ROYAL INTERNATIONAL AIR TATTOO
FLYING SCHOLARSHIPS FOR DISABLED PEOPLE

TRUSTEES' REPORT AND INDEPENDENTLY EXAMINED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2018

A company limited by guarantee (in England and Wales)
No. 08112334
Registered Charity Number 1148914

ROYAL INTERNATIONAL AIR TATTOO
FLYING SCHOLARSHIPS FOR DISABLED PEOPLE

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YEAR ENDED 28 FEBRUARY 2018

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ROYAL INTERNATIONAL AIR TATTOO
FLYING SCHOLARSHIPS FOR DISABLED PEOPLE

OFFICERS AND PROFESSIONAL ADVISERS

YEAR ENDED 28 FEBRUARY 2018

Registered company and Charity name	Royal International Air Tattoo Flying Scholarships for Disabled People.
Company number	08112334
Charity numbers	1148914
Trustees	Nigel Samuels (Chairman) Keith Bayliss ((Retired 12 September 2017) Geoff Brindle (Retired 12 September 2017) Dr Eleanor Ivory (Retired 12 September 2017) Oliver Delany OBE Ian Bennett Tony Cann Andrew Smart Fiona Luckhurst Guy Bowen (Appointed 12 September 2017) David Higham (Appointed 12 September 2017)
Patron	Lieutenant General His Royal Highness Prince Faisal bin Al Hussein of the Hashemite Kingdom of Jordan
Principal office	Douglas Bader House Horcott Hill Fairford Gloucestershire GL7 4RB
Independent Examiner	Guy Biggin Crowe U.K. LLP (Formerly Crowe Clark Whitehill LLP) Carrick House Lypiatt Road Cheltenham Gloucestershire GL50 2QJ
Bankers	HSBC 2 Market Place Cirencester Gloucestershire GL7 2NB
Financial Advisors	Cazenove Capital Management 12 Moorgate London EC2R 6DA
Solicitors	Charles Russell Speechleys LLP 5 Fleet Place London EC4M 7RD
Website Address	www.fsdp.co.uk

TRUSTEES' ANNUAL REPORT (CONTINUED)

YEAR ENDED 28 FEBRUARY 2018

The Trustees, who are also the directors for the purposes of company law, present their report and financial statements for the year ended 28 February 2018 under the Companies Act 2006 and the Charities Act 2011, together with the unaudited financial statements for the year, and confirm that the latter comply with the requirements of the Companies Act 2006, the Charities SORP (FRS 102) and the Charity's Memorandum and Articles of Association.

CONSTITUTION, OBJECTIVES AND ACTIVITIES

Royal International Air Tattoo Flying Scholarships for Disabled People (FSDP) was incorporated on 20 June 2012 and registered as a charity on 11 September 2012. For legal reasons, its previous unincorporated charity, The Royal International Air Tattoo Flying Scholarships for Disabled People (formerly 'for the Disabled') in memory of Group Captain Sir Douglas Bader CBE DSO* DFC* (DBMF), is being kept open for the sole purpose of holding the permanent endowment funds and for any future legacies in that name. On 7 February 2013, for administrative and accounting convenience, the Charities Commission approved a Scheme whereby DBMF became a linked charity of FSDP and ceased to be a separate charity. The governing document for both the incorporated and the unincorporated charities is the Articles of Association as adopted on 20 June 2012.

The object of Flying Scholarships for Disabled People is to relieve the condition of, and improve the quality of life of, disabled people by helping them to discover their true potential through the mental and physical stimulation of learning to fly a light aircraft. Disabled people means persons who are physically disabled or handicapped or otherwise impeded for any medical reason from leading a normal life.

Each year, disabled people wishing to apply for a scholarship do so by completing a comprehensive application form. A preliminary selection board considers all the applicants, typically about 80 per year, and selects up to 24 to go forward to a three day final selection board at RAF Cranwell. The candidates are subject to medical assessment, interviewed, undertake a variety of tests and also have the opportunity to find out more about what the scholarship involves. The actual number of scholarships awarded in any one year is dependent on the number of sponsors and the financial state of the charity. Members of the selection board include the Trustees, FSDP supporters, flying school instructors and the medical team.

