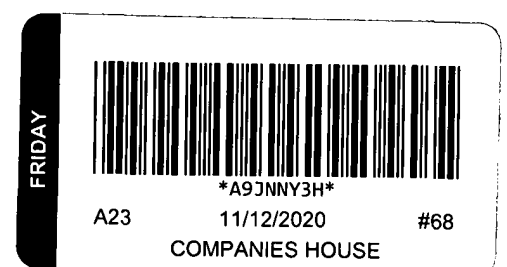


THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
(A Company Limited by Guarantee)

(AMENDING)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2020



THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors

A F Smith CBE FRAeS (Chairman)
P A Atherton (appointed 2 September 2019)
C Basnett CBE MA
C Bell
S L Gunyon
C Rogers
R B Hoyle
S Lindsell
K McKinley (appointed 1 October 2019)
S A Armstrong (resigned 28 September 2019)

Company secretary C A Murray OBE

Registered number 02190393

Registered office

Douglas Bader House
Horcott Hill
Fairford
Gloucestershire
GL7 4RB

Independent auditor

Crowe U.K. LLP
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Banker

Barclays Bank PLC
18 Southgate Street
Gloucestershire
GL1 2DH

Solicitor

Charles Russell LLP
5 Fleet Place
London
EC4M 7RD

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
(A Company Limited by Guarantee)

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THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
(A Company Limited by Guarantee)

STRATEGIC REPORT
FOR THE YEAR ENDED 29 FEBRUARY 2020

Introduction

Royal Air Force Charitable Trust Enterprises (RAFCTE) is a company limited by guarantee and is the commercial and principal fundraising arm of the Royal Air Force Charitable Trust (RAFCT). Formed on 26 January 2005, RAFCTE is an event company with aviation and safety at its heart. Normal working practice is for any annual surplus generated from organising events including the Royal International Air Tattoo (RIAT) and the annual RAF Bands UK concert tour, to be gift aided to the RAFCT at the end of the financial year.

The directors present their strategic report for the year ended 29 February 2020.

Principal risks and uncertainties

	2019/20	2018/19	2017/18	2016/17	2015/16
Turnover	£11,568,955	£13,035,513	£10,835,365	£9,830,314	£8,862,904
Turnover (Fall)/Growth	-11%	20%	10%	11%	11%
Profit after tax	£846,022	£1,250,579	£1,076,394	£981,305	£783,889
PaT Margin	8%	10%	10%	10%	9%
Donation to RAFCT	£1,123,373	£1,250,579	£1,225,000	£1,002,095	£783,889

Whilst this report reflects upon the success of RIAT 19, it also recognises the risks and uncertainties arising from the cancellation due to the COVID-19 pandemic of RIAT 20. The cancellation of RIAT 20 was publicly announced on Friday March 20th. The Board took the view at that time that an early cancellation was essential to avoid the potential risk to public health; a position that was justified when a public "lock-down" came in to force the following week. Financially an early cancellation also helped to minimise the financial exposure of the business. In reaching that decision, as well as having customers' safety in mind, the Board had to ensure that the business remained solvent and could continue to trade to deliver RIAT 21 and future events thereafter. Whilst doing so the Board strongly believed that the loyalty of its public and corporate customers should be recognised, and that it was essential that they be offered the option of either a RIAT 20 refund or a roll-over of their tickets and fees to RIAT 21. Alongside showing good faith to our customers, the Board also recognised that we should work closely with our highly valued suppliers to ensure, as far as the company possibly could, that they should also be supported and helped to continue through to be part of our RIAT 21 team. Accordingly, the Board are delighted to report that with the fantastic support of our customers, suppliers and key advisors, we are confident that the business does remain a going concern and will be able to again deliver a successful and outstanding RIAT 21, at which we can all join together again to celebrate our 50th Anniversary.

Although running RIAT, the UK's largest military airshow, is the company's principal activity, it also normally offers consultancy services to other airshows and had planned to stage two Concerts in March 2020. Because of the COVID-19 crisis, these Concerts and supported airshows have also regrettably had to be cancelled. Despite these cancellations, safety remains the company's number one priority and all key processes, risk assessments and documentation are annually reviewed and where relevant, external subject matter experts are involved. The company is totally compliant with the Military Aviation Authority and Civil Aviation Authority Regulations and where it is thought necessary, the company goes beyond these to ensure that its proud safety record is maintained.

