ended 30 September 2021 £	Total funds Year ended 30 September 2021 £	<i>Total funds Period ended 30 September 2020 £</i>
RIAT expenditure	51,253	51,253	491,816
Massed bands expenditure	-	-	6,195
Interest paid	-	-	397
Admin costs	560,235	560,235	173,059
Trading expenditure	78	78	29,683
Consultancy expenditure	11,570	11,570	38,210
Payroll costs	1,861,809	1,861,809	1,265,119
Depreciation	78,075	78,075	62,209
Administration expenses	8,514	8,514	139,381
	<u>2,571,534</u>	<u>2,571,534</u>	<u>2,206,069</u>
<i>Total 7 months ended 30 September 2020</i>		<u><u>2,206,069</u></u>	<u><u>2,206,069</u></u>

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds	Total funds	<i>Total funds 7 months ended 30 September 2020</i>
	Year ended 30 September 2021 £	Year ended 30 September 2021 £	<i>September 2020 £</i>
Charitable activities	(18,790)	(18,790)	83,005
	<hr/>	<hr/>	<hr/>
<i>Total 7 months ended 30 September 2020</i>	<i>83,005</i>	<i>83,005</i>	
	<hr/>	<hr/>	

The Royal Air Force Charitable Trust has cancelled or returned a number of grants for the year ended 30 September 2021 as a result of Covid-19 meaning the grantees could not undertake the activities for which the grants were originally granted. This has resulted in a credit balance within charitable activities expenditure.

9. Analysis of expenditure by activities

	Activities undertaken directly	Total funds	<i>Total funds 7 months ended 30 September 2020</i>
	Year ended 30 September 2021 £	Year ended 30 September 2021 £	<i>September 2020 £</i>
Charitable activities	(18,790)	(18,790)	83,005
	<hr/>	<hr/>	<hr/>
<i>Total 7 months ended 30 September 2020</i>	<i>83,005</i>	<i>83,005</i>	
	<hr/>	<hr/>	

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Support costs	Total funds	<i>Total funds 7 months ended 30 September 2020 £</i>
	Year ended 30 September 2021 £	Year ended 30 September 2021 £	
Grant expenditure	(27,186)	(27,186)	73,554
Governance costs	8,396	8,396	9,451
	(18,790)	(18,790)	83,005
	83,005	83,005	
<i>Total 7 months ended September 2020</i>			

Included within governance costs above for the charity is £886 (7 months ended 30 September 2020: £695) of travel and subsistence costs and £7,510 (7 months ended 30 September 2020: £8,756) of professional fees.

No grants to individuals were paid during the year.

10. Auditor's remuneration

	Year ended 30 September 2021 £	<i>7 months ended 30 September 2020 £</i>
Fees payable to the Charity's auditor in respect of:		
The auditing of the accounts of the Charity	3,500	3,500
The auditing of the accounts of the subsidiary entity	11,950	11,950
All assurance services not included above	3,776	3,776

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

11. Staff costs

	Group	<i>Group 7 months ended</i>	Charity	<i>Charity 7 months ended</i>
	Year ended 30 September 2021 £	<i>30 September 2020 £</i>	Year ended 30 September 2021 £	<i>30 September 2020 £</i>
Wages and salaries	1,624,573	<i>1,098,763</i>	92,478	<i>49,076</i>
Social security costs	145,178	<i>109,106</i>	6,768	<i>3,955</i>
Contribution to defined contribution pension schemes	92,058	<i>57,250</i>	4,200	<i>2,450</i>
	<u>1,861,809</u>	<i><u>1,265,119</u></i>	<u>103,446</u>	<i><u>55,481</u></i>

During the year there were redundancy, termination payments and restructuring costs of £160,506 (*7 months ended 30 September 2020: £nil*) in relation to agreements made with employees to end employment contracts. There was £nil outstanding at the year end (*7 months ended 30 September 2020: £nil*).

In addition to wages and salaries, costs totalling £55,575 (*7 months ended 30 September 2020: £9,027*) were incurred in relation to self employed contractors.

The average number of persons employed by the Charity during the year was as follows:

	Group	<i>Group 7 months ended</i>
	Year ended 30 September 2021 No.	<i>30 September 2020 No.</i>
Air shows	37	<i>49</i>
Other	2	<i>2</i>
	<u>39</u>	<i><u>51</u></i>

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

11. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group	<i>Group</i>
	Year ended	<i>7 months</i>
	30	<i>ended</i>
	September	<i>30</i>
	2021	<i>September</i>
	No.	<i>2020</i>
		<i>No.</i>
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	2	-
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
In the band £150,000 - £160,000	1	-

The Senior Management Team of the Group are deemed to be the Directors of each entity and the Trust Director. The remuneration for these teams amounted to £697,834 (*7 months ended 30 September 2020: £380,323*). This is inclusive of employer's national insurance and pension costs.

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (*7 months ended 30 September 2020: £Nil*).

During the year ended 30 September 2021, expenses totalling £694 were reimbursed or paid directly to 4 Trustees (*7 months ended 30 September 2020: £548 to 3 Trustees*) These related to travel and subsistence and professional fees.

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

13. Tangible fixed assets

Group and Charity

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 October 2020	1,663,394	52,763	645,540	2,361,697
Additions	-	-	1,268	1,268
At 30 September 2021	<u>1,663,394</u>	<u>52,763</u>	<u>646,808</u>	<u>2,362,965</u>
Depreciation				
At 1 October 2020	488,806	32,337	580,346	1,101,489
Charge for the year	23,714	5,846	48,515	78,075
At 30 September 2021	<u>512,520</u>	<u>38,183</u>	<u>628,861</u>	<u>1,179,564</u>
Net book value				
At 30 September 2021	<u>1,150,874</u>	<u>14,580</u>	<u>17,947</u>	<u>1,183,401</u>
<i>At 30 September 2020</i>	<u>1,174,588</u>	<u>20,426</u>	<u>65,194</u>	<u>1,260,208</u>

The net book value of freehold land and buildings includes £477,550 (2020: £477,550) of land which is not depreciated.

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

14. Fixed asset investments

Charity	Investments in subsidiary companies £	Social investments £	Total £
Cost or valuation			
At 1 October 2020	100	600,000	600,100
Additions	1,700,000	-	1,700,000
Repayment of programme related investment	-	(600,000)	(600,000)
At 30 September 2021	<u>1,700,100</u>	<u>-</u>	<u>1,700,100</u>
Net book value			
At 30 September 2021	<u>1,700,100</u>	<u>-</u>	<u>1,700,100</u>
At 30 September 2020	<u>100</u>	<u>600,000</u>	<u>600,100</u>

In 1994 the Charity made an interest free and unsecured loan of £600,000 to its subsidiary RAFCTE. The loan to RAFCTE was for the purpose of providing finance for activities which further Air Displays in accordance with the charitable objectives of the Charity and as a result the Trustees decided during 2016 to transform the debtor into a Programme Related Investment (Social investment). This was repaid by RAFCTE on 6 July 2021.

RAFCT made a further investment in RAFCTE totalling £1.7m during the financial year.

The Charity also owns £100 of Share Capital in SAL a dormant subsidiary.

For details of subsidiaries see Note 27.

15. Stocks

	Group 2021 £	Group 2020 £
Finished goods and goods for resale	<u>96,693</u>	<u>-</u>

Stock is stated after a provision of £6,781 (2020: £89,636).

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

16. Debtors

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Due within one year				
Trade debtors	394,763	100,756	-	-
Amounts owed by group undertakings	-	-	-	1,123,373
Other debtors	14,353	-	-	-
Prepayments and accrued income	419,274	522,722	-	-
	828,390	623,478	-	1,123,373

17. Creditors: Amounts falling due within one year

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Bank overdrafts	4,148	443	4,148	443
Bank loans	306,000	25,500	-	-
Trade creditors	78,451	49,070	-	35
Amounts owed to group undertakings	-	-	343,673	-
Corporation tax	63,379	63,379	-	-
Other taxation and social security	103,163	203,605	-	-
Other creditors	18,080	16,010	4,316	-
Accruals and deferred income	4,446,395	2,626,019	1,930	339,942
Grants accrued - institutional	146,493	335,022	146,493	335,022
	5,166,109	3,319,048	500,560	675,442

	Group 2021 £
Deferred income at 1 October 2020	2,205,069
Resources deferred during the year	2,051,048
	4,256,117

Included within deferred income are amounts which relate to future periods beginning on or after 1 October 2021.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

Note 17. (continued) Reconciliation of grant creditors - Group and Charity

	2021 £
Commitments at 1 October 2020	335,022
Grants awarded in the year	171,722
Grants paid in the year	(161,343)
Grants clawed back in the year	(198,908)
Commitments at 30 September 2021	146,493

18. Creditors: Amounts falling due after more than one year

	Group 2021 £	Group 2020 £
Bank loans	1,224,000	1,504,500

Included within the above are amounts falling due as follows:

	Group 2021 £	Group 2020 £
Between one and two years		
Bank loans	306,000	-
Between two and five years		
Bank loans	918,000	1,224,000
Over five years		
Bank loans	-	280,500

