

Registered Charity Number: 1070281

**THE ROYAL INTERNATIONAL AIR  
TATTOO FLYING SCHOLARSHIPS FOR  
THE DISABLED IN MEMORY OF GROUP  
CAPTAIN SIR DOUGLAS BADER CBE,  
DSO, DFC**

**TRUSTEES' REPORT  
AND  
FINANCIAL STATEMENTS**

**Year ended  
28 February 2008**

## CONTENTS

	<b>Page</b>
TRUSTEES' REPORT	1-4
STATEMENT OF TRUSTEES' RESPONSIBILITIES	5
INDEPENDENT EXAMINERS' REPORT	6
STATEMENT OF FINANCIAL ACTIVITIES	7
BALANCE SHEET	8
NOTES TO THE FINANCIAL STATEMENTS	9-14

**THE ROYAL INTERNATIONAL AIR TATTOO FLYING SCHOLARSHIPS FOR THE  
DISABLED IN MEMORY OF GROUP CAPTAIN SIR DOUGLAS BADER CBE, DSO, DFC**

**TRUSTEES' REPORT**

for the year ended 28 February 2008

The Trustees present their report and financial statements for the year ended 28 February 2008.

**1 CONSTITUTION AND PRINCIPAL AIMS AND OBJECTIVES**

The Royal International Air Tattoo Flying Scholarships for the Disabled in memory of Group Captain Sir Douglas Bader CBE, DSO, DFC ("Flying Scholarships for the Disabled") is constituted under a trust deed dated 20 May 1998 and is a registered charity. It was first established in 1983 to immortalise the famous disabled World War II fighter ace Group Captain Sir Douglas Bader CBE, DSO, DFC.

The object of the Flying Scholarships for the Disabled, as defined by the Trust's deed, is to relieve the condition of and improve the quality of life of disabled people. Disabled people means persons who are physically disabled or handicapped or otherwise impeded for any medical reason from leading a normal life.

**2 ADMINISTRATIVE INFORMATION**

<b>Charity registration number</b>	1070281
<b>Registered address</b>	Douglas Bader House Horcott Hill Fairford Gloucestershire GL7 4RB
<b>Bankers</b>	Lloyds TSB Bank Plc 1st Floor Severnside House Fortan Road St Mellons Business Park Cardiff CF3 0EY
<b>Accountants</b>	RSM Bentley Jennison Chapel House Westmead Drive Westlea Swindon Wiltshire SN5 7UN
<b>Solicitors</b>	Charles Russell 8-10 New Fetter Lane London EC4A 1RS
<b>Financial Advisers</b>	Aberdeen Asset Management 1 Bow Churchyard London EC4M 9HH

**THE ROYAL INTERNATIONAL AIR TATTOO FLYING SCHOLARSHIPS FOR THE  
DISABLED IN MEMORY OF GROUP CAPTAIN SIR DOUGLAS BADER CBE, DSO, DFC**

**TRUSTEES' REPORT (continued)**  
for the year ended 28 February 2008

**2 ADMINISTRATIVE INFORMATION (continued)**

**Website Address** [www.toreachforthesky.org.uk](http://www.toreachforthesky.org.uk)

**3 ORGANISATION STRUCTURE**

The administration of the Charity is vested in Trustees, currently eight in number, who delegate the day-to-day operation of the Charity to its Director who also acts as secretary to the Trustees.

**4 TRUSTEES, PATRONS AND EMPLOYEES**

The Trustees serving during the year were as follows:

Alan F Smith  
Timothy Prince  
Susie Dunbar  
Peter Middleton  
Peter Vacher  
Air Marshal Sir Robert Wright KBE,AFC,FRAeS FCMI,RAF  
John Gordon  
Professor Diana Green CBE, BSc.Econ, Ph.D Econ, D.Univ, FRSA (appointed 12 February 2008)

**PATRON**

Her Majesty Queen Noor of the Hashemite Kingdom of Jordan

**VICE PATRONS**

James Binnie  
Air Vice-Marshal Freddie C Hurrell CB, OBE, FRAeS  
Wing Commander John Patterson OBE (deceased 26 November 2007)

It is with deep regret that we report the death of John Patterson on 26 November 2007. John first came into contact with the International Air Tattoo (as it was then known) during his time as Wing Commander at No1 Maritime HQ Unit, RAuxAF. In 1983 he took on the administration of the newly formed IAT Flying Scholarships for the Disabled which he ran successfully for 12 years from the Air Tattoo office. When John retired in 1995 he became a Vice Patron of the Charity.