Notwithstanding the financial challenges imposed due to the cancellations, the business remains in a good financial position. As in previous years, the business' principal financial instruments comprise bank balances, trade debtors, trade creditors, and loans to the business. Government support through the Coronavirus Job Retention Scheme (CJRS) and the Coronavirus Business Interruption Loan Scheme (CBILS) has been extremely helpful since the year-end and the company has received additional CJRS funding of £343,984

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
(A Company Limited by Guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 29 FEBRUARY 2020

through to the end of September 2020 and a 6-year loan under the CBILS. In addition following the cancellation of RIAT 20 RAFCTE also received insurance recoveries totalling £1,225,120. These funds and financial instruments will help to maintain the Company's operations through the ongoing crisis and have enabled the business to continue to manage the liquidity risk by maintaining a balance between the continuity of funding and flexibility through the availability of adequate cash reserves. Both our public and corporate customers have also helped in many instances by rolling over revenues received for RIAT 20 as payments towards RIAT 21. Their help is hugely appreciated and confirms our reputation and relationship with key stakeholders.

As we approach RIAT 21, trade debtors will once again be managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the monitoring of amounts outstanding for both time and credit limits. The amounts presented in the Statement of financial position are net of allowances for doubtful debts. In similar fashion, many of our creditors have also helped enormously by rolling monies paid to them as deposits for RIAT 20 through to RIAT 21. The Board extends its thanks to each of the suppliers that has made this significant contribution to help ensure the future of RIAT. The business will of course continue to manage trade creditors' liquidity risk by ensuring sufficient funds are available to meet amounts due. More than ever we recognise the real value of strong, supportive and capable suppliers and we actively seek to ensure they are paid promptly and on time.

To the existing loans comprising a mortgage from a financial institution and a Programme Related Investment from the company's parent Trust, in June 2020 additional funding of £1,530,000 was put in place under CBILS on a 6-year term. The business manages the liquidity risk by ensuring that there are sufficient funds to meet all payments on these loans.

BUSINESS REVIEW AND FINANCIAL KEY PERFORMANCE INDICATORS

Key performance indicators:

Despite the cancellation of RIAT 20, RAFCTE remains confident about future prospects and accordingly is making a donation of £1,123,373 to RAFCT. The company's profit after tax (PaT) fell to 7%; however, the company continues to invest in its people, IT and Infrastructure in order to improve day-to-day working and the delivery of future RIATs. The Board believe the business remains a going concern as it works towards delivering a spectacular RIAT to celebrate its 50th anniversary year in 2021.

Looking back to the 2019 Air Tattoo, the theme was Air & Space: Inspiring the Next Generation Air Force. This attracted 170,000 visitors including British astronaut Maj Tim Peake who dedicated most of his visit engaging with young people in the critically acclaimed Technozone®. He said: "It was satisfying to see the wonderful impact that the Technozone® is having in promoting STEM and inspiring youngsters."

In total, 245 aircraft from 39 air arms representing 25 nations took part in the event, including the RAF Red Arrows, whose performance on Sunday marked their final UK public display during the year before they departed on their Western Hawk 19 tour of North America. Over the three days of the airshow, spectacular aerial set pieces were staged including a unique joint flypast by the RAF Red Arrows and a specially painted British Airways Boeing 747, marking the airline's centenary. NATO's 70th anniversary was marked by a commemorative flypast by aircraft from a number of member nations including F-16s from Belgium, Denmark, Netherlands and Norway; they were joined by three RAF Typhoons, F-15s from the US Air Force, a German Typhoon and a French KC-135.

Other set pieces staged during the three days included a joint flypast by the Red Arrows and French aerobatic display team the Patrouille de France, plus a rare joint formation by an Airbus A400M and civilian aerobatic team The Blades. Flying display highlights included the Romanian Mikoyan MiG-21, an icon from the Cold War that hasn't flown at the Air Tattoo since 2001 and the Soviet-era Sukhoi Su-27, which performed an imposing and agile display. There was also a debut by the hugely popular Spanish Navy Harrier duo.

