REGISTERED CHARITY NUMBER: 1160910

Report of the Trustees and

Financial Statements

for the Year Ended 31 March 2026

for

Air Cadet Charity CIO

Wright Vigar Limited
Statutory Auditors
Chartered Accountants & Business Advisers
15 Newland
Lincoln
Lincolnshire
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Air Cadet Charity CIO

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for the Year Ended 31 March 2026

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Air Cadet Charity CIO

Report of the Trustees
for the Year Ended 31 March 2026

The Trustees present their report with the financial statements of the charity for the year ended 31 March 2026. The Trustees have adopted the provisions of 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives

The Objects of the Air Cadet Charity are to carry out such charitable purposes as the Charity Trustees from time-to-time think fit for the benefit of personnel of the Air Training Corps (ATC) and Cadets. This is without limiting the generality of the foregoing to provide support and activities for young people which develop their skills, capacities, and capabilities to enable them to participate in society as mature and responsible individuals.

Activities for Achieving Charitable Purpose

As an independent grant-making charity, the Air Cadet Charity supports the Royal Air Force Air Cadets (RAFAC or RAF Air Cadets)-the modern operating framework for the Air Training Corps (ATC)-to deliver activities and projects that contribute to the development of young people. During the financial year ended 31 March 2026, grants were awarded to the Air Cadet Organisation, as well as its Regions, Wings, and Squadrons.

The Charity enhances the impact and reach of local and national grant programmes by prioritising funding for transformative initiatives that foster self-confidence, resilience, responsibility, and essential life skills. During the year, this grant-making activity was distributed across the following eight categories:

• **Aviation**: Grants funded projects focused on developing critical aerospace skills, including the procurement of Remotely Piloted Aircraft Systems (RPAS/Drones). Representing Year two of an approved three-year development grant, this funding advanced the RAF Air Cadet Astra strategy under the regulatory framework of the UK Civil Aviation Authority (CAA) and No. 2 Flying Training School (2 FTS). This year focused on establishing foundational delivery structures, including standing up 692 Volunteer RPAS Training Squadron, qualifying over 120 'Train the Trainer' staff, and providing drone hardware and safety software. Following initial syllabus testing with 109 cadets, the framework has been finalised to launch the national Blue Progressive Training Syllabus (PTS) drone rollout in the 2026-2027 financial year.

• **Adventure Training:** Funds were provided for a variety of challenging adventure training activities, camps, and field deployment initiatives designed to build personal resilience, teamwork, and self-confidence. The Charity awarded targeted grants to cover activity centre fees, safety licences, and the core operational costs of both UK-based and overseas expeditions. To ensure compliance, funding was distributed directly to local units and wings to enable applicants to purchase their own essential outdoor adventure equipment, specialised safety gear, and water sports assets, effectively reducing financial barriers for participants.

• **Exploiting Technology:** The Charity awarded targeted grants focused on providing IT equipment funding directly to individual squadrons to assist with volunteer administration and training. Rather than centralising technology procurement, these grants enabled local squadron applicants to directly acquire specific computing hardware, monitors, and essential IT peripherals required to modernise their classrooms and administrative spaces. This dedicated funding stream ensured that local committees could establish reliable, secure digital setups-ultimately reducing the administrative burden on volunteers, streamlining local unit management, and providing cadets with the necessary hardware to access modern training portals and digital learning resources.

• **Immersive Training**: Funding was provided for immersive and interactive training equipment, anchored by the launch of the Immersive Technology Grant Programme on 1 December 2025. This initiative provides dual-purpose equipment supporting both high-fidelity aviation flight simulation and competitive Esports directly to individual squadrons. To manage national demand responsibly, the programme was executed in two phases: Phase 1 targeted entirely unequipped units, while Phase 2 expanded eligibility to squadrons requiring partial setup completions. Funding was restricted to three standardised kit options-the console-based Xbox Kit, the high-performance PC Gaming Laptop Kit, and the mobile Xbox in a Box configuration-with future phases planned for the 2026-2027 financial year to ensure comprehensive national coverage.

• **Enhance Education**: Grants supported a wide range of accredited educational initiatives, vocational qualifications, and life-skill frameworks. Specifically, the Charity funded registration and delivery costs for BTEC qualifications, City & Guilds Institute of Leadership and Management (ILM) courses, Level 3 Extended Project Qualifications (EPQs), Level 2 sustainability qualifications, and newly introduced Esports qualifications. Grant funding was also distributed directly to units to purchase physical first aid training equipment, specialised leadership equipment, and music instrumentation. Furthermore, grants enabled extensive experiential learning through both UK and overseas educational visits, supported unit-level recruiting and education grants, and expanded targeted STEM learning opportunities across the RAF Air Cadets organisation.

• **Improve Employability**: The Charity provided grant funding for a variety of accredited qualifications, vocational frameworks, and leadership development programmes designed to maximise the personal and professional potential of both cadets and volunteers. To ensure accessible pathways, grants were distributed to directly cover registration costs for the Duke of Edinburgh's Award (DofE) Scheme and to fund participation in the International Air Cadet Exchange (IACE) programme. Furthermore, the Charity provided essential structural grants to support the core activities, specialised clothing, and learning resources for the National Air and Space Camp (NASC). This included funding safety-critical merchandise packs and vital logistics to allow the camp's flagship Industry Day to successfully connect participants with aerospace sector employers.

• **Health and Wellbeing**: Grants supported initiatives that promote physical and mental wellbeing, fostering teamwork and community engagement. Specifically, the Charity funded regional sports grants to enable cadet participation at a regional level, sports equipment grants, and sports leaders qualification funding. To support marksmanship and sport, grants covered shooting association membership fees alongside direct funding for applicants to purchase target shooting equipment and upgrade facilities across squadrons and wings. Furthermore, funding was provided for awards celebrated as part of annual honours and recognition processes, including the Environmental Award for squadrons delivering the best local environmental initiatives, trophies, and recognition awards.

• **Welfare**: The Charity funded essential welfare and safeguarding initiatives to ensure inclusive, safe access for all participants. Specifically, grants were awarded for localised Cadet Centre improvements, clothing for official overseas engagement activities, and welfare provisions at major events. The Charity also funded comprehensive personal accident and overseas insurance cover for all cadets and adult volunteers. Furthermore, critical safeguarding support was distributed via grants to local committees to fund Disclosure and Barring Service (DBS) checks, ensuring the continued safety and protection of young people across the organisation.

VISION, VALUES AND PUBLIC BENEFIT

The Air Cadet Charity Vision is:

• **Access for all** - to ensure opportunities are accessible to all ATC personnel and Cadets, regardless of their background or circumstances.

• **Enhanced self-confidence and responsibility** - to help young people build self-confidence, resilience, and a sense of responsibility through challenging and rewarding experiences.

• **Enhanced interpersonal skills** - to support the development of strong interpersonal skills, teamwork, and leadership abilities through collaborative projects and shared experiences.

The Air Cadet Charity Values:

• **Committed** - We do what we say we will and are committed to ensuring funds for cadets are spent on cadets.

• **Inclusive** - We ensure everyone feels valued and supported, making ourselves accessible to all.

• **Responsive** - We follow through on our commitments, using evidence and insight to adapt to changing needs.

• **Transparent** - We communicate openly about what we do and where funds are spent.

• **Innovative** - " Forward-learning and open to new ideas, we strive to remain relevant in our support efforts.

• **Integrity and Moral Courage** - do our best to do the right thing at all times.

OBJECTIVES AND ACTIVITIES

Public benefit

The Air Cadet Charity operates for the public benefit in accordance with Section 17 of the Charities Act 2011 and the Charity Commission's general guidance. The Trustees have referred to this guidance when planning and reviewing the Charity's grant-making activities.

Our core purpose is to provide financial support through targeted grant-making to the RAF Air Cadets, enabling local units, regions, and individuals to deliver a wide range of beneficial activities and projects that foster the personal development of young people aged 12 to 19. By providing grants for activities in areas such as aviation, adventure training, technology, education, and health and wellbeing, the Charity directly contributes to a clear and tangible public benefit.

This support also extends to the dedicated adult volunteers whose training and development are crucial to the safe and effective delivery of the cadet programme. These activities cultivate confidence, leadership, teamwork, and resilience, equipping young people from all backgrounds with valuable, transferable skills for life and work. The Trustees are confident that the Charity's investment in the RAF Air Cadets' mission is a direct and powerful contribution to developing well-rounded, community-minded individuals who are prepared to make a positive impact on society.

