



# ROYAL AIR FORCE CLUB

— FOUNDED 1918 —

The Royal Air Force Club  
(A charity and company limited by guarantee)

## **Trustees Annual Report and Consolidated Financial Statements for the Year Ended 31 December 2024**

### **Registered Address**

The Royal Air Force Club, 128 Piccadilly, London. W1J 7PY

### **Charity Details**

Charity registration number ~ 1108295

### **Company Details**

Company registration number ~ 05321353  
A Company registered by Guarantee.

## Contents

Foreword from the Chair of the Board of Trustees	Pages 1 & 2
Trustees, Officers and Advisors, Reference and Administrative Information	Page 3
Financial Statements Declaration, Governance, Management and Risk	Pages 4 to 6
Group Structure, Governance Code and Charitable Objects	Pages 6 & 7
The Wider RAF Family and the Club's Vision Mission and Values	Pages 7 & 8
The Club Strategy and Plans for the Future	Pages 8 & 9
Environmental Strategy and Fundraising Strategy	Page 9
Club Committees	Pages 10 to 13
Contribution by Club Volunteers	Page 13
Staff Engagement, Staff Awards and Staff Visits to RAF Stations	Pages 13 & 14
Financial Review	Pages 15 to 17
2025 Outlook	Page 17
Capital Improvements to the Club House and The Club as a Going Concern	Page 17
Key Management Personnel & Remuneration, The Reserves Policy & the Investment Policy	Pages 17 & 18
Statement of Trustees Responsibilities	Page 18
Independent Auditors' Report	Pages 19 to 22
The Statutory Financial Statements	Pages 23 to 26
Notes to the Financial Statements	Pages 27 to 37

---

## **Foreword – Chair of the Board of Trustees**

I am very pleased to submit this report on the activities and financial statements of the RAF Club for the 1<sup>st</sup> January 2024 to the 31<sup>st</sup> December 2024.

The year 2024 was a busy one for the Club. Financially, the Club performed well, enabling us to pay off the Coutts Centenary Extension Loan several years ahead of schedule, which in itself resulted in significant savings on interest payments. In addition, the Club developed a strong reserves strategy which, whilst ensuring that costs for Members do not rise significantly, will ensure that we create a healthy financial reserve over the next few years, for use in emergencies, should the need ever arise. This is part of our risk mitigation and future-proofing strategy.

Our commitment to the charitable mission of the Club to foster and promote the traditions of the Royal Air Force and to our vision to be the London Club of choice for serving and retired RAF officers and their families are very much at the forefront of the Trustees' thinking. To underpin this and to ensure that the Club's links with the currently serving RAF officer cadre – both Regular and Reserve – are strongly and closely maintained and grown, the Board continued its work of focusing on the Serving Community Club Representative network. Also in 2024, over 700 discounted room nights were provided to serving RAF officers when in London on duty and the Club continued to work to support growth in Member-sponsored bookings, including Squadron lunches and dinners, weddings, and family functions, to continue to increase RAF-related bookings.

As part of our efforts to continually improve the fabric of the Club, several refurbishments were completed, including the renovation of 12 bedrooms, a complete refresh of the Presidents' Room, and the installation of two acoustic pods in the Business Centre, funded by generous legacy donations for which we are extremely grateful. The Club also continued its commitment to environmental sustainability by partnering with the accreditation organisation 'Earth Check,' which will certify our efforts to reduce our carbon footprint and help us plan future capital expenditure projects. In addition, the Club started a significant project to migrate many old systems to the Cloud, which will enable us to more accurately understand who is using the Club and when, allowing us to provide better service to all who visit.

The Club also maintained its strong connections with the Royal Family and, in May, we were honoured and delighted to learn that His Majesty King Charles III had graciously accepted the role of Patron of the Royal Air Force Club. Plans are currently underway to commission a portrait of our new Patron to be hung in the Sovereigns' Room and we look forward to a future visit from His Majesty The King when his schedule permits. In addition, in October HRH The Duke of Gloucester visited the Club to unveil a new stained-glass window in the Club as part of the centenary celebrations of the Royal Auxiliary Air Force.

As part of our ongoing governance processes, there were a number of changes to the Board of Trustees during 2024. In July, Air Commodore Phil Wadlow joined the Board as the Vice-Chair (Serving), maintaining the vital link between the Club and those serving in the RAF. In November, four long-standing Trustees, Air Commodore Barbara Cooper, Flight Lieutenant Ian Melia, Squadron Leader Sean O'Brien and Hon. Group Captain Jo Salter stepped down, each after nine years' service on the Board. The Trustees thank them all for their tireless work in supporting the Club over many years, particularly during the very difficult COVID period. At the same time, Hon. Group Captain Peter Brown, Wing Commander Gavin Poole, Wing Commander Amanda Scarth, and Mr Bernie Watson were warmly welcomed to the Board as Trustees in November.

Finally, the Board would like to thank those Members who have signed up to become a 'Friend of the Royal Air Force Club' at either a Bronze, Silver, or Gold level, directly supporting the work of the Club.

*David Murray*

Air Vice-Marshal The Hon. David Murray CVO, OBE, DL  
Chair of the Board of Trustees

## Trustees, Officers and Advisors

### Trustees

Air Vice-Marshal The Hon. David Murray	Chair of the Board of Trustees
Air Commodore Paul Higgins	
Air Commodore Phil Wadlow	Vice Chair (Serving), (appointed in July 2024)
Air Commodore Adam Wardrope	
Air Commodore Dai Whittingham	
Group Captain Jim Beldon	
Group Captain Al Lockwood	
Wing Commander Paula Willmot	
Squadron Leader John Peters	
Flight Lieutenant Neeraj Kapur	
Flight Lieutenant Haig Tyler	Vice-Chair (Business)

### Trustees who retired in November 2024

Air Commodore Barbara Cooper  
Hon. Group Captain Jo Salter  
Squadron Leader Sean O'Brien  
Flight Lieutenant Ian Melia

### Trustees who were appointed in November 2024

Group Captain Peter Brown  
Wing Commander Gavin Poole  
Wing Commander Amanda Scarth  
Mr Bernie Watson

### Officer

Mr Miles Pooley	Chief Executive Officer and Club Secretary
-----------------	--

## Principal advisors

### Auditors

HaysMac LLP  
10 Queen Place  
London, EC4R 1AG

### Solicitors – Charity legal advice

Farrer & Co  
66 Lincoln's Inn Fields  
London, WC2A 3LH

### Bankers

Coutts & Company  
440 The Strand  
London, WC2R 0QS

### Solicitors - Employment legal advice

Burges Salmon  
One Glass Wharf  
Bristol, BS2 0ZX

## Registered Address

The Royal Air Force Club, 128 Piccadilly, London. W1J 7PY

## Reference and Administrative Information

The Royal Air Force Club was founded in 1918 and became registered with the Charity Commission in 1965 under charity number 252720. The Trustees and Chief Executive Officer of the Charity are listed on this page, along with the Club's registered address and principal advisors. The Club became incorporated on 24 December 2004 and received a new Registered Charity Number 1108295 in place of 252720.