On the ground, visitors were able to see up close rarely seen aircraft including a giant Qatari C-17, the

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
(A Company Limited by Guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 29 FEBRUARY 2020

imposing USAF B-52 and rare F-4 Phantoms from the Turkish Air Force. There was an Air Tattoo debut for the Embraer Super Tucano and a world debut for the Northrop Grumman Firebird, an optionally manned surveillance aircraft. The public were also able to view for the first time all seven types of training aircraft used by the UK's military under the Military Flying Training System operated by Ascent Flying Training consortium.

British and Swedish government ministers used the show to herald a new agreement to work together on a future fighter aircraft, the Tempest, further cementing the show's growing role as a showcase for aerospace and technology.

Among the many senior military guests were: Air Chief Marshal Sir Stuart Peach, Chairman of the NATO Military Committee; General David Goldfein, US Air Force Chief of Staff; and Air Chief Marshal Sir Stephen Hillier, Chief of the Air Staff, Royal Air Force. Senior industry guests included Sir Roger Carr, Chairman of BAE Systems and Dirk Hoke, CEO of Airbus Defence & Space. Also at the airshow were: HRH Prince Michael of Kent; the Rt Hon Dr Liam Fox, Secretary of State for International Trade; Minister for Defence Procurement Mr Stuart Andrew; Swedish Defence Minister Peter Hultqvist; and Minister of State for the Armed Forces, the Rt Hon Mark Lancaster.

The Board once again is delighted to acknowledge the significant and continuing support the company receives from all its stakeholders – in particular the MoD, Royal Air Force, United States Air Force, Department of Defence and the aerospace industry, who themselves continue to be affected by the continuing pressure on available resources, operating budgets and the impact of the COVID-19 pandemic.

And finally, the Board extends its gratitude to the thousands of dedicated service and civilian volunteers, RAF Air Cadets, RAF Cosford and other personnel who make such a significant contribution. Without their help and loyal support the annual staging of RIAT would not be possible.

RAF Bands Concert Tour:

After RAFCTE successfully delivering the outstanding RAF Centenary Gala held in the Royal Albert Hall on 31 March 2018, followed by a national tour later in 2018 supporting the RAF Centenary into Wales, Northern Ireland and Scotland, the intent had been to stage two RAF celebratory evenings in March 2020 at the London Palladium and Birmingham Concert Symphony Hall. Unfortunately both events had to be cancelled because of the COVID-19 pandemic.

Air Tattoo Event Services:

The company provided airshow consultancy support to RAF Cosford and Scotland's National Airshow at East Fortune during 2019. Again, both events were cancelled in 2020 due to COVID-19.

Board members:

SA Armstrong retired as a director and Chief Executive on 28th September 2019. The Board offers its grateful thanks for his valued service to the company. He was succeeded in his Executive role by PA Atherton who joined the Board on 2nd September 2019. K McKinley was also appointed as a director on 1st October 2019.

In conclusion:

The Board believes that past efforts to develop and consolidate its financial base have now helped to ensure that the business remains a going concern, despite the impact of COVID-19 and the necessary cancellation of 2020 events. Although there will not be a RIAT, RAF Concerts nor any aviation consultancy during 2020 because of the COVID-19 pandemic, the Board confidently expects to be staging RIAT 21 in July 2021 and in doing so, celebrating its 50th Anniversary. In doing so, the Company will continue to actively provide for the needs of its parent charity, the Royal Air Force Charitable Trust, in promoting the Royal Air Force, supporting its people both now and in the future and to encourage air mindedness and the aviation-related education of

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
(A Company Limited by Guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 29 FEBRUARY 2020

youth. The Board intends to continue to develop and consolidate its financial base for future years. As part of that intent, it has decided to change the year-end to 30th September, to better align with the RIAT project year. Accordingly, the next report will cover a seven month accounting period from 1st March 2020 through to 30th September 2020.

This report was approved by the board on 23 November 2020 and signed on its behalf.



A F Smith CBE FRAeS
Director

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 29 FEBRUARY 2020

The directors present their report and the financial statements for the year ended 29 February 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors 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 company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Results

The result for the year, after taxation and the donation to RAFCT, amounted to a loss of £277,351 (2019: £nil).