**EMPLOYEE**

Sue Whitby (Director and Secretary)

**5 APPOINTMENT OF TRUSTEES**

As set out in the Articles of Association of FSD, at the first ordinary meeting in each year, the trustees elect one of their number to be chairman until the first ordinary meeting of the following year. The previous year's chairman may stand for re-election.

**THE ROYAL INTERNATIONAL AIR TATTOO FLYING SCHOLARSHIPS FOR THE  
DISABLED IN MEMORY OF GROUP CAPTAIN SIR DOUGLAS BADER CBE, DSO, DFC**

**TRUSTEES' REPORT (continued)**

for the year ended 28 February 2008

When a new trustee appointment is required all existing trustees are invited to nominate candidates. If the CVs of those interested are considered suitable by trustees, the chairman and two other trustees interview them and make a recommendation at the next meeting.

**TRUSTEE INDUCTION AND TRAINING**

New trustees are provided with:

The Charity Commissioners' Publication CC3  
The Trust Deed dated May 1998  
The Deed of Ratification, Appointment and Retirement of Trustees dated February 2006  
The Deed of Amendment dated February 2006  
The previous year's Report and Accounts  
The minutes of the 2 previous years meetings

At the time of their interviews potential new trustees receive a detailed briefing on the purpose and objectives of the Charity and, if appointed, what is expected of them. In addition they meet with the Director (FSD's only employee) for a general briefing on the Charity's operations and administration.

Trustees are encouraged to participate in the annual selection procedure for scholars, and to attend RIAT where the scholarships are awarded; also to visit those scholars being trained in UK flying schools

**6 INVESTMENT POWERS**

In accordance with the declaration of the Trust, the Trustees have the absolute discretion to apply or invest money as they think fit.

**7 REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS**

Fourteen scholarships were awarded this year; 7 full scholarships to Victoria Barr, Lucy Cannon, Martin Grinsted, Adam Hope, Michael O'Donovan, Thomas Shepherd and Kate Sills at 43 Air School, South Africa; 3 UK NPPL scholarships to Richard Chambers, Andy Lewis and Karen Sutherland and 4 mini scholarships to Jay Jones, Simon Khan, Reena Patel and Ali Webb.

In the past the instruction for all UK NPPL and mini scholarships has been by the Goodwood Flying Club but this year one of the UK NPPL and two of the mini scholarships took place at the Highland Flying School, Inverness and at Lasham, Alton respectively; and at Lasham the British Disabled Flying Association were our hosts and provided the tuition.

Full/UK NPPL scholarships were again generously sponsored by the BA High Flight Charity (2), Bendix King, the Guild of Airline Pilots and Navigators (2), the Red Arrows Charitable Trust and Wings Around the World, and for the first time by Executive Aviation Services and the Royal Air Force Charitable Trust. Two of the 4 mini scholarships were kindly sponsored by Trailfinders, one by Judith Margolis (FSD 2006 scholar) and one by the Kidlington Air Cadets, who raised the necessary funds by selling FSD wrist bands over 2 years!

**THE ROYAL INTERNATIONAL AIR TATTOO FLYING SCHOLARSHIPS FOR THE  
DISABLED IN MEMORY OF GROUP CAPTAIN SIR DOUGLAS BADER CBE, DSO, DFC**

**TRUSTEES' REPORT (continued)**

for the year ended 28 February 2008

The George Stewart Memorial Trust made its customary and most welcome contribution to the cost of a full scholarship and once again the ACT Foundation, Viccarage Trust and Wings Around the World made very generous donations to our development fund.

