

Registered number: 08112334
Charity number: 1148914

**ROYAL INTERNATIONAL AIR TATTOO FLYING SCHOLARSHIPS FOR
DISABLED PEOPLE**

(A Company Limited by Guarantee)

**TRUSTEES' REPORT, INDEPENDENT EXAMINER'S REPORT AND FINANCIAL
STATEMENTS**

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

ROYAL INTERNATIONAL AIR TATTOO FLYING SCHOLARSHIPS FOR DISABLED PEOPLE
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

Trustees	Nigel Samuels, Chairman Oliver Delany OBE Ian Bennett Tony Cann Fiona Luckhurst Guy Bowen David Higham Rachel Greenwood Rebecca Giddings Ian Revell
Company registered number	08112334
Charity registered number	1148914
Registered office	Douglas Bader House Horcott Hill Fairford Gloucestershire GL7 4RB
Website address	www.fsdp.co.uk
Patron	His Royal Highness Prince Feisal Ibn Al-Hussein
Independent Examiner	Guy Biggin FCCA Crow U.K. LLP Carrick House Lypiatt Road Cheltenham GL50 2QJ
Bankers	HSBC 2 Market Place Cirencester Gloucestershire GL7 2NB
Solicitors	Charles Russell Speechlys LLP 5 Fleet Place London EC4M 7RD
Financial Advisor	Cazenove Capital Management 12 Moorgate London EC2R 6DA

ROYAL INTERNATIONAL AIR TATTOO FLYING SCHOLARSHIPS FOR DISABLED PEOPLE
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TRUSTEES' REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

The Trustees, who are also the directors for the purposes of company law, present their report and financial statements for the 7 months ended 30 September 2020 under the Companies Act 2006 and the Charities Act 2011, together with the independently examined financial statements for the period, 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 FSDP 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. For the purposes of the charity, 'disabled people' means persons who are physically disabled or handicapped or otherwise impeded for any medical reason from leading a normal life.

The normal pattern of events initially requires disabled people wishing to apply for a scholarship to complete a comprehensive application form. A preliminary selection board considers all the applicants, typically about 60 per year, and selects 18 to go forward to a three day final selection board at RAF Cranwell. There, 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. Members of the selection board include the Trustees, FSDP supporters, flying school instructors and the medical team. The latter play the crucial role of evaluating an applicant's potential to meet the Civil Aviation Authority's medical requirements. Scholarships are awarded to those that the selection board collectively consider are most likely to use the experience so gained significantly to enhance their individual overall well being. The actual number of scholarships awarded in any one year is dependent on a combination of the suitability of the applicants, the number of sponsors and the overall financial state of the charity.

Apart from its website and leaflet distribution at relevant events, the scheme is advertised on Facebook (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 encounter the charity through our on-site presence at the Royal International Air Tattoo (RIAT), by visiting the 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 nine in number, who delegate the day-to-day operation of the charity to its General Manager, Lou Buckley who also acts as Secretary to the Trustees.

In addition to the 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

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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

("RIAT"), on which occasion the scholars are presented with their certificate or wings, and also visit scholars during their training.

Trustees

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, the Trustees assess the implications in terms of any consequent shortfall in pertinent background, knowledge, skill or experience. The latter, together with considerations relating to diversity, informs the decision as to the nature of the replacement trustee sought. Advertising for trustees has proved fruitless and invariably suitable individuals are identified through personal connections.

As and when an individual is identified as a potential Board member, s/he is approached to determine interest in, and the capacity to, join the Board. Subsequently, an interview by Trustees is arranged during which a detailed briefing on the purpose and objectives of the charity is given along with guidance on the responsibilities of a trustee. Depending upon their familiarity with the charity, the individual is also given the opportunity to sit in on a Board meeting, observe the selection process at RAF Cranwell and meet, and be briefed by, the General Manager before a mutual decision is made. All potential Trustees are required to 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 Trustees' meetings
- The Terms and Conditions for Scholars and Flying Schools
- The last Risk Assessment Review and Risk Register
- Access to Dropbox/Airtable and all 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 an initial term of 4 years and may, at the discretion of the Board, serve one further term of up to 4 years. While 8 years is the usual maximum, exceptions may be made where it is difficult to recruit the appropriate skills or expertise. There is a Trustee rotation plan that prompts early consideration of the need to retain and replace the requisite knowledge and expertise in the trustee body.