Directors

The directors who served during the year were:

A F Smith CBE FRAeS (Chairman)
P A Atherton OBE (appointed 2 September 2019)
C Basnett CBE
MA C Bell
S L Gunion
C Rogers
R B Hoyle
S Lindsell
K McKinley (appointed 1 October 2019)
S A Armstrong (resigned 28 September 2019)

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 29 FEBRUARY 2020

Charitable donations

During the year the company made the following contributions:

	2019/20	2018/19
	£	£
Charitable	1,132,573	1,264,691
Individual Contributions were:		
The Royal Air Force Charitable Trust	1,123,373	1,250,579
Other donations:		
Air Training Corp	-	1,112
Lechlade Lions	2,000	2,000
Cirencester Rotary Club	5,500	5,500
British American Committee	1,200	1,000
Fairford Cricket Club	-	100
Support to local Village Halls	500	3,100
Fairford Town Council	-	800
Down Ampney Parish Council	-	250
RAF Benevolent Fund	-	250

Future developments

RAF Fairford continues to be used for its primary role as a USAF forward operating base and continues to host several operational deployments throughout the year. It also now has a permanent presence of sensitive reconnaissance aircraft and support personnel. RAFCTE will continue to work collaboratively with the Base to adapt to increasing operational tempo. While there will be inevitable delivery challenges and contingency planning is underway to mitigate known risks, the company anticipates being able to host RIAT at RAF Fairford for the foreseeable future. The company and RAFCT are extremely grateful for the USAF's invaluable and ongoing support for the Air Tattoo.

Qualifying third party indemnity provisions

A qualifying third party indemnity provision for the benefit of the directors was in force during the financial year.

Matters covered in the strategic report

Under s414C(11), the strategic report contains a fair review of the business; the principal risks and uncertainties faced by the business; and the key financial and non-financial performance indicators as considered by the board of directors. This information is therefore excluded from the Directors' report.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 29 FEBRUARY 2020

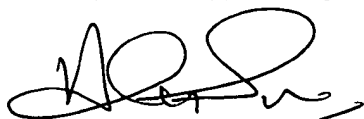
Post balance sheet events

On 20th March 2020, the Board announced the cancellation of RIAT 2020 due to the COVID-19 pandemic. The directors have evaluated the financial consequences and believe the business remains a going concern and will be able to stage RIAT 21 in July 2021. In forming this opinion, the directors recognise the benefits of Government COVID-19 financial support initiatives and the continuing support of its customers, suppliers, insurers and financial advisors. The company has also changed year-end to 30th September and in the resulting seven-month reporting period and expects the impact to be a loss of £123,180. See note 23 for more details.

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 23 November 2020 and signed on its behalf.



A F Smith CBE FRAeS (Chairman)
Director

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of The Royal Air Force Charitable Trust Enterprises (the 'company') for the year ended 29 February 2020, which comprise the Statement of income and retained earnings, the Statement of financial position, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 February 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
(A Company Limited by Guarantee)

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

Other information

The directors are responsible for the other information. 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
(A Company Limited by Guarantee)

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

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

Use of our report

This report is made solely to the company's shareholders in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders 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 company and the company's shareholders for our audit work, for this report, or for the opinions we have formed.

Guy Biggin (Senior Statutory Auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Date: 26 November 2020

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
(A Company Limited by Guarantee)

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

	Note	29 February 2020 £	28 February 2019 £
Turnover	4	11,568,955	13,035,513
Cost of sales		(7,843,899)	(8,700,720)
Gross profit		3,725,056	4,334,793
Administrative expenses		(2,831,047)	(2,752,643)
Intercompany exceptional items	11	-	(341,000)
Operating profit		894,009	1,241,150
Interest receivable	8	20,592	18,541
Interest payable	9	(5,200)	(9,112)
Profit before tax		909,401	1,250,579
Tax on profit	10	(63,379)	-
Profit after tax		846,022	1,250,579
Retained earnings at the beginning of the year		682,708	682,708
Profit for the year		846,022	1,250,579
Gift aid donation		(1,123,373)	(1,250,579)
Retained earnings at the end of the year		405,357	682,708

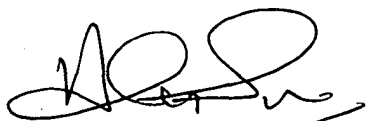
The notes on pages 15 to 29 form part of these financial statements.