The Board of Trustees presents its report for the year ended 31<sup>st</sup> December '24

## **Governance, Management and Risk**

### **Financial Statements declaration**

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including the Statement of Recommended Practice for charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 - second edition effective 1 January 2019 - Charities SORP), and the Companies Act 2006.

### **Governing Document**

The Charity is governed by its Memorandum and Articles of Association which were last revised at the Charity's Annual General Meeting in May 2024 following a review by the Board of Trustees and the Club Lawyers.

### **Trustee Recruitment and Training**

The Charity's elected Trustees are appointed at the Annual General Meeting based on applications received from the Membership through the Nominations Committee. Candidates for election must satisfy the Board's specifications concerning personal competence, specialist skills and availability. New Trustees are inducted into the workings of the Charity, including Policy and Procedures, through a programme which is overseen by the appointed Vice-Chair(s).

### **Organisational Management**

The Trustees of the Charity are legally responsible for the overall management, finances and control of the Club and meet at least six times a year. The work of implementing most of their policies is carried out by the following standing sub-committees which meet as required and whose chairs report at each meeting of the Trustees:

### **Ad-hoc Working-Groups**

The ad-hoc working groups include the Nominations Working Group, the Remuneration Working Group and the Systems Working Group which meet as required.

### **Risk Management**

The Board is responsible for setting the Club's risk appetite and for overseeing the risks faced by the Charity, with The Finance, Audit & Risk Committee playing a key role in the oversight of risks. Continuous horizon scanning and monitoring are used to identify new risks and to evaluate and assess both new and existing risks and controls. Appropriate controls are established and monitored to deal with risks.

## Risk Management Responsibilities

The Finance, Audit & Risk Committee & Board of Trustees ~ oversight of risk management
The Chief Executive ~ preparation and management of the risk register

The Trustees and a member of the Finance, Audit and Risk Committee, with responsibility for risk, regularly review and set risk appetite statements against which the risks are measured. The Board of Trustees discussed risk at their strategy day in July, when it was also reviewed against the Charity Commission Guidance on Risk Management and changes were made accordingly. The risk register contains an assessment of specific risks, and the highest inherent risks are listed (see the next page) with a description of the mitigation controls in place.

Inherent Risk	Mitigation
Loss of Key Staff resulting in adverse impact on service and functionality	Annual compensation reviews to aid retention, constant review of welfare offerings, offering of flexible working including 'working from home', training and educational support. Emotional support provided (if applicable).
Late/Incorrect filings to the Charity Commission and/or Companies House	Calendar reminders for relevant dates set up for key Club personnel/Rolling agenda item for the Finance, Audit & Risk Committee (FARC).
Control of income and expenditure, including energy costs	Budgetary control system, annual budgets; monthly management accounts including variance analysis and dashboard reports. Decisive management action and an Internal Audit Team.
The negative impact of possible International Conflict	Constant review by the Executive Management Team and the Board of Trustees.
Computer system failures or loss/corruption of data	Third-party cloud-based services used. Back-up power supply. Business Continuity Plan.
Cyber Security Breach	Regular monitoring from 3rd party support. Work with CISP (Cyber Information Sharing Partnership) to keep up to date with cyber security issues. Updated insurance policy updates. Carrying out Ransomware reports, regular penetration tests by independent 3rd parties. Work being taken to obtain Cyber Essentials certification.
Significant loss of Club facilities through fire or similar disaster	Fire/security prevention measures. H&S Regulation adherence. Crisis Management Plan. Business Interruption Insurance. Fire risk assessment, Ansul fire suppression system. Fire compartmentalisation issues being addressed with work being completed in 2025
Terrorist Activity	Appropriate security measures based on professional advice (House Committee experts, civil police and HQP&SS). Disrupting hostile recon. Insurance Cover pay-outs significantly reduce the monetary impact of attack, a Business Continuity Plan (BCP) in place to enable recovery, 3 security staff for vetting visitors, applying opaque film to front entry doors and installing additional CCTV.

Inherent Risk	Mitigation
Reputational damage by 3rd party and social media outlets	Constant monitoring of Social media and events held in Club
Inaccurate financial information, fraud, reputational damage	Plan being developed to improve financial systems, processes and procedures, including balance sheet reconciliations and updating the Sage accounting system. Support from Internal Audit and the Board of Trustees.
Reduced income and inability to meet charitable objectives	Subject to ongoing discussions by the Trustees. The FARC is working with professional advisors to ascertain whether a tax liability exists for a possible mis-clarification of beneficiaries.

### Group Structure

The Charity has a subsidiary trading company, RAFCTC Limited, registered number 6590556. The Company is responsible for using the Charity's facilities and resources so as to increase the total income and hence improve its continuing ability to achieve its Objects. The RAFCTC provides meeting room hire, function and banqueting services to persons supportive of, but not directly associated with, the Royal Air Force, and who therefore are not eligible to join the Club. All trading profit is distributed by Gift Aid each year to the Charity. As the RAFCTC does not have any premises and uses agency staff when required, it is not considered that its activities constitute any risk to the finances of the Charity itself, even during periods of economic uncertainty. In 2024, the RAFCTC revenue represented 2% of the Club's charitable revenue.

### The Charity Governance Code

The Trustees confirm that the Club's structure, governance and management have been reviewed against the guidance set out in the Charity Governance Code for larger charities issued by the Charity Governance Code Steering Group. In particular, the Trustees have assessed the Board's performance against the following seven principles:

1. Leadership
2. Diversity
3. Board effectiveness
4. Integrity
5. Organisational purpose
6. Decision – making, risk & control.
7. Openness & Accountability



## **Charitable Objects and Club Operational Objectives**

The Trustees confirm that they have complied with the duties specified in the Charities Act 2011 to have due regard to the general guidelines issued by the Charity Commission on public benefit. In particular, the Trustees confirm that they have complied with the Commission's published specific guidance relating to fee-charging charities.