Apart from its website and leaflet distribution at relevant events, the scheme is advertised on Facebook (www.www.facebook.com/FlyingScholarshipsForDisabledPeople/) and Twitter (www.twitter.com/FSFDP). It also enjoys some modest local PR coverage of the activities of some scholars. Most applicants have heard about the charity as a result of visiting our website, from Facebook or Twitter, reading case histories in specialist magazines, from ex FSDP scholars or from Aerobility – a British flying charity for disabled people.

The majority of scholarships are sponsored although some are financed by the dividends received from FSDP's endowment fund investments or fundraising. Each year there are various fundraising activities including the annual Christmas Newsletter.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure

The administration of the charity is vested in the Trustees, currently eight in number, who delegate the day-to-day operation of the charity to its General Manager, Julie Bull, who also acts as Secretary to the Trustees.

In addition to attendance at quarterly Trustee meetings, the Trustees typically participate in all aspects of the annual selection procedure for scholars, attend the Presentation Ceremony at the Royal International Air Tattoo ("RIAT"), on which occasion the scholarships are awarded, and visit scholars during their training in the UK.

STRUCTURE, GOVERNANCE AND MANAGEMENT (*continued*)

Trustees

The Trustees for the reporting period are listed on page 1. At the annual general meeting in each year, the Trustees elect one of their number to be chairman until the annual general meeting of the following year. The previous year's Chairman may stand for re-election.

When a vacancy arises on the Board of Trustees, persons considered suitable to undertake such a role, based on their background and ability to provide the expertise required of the Board, are approached to determine if they wish, and have the capacity, to join the Board and, if so, an interview is arranged.

At the time of their interviews, potential new Trustees receive a detailed briefing on the purpose and objectives of the charity and, if appointed, what is expected of them. They are encouraged to attend a Trustee meeting and observe the selection procedure for scholars. In addition they meet with the General Manager for a general briefing on the charity's operations and administration. If the individual agrees to be appointed, the nomination is then considered and, as appropriate, approved by the Board of Trustees. All potential Trustees are required confirm they are a fit and proper person in accordance with the Charities Commission requirements.

New Trustees are provided with:

- The Charity Commissioners' Publication CC3
- The Articles of Association dated 20 June 2012
- The previous year's Report and Accounts
- The minutes of the two previous Trustee meetings
- The Terms and Conditions for Scholars and Flying Schools
- The last Risk Assessment Review and Risk Register
- Access to Dropbox and all of the charity's documented policies and procedures

The Trustees are expected to familiarise themselves with their obligations and remain abreast of any relevant developments in charity law.

The Trustees are typically appointed for 4 years and the maximum tenure has recently been extended to 8 years. While the latter is the norm, exceptions may be made where it is difficult to recruit the appropriate skills or expertise. There is a Trustee rotation plan in place that prompted the programme of recruitment of new Trustees.

ACHIEVEMENTS AND PERFORMANCE

Thanks to the generosity of our sponsors, during 2017 we were able to award eight 3-week scholarships to Phil Grace, Ross Minton, Simon Mount, Daniel Pelling, Kerry Shaw and Gary Tattersall with Gryphon Aero Club at Cotswold Airport and Jamie Thomson and Tom Toolan with Bristol Aero Club at Gloucestershire Airport. We were also able to offer four 4-week scholarships to Dawn Geer, Rebecca Giddings, Damian Harper and Matthew Monaghan Tustain with Shadow Flight Centre at Old Sarum Airfield.

Scholarships were generously sponsored by British Airways High Flight (two scholarships), The Royal Air Force Charitable Trust (two scholarships), The Air Pilots Benevolent Fund, Wings Around the World, Lockheed Martin, Skyforce, The Red Arrows Trust, The Aviation Supper Club, The Scholars' Scholar Fund and an anonymous donor.