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02190393

STATEMENT OF FINANCIAL POSITION
AS AT 29 FEBRUARY 2020


	Note	29 February 2020 £	28 February 2019 £
Fixed assets			
Tangible assets	12	1,319,492	1,365,002
Current assets			
Debtors: amounts falling due within one year	13	1,142,761	1,404,177
Current asset investments	14	2,500,000	3,000,000
Cash at bank and in hand	15	1,520,200	1,271,375
		<u>5,162,961</u>	<u>5,675,552</u>
Creditors: amounts falling due within one year	16	(5,477,096)	(5,725,661)
Net current liabilities		<u>(314,135)</u>	<u>(50,109)</u>
Total assets less current liabilities		<u>1,005,357</u>	<u>1,314,893</u>
Creditors: amounts falling due after more than one year	17	(600,000)	(632,185)
Net assets		<u><u>405,357</u></u>	<u><u>682,708</u></u>
Capital and reserves			
Profit and loss account	19	405,357	682,708
		<u><u>405,357</u></u>	<u><u>682,708</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



A F Smith CBE FRAeS (Chairman)
Director

23 November 2020



P A Atherton
Director

23 November 2020

The notes on pages 15 to 29 form part of these financial statements.

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 29 FEBRUARY 2020

	29 February 2020 £	28 February 2019 £
Cash flows from operating activities		
Profit for the financial year	846,022	1,250,579
Adjustments for:		
Depreciation of tangible assets	118,851	98,980
Interest paid	5,200	9,112
Interest received	(20,592)	(18,541)
Taxation charge	63,379	-
Decrease in debtors	261,416	206,554
(Decrease)/ Increase in amounts owed to groups	(119,894)	426,088
(Decrease) in creditors	(80,747)	(783,399)
Accrued gift aid donation	(1,123,373)	(1,250,579)
Net cash used in operating activities	(49,738)	(61,206)
Cash flows from investing activities		
Purchase of tangible fixed assets	(73,341)	(107,121)
Sale of short term unlisted investments	500,000	-
Interest received	20,592	18,541
Net cash from investing activities	447,251	(88,580)
Cash flows from financing activities		
Repayment of loans	(68,506)	(64,248)
Interest paid	(5,200)	(9,112)
Net cash used in financing activities	(73,706)	(73,360)
Net increase/(decrease) in cash and cash equivalents	323,807	(223,146)
Cash and cash equivalents at beginning of year	1,196,393	1,419,539
Cash and cash equivalents at the end of year	1,520,200	1,196,393
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,520,200	1,271,375
Bank overdrafts	-	(74,982)
	1,520,200	1,196,393

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
(A Company Limited by Guarantee)

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 29 FEBRUARY 2020**

	At 1 March 2019 £	Cash flows £	At 29 February 2020 £
Cash at bank and in hand	1,271,375	248,825	1,520,200
Bank overdrafts	(74,982)	74,982	-
Debt due after 1 year	(632,185)	32,185	(600,000)
Debt due within 1 year	(68,420)	36,321	(32,099)
	<u>495,788</u>	<u>392,313</u>	<u>888,101</u>

The notes on pages 15 to 29 form part of these financial statements.

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020

1. General information

The Royal Air Force Charitable Trust Enterprises is a private company limited by guarantee and is domiciled in the United Kingdom. Each of the members are liable to contribute an amount not exceeding £5 towards the assets of the company in the event of liquidation. The Royal Air Force Charitable Trust Enterprises is registered as a company in England and Wales (registered no. 02190393).

The address of its registered office 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 under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see Note 3).

The company's ultimate parent undertaking is The Royal Air Force Charitable Trust, a charity registered in England, and therefore is part of a public benefit group.

The following principal accounting policies have been applied:

2.2 Going concern

With the emergence of the Covid-19 pandemic, 2020 has brought unprecedented uncertainty and challenges. RIAT 2020, the company's main source of external revenue in each year, was cancelled in March 2020, potentially putting at risk the future financial security of the company at that time. Indeed, even at the date of signing these financial statements, there continues to be a lack of clarity around the development of the pandemic and how that might impact events in 2021 and beyond.