The charitable purpose of the Royal Air Force Club within the meaning of the Act is enshrined within its Charitable Objects:

- To promote the efficiency of the Royal Air Force by improving the condition of officers holding commissions therein and in other associated Services and by preserving and fostering among them the esprit de corps and traditions of those Services by every suitable means.
- By establishing, maintaining and conducting in London a central residential and non-residential club for the use and accommodation of Members, and by making available to them such other services, recreational facilities and leisure time activities as may be desirable at prices which, so far as is possible, can be afforded by all Members of whatever rank.
- By encouraging, by means of discussions, lectures, film shows, visits to places of interest and by any other means, an interest in all matters connected with flying in general and with the Royal Air Force in particular.
- By encouraging and organising the holding at the Club of Service reunions, meetings and similar functions and by placing at the service of Her Majesty's Government facilities at the Club for the entertainment of representatives of foreign air forces.
- By encouraging and by providing facilities to enable officers serving in the Royal Air Force and in other associated Services to meet and associate regularly with each other, and with persons who have previously served as officers in such Services and with Members of other air forces and to benefit from the knowledge and experience of such persons.

Public Benefit is not just provided to Members of the Charity. During the year, the Club hosted visits from like-minded organisations and encouraged visits for RAF Cadets. The Club welcomes, with prior arrangement, non-Member visitors to view the Club House, a Grade II listed building, memorabilia, and art collection.

Since 2022, the Club has also produced a separate Impact Report to inform the Membership of the work it does help meet its Charitable Objects. The Impact Report (for the previous year) is formally presented to the Membership at the Annual General Meeting.

## **The Wider Royal Air Force Family**

The Club supports and works closely with the wider RAF family and other Charities working to support Royal Air Force personnel and their families. Recent examples have included:

- Partnerships and complimentary event rooms for the RAF Central Church of St Clement Danes.
- Mutual support received from and supplied to the RAF Benevolent Fund and Royal Air Forces Association.

- Discounted prices for organisations like ICAFOW (International Club for Air Force Officers Wives).
- Complimentary food and beverage for RAF Air Cadets providing the Guard of Honour at events, including the Pride of Britain Awards.

## The Club's Mission, Vision and Core Values

The Trustees and Executive Team work together to maintain the Vision, Mission and Core Values. These are:

Vision	Mission
To be the London Club of choice for serving and retired Royal Air Force Officers, their families, and other Members in order to preserve, promote and foster the spirit of the Royal Air Force	To provide high-quality and value-for-money facilities and services in Central London that are in keeping with the heritage and ethos of the Royal Air Force.
Core Values	
Value, respect and support each other	Give personalised, warm and consistently exceptional service
Create positive, memorable experiences for every Member	Care about and give back to our local community

## The Club Strategy and Plans for the Future

The Trustees will develop its strategy & deliver the Club's Vision in the following ways:

Data	
Data is required to inform decisions taken by the Trustees and Club management. The data from the Members Survey undertaken in 2023, alongside ongoing Member feedback will be used to:	
A	develop a deeper understanding of the current and likely future requirements of each Member group (serving, former serving, families and other Members), because of the mix of membership types, the membership age profile and the aspirations and expectations of the current Service officer cadre have a direct influence on usage and the Club's ethos.
B	monitor the balance between Membership categories and set limits when necessary to align with the Charitable Objects.
C	help set the balance between revenue, quality and affordability, and to ensure that resources are prioritised with the Vision and Mission clearly in mind.
Information Technology	
We will develop and maintain an IT system that supports appropriate data capture to guide strategic management and the most efficient use of the Club's resources.	
Risk Management	
We will ensure that business, security and operational risks are managed appropriately and within the risk appetite parameters set by the Board.	

Club Membership	
We will work to improve the offer to members to:	
A	Increase the use of the Club by all members.
B	Better attract existing members who serve or live away from London.
C	Promote the Club as the social venue of choice for serving members based in London.
D	Promote the benefits of Club membership to newly commissioned and other non-member serving officers.
E	Increase the membership uptake from former serving officers.
Ethos and heritage	
One of the core responsibilities of the Arts and Heritage Committee is to help the Club remain respectful of its heritage and supportive of the Board and other Committees who ensure it remains relevant for the future.	
Quality	
A	We will improve the condition of 128 Piccadilly and its facilities, including measures in support of the Net Zero 2040 target, whenever possible.
B	We will provide benefits and training for staff such that the Club becomes recognised as an employer of choice.
C	We will provide training for Trustees and managers to improve the governance and efficient management of the Club.
D	We will develop meaningful Key Performance Indicators for Trustees and Executives.

### Environmental Strategy

The Board of Trustees have agreed a strategy which includes the intent for the RAF Club to become carbon neutral by 2040. We are currently working out exactly how we will achieve this aspiration and whilst part of that is ensuring that sustainability is at the heart of all future facilities improvement projects, there are some smaller changes that we have made in the Club immediately.

In addition, we are working with a group of students from the Edge School in Colchester who, as part of their course on Sustainability will be undertaking an audit of what we do now on a day to day basis to determine any other immediate improvements that we can implement. The internal Green Team are working with a specialist on the House Committee who is providing advice and guidance.

### Fundraising Strategy

The Club benefits significantly from generous Member support through donations and legacies, including The *Friends of the RAF Club* programme, which was set up in 2021 to acknowledge Members who make regular donations at Bronze, Silver and Gold levels.

The Club employs a part-time Fundraising Director to manage its fundraising and legacy activities. The Club is also registered with the Fundraising Regulator and adheres to its policies and guidance.

## Club Committees

### Committee Members

	<b>Art &amp; Heritage Committee</b>	<b>House Committee</b>	<b>Finance, Audit &amp; Risk Committee</b>	<b>Events Committee</b>	<b>Fundraising &amp; Legacies Committee</b>	<b>Membership Committee</b>	<b>Systems Working Group</b>
Chair	Gp Capt Jim Beldon	Gp Capt Jo Salter (Jan to Sept) Air Cdre Dai Whittingham (from Oct)	Flt Lt Ian Melia (Jan to Oct) Flt Lt Neeraj Kapur (from Nov)	Air Cdre Dai Whittingham (Jan to Sept) Sqdn Ldr John Peters (from Oct)	Air Cdre Barbara Cooper (Jan to Sept) Gp Capt Al Lockwood (Oct onwards)	Wg Cdr James Hill (Jan to June) Air Cdre Paul Higgins (July to Dec)	Flt Lt Haig Tyler
Vice-Chair	Air Cdre Adam Wardrope	Air Cdre Dai Whittingham  Vacancy – Oct Onwards	Flt Lt Neeraj Kapur (Jan to Oct) Mr Bernie Watson (Oct Onwards)	Sqdn Ldr John Peters (Jan to Oct) Gp Capt Al Lockwood (from Oct)	Gp Capt Al Lockwood	Wg Cdr Paula Willmot	
	Dr Michael Fopp	Wg Cdr Neil Cook	Mr James Calladine	Ms Naomi Miles	Flt Lt Mike Stubbs	Wg Cdr Louise Clarke	Mr David Alexander
	Wg Cdr Michael Gilbert	Flt Lt Gary Hornby	Flt Lt Jennie Kingston	Sqdn Ldr Stuart Quinn	Fg Off Jochim Wrang-Widén	Sqdn Ldr Steve Potter	Mr Bernard Brown
	Wg Cdr James Poynton	Sqdn Ldr Mike Sewell	Mr Andrew Manning		Mr Richard Ashton	Sqdn Ldr Jo Rowe	Mr Joe Hardstaff
	Air Cdre Rick Peacock-Edwards					Sqdn Ldr James Traynor	
	Mrs Mandy Shepherd						