The first award of 'The Scholars' Scholar' was made to Matthew Monaghan. As the name suggests, this award is underwritten by the fundraising efforts of both Trustees and previous scholars.

ACHIEVEMENTS AND PERFORMANCE (*continued*)

The George Stewart Memorial Trophy is awarded each year to either a man or a woman who, it is felt, has achieved the most as a result of gaining a scholarship in the previous year and this was awarded to 2016 scholar Stuart Campbell. The Wings Around the World Trophy is awarded each year to the woman who over time, it is felt has achieved much from the flight training experience and this was awarded to 2016 scholar Karen Cox.

The Douglas Bader Trophy, awarded as a result of a generous legacy from Gregory Whiteley, is given to the scholar(s) or person(s) who it is felt has contributed most to the charity. The trophy was awarded to scholar Jo Kay.

Our promotional activity during the year included updating our website, a comprehensive revision of all our promotional material, a Christmas Newsletter to our database of supporters, the annual Presentation Ceremony and an Aviation Supper Club event. In addition, we promote the charity to the many visitors to our marquee during RIAT and also hold social events to which current and past scholars and their families are welcome. We invite past scholars to remain in touch with the charity as part of an informal FSDP 'family' as it is evident there is much mutual support to be gained.

In accordance with our 2017/18 Action Plan, much has been done to raise the profile of the charity notably through social media. The charity currently has limited capacity and so, in addition to attracting funds, the focus is on increasing the quality and quantity of applications.

While the indicators are encouraging, it is premature to draw any definitive conclusions from the well being metrics we have introduced. However, the qualitative evidence, as reflected in our scholars' individual stories of their experience, continues to be overwhelmingly positive.

Our new flying sub-committee has proved invaluable in informing Trustee decisions notably with regard to meeting our duty of care in respect of both the selection of flying schools and maximising the scholars' flying experience. The flying sub-committee and medical team play instrumental and much valued roles in mitigating the key risks to which the charity is exposed.

The Trustees remain indebted to all our sponsors, friends and members of the public for their donations. In addition we are most grateful to; RAFCTE and the RIAT volunteer supporters for their help throughout the year and particular for the facilities provided at RIAT that allow our scholars to have a memorable and fitting Presentation Ceremony; the Air Cadets from 2496 Squadron Cumbernauld for their support during our Final Selection Board and the Presentation Ceremony; and all at RAF Cranwell who annually host our Final Selection Board. Without this collective commitment to the charity we would struggle to function effectively. We are also most appreciative of our Patron and the Chief of the Air Staff for their particular acknowledgement of our scholars' achievements by their presentation of certificates, wings and trophies.

FINANCIAL REVIEW

The annual cycle of our activity is that scholar selection takes place in March and the flying training then takes place in the ensuing Summer months. Fund raising continues throughout the year. The budget planning implication is that a significant percentage of scholarships are in practice funded by sums raised during the preceding financial year. This can, in turn, mean that the income and expenditure figures in the annual financial statements become slightly out of kilter with each other.

Turning to the Statement of Financial Activities (SoFA), it is gratifying to note that income (£195k) is only £8k down on the previous year during which we received a legacy of £42k. There were a number of contributory factors including a higher return on investments and more active fund raising campaign. The new 200 Club lottery has also started to contribute.

FINANCIAL REVIEW (*continued*)

With regard to expenditure, the apparent increase of £35k in 2017/18, as compared to the previous year (£174k v £139k), is not quite as it seems. The 2016/17 expenditure figure was abated by the £18k write off of accumulated, unexpended flying awards from previous years. The 2017/18 write off figure is less than £1k. While in 2017/18 we did award an additional scholarship (12 v 11), because we also reduced the hours linked to each scholarship the net cost of the awards was the same. Therefore, the balance of the increase in expenditure is attributable to the additional cost of the Presentation Ceremony (£13k) as in 2017/18 we did not have the benefit of using the Lockheed Martin pavilion. Other minor factors were increases in travel & subsistence payments made to Trustees, marketing costs, insurance premiums and salary. We also paid out lottery prizes.