In the summer Polly Vacher flew around Britain visiting all 212 airfields in the Jeppesen VFR Manual and in the process collected £40,000 for the Charity; and at their 50th Anniversary Dinner, the RAF's Battle of Britain Memorial Flight (BBMF) raised £35,000 for future scholarships in their name. Not only do events such as these realise significant sums of money, but they also play a very important part in helping to raise the profile of FSD in what has become a highly competitive charity market.

2008 is our Silver Jubilee year and a variety of fund raising activities have been planned to celebrate this milestone in FSD's history. In addition to the BBMF we also have two more new sponsors for the coming year - Oasis Hong Kong Airlines and The Entrepreneurs Fund.

The Trustees are again indebted to the RIAT volunteer supporters for their help at the Presentation Ceremony and to the facilities provided at RIAT for our scholars, their families and friends; also to the RAF who allow us the use of Cranwell each year for our final Selection Board and to the RAF team there who make it happen so efficiently.

**8 FINANCIAL REVIEW**

As in previous years it is the policy of the Trustees to maintain, as best they can, a balance between fundraising for the long term financial future of the Trust and the short term need to finance and administer annual scholarships.

To finance 8 full and 4 mini scholarships costs about £100,000 which is the minimum income we aim to achieve each year. Of this approximately 60% is for direct scholarship costs, 18% for indirect scholarship costs and 22% for unavoidable administration costs.

Total funds now stand at £791,703 an increase of £89,890 compared to 2006/07.

**9 RESERVES POLICY**

The Trustees reviewed again the level of reserves held and considered the level of free reserves that would be required to sustain scholarships at their desired level. The Trustees consider that the most appropriate level of free reserves should be set at £70,000.

The Trustees are also looking to establish a capital base to generate reserves to fund ten full scholarships per annum. Monies raised by Polly Vacher's various "Wings Around the World" flights will be applied for this purpose, along with the monies from former scholars and other sources.

**THE ROYAL INTERNATIONAL AIR TATTOO FLYING SCHOLARSHIPS FOR THE  
DISABLED IN MEMORY OF GROUP CAPTAIN SIR DOUGLAS BADER CBE, DSO, DFC**

**TRUSTEES' REPORT (continued)**  
for the year ended 28 February 2008

**10 RISK MANAGEMENT**

Another full independent risk audit will take place in 2009.

**11 AUDITORS**

RSM Bentley Jennison have expressed their willingness to continue in office.

Approved by the Board on .....

---

Chairman of Trustees

**THE ROYAL INTERNATIONAL AIR TATTOO FLYING SCHOLARSHIPS FOR THE  
DISABLED IN MEMORY OF GROUP CAPTAIN SIR DOUGLAS BADER CBE, DSO, DFC**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

Charity law requires the trustees to prepare financial statements for each financial year which show a true and fair view of the state of affairs of the charity and its financial activities for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operational existence.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent Examiner**

The trustees intend to ask the existing auditors to undertake the independent examination of the Trust in the following year.

Signed on behalf of the trustees

  
  

---

**THE ROYAL INTERNATIONAL AIR TATTOO FLYING SCHOLARSHIPS FOR THE  
DISABLED IN MEMORY OF GROUP CAPTAIN SIR DOUGLAS BADER CBE, DSO, DFC**

**INDEPENDENT EXAMINERS REPORT TO THE TRUSTEES**

I report on the accounts of the Trust for the year ended 28 February 2008, which are set out on pages 7 to 14.