ACHIEVEMENTS AND PERFORMANCE

Review of the Year

The financial year 2025-2026 marked a period of consolidation, operational refinement, and expanded impact for the Air Cadet Charity. Following our successful formal launch in the previous financial year, our primary focus shifted towards embedding our independent grant-making framework and optimising our delivery pipelines to maximize benefits for our core beneficiaries.

To support this continued growth, the Charity further expanded its executive team with the key appointments of a dedicated Grants Manager and a Marketing and Engagement Officer to optimise grant-making decisions, improve internal financial controls and elevate stakeholder communication. A major operational milestone was the successful implementation of a centralised Customer Relationship Management (CRM) system. This digital infrastructure has allowed the Charity's grant application and evaluation processes to move fully online, while simultaneously enabling fundraising streams to be tracked under one unified platform, significantly reducing administrative friction.

Governance was also significantly strengthened this year. The Charity successfully recruited seven additional Trustees to the Board, deliberately expanding the diversity of skills, professional backgrounds, and oversight capabilities available to guide the strategic direction of the organisation.

Expanding Localised, Regional, and Specialist Support

During this period, our financial support for the RAF Air Cadet organisation continued to yield tangible results at every level of the command structure. Moving beyond centralised national initiatives, the Charity's grant-making framework actively empowered individual Regions, Wings, and Squadrons. By distributing targeted funding directly to local units, we enabled squadron management committees to address localised needs and modernise classroom environments directly.

Notably, this year saw the introduction of our first dedicated grants programme for Immersive Technology. This highly successful specialist stream provided funding for squadron applicants to directly acquire standardised flight simulators and Esports equipment, bridging the gap between recreational tech and formal aerospace skills training.

A key ongoing achievement has been the provision of a dedicated grant to fund the RAF Air Cadets comprehensive insurance portfolio. Through this funding, the Charity successfully financed critical personal accident and overseas insurance coverage for cadets and adult volunteers, ensuring robust, safe, and fully protected access to all official activities and international activities.

RAF Air Cadet Development Scheme

Conceived as a lasting legacy of the Air Training Corps' (ATC) 75th Anniversary celebrations in 2016, the RAF Air Cadet Development Scheme remains a core pillar of our commitment to young people and junior adult volunteers across the RAFAC organisation. The scheme operates a robust cash bursary framework - awarding up to a maximum of £2,500 per individual - specifically designed to provide practical, financial pathways that support an immediate transition into full-time employment, apprenticeships, or specific professional careers.

To ensure funding is targeted effectively towards high-impact, vocational qualifications and trade certifications rather than recreational activities, the Charity enforces strict eligibility criteria. Eligible applicants include cadets aged 16 or over with a minimum of two years service, and junior adult volunteers under the age of 25 with at least four years of service across either the ATC or CCF(RAF). To maintain structural integrity, the scheme prioritises professional development courses (such as advanced pilot training tracking towards a Commercial Pilot Licence (CPL) or Airline Transport Pilot Licence (ATPL) and explicitly excludes funding for non-professional training, standard driving licences, or qualifications already obtainable through core RAFAC opportunities.

During the 12 months to 31 March 2026, the Charity successfully deployed its online portal to process applications across two distinct submission windows, utilising the specialised Grants Committee to rigorously evaluate cost breakdowns and executive outcomes. To guarantee the long-term continuity of this vital initiative, the Charity holds and maintains dedicated restricted funds solely for the use of bursaries issued as part of the scheme. These restricted assets, built from targeted sponsorship and donations, ensure that the legacy of the scheme is securely managed and directly deployed to maximise the professional potential of our beneficiaries.

FINANCIAL REVIEW

Principal Funding Sources

The Air Cadet Charity's primary source of funding is derived from contributions provided by members of the Air Training Corps (ATC). During the financial year ended 31 March 2026, with a total of 34,317 cadets, the Charity received contributions based on a recommended rate of £2.50 per month, with a reduced rate of £1.25 for cadets in overseas units. The Charity also secures vital revenue through grants from charitable trusts and foundations, alongside backing from corporate donors. Additional income is generated through a portfolio of long-term investments managed by professional investment managers and overseen by the Trustees, as well as general public donations and specific restricted funds.

The investment portfolio includes several notable restricted funds. The Malcolm Club Fund is used to fund flying scholarships and expeditions, known as Scarman Scholarships. The BAE Millennium Fund is allocated to subsidise the International Air Cadet Exchange (IACE) programme. The Joseph Singleton Memorial Fund provides two annual cash prizes awarded alongside the Lees and Morris Trophies, which are competed for biennially by squadrons. Finally, the Stan Easton Memorial Fund provides a cash award to the cadet who produces the best aviation-themed article.

Investment Policy and Objectives

Funds may be invested in any type of investment, except for partly paid shares or investments involving continuing liability, unless for taxes, rates, or rents.

FINANCIAL REVIEW

Reserves Policy and Financial Position

The Trustees recognise the necessity of maintaining an appropriate level of free reserves to secure the financial stability, operational sustainability, and long-term continuity of the Air Cadet Charity. Free reserves provide a vital buffer allowing the Charity to manage unforeseen operational risks, absorb sudden downturns in membership contributions, and respond dynamically to strategic grant demands across the RAF Air Cadets.

Under the Charity's Reserves Policy, free reserves are defined as readily available unrestricted funds, excluding any amounts tied up in tangible fixed assets or long-term investments. The Trustees have set a clear target framework for these free reserves:

• **Minimum Target**: A baseline threshold of £1 million, which historically reflects approximately one full year of operational expenditure. This minimum protects the Charity against systemic risks, provides a financial buffer in case of unexpected income declines, or covers costs should it be necessary to wind down operations.

• **Upper Threshold**: A target range cap of £1.5 million. In accordance with the policy, any free reserves held above this threshold are explicitly earmarked by the Trustees to be deployed into designated funds, strategic capital investments, or expanded grant-making initiatives.

As of 31 March 2026, the Charity held total funds of £5,393,028 (2025: £5,178,017), which is made up of unrestricted funds of £4,528,684 (2025: £4,440,926), restricted funds of £440,324 (2025: £335,237), and endowment funds of £424,020 (2025: £401,854).

The Charity maintains a healthy free reserve of £2,681,234 (2025: £2,913,133). Income generated through the Charity's long-term investments is currently reinvested to grow the fund, with the intention of using the earnings to further support the Charity's activities in the future.

Commentary on Accounts

During the 12 months to 31 March 2026, the Charity achieved total receipts of £1,369,526 (2025: £1,108,567), comprising member cadet contributions, investment income, corporate and trust donations, and sundry receipts.

Total expenditure from the Fund during the period was £1,245,397 (2025: £1,033,199). Consequently, the net income before transfers and net gains or losses on investments stood at £124,129 (2025: £75,368).

Net gains on the valuation of our long-term investment holdings amounted to £90,882 (2025: £25,801), resulting in an overall surplus in fund movements for the year of £215,011 (2025: £101,169).

The Trustees remain fully satisfied that the Charity is in a healthy, robust financial position and continues to effectively meet the core charitable purposes for which it was established.

FINANCIAL REVIEW
Fundraising Practices

Approach to Fundraising and Standards

The Charity's income is primarily generated from contributions provided by members of the Air Training Corps (ATC) within the wider RAF Air Cadets structure, complemented by donations and returns from its long-term investment portfolio. Following the previous appointment of a professional fundraiser, the Charity has continued developing its fundraising strategy to secure grants from trusts and foundations, alongside backing from corporate donors.

The Charity is committed to upholding the standards set out in the Code of Fundraising Practice. All fundraising activities are carried out in accordance with relevant legal and regulatory requirements, including the Charity Commission's guidance.

Public Protection and Compliance

We are committed to ensuring our fundraising activities protect the public and vulnerable individuals from undue pressure or unreasonable persistence. The Charity does not engage in direct public fundraising campaigns, and no public or street collections were undertaken during the year. The day-to-day activity of our professional fundraiser is monitored directly by the Executive Team, with strategic oversight and support maintained by the Board of Trustees through the dedicated Marketing, Engagement and Fundraising Committee.

As required by the Charities Act, the Charity monitors its fundraising performance and compliance. During the financial year ended 31 March 2026:

•The Charity received zero complaints regarding its fundraising practices (2025: Nil).
• No failures to comply with the Code of Fundraising Practice were identified or reported.
• The Charity did not receive any regulatory interventions or adjudications from the Fundraising Regulator.

Going Concern
The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future, defined as a period of at least 12 months from the date of approval of these financial statements.

This assessment is based on the Charity's robust financial position, which includes a diversified investment portfolio and free reserves held comfortably above baseline targets. The financial model remains resilient due to the steady nature of membership contributions from the Air Training Corps (ATC), alongside newly developing institutional funding streams.