The Balance Sheet shows an overall modest increase in net assets (£22k). While the opening remarks to this section pertain, the result also reflects our recognition of the necessity to live within our means.

Despite the limited resources available to administer the charity, the majority of items identified in the Action Plan for 2017/18 were delivered. These were:

- Further developing the mentor scheme to provide scholars with greater post scholarship support:
- Running a PR campaign to support 2017 activities;
- Increasing the number of scholarship awards made by identifying and bidding for support from new potential benefactor organisations and individuals;
- Raising the number and quality of applications for scholarships from the disabled community;
- Ensuring the trustee body has, over the immediate and longer term, the full complement of skills, experience and capacity necessary to deliver the charity's objectives; and
- Further developing metrics that enable the objective assessment of the outcomes of FSDP activity.

PLANS FOR THE FUTURE

There are some 13 million disabled people in the UK. While there are many thousands of charities supporting those with a disability, there is clearly a potential demand for our support that we are unable either to reach or fulfil. Our dilemma is that we are a small charity with limited resources and capacity. Moreover, there are only a small number of flying schools either with the relevant expertise within its instructor cadre or the specialist equipment to train those with the wide range of disabilities we encounter. In consequence, our ambitions to extend our brand and outreach within both the aviation industry and disabled sector has to be tempered by pragmatism. Nevertheless, over the next year ongoing and new activities will include:

- Broadening our community of past and present scholars;
- Utilising the wide range of scholars' talents made available to the charity to meet its goals;
- Identifying other flying schools capable of meeting our scholars' needs;
- Expanding our support base to include other benefactor organisations and individuals so as to increase the annual number of scholarship awards;
- Exploiting a wide range of opportunities to market the charity;
- Exploring the acquisition of CRM software;
- Tracking and evaluating scholars outcomes' including well being metrics;
- Furthering relationships with local disabled charities; and
- Ensuring the Trustee Board has, over the immediate and longer term, the full complement of skills, experience and capacity necessary to deliver the charity's objectives.

PUBLIC BENEFIT

We continue to obtain, notably through the post scholarship oral and written reports that required of every scholar, clear evidence that the vast majority of scholars enjoy a considerable boost in their sense of well being as a direct result of completing the scholarship. We also conduct surveys that measure a scholar's well being prior to the award of a scholarship, on the completion of the scholarship and then again a minimum of 10 months later. These quantitative measures combined with the qualitative commentary offer evidence of a sustained benefit for a majority of scholars in terms of well being, confidence and engagement with society. All of the foregoing constitutes a public benefit.

The Trustees have complied with the duty in Section 4 of the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission

RESERVES POLICY

The Trustees maintain the view that the charity should hold a combination of 'cash' plus investment income sufficient to equate to awarding 10 scholarships plus the associated administrative support costs. This currently equates to circa £125k. While reserves are currently sufficient, the need for regular additional unrestricted fund raising remains.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the Royal International Air Tattoo Flying Scholarships for Disabled People for the purposes of company law) 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).

Company law requires the Trustees to prepare financial statements for each financial year. Under company 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT EXAMINER

The Trustees will continue to appoint an examiner to undertake the independent examination of the Trust each year.

In preparing this report, the Trustees have taken advantage of the small companies exemption provided by Section 415A of the Companies Act 2006.

Approved by the Board on 19/9/2018

Nigel Samuels
Chairman of Trustees

ROYAL INTERNATIONAL AIR TATTOO
FLYING SCHOLARSHIPS FOR DISABLED PEOPLE

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

YEAR ENDED 28 FEBRUARY 2018

I report to the charity Trustees on my examination of the accounts of the company for the year ended 28 February 2018, which are set out on pages 8 to 21.