Club Committees exist to support the work of the Board of Trustees. Each Committee meets on average 5 times per year and is tasked by the Board to examine subjects in detail which are then fed into the Board for discussion and decision. All Committees are chaired by a Club Trustee with a second Trustee being the Vice-Chair, where possible. Volunteers on Committees are made up of Club Members from all Membership categories, thus ensuring that all categories of Membership are represented.

### Art & Heritage Committee

#### *Management of the Club Art collection*

The Arts and Heritage Committee continued to grow the Club's collection of heraldic badges, with several important additions being made in 2024, including several Royal Air Force Regiment Squadron badges and three from the wartime Czechoslovakian Squadrons of the Royal Air Force. There are now 560 badges in the Club's collection, which continues to grow. Artwork presented in 2024 included a painting of Corporal (later Flight Officer) Daphne Pearson GC, the first female recipient of the George Cross, paintings of Air Chief Marshals Lord Dowding and Sir Keith Park, presented by the current Lord Dowding, along with prints and other artwork generously donated by Club Members that help fill gaps in the Club's collection. The highlight of the year was the unveiling by HRH The Duke of Gloucester of a spectacular stained-glass window commemorating the centenary of the Royal Auxiliary Air Force, which had been designed by a serving Air Specialist Class 1 from RAF Northolt. A major art inventory exercise which started in 2023 was completed and includes details of the Club's silverware collection. The Committee plans to undertake a relocation of artwork exercise to ensure that the Club's best and most valuable artwork is presented to the best advantage and enable its easy evacuation in an emergency. Additionally, the Committee embarked on a succession plan which ensures the maintenance of expertise whilst bringing in new knowledge and skills.

## **Events Committee**

### ***Planning and management of the events programme***

In 2024, the Events Committee delivered a diverse programme of over 40 events, including dinners, talks, presentations, and visits, with a total of 1,929 tickets sold to Club Members and their guests. Notable speakers included Professor Brian Cox, actor Tim Marriott, Mandy Hickson, and Dr. Michael Fopp. Looking ahead to 2025, the programme will feature new Member receptions, events commemorating the anniversaries of VE Day and VJ Day, and an expanded selection of events specifically tailored for Junior Officers and Serving personnel.

## **Finance, Audit & Risk Committee (FAR)**

### ***Assisting the Board in fulfilling its governance obligations and oversight responsibilities by providing detailed scrutiny and assurance of the Club's financial, audit and risk management procedures and making recommendations for improvements in related performance***

In 2024, in addition to the routine activities of financial oversight governance and setting the risk strategy and agenda, the FARC has continued its work on implementing a Financial Strategy and Reserves Policy, which is now in place, including short-term measures that can be implemented before the full target is reached. The Committee approved a major upgrade of the Club's Accounting Software, which will automate processes that currently take several days of manual input. The Internal Audit Team have continued their work in specific areas and reported its findings directly to the FARC.

The FARC also continues to monitor changes to Charity Commission guidance and, in particular income that should be processed through the Club Trading Company versus the Charity.

## **House Committee**

### ***Ensuring the maintenance and development of the Club's infrastructure and environment is consistent with the Club's ethos and heritage while taking into account members' views***

In 2024, the House Committee oversaw several key improvement projects for the Club. As part of the ongoing bedroom refurbishment programme, 10 bedrooms were upgraded. The Presidents' Room underwent a full strip-out and refurbishment, replacing wiring, fixtures, and fittings that had remained unchanged since the 1980s. The room now benefits from enhanced lighting, improved Wi-Fi, and new air conditioning.

The Committee also approved a partnership with the sustainability accreditation organisation *EarthCheck*, which will support future capital expenditure planning and certify the Club's efforts towards achieving carbon neutrality.

In early 2025, the accessibility lift was replaced with a self-operated model, providing step-free, assistance-free access to the Club. From Jun to Sep 2025, the Running Horse and basement kitchen area will undergo a full refurbishment, with Members kept informed throughout the project.

## Fundraising and Legacies Committee

### ***Supporting the activities of the Royal Air Force Club by enabling and encouraging Members, organisations and supporters to contribute funds***

The Club received £173,628 income from donations, including those from the Friends of the Club in 2024 and was able to make significant contributions to the Presidents' Room refurbishment project to our Grade II listed 'home from home'. Funds from the unrestricted Legacy fund were allocated to construct new sound-proof pods in the business centre for Members who are using the designated areas for remote working. We are grateful for these donations.