Secured loan

The bank loan totalling £1,530,000 is from Barclays Bank and is secured by a mortgage debenture incorporating a first legal charge over the freehold property and land at Douglas Bader House, Horcott Hill, Fairford, Gloucestershire, GL7 4RB. £25,500 is due for repayment no later than 30 September 2021. The net book value of the freehold land and property at the year end was £1,150,874 (2020: £1,174,588). An interest rate of 2.75% is applied to the balance of the fixed rate loan facility of £1,530,000.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

19. Statement of funds

Statement of funds - current year

	Balance at 1 October 2020 £	Income £	Expenditure £	Balance at 30 September 2021 £
Unrestricted funds				
Designated funds				
RAFCTE	266,002	599,326	(2,451,636)	(1,586,308)
General funds				
General Funds - all funds	3,197,672	9,557	(101,108)	3,106,121
Total Unrestricted funds	3,463,674	608,883	(2,552,744)	1,519,813
Restricted funds				
Restricted Funds - all funds	100	-	-	100
Total of funds	3,463,774	608,883	(2,552,744)	1,519,913

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

19. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 March 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 30 September 2020 £</i>
Unrestricted funds				
Designated funds				
RAFCTE	405,357	2,008,728	(2,148,083)	266,002
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
General funds				
General	3,320,590	18,073	(140,991)	3,197,672
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Unrestricted funds	<u>3,725,947</u>	<u>2,026,801</u>	<u>(2,289,074)</u>	<u>3,463,674</u>
Restricted funds				
Restricted Funds - all funds	100	-	-	100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total of funds	<u><u>3,726,047</u></u>	<u><u>2,026,801</u></u>	<u><u>(2,289,074)</u></u>	<u><u>3,463,774</u></u>

The RAFCTE Fund's purpose is to be used by the trading company to ensure there are enough funds to meet costs as they fall due, leading up to the RIAT each year.

Restricted funds

The RAF Waddington Fund was to fund the new air show at Scampton.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	1,183,401	1,183,401
Current assets	100	6,726,521	6,726,621
Creditors due within one year	-	(5,166,109)	(5,166,109)
Creditors due in more than one year	-	(1,224,000)	(1,224,000)
Total	100	1,519,813	1,519,913

Analysis of net assets between funds - prior year

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	1,260,208	1,260,208
Current assets	100	7,027,014	7,027,114
Creditors due within one year	-	(3,319,048)	(3,319,048)
Creditors due in more than one year	-	(1,504,500)	(1,504,500)
Total	100	3,463,674	3,463,774

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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

	Group Year ended 30 September 2021 £	<i>Group 7 months ended 30 September 2020 £</i>
Net expenditure for the year (as per Statement of Financial Activities)	(1,943,861)	<i>(262,273)</i>
Adjustments for:		
Depreciation charges	78,075	<i>62,209</i>
Interest received	(616)	<i>(8,307)</i>
(Increase)/decrease in stocks	(96,693)	<i>-</i>
(Increase)/decrease in debtors	(204,912)	<i>173,063</i>
Increase/(decrease) in creditors	1,562,856	<i>(1,064,574)</i>
Government grants	(364,638)	<i>(343,984)</i>
Interest paid	-	<i>397</i>
Net cash used in operating activities	<u>(969,789)</u>	<i><u>(1,443,469)</u></i>

22. Analysis of cash and cash equivalents

	Group 2021 £	<i>Group 2020 £</i>
Cash in hand	5,801,538	<i>6,403,636</i>
Overdraft facility repayable on demand	(4,148)	<i>(443)</i>
Total cash and cash equivalents	<u>5,797,390</u>	<i><u>6,403,193</u></i>

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

23. Analysis of changes in net debt

	At 1 October 2020 £	Cash flows £	Other non- cash changes £	At 30 September 2021 £
Cash at bank and in hand	6,403,636	(602,098)	-	5,801,538
Bank overdrafts repayable on demand	(443)	(3,705)	-	(4,148)
Debt due within 1 year	(25,500)	-	(280,500)	(306,000)
Debt due after 1 year	(1,504,500)	-	280,500	(1,224,000)
	<u>4,873,193</u>	<u>(605,803)</u>	<u>-</u>	<u>4,267,390</u>

24. Pension commitments

The pension cost charge for the period represents contributions payable to the defined contribution scheme and amounted to £92,058 (7 months ended 30 September 2020: £57,250). Contributions totalling £13,764 (2020: £16,010) were payable to the scheme at the end of the period and are included within other creditors.

25. Operating lease commitments

At 30 September 2021 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £
Not later than 1 year	-	1,770

The following lease payments have been recognised as an expense in the Statement of financial activities:

	Group 2021 £	Group 2020 £
Operating lease rentals	1,770	2,065

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

26. Related party transactions

Royal Air Force Charitable Trust Enterprises (RAFCTE)

The Royal Air Force Charitable Trust Enterprises is a wholly owned subsidiary of the Charity.

During the year, RAFCTE were reimbursed costs of £103,445 (*7 months ended 30 September 2020: £55,406*) which were paid on behalf of RAFCT. There was an outstanding balance of £10,101 due from RAFCT at the year-end (*2020: £1,123,373 - due to*).

Scampton Airshow Limited (SAL)

Scampton Airshow Limited is a wholly owned subsidiary of the Charity. The Company was dormant during the financial year.

RAF100

As part of a programme related investment RAFCT is a partner of RAF100.

Royal International Air Tattoo Flying Scholarships for Disabled People

This charity has a close relationship with the Royal Air Force Charitable Trust Enterprises Limited from which it derives its name.

During the year RAFCTE were reimbursed costs of £7,000 (*7 months ended 30 September 2020*) which were paid on behalf of the Royal International Air Tattoo Flying Scholarships for Disabled People. The amount payable to RAFCTE at year end was £nil (*2020: £nil*).

There were no other related party transactions during the year (*2020: None*).

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

27. Principal subsidiaries

The following was a subsidiary undertaking of the Charity. Ownership of RAFCTE is held by the Charity. As such RAFCTE is deemed to be a wholly owned subsidiary of the Trust. Under the Trust Deed the Trustees have the power to appoint and/or remove any corporation acting as their nominee, ultimate control of RAFCTE is therefore held by the Trust.

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
The Royal Air Force Charitable Trust Enterprises (RAFCTE)	02190393	Douglas Bader House, Horcott Hill, Fairford, Gloucestershire, GL7 4RB	Running the Royal International Air Tattoo (RIAT)
Class of shares	Included in consolidation		
Limited by guarantee	Yes		

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	(Loss) for the year £	Net assets £
The Royal Air Force Charitable Trust Enterprises (RAFCTE)	599,326	(2,451,636)	(1,852,310)	113,692

Assets totalled £6,332,561 and liabilities totalled £6,218,869, giving total net assets of £113,692.

THE ROYAL AIR FORCE CHARITABLE TRUST

England & Wales - Charity number 1176054

Accounts

THE ROYAL AIR FORCE CHARITABLE TRUST
CONSOLIDATED REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

Charity number: 1176054
CIO number: CEO12521

THE ROYAL AIR FORCE CHARITABLE TRUST
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7 MONTHS TO 30 SEPTEMBER 2020

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**THE ROYAL AIR FORCE CHARITABLE TRUST
OFFICERS AND PROFESSIONAL ADVISERS
7 MONTHS TO 30 SEPTEMBER 2020**

Registered Charity Name: The Royal Air Force Charitable Trust

Charity No: 1176054

Company No: CEO12521

Governing Document: CIO Articles and Memorandum of Association 1 December 2017

Trustees: Air Marshal Sir Kevin Leeson KCB CBE FREng CEng FIET (resigned 4 June 2020)
Mr Stephen Barrett
Mr Ian Beresford MBE FRAeS CEng FloD CDir
Mr Peter Brown MBE BSc
Mrs Felicity Chadwick-Histed BA MSc
Mr Raj Mody MA FIA
Air Marshal Philip Osborn CBE (appointed 12 March 2020)
Air Commodore Andy Sudlow MBE BSc FCMI
Lady (Delia) Thornton LLB Barrister-at-Law
Lady (Kate) Wigston LLB BA
Air Marshal Sir Julian Young KBE CB FREng (appointed 17 September 2020)

Trust Secretary: Group Captain Justine Morton OBE BA MA FCIPD

Principal Office: Douglas Bader House
Horcott Hill
Fairford
Gloucestershire
GL7 4RB

Independent Auditor: Crowe U.K. LLP
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Bankers: Barclays Bank Plc
Britannia Warehouse
The Docks
Gloucester
Gloucestershire
GL1 2YJ

Solicitors: Charles Russell LLP
8-10 New Fetter Lane
London
EC4A 1RS

**THE ROYAL AIR FORCE CHARITABLE TRUST
OFFICERS AND PROFESSIONAL ADVISERS
7 MONTHS TO 30 SEPTEMBER 2020**

Introduction

The Trustees present the consolidated group financial statements for The Royal Air Force Charitable Trust (RAFCT or Trust) for the 7 months to 30 September 2020, incorporating the results of the Trust's subsidiaries, The Royal Air Force Charitable Trust Enterprises Limited (RAFCTE or Company) and Scampton Airshow Limited (SAL), in each case for the year ended 30 September 2020. Following the last reporting period Trustees made the decision to alter the Trust's financial year end to align more effectively with the Group's operational year. Inevitably, the statements and results for the 7 months to 30 September 2020 and for the year to 28 February 2020 are not directly comparable.