This report is made solely to the charitable company's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the charitable company's Trustees as a body in accordance with section 154 of the Charities Act 2011. My independent examiner's work has been undertaken so that I might state to the charitable company's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's Trustees as a body for my independent examiner's work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the charity's Trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Guy Biggin, FCCA
Crowe U.K. LLP

Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

25 September 2018

ROYAL INTERNATIONAL AIR TATTOO
FLYING SCHOLARSHIPS FOR DISABLED PEOPLE

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 28 FEBRUARY 2018

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2018 £	*Total Funds 2017 £*
Income and endowments from:						
Donations and legacies	4	**113,768**	**39,000**	**-**	**152,768**	*163,556*
Investments	5	**41,816**	**-**	**-**	**41,816**	*36,162*
Other		**-**	**-**	**-**	**-**	*2,752*
Total income		**155,584**	**39,000**	**-**	**194,584**	*202,470*
Expenditure on:						
Raising funds	7	**21,469**	**-**	**-**	**21,469**	*19,061*
Charitable activities	6	**129,778**	**22,000**	**-**	**151,778**	*120,270*
Total expenditure		**151,247**	**22,000**	**-**	**173,247**	*139,331*
Net gains on investments	11	**941**	**-**	**-**	**941**	*124,506*
Net income		**5,278**	**17,000**	**-**	**22,278**	*187,645*
Net movements in funds		**5,278**	**17,000**	**-**	**22,278**	*187,645*
Reconciliation of funds:						
Total funds brought forward	13	**401,041**	**-**	**747,042**	**1,148,083**	*960,438*
Total funds carried forward	13	**406,319**	**17,000**	**747,042**	**1,170,361**	*1,148,083*

The notes on pages 12 to 22 form part of these financial statements.

ROYAL INTERNATIONAL AIR TATTOO
FLYING SCHOLARSHIPS FOR DISABLED PEOPLE

Company registration number: 08112334

BALANCE SHEET
AS AT 28 FEBRUARY 2018

	Note	£	28 February 2018 £	£	*28 February 2017 £*
Fixed assets					
Investments	11		**1,053,893**		*1,052,240*
			1,053,893		*1,052,240*
Current assets					
Cash at bank and in hand		**133,287**		*114,271*	
		133,287		*114,271*	
Liabilities:					
Creditors: Amount falling due within one year	12	**(16,819)**		*(18,428)*	
Net current assets			**116,468**		*95,843*
Total net assets			**1,170,361**		*1,148,083*
The funds of the charity:					
Unrestricted funds	13		**406,319**		*401,041*
Restricted funds	13		**17,000**		-
Endowment funds	13		**747,042**		*747,042*
Total charity funds			**1,170,361**		*1,148,083*

The Trustees are satisfied that for the year in question, the charitable company was entitled to exemption from an audit under section 477 of the Companies Act 2006 and that the members have not required the charitable company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies.

These financial statements were approved by the Board of Trustees on 19/9/2018 and are signed on their behalf by:

.....
Nigel Samuels
Chairman of Trustees

The notes on pages 12 to 22 form part of these financial statements.

ROYAL INTERNATIONAL AIR TATTOO
FLYING SCHOLARSHIPS FOR DISABLED PEOPLE

CASH FLOW STATEMENT

YEAR ENDED 28 FEBRUARY 2018

	Notes	2018	2017
		£	£
Cash flows from operating activities:			
Net cash (used in)/ provided by operating activities	17	**(22,088)**	*15,107*
Cash flows from investing activities:			
Dividends and interest from investments	5	**41,816**	*36,162*
Purchase of investments	11	**-**	*(74,632)*
Movement in cash held as investments	11	**(712)**	*(851)*
Net cash provided by /(used in) investing activities		**41,104**	*(39,321)*
Change in cash and cash equivalents for the reporting period		**19,016**	*(24,214)*
Cash and cash equivalents at the beginning of the reporting period		***114,271***	*138,485*
Cash and cash equivalents at the end of the reporting period		**133,287**	*114,271*

The notes on pages 12 to 22 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2018

1. Legal status of the charity

The Royal International Air Tattoo Flying Scholarships for Disabled People is a company limited by guarantee and incorporated in England and Wales (08112334) and a registered charity (1148914). Its registered office and principal place of business is Douglas Bader House, Horcott Hill, Fairford, Gloucestershire, GL7 4RB.

