

**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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**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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

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**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

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**THE ROYAL AIR FORCE CHARITABLE TRUST  
TRUSTEES' ANNUAL REPORT  
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## **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', 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

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<sup>1</sup> 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 STEM<sup>2</sup> 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.

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<sup>2</sup> 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
	<b>£200,998</b>	



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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

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## THE ROYAL AIR FORCE CHARITABLE TRUST

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

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#### 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.

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

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#### 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.

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## THE ROYAL AIR FORCE CHARITABLE TRUST

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

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#### 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

#### Use of our report

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

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**THE ROYAL AIR FORCE CHARITABLE TRUST**

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

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*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 £
<b>Income from:</b>					
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
<b>Total income</b>		<b>-</b>	<b>13,549,086</b>	<b>13,549,086</b>	<b>608,883</b>
<b>Expenditure on:</b>					
Raising funds	6	-	11,646,771	11,646,771	2,571,534
Charitable activities	7	-	209,208	209,208	(18,790)
<b>Total expenditure</b>		<b>-</b>	<b>11,855,979</b>	<b>11,855,979</b>	<b>2,552,744</b>
<b>Net movement in funds</b>		<b>-</b>	<b>1,693,107</b>	<b>1,693,107</b>	<b>(1,943,861)</b>
<b>Reconciliation of funds:</b>					
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)
<b>Total funds carried forward</b>		<b>100</b>	<b>3,212,920</b>	<b>3,213,020</b>	<b>1,519,913</b>

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



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**THE ROYAL AIR FORCE CHARITABLE TRUST**

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

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

**THE ROYAL AIR FORCE CHARITABLE TRUST**

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

Charity number: 1176054

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	12	1,171,162	1,183,401
<b>Current assets</b>			
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	(4,620,981)	(5,166,109)
<b>Net current assets</b>		<u>2,934,858</u>	<u>1,560,512</u>
<b>Total assets less current liabilities</b>		<u>4,106,020</u>	<u>2,743,913</u>
Creditors: amounts falling due after more than one year	17	(893,000)	(1,224,000)
<b>Total net assets</b>		<u><u>3,213,020</u></u>	<u><u>1,519,913</u></u>
<b>Charity funds</b>			
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>
<b>Total funds</b>		<u><u>3,213,020</u></u>	<u><u>1,519,913</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**

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

Charity number: 1176054

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Investments	13	1,700,100	1,700,100
<b>Current assets</b>			
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)
<b>Net current assets</b>		<u>1,222,213</u>	<u>1,406,121</u>
<b>Total net assets</b>		<u><u>2,922,313</u></u>	<u><u>3,106,221</u></u>
<b>Charity funds</b>			
Restricted funds	18	100	100
Unrestricted funds			
General funds	18	2,922,213	3,106,121
<b>Total unrestricted funds</b>	18	<u>2,922,213</u>	<u>3,106,121</u>
<b>Total funds</b>		<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 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	77,476	(969,789)
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(36,867)	(1,268)
Government grants received	-	364,638
Interest received	7,581	616
<b>Net cash (used in)/provided by investing activities</b>	(29,286)	363,986
<b>Cash flows from financing activities</b>		
Repayments of borrowing	(306,000)	-
Interest paid	(42,856)	-
<b>Net cash (used in)/provided by financing activities</b>	(348,856)	-
<b>Change in cash and cash equivalents in the year</b>	(300,666)	(605,803)
Cash and cash equivalents at the beginning of the year	5,797,390	6,403,193
<b>Cash and cash equivalents at the end of the year</b>	5,496,724	5,797,390

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

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## THE ROYAL AIR FORCE CHARITABLE TRUST

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

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#### 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

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## THE ROYAL AIR FORCE CHARITABLE TRUST

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

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#### 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.

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## THE ROYAL AIR FORCE CHARITABLE TRUST

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

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#### 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.

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## THE ROYAL AIR FORCE CHARITABLE TRUST

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

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#### 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.



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## THE ROYAL AIR FORCE CHARITABLE TRUST

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

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#### 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.