Reference and administrative details

Reference and administrative details are shown in the schedule of officers and professional advisers on page 1.

The Trustees

The Trustees who served during the period up to when the financial statements were signed are as follows:

Air Marshal Sir Kevin Leeson KCB CBE FREng CEng FIET (resigned 4 June 2020)
Mr Stephen Barrett
Mr Ian Beresford MBE FRAeS CEng FloD CDir
Mr Peter Brown MBE BSc
Mrs Felicity Chadwick-Histed BA MSc
Mr Raj Mody MA FIA
Air Marshal Philip Osborn CBE (appointed 12 March 2020)
Air Commodore Andy Sudlow MBE BSc FCMI
Lady (Delia) Thornton LLB Barrister-at-Law
Lady (Kate) Wigston LLB BA
Air Marshal Sir Julian Young KBE CB FREng (appointed 17 Sep 2020)

STRUCTURE, GOVERNANCE AND MANAGEMENT

History and charitable objectives

The Trust was originally established in 1950 in England and Wales, with a grant of £30,000 from the then Air Council, the functions of which were later subsumed within the Ministry of Defence, to promote, present or co-operate in the organisation of air pageants and displays in order to promote the recruitment and efficiency of the Royal Air Force. The original Trust Deed stated that proceeds from such airshows might be used to further the aims of the charity, or for any other charitable purpose that would benefit past or present members of the Royal Air Force.

The Trust provided finance and administrative support for a number of airshows held at various locations, donating proceeds to the Royal Air Force Benevolent Fund for the benefit of serving and former members of the Royal Air Force directly from the Trust until 1987, and thereafter from The Royal Air Force Benevolent Fund Enterprises, the trading company established specifically to undertake its primary air show activity.

In 1994 the Charity Commission approved a revised Scheme of Administration, widening the permitted activities, but retaining the original objects, of the Trust, and following which the Trustees assumed the lead role in financing the airshow activity of the trading company, which in turn donated profits to the Trust.

Following a governance review in 2004, a decision was taken to alter the relationship between the Trust, the Benevolent Fund and the trading company. In January 2005, with the support of the Charity Commission, Royal Air Force, Ministry of Defence and Benevolent Fund, the Trust was renamed 'The Royal Air Force Charitable Trust' and registered as charity number 210848. The Trust then assumed ownership of the trading company from the Benevolent Fund and changed the company's name to 'The Royal Air Force Charitable Trust Enterprises' (RAFCTE).

**THE ROYAL AIR FORCE CHARITABLE TRUST
OFFICERS AND PROFESSIONAL ADVISERS
7 MONTHS TO 30 SEPTEMBER 2020**

On 1 March 2018, the current Trust was established as a charitable incorporated organisation (CIO) and registered as charity number 1176054 & CEO12521, and the assets and liabilities of the former Trust (charity number 210848) were transferred to the CIO. The former Trust remains in existence to ensure that any legacies that may be left to that Trust are not lost; and a 'uniting direction' was completed with the Charity Commission so that the former Trust and the current Trust/CIO are treated as a single charity for reporting and accounting purposes.

Governance

The Trustees are responsible for the governance of the Trust. The day to day running of the Trust is delegated to the Director of the Trust.

Trustees ordinarily meet in formal session 4 times per calendar year, holding occasional joint meetings with the Board of Directors of RAFCTE and SAL. However, due to the effect of COVID-19 on the Group's operations, there has been a temporary increase in the number of Trustee meetings throughout the reporting period. Additionally, the majority of these meetings were held remotely in accordance with government guidance.

The majority of Trust administrative activity is conducted electronically, including the circulation of policy documents, the approval of applications for grants and various other discussions. A matrix of Trustee competences is maintained and mapped to Trust business to ensure an adequate balance of skills is maintained within the Trustee body. Trustees' backgrounds include industry, law, commerce, finance, risk, and education, as well as service in the Royal Air Force. New Trustees are recruited through a number of avenues: through informal networks of current Trustees and the Royal Air Force and through more formal recruitment methods using advertisements and websites and recruitment agencies. The full board approves new Trustee appointments. New Trustees undergo an induction process and undertake a basic training package. Trustees maintain their currency through charity briefing updates and serve a maximum of 2 terms of 4 years. A strategy is in place to ensure timely and appropriate replacements with relevant skill sets.

Remuneration

RAFCTE staff pay is considered each year by the Company's Remuneration Committee and approved by the Committee, whilst Company Director pay/remuneration is recommended by the RAFCTE Board and ratified by the Trust Board. The Trust Board sets the pay of Trust employees based on equivalent criteria. RAFCT staff pay (including Key Management Personnel pay) is benchmarked against similar charities and approved by the Trust Board.

Charity Governance Code

The Charity Governance Code was reviewed by the Trustees during the year. The Trust's (and the Group's) governance is kept under constant review by the Trust Board, and work is underway to update the current governance structure with a refreshed framework for audit, risk, governance, and grant committees. Air Marshal Philip Osborn became the new Chairman of RAFCT on 4 June 2020 and, at the direction of the Trust Board, he now leads significant work to develop a new Strategy for the Group and a Future Desired State that will together set the strategic intent for the next 5 years.

Fundraising

RAFCT had no fundraising activities requiring disclosure under S162A of the Charities Act 2011. The Trust does not door-to-door fundraise or proactively seek to fundraise other than through the Group's websites or at RIAT, but is grateful for donations that are received each year. The Trust does not have a fundraising department.

**THE ROYAL AIR FORCE CHARITABLE TRUST
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7 MONTHS TO 30 SEPTEMBER 2020**

OBJECTIVES AND ACTIVITIES

As part of the ongoing work to develop a new Strategy for the Group and a Future Desired State, a review by the Trust Board of the stated mission to 'Promote, Support & Encourage'¹ will conclude during the coming financial year. Pending the outcome of that review, the Trust Board remains content that the current mission is an effective definition of the Trust's role in the Service charities sector, complementing the work undertaken by other RAF Charities such as the RAF Benevolent Fund, RAF Central Fund, RAF Association and RAF Museum. The Trust Board also continues to believe that delivery of the Trust's current objectives is principally achieved through the staging of the Royal International Air Tattoo (RIAT) and other airshows and the giving of grants. Trustees have instigated a series of awards and scholarships, funded by the Trust, and delivered through third parties including the Royal Air Force Flying Clubs' Association (RAFFCA), the Royal Air Force STEM² organisation, the Smallpeice Trust, and the Air Cadet Organisation. The impact of COVID-19 and cancellation of RIAT 20 have inevitably limited the opportunities available to the Trust fully to meet its charitable objectives during the reporting period. However, Trustees were able to authorise a limited number of grants, working closely with the RAF, the RAF family of charities, their current partners, and the Air Cadet Organisation to ensure that Trust grants and activities, where possible, were delivered to maximum effect.

PUBLIC BENEFIT

By its support for recruitment to the RAF, the Trust contributes towards the sustainment of the Service. Furthermore, the grants awarded by the Trust to promote the efficiency of the Royal Air Force have a positive effect on the military effectiveness of the UK's air power, through improved morale, more opportunities, and a better quality of life for Service personnel. The Trust's work to promote an understanding of and interest in aviation and STEM subjects supports the national employment base. The Royal International Air Tattoo is a major showcase for the Royal Air Force and the considerable international attendance provides a significant opportunity for UK Defence Diplomacy and influence to be reinforced. Having considered the Charity Commission guidance on public benefit, the Trustees believe that there is direct public benefit derived from the work of the Royal Air Force Charitable Trust in the sustainment and effectiveness of the Royal Air Force, which constitutes a significant element of the defence of the Realm. Additionally, a significant number of young people are provided with an opportunity to succeed by the giving of flying scholarships, engineering scholarships and grants that offer the ability to learn about and progress in aviation and engineering. The Trustees confirm they have considered Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The Trust made grants totalling £73,554 (2019/20 £734,983). Understandably in the context of what is said above this is a much-reduced figure compared with the previous year. All grant flying activity had to be suspended during this time along with all Air Cadet and face-to-face activity. However, through lockdown some of the Trust's principal grants proved their worth.

Among the successful collaborations between RAFCT and the RAF's Youth & STEM Team is the joint sponsorship of the Scouts' staged Air Activities badge. Launched at RAF Cosford in 2019, and due to run for an initial period of three years, this partnership has proved hugely successful in developing new and exciting STEM-focussed resources, activities and events that enable all Scout sections, from Beavers to Explorer Scouts, to explore the secrets and science of flight. Despite the challenges presented by the pandemic, the RAF's Youth & STEM Team, supported by RAFCT, was able to deliver content and subject-matter expertise to a number of Scouting 'events' including the Scouts' Great Indoors Weekender, the UK's biggest digital summer camp, which took place in July 2020.

¹ The mission of the Royal Air Force Charitable Trust is to Promote the Royal Air Force, to Support its people now and into the future and to Encourage air-mindedness and the aviation-related education of young people.

² Science, Technology, Engineering and Mathematics.

**THE ROYAL AIR FORCE CHARITABLE TRUST
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7 MONTHS TO 30 SEPTEMBER 2020**

Designed to spark an interest in the wonder of aviation, many of the resources and activities underpinning the Air Activities badge have an international reach, with some sessions run by STEM Ambassadors as far away as the Falkland Islands. In the 7 months to September 2020, 35,000 Air Activities badges were awarded, a particularly impressive achievement considering how much learning had to be conducted online during this period. Indeed, so valuable has the engagement proved that the Scouts offered to extend the sponsorship period by an extra year at no extra cost.

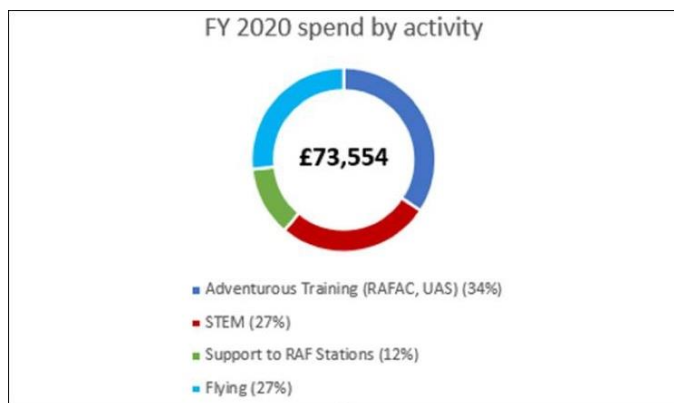
Happily therefore, an element of the Trust's work has continued to successfully reflect the three elements of the mission despite the significant challenges faced by the Group during the reporting period. The Trustees continue to work to increase their reach through partnership with organisations that hold similar objectives to RAFCT and this work continues to progress well.

The impact of the Trust's work includes significant improvements to the quality of life and the well-being of personnel on a number of RAF Stations through the provision of funding for equipment, and support for adventurous training (AT) and sports teams. Trustees are pleased to report that a small number of grants of this nature was awarded during the summer.

Investment in STEM and flying activity remains a key focus for the Trust building on its work with young people through its steady support of the RAF Air Cadets, awarding a wide range of grants from STEM packs to flying scholarships; and to grants to the RAF supporting youth development: its headlining Junior Ranks Pilot Scholarship Scheme continues to be a popular and rewarding programme and it is expected to be ever-popular once students can get back in the skies once more.

GRANTS

Please refer to the website - <http://www.airtattoo.com/the-trust/how-the-money-is-spent> for a detailed breakdown of all the grants awarded in the year and to which institutions.



ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES - ROYAL INTERNATIONAL AIR TATTOO

The decision to cancel RIAT20 as a result of the COVID-19 pandemic was announced on 20 March 2020. The RAFCTE Board took the view at that time that an early cancellation was essential to avoid the potential risk to public health; a position that was justified when a national lockdown came into force the following week. Furthermore, an early decision to cancel ensured that the Company limited its financial exposure and could continue to trade to deliver future RIATs and events. Trustees were fully supportive of this decision. The response from all stakeholders was extremely positive and approximately 70% of the public decided to roll-over their tickets to RIAT21; with all corporate sponsors deciding to roll-over and support the Group.

Although running RIAT, the UK's largest military airshow, is the Company's principal activity, it also normally offers consultancy services to other airshows and had additionally planned to stage two concerts in March 2020. Owing to the COVID-19 pandemic, these concerts and supported airshows were also regrettably cancelled.

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With no event in the summer, RAFCTE quickly developed an alternative offer by developing a virtual Air Tattoo (vAT) over the planned RIAT weekend in July. Featuring interviews, historic footage, new RAF, international and industry material, along with 'virtual' flying displays, this new concept proved a great success. The vAT also provided an opportunity to sell vAT merchandise as well as launch tickets for the planned RIAT21 event. The 2020 virtual Air Tattoo received an excellent response, and it was decided to deliver the event free of charge to the public in recognition of their loyalty and support. It is now likely that this virtual activity will become an annual occurrence.

Throughout the reporting period work was undertaken to scope what a COVID-safe RIAT21 might look like. Several early event models were developed to enable the planned Airshow to adapt to whatever restrictions might be in place at the time of delivery, assuming public gatherings would be permitted by July 2021. In undertaking this work, RAFCTE worked closely with the relevant Local Authority's Event Safety Advisory Group which included representation from Public Health England. Throughout the planning stage, safety remained RAFCTE's number one priority and all key processes, risk assessments and documentation were again under review; where relevant, external subject matter experts were involved. RAFCTE policies and its operational delivery model remain totally compliant with the Military Aviation Authority and Civil Aviation Authority Regulations and often exceed the stringent requirements imposed to ensure that RIAT's proud safety record is maintained.

Notwithstanding the inevitable financial challenges resulting from cancellation of RIAT20, the business remained in a stable financial position assisted by Government COVID-19 financial support and, following the cancellation of RIAT20, insurance recoveries totalling £1,225,120.

Volunteers

Under normal circumstances we would have been delighted to welcome the thousands of dedicated service and civilian volunteers who make such a significant contribution and without whose help and loyal support the annual staging of RIAT would not be possible. Volunteers have been intrinsic to the Royal International Air Tattoo and RAFCT's consequent ability to support a wide range of charitable giving since the Air Tattoo's inception in 1971. The Air Tattoo volunteers choose to contribute their time and skills for the benefit of the annual Air Tattoo and the Trust's charitable endeavours, and the event that is RIAT would not be viable without their participation.

Each year approximately 1,200 volunteers support the Air Tattoo, many giving over a week of their time to augment the small team of permanent and temporary staff who organise the event year-round. There are a range of skills brought by volunteers, and some are highly specialised. Some examples include those who support aircraft operations, such as engineers, aircraft refuelling, and follow-me drivers who help the aircraft move about RAF Fairford safely. There is also an experienced and dedicated team of Air Traffic Controllers who ensure that aircraft are able to operate safely in the airspace around RAF Fairford. Other roles include medical specialists who run the RIAT Medical Centre and the Site Team who work behind the scenes to ensure that everything is safely in place when the gates open to the general public and all our visitors each day.

In addition to our volunteers we also receive essential support from the Royal Air Force and approximately 1,000 cadets and staff from the Royal Air Force Air Cadets, providing essential 'summer camps' for cadets.

POST BALANCE SHEET ACTIVITIES

In January 2021, the Government announced a third national COVID lockdown and the second wave of the pandemic presented the Group with unprecedented challenges. To reduce further financial exposure, a decision was taken by the RAFCTE Board to cancel RIAT21, as announced on 16 February 2021. This second consecutive cancellation of RIAT placed significant pressure on the business and so a 'minimise' approach was promptly imposed on all expenditure. Again, happily, only 10% of public ticket holders asked for a refund whilst the majority of sponsors agreed to roll-over their funding to RIAT22. Nevertheless, recognising the potential risk of reliance on deferred income to support the Company's ongoing overheads, and that insurance cover for a RIAT cancellation arising from communicable diseases including COVID-19 would no longer be available, the Trust Board asked the Company's Directors to develop for its review a RAFCTE Recovery Plan setting out how RAFCTE planned to address the financial and operational

**THE ROYAL AIR FORCE CHARITABLE TRUST
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consequences of two cancellations of RIAT and how RAFCTE would deliver a safe and profitable RIAT22. Following receipt at the Trust Board of a mature and reviewed RAFCTE Recovery Plan, Trustees determined that a 'one-off' Capital Contribution payment by the Trust to RAFCTE of £1.7M would assist the Company, and strengthen RAFCTE's Balance Sheet in order to position the Group for delivery of a successful RIAT22. In reaching their decision to make this Capital Contribution Trustees were keenly aware of the significant financial contribution that RAFCTE has made to the Trust over the years and that, through delivery of RIAT, RAFCTE has contributed and will continue to contribute directly to RAFCT's key charitable objectives.

The Trust Board remains confident that the charity has access to sufficient cash reserves to ensure the Group will continue as a going concern, including planning for RIAT22. Accordingly, the going concern basis continues to be adopted in preparing the financial statements of the charity and the Group.

RISKS

In 2020, as part of a wider strategic review of the Group, Trustees undertook a review of the Group's approach to risk and continued work to refine the current system. Whilst the current risk management policy and system is actively used by senior management across the Group and generates satisfactory risk information, Trustees have directed development of a new Risk Committee, as part of action taken to upgrade to the current system, which will be implemented during the coming financial year.

FINANCIAL REVIEW

During the year RAFCTE and the Trust placed surplus cash on fixed term bank deposit whenever cash flow prediction allowed. This generated a return of £8,307 (*February 2020 £26,786*). In addition, RAFCTE secured Government support through the CJRS and CBILS schemes, with the Company claiming additional CJRS funding of £343,984 through to the end of September 2020 and a 6-year £1,530,000 loan under the CBILS.

Consolidated (i.e. for the Trust, RAFCTE and SAL) income for the period was £2,206,801 (*February 2020: £12,140,941*) of which £2,008,728 (*February 2020: £11,568,955*) related to the trading activities of RAFCTE and £NIL (*February 2020 £NIL*) to SAL. Expenditure for the period was £2,289,074 (*February 2020: £11,546,975*) of which £2,148,083 (*February 2020: £10,659,554*) was attributable to RAFCTE. This resulted in net deficit of £262,273 (*February 2020: £593,966 surplus before tax*). The expenditure by RAFCTE is predominately associated with the staging of RIAT which delivers to the Trust's objective of promoting the Royal Air Force. SAL did not trade in the period. These costs can therefore be considered as a cost associated with the Group's expenditure on delivering the charitable activities of the Trust.

The Trust activity is shown in the financial statements. Gross income to the Trust in the year was £18,073 (*February 2020 £1,674,768*) of which £NIL (*February 2020 £1,123,373*) was covenanted from RAFCTE. RAFCT operating and governance costs were £67,437 (*February 2020 £131,847*) and grants of £73,554 (*February 2020 £734,983*) were made, details of which are shown above.

Consolidated net assets were £3,463,774 (*February 2020 £3,726,047*) at the balance sheet date, of which £266,002 (*February 2020 £405,357*) represents retained profits of RAFCTE, £NIL the retained profits of SAL (*February 2020 £NIL*) and £3,197,672 (*February 2020 £3,320,590*) represents the Trust's unrestricted fund and £100 (*February 2020 £100*) the restricted funds.

The Trustees consider that, despite the cancellation of RIAT 20 and RIAT 21, both the Trust and its trading subsidiary RAFCTE are financially healthy and well placed not only to meet the demands of on-going financial commitments, but also to take advantage of opportunities that may arise in forthcoming years.

The financial statements comply with current statutory requirements, the Statement of Recommended Practice (FRS 102) and the Trust's CIO Articles and Memorandum of Association dated 1 December 2017. The financial statements have also been prepared with due regard to guidance published by the Charities Commission on the operation of the Public Benefit.

**THE ROYAL AIR FORCE CHARITABLE TRUST
OFFICERS AND PROFESSIONAL ADVISERS
7 MONTHS TO 30 SEPTEMBER 2020**

RESERVES POLICY

RAFCTE traditionally provides revenue for the Trust through a range of activities including the Royal International Air Tattoo, RAF Band Concert Tours, other event management activities and sales of merchandise. As profits from some of these events have historically been potentially vulnerable to weather and other exigencies, the Trustees have maintained a minimum reserve of £400,000, although in recent years the level of cash reserves has been much higher. This year, the impact of COVID, has placed increased focus on the Trust's (and thus the Group's) reserves policy and the consideration of its wider cash holdings and has formed part of the wider discussion on the Group's future Strategy.

The Trustees note that at the year-end Trust reserves totalled £3,197,672 of which £100 is restricted (*February 2020 £3,320,590 – includes £100 restricted funds*). Within those reserves the Trust's cash balances totalled £2,149,741 (*February 2020 £1,966,844*), against which the Trust has made Grant commitments that have yet to be paid of £335,022 (*February 2020 £363,070*), with uncommitted and liquid funds therefore of £2,262,450 (*February 2020 £2,357,320*), as compared to the minimum reserve of £400,000 requirement set out in the Trust's reserves policy.

In light of the above, the Trustees have actively reviewed their extant reserves policy, and the Group's predicted cash requirements, to ensure there are adequate reserves available to meet immediate requirements, and to achieve the longer-term targeted growth in support of the CIO's charitable objects as part of the strategic review of the Group referred to above.

PLANS FOR FUTURE PERIODS

RAFCT will continue to look for opportunities to refine and promote its aims and, in doing so, will remain fully engaged with the RAF, the other RAF Charities, the Air Cadet Organisation and our key partners. Following a second challenging year, Trustees are principally concerned with protecting the charity, supporting the Group through to a successful Airshow in 2022 and diversifying its activity. There remain key challenges as we move to a re-launch of the charity as part of recovery post the cancellation of RIAT21 and the Trust Board remains content with the considerable progress made in defining its future desired state and governance. Charitable grants made by RAFCT are likely to continue to be at a reduced level while the Group consolidates its position through the next 18 months.

**THE ROYAL AIR FORCE CHARITABLE TRUST
OFFICERS AND PROFESSIONAL ADVISERS
7 MONTHS TO 30 SEPTEMBER 2020**

Statement of Trustees' responsibilities

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

Charity law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and the Group and of the incoming resources and application of resources, of the Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the Charity's transactions, disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418 (2) of the Companies Act 2006) of which the group's auditors are unaware and each Trustee has taken all the steps that he or she ought to have taken as a Trustee in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

A resolution will be put forward at the Trustee meeting proposing that Crowe U.K. LLP will be reappointed as auditor.

The Trustees' Report and Strategic Report is signed on behalf of the Trustees by:



Air Marshal Philip Osborn CBE

Date: 16 June 2021

THE ROYAL AIR FORCE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL AIR FORCE CHARITABLE TRUST

Opinion

We have audited the financial statements of The Royal Air Force Charitable Trust (the 'parent charity') and its subsidiaries (the 'group') for the year ended 30 September 2020 which comprise the Consolidated statement of financial activities, the Charity statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 30 September 2020 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

THE ROYAL AIR FORCE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL AIR FORCE CHARITABLE TRUST (CONTINUED)

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 Auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Trustees' report is inconsistent in any material respect with the financial statements; or
- the parent Charity has not kept sufficient accounting records; or
- the parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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 Group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

THE ROYAL AIR FORCE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL AIR FORCE CHARITABLE TRUST (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

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

Use of our report

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

Crowe U.K. LLP
Statutory Auditor
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Date:

Crowe U.K. LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE ROYAL AIR FORCE CHARITABLE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	Note	Restricted funds Period ended 30 September 2020 £	Unrestricted funds Period ended 30 September 2020 £	Total funds Period ended 30 September 2020 £	<i>Total funds Year ended 29 February 2020 £</i>
Income from:					
Donations and grants	4	-	359,694	359,694	545,200
Other trading activities	5	-	433,680	433,680	11,568,955
Investments	6	-	8,307	8,307	26,786
Other income	7	-	1,225,120	1,225,120	-
Total income		-	2,026,801	2,026,801	12,140,941
Expenditure on:					
Raising funds	8	-	2,206,069	2,206,069	10,792,466
Charitable activities	9	-	83,005	83,005	754,509
Total expenditure		-	2,289,074	2,289,074	11,546,975
Net (expenditure)/income before taxation		-	(262,273)	(262,273)	593,966
Taxation		-	-	-	(63,379)
Net movement in funds		-	(262,273)	(262,273)	530,587
Reconciliation of funds:					
Total funds brought forward		100	3,725,947	3,726,047	3,195,460
Net movement in funds		-	(262,273)	(262,273)	530,587
Total funds carried forward		100	3,463,674	3,463,774	3,726,047

The notes on pages 18 to 41 form part of these financial statements.

THE ROYAL AIR FORCE CHARITABLE TRUST

**CHARITY STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**


	Restricted funds Period ended 30 September 2020 £	Unrestricted funds Period ended 30 September 2020 £	Total funds Period ended 30 September 2020 £	<i>Total funds Year ended 29 February 2020 £</i>
Income from:				
Donations	-	15,710	15,710	1,668,573
Investments	-	2,363	2,363	6,195
	<hr/>	<hr/>	<hr/>	<hr/>
Total income	-	18,073	18,073	1,674,768
Expenditure on:				
Raising funds	-	57,986	57,986	112,321
Charitable activities	-	83,005	83,005	754,509
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure	-	140,991	140,991	866,830
	<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds	-	(122,918)	(122,918)	807,938
Reconciliation of funds				
Total funds brought forward	100	3,320,590	3,320,690	2,512,752
Net movement in funds	-	(122,918)	(122,918)	807,938
	<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward	100	3,197,672	3,197,772	3,320,690
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

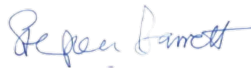
THE ROYAL AIR FORCE CHARITABLE TRUST

**CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2020**

	Note		30 September 2020 £	29 February 2020 £
Fixed assets				
Tangible assets	14		1,260,208	1,319,492
			1,260,208	1,319,492
Current assets				
Debtors	16	623,478	1,130,113	
Investments	17	-	2,500,000	
Cash at bank and in hand		6,403,636	3,499,792	
		7,027,114	7,129,905	
Creditors: amounts falling due within one year	18	(3,319,048)	(4,723,350)	
Net current assets			3,708,066	2,406,555
Total assets less current liabilities			4,968,274	3,726,047
Creditors: amounts falling due after more than one year	19		(1,504,500)	-
Total net assets			3,463,774	3,726,047
Charity funds				
Restricted funds	20		100	100
Unrestricted funds				
Designated funds	20	266,002	405,357	
General funds	20	3,197,672	3,320,590	
Total unrestricted funds	20		3,463,674	3,725,947
Total funds			3,463,774	3,726,047

The financial statements were approved and authorised for issue by the Trustees on 16 June 2021 and signed on their behalf by:


Air Marshal Philip Osborn CBE
Trustee


Mr Stephen Barrett
Trustee

The notes on pages 18 to 41 form part of these financial statements.

THE ROYAL AIR FORCE CHARITABLE TRUST

**CHARITY BALANCE SHEET
AS AT 30 SEPTEMBER 2020**

Charity number: 1176054

	Note	30 September 2020 £	29 February 2020 £
Fixed assets			
Investments	15	600,100	600,100
		600,100	600,100
Current assets			
Debtors	16	1,123,373	1,123,373
Cash at bank and in hand		2,149,741	1,966,844
		3,273,114	3,090,217
Creditors: amounts falling due within one year	18	(675,442)	(369,627)
Total net assets		3,197,772	3,320,690
Charity funds			
Restricted funds	20	100	100
Unrestricted funds			
General funds	20	3,197,672	3,320,590
Total unrestricted funds	20	3,197,672	3,320,590
Total funds		3,197,772	3,320,690

The financial statements were approved and authorised for issue by the Trustees on 16 June 2021 and signed on their behalf by:



Air Marshal Philip Osborn CBE
Trustee



Mr Stephen Barrett
Trustee

The notes on pages 18 to 41 form part of these financial statements.

THE ROYAL AIR FORCE CHARITABLE TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	Note	Period ended 30 September 2020 £	Year ended 29 February 2020 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	(1,099,485)	780,827
Cash flows from investing activities			
Interest from investments		8,307	26,786
Purchase of tangible fixed assets		(2,925)	(73,343)
Net cash provided by/(used in) investing activities		5,382	(46,557)
Cash flows from financing activities			
New secured loans		1,530,000	-
Repayments of borrowing		(32,099)	(68,506)
Interest paid		(397)	(5,200)
Net cash provided by/(used in) financing activities		1,497,504	(73,706)
Change in cash and cash equivalents in the period		403,401	660,564
Cash and cash equivalents at the beginning of the period		5,999,792	5,339,228
Cash and cash equivalents at the end of the period	23	6,403,193	5,999,792

The notes on pages 18 to 41 form part of these financial statements

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2020

1. General information

The Royal Air Force Charitable Trust is a charitable incorporated organisation, charity no: 1176054 and company number CE012521 England and Wales. The address of its registered office is Douglas Bader House, Horcott Hill, Fairford, Gloucestershire, GL7 4RB. This is also the registered address of the subsidiaries as listed within Note 28 of the financial statements.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The consolidated financial statements have been prepared under the historical cost convention.

The Royal Air Force Charitable Trust meets the definition of a public benefit entity under FRS 102.

The Charity has taken advantage of the exemptions in FRS 102 from the requirement to present a charity only Cash Flow Statement and certain disclosures about its own financial instruments within the consolidated financial statements.

These financial statements consolidate the results of the charity and its subsidiaries, The Royal Air Force Charitable Trust Enterprises (Company no: 02190393) and Scampton Airshow Limited (Company no: 10233810). Scampton Airshow Limited was dormant throughout the year.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis. All intergroup transactions are fully eliminated on consolidation.

During the financial period The Royal Air Force Charitable Trust shortened its accounting period from 29 February 2020 to 30 September 2020 in order to align with its subsidiary company's ('Royal Air Force Charitable Trust Enterprises (RAFCTE)') project year. The Royal Air Force Charitable Trust has the legal authority to shorten its year end in line with its governing documents. As such, these financial statements are prepared for the seven month period from 1 March 2020 to 30 September 2020 and are not directly comparable to the previous year's results.

2.2 Going concern

With the emergence of the Covid-19 pandemic, 2020 has brought unprecedented uncertainty and challenges. RIAT 2020, the group's main source of external revenue in each year, was cancelled in March 2020, potentially putting at risk the future financial security of the wholly owned subsidiary company (Royal Air Force Charitable Trust Enterprises "RAFCTE") at that time. In January 2021, Government announced a third national lockdown and the second wave of the pandemic presented RAFCTE with unprecedented challenges. The decision was taken by the board on 12 February 2021 to cancel RIAT 21.

Nevertheless, substantial work has been performed in the period since the cancellation which the RAFCTE Directors are pleased to report has stabilised the current financial position. The Charity has agreed to make a capital contribution to the RAFCTE of £1.7m in the financial year ending 30

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.2 Going concern (continued)

September 2021 which has enabled the Board of RAFCTE to confirm with confidence that the business remains a going concern and is well placed to deliver a world class event in 2022.

In addition, the Trustees of the RAFCT are confident that the Charity has access to sufficient cash, alongside the ability to grant or withhold funds, to ensure the Charity will continue as a going concern.

Accordingly, the going concern basis continues to be adopted in preparing the financial statements of the Charity and the Group.

2.3 Income

Income from donations

Income from gifts/covenants is recognised in the financial statements when the Charity becomes entitled to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Income from other trading activities

The amounts shown in the Consolidated Statement of Financial Activities represents the value of all goods and services supplied to customers during the year, at selling price exclusive of Value Added Tax. Income is recognised at the point at which the Charity or Companies have fulfilled their contractual obligations to the customer. All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Government Grants: Job Retention Scheme: Income from government grants, whether 'capital' or 'revenue' grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Where entitlement occurs before income is received, the income is accrued. Where income is received in advance of the Charity having entitlement to the funds the income is deferred.

2.4 Expenditure

Expenditure is accounted for on an accruals basis. Costs of raising funds reflect costs of RIAT, marketing, publicity and printing costs associated with enhancing public awareness of the Charity together with staff costs.

Grants payable have been recognised in the financial statements when the Charity has formally approved the individual institutions' application for grant monies, at the Trustees' Meeting and this has been communicated to the third party. Please refer to the Trustees' Annual Report for analysis of the grants awarded during the year.

Governance costs include expenditure directly attributable to the Trustees' statutory, constitutional and strategic duties and are disclosed in Note 10.

All expenditure is classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.4 Expenditure (continued)

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2.5 Taxation

As a registered charity, the Charity is entitled to taxation exemptions on all income and gains properly applied for its charitable purposes.

Tax is recognised in profit and loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Group operates and generates income.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Freehold land is not depreciated. Cost represents purchase price together with any incidental costs of acquisition. There is no capitalisation limit.

The carrying values of the tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable

Depreciation is provided on tangible fixed assets so as to write off the costs on a straight line basis, less any residual value, over their expected useful economic life as follows:

The estimated useful lives are as follows:

Freehold property	- 50 years
Motor vehicles	- 5 years
Fixtures and fittings	- 3 years

2.7 Investments

Programme related investments are initially measured at cost, and are measured subsequently at cost price adjusted for impairments where necessary.

Included within current investments are short term cash deposits.

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.9 Debtors

Trade debtors and accrued income are recognised at the settlement amount after any impairments. Prepayments are valued at the amount prepaid net of any trade discounts.

Included within the Charity's debtors and creditors are amounts owed from/to its subsidiaries which are recognised at the settlement amount after any impairments.

2.10 Cash, cash equivalents and current asset investments

Cash and current asset investments are represented by cash in hand and deposits with financial institutions. Cash equivalents and current investments are highly liquid and mature between 3 and 12 months.

2.11 Liabilities and provisions

Creditors are recognised where the Group and Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

2.12 Financial instruments

The Group and Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.13 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the consolidated Statement of Financial Activities on a straight line basis over the period of the lease.

2.14 Pensions

The Royal Air Force Charitable Trust and The Royal Air Force Charitable Trust Enterprises operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the entity pays fixed contributions into a separate entity. Once the contributions have been paid the entity has no further payment obligations.

The contributions are recognised as an expense in the Statement of Financial Activities when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance Sheet. The assets of the plan are held separately from the entity in independently administered funds.

The expense is recognised within unrestricted funds because this is the fund used to pay wages and salaries.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.15 Redundancy costs

Redundancy and termination costs are accounted for on an accruals basis when the commitment to terminate a post on the grounds of redundancy has been made.

2.16 Volunteers

Volunteers help out with various aspects of the running of the annual Royal International Air Tattoo and we are very grateful for their contribution. Their contribution is in time only.

2.17 Fund accounting

The unrestricted funds are available for any purpose within the aims and objectives specified in the Trust Deed of the Charity.

Designated funds comprise general funds, which have been set aside at the discretion of the Trustees for specific purposes. The purpose of these are set out in Note 20.

Restricted funds are to be used in accordance with specific restrictions imposed by the donors and grant providers. The aim and use of the restricted funds are set out in Note 20.

3. Critical accounting estimates and areas of judgment

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

(a) Useful economic lives of tangible fixed assets

The annual depreciation charge for the tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates, based on economic utilisation and the physical condition of the assets.

See Note 14 for the carrying amount of tangible fixed assets and Note 2.6 for the useful lives for each class of asset.

(b) Recoverability of debtors

The Group and Charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See Note 16 for the net carrying amount of the debtors.

(c) Historic accruals

In the instances where invoices are not received in relation to services that have been provided to The Royal Air Force Charitable Trust Enterprises and Scampton Airshow Limited, the Group makes an estimate of the expected cost to the Companies. When assessing the value of these accruals/provisions, management considers previous invoices relating to similar services and discussions held with the third parties in relation to the expected costs. Where invoices have not been received for 2 years, the accruals and provisions are written down over 5 years. See Note 18 for inclusion of the year end

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

3. Critical accounting estimates and areas of judgment (continued)

accruals/provisions.

(d) Impairment of programme related investments

When assessing impairment of the programme related investments, management considers factors including the financial results, future outlook, net assets and market value. See Note 15 for the net carrying amount of investments.

(e) Stock Provision

It is necessary to consider the recoverability of the cost of finished goods and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4. Income from donations and grants

	Unrestricted funds Period ended 30 September 2020 £	Total funds Period ended 30 September 2020 £	<i>Total funds Year ended 29 February 2020 £</i>
Donations			
Donations from RAF 100	-	-	500,000
Other donations	15,710	15,710	45,200
Government grants	343,984	343,984	-
Total 30 September 2020	<u>359,694</u>	<u>359,694</u>	<u>545,200</u>
<i>Total 29 February 2020</i>	<u>545,200</u>	<u>545,200</u>	

The Government grant income recognised totalling £343,984 relates to the Government's Job Retention Scheme as part of their response to COVID-19. There are no unfulfilled conditions. The Charities subsidiary entity The Royal Air Force Charitable Trust Enterprises also received a Government backed CBIL's loan.

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
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5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds Period ended 30 September 2020 £	Total funds Period ended 30 September 2020 £	<i>Total funds Year ended 29 February 2020 £</i>
RIAT income	379,611	379,611	11,213,972
Other income	8,166	8,166	70,439
Trading income	7,618	7,618	151,630
Consultancy sales	38,285	38,285	132,914
Total 30 September 2020	<u>433,680</u>	<u>433,680</u>	<u>11,568,955</u>
<i>Total 29 February 2020</i>	<u>11,568,955</u>	<u>11,568,955</u>	

6. Investment income

	Unrestricted funds Period ended 30 September 2020 £	Total funds Period ended 30 September 2020 £	<i>Total funds Year ended 29 February 2020 £</i>
Interest received	8,307	8,307	26,786
Total 30 September 2020	<u>8,307</u>	<u>8,307</u>	<u>26,786</u>
<i>Total 29 February 2020</i>	<u>26,786</u>	<u>26,786</u>	

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

7. Other incoming resources

	Unrestricted funds Period ended 30 September 2020 £	Total funds Period ended 30 September 2020 £	<i>Total funds Year ended 29 February 2020 £</i>
Insurance claims	1,225,120	1,225,120	-

8. Expenditure on raising funds

Other trading expenses

	Unrestricted funds Period ended 30 September 2020 £	Total funds Period ended 30 September 2020 £	<i>Total funds Year ended 29 February 2020 £</i>
RIAT expenditure	491,816	491,816	7,644,547
Massed bands expenditure	6,195	6,195	-
Interest paid	397	397	5,200
Admin costs	173,059	173,059	456,425
Trading expenditure	29,683	29,683	99,830
Consultancy expenditure	38,210	38,210	79,906
Payroll costs	1,265,119	1,265,119	2,373,331
Depreciation	62,209	62,209	118,851
Administration expenses	139,381	139,381	14,376
Total 30 September 2020	2,206,069	2,206,069	10,792,466
<i>Total 29 February 2020</i>	<i>10,792,466</i>	<i>10,792,466</i>	

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds Period ended 30 September 2020 £	Total funds Period ended 30 September 2020 £	<i>Total funds Year ended 29 February 2020 £</i>
Charitable activities	83,005	83,005	754,509
	<hr/> <hr/>	<hr/> <hr/>	
<i>Total 29 February 2020</i>	754,509	754,509	
	<hr/> <hr/>	<hr/> <hr/>	

10. Analysis of expenditure by activities

	Activities undertaken directly Period ended 30 September 2020 £	Total funds Period ended 30 September 2020 £	<i>Total funds Year ended 29 February 2020 £</i>
Charitable activities	83,005	83,005	754,509
	<hr/> <hr/>	<hr/> <hr/>	
<i>Total 29 February 2020</i>	754,509	754,509	
	<hr/> <hr/>	<hr/> <hr/>	

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Support costs Period ended 30 September 2020 £	Total funds Period ended 30 September 2020 £	<i>Total funds Year ended 29 February 2020 £</i>
Grant expenditure	73,554	73,554	734,983
Governance costs	9,451	9,451	19,526
	83,005	83,005	754,509
	754,509	754,509	
<i>Total 29 February 2020</i>			

Included within governance costs above for the charity is £695 (*February 2020: £4,794*) of travel and subsistence costs and £8,756 (*February 2020: £27,445*) of professional fees.

No grants to individuals were paid during the year.

11. Auditor's remuneration

	Period ended 30 September 2020 £	<i>Year ended 29 February 2020 £</i>
Fees payable to the Charity's auditor in respect of:		
The auditing of the accounts of the Charity	3,500	3,490
The auditing of the accounts of the subsidiary entity	11,950	13,930
All assurance services not included above	3,776	10,025
	19,226	27,445

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
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12. Staff costs

	Group Period ended 30 September 2020 £	<i>Group Year ended 29 February 2020 £</i>	Charity Period ended 30 September 2020 £	<i>Charity Year ended 29 February 2020 £</i>
Wages and salaries	1,098,763	2,070,760	49,076	87,957
Social security costs	109,106	210,136	3,955	7,286
Contribution to defined contribution pension schemes	57,250	92,435	2,450	4,078
	1,265,119	2,373,331	55,481	99,321

During the year there were redundancy, ex-gratia payments and restructuring costs of £Nil (*February 2020: £14,500*) in relation to agreements made with employees to end employment contracts. There was £nil outstanding at the year end (*February 2020: £nil*).

In addition to wages and salaries, costs totalling £9,027 (*February 2020: £34,394*) were incurred in relation to self employed contractors.

The average number of persons employed by the Charity during the period was as follows:

	Group Period ended 30 September 2020 No.	<i>Group Year ended 29 February 2020 No.</i>
Air shows	49	50
Other	2	2
	51	52

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

12. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group Period ended 30 September 2020 No.	Group Year ended 29 February 2020 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	-	2
In the band £90,001 - £100,000	1	1
In the band £160,001 - £170,000	-	1

The Senior Management Team of the Group are deemed to be the Directors of each entity and the Trust Director. The remuneration for these teams amounted to £380,323 (*February 2020: £752,644*). This is inclusive of employer's national insurance and pension costs.

13. Trustees' remuneration and expenses

During the period, no Trustees received any remuneration or other benefits (*February 2020: £Nil*).

During the period ended 30 September 2020, expenses totalling £548 were reimbursed or paid directly to 3 Trustees (*February 2020: £1,896 to 5 Trustees*). These related to travel and subsistence and professional fees.

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

14. Tangible fixed assets

Group

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 March 2020	1,663,394	52,763	642,615	2,358,772
Additions	-	-	2,925	2,925
At 30 September 2020	<u>1,663,394</u>	<u>52,763</u>	<u>645,540</u>	<u>2,361,697</u>
Depreciation				
At 1 March 2020	474,974	28,927	535,379	1,039,280
Charge for the period	13,832	3,409	44,968	62,209
At 30 September 2020	<u>488,806</u>	<u>32,336</u>	<u>580,347</u>	<u>1,101,489</u>
Net book value				
At 30 September 2020	<u>1,174,588</u>	<u>20,427</u>	<u>65,193</u>	<u>1,260,208</u>
At 29 February 2020	<u>1,188,420</u>	<u>23,836</u>	<u>107,236</u>	<u>1,319,492</u>

The net book value of freehold land and buildings includes £477,550 (*February 2020: £477,550*) of land which is not depreciated.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

15. Fixed asset investments

Charity	Investments in subsidiary companies £	Social investments £	Total £
Cost or valuation			
At 1 March 2020	100	600,000	600,100
At 30 September 2020	<u>100</u>	<u>600,000</u>	<u>600,100</u>
Net book value			
At 30 September 2020	<u>100</u>	<u>600,000</u>	<u>600,100</u>
<i>At 29 February 2020</i>	<u>100</u>	<u>600,000</u>	<u>600,100</u>

In 1994 the Charity made an interest free and unsecured loan of £600,000 to its subsidiary RAFCTE. The loan to RAFCTE was for the purpose of providing finance for activities which further Air Displays in accordance with the charitable objectives of the Charity and as a result the Trustees decided during 2016 to transform the debtor into a Programme Related Investment (Social investment).

The Charity also owns £100 of Share Capital in SAL a dormant subsidiary.

None of the programme related investments are repayable within 365 days.

For details of subsidiaries see Note 28.

16. Debtors

	Group 30 September 2020 £	Group 29 February 2020 £	Charity 30 September 2020 £	Charity 29 February 2020 £
Due within one year				
Trade debtors	100,756	506,136	-	-
Amounts owed by group undertakings	-	-	1,123,373	1,123,373
Prepayments and accrued income	522,722	623,977	-	-
	<u>623,478</u>	<u>1,130,113</u>	<u>1,123,373</u>	<u>1,123,373</u>

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
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17. Current asset investments

	Group 30 September 2020 £	<i>Group 29 February 2020 £</i>
Bank deposit accounts	-	2,500,000

18. Creditors: Amounts falling due within one year

	Group 30 September 2020 £	<i>Group 29 February 2020 £</i>	Charity 30 September 2020 £	<i>Charity 29 February 2020 £</i>
Bank overdrafts	443	-	443	-
Bank loans	25,500	32,099	-	-
Trade creditors	49,070	532,659	35	223
Corporation tax	63,379	63,379	-	-
Other taxation and social security	203,605	198,647	-	-
Other creditors	16,010	1,783	-	-
Accruals and deferred income	2,626,019	3,531,713	339,942	6,334
Grants accrued - institutional	335,022	363,070	335,022	363,070
	3,319,048	4,723,350	675,442	369,627

	Group 30 September 2020 £
Deferred income at 1 March 2020	3,004,051
Amounts released from previous periods	(798,982)
	2,205,069

Included within deferred income are amounts which relate to future periods beginning on or after 1 October 2020.