Following its official launch, the Charity has successfully embedded its operational structure. The staff team, including the dedicated Finance Manager and professional Fundraiser appointed in the previous financial year, has successfully matured. Over the 12 months to 31 March 2026, this infrastructure has strengthened internal financial controls, mitigated key-person dependency, and enabled the Board to formally agree and begin executing a comprehensive income diversification strategy.

The Charity's strong governance structure, coupled with its substantial capital buffer, shields core grant-making activities from short-term economic volatility or temporary fluctuations in cadet numbers. Consequently, the Trustees continue to adopt the going concern basis in preparing the financial statements and remain confident in the Charity's long-term financial resilience and future impact.

PLANS FOR FUTURE PERIODS

Accomplishments for 2025-2026

During the 2025-2026 financial year, the Charity successfully delivered against all its key priorities:

• **Launched an Ambitious 5-Year Strategy**: Formally established and published a comprehensive 5-year strategic roadmap. This strategy explicitly commits the Charity to a target of awarding £1.5 million per annum in grants over the next five years, providing a clear trajectory for funding and beneficiary impact.

• **Transformed Technology and Operational Systems:** Modernised the Charity's core infrastructure through the successful implementation of a new Customer Relationship Management (CRM) system for managing contacts and donors. Simultaneously, we launched a dedicated online platform for grant applicants, which has significantly streamlined the application process, enhanced reporting capabilities, and improved communication with beneficiaries.

• **Expanded Team Capacity and Strengthened Governance:** Significantly reinforced the operational and oversight capabilities of the Charity through key structural changes:

  o **Staffing**: Appointed a dedicated Marketing and Communications professional and a specialised Grants Officer to manage the expanded grant pipeline and drive fundraising efforts.
  o **Board Governance:**Successfully recruited seven new Trustees, directly addressing the Board's skills-mix and expertise gaps to match our planned growth over the next five years.

• **Enhanced Visibility and Stakeholder Engagement:** Used our newly expanded team to improve the public profile of the Charity's funding impact. This has strengthened communication lines with beneficiaries and stakeholders while opening doors to explore new strategic partnerships with supporters of the RAF Air Cadets mission.

• **Evolved and Streamlined the Grant Programme:** Built upon the foundations of the previous financial year by optimising internal procedures. The grant application and award process was further refined to align closely with changing beneficiary needs, ensuring funding effectively reaches all tiers of the organisation while maximising process efficiency.

• **Diversified Income Streams:** Progressed our long-term financial sustainability by actively cultivating new, non-traditional income streams, mitigating reliance on core cadet contributions and securing a resilient financial future.

• **Proactive Risk Management:** Conducted a comprehensive review of the Charity's strategic risk register to ensure the risk framework addresses the evolving landscape brought about by our recent digital upgrades and operational expansion. This allowed the Board to maintain a highly relevant, proactive approach to long-term risk mitigation.

• **Strengthened Board Governance and Accountability:** Successfully initiated a strategic Board expansion to diversify and enhance the skills, expertise, and operational experience of our Trustees. Alongside this recruitment drive, the Board formally drafted, approved, and established a comprehensive Code of Conduct. A thorough review of all core operational policies was also conducted and implemented, ensuring our foundational governance framework aligns with best practices and fully supports the charity's independent, national mission.

Plans for 2026-2027

Building upon the structural transformations achieved over the last two financial years, the Charity has formalised its operational and business plans for the 2026-2027 period. The Board of Trustees has focused its strategy into three core pillars designed to maximise grant impact, secure long-term financial resilience, and maintain exemplary governance standards.

Pillar 1: Impactful Grant-Making Aligned to RAF Air Cadets Priorities

The Charity will enhance the impact and reach of local and national grant programmes by prioritising transformative initiatives that foster self-confidence, resilience, responsibility, and essential life skills. Key focuses include:

• Updating grant guidance notes to ensure alignment with wider strategic defence and air cadet priority areas, such as STEM and sustainability.

• Implementing the next sequential phases of the Immersive Technology Grant Programme to expand capabilities across local units.

• Broadening the scope of grant delivery by launching new specialised funding categories.

• Optimising the digital application portal, introducing a formal Scheme of Delegation, and utilising subject matter experts to evaluate complex technical bids.

• Evaluating the long-term efficiency and impact of national versus local grant delivery models.

Pillar 2: Sustainable Funding & Financial Stewardship

The Charity will establish a robust financial framework that ensures resources are managed with precision and transparency, aligning long-term planning with strategic objectives. Key focuses include:

• Developing a comprehensive, long-term financial plan and sustainable growth framework.

• Actively diversifying income streams by developing corporate and trust partnerships, alongside establishing avenues for recurring digital donations.

• Producing a foundational legacy giving programme to offer supporters clear pathways to leave a gift in their will.

• Strengthening financial controls by integrating standardised strategic health dashboards into Board reporting and embedding financial KPIs into executive performance reviews.

Pillar 3: Engagement, Visibility & Governance

The Charity will increase awareness of its funding impact and strengthen stakeholder relationships through effective marketing to inspire greater participation from cadets, volunteers, and supporters. Simultaneously, we will enhance governance by building a highly functioning, representative, and digitally integrated Trustee group. Key focuses include:

• Building a digital narrative library of real-life case studies and securing external media placements to highlight the Charity's impact**.**

• Executing an annual Board Effectiveness Review and implementing a mentoring structure to seamlessly integrate new Trustees.

• Fully embedding the Charity's Code of Conduct and reviewed policies across all operational levels to ensure the expanded Board operates with a unified commitment to integrity, accountability, and transparency.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Air Cadet Charity is a foundation Charitable Incorporated Organisation (CIO), registered with the Charity Commission for England and Wales under Registered Charity Number 1160910.

The Charity was originally established as the Air Training Corps General Purposes Fund (ATC GPF) under a Trust Deed dated 19 December 1960, subsequently securing approval from the Inland Revenue Charity Division on 28 February 1968 and registering with the Charity Commission on 29 March 1969. With effect from 1 July 2015, the entity reconstituted as a CIO. To better reflect its evolving operational framework, a formal resolution was passed on 24 November 2023 to change the charity's name to the Air Cadet Charity CIO, a variation formally approved by the Charity Commission on 1 December 2023. The Charity's primary purpose remains the support and development of the personnel of the Air Training Corps (ATC) within the wider RAF Air Cadet organisation.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees and Board Expansion

The Charity's constitution mandates a minimum of two Trustees. To support long-term strategic growth and expand governance capacity, the Board restructured its membership during the reporting period. At the commencement of the financial year, the Board was comprised of six Trustees. Following one resignation and the subsequent appointment of six new Trustees. At the September 2025 meeting, the Board accepted the resignation of Mike Neville; the Trustees wish to formally record their deep gratitude to Mike for his significant contributions and dedicated guidance over his 7 years of service on the Board.

Following this resignation, six new Trustees were appointed at the September 2025 meeting, alongside an additional Trustee appointment in March 2026. Through this expansion the Board successfully introduced targeted expertise to support areas of planned growth and oversee the Charity's expanding national impact.

To ensure an open, robust, and transparent selection process for all future appointments, the Board operates a structured Remuneration and Nominations Committee. Comprising at least three current Trustees, this committee is tasked with identifying skills gaps, benchmarking candidates against strategic needs, and proposing new nominees to the full Board for formal ratification.

Organisational Management and Committee Structure

The Charity's financial year runs from 1 April to 31 March. The full Board of Trustees meets at least twice per annum to determine the overarching strategic direction, review investment allocations, and maintain policies, strategy, and statutory governance oversight.

To ensure detailed scrutiny of key operational areas, the Board is supported by specialised, Trustee-led sub-committees which meet at least twice a year:

• **The Finance Committee:** Oversees investment portfolio performance, reserves target compliance, annual budget settings and the ongoing review of risks and associated mitigation strategies. In accordance with the Charity's Annual Accounts and Audit Policy, the committee is also responsible for reviewing the Charity's Going Concern status, overseeing the external audit process, meeting with the auditors upon completion, and formally recommending the finalised annual accounts to the full Board of Trustees for sign-off.

• **The Grants Committee:** Reviews and evaluates grant and bursary applications from units, regions, and wings.

• **The Nominations and Remuneration Committee:** Manages the recruitment and recommendation of new Trustees, alongside the review of executive pay and staff remuneration frameworks.

• **The Marketing, Engagement and Fundraising Committee:** Newly established during this financial year to provide comprehensive governance and strategic oversight across all marketing campaigns, public engagement initiatives, and developing fundraising operations.