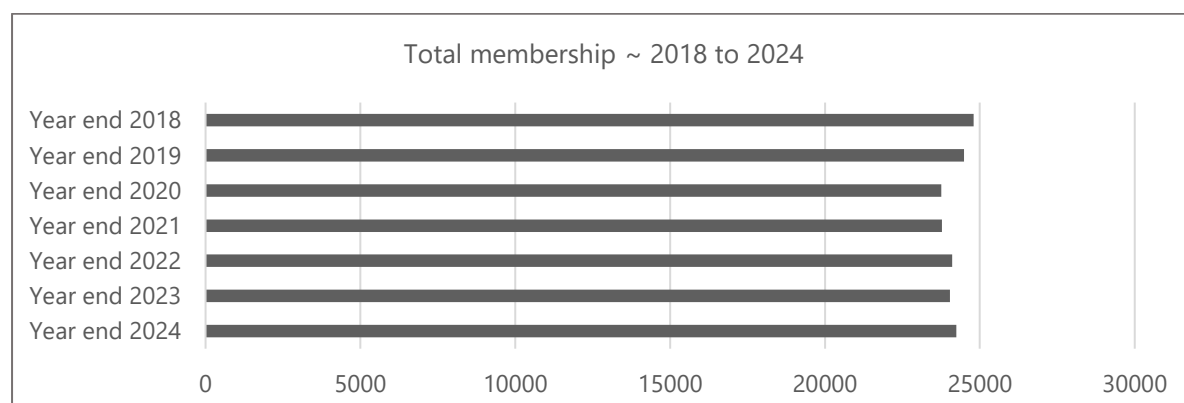
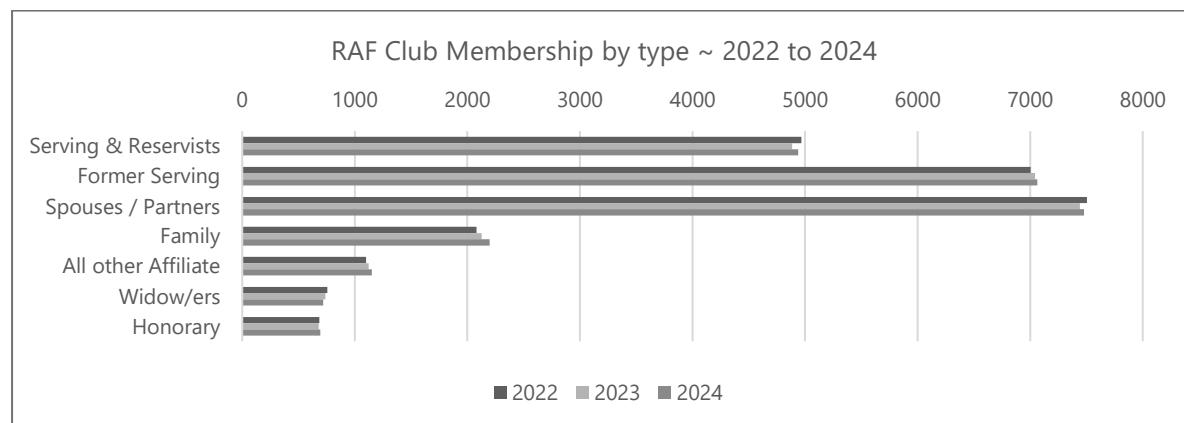
In 2025, the Committee is launching a new 'Respite Break Scheme' for Serving Members, focussing on special events and projects for Bronze, Silver and Gold Friends and a new campaign highlighting legacy giving.

## Membership Committee

### ***Developing and implementing the Club membership strategy to recruit and retain members***

At the end of 2024, the Club had 24,245 members, an increase of 208 from 2023. Serving, Reservist, or Former Serving Members account for 50% of the total Membership. Since 2014, there has been a 25% increase in Serving and Reservist Members, which remains a key priority for the Membership Committee. This growth is supported through regular attendance at RAF Cranwell IOT fairs and the continued expansion of the RAF Station Club Representatives network.

The Membership Committee continues to vet all applications, ensuring a well-balanced Membership across categories. It also works closely with the Events Committee to organise New Member, 25-Year, and 50-Year Member events. In 2024, the Committee also began succession planning, as some long-serving Committee Members stepped down after many years of dedicated service, for which the Club is deeply grateful.



## **The Systems and IT Working Group**

### ***Overseeing IT strategy and principles and the usage of data***

The Systems Working Group advised on projects including data analysis and evaluating longer-term plans including a smart Club Membership card and mobile Apps. In addition, the Working Group has led a project to improve the Club's Wi-Fi capabilities which has included the replacement of over 150 network points and the upgrade of broadband infrastructure supplied to the building. In 2024 the Working Group spent a considerable amount of time working on the upgrade to the Front Desk System.

## **Club Library and Archive**

In 2024, the Library volunteers undertook a complete inventory of the books, donating and selling duplicate editions and purchasing new books missing from the collection. The Club library is supported by a volunteer team of librarians and the Club's archive is maintained by volunteer archivists:

Club Librarians	Mrs Jacky Atkinson	Mrs Gaynor Cooper	Fg Off Sandy Copland
Mr Peter Elliott (Chair)	Wg Cdr Rob Stephens	Mr Peter Thorne	Sqn Ldr Gavin Turnbull
Club Archivists	Mr Peter Elliott	Wg Cdr Michael Gilbert	Gp Capt Paul Stewart

## **Contribution by Volunteers**

All Trustees, Committee members, Working Group members, Internal Auditors, Librarians and Club Archivists are unpaid volunteers, and it is estimated that over 515 volunteer days were given to the Club in the year for the benefit of all Club Members. The Club benefits enormously from their considerable professional expertise and invaluable advice.

## **Staff Engagement**

Our team are the Club's most important asset and so their engagement is of top priority. As always, we focus on ensuring everyone is well cared for, listened to and competitively remunerated. This in turn ensures they continue to deliver exceptional service levels at all times.

During 2024 we maintained a well-motivated and hard-working team. Turnover levels remained low compared to industry averages and we continued to support various charities, led by our internal staff-nominated Charity and Community Team. We maintained the Staff Welfare Fund we launched in 2022, which is available to support staff in need, and the Club was pleased to use this fund in 2024 to assist a member of staff. We also launched the Club's sustainability team, 'The Green Arrows'.

In 2024, we launched a new payroll platform, making payroll processes more streamlined and giving easier access to our team members to read their payslips and update their personal information, by a user-friendly App. Along with other wellbeing initiatives, we also launched a Health Cash Plan for all staff, which has been very well received. A highlight of our staff engagement events included the annual awards presented at the Staff Christmas lunch.

### **Staff Awards**

In 2024 we presented the following awards:

Newcomer of the Year ~ 2024	Verity Dewey, Financial Controller
Front of House Star ~ 2024	Yoshiko Ono, Senior Reservationist
Heart of House Star~ 2024	Emily Moss – Meetings & Events Manager
Casual of the Year ~ 2024 (two winners)	Sandra Parro (F&B) Fatimah Olanloko (Front Office)
Department of the Year ~ 2024	Maintenance
Employee of the Year ~ 2024	Martin Chang, Housekeeping Assistant
Leader of the Year ~ 2024	Laural Taylor - Chef
Chief Executive Special Recognition ~ 2024	Luke Smith – Sous Chef

All of our award winners truly embody the very essence of exceptional service and hospitality, and we were delighted to recognise them at the end of the year, along with celebrating all our team's success and commitment to the Club with a very special Christmas lunch celebration.

### **Staff Visits to RAF Stations**

The Membership Department, supported by other members of staff, resumed its quarterly visits to Royal Air Force College, Cranwell, exhibiting at the graduating Initial Officer Training Cadets Freshers Faire, with over 200 officer cadets expressing an interest in joining the Club. Further visits to other units are also being planned for Club Staff.



## 2024 Financial Review

### Quarter 1

	Total revenue	Surplus
Quarter 1	£2,668,502	£197,576

The year started strongly with revenue exceeding the previous year's performance by 8%. Occupancy for the quarter was 72%, slightly below the previous year's occupancy of 73%, reflecting lower occupancy rates across central London. The increase in revenue is reflected in the surplus for the quarter, with it being £88k higher than in the same period in 2023.