Respective responsibilities of trustees and examiner

The charity's trustees consider that an audit is not required for this year (under section 43(2) of the Charities Act 1993 (the Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts (under section 43 of the Act);
- to follow the procedures laid down in the General Directions given by the Charity Commission (under section 43(7)(b) of the Act); and
- to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in, any material respect, the trustees have not met the requirements to ensure that:

- proper accounting records are kept (in accordance with section 41 of the 1993 Act); and
- accounts are prepared which agree with the accounting records and comply with the accounting requirements of the Act; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

RSM Bentley Jennison  
Chapel House  
Westmead Drive  
Westlea  
Swindon  
Wiltshire  
SN5 7UN

Chartered Accountants and Registered Auditors

**THE ROYAL INTERNATIONAL AIR TATTOO FLYING SCHOLARSHIPS FOR THE  
DISABLED IN MEMORY OF GROUP CAPTAIN SIR DOUGLAS BADER CBE, DSO, DFC**

**STATEMENT OF FINANCIAL ACTIVITIES**

for the year ended 28 February 2008

	Note	Unrestricted Total 2008 £	Restricted Funds 2008 £	Total Funds 2008 £	Total Funds 2007 £
<b>Incoming resources</b>					
Scholars sponsorship		-	113,323	113,323	56,138
Donations	2	20,178	81,611	101,789	68,180
Interest receivable and investments		863	31,820	32,683	24,420
		<u>21,041</u>	<u>226,754</u>	<u>247,795</u>	<u>148,738</u>
<b>Total incoming resources</b>					
<b>Resources expended</b>					
Cost of generating funds					
- Fundraising & publicity costs		7,127	-	7,127	4,823
Charitable expenditure					
- Scholarship costs		-	63,144	63,144	58,717
- Interest received to fund full scholarship		-	8,000	8,000	8,000
- Support costs	3	-	25,824	25,824	22,859
		<u>22,531</u>	<u>96,968</u>	<u>119,499</u>	<u>110,587</u>
<b>Total resources expended</b>					
<b>Net incoming resources for the year</b>		(1,490)	129,786	128,296	38,151
Unrealised gains/(losses)	8	-	(38,406)	(38,406)	890
Fund balances brought forward at 1st March 2007		92,011	609,802	701,813	662,772
<b>Fund balances carried forward at 28 February 2008</b>	11	<u>90,521</u>	<u>701,182</u>	<u>791,703</u>	<u>701,813</u>

The incoming resources and resulting net movements in funds arise from the charity's normal activities

**THE ROYAL INTERNATIONAL AIR TATTOO FLYING SCHOLARSHIPS FOR THE  
DISABLED IN MEMORY OF GROUP CAPTAIN SIR DOUGLAS BADER CBE, DSO, DFC**

**BALANCE SHEET**

28 February 2008

	Note	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible assets	7	-	-
Investments	8	577,218	490,080
		<u>577,218</u>	<u>490,080</u>
<b>CURRENT ASSETS</b>			
Debtors	9	-	-
Cash in hand and at bank		218,515	213,933
		<u>218,515</u>	<u>213,933</u>
<b>CREDITORS</b>			
Amounts falling due within one year	10	(4,030)	(2,200)
		<u>214,485</u>	<u>211,733</u>
<b>NET CURRENT ASSETS</b>			
		<u>791,703</u>	<u>701,813</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
<b>FUNDS</b>			
Unrestricted funds		90,521	92,011
Restricted funds	11	701,182	609,802
		<u>791,703</u>	<u>701,813</u>

The financial statements were approved by the Board of Trustees on.....

.....

**THE ROYAL INTERNATIONAL AIR TATTOO FLYING SCHOLARSHIPS FOR THE  
DISABLED IN MEMORY OF GROUP CAPTAIN SIR DOUGLAS BADER CBE, DSO, DFC**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 28 February 2008

**1 ACCOUNTING POLICIES**

The accounts have been prepared on the historic cost convention with the exception that investments are valued at market value. The accounts are in accordance with applicable accounting standards and the Charities SORP 2005 (Accounting and Reporting by Charities).

**Incoming resources**

Voluntary income is received by the way of sponsorship for individual scholarship placements, and by way of donations and gifts and is included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income.

**Resources expended**

All expenditure is accounted for on an accruals basis.

Charitable expenditure is allocated to scholarship activities where the cost is directly related to that activity. The cost of overall direction and administration, including the salary and overhead costs of administration is apportioned according to time spent.

Fundraising costs comprise those costs incurred in setting up and managing fundraising events.