The Trustees delegate the day-to-day operational management and administrative execution of the Charity's strategies to the Charity Director, who acts as the chief executive officer and reports directly to the Board.

Induction and training of new Trustees

New Trustees undergo a formal induction process to familiarise them with the Charity's work, the RAF Air Cadets, and their specific role and responsibilities. This training includes an overview of relevant Charity Law as well as receiving a comprehensive governance pack including the Charity's Constitution, terms of reference, Charity Commission Guidance and the Charity's Code of Conduct, ensuring they are fully equipped to understand their role and key governance guidelines.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related Parties

The Air Cadet Charity operates as an independent organisation, but it maintains a strong and essential relationship with the RAF Air Cadets and the wider RAF family. The Charity provides vital financial support for activities that fall outside the scope of public funding, such as cadet qualifications, equipment, and international exchanges. These grants directly benefit both cadets and adult volunteers, enhancing their development and experiences.

Donated Facilities and Operational Support

The Royal Air Force and the Ministry of Defence provide crucial operational support to assist the Charity in keeping its administrative overheads to a minimum. This support includes the provision of dedicated office space for our staff team.

In accordance with the Charities SORP, the value of this donated facility is only recognised on the SOFA as a gift in kind with a corresponding administrative expense if the rental value can be reliably measured. No amount has been included for the market value of the occupied premises and use of facilities because the trustees consider that a reliable estimate of the value of the benefit cannot be obtained.

The availability of the donated facilities and operational support remains fundamental to the Charity's ability to achieve its mission of empowering young people.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk Management and Internal Control

The Trustees are responsible for the ongoing identification, assessment, and management of the strategic and operational risks faced by the Charity. The Board operates a continuous risk management framework where key risks are regularly reviewed and mitigated through robust policies, procedures, and internal controls.

The principal risks managed by the Trustees during the financial year ended 31 March 2026, along with their respective mitigation strategies, are outlined below:

• **Financial and Operational Viability:** The risk of budgetary degradation or a drop in core funding due to fluctuating cadet membership numbers

o Mitigation: The Charity maintains rigorous internal financial controls and a highly diversified investment portfolio monitored by the Finance Committee. To reduce reliance on a single subscription stream, the Charity continues to execute an ethical fundraising strategy to diversify income through corporate and trust partners.

• **Governance and Board Competency:** The risk of failing to maintain an appropriately skilled Board capable of directing the Charity's national mission.

o Mitigation: The Board successfully expanded its governance capacity by onboarding seven new Trustees to bring targeted expertise to key areas. Specialised, Trustee-led sub-committees operate to ensure detailed scrutiny over core functions.

• **Information Technology and Infrastructure:** The risk of system failures, administrative bottlenecks, or data protection breaches hampering grant distribution.

o Mitigation: The Charity has successfully implemented a cloud-based CRM platform through a reputable third party provider to centralise and digitise the entire grant-making workflow. Staff receive structured data protection training as part of their formal induction.

• **Business Continuity and Capacity:** The risk of operational disruption, key-person dependency, or capacity strain amidst growing grant requests from beneficiaries.

o Mitigation: The Charity operates under a comprehensive Business Continuity Plan and has matured its internal infrastructure by embedding a stable, dedicated staff team to support the expanded executive framework.

• **Safeguarding and Protection of Beneficiaries:** The risk of harm to beneficiaries, legal non-compliance, or reputational damage.

o Mitigation: Safeguarding remains a top priority for the Board. A mandatory Safeguarding Policy is strictly enforced, clear vetting and Disclosure and Barring Service (DBS) checking frameworks are in place for staff and Trustees, and formal training has been rolled out across the Charity.

The Trustees are satisfied that the internal control systems in place are robust, proportionate, and effective in securing the Charity's operational stability while protecting its assets and reputation.

Serious Incidents and Regulatory Reporting

During the financial year, the Charity team and Trustees identified and formally reported a serious incident to the Charity Commission involving another RAF Air Cadet-associated entity that had utilised the Charity's registered charity number on an independent grant application. The Trustees proactively submitted a full report detailing the occurrence, alongside the communication protocols implemented on the Charity's digital and social media platforms to address the issue. The Charity Commission confirmed they are satisfied that the Trustees had dealt with the matter appropriately and responsibly.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Number		1160910
Principal address		HQ RAF Air Cadets Royal Air Force College Cranwell Sleaford Lincolnshire NG34 8HB
Trustees		
Chair of Trustees		Mark Osman
	G F N	Michael Neville CBE (resigned 25 Sep 2025)
	F N	Oliver Jones-Davies
	G	Victoria Gridley
	F N	Norman Murray CBE
	F	Hetna Patel
	F N	Sally Fernandes (appointed 25 Sep 2025)
	M N	Hemma Gooljar (appointed 25 Sep 2025)
	G	Kevin Limbert (appointed 25 Sep 2025)
	G M	Abigail Lamb (appointed 25 Sep 2025)
	G	Darryn Rawlins OBE (appointed 25 Sep 2025)
	M	Julian Van Loxton (appointed 25 Sep 2025)
	G M	Martin Hoare (appointed 18 Mar 2026)
	G	denotes membership of the Grants Committee
	F	denotes membership of the Finance Committee
	N	denotes membership of the Nominations and Remunerations Committee
	M	denotes membership of the Marketing, Engagement and Fundraising Committee
Key Management Personnel		Jessica Gilbert — Charity Director
Auditors		Wright Vigar Limited Statutory Auditors Chartered Accountants & Business Advisers 15 Newland Lincoln LN1 1XG
Bankers		Lloyds Bank plc 1 Legg Street Chelmsford CM1 1JS
Investment Managers		Cazenove Capital 1 London Wall Place London EC2Y 5AU CCLA One Angel Lane London EC4R 3AB

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Charity law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those 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 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 charity will continue in business.

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 2011 and The Charity (Accounts and Reports) Regulations 2008. 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 Trustees acknowledge that they have been assisted in preparation of the financial statements by the accounting department of the audit firm, in line with the terms of engagement and confirm that safeguards are in place to ensure that an independent audit has been carried out.

Approved by order of the board of trustees on 24 September 2026 and signed on its behalf by:

Mark Osman
Mark Osman (Sep 24, 2026 19:16:10 GMT+1)

M Osman - Trustee

Report of the Independent Auditors to the Trustees of Air Cadet Charity CIO

Opinion
We have audited the financial statements of Air Cadet Charity CIO (the 'charity') for the year ended 31 March 2026 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the charity's affairs as at 31 March 2026 and of its incoming resources and application of resources, 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 Charities Act 2011.

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

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

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

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

Other information
The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:
- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

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

The Trustees acknowledge that they have been assisted in preparation of the financial statements by the accounting department of the audit firm, in line with the terms of engagement and confirm that safeguards are in place to ensure that an independent audit has been carried out.

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

Report of the Independent Auditors to the Trustees of Air Cadet Charity CIO

Our responsibilities for the audit of the financial statements
We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our work is performed to include an assessment of the susceptibility of the entity's financial statements to material misstatement, including the risk of fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:
- We plan our work to gain an understanding of the significant laws and regulations that are of significance to the entity and the sector in which they operate. We perform our work to ensure that the entity is complying with its legal and regulatory framework.
- We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making inquiries to the management and people charged with governance.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
- Substantive procedures performed in accordance with the ISAs (UK).
- Challenging assumptions and judgments made by management in its significant accounting estimates.
- Identifying and testing journal entries, in particular material journal entries and an assessment of year end journals.
- Assessing the extent of compliance with the relevant laws and regulations.

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 Report of the Independent Auditors.