### Quarter 2

	Total revenue	Surplus
Quarter 2	£3,050,354	£380,719

The positive start to the year continued into the second quarter. Revenues were 3% higher than the previous year's performance and exceeded £3m. Occupancy for the quarter was 80%, which matched both the budget and the previous year's performance. The surplus was £151k higher than the previous year, again reflecting the increase in revenue.

### Quarter 3

	Total revenue	Surplus
Quarter 3	£2,931,000	£209,418

Total revenue was 11% higher than the same quarter in 2023 with all areas except accommodation performing above budget. July's revenues were 23% higher than the previous year. A deficit was posted in August, reflecting lower revenue due to the school holidays, however, the overall surplus for the quarter was 20% higher than last year.

### Quarter 4

	Total revenue	Surplus
Quarter 4	£3,631,594	£556,685

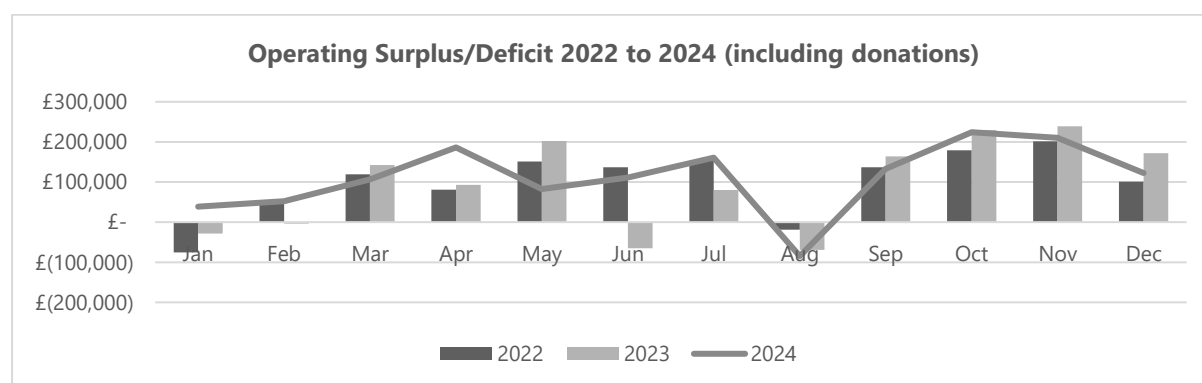
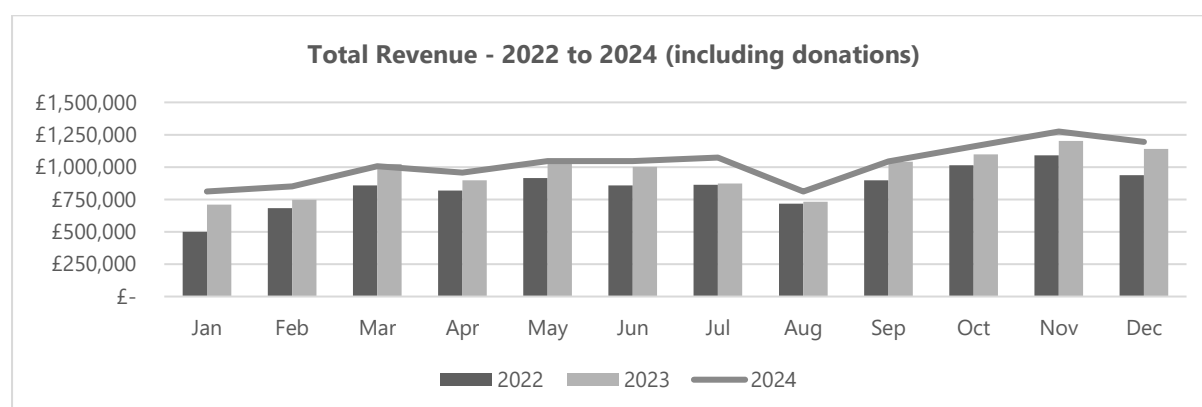
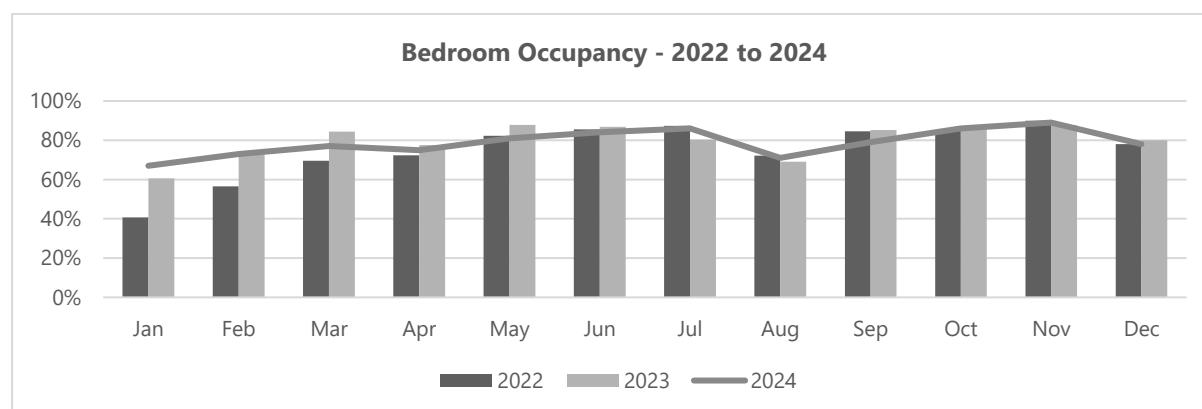
In the fourth quarter, overall revenues exceeded £3.5m and they were 4% higher than the previous year. Membership fees exceed budget by £57k, however both accommodation (£35k) and food and beverage (£110k) lagged behind budget.

### Yearly Overview

The strong financial performance that was experienced in 2023 continued into 2024 with the Club recording a total income more than £12.2m for the first time in its history. Occupancy for the year was 79% compared to a Budget of 81%, while the Food and Beverage revenues were 3% lower than Budget. The Royal Air Force Club like many in the hospitality sector experienced the negative effect of rising general inflation. Despite this and through the application of tight cost controls, the resultant net operating surplus of £1.4m exceeded Budget by £0.2m.

Cash provided by operating activities was £2.5m, up from £2.3m in 2023. A payment of £3.7m was made to repay the Centenary Extension Loan. Capital expenditure accounted for £0.8m. The net effect was a year-end cash balance of £2.2m which was a decrease of £2.0m compared to the previous year.