Governance Code

The Trustees are committed to good governance and readily adhere to the Seven Principles of the Charity Governance Code. The opportunity was taken during this accounting period to review all of our policies and, as appropriate, amend or supplement them. A further focus was on our application procedure and steps were taken to bring the entire process on line, reduce the risk of unconscious bias and give applicants better guidance as to what exactly we were looking for in a potential scholar.

ACHIEVEMENTS AND PERFORMANCE

Sadly, due to the COVID-19 pandemic, to the particular disappointment of a host of applicants, we were unable to offer any scholarships in 2020. The fact that many members of the community we work with are vulnerable reinforced the need for the charity to exercise particular care. The nature of flying training means spending time in close proximity to the flying instructor in a small plane or microlight, making social distancing impossible. Consequently, many schools were closed, as were the adjacent hotel and catering facilities upon which scholars

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FOR THE PERIOD ENDED 30 SEPTEMBER 2020

depend during the training. Unsurprisingly, RIAT 2020 was also cancelled. Consequently, our 2019 scholars have not enjoyed the traditional 'Wings' Presentation Ceremony. Nor have we awarded the annual trophies associated with those scholars who have contributed to, and benefited most from the scholarship.

However, we were not idle and, as mentioned above, we took the opportunity to review our governance. We were much aided in this process by the new General Manager, Lou Buckley, who brought a welcome fresh approach and different perspective. The latter, also applied her IT expertise to put all policies and processes on line and enable trustee meetings through Zoom.

We were also mindful of the importance of staying in touch with, and supporting, the wider FSDP family many of whom were struggling with a lockdown. This gave particular impetus to the fulfilment of a long-standing initiative to create a membership forum on the FSDP website thorough which scholars and other FSDP stakeholders could communicate and reinforce the benefits gained by the scholarship. When complete we envisage this taking over from our current social media as the most active platform for social interaction.

It has been, and will remain, a challenging time for fundraising with planned fundraising events put on hold. Nevertheless, we have maintained close communication with our key sponsors and have been gratified by assurances from most of on-going support once we are able to run scholarships safely again. Importantly, we have enjoyed, and are most grateful for, the support of the Coronavirus Small Business Grant Fund (CSBGF) for their generous contribution towards our running costs.

FINANCIAL REVIEW

As reported last year, we have changed our financial year to match that of our host, RAF Charitable Trust Enterprises (RAFCTE). The period, 1 October - 30 September, also better reflects that our main period of activity is associated with scholar selection in March and the subsequent flying training undertaken during the ensuing summer months. The practical upshot is that this report covers a 7, rather than 12, month period and that, together with the pandemic induced inactivity, makes year on year performance comparisons invalid.

Nevertheless, the Total Funds carried forward by the charity have increased by £41k (£1,220k v £1,179k in the preceding FY). The prime reasons are, as shown in the Statement of Financial Activities (SOFA), income exceeded expenditure by £8k (£47k v £39k) plus there was a net gain on investments of £33k. Four grants, totalling £16k (including £10k from the CSBGF mentioned above), towards our running costs that we were fortunate to receive were the difference. The General Manager's salary costs (£24k) during the period represent a significant proportion of outgoings and we did not have to consider placing her on furlough. Rather, she was able to assume her role and play a productive role in the support of the FSDP community and the enablement of future scholarships. While we have enjoyed further contributions towards the Scholars' Scholar Fund, the uncertainty about the nature and timing of future activity inhibited our fund raising efforts. We will need to return to the fray. Cash holdings were reduced just after the FY end by £100k with the transfer of that sum to our investment portfolio (see below).

INVESTMENT POLICY

FSDP's capital is invested with the Cazenove Charity Multi Asset Fund (CMAF). The latter meets our objective to have our funds held within an investment vehicle with a diversified strategy involving equities, bonds, property and alternatives assets. Additionally, the CMAF aims to provide income and capital growth in excess of the CPI + 4% (net of fees) over a rolling 10 year period. This allows the Trustees to plan on its investment income return. The CMAF also has a responsible investment approach that operates certain exclusions while ensuring that environmental, social and governance considerations apply in all investment decisions.