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

Wright Vigar Limited
Wright Vigar Limited (Sep 24, 2026 21:07:18 GMT+1)

Wright Vigar Limited
Statutory Auditors
Chartered Accountants & Business Advisers
15 Newland
Lincoln
Lincolnshire
LN1 1XG

24 September 2026

Air Cadet Charity CIO

Statement of Financial Activities for the Year Ended 31 March 2026

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2026 Total funds £	2025 Total funds £
INCOME FROM						
Subscriptions, donations and grants	3	1,010,463	192,186	-	1,202,649	976,201
Investment income	4	157,806	-	9,071	166,877	132,366
Total		1,168,269	192,186	9,071	1,369,526	1,108,567
EXPENDITURE ON						
Charitable activities	5					
Aviation		95,086	-	-	95,086	67,441
Adventure Training		106,986	-	-	106,986	31,429
Exploiting Technology		65,425	300	-	65,725	47,531
Immersive Training		70,831	-	-	70,831	97,985
Enhance Education		105,002	81,807	-	186,809	154,507
Improve Employability		150,131	33,483	-	183,614	158,122
Health and Wellbeing		128,471	-	-	128,471	128,327
Welfare		101,535	500	-	102,035	105,877
Operational costs		291,544	14,296	-	305,840	241,980
Total		1,115,011	130,386	-	1,245,397	1,033,199
Net gains on investments		77,787	-	13,095	90,882	25,801
NET INCOME		131,045	61,800	22,166	215,011	101,169
Transfers between funds	17	(43,287)	43,287	-	-	-
Net movement in funds		87,758	105,087	22,166	215,011	101,169
RECONCILIATION OF FUNDS						
Total funds brought forward		4,440,926	335,237	401,854	5,178,017	5,076,848
TOTAL FUNDS CARRIED FORWARD		4,528,684	440,324	424,020	5,393,028	5,178,017

The notes form part of these financial statements

Air Cadet Charity CIO

Balance Sheet
31 March 2026

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2026 Total funds £	2025 Total funds £
FIXED ASSETS						
Intangible assets	10	-	125,065	-	125,065	10,735
Tangible assets	11	282,496	-	-	282,496	88,590
Investments	12	1,564,954	-	263,035	1,827,989	1,669,337
		1,847,450	125,065	263,035	2,235,550	1,768,662
CURRENT ASSETS						
Stocks	13	-	-	-	-	7,791
Debtors	14	407,072	-	-	407,072	419,646
Cash at bank	15	2,426,300	320,603	160,985	2,907,888	3,123,818
		2,833,372	320,603	160,985	3,314,960	3,551,255
CREDITORS						
Amounts falling due within one year	16	(152,138)	(5,344)	-	(157,482)	(141,900)
NET CURRENT ASSETS		2,681,234	315,259	160,985	3,157,478	3,409,355
TOTAL ASSETS LESS CURRENT LIABILITIES		4,528,684	440,324	424,020	5,393,028	5,178,017
NET ASSETS		4,528,684	440,324	424,020	5,393,028	5,178,017
FUNDS	17					
Unrestricted funds					4,528,684	4,440,926
Restricted funds					440,324	335,237
Endowment funds					424,020	401,854
TOTAL FUNDS					5,393,028	5,178,017

The financial statements were approved by the Board of Trustees and authorised for issue on 24 September 2026 and were signed on its behalf by:

Mark Osman
Mark Osman (Sep 24, 2026 19:16:10 GMT+1)

M Osman - Trustee

The notes form part of these financial statements

Air Cadet Charity CIO

Cash Flow Statement
for the Year Ended 31 March 2026

	Notes	2026 £	2025 £
Cash flows from operating activities			
Cash generated from operations	1	43,306	225,438
Net cash provided by operating activities		43,306	225,438
Cash flows from investing activities			
Purchase of intangible fixed assets		(128,626)	(10,735)
Purchase of tangible fixed assets		(238,789)	-
Purchase of fixed asset investments		(5,000)	-
Sale of tangible fixed assets		-	4,699
Interest received		104,108	124,653
Net cash (used in)/provided by investing activities		(268,307)	118,617
Cash flows from financing activities			
Income attributable to endowment		9,071	1,032
Net cash provided by financing activities		9,071	1,032
Change in cash and cash equivalents in the reporting period		(215,930)	345,087
Cash and cash equivalents at the beginning of the reporting period		3,123,818	2,778,731
Cash and cash equivalents at the end of the reporting period		2,907,888	3,123,818

The notes form part of these financial statements

Notes to the Cash Flow Statement for the Year Ended 31 March 2026

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2026 £	2025 £
Net income for the reporting period (as per the Statement of Financial Activities)	215,011	101,169
Adjustments for:		
Depreciation charges	59,179	82,168
Gain on investments	(153,652)	(25,801)
Loss on disposal of fixed assets	-	3,007
Interest received	(104,108)	(124,653)
Income attributable to endowment	(9,071)	(1,032)
Decrease in stocks	7,791	9,034
Decrease in debtors	12,574	60,551
Increase in creditors	15,582	120,995
Net cash provided by operations	43,306	225,438

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.25 £	Cash flow £	At 31.3.26 £
Net cash			
Cash at bank	3,123,818	(215,930)	2,907,888
	3,123,818	(215,930)	2,907,888
Total	3,123,818	(215,930)	2,907,888

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charity, which is a public benefit entity under FRS 102, 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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The charity is a Charitable Incorporated Organisation registered with the Charity Commission in England and Wales.

Incoming resources
Cadet Contributions
Cadet contributions as remitted by Squadrons via Wings are recognised in the period to which they relate.

Voluntary Income
Cash donations and gifts are recognised in the Statement of Financial Activities when they can be accurately valued, the right to the income has been transferred and it is probable that the income will be received. Cash collected at special fund raising events is included gross.

Significant non-cash donations are included in the Statement of Financial Activities at the Trustees' estimate of their market value when received. The value of voluntary help is not included in the accounts as it can not be accurately valued.

Investment Income
Investment income is included when receivable and the amount can be measured reliably by the charity.The charity has both Restricted and Unrestricted Endowment Funds. Income from these funds has been classified accordingly.

Grants
Grant income is recognised when there is sufficient probability of receipt, therefore being more likely than not. Grant income is only deferred where the specific conditions of the grant stipulate that it relates to a later period.

Support from the RAF
The RAF provides office space to the charity. No charge has been made for the support and services from the RAF and they have not been valued in the accounts.

Legacies
For legacies, entitlement is taken as the earlier of:
- the date on which 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 Trust that a distribution will be made; or
- when a distribution is received from the estate.

Recognition of a legacy, in whole or in part, is only considered when receipt is 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 probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

Expenditure
Expenditure is included on an accruals basis.

Section expenditure is applied in accordance with the charity's objects. Section income and expenditure have been included gross in the Statement of Financial Activities (SOFA). The analysis is shown in the notes as referenced. Income represents contributions to the costs of the activities and any surplus arising will be applied in furthering the objects of the charity. In the Trustees' opinion this treatment provides clarity and gives a true and fair view of the Income and Expenditure of the Charity in the year.

The allocation of expenditure across the different headings shown in the SOFA reflects how costs are incurred by the individual sections which run independently.

Administration expenditure comprises those costs for the running of the charity itself as an organisation, and ensuring that its objects are complied with.

continued...

1. ACCOUNTING POLICIES - continued

Expenditure
Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Intangible assets
Intangible assets are stated at cost, net of accumulated amortisation and any accumulated impairment losses.

Amortisation on software licences is over 3 years on a straight line basis.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Simulators	-	10% on cost
Radio Comms	-	10% on cost
Target Rifles	-	10% on cost and 5% on reducing balance

Fixed Assets whose original cost, (or if donated, value at the date of receipt) was more than £5,000 have been capitalised.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation
The charity is exempt from tax on its charitable activities.

Fund accounting
Details of the nature and purpose of each fund are set out in the notes to the accounts.

Unrestricted Funds comprise those funds which the trustees are free to use in accordance with the charitable objects of the Fund.

Restricted Funds are funds which have been given for a particular purpose or project. The fund and income arising therefrom can only be used for that specific purpose.

Endowment Funds represent investments that must be held permanently by the charity. Income arising on an endowment fund can be used in accordance with the objects of the charity, provided no restriction has been applied to the fund.

Capital gains or losses relating to these investments form part of the fund.

Restricted Endowment Funds represent permanent investments whose uses are specifically restricted to the purposes for which they were intended.

Financial instruments
The Charity only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Charity would receive for the asset if it were to be sold at the balance sheet date.

Pension costs and other post-retirement benefits
The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Investments
Investments have been valued at market value as at the financial year end. The change in market valuation is reflected in the Statement of Financial Activities as an Unrealised Gain or Loss on Investment Assets.

continued...

2. ACTIVITIES RECLASSIFICATIONS

During the previous year Air Cadet Charity CIO made changes to the classification of Activities within the financial statements to bring them in line with internal reporting. The new categories show the charitable activities be intended purpose to meet the Charitable objectives.

The new Activities groups which are reflected in both the 2026 and 2025 figures being:

- Aviation
- Adventure Training
- Exploiting Technology
- Immersive Training
- Enhance Education
- Improve Employability
- Health and Wellbeing
- Welfare

3. SUBSCRIPTIONS, DONATIONS AND GRANTS

	2026 £	2025 £
Subscriptions	964,344	954,498
Grants and donations	238,305	21,703
	1,202,649	976,201

The summary below provides additional details of the grants and donations in the year to 31 March 2026 and 31 March 2025.