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**THE ROYAL AIR FORCE CHARITABLE TRUST**

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

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**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
<b>Total 2022</b>	<u>28,477</u>	<u>28,477</u>	<u>373,886</u>
<i>Total 2021</i>	<u>373,886</u>	<u>373,886</u>	

**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
<b>Total 2022</b>	<u>13,513,028</u>	<u>13,513,028</u>	<u>234,381</u>
<i>Total 2021</i>	<u>234,381</u>	<u>234,381</u>	

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**THE ROYAL AIR FORCE CHARITABLE TRUST**

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

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**5. Investment income**

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

**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
<b>Total 2022</b>	<u>11,646,771</u>	<u>11,646,771</u>	<u>2,571,534</u>
<i>Total 2021</i>	<u>2,571,534</u>	<u>2,571,534</u>	

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**THE ROYAL AIR FORCE CHARITABLE TRUST**

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

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**7. Analysis of expenditure on charitable activities**

**Summary by fund type**

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

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

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**THE ROYAL AIR FORCE CHARITABLE TRUST**

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

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**8. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Support costs 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Grant expenditure	200,998	200,998	(27,186)
Governance costs	8,210	8,210	8,396
<b>Total 2022</b>	<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**

	<b>2022 £</b>	<b>2021 £</b>
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**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Charity 2022 £</b>	<b>Charity 2021 £</b>
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
	<b>2,190,680</b>	<b>1,861,809</b>	<b>129,277</b>	<b>103,446</b>

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:

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

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THE ROYAL AIR FORCE CHARITABLE TRUST

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

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**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 £
<b>Cost or valuation</b>				
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>
<b>Depreciation</b>				
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>
<b>Net book value</b>				
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.



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THE ROYAL AIR FORCE CHARITABLE TRUST

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

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13. Fixed asset investments

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

	<b>Group and Charity 2022 £</b>
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)
<b>Commitments at 30 September 2022</b>	<b>155,988</b>

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

	<b>Group 2022 £</b>	<b>Group 2021 £</b>
Bank loans	<b>893,000</b>	<b>1,224,000</b>

Included within the above are amounts falling due as follows:

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

**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 £
<b>Unrestricted funds</b>				
<b>Designated funds</b>				
RAFCTE	(1,586,308)	13,517,462	(11,490,447)	440,707
<b>General funds</b>				
General Funds - all funds	3,106,121	31,624	(365,532)	2,772,213
<b>Total Unrestricted funds</b>	1,519,813	13,549,086	(11,855,979)	3,212,920
<b>Restricted funds</b>				
Restricted Funds - all funds	100	-	-	100
<b>Total of funds</b>	1,519,913	13,549,086	(11,855,979)	3,213,020

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**THE ROYAL AIR FORCE CHARITABLE TRUST**

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

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**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>
<b>Unrestricted funds</b>				
<b>Designated funds</b>				
RAFCTE	<u>266,002</u>	<u>599,326</u>	<u>(2,451,636)</u>	<u>(1,586,308)</u>
<b>General funds</b>				
General Funds - all funds	<u>3,197,672</u>	<u>9,557</u>	<u>(101,108)</u>	<u>3,106,121</u>
<b>Total Unrestricted funds</b>	<u>3,463,674</u>	<u>608,883</u>	<u>(2,552,744)</u>	<u>1,519,813</u>
<b>Restricted funds</b>				
Restricted Funds - all funds	<u>100</u>	<u>-</u>	<u>-</u>	<u>100</u>
<b>Total of funds</b>	<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.

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**THE ROYAL AIR FORCE CHARITABLE TRUST**

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

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**19. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Restricted funds 2022 £</b>	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
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)
<b>Total</b>	<b>100</b>	<b>3,212,920</b>	<b>3,213,020</b>

**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)
<b>Total</b>	<b>100</b>	<b>1,519,813</b>	<b>1,519,913</b>

**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**

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

**21. Analysis of cash and cash equivalents**

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

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THE ROYAL AIR FORCE CHARITABLE TRUST

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

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**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.



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## THE ROYAL AIR FORCE CHARITABLE TRUST

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

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#### 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*).

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## THE ROYAL AIR FORCE CHARITABLE TRUST

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

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#### 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)
<b>Class of shares</b>	<b>Included in consolidation</b>		
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)	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.