Administration expenses comprise all costs incurred in running the charity, which cannot be directly allocated to the charity's projects or fundraising. As such, it includes secretarial expenses, audit fees and legal fees.

Resources expended include attributable VAT which cannot be recovered.

**Tangible Fixed Assets and Depreciation**

Tangible fixed assets costing more than £1000 are capitalised and included at cost

Depreciation is calculated to write down the cost, less estimated residual value, of tangible fixed assets over their expected useful lives, at the following rates:

Office equipment	33.33% on cost per annum
------------------	--------------------------

**Fund accounting**

Unrestricted funds comprise sponsorship income, donations and interest received on the general purpose bank accounts; these are generated for the objects of the charity and are available for use at the discretion of the general activities of the charity.

Restricted funds are funds which are to be used in accordance with specific instructions imposed by donors or which have been raised by the charity for a particular purpose.

**THE ROYAL INTERNATIONAL AIR TATTOO FLYING SCHOLARSHIPS FOR THE  
DISABLED IN MEMORY OF GROUP CAPTAIN SIR DOUGLAS BADER CBE, DSO, DFC**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 28 February 2008

**1 ACCOUNTING POLICIES (continued)**

Permanent endowment funds are funds which cannot be used by the charity. The funds must be retained in perpetuity to generate income to provide further scholarships.

**2 DONATIONS**

	Unrestricted 2008 £	Restricted 2008 £	Total 2008 £	Total 2007 £
Wings around the world		57,104	57,104	20,160
Former scholars		20	20	1,000
ACT Foundation		10,000	10,000	10,000
Vicarage Trust		3,583	3,583	7,898
Entrepreneurs Fund		10,000	10,000	
Other donations	20,178	905	21,083	29,122
	<u>20,178</u>	<u>81,611</u>	<u>101,789</u>	<u>68,180</u>

Included within donations are amounts due from the Inland Revenue in respect of gift aid refunds.

**3 SUPPORT COSTS**

	2008	2007
Wages and salaries	19,438	17,728
Printing and stationery	1,380	855
Travel and subsistence	994	718
Office charge	3,500	3,500
Office support costs	512	58
	<u>25,824</u>	<u>22,859</u>

**4 MANAGEMENT AND ADMINISTRATION**

	2008	2007
Wages and salaries	8,331	7,598
Auditors' remuneration	2,350	2,235
Depreciation	-	-
Other administration costs	4,723	6,355
	<u>15,404</u>	<u>16,188</u>

The fees disclosed above include VAT.

**THE ROYAL INTERNATIONAL AIR TATTOO FLYING SCHOLARSHIPS FOR THE  
DISABLED IN MEMORY OF GROUP CAPTAIN SIR DOUGLAS BADER CBE, DSO, DFC**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 28 February 2008

**5 STAFF COSTS**

	2008	2007
	£	£
Staff costs during the year were as follows		
Salaries	25,208	23,025
Social security costs	2,560	2,300
	<u>27,768</u>	<u>25,325</u>

The average number of employees during the year was 1 (2007: 1).

Trustees are not remunerated or reimbursed for directly incurred travel expenses.

**6 TAXATION**

The charity is exempt from tax on its charitable activities.

**7 TANGIBLE FIXED ASSETS**

	Office equipment
<b>Cost</b>	
At 1 March 2007 and 28 February 2008	<u>4,138</u>
<b>Depreciation</b>	
As at 28 February 2007	4,138
Charge for the year	<u>          </u>
As at 28 February 2008	<u>4,138</u>
<b>Net book value</b>	
At 28 February 2008	-
At 28 February 2007	-

All tangible fixed assets were used for charitable purposes.