2. Accounting policies

Basis of preparation
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Companies Act 2006 and Charities Act 2011. The financial statements have been prepared under historical cost convention with the exception of investments which are included at market value.

The Royal International Air Tattoo Flying Scholarships for Disabled People meets the definition of a public benefit entity under FRS 102.

Going concern
These financial statements have been prepared on a going concern basis, which the Trustees consider to be appropriate as a result of projections prepared, which together with the level of working capital and realisable investments available indicate the charity will be able to operate within the facilities currently available. The financial statements do not include any adjustments that would result from the going concern basis becoming non-applicable.

Fund accounting
Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are funds which are to be used in accordance with specific instructions imposed by donors or which have been raised by the charity for a particular purpose. The aim and use of each restricted fund is set out in the notes to the financial statements.

Permanent endowment funds represent those assets which must be held permanently by the charity, principally investments. The funds must be retained in perpetuity to generate income to provide further scholarships.

Expendable endowment funds are attributable to the original amount settled on the charity, subsequent settlement and accumulated gains and losses thereon. The endowments are expendable at the discretion of the Trustees on expenditure which meets the charitable objectives of the charity.

Investment income and gains are allocated to the appropriate fund.

Income
Donations income is received by way of sponsorship for individual scholarship placements, and by way of donations and gifts (including Gift Aid). Income from donations is included in income when receivable. When donors impose conditions which have to be fulfilled before the charity becomes entitled to such income, the receipt of income is not included within income until the pre-conditions have been met.

2. **Accounting policies *(continued)***

Investment income consists of dividends and interest on the charity's bank and investment balances. Investment income is included when receivable.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of a probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material to the charity.

Expenditure
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all direct costs related to the category. The irrecoverable element of VAT is included within the expense to which it relates.

Charitable activities relate to direct costs of scholarships awarded. The cost of overall direction and administration, including the salary and overhead costs of administration, is apportioned on the basis that 70% of these support costs also relate to charitable activities.

Raising funds comprise of those costs incurred in setting up and managing fundraising events and the investment managers' fees.

Governance costs comprise all costs incurred in running the charity. As such, it includes secretarial expenses, independent examination and legal fees together with the remaining 30% of support costs not allocated to direct charitable activities.

Investments
Investments listed on a recognised stock exchange are stated at the market value at the date of the Balance Sheet. Gains and losses on investments are recognised in the Statement of Financial Activities.

Cash
Cash is represented by cash in hand and deposits with financial institutions. Cash equivalents and current investments are highly liquid and mature in no more than 3 months.

Creditors
Creditors are recognised where the 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.

Taxation
As a registered charity the Royal International Air Tattoo Flying Scholarships for Disabled People is entitled to taxation exemptions on all of its income and gains, properly applied for its charitable purposes.

2. **Accounting policies (continued)**

Financial instruments
The charity only has financial assets and financial liabilities of a fund that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

The charity has the following basic financial instruments. Cash at bank and in hand, accruals and other creditors, which are all measured at their settlement value.

Critical accounting judgements and key sources of estimation uncertainty
Preparation of the financial statements requires management to consider making any significant judgements and estimates where necessary. There are no items in the financial statements where significant judgements and estimations have been made. This will also be a key assumption going forward into the next reporting period.

3. Comparative Statement of Financial Activities (for the year ended 28 February 2017)

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2017 £
Income and endowments from:					
Donations and legacies	4	124,556	39,000	-	163,556
Investments	5	36,162	-	-	36,162
Other		2,752	-	-	2,752
Total income		163,470	39,000	-	202,470
Expenditure on:					
Raising funds	7	19,061	-	-	19,061
Charitable activities	6	81,270	39,000	-	120,270
Total expenditure		100,331	39,000	-	139,331
Net gains/(losses) on investments	11	30,443	-	94,063	124,506
Net income		93,582	-	94,063	187,645
Net movements in funds		93,582	-	94,063	187,645
Reconciliation of funds:					
Total funds brought forward	13	307,459	-	652,979	960,438
Total funds carried forward	13	401,041	-	747,042	1,148,083