Nevertheless, substantial work has been performed in the period since the cancellation which the Directors are pleased to report has stabilised the current financial position. Planning continues for a Covid-safe RIAT 2021, where we expect to celebrate our 50th Anniversary, with considerable support from and engagement with our stakeholders: our Volunteers; the Public; Corporate customers and Military Air Arms.

This has enabled the Directors to take the view that the company is able to continue as a going concern as we plan for RIAT 2021 and beyond. The Directors remain confident that RIAT 2021 can evolve to meet the prevailing regulations and conditions we will face in July 2021. There of course remains a risk that RIAT 2021 might still face cancellation in these uncertain times; however with the continuing support of our stakeholders, the Directors believe that we will continue to have access to sufficient cash to remain solvent. Accordingly, the going concern basis continues to be adopted in preparing the financial statements.

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020

2. Accounting policies (continued)

2.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. Turnover is recognised at the point at which the company has fulfilled its contractual obligations to the customer.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Freehold property	- over 50 years
Motor vehicles	- over 5 years
Fixtures & fittings	- over 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.5 Debtors

Trade debtors, intercompany debtors and accrued income are measured at the settlement amount due after any impairments. Prepayments are valued at the moment pre-paid net of any trade discounts due.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

2.7 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade debtors and other debtors, creditors, loans from banks and loans from related parties.

Basic financial assets and liabilities that are payable or receivable within one year, typically trade debtors or creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020

2. Accounting policies (continued)

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at the amortised cost using the effective interest method.

Concessionary loans are initially measured at transaction price, and are measured subsequently at amortised cost using the effective interest method.

2.9 Operating leases: Lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the period of the lease.

2.10 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.11 Taxation

Tax is recognised in profit or 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 Company operates and generates income.

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of income and retained earnings in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date, of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020

2. Accounting policies (continued)

2.13 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.

2.14 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020

3. Judgements in applying accounting policies and key sources of estimation uncertainty

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:

3.1 Useful economic lives of tangible assets

The annual depreciation charge for the tangible 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 technological advancement, future investments, economic utilisation and the physical condition of the assets. See Note 12 for the carrying amount of tangible assets and Note 2.4 for the useful lives for each class of asset.

3.2 Recoverability of debtors

The company 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 13 for the net carrying amount of the debtors.

3.3 Historic accruals

In the instances where invoices are not received in relation to services that have been provided to The Royal Air Force Charitable Trust Enterprises, the company makes an estimate of the expected cost to the company. 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. When invoices are received/payments are made, the corresponding accrual is released to the Statement of income and retained earnings. See Note 16 for inclusion of the year end accruals/provisions.

3.4 Stock provision

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.

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020

4. Analysis of turnover

The turnover and profit before tax are mostly attributable to the principal activity of the company being the Royal International Air Tattoo (RIAT), along with other streams of income which are shown below:

	29 February 2020 £	28 February 2019 £
Royal International Air Tattoo (RIAT)	11,213,972	12,034,390
Consultancy income	132,914	145,616
Trading income	151,630	201,727
Massed Band income	-	639,780
Other income	70,439	14,000
	<u>11,568,955</u>	<u>13,035,513</u>

All turnover arose within the United Kingdom.

5. Auditor's remuneration

	29 February 2020 £	28 February 2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	13,930	13,525
Fees payable to the Company's auditor and its associates in respect of:		
Non-audit services	<u>2,210</u>	<u>1,735</u>

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

6. Employees

Staff costs, including directors' remuneration, were as follows:

	29 February 2020 £	<i>28 February 2019 £</i>
Wages and salaries	1,982,803	<i>1,872,058</i>
Social security costs	202,850	<i>209,812</i>
Pension costs	88,357	<i>75,523</i>
	<u>2,274,010</u>	<i><u>2,157,393</u></i>

The Senior Management Team of the company are deemed to be the directors. The remuneration for this team, including social security costs, amounted to £671,681 (2019: £608,202).

In addition to wages and salaries are costs totalling £34,394 (2019: £7,279) incurred in relation to self employed contractors.