The following charts summarise the year's activities by month for the key indicator of Bedroom Occupancy and Total Revenues and Operating Surplus/Deficit with comparisons against the previous year:



### Coutts Centenary Extension Loan and Covenants

The £8.0m construction cost of the Centenary Extension was financed by £2.5m of unrestricted General Reserves and a seven-year term loan from Coutts Bank of £5.5m. The seven-year term of the loan was determined by the bank's capital risk requirements applicable in 2017 and optimised the loan pricing to the Club's benefit. The Club was contractually obliged to repay the loan in April 2024 when the outstanding balance was forecast to be £3.7m.

It was originally anticipated that a new medium-term loan would be arranged in April 2024, to cover the outstanding balance of the first loan, however, based on the high level of interest rates, following careful consideration, the Board of Trustees decided to repay the loan upon maturity.

During 2024 the Club has been fully compliant with all the Centenary Extension bank loan covenants and remained compliant until the loan was repaid in April 2024.

### **2025 Outlook**

Against a background of continuing high inflation and labour capacity restraints, the Club's financial forecast for 2025 anticipates a marginal improvement in activity levels. However, since the Trustees have taken the decision not to increase the food and beverage prices in 2025, along with higher labour costs, the surplus will be smaller than in 2024.

### **Capital Improvements to the Club House**

2024 saw a bedroom refurbishment project take place, along with the refurbishment of the Presidents Room.

A short-term 5-year plan alongside the Club's existing 10-year plan has been developed to ensure that refurbishment projects can take into account the future needs of both the building and the Membership.

### **The Club as a Going Concern**

The Board of Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The Trustees have reviewed the Club's financial forecast and business plans for the period ending 31 March 2025 and anticipate similar levels of trading and financial performance as achieved in the last financial year.

Having considered all available information about current circumstances and future trends, the Trustees have a reasonable expectation that the Club has adequate resources to continue to operate as a viable organisation for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### **Key Management Personnel and Remuneration**

The Board, supported by the Chief Executive and the Executive Team, together comprise the key management personnel of the Charity in charge of directing, controlling, and managing the Club and its operations on a day-to-day basis. All trustees give their time freely and no trustee received remuneration in the year. Note 5 to the Financial Statements gives details of the total remuneration and benefits of the key management personnel of the Club and Trustees' expenses and related party transactions during the year. The pay of the Chief Executive and Executive Team is reviewed annually by the Remuneration Working Group which reports to the Board and the review takes into account comparative data from several external sources.

### **Reserves Policy**

The Trustees reviewed the Club's Reserves policy in October 2024 as part of its annual review of the Club's strategy. Taking into account the Charity Commission's guidance and using the serious adverse financial impact of the global pandemic as an example of a severe event the Board decided it was essential to better protect the long-term interests of the charity and its beneficiaries by setting a General "free" Reserve target of £6m representing about 6 months of current operating costs. This unrestricted Reserve objective will provide financial cover for the key business risks such as business downturns and uninsurable and unexpected operational interruptions or losses. In order to protect the Club in the short term a revolving credit facility of £5m is being finalised to cover the period in which the Club plans to continue building up its free reserves.

### **Investment Policy and Objectives**

It has been the Club's policy to hold any cash surplus to operating and capital expenditure requirements on short-term deposits with financial institutions with high credit ratings.

### **Statement of Trustees responsibilities**

The trustees (who are also the directors of The Royal Air Force Club for the purposes of company law) 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).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Club and of the incoming resources and application of resources, including the income and expenditure, of the Club 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 Charity 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 Club 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 Club and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Club and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Provision of information to auditors**

In so far as the trustees are aware at the time the report is approved:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' report, incorporating the Strategic Report, was approved by the Board of Trustees, and signed on their behalf by:

*David Murray*

Air Vice-Marshal David Murray  
Chair of the Board of Trustees  
Wednesday 26<sup>th</sup> March 2025

## **Independent Auditors Report to the Trustees & Members of the Royal Air Force Club**

### **Opinion**

We have audited the financial statements of The Royal Air Force Club for the year ended 31 December 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Statements of Financial Position, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company and group's affairs as at 31 December 2024 of the charitable company and group's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 charitable company and group'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 Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and group and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company and group; or
- the charitable company and group's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group, we identified that the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and taxation legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and determined that the principal risks were related to posting inappropriate journal entries to income and management override of internal controls. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators, including the Charity Commission and HMRC;
- Reviewing the minutes of meetings of those charged with governance;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect fraud;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- Performing analytical procedures to identify any unusual or unexpected account entries; and
- Assessing assumptions and judgements made by the company in determining their critical accounting estimates

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Weaver  
Senior Statutory Auditor  
for and on behalf of HaysMac LLP, Statutory Auditors

10 Queen Street Place  
London  
EC4R 1AG

DATE 4 April 2025



## Consolidated Statement of Financial Activities including the Income & Expenditure Account for the year ended 31<sup>st</sup> December 2024

	Notes	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
<b>INCOME FROM:</b>					
<b>Charitable activities</b>					
Club income		11,808,851	-	<b>11,808,851</b>	11,147,566
<b>Donations and legacies</b>					
Legacies		-	-	-	1,921
Restricted Donations		-	-	-	34,016
Donations from appeals and Friends of the Club		168,814	4,814	<b>173,628</b>	151,223
Amounts payable under gift aid to the Club		-	-	-	-
<b>Other trading activities</b>					
Trading activities	8a	298,971	-	<b>298,971</b>	231,906
<b>Total income</b>		<u>12,276,636</u>	<u>4,814</u>	<u><b>12,281,450</b></u>	<u>11,566,632</u>
<b>EXPENDITURE ON:</b>					
<b>Charitable expenditure</b>					
Club operating costs	2	10,744,100	8,830	<b>10,752,930</b>	10,217,843
Fine art	2	-	-	-	-
Donations made	2	10,000	-	<b>10,000</b>	8,049
<b>Other trading activities</b>					
Trading activities	8a	171,428	-	<b>171,428</b>	135,126
<b>Raising funds</b>					
Fundraising costs	2	2,694	-	<b>2,694</b>	29,920
<b>Total expenditure</b>	2	<u>10,928,222</u>	<u>8,830</u>	<u><b>10,937,052</b></u>	<u>10,390,938</u>
<b>Net income/(expenditure) before investment gains/(losses)</b>					
		1,348,414	(4,016)	<b>1,344,398</b>	1,175,694
Net (loss) gain on investment of interest rate swap		-	-	-	(101,209)
<b>Net income/(expenditure)</b>		<u>1,348,414</u>	<u>(4,016)</u>	<u><b>1,344,398</b></u>	<u>1,074,485</u>
Transfers between funds		-	-	-	-
Balance brought forward		10,072,586	11,494	<b>10,084,080</b>	9,009,595
<b>Balance carried forward</b>		<u>11,421,000</u>	<u>7,478</u>	<u><b>11,428,478</b></u>	<u>10,084,080</u>

All transactions are derived from continuing activities.