	Restricted **£**	**Unrestricted** **£**	**31.03.26** **£**
Lockhead Licence donations	128,626	-	128,626
RAFCT - STEM donation	42,450	-	42,450
Serco - NASC	15,000	-	15,000
Flight Simulators	5,000	-	5,000
Staff Matched Giving Scheme	500	-	500
Serco - Digital Enablement	300	-	300
Other Restricted donations	310	-	310
Miscellaneous donations	-	46,119	46,119
	192,186	46,119	238,305

	Restricted **£**	**Unrestricted** **£**	**31.03.25** **£**
Miscellaneous donations	-	4,818	4,818
Arkwright Scholarships	2,250	-	2,250
Digital Enablement - Serco	300	-	300
Staff Matched Giving Scheme	1,000	-	1,000
Other restricted donations	2,600	-	2,600
Lockhead Licence donations	10,735	-	10,735
	16,885	4,818	21,703

continued...

4. INVESTMENT INCOME

	2026	2025
	£	£
Dividend income	62,769	7,713
Deposit account interest	104,108	124,653
	166,877	132,366

5. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 6)	Support costs (see note 7)	Totals
	£	£	£
Aviation	95,086	-	95,086
Adventure Training	106,986	-	106,986
Exploiting Technology	65,725	-	65,725
Immersive Training	64,046	6,785	70,831
Enhance Education	186,809	-	186,809
Improve Employability	183,614	-	183,614
Health and Wellbeing	128,471	-	128,471
Welfare	102,035	-	102,035
Operational costs	-	305,840	305,840
	932,772	312,625	1,245,397

6. GRANTS PAYABLE

	2026	2025
	£	£
Aviation	95,086	67,441
Adventure Training	106,986	31,429
Exploiting Technology	65,725	47,531
Immersive Training	64,046	97,985
Enhance Education	186,809	154,507
Improve Employability	183,614	158,122
Health and Wellbeing	128,471	128,327
Welfare	102,035	105,877
	932,772	791,219

Details of specific grants payable for the 31 March 2026 and 31 March 2025 year end are set out below:

	Restricted	Unrestricted	31.03.26
	£	£	£
Aviation			
Remotely Piloted Aircraft (RPAS) Drones	-	95,086	95,086
Adventure Training			
Adventure Training Grants	-	73,048	73,048
Overseas/UK Expedition Grants	-	20,000	20,000
Watersports equipment and sailing grants	-	13,938	13,938
Exploiting Technology			
Digital Enablement Grants	300	65,425	65,725
Immersive Training			
Immersive Technology Laptop and VR Grants	-	64,046	64,046
Enhance Education			
BTEC Qualifications Grant	-	1,200	1,200
Extended Project Qualification (EPQ) Awards Grant	-	1,852	1,852
Esports Qualification Grant	-	1,068	1,068
First Aid Training Equipment Grant	-	18,128	18,128
Leadership Equipment Grant	-	1,000	1,000
Music Grant	-	17,405	17,405

continued...

6. GRANTS PAYABLE - continued

City & Guilds ILM Accreditation Grant	-	12,006	12,006
STEM (Science, Technology, Engineering & Mathematics) and other Education Grants	-	52,343	52,343
RAFAC Development Bursaries	2,737	-	2,737
RAFCT (Space BTEC) Grant	14,570	-	14,570
Sustainability Awards Grant	64,500	-	64,500
Improve Employability			
International Air Cadet Exchange grant	-	27,652	27,652
DofE Participation fee grants	-	73,031	73,031
National Air and Space Camp grant	-	49,448	49,448
RAFAC Development Bursaries	25,892	-	25,892
RAFCT Space Grant	7,591	-	7,591
Health and Wellbeing			
Sports Grants to regions	-	100,000	100,000
Shooting Council for Cadet Rifle Shooting membership grant	-	1,380	1,380
Shooting Grant	-	6,560	6,560
Sports leader course grants	-	3,280	3,280
Sports Equipment grants	-	15,934	15,934
RAFAC Trophies grants	-	1,017	1,017
Environmental Award grant	-	300	300
Welfare			
Cadet and volunteer HQ RAFAC insurance	-	70,709	70,709
Cadet Experience Improvement Grant	-	3,349	3,349
Regional/Wing Activity Centre Grants	-	1,008	1,008
IACE Clothing grant	-	5,941	5,941
Welfare Support for events and committees	-	20,528	20,528
Lloyds Matched Giving - 425 Sqn	500	-	500
	116,090	816,682	932,772

	Restricted £	Unrestricted £	31.03.25 £
Aviation			
Remotely Piloted Aircraft (RPAS) Drones	-	62,250	62,250
Flight Simulators Grant	-	5,190	5,190
Adventure Training			
Adventure Training Grants	-	14,807	14,807
Overseas/UK Expedition Grants	-	1,000	1,000
Overseas visits and expeditions grants	-	4,950	4,950
Watersports equipment and sailing grants	-	10,673	10,673
Exploiting Technology			
Digital Enablement - Chrome-Operating System Licences Grant	-	30,000	30,000
IT Equipment Grant	-	17,231	17,231
Digital Enablement - Serco Grant	300	-	300
Immersive Training			
Interactive Equipment Grant	-	10,576	10,576
RAFCT Xboxes and VR Headsets Grant	84,010	-	84,010
Interactive Smart Screen donations	-	3,400	3,400
Enhance Education			
Extended Project Qualification (EPQ) Awards Grant	-	4,266	4,266
First Aid Training Equipment Grant	-	3,994	3,994
Leadership Equipment Grant	-	1,228	1,228
Music Grant	-	17,609	17,609
Crest Awards	-	145	145
Recruiting and Education Grant	-	5,000	5,000
Scottish Qualifications Authority (SQA) Assessment Centre Grant	-	12,000	12,000
SQA Awards	-	14,000	14,000
Sustainability Awards Grant	-	21,062	21,062
UK Educational Visits Grants	-	24,000	24,000
UK Space Agency Grant	44,172	-	44,172
RAFCT (Space BTEC) Grant	6,926	-	6,926

continued...

6. GRANTS PAYABLE - continued

Music Performing Right Society(PRS) licence grant for HQ RAFAC	-	105	105
Improve Employability			
Digital Enablement - CFAV Training	-	9,000	9,000
RAFAC Development Bursaries	15,426	-	15,426
International Air Cadet Exchange grant	-	21,821	21,821
National Air and Space Camp grant	-	29,867	29,867
DofE Participation fee grants	-	81,403	81,403
Junior Leaders Exped corporate clothing grant	-	606	606
Health and Wellbeing			
Sports Grants to regions	-	96,031	96,031
Shooting Council for Cadet Rifle Shooting membership grant	-	816	816
Lees and Morris Trophy Grants for HQ RAFAC	-	3,000	3,000
RAFAC Trophies grants	-	548	548
Sports leader course grants	-	19,871	19,871
Shooting Grant	-	8,060	8,060
Welfare			
Cadet and volunteer HQ RAFAC insurance	-	75,420	75,420
Cadet Experience Improvement Grant	-	10,000	10,000
Regional/Wing Activity Centre Grants	-	11,699	11,699
Starlink Grant	-	5,376	5,376
IACE Clothing grant	-	2,934	2,934
Squadron Visits subsistence grants	-	347	347
Squadron Fundraising Grant	100	-	100
	150,934	640,285	791,219

7. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Immersive Training	6,785	-	6,785
Operational costs	286,640	19,200	305,840
	293,425	19,200	312,625

As referred to in the trustees responsibilities the non-audit fees included in governance costs are in respect of preparation of the statutory accounts from client trial balance and underlying records. This work is undertaken in line with the agreed terms of engagement and appropriate safeguards are in place to ensure that an independent audit has been carried out.

Support costs, included in the above, are as follows:

	Immersive Training	Operational costs	2026 Total activities	2025 Total activities
	£	£	£	£
Trustee expenses	-	2,021	2,021	1,709
Wages	-	178,611	178,611	86,625
Pensions	-	5,715	5,715	6,110
Life Insurance	-	1,112	1,112	718
Advertising	-	3,268	3,268	4,065
Office equipment purchases	-	6,150	6,150	3,140
Website and computer costs	-	2,191	2,191	7,666
Payroll support costs	-	1,564	1,564	1,403
Admin and support costs	6,785	16,275	23,060	4,223
Bank charges	-	217	217	174
Recruitment & training	-	2,393	2,393	1,316
Trustee gifts	-	153	153	421
Stock write down	-	7,791	7,791	9,035
Carried forward	6,785	227,461	234,246	126,605

continued...