The Trustees are aware that of its £1,220k funds some £491k is permanent endowment and this restricts the use of these funds accordingly. However, FSDP is most fortunate to retain the on-going support and engagement of the benefactors of the permanent endowment. While it remains our benefactors' current wish to keep the funds as endowed, they would not, subject to consultation, wish to preclude the application of the funds

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to another use that demonstrably better served the long term interests of the charity.

CURRENT AND FUTURE PLANS

Our ambitions for the next 12 months remain in a state of flux due to the pandemic. However, while we will continue to monitor the situation closely, we hope that we will run a scholarship programme during summer 2021. As we are mindful of our duty of care to a community, many of whose extant health conditions leave them vulnerable to the virus, there will have to be some changes to our selection procedures. Moreover, the importance of outreach and support of our community is of paramount importance. Accordingly our plans for the next FY include the following:

- Extending and facilitating our support of our community of past and present scholars through the creation of an online 'SDP Members' Club'.
- Utilising the wide range of former scholars' talents available to the charity to help with the development of the Members Club.
- Exploring alternative means of conducting the scholar pre-selection, interviews and medicals in the event RAF Cranwell is not available.
- Identifying other flying schools capable of meeting our scholars' needs.
- The delivery of interview training to ensure that all interviewers are of a consistent standard and we optimise our prospects of selecting the most suitable applicants.
- Mounting a PR campaign so as better to exploit all opportunities to market the charity.
- Tracking and evaluating scholars outcomes' over the longer term.
- Increasing our fund raising including the creation of a fund raising committee so as to increase the annual number of scholarship awards.
- Furthering relationships with local disabled charities.
- Enhancing our governance to accord with the best practice recommended in the Charity Governance Code.
- Maintaining within the Trustee Board the full complement of skills, experience and capacity necessary to deliver the charity's objectives.

RISK MANAGEMENT

FSDP has a risk register that is subject to annual review. The key risk of the loss of the charity's assets is mitigated through the investment policy referred to above. Other key risks would arise in the event of there being a major incident involving a scholar. The latter is mitigated through the selection screening process, which crucially includes medical assessment and in the careful choice of flying schools. The latter is the particular responsibility of the Flying Committee, the membership of which has the requisite expertise. Our new safeguarding policy also has a role to play in the protection of both our scholars and the charity. The charity has comprehensive insurance cover which will be thoroughly reviewed prior to renewal in March 2021.

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, based upon the Warwick-Edinburgh assessment tool, 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. While these quantitative measures combined with the qualitative commentary offer evidence of a sustained benefit - in terms of well-being, confidence and engagement with society for the majority of scholars, we are minded to do more research on the subject.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

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. Current reserves are more than sufficient. Trustees remain confident in the charity's financial viability during the Covid-19 pandemic.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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
- 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.

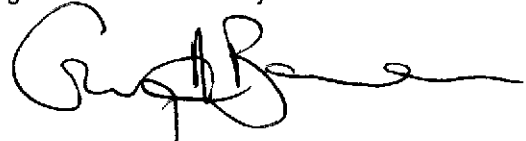
The report of the Trustees has been prepared in accordance with the special provisions relating to small companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Trustees on

17th March 2021

Guy Bowen, Chairman

and signed on their behalf by:



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INDEPENDENT EXAMINER'S REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

Independent Examiner's Report to the Trustees of Royal International Air Tattoo Flying Scholarships For Disabled People ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the period ended 30 September 2020 which are set out on pages 9 to 24.

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 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 Trustees of the Charity (and 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 Charity 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 the Charity's accounts 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 Charity 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.

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INDEPENDENT EXAMINER'S REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2020



Signed:

Dated: 25 May 2021

Guy Biggin FCCA
Crow U.K. LLP
Carrick House
Lypiatt Road
Cheltenham
GL50 2QJ

ROYAL INTERNATIONAL AIR TATTOO FLYING SCHOLARSHIPS FOR DISABLED PEOPLE
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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	Note	Unrestricted funds Period ended 30 September 2020 £	Restricted funds Period ended 30 September 2020 £	Endowment funds Period ended 30 September 2020 £	Total funds Period ended 30 September 2020 £	<i>Total funds Year ended 29 February 2020 £</i>
Income from:						
Donations	4	25,557	-	-	25,557	116,074
Investments	5	21,803	-	-	21,803	43,991
Total income		47,360	-	-	47,360	160,065
Expenditure on:						
Raising funds	6	3,507	-	-	3,507	7,414
Charitable activities	7	35,652	-	-	35,652	129,140
Total expenditure		39,159	-	-	39,159	136,554
Net gains/(losses) on investments	13	13,024	-	19,920	32,944	(12,989)
Net movement in funds		21,225	-	19,920	41,145	10,522
Reconciliation of funds:						
Total funds brought forward		465,767	1,000	712,355	1,179,122	1,168,600
Net movement in funds		21,225	-	19,920	41,145	10,522
Total funds carried forward	17	486,992	1,000	732,275	1,220,267	1,179,122

The notes on pages 11 to 24 form part of these financial statements.

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REGISTERED NUMBER: 08112334

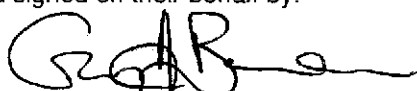
BALANCE SHEET
AS AT 30 SEPTEMBER 2020

	Note	30 Sept 2020 £	29 Feb 2020 £
Fixed assets			
Investments	13	1,026,936	1,005,043
		<u>1,026,936</u>	<u>1,005,043</u>
Current assets			
Debtors	14	2,222	4,356
Cash at bank and in hand		198,499	177,825
		<u>200,721</u>	<u>182,181</u>
Creditors: amounts falling due within one year	15	(7,390)	(8,102)
Net current assets		<u>193,331</u>	<u>174,079</u>
Total net assets		<u><u>1,220,267</u></u>	<u><u>1,179,122</u></u>
Charity funds			
Endowment funds	17	732,275	712,355
Restricted funds	17	1,000	1,000
Unrestricted funds	17	486,992	465,767
Total funds		<u><u>1,220,267</u></u>	<u><u>1,179,122</u></u>

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006. The members have not required the company to obtain an audit for the period in question in accordance with section 476 of Companies Act 2006. The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 17 March 2021 and signed on their behalf by:



Guy Bowen, Chairman

The notes on pages 11 to 24 form part of these financial statements.

ROYAL INTERNATIONAL AIR TATTOO FLYING SCHOLARSHIPS FOR DISABLED PEOPLE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

1. General information

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

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006, and the Charities Act 2011.

Royal International Air Tattoo Flying Scholarships For Disabled People meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The Trustees have undertaken planning and forecasting and continue to closely monitor Covid-19 and the developing situation. Despite the current circumstances the Trustees believe that the Charity's financial resources are sufficient to ensure the ability of the charity to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and that there are no material uncertainties about its ability to continue and therefore have prepared the financial statements on the going concern basis.

2.3 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.

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.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.3 Income (continued)

funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.4 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.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

2.6 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.

2.7 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

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid.

2.9 Cash at bank and in hand

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.10 Liabilities and provisions

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.

2.11 Financial instruments

The 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.

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

2.12 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the period.

2.13 Fund accounting

Unrestricted funds which 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 restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. 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, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

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.

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4. Income from donations

	Unrestricted funds Period ended 30 Sept 2020 £	Restricted funds Period ended 30 Sept 2020 £	Total funds Period ended 30 Sept 2020 £	<i>Total funds Year ended 29 Feb 2020 £</i>
Donations				
Donations	4,534	-	4,534	19,612
Gift Aid	407	-	407	1,966
Sponsorships received	7,994	-	7,994	83,914
Lottery income	2,498	-	2,498	3,762
Other income	124	-	124	6,820
Government grants	10,000	-	10,000	-
Total September 2020	<u>25,557</u>	<u>-</u>	<u>25,557</u>	<u>116,074</u>
<i>Total February 2020</i>	<u>106,074</u>	<u>10,000</u>	<u>116,074</u>	

Government grants received of £10,000 were from the Coronavirus Small Business Grant Fund.