All gains and losses recognised in the year are included in the statement.

The notes on pages 27 to 37 form an integral part of these financial statements.

## Consolidated Statement of Financial Position at 31<sup>st</sup> December 2024

	Notes	2024 £	2023 £
<b>FIXED ASSETS</b>			
Intangible fixed assets	6	97,031	-
Tangible assets	7	10,209,420	10,486,356
Investments	8	-	-
		<b>10,306,451</b>	<b>10,486,356</b>
<b>CURRENT ASSETS</b>			
Stocks	9	94,601	92,196
Debtors	10	428,256	755,828
Cash at bank and in hand		2,165,831	4,127,895
		<b>2,688,688</b>	<b>4,975,919</b>
<b>CREDITORS: amounts falling due within one year</b>	11	<b>(1,566,661)</b>	<b>(5,378,195)</b>
<b>NET CURRENT (LIABILITIES)/ ASSETS</b>		<b>1,122,027</b>	<b>(402,276)</b>
<b>CREDITORS: amounts falling due after more than one year</b>	12	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>11,428,478</b>	<b>10,084,080</b>
<b>FUNDS</b>			
Unrestricted funds			
- Designated funds	13	10,451,436	10,072,586
- General funds	13	969,564	-
Restricted funds	13	7,478	11,494
		<b>11,428,478</b>	<b>10,084,080</b>

The financial statements were approved and authorised for issue by the Board on Wednesday 26th March 2025 and were signed below on its behalf by:

*David Murray*

*N Kapur*

D MURRAY  
Air Vice-Marshal

N KAPUR  
Trustee

The notes on pages 27 to 37 form an integral part of these financial statements.

## Charity Statement of Financial Position at 31<sup>st</sup> December 2024

	Notes	2024 £	2023 £
<b>FIXED ASSETS</b>			
Intangible fixed assets	6	97,031	-
Tangible assets	7	10,209,420	10,486,356
Investments	8	100	100
		<b>10,306,551</b>	<b>10,486,456</b>
<b>CURRENT ASSETS</b>			
Stocks	9	94,601	92,196
Debtors	10	592,504	983,361
Cash at bank and in hand		1,981,093	3,891,519
		<b>2,668,198</b>	<b>4,967,076</b>
<b>CREDITORS: amounts falling due within one year</b>	11	<b>(1,546,271)</b>	<b>(5,369,452)</b>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<b>1,121,927</b>	<b>(402,376)</b>
<b>CREDITORS: amounts falling due after more than one year</b>	12	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>11,428,478</b>	<b>10,084,080</b>
<b>FUNDS</b>			
Unrestricted funds			
- Designated funds	13	10,451,436	10,072,586
- General funds	13	969,564	-
Restricted funds	13	7,478	11,494
		<b>11,428,478</b>	<b>10,084,080</b>

The parent undertaking's total income for the year before gift aid from RAFCTC Limited was £11,982,479 (2023: £11,300,710) and its net income for the year amounted to £1,216,854 (2023: net income £984,339).

The financial statements were approved and authorised for issue by the Board on 26th March 2024 and were signed below on its behalf by:

*David Murray*

*N Kapur*

D MURRAY  
Air Vice-Marshal

N KAPUR  
Trustee

The notes on pages 27 to 37 form an integral part of these financial statements.

## Consolidated Cash Flow Statement

### Year Ended 31<sup>st</sup> December 2024

	2024 £	2023 £
<b>Cash provided by operating activities</b>	<b>2,626,628</b>	<b>2,303,772</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(809,552)	(820,637)
Cash used in investing activities	(809,552)	(820,637)
<b>Cash flows from financing activities</b>		
Loan repayments	(3,779,140)	(404,909)
Cash outflow from financing activities	(3,779,140)	(404,909)
<b>Increase/ (decrease) in cash and cash equivalents in the year</b>	<b>(1,962,064)</b>	<b>1,078,226</b>
Cash and cash equivalents at the beginning of the year	4,127,895	3,049,669
Total cash and cash equivalents at the end of the year	<b>2,165,831</b>	<b>4,127,895</b>

	At 1 January 2023 £	Cash flows/ Other £	At 31 December 2024 £
<b>Analysis of changes in net debt</b>			
Cash at bank and in hand	4,127,895	(1,962,064)	<b>2,165,831</b>
Bank loans due < 1 year	(3,779,140)	3,779,140	-
Bank loans due > 1 year	-	-	-
Net debt	<b>348,755</b>	<b>1,817,076</b>	<b>2,165,831</b>

	2024 £	2023 £
<b>Reconciliation of net movement in funds to net cash flow from operating activities</b>		
Net movement in funds	<b>1,344,398</b>	1,074,485
Add back depreciation charge	<b>989,457</b>	890,631
(Increase)/Decrease in stock	<b>(2,405)</b>	(6,072)
Decrease/(increase) in debtors	<b>327,572</b>	(73,001)
Decrease/(increase) in creditors	<b>(32,394)</b>	417,729
<b>Net cash provided by operating activities</b>	<b>2,626,628</b>	<b>2,303,772</b>

The notes on pages 27 to 37 form an integral part of these financial statements.

## **Notes to the Financial Statements**

### **Year Ended 31<sup>st</sup> December 2024**

#### **1. ACCOUNTING POLICIES**

##### ***General information***

The Royal Air Force Club is a charitable company, limited by guarantee, registered in England and Wales. Its registered office is 128 Piccadilly, London W1J 7PY. The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

##### ***Basis of preparation***

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Royal Air Force Club meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

##### ***Basis of consolidation***

These financial statements consolidate the results of The Royal Air Force Club and its subsidiary, The RAFCTC Limited (registered in England and Wales, registered number 06590556) on a line by line basis. As permitted by Section 408 of the Companies Act 2006, the Statement of Financial Activities of the parent undertaking is not presented as part of these financial statements.

##### ***Going concern***

The Board of Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The Trustees have reviewed the Club's financial forecast and business plans for the period ending 31 March 2025 and anticipate similar levels of trading and financial performance as achieved in the last financial year.

Having considered all available information about current circumstances and future trends, the Trustees have a reasonable expectation that the Club has adequate resources to continue to operate as a viable organisation for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the annual financial statements.

##### ***Fund accounting***

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives. Designated funds are amounts that have been set aside at the discretion of the Trustees. Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

### ***Income***

Income represents the total income receivable during the year comprising government grants, donations, subscriptions, entrance fees, bedroom receipts, food, beverages and investment income.

### ***Depreciation***

The original freehold buