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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
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Gloucestershire
GL7 4RB

Independent Auditor: Crowe U.K. LLP
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GL50 3PR

Bankers: Barclays Bank Plc
Britannia Warehouse
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Solicitors: Charles Russell LLP
8-10 New Fetter Lane
London
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**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).

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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.

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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.

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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.

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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.

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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.

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.

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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:

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- 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
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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.

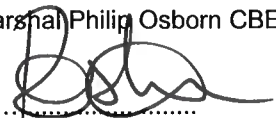
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions, disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities 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

		Restricted funds	Unrestricted funds	Total funds	Total funds 7 months ended
		Year ended 30 September 2021	Year ended 30 September 2021	Year ended 30 September 2021	30 September 2020
	Note	£	£	£	£
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				
	-	(91,551)	(91,551)	(122,918)
Net movement in funds				
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
		<u>1,183,401</u>	<u>1,260,208</u>
Current assets			
Stocks	15	96,693	-
Debtors	16	828,390	623,478
Cash at bank and in hand		5,801,538	6,403,636
		<u>6,726,621</u>	<u>7,027,114</u>
Creditors: amounts falling due within one year	17	(5,166,109)	(3,319,048)
Net current assets		<u>1,560,512</u>	<u>3,708,066</u>
Total assets less current liabilities		<u>2,743,913</u>	<u>4,968,274</u>
Creditors: amounts falling due after more than one year	18	(1,224,000)	(1,504,500)
Total net assets		<u><u>1,519,913</u></u>	<u><u>3,463,774</u></u>
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
		<u>1,519,813</u>	<u>3,463,674</u>
Total funds		<u><u>1,519,913</u></u>	<u><u>3,463,774</u></u>

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
		<u>1,700,100</u>	<u>600,100</u>
Current assets			
Debtors	16	-	1,123,373
Cash at bank and in hand		1,906,681	2,149,741
		<u>1,906,681</u>	<u>3,273,114</u>
Creditors: amounts falling due within one year	17	(500,560)	(675,442)
Net current assets		<u>1,406,121</u>	<u>2,597,672</u>
Total net assets		<u><u>3,106,221</u></u>	<u><u>3,197,772</u></u>
Charity funds			
Restricted funds	19	100	100
Unrestricted funds			
General funds	19	3,106,121	3,197,672
Total unrestricted funds	19	<u>3,106,121</u>	<u>3,197,672</u>
Total funds		<u><u>3,106,221</u></u>	<u><u>3,197,772</u></u>

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 £	7 months ended 30 September 2020 £
Cash flows from operating activities		
Net cash used in operating activities	(969,789)	(1,443,469)
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,268)	(2,925)
Government grants received	364,638	343,984
Interest received	616	8,307
Net cash provided by investing activities	363,986	349,366
Cash flows from financing activities		
New secured loans	-	1,530,000
Repayments of borrowing	-	(32,099)
Interest paid	-	(397)
Net cash provided by financing activities	-	1,497,504
Change in cash and cash equivalents in the year	(605,803)	403,401
Cash and cash equivalents at the beginning of the year	6,403,193	5,999,792
Cash and cash equivalents at the end of the year	5,797,390	6,403,193

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	<i>Total funds 7 months ended 30 September 2020</i>
	Year ended 30 September 2021 £	Year ended 30 September 2021 £	<i>£</i>
Donations	9,248	9,248	15,710
Government grants	364,638	364,638	343,984
Total year ended 30 September 2021	<u>373,886</u>	<u>373,886</u>	<u>359,694</u>
<i>Total 7 months ended 30 September 2020</i>	<u>359,694</u>	<u>359,694</u>	

4. Income from other trading activities

Income from non charitable trading activities

	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>£</i>
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	<u>234,381</u>	<u>234,381</u>	<u>433,680</u>
<i>Total 7 months ended 30 September 2020</i>	<u>433,680</u>	<u>433,680</u>	

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>2,206,069</u>	<u>2,206,069</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 £	
Charitable activities	(18,790)	(18,790)	83,005
	<hr/>	<hr/>	
<i>Total 7 months ended 30 September 2020</i>	83,005	83,005	
	<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 £	
Charitable activities	(18,790)	(18,790)	83,005
	<hr/>	<hr/>	
<i>Total 7 months ended 30 September 2020</i>	83,005	83,005	
	<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	Total funds 7 months ended 30 September 2020 £
	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
	<u>(18,790)</u>	<u>(18,790)</u>	<u>83,005</u>
<i>Total 7 months ended September 2020</i>	<u>83,005</u>	<u>83,005</u>	

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 £	7 months ended 30 September 2020 £
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	<u>3,776</u>	<u>3,776</u>

THE ROYAL AIR FORCE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

11. Staff costs

	Group	<i>Group</i>	Charity	<i>Charity</i>
	Year ended	<i>7 months</i>	Year ended	<i>7 months</i>
	30	<i>ended</i>	30	<i>ended</i>
	September	<i>September</i>	September	<i>September</i>
	2021	<i>2020</i>	2021	<i>2020</i>
	£	<i>£</i>	£	<i>£</i>
Wages and salaries	1,624,573	1,098,763	92,478	49,076
Social security costs	145,178	109,106	6,768	3,955
Contribution to defined contribution pension schemes	92,058	57,250	4,200	2,450
	1,861,809	1,265,119	103,446	55,481

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</i>
	Year ended	<i>7 months</i>
	30	<i>ended</i>
	September	<i>September</i>
	2021	<i>2020</i>
	No.	<i>No.</i>
Air shows	37	49
Other	2	2
	39	51

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 Year ended 30 September 2021 No.	<i>Group</i> <i>7 months</i> <i>ended</i> <i>30</i> <i>September</i> <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>
At 30 September 2020	<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 £	<i>Group 2020 £</i>
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 £	Group 2020 £	Charity 2021 £	Charity 2020 £
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	-	-
	<u>828,390</u>	<u>623,478</u>	<u>-</u>	<u>1,123,373</u>

17. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
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
	<u>5,166,109</u>	<u>3,319,048</u>	<u>500,560</u>	<u>675,442</u>

	Group 2021 £
Deferred income at 1 October 2020	2,205,069
Resources deferred during the year	2,051,048
	<u>4,256,117</u>

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)
	<hr/>	<hr/>	<hr/>	<hr/>
General funds				
General Funds - all funds	3,197,672	9,557	(101,108)	3,106,121
	<hr/>	<hr/>	<hr/>	<hr/>
Total Unrestricted funds	3,463,674	608,883	(2,552,744)	1,519,813
	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds				
Restricted Funds - all funds	100	-	-	100
	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	3,463,774	608,883	(2,552,744)	1,519,913
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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
	<hr/>	<hr/>	<hr/>	<hr/>
General funds				
General	3,320,590	18,073	(140,991)	3,197,672
	<hr/>	<hr/>	<hr/>	<hr/>
Total Unrestricted funds	3,725,947	2,026,801	(2,289,074)	3,463,674
	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds				
Restricted Funds - all funds	100	-	-	100
	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	3,726,047	2,026,801	(2,289,074)	3,463,774
	<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.

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	<u>100</u>	<u>1,519,813</u>	<u>1,519,913</u>

Analysis of net assets between funds - prior year

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
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>

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)	(262,273)
Adjustments for:		
Depreciation charges	78,075	62,209
Interest received	(616)	(8,307)
(Increase)/decrease in stocks	(96,693)	-
(Increase)/decrease in debtors	(204,912)	173,063
Increase/(decrease) in creditors	1,562,856	(1,064,574)
Government grants	(364,638)	(343,984)
Interest paid	-	397
Net cash used in operating activities	(969,789)	(1,443,469)

22. Analysis of cash and cash equivalents

	Group 2021 £	<i>Group 2020 £</i>
Cash in hand	5,801,538	6,403,636
Overdraft facility repayable on demand	(4,148)	(443)
Total cash and cash equivalents	5,797,390	6,403,193

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.