7. SUPPORT COSTS - continued

	Immersive Training	Operational costs	2026 Total activities	2025 Total activities
	£	£	£	£
Brought forward	6,785	227,461	234,246	126,605
Amortisation of intangible fixed assets	-	14,296	14,296	-
Depreciation of tangible fixed assets	-	44,883	44,883	82,168
Loss on sale of tangible fixed assets	-	-	-	3,007
Auditors' remuneration	-	10,200	10,200	10,000
Auditors' remuneration for non audit work	-	9,000	9,000	20,200
	6,785	305,840	312,625	241,980

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 31 March 2026 nor for the year ended 31 March 2025.

Trustees' expenses

During the year ended 31 March 2026, Trustees claimed expenses of £2,021 (2025: £1,709) for costs incurred which were necessary to fulfil their role within the Charity.

9. STAFF COSTS

	2026	2025
	£	£
Wages and salaries	178,611	86,625
Other pension costs	5,715	6,110
	184,326	92,735

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

	2026	2025
Management and administration	5	2

No employees received emoluments in excess of £60,000.

10. INTANGIBLE FIXED ASSETS

	Computer software
	£
COST	
At 1 April 2025	10,735
Additions	128,626
At 31 March 2026	139,361
AMORTISATION	
Charge for year	14,296
NET BOOK VALUE	
At 31 March 2026	125,065
At 31 March 2025	10,735

The asset addition in the current year represents the value of 700 Lockhead P3D V6 Personal software licences that have been gifted to the Charity.

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11. TANGIBLE FIXED ASSETS

	Simulators	Radio Comms	Target Rifles	Totals
	£	£	£	£
COST				
At 1 April 2025	720,712	11,543	165,055	897,310
Additions	238,789	-	-	238,789
At 31 March 2026	959,501	11,543	165,055	1,136,099
DEPRECIATION				
At 1 April 2025	706,851	11,543	90,326	808,720
Charge for year	30,085	-	14,798	44,883
At 31 March 2026	736,936	11,543	105,124	853,603
NET BOOK VALUE				
At 31 March 2026	222,565	-	59,931	282,496
At 31 March 2025	13,861	-	74,729	88,590

The Charity plans to formally gift the Target (Air) Rifles and new simulators to Air Cadet units during the following year (2026/27).

12. FIXED ASSET INVESTMENTS

The summary below sets out the Investments held by fund provider with a total valuation of £1,827,989 (2025: £1,669,337) in bold below.

		Cazenove		
	Stan Easton	Malcolm Club	J. Singleton	Unrestricted Funds
COST	**£**	**£**	**£**	**£**
At 1 April 2025	1,657	170,371	8,450	1,328,539
Introduced	-	-	-	5,000
Withdrawn	-	-	-	-
At 31 March 2026	1,657	170,371	8,450	1,333,539
VALUATION				
At 1 April 2025	1,833	188,219	9,345	1,428,467
Purchases	-	-	-	5,000
Sales	-	-	-	-
Change in Value	174	17,287	890	131,486
At 31 March 2026	2,007	205,506	10,235	1,564,953

	Cazenove	**Total**
	BAE Millenium Challenge Fund	
COST	**£**	**£**
At 1 April 2025	43,548	**1,552,565**
Introduced	-	**5,000**
Withdrawn	-	**-**
At 31 March 2026	43,548	**1,557,565**
VALUATION		
At 1 April 2025	41,473	**1,669,337**
Purchases	-	**5,000**
Sales	-	**-**
Change in Value	3,815	**153,652**
At 31 March 2026	45,288	**1,827,989**

continued...

13. STOCKS

	2026	2025
	£	£
IACE Supplies	-	7,791

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2026	2025
	£	£
Other debtors	407,072	419,646

15. CASH AT BANK

	2026	2025
	£	£
CCLA & Cazenove Money Market Deposits	2,594,655	2,884,335
Other bank accounts	313,233	239,483
	2,907,888	3,123,818

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2026	2025
	£	£
Trade creditors	21,345	24,473
Other creditors	136,137	117,427
	157,482	141,900

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17. MOVEMENT IN FUNDS

	At 1.4.25 £	Net movement in funds £	Transfers between funds £	At 31.3.26 £
Unrestricted funds				
Unrestricted Fund	4,440,926	131,045	(1,956,713)	2,615,258
Designated - Flight Simulator Programme	-	-	1,700,926	1,700,926
Designated - First Aid Equipment Programme	-	-	37,500	37,500
Designated - Chromebooks & IT Programme	-	-	75,000	75,000
Designated - Adventure Training Equipment Programme	-	-	100,000	100,000
	4,440,926	131,045	(43,287)	4,528,684
Restricted funds				
Anne & John Singleton	97,103	-	-	97,103
Lloyds TSB Foundation	2,997	-	-	2,997
RAFAC - Development Bursaries	186,558	(26,850)	-	159,708
Reserve Forces & Cadets West Midlands - Development Bursaries	3,889	(1,779)	-	2,110
RAFCT - STEM	-	(22,050)	42,450	20,400
RAFCT - Astra Space	22,074	(14,570)	-	7,504
Arkwright Scholarships	7,591	(7,591)	-	-
RAFCT - Air, Space, Cyber Cadet Programme Package	790	-	-	790
Staff Matched Giving Schemes Donation	1,000	-	837	1,837
Restricted Donation	2,500	310	-	2,810
Lockhead licence donation	10,735	114,330	-	125,065
Serco - NASC	-	15,000	-	15,000
Flight Simulators	-	5,000	-	5,000
	335,237	61,800	43,287	440,324
Endowment funds				
BAE Millenium Fund	192,472	3,815	-	196,287
Joseph Singleton	10,371	890	-	11,261
Malcolm Club	196,180	17,287	-	213,467
Stan Easton	2,831	174	-	3,005
	401,854	22,166	-	424,020
TOTAL FUNDS	5,178,017	215,011	-	5,393,028

continued...

17. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted Fund	1,168,269	(1,115,011)	77,787	131,045
Restricted funds				
RAFAC - Development Bursaries	-	(26,850)	-	(26,850)
Reserve Forces & Cadets West Midlands - Development Bursaries	-	(1,779)	-	(1,779)
RAFCT - STEM	42,450	(64,500)	-	(22,050)
RAFCT - Astra Space	-	(14,570)	-	(14,570)
Arkwright Scholarships	-	(7,591)	-	(7,591)
Staff Matched Giving Schemes Donation	500	(500)	-	-
Restricted Donation	310	-	-	310
Serco - Digital Enablement - Chrome OS	300	(300)	-	-
Lockhead licence donation	128,626	(14,296)	-	114,330
Serco - NASC	15,000	-	-	15,000
Flight Simulators	5,000	-	-	5,000
	192,186	(130,386)	-	61,800
Endowment funds				
BAE Millenium Fund	1,557	-	2,258	3,815
Joseph Singleton	381	-	509	890
Malcolm Club	7,059	-	10,228	17,287
Stan Easton	74	-	100	174
	9,071	-	13,095	22,166
TOTAL FUNDS	1,369,526	(1,245,397)	90,882	215,011

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17. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.24	Net movement in funds	Transfers between funds	At 31.3.25
	£	£	£	£
Unrestricted funds	4,206,100	234,818	8	4,440,926
Restricted funds				
BAE	91,264	-	(91,264)	-
Anne & John Singleton	97,103	-	-	97,103
Lloyds TSB Foundation	2,997	-	-	2,997
RAFAC - Development Bursaries	2,294	(11,000)	195,264	186,558
Reserve Forces & Cadets West Midlands - Development Bursaries	8,315	(4,426)	-	3,889
Worshipful Company of Coachmakers	80,000	-	(80,000)	-
RAFCT - Astra Space	29,000	(6,926)	-	22,074
S&OTS Limited	24,000	-	(24,000)	-
Arkwright Scholarships	5,341	2,250	-	7,591
UK Space Agency - Air Cadet National Air & Space Hub - Inskip	44,180	(44,172)	(8)	-
RAFCT - Air, Space, Cyber Cadet Programme Package	84,800	(84,010)	-	790
Staff Matched Giving Schemes Donation	-	1,000	-	1,000
Restricted Donation	-	2,500	-	2,500
Lockhead licence donation	-	10,735	-	10,735
	469,294	(134,049)	(8)	335,237
Endowment funds				
BAE Millenium Fund	193,793	(1,321)	-	192,472
Joseph Singleton	10,266	105	-	10,371
Malcolm Club	194,585	1,595	-	196,180
Stan Easton	2,810	21	-	2,831
	401,454	400	-	401,854
TOTAL FUNDS	5,076,848	101,169	-	5,178,017

continued...