5. Investment income

	Unrestricted funds Period ended 30 Sept 2020 £	Total funds Period ended 30 Sept 2020 £	<i>Total funds Year ended 29 Feb 2020 £</i>
Dividends	21,802	21,802	43,989
Bank interest	1	1	2
Total September 2020	<u>21,803</u>	<u>21,803</u>	<u>43,991</u>
<i>Total February 2020</i>	<u>43,991</u>	<u>43,991</u>	

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6. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds Period ended 30 Sept 2020 £	Total funds Period ended 30 Sept 2020 £	<i>Total funds Year ended 29 Feb 2020 £</i>
Marketing	536	536	3,130
Investment manager's costs	1,811	1,811	1,847
Event costs	-	-	369
Lottery prizes	1,160	1,160	2,068
	<u>3,507</u>	<u>3,507</u>	<u>7,414</u>
<i>Total February 2020</i>	<u>7,414</u>	<u>7,414</u>	

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds Period ended 30 Sept 2020 £	Restricted funds Period ended 30 Sept 2020 £	Total funds Period ended 30 Sept 2020 £	<i>Total funds Year ended 29 Feb 2020 £</i>
Scholarships	35,652	-	35,652	129,140
	<u>35,652</u>	<u>-</u>	<u>35,652</u>	<u>129,140</u>
<i>Total February 2020</i>	<u>119,140</u>	<u>10,000</u>	<u>129,140</u>	

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8. Analysis of expenditure by activities

	Activities undertaken directly Period ended 30 Sept 2020 £	Support costs Period ended 30 Sept 2020 £	Total funds Period ended 30 Sept 2020 £	<i>Total funds Year ended 29 Feb 2020 £</i>
Scholarships	16,227	19,425	35,652	129,140
<i>Total February 2020</i>	<i>85,442</i>	<i>43,698</i>	<i>129,140</i>	

Analysis of direct costs

	Total funds Period ended 30 Sept 2020 £	<i>Total funds Year ended 29 Feb 2020 £</i>
Staff costs	16,143	26,393
Other direct Costs	84	59,049
	16,227	<i>85,442</i>

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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds Period ended 30 Sept 2020 £	<i>Total funds Year ended 29 Feb 2020 £</i>
Staff costs	8,071	11,311
Travelling and subsistence	160	3,674
Office support cost	11,194	28,713
	<u>19,425</u>	<u>43,698</u>

9. Office support costs include:

	30 Sept 2020 £	<i>29 Feb 2020 £</i>
Accountancy costs, professional fees and independent Examiner's fees	5,200	7,692
Insurance	2,541	7,183
Administration costs	3,282	6,338
Sundry costs	171	7,500
	<u>11,194</u>	<u>28,713</u>

Included within support costs are governance costs of:

	30 Sept 2020 £	<i>29 Feb 2020 £</i>
Staff costs	8,071	12,568
Accountancy costs, professional fees and Independent Examiner's fees	5,200	7,692
	<u>13,271</u>	<u>20,260</u>

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10. Independent examiner's remuneration

	Period ended 30 Sept 2020 £	<i>Year ended 29 Feb 2020 £</i>
Fees payable to the Charity's independent examiner for the independent examination of the Charity's annual accounts	1,400	1,700
Fees payable to the Charity's independent examiner in respect of: Accountancy	1,550	1,500
	1,550	1,500

11. Staff costs

	Period ended 30 Sept 2020 £	<i>Year ended 29 Feb 2020 £</i>
Wages and salaries	22,754	35,316
Social security costs	360	277
Contribution to defined contribution pension schemes	1,100	2,111
	24,214	37,704

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

	Period ended 30 Sept 2020 No.	<i>Year ended 29 Feb 2020 No.</i>
Headcount	1	1
	1	1

No employee received remuneration amounting to more than £60,000 in either year.

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12. Trustees' remuneration and expenses

During the period, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the period ended 30 September 2020, no Trustee expenses have been incurred (2020 - £NIL).

13. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 March 2020	1,005,043
Revaluations	32,944
Movement on cash held for investment	(11,051)
At 30 September 2020	1,026,936

14. Debtors

	30 Sept 2020 £	29 Feb 2020 £
Other debtors	407	-
Prepayments and accrued income	1,815	4,356
	2,222	4,356

15. Creditors: Amounts falling due within one year

	30 Sept 2020 £	29 Feb 2020 £
Trade creditors	(110)	4,262
Accruals	7,500	3,840
	7,390	8,102

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16. Financial instruments

	30 Sept 2020 £	<i>29 Feb</i> <i>2020</i> £
Financial assets		
Financial assets measured at fair value through income and expenditure	198,499	1,005,043

Financial assets measured at fair value through income and expenditure comprise listed investments.