4. Donations

	2018 £	2017 £
Donations and legacies		
Donations	**12,293**	23,851
Legacies	**-**	41,870
Gift aid	**2,161**	3,086
Sponsorships received	**133,958**	94,749
Lottery income	**1,774**	-
Other income	**2,582**	-
	152,768	163,556

5. Investments

	2018 £	2017 £
Dividends receivable from investments	**41,816**	36,162
	41,816	36,162

6. Charitable activities

	2018 £	2017 £
Scholarships to individuals - direct costs	**82,160**	54,992
Allocated support costs:		
- Wages and salaries (note 9)	**24,993**	24,639
- Travelling and subsistence	**6,495**	4,491
- Office charges	**-**	3,500
- Office support costs	**38,130**	32,648
	151,778	120,270

Classified within Office support costs there are Governance costs which include:

	2018 £	2017 £
Wages and salaries (note 9)	**10,710**	10,559
Independent examination fee	**3,745**	3,060
Taxation fees and accountancy costs	**4,014**	6,001
Other administrative costs	**19,661**	13,028
	38,130	32,648

7. Raising funds

	2018 £	*2017* *£*
Marketing	**18,351**	*16,970*
Investment managers costs	**3,118**	*2,091*
	21,469	*19,061*

8. Net income

Net income is stated after charging:

	2018 £	*2017* *£*
Independent examiners fee	**2,022**	*1,630*
Independent examiners fee - other services	**1,723**	*1,430*
	3,745	*3,060*

9. Staff costs

	2018 £	*2017* *£*
Staff costs during the year (and remuneration of key management personnel) were as follows:		
- Wages and salaries	**31,083**	*30,533*
- Social security costs	**120**	*254*
- Pensions	**4,500**	*4,411*
	35,703	*35,198*

The average number of employees during the year was one (*2017: one*).

No employees were paid in excess of £60,000 in either financial year.

10. Trustees remuneration and expenses

No Trustee has been paid remuneration in either financial year.

Four Trustees (*2017: four*) were reimbursed expenses for travel and subsistence totalling £2,284 (*2017: £1,524*).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2018

11. Fixed asset investments

	2018 £	*2017* *£*
Market value at 1 March 2017	**1,052,240**	*852,251*
Additions	**-**	
	-	*74,632*
Unrealised gains	**941**	*124,506*
Movement in cash held as investments	**712**	*851*
Market value at 28 February 2018	**1,053,893**	*1,052,240*

The historical cost of listed investments, excluding liquid assets, held at 28 February was £1,002,891 (*2017: £1,002,891*).

12. Creditors - amounts falling due within one year

	2018 £	*2017* *£*
Accruals and deferred income	**16,819**	*18,428*
	16,819	*18,428*

Deferred income	2018 £	*2017* *£*
Deferred income at 1 March 2017	***10,000***	*9,000*
Resources deferred during the year	**-**	*10,000*
Amounts released from previous years	**(10,000)**	*(9,000)*
Deferred income at 28 February 2018	**-**	*10,000*

Deferred income relates to donations received which relate to future periods.

13. Statement of funds

	At 1 March 2017	Income	Expenditure	Investment gain in year	At 28 February 2018
Wings around the world					
- Permanent endowment	*500,876*	-	-	-	**500,876**
Former scholars fund					
- Expendable endowment	*17,844*	-	-	-	**17,844**
John Saville fund					
- Expendable endowment	*114,145*	-	-	-	**114,145**
ACT fund					
- Expendable endowment	*45,658*	-	-	-	**45,658**
Viccarage Trust					
- Expendable endowment	*57,106*	-	-	-	**57,106**
Entrepreneurs Fund					
- Expendable endowment	*11,413*	-	-	-	**11,413**
	747,042	-	-	-	**747,042**
Restricted Fund	-	**39,000**	**(22,000)**	-	**17,000**
Unrestricted Funds	*401,041*	**155,584**	**(151,247)**	**941**	**406,319**
	1,148,083	**194,584**	**(173,247)**	**941**	**1,170,361**

13. Statement of funds (Continued)

Permanent Endowment Funds

The Wings Around the World fund comprises donations raised by Polly Vacher's two solo flights around the world and a variety of other fundraising initiatives.

