

Charity number: 1176054
CIO number: CEO12521

THE ROYAL AIR FORCE CHARITABLE TRUST

TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

THE ROYAL AIR FORCE CHARITABLE TRUST

CONTENTS

	Page
Reference and administrative details of the Charity, its Trustees and advisers	1
Trustees' report	2 - 9
Independent auditor's report on the financial statements	10 - 13
Consolidated statement of financial activities	14
Charity statement of financial activities	15
Consolidated balance sheet	16
Charity balance sheet	17
Consolidated statement of cash flows	18
Notes to the financial statements	19 - 39

THE ROYAL AIR FORCE CHARITABLE TRUST

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

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

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

Introduction

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

Reference and administrative details

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

The Trustees

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

History and charitable objectives

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

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

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

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

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

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

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

Governance

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

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

Remuneration

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

Charity Governance Code

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

Fundraising

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

OBJECTIVES AND ACTIVITIES UPDATE

Strategy

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

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

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

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

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

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

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

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

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

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

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

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

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

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

Grants

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

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

Royal Air Force Charitable Trust Enterprises – Royal International Air Tattoo

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

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

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

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

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

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

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

Looking ahead to RIAT24

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

VOLUNTEERS

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

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

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

PUBLIC BENEFIT

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

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

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

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

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

RISKS

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

FINANCIAL REVIEW

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

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

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

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

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

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

RESERVES POLICY

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

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

The Reserves policy consists of three subcategories:

Investment to further the charitable purposes.

Working Capital Management reserve in response to future income volatility.

Exit Contingency.

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

Designated Fund

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

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

PLANS FOR FUTURE PERIODS

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

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

Air Marshal Philip Osborn CBE

Date 18 May 24



THE ROYAL AIR FORCE CHARITABLE TRUST

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

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

THE ROYAL AIR FORCE CHARITABLE TRUST

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

THE ROYAL AIR FORCE CHARITABLE TRUST

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

THE ROYAL AIR FORCE CHARITABLE TRUST

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

Use of our report

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



Crowe U.K. LLP

Statutory Auditor

Fourth Floor

St James House

St James' Square

Cheltenham

GL50 3PR

Date: 18 June 2024

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

THE ROYAL AIR FORCE CHARITABLE TRUST

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

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

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

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

THE ROYAL AIR FORCE CHARITABLE TRUST

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

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

THE ROYAL AIR FORCE CHARITABLE TRUST

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2023

Charity number: 1176054

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

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

Air Marshal Philip Osborn CBE
Trustee

Date:

12 May 24



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

THE ROYAL AIR FORCE CHARITABLE TRUST

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

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

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

Air Marshal Philip Osborn CBE
Trustee

Date: 18 May 24



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

THE ROYAL AIR FORCE CHARITABLE TRUST

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

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

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

THE ROYAL AIR FORCE CHARITABLE TRUST

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

1. Accounting policies

1.1 Basis of preparation of financial statements

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

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

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

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

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

1.2 Going concern

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

THE ROYAL AIR FORCE CHARITABLE TRUST

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

1. Accounting policies (continued)

1.3 Income

Income from donations

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

Income from other trading activities

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

1.4 Expenditure

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

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

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

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

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

1.5 Taxation

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

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

THE ROYAL AIR FORCE CHARITABLE TRUST

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

1. Accounting policies (continued)

1.6 Intangible assets and amortisation

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

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

Amortisation is provided on the following basis:

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

1.7 Tangible fixed assets and depreciation

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

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

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

The estimated useful lives are as follows:

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

1.8 Investments

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

1.9 Stocks

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

1.10 Debtors

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

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

1.11 Cash and cash equivalents

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

THE ROYAL AIR FORCE CHARITABLE TRUST

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

1. Accounting policies (continued)

1.12 Liabilities and provisions

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

1.13 Financial instruments

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

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

1.14 Operating leases

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

1.15 Pensions

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

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

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

1.16 Termination benefits

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

1.17 Volunteers

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

THE ROYAL AIR FORCE CHARITABLE TRUST

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

1. Accounting policies (continued)

1.18 Fund accounting

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

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

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

2. Critical accounting estimates and areas of judgement

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

2.1 Useful economic lives of tangible fixed assets

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

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

2.2 Recoverability of debtors

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

2.3 Historic accruals

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

2.4 Stock

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

THE ROYAL AIR FORCE CHARITABLE TRUST

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

3. Income from donations and grants

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

4. Income from other trading activities

Income from non charitable trading activities

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

5. Investment income

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

THE ROYAL AIR FORCE CHARITABLE TRUST

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

6. Expenditure on raising funds

Other trading expenses

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

7. Analysis of expenditure on charitable activities

Summary by fund type

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

THE ROYAL AIR FORCE CHARITABLE TRUST

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

8. Analysis of expenditure by activities

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

Analysis of direct costs

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

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

No grants to individuals were paid during the year.

THE ROYAL AIR FORCE CHARITABLE TRUST

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

9. Auditor's remuneration

	2023	2022
	£	£
Fees payable to the Charity's auditor in respect of:		
The auditing of the accounts of the Charity	4,500	3,850
The auditing of the accounts of the subsidiary entity	17,900	15,300
All assurance services not included above	3,780	3,550
	<u>26,180</u>	<u>22,700</u>

10. Staff costs

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

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

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

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

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

THE ROYAL AIR FORCE CHARITABLE TRUST

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

10. Staff costs (continued)

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

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

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

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

11. Trustees' remuneration and expenses

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

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

THE ROYAL AIR FORCE CHARITABLE TRUST

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

12. Intangible assets

Group

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

THE ROYAL AIR FORCE CHARITABLE TRUST

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

13. Tangible fixed assets

Group and Charity

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

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

THE ROYAL AIR FORCE CHARITABLE TRUST

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

14. Fixed asset investments

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

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

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

For details of subsidiaries see Note 27.

15. Stocks

	Group 2023 £	Group 2022 £
Finished goods and goods for resale	79,454	44,683

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

THE ROYAL AIR FORCE CHARITABLE TRUST

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

16. Debtors

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

17. Creditors: Amounts falling due within one year

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

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

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

THE ROYAL AIR FORCE CHARITABLE TRUST

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

Reconciliation of grant creditors - Group and Charity

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

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

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

Included within the above are amounts falling due as follows:

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

Secured loan

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

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

THE ROYAL AIR FORCE CHARITABLE TRUST

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

19. Statement of funds

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

THE ROYAL AIR FORCE CHARITABLE TRUST

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

19. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 October 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 30 September 2020 £</i>
Unrestricted funds				
Designated funds				
RAFCTE	(1,586,308)	13,517,462	(11,490,447)	440,707
	<hr/>	<hr/>	<hr/>	<hr/>
General funds				
General Funds - all funds	3,106,121	31,624	(365,532)	2,772,213
	<hr/>	<hr/>	<hr/>	<hr/>
Total Unrestricted funds	1,519,813	13,549,086	(11,855,979)	3,212,920
	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds				
Restricted Funds - all funds	100	-	-	100
	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	1,519,913	13,549,086	(11,855,979)	3,213,020
	<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 2023**

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

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

Analysis of net assets between funds - prior year

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

THE ROYAL AIR FORCE CHARITABLE TRUST

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

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

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

22. Analysis of cash and cash equivalents

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

23. Analysis of changes in net debt

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

THE ROYAL AIR FORCE CHARITABLE TRUST

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

24. Pension commitments

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

25. Operating lease commitments

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

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

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

26. Related party transactions

Royal Air Force Charitable Trust Enterprises (RAFCTE)

The RAFCTE is a wholly owned subsidiary of the Charity.

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

Scampton Airshow Limited (SAL)

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

RAF100

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

RIAT Flying Scholarships for Disabled People

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

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

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

THE ROYAL AIR FORCE CHARITABLE TRUST

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

27. Principal subsidiaries

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

The following was a subsidiary undertaking of the Charity:

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

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

Limited by guarantee	Yes
----------------------	-----

The financial results of the subsidiary for the year were:

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

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