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17. Statement of funds

Statement of funds - current period

	Balance at 1 March 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 30 September 2020 £
Unrestricted funds					
Unrestricted Funds	465,767	47,360	(39,159)	13,024	486,992
Endowment funds					
Wings around the world - Permanent endowment	477,618	-	-	13,356	490,974
Former scholar's fund - Expendable endowment	17,016	-	-	476	17,492
John Savile fund- Expendable endowment	108,845	-	-	3,044	111,889
ACT fund- Expendable endowment	43,538	-	-	1,217	44,755
Vicarage Trust- Expendable endowment	54,455	-	-	1,523	55,978
Entrepreneur's fund- Expendable endowment	10,883	-	-	304	11,187
	<u>712,355</u>	<u>-</u>	<u>-</u>	<u>19,920</u>	<u>732,275</u>
Restricted funds					
Scholarship fund	1,000	-	-	-	1,000
Total of funds	<u><u>1,179,122</u></u>	<u><u>47,360</u></u>	<u><u>(39,159)</u></u>	<u><u>32,944</u></u>	<u><u>1,220,267</u></u>

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17. Statement of funds (continued)

Statement of funds - prior period

	<i>Balance at 1 March 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 29 February 2020 £</i>
Unrestricted funds					
Unrestricted Funds	445,933	150,065	(126,554)	(3,677)	465,767
Endowment funds					
Wings around the world - Permanent endowment	483,862	-	-	(6,244)	477,618
Former scholar's fund - Expendable endowment	17,238	-	-	(222)	17,016
John Savile fund- Expendable endowment	110,266	-	-	(1,423)	108,845
ACT fund- Expendable endowment	44,107	-	-	(569)	43,538
Vicarage Trust- Expendable endowment	55,167	-	-	(712)	54,455
Entrepreneur's fund- Expendable endowment	11,025	-	-	(142)	10,883
	<u>721,667</u>	<u>-</u>	<u>-</u>	<u>(9,312)</u>	<u>712,355</u>
Restricted funds					
Scholarship fund	1,000	10,000	(10,000)	-	1,000
Total of funds	<u>1,168,600</u>	<u>160,065</u>	<u>(136,554)</u>	<u>(12,989)</u>	<u>1,179,122</u>

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17. 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 Viccare 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.

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 30 Sept 2020 £	Restricted funds 30 Sept 2020 £	Endowment funds 30 Sept 2020 £	Total funds 30 Sept 2020 £
Fixed asset investments	294,661	-	732,275	1,026,936
Current assets	199,721	1,000	-	200,721
Creditors due within one year	(7,390)	-	-	(7,390)
Total	486,992	1,000	732,275	1,220,267

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 29 Feb 2020 £</i>	<i>Restricted funds 29 Feb 2020 £</i>	<i>Endowment funds 29 Feb 2020 £</i>	<i>Total funds 29 Feb 2020 £</i>
Fixed asset investments	292,688	-	712,355	1,005,043
Current assets	181,181	1,000	-	182,181
Creditors due within one year	(8,102)	-	-	(8,102)
Total	465,767	1,000	712,355	1,179,122

19. Pension commitments

The Charity operates a defined contribution pension scheme during the year contributions amounting to £1,100 (*February 2020: £2,111*) were made to the scheme. There was £nil outstanding at the year end (*February 2020: £nil*).

20. Related party transactions

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 £4,317 (*February 2020: £7,400*) to reimburse RAFCTE for costs incurred on behalf of the charity. The amount payable to RAFCTE at the year end was £nil (*February 2020: £nil*).

21. Post balance sheet events

In March 2020 the World Health Organisation declared Covid-19 a pandemic. The government restrictions imposed to control the spread of Covid 19 have impacted on the work of the Charity and are expected to materially impact the asset values. The investment portfolio valuation has fluctuated during this period, but the valuation at 12 February 2021 has shown a gain, increasing from £1,026,936 at 30 September 2020 to £1,224,382, £100,000 of this related to new funds invested, giving a gain of £97,446. The impact on investment valuations continues to remain volatile and the Trustees continue to monitor the portfolio performance regularly and note that portfolio growth is at risk as a result of Covid-19. This has been deemed a non-adjusting event.