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

Note 18. (continued) Reconciliation of grant creditors - Group and Charity

	30 September 2020 £
Commitments at 1 March 2020	363,070
Grants awarded in the year	73,554
Grants paid in the year	(101,602)
Commitments at 30 September 2020	335,022

19. Creditors: Amounts falling due after more than one year

	Group 30 September 2020 £	<i>Group 29 February 2020 £</i>
Bank loans	1,504,500	-

Included within the above are amounts falling due as follows:

Between one and two years

Between two and five years

Bank loans	1,224,000	-
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Over five years

Bank loans	280,500	-
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Secured loan

The bank loan totalling £1,530,000 is from Barclays Bank and is secured by a mortgage debenture incorporating a first legal charge over the freehold property and land at Douglas Bader House, Horcott Hill, Fairford, Gloucestershire, GL7 4RB. £25,500 is due for repayment no later than 30 September 2021. The net book value of the freehold land and property at the year end was £1,174,588 (*February 2020: £1,188,420*). An interest rate of 2.75% is applied to the balance of the fixed rate loan facility of £1,530,000.

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

20. Statement of funds

Statement of funds - current period

	Balance at 1 March 2020 £	Income £	Expenditure £	Balance at 30 September 2020 £
Unrestricted funds				
Designated funds				
RAFCTE	<u>405,357</u>	<u>2,008,728</u>	<u>(2,148,083)</u>	<u>266,002</u>
General funds				
General	<u>3,320,590</u>	<u>18,073</u>	<u>(140,991)</u>	<u>3,197,672</u>
Total Unrestricted funds	<u>3,725,947</u>	<u>2,026,801</u>	<u>(2,289,074)</u>	<u>3,463,674</u>
Restricted funds				
Restricted Funds - all funds	<u>100</u>	<u>-</u>	<u>-</u>	<u>100</u>
Total of funds	<u><u>3,726,047</u></u>	<u><u>2,026,801</u></u>	<u><u>(2,289,074)</u></u>	<u><u>3,463,774</u></u>

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

20. Statement of funds (continued)

Statement of funds - prior period

	<i>Balance at 1 March 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gift aid and eliminations £</i>	<i>Balance at 29 February 2020 £</i>
Unrestricted funds					
Designated funds					
RAFCTE	682,708	11,589,547	(10,743,525)	(1,123,373)	405,357
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
General funds					
General	2,512,652	551,394	(866,829)	1,123,373	3,320,590
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Unrestricted funds	3,195,360	12,140,941	(11,610,354)	-	3,725,947
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds					
RAF Waddington	100	-	-	-	100
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	3,195,460	12,140,941	(11,610,354)	-	3,726,047
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The RAFCTE Fund's purpose is to be used by the trading company to ensure there are enough funds to meet costs as they fall due, leading up to the RIAT each year.

The RAF Waddington Fund was to fund the new air show at Scampton.

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 30 September 2020 £	Unrestricted funds 30 September 2020 £	Total funds 30 September 2020 £
Tangible fixed assets	-	1,260,208	1,260,208
Current assets	100	7,027,014	7,027,114
Creditors due within one year	-	(3,319,048)	(3,319,048)
Creditors due in more than one year	-	(1,504,500)	(1,504,500)
Total	<u>100</u>	<u>3,463,674</u>	<u>3,463,774</u>

Analysis of net assets between funds - prior period

	<i>Restricted funds 29 February 2020 £</i>	<i>Unrestricted funds 29 February 2020 £</i>	<i>Total funds 29 February 2020 £</i>
Tangible fixed assets	-	1,319,492	1,319,492
Current assets	100	7,129,805	7,129,905
Creditors due within one year	-	(4,723,350)	(4,723,350)
Total	<u>100</u>	<u>3,725,947</u>	<u>3,726,047</u>

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

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

	Group Period ended 30 September 2020 £	<i>Group Year ended 29 February 2020 £</i>
Net (expenditure)/income for the per the Statement of Financial Activities)	(262,273)	530,587
Adjustments for:		
Depreciation charges	62,209	118,851
Interest from investments	(8,307)	(26,786)
Decrease in debtors	173,063	274,064
Decrease in creditors	(1,064,574)	(121,089)
Interest paid	397	5,200
Net cash (used in)/provided by operating activities	(1,099,485)	780,827

23. Analysis of cash and cash equivalents

	Group 30 September 2020 £	<i>Group 29 February 2020 £</i>
Cash in hand	6,403,636	3,499,792
Notice deposits (less than 3 months)	-	2,500,000
Overdraft facility repayable on demand	(443)	-
Total cash and cash equivalents	6,403,193	5,999,792

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
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24. Analysis of changes in net debt

	At 1 March 2020	Cash flows	At 30 September 2020
	£	£	£
Cash at bank and in hand	3,499,792	2,903,844	6,403,636
Bank overdrafts repayable on demand	-	(443)	(443)
Debt due within 1 year	(32,099)	6,599	(25,500)
Debt due after 1 year	-	(1,504,500)	(1,504,500)
Deposit account	2,500,000	(2,500,000)	-
	<u>5,967,693</u>	<u>(1,094,500)</u>	<u>4,873,193</u>

25. Pension commitments

The pension cost charge for the period represents contributions payable to the defined contribution scheme and amounted to £57,250 (*February 2020: £88,357*). Contributions totalling £16,010 (*February 2020: £1,783*) were payable to the scheme at the end of the period and are included within other creditors.

26. Operating lease commitments

At 30 September 2020 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 30 September 2020	Group 29 February 2020
	£	£
Not later than 1 year	1,770	3,540
Later than 1 year and not later than 5 years	-	295
	<u>1,770</u>	<u>3,835</u>

The following lease payments have been recognised as an expense in the Statement of financial activities:

	Group 30 September 2020	Group 29 February 2020
	£	£
Operating lease rentals	2,065	3,540

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

27. Related party transactions

Royal Air Force Charitable Trust Enterprises (RAFCTE)

The Royal Air Force Charitable Trust Enterprises is a wholly owned subsidiary of the Charity.

During the year, RAFCTE were reimbursed costs of £55,406 (*February 2020: £102,434*) which were paid on behalf of RAFCT. There was an outstanding balance of £1,123,373 due to RAFCT at the year-end (*February 2020: £1,123,373*).

Scampton Airshow Limited (SAL)

Scampton Airshow Limited is a wholly owned subsidiary of the Charity. The Company was dormant during the financial year.

RAF100

As part of a programme related investment RAFCT is a partner of RAF100.

There were no other related party transactions during the year (*February 2020: None*).

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

28. Principal subsidiaries

The following was a subsidiary undertaking of the Charity. Ownership of RAFCTE is held by the Charity. As such RAFCTE is deemed to be a wholly owned subsidiary of the Trust. Under the Trust Deed the Trustees have the power to appoint and/or remove any corporation acting as their nominee, ultimate control of RAFCTE is therefore held by the Trust.

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
The Royal Air Force Charitable Trust Enterprises (RAFCTE)	02190393	Douglas Bader House, Horcott Hill, Fairford, Gloucestershire, GL7 4RB	Running the Royal International Air Tattoo (RIAT)

Class of shares	Included in consolidation
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Limited by guarantee	Yes
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The financial results of the subsidiary for the period were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the period £	Net assets £
The Royal Air Force Charitable Trust Enterprises (RAFCTE)	2,008,728	(2,148,083)	(139,355)	266,002

Assets totalled £6,471,053 and liabilities totalled £6,205,051, giving total net assets of £266,002.

THE ROYAL AIR FORCE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2020

29. Post balance sheet events

The cancellation of RIAT 21 was publicly announced on 16 February 2021. The Board took the view at that time that an early cancellation was essential to avoid the potential risk to public health from a 3-day event attended by a total of up to 170,000 people with aircraft participation typically from over 25 countries. Furthermore, no event cancellation insurance was available for communicable disease/COVID-19. The cancellation of RIAT 21 is a non-adjusting post balance sheet event. As a result of the cancellation of RIAT 21 post period end, the following has occurred:

Deferred Income

At the period end, the Company had a deferred income balance of £2,205,069. As a result of the cancellation of RIAT 21, £1,620,756 has been rolled over to RIAT 22. £406,834 is still in contract with customers and £177,479 has been refunded to customers.

Prepayments

At the period end, the Company had a prepayments balance of £455,077. As a result of the cancellation of RIAT 21, £103,122 has been released to the profit and loss in 2020/21, £8,040 has been refunded by our suppliers and £343,915 has been rolled over to RIAT 22.

Trade Debtors

At the period end, the Company had trade debtors of £100,756. Since then this amount has been settled in full.