Expendable Endowment Funds

The Former Scholars' fund comprises donations from former scholars.

The John Saville fund comprises donations from John Saville.

The ACT Fund comprises donations from the ACT Foundation.

The Viccarage Trust fund comprises donations from Peter Viccars and the Viccarage Trust.

The Entrepreneurs Fund comprises donations from the Entrepreneurs Fund.

Restricted Funds

The Scholarship fund comprises scholarships with restrictions received from the Air Pilots Benevolent Fund and the Royal Air Force Charitable Trust.

14. Analysis of net assets between funds

	Unrestricted £	Restricted £	Endowment £	Total Funds £
Investments	306,851	-	747,042	1,053,893
Current assets	116,287	17,000	-	133,287
Current liabilities	(16,819)	-	-	(16,819)
	406,319	17,000	747,042	1,170,361

15. Prior Year Statement of funds

	At 1 March 2016	Income	Expenditure	Investment gain in year & transfers	At 28 February 2017
Wings around the world					
- Permanent endowment	*437,808*	-	-	**63,068**	**500,876**
Former scholars fund					
- Expendable endowment	*15,597*	-	-	**2,247**	**17,844**
John Saville fund					
- Expendable endowment	*99,773*	-	-	**14,372**	**114,145**
Scholarship fund					
- Restricted funds	-	**39,000**	**(39,000)**	-	-
ACT fund					
- Expendable endowment	*39,909*	-	-	**5,749**	**45,658**
Viccarage Trust					
- Expendable endowment	*49,916*	-	-	**7,190**	**57,106**
Entrepreneurs Fund					
- Expendable endowment	*9,976*	-	-	**1,437**	**11,413**
	652,979	**39,000**	**(39,000)**	**94,063**	**747,042**
Unrestricted Funds	*307,459*	**163,470**	**(100,331)**	**30,443**	**401,041**
	960,438	**202,470**	**(139,331)**	**124,506**	**1,148,083**

16. Prior Year Analysis of net assets between funds

	Unrestricted £	Restricted £	Endowment £	Total Funds £
Investments	**305,198**	-	**747,042**	**1,052,240**
Current assets	**114,271**	-	-	**114,271**
Current liabilities	**(18,428)**	-	-	**(18,428)**
	401,041	-	**747,042**	**1,148,083**

17. Cash flow from operating activities

	2018 £	2017 £
Net income for the reporting period (as per the Statement of Financial Activities)	**22,278**	*187,645*
Adjustments for:		
Dividends and interest from investments	**(41,816)**	*(36,162)*
(Gains) on investments	**(941)**	*(124,506)*
Increase/(Decrease) in creditors	**(1,609)**	*(11,870)*
Net cash (used in) / provided by operating activities	**(22,088)**	*15,107*

Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	**133,287**	*114,271*
Total cash and cash equivalents	**133,287**	*114,271*

18. Related parties

The charity has a close relationship with the Royal Air Force Charitable Trust Enterprises Limited ("RAFCTE") and through it the Royal International Air Tattoo from which it derives its name.

During the year, the charity paid £7,400 (*2017: £7,400*) to reimburse RAFCTE for costs incurred on behalf of the charity.

The amount payable to RAFCTE at the year end was £110 (*2017: £110*).

Fiona Luckhurst, a Trustee of Royal International Air Tattoo Flying Scholarships for Disabled People is also the Director of Shadow Aviation Ltd. During the year Royal International Air Tattoo Flying Scholarships for Disabled People paid Shadow Aviation Ltd £12,301 *(2017:* £14,551*)* for services provided. £nil was outstanding at the year end.

19. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**133,287**	*114,271*
Financial liabilities		
Financial liabilities measured at amortised cost	**16,819**	*8,428*

Financial assets measured at amortised cost comprise of cash at bank and in hand.

Financial liabilities measured at amortised cost comprise of other creditors and accruals.