**THE ROYAL INTERNATIONAL AIR TATTOO FLYING SCHOLARSHIPS FOR THE  
DISABLED IN MEMORY OF GROUP CAPTAIN SIR DOUGLAS BADER CBE, DSO, DFC**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 28 February 2008

<b>8 FIXED ASSET INVESTMENTS</b>	Opening Value 1.3.07	Additions/ reinvestment At cost	Interest on deposits	Unrealised gain (loss) in year	Closing MV 28.2.08
Property income Trust	121,010			(13,936)	107,074
Charity Select Global (ex-UK) equity Fund	101,814			1,017	102,831
Charity Select UK Total Equity Fund	155,910	10,000		(18,985)	146,925
CAF Income bond	111,346	(104,844)		(6,502)	
Anglo Irish Bank Treasury Deposits		215,000	5,388		220,388
	<u>490,080</u>	<u>120,156</u>	<u>5,388</u>	<u>(38,406)</u>	<u>577,218</u>

**9 DEBTORS**

	2008 £	2007 £
Prepayments	<u>                    </u>	<u>                    0</u>

**10 CREDITORS - due within one year**

Accruals and deferred income	<u>                    4,030</u>	<u>                    2,200</u>
------------------------------	----------------------------------	----------------------------------

**THE ROYAL INTERNATIONAL AIR TATTOO FLYING SCHOLARSHIPS FOR THE  
DISABLED IN MEMORY OF GROUP CAPTAIN SIR DOUGLAS BADER CBE, DSO, DFC**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 28 February 2008

**11 RESTRICTED FUNDS**

	At beginning	Income	Resources expended	Gains (losses)	Transfers	At end of year
Wings around the world						
- Permanent endowment	352,683	57,104			(20,000)	389,787
- Funds held as capital until needed for scholarships	1,182		(8,000)		15,182	8,364
Former scholars fund						
- Permanent endowment	16,260	20				16,280
- Restricted funds	1,855	945			(1,156)	1,644
John Saville fund						
- Permanent endowment	100,000					100,000
- Restricted funds	15,198	6,744			(9,000)	12,942
Scholarship fund						
- Restricted funds	93,773	125,994	(88,968)			130,799
ACT Foundation						
- Permanent endowment	10,000	10,000			20,000	40,000
- Funds held as capital until needed for scholarships		630				630
Vicarage Trust						
- Permanent endowment	12,665	3,583				16,248
Entrepreneurs Fund						
- Permanent endowment		10,000				10,000
- Funds held as capital until needed for scholarships		157				157
Unrealised Gains/losses						
- AAM	6,234			(31,904)		(25,670)
- CAF	(5,344)			(4,812)	10,156	
CAF/AAM distributions						
- Permanent endowment	1,690			(1,690)		
- Restricted funds	3,606	11,576			(15,182)	
	<u>609,802</u>	<u>226,753</u>	<u>(96,968)</u>	<u>(38,406)</u>		<u>701,182</u>

**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.

The former scholars fund comprises donations from former scholars.

The John Saville fund comprises donations from John Saville.

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

The ACT Foundation comprises donations from the ACT Foundation.

The Entrepreneurs Fund comprises donations from the Entrepreneurs Fund.

With the exception of the scholarship fund all funds have been created to permanently fund, in perpetuity, future scholarships. The capital may not be expended and is to be invested to provide income to fund future scholarships.

**THE ROYAL INTERNATIONAL AIR TATTOO FLYING SCHOLARSHIPS FOR THE  
DISABLED IN MEMORY OF GROUP CAPTAIN SIR DOUGLAS BADER CBE, DSO, DFC**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 28 February 2008

**11 RESTRICTED FUNDS (CONTINUED)**

The Scholarship Restricted Fund comprises monies raised that are to be used specifically to fund scholarships.

Other restricted funds represent interest received on permanent endowment funds.

**Transfers**

Interest earned on the Wings Around the World permanent endowment fund may be used to fund a full scholarship when the annual interest earned is sufficient to pay in full for a scholarship. Any residual interest must be kept within the permanent endowment.

**12 RELATED PARTIES**

The trust has a close relationship with the Royal Air Force charitable Trust Enterprises and through it the Royal International Air Tattoo which it derives its name. Certain trustees Alan Smith and Timothy Prince are also directors of RAFCTE.

During the year, the Trust paid £9,214 (2007 £6,221) to reimburse it for costs incurred on behalf of the trust.

There were no outstanding balances with related parties at 28 February 2008 (2007 £nil).