The average monthly number of employees, including the directors, during the year was as follows:

	29 February 2020 No.	<i>28 February 2019 No.</i>
Administration	42	<i>44</i>
Temporary	8	<i>6</i>
	<u>50</u>	<i><u>50</u></i>

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

7. Directors' remuneration

	29 February 2020 £	28 February 2019 £
Directors' emoluments	570,030	515,624
Company contributions to pension schemes	32,185	29,707
	<u>602,215</u>	<u>545,331</u>

During the year retirement benefits were accruing to 5 directors (2019: 6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £160,854 (2019: £161,812). No contributions (2019: £nil) were made into the defined contribution pension scheme for this director by the company.

Included within Directors' remuneration are ex-gratia payments totalling £12,500 (2019: £nil). These amounts relate to agreements made to end employment contracts. There was £nil outstanding at the year end (2019: £nil).

8. Interest receivable

	29 February 2020 £	28 February 2019 £
Bank interest receivable	<u>20,592</u>	<u>18,541</u>

9. Finance costs

	29 February 2020 £	28 February 2019 £
Interest on bank loan	<u>5,200</u>	<u>9,112</u>

10. Taxation

	2020 £	2019 £
Corporation tax		
Adjustments in respect of previous periods	63,379	-
Total current tax	<u>63,379</u>	<u>-</u>

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>909,401</u>	<u>1,250,579</u>
Effects of:		
Adjustments to tax charge in respect of prior periods	<u>63,379</u>	<u>-</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Exceptional items

	29 February 2020 £	28 February 2019 £
Intercompany balance write off	<u>-</u>	<u>341,000</u>

During the prior year, Scampton Airshow Limited ceased trade, and has been dormant since. As a result it was agreed that all intercompany balances were to be written off as they were no longer considered recoverable.

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

12. Tangible fixed assets

	Freehold land & buildings £	Motor vehicles £	Fixtures & fittings £	Total £
Cost				
At 1 March 2019	1,663,394	41,854	598,464	2,303,712
Additions	-	29,190	44,151	73,341
Disposals	-	(18,281)	-	(18,281)
At 29 February 2020	1,663,394	52,763	642,615	2,358,772
Depreciation				
At 1 March 2019	451,262	38,504	448,944	938,710
Charge for the year on owned assets	23,712	8,705	86,434	118,851
Disposals	-	(18,281)	-	(18,281)
At 29 February 2020	474,974	28,928	535,378	1,039,280
Net book value				
At 29 February 2020	1,188,420	23,835	107,237	1,319,492
At 28 February 2019	1,212,132	3,350	149,520	1,365,002

Included within freehold land and buildings is land of £477,550 (2019: £477,550).

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

13. Debtors

	29 February 2020 £	28 February 2019 £
Trade debtors	518,784	1,118,015
Prepayments and accrued income	623,977	286,162
	<u>1,142,761</u>	<u>1,404,177</u>

14. Current asset investments

	29 February 2020 £	28 February 2019 £
Fixed term deposit	<u>2,500,000</u>	<u>3,000,000</u>

15. Cash and cash equivalents

	29 February 2020 £	28 February 2019 £
Cash at bank and in hand	1,520,200	1,271,375
Less: bank overdrafts	-	(74,982)
	<u>1,520,200</u>	<u>1,196,393</u>

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

16. Creditors: Amounts falling due within one year

	29 February 2020 £	28 February 2019 £
Bank overdrafts	-	74,982
Bank loans	32,099	68,420
Trade creditors	532,436	175,733
Amounts owed to group undertakings	1,123,373	1,243,267
Corporation tax	63,379	-
Other taxation and social security	198,647	261,747
Other creditors	1,783	11,879
Accruals and deferred income	3,525,379	3,889,633
	<u>5,477,096</u>	<u>5,725,661</u>

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

	29 February 2020 £	28 February 2019 £
Bank loan	-	32,185
Concessionary loan	600,000	600,000
	<u>600,000</u>	<u>632,185</u>

Secured loan

The bank loan totalling £32,099 (2019: £100,605) is from Allied Irish Bank and is secured by a mortgage debenture incorporating a first legal charge over the freehold property and land at Douglas Bader House, Horcott Hill, Fairford, Gloucestershire, GL7 4RB. £32,099 is due for repayment no later than 31 March 2020. The net book value of the freehold land and property at the year end was £1,188,420 (2019: £1,212,132). An interest rate of 6.49% is applied to the balance of the fixed rate loan facility of £32,099 (2019: £100,605).