17. MOVEMENT IN FUNDS - continued

Comparative net movement in funds included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds	1,090,650	(882,265)	26,433	234,818
Restricted funds				
RAFAC - Development Bursaries	-	(11,000)	-	(11,000)
Reserve Forces & Cadets West Midlands - Development Bursaries	-	(4,426)	-	(4,426)
RAFCT - Astra Space	-	(6,926)	-	(6,926)
Arkwright Scholarships	2,250	-	-	2,250
UK Space Agency - Air Cadet National Air & Space Hub - Inskip	-	(44,172)	-	(44,172)
RAFCT - Air, Space, Cyber Cadet Programme Package	-	(84,010)	-	(84,010)
Staff Matched Giving Schemes Donation	1,000	-	-	1,000
Restricted Donation	2,600	(100)	-	2,500
Serco - Digital Enablement - Chrome OS	300	(300)	-	-
Lockhead licence donation	10,735	-	-	10,735
	16,885	(150,934)	-	(134,049)
Endowment funds				
BAE Millenium Fund	1,032	-	(2,353)	(1,321)
Joseph Singleton	-	-	105	105
Malcolm Club	-	-	1,595	1,595
Stan Easton	-	-	21	21
	1,032	-	(632)	400
TOTAL FUNDS	1,108,567	(1,033,199)	25,801	101,169

Funds of the Charity

Designated Funds

During the year, Trustees agreed for a portion of unrestricted funds to be designated for specific purposes. These are for Board-approved initiatives and will be expended in the form of grants.

Immersive Technology Programme (Flight Simulator/Esports capability)

These funds are to support the intent of the Trustees for every squadron to have flight simulator and Esports capability, delivered through a standardised grant programme. These will be laptop or Xbox based and include all ancillary equipment required or an upgrade to existing equipment. Support to flight simulator experiences at Wing and Regional level are also being explored.

First Aid Equipment Programme

These funds are to provide grants for standardised First Aid equipment so that units can deliver life-saving qualifications to a national standard.

Digital Enablement Programme (Chromebooks)

The aim of this programme is to bridge the 'Digital Divide' by providing the hardware necessary to access the RAFAC online training portal. As more training moves online, cadets without laptop access at home face a direct barrier to progression. This programme ensures no cadet is left behind by providing grants to units for the purchase of Chromebooks.

Adventure Training Equipment Programme

These funds will be used to provide standardised 'expedition packs' to ensure safety and readiness. Grants will be aimed at Sectors and Wing level to create pooled resource hubs.

Restricted Funds

continued...

17. MOVEMENT IN FUNDS - continued

Anne and John Singleton Trust

The Air Cadet Organisation has undertaken to use the funds donated to provide assistance to young people between the ages of 16-20 to undertake expeditions in both the British Isles and abroad with a community service aspect, especially where handicapped people are involved, either male or female, who are members of the Air Cadets.

Lloyds TSB Foundation

Matched giving achieved by Corps members which is made available to the Squadron Civilian Committee concerned.

The RAF Air Cadet Development Scheme

The RAF Air Cadet Development bursaries were conceived as part of the ATC's 75th anniversary celebrations in 2016. The aim is to provide a legacy for current and future generations of cadets and junior adult volunteers which will support their transition into full time employment, be that via university education, vocational qualifications or professional development courses.

This fund includes donations from BAE and The Worshipful Company of Coachmakers. There is also a donation from S&OTS Limited raised by Emma Wolstenholme's solo Atlantic charity Challenge. These funds, which were all given for the Development Scheme, were transferred into a single fund during 2024-25.

Reserve Forces & Cadets West Midlands Development Bursaries

Air Cadet Development Scheme funds specifically for cadets in 3 wings: West Mercian, Staffordshire and Warwickshire and Birmingham.

RAFCT STEM (Science, Technology, Engineering and Maths)

The charity has agreed a 50/50 partnership with the RAF Charitable Trust to fund STEM and Sustainability qualifications and projects for the RAFAC. The grant has been used so far for Sustainability qualifications and the intention is that further grants will continue to fund the development of the Sustainability qualifications as well as fund CREST Awards and resource development with Raising Robots.

RAFCT Astra Space

This grant from the RAF Charitable Trust has provided practical training resources for each Wing and Region. Purchased resources also support national programmes like Gold Space Camps and train-the-trainer courses. In addition to providing equipment, the grant also helps in replacing consumable items and to share items with trainers, in order to spread these throughout RAFAC.

Arkwright Scholarships

Funds donated to support Air Cadets undertaking an Arkwright engineering scholarship through the Smallpeice Trust. The total of £7,591 was transferred to the Smallpeice Trust during the year to support three scholarships.

UK Space Agency - Air Cadet National Air & Space Hub - Inskip

The grant from the UK Space Agency has helped to develop the RAF Air Cadets National Activity Centre at Inskip into a centre of excellence for exploring Air and Space topics through STEM activities. The remaining funds were fully utilised in 2024-25.

RAFCT - Air, Space, Cyber Cadet Programme Package

This grant from the RAFCT, along with match funding from the Air Cadet Charity, has been used to invest in a pioneering project of an Air, Space, and Cyber Cadet Programme Package for the RAFAir Cadets. It integrates laptops, Xbox devices, and Virtual Reality (VR) applications as a strategic response to address the evolving training and educational needs of the cadets. The project bridged the gap between theoretical knowledge and practical application, fostering critical skills and preparing cadets for the challenges of the digital age, with a particular focus on space. There is now just a small amount of residual funding to be utilised.

Staff Matched Giving Schemes Donation

continued...

17. MOVEMENT IN FUNDS - continued

Funds raised by squadron members through workplace matched giving schemes, made available to the Squadron Civilian Committee concerned.

Restricted Donations

Smaller donations given for use in specific squadrons or areas of the country.

Lockheed Licence Donation

This fund represents the Prepare3D flight simulator licences gifted by Lockheed Martin. 230 licences were donated in 2024-25 and 700 were donated in 2025-26. These are being distributed throughout the Air Cadet organisation.

Serco - NASC (National Air and Space Camp)
These are funds donated by the Serco Foundation specifically to support the National Air and Space Camp. These will be used for the 2026 event, for elements that can't be publicly funded. They will contribute to the costs of masterclass visits to the UK Space Centre, equipment for engineering training activities and essential welfare items for all attendees.

Flight Simulators
These are funds donated specifically for the charity's Immersive Technology initiative. £5,000 was received during the year from the Red Arrows Trust for this purpose.

Restricted Endowments

The BAE Millennium Fund

The BAE Millenium Fund's income is used to subsidise International Air Cadet Exchange (IACE) airfares.

The Joseph Singleton Memorial Fund

The Joseph Singleton Memorial Fund's income is used to fund two cash prizes to accompany the presentation of the Lees and Morris Trophies. The Lees and Morris Trophies are competed for on an annual basis, with large squadrons competing for the Morris Trophy and the smaller squadrons competing for the Lees Trophy.

The Malcolm Club Fund

The investment fund generates interest income to provide flying scholarships and/or 4 overseas expeditions. Any shortfall between the income and the cost is made up by the Charity.

The Stan Easton Memorial Fund

Income is used to provide a cash award to an ATC cadet producing the best article linked to an aviation theme. This competition is not run annually and is dependent on having enough interested competitors.

18. RELATED PARTY DISCLOSURES

The Royal Air Force Charitable Trust

The Charity is independent of the Royal Air Force Charitable Trust but has a close relationship with it and receives significant support as explained in the Trustees' Report. In the year ended 31 March 2026, the charity received £42,450 (2025: £nil) in grants from the Charitable Trust.

Air Training Corps

The Air Cadet Charity exists to support members of the Air Training Corps (ATC) and further its objects. Hence the ATC is considered a related party of the charity. All charitable expenditure in these financial statements is incurred with these objects in mind. Payment of grants directly to the squadrons, wings and regions of the ATC and purchases of equipment for them are shown in note 6 above. Other costs are borne directly by the Air Cadet Charity.

The Royal Air Force and the Ministry of Defence provide crucial operational support to assist the Charity in keeping its administrative overheads to a minimum. This support includes the provision of dedicated office space for our staff team.

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18. RELATED PARTY DISCLOSURES - continued

In accordance with the Charities SORP, the value of this donated facility is only recognised on the SOFA as a gift in kind with a corresponding administrative expense if the rental value can be reliably measured. No amount has been included for the market value of the occupied premises and use of facilities because the trustees consider that a reliable estimate of the value of the benefit cannot be obtained.

The availability of the donated facilities and operational support remains fundamental to the Charity's ability to achieve its mission of empowering young people.