Concessionary loan

During 2016 it was agreed that the £600,000 loan from The Royal Air Force Charitable Trust (RAFCT) was to be converted into a Programme Related Investment, and therefore a concessionary loan for the company given that it was provided from RAFCT to further their charitable aims.

The concessionary loan is interest free and unsecured, with no additional amounts committed at the year end not taken.

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

18. Loans

Analysis of the maturity of loans is given below:

	29 February 2020 £	28 February 2019 £
Amounts falling due within one year		
Bank loan	32,099	68,420
Amounts falling due 2-5 years		
Bank loan	-	32,185
Concessionary loan	600,000	600,000
Total loans	632,099	700,605

19. Reserves

Profit and loss account

This reserve includes all current and prior year retained profits and losses.

20. Pension commitments

The pension cost charge for the period represents contributions payable by the company to the defined contribution scheme and amounted to £88,357 (2019: £75,523). Contributions totalling £1,783 (2019: £11,879) were payable to the scheme at the end of the year and are included in creditors.

21. Commitments under operating leases

At 29 February 2020 the company had total future minimum lease payments under non-cancellable operating leases as follows:

	28 February 2020 £	28 February 2019 £
Not later than 1 year	3,540	3,540
Later than 1 year and not later than 5 years	295	3,835
	3,835	7,375

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020

22. Related party transactions

Royal Air Force Charitable Trust (RAFCT)

The Royal Air Force Charitable Trust is the company's ultimate parent. See note 24 for further details.

During the year, RAFCTE were reimbursed costs of £102,434 (2019: £93,909) which were paid on behalf of RAFCT. There was an outstanding balance of £nil (2019: £7,312) due to RAFCTE at the year end.

At the year end £1,123,373 (2019: £1,250,579) was accrued in respect of gift aid payable to RAFCT.

Scampton Airshow Limited (SAL)

Both Scampton Airshow Limited and RAFCTE are 100% subsidiaries of The Royal Air Force Charitable Trust and are therefore part of the same group. Scampton Airshow Limited was dormant throughout the year.

Royal Air Tattoo Flying Scholarships For Disabled People

The company has a close relationship with the Royal International Air Tattoo Flying Scholarships For Disabled People and through it the Royal International Air Tattoo from which it derives its name.

During the year the charity paid £7,575 (2019: £7,400) to reimburse RAFCTE for costs incurred on behalf of the Charity. There was an outstanding balance of £nil (2019: £35) at the year end.

There were no other related party transactions during the year (2019: None).

THE ROYAL AIR FORCE CHARITABLE TRUST ENTERPRISES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020

23. Post balance sheet events

The cancellation of RIAT 20 was publicly announced on Friday March 20th. The Board took the view at that time that an early cancellation was essential to avoid the potential risk to public health; a position that was justified when a public "lock-down" came in to force the following week.

The cancellation of RIAT 20 is a non-adjusting post balance sheet event. As a result of the cancellation of RIAT 20 post year end the following has occurred:

Deferred income

At the year end, the Company had a deferred income balance of £3,004,096. As a result of the cancellation of RIAT 20 £1,846,996 has been rolled over to RIAT 21, £358,650 is still in contract with customers and £798,450 has been refunded to customers.

Prepayments

At the year end, the Company had a prepayments balance of £485,072. As a result of the cancellation of RIAT 20 £143,425 has been released to the profit and loss in 2020/21, £92,335 has been refunded by our suppliers and £249,312 has been rolled over to RIAT 21.

Trade debtors

At the year end, the Company had trade debtors of £518,784. As a result of the cancellation of RIAT 20 £222,253 has since been refunded to customers and £178,453 has been deferred to RIAT 21. The remainder of £118,078 has been or will be settled as a trade debtor.

24. Ultimate parent undertaking and controlling party

The parent undertaking of the smallest and largest group for which consolidated financial statements are prepared is The Royal Air Force Charitable Trust, the company's sole member, a charity registered in England and Wales. A copy of the charity's consolidated financial statements are available from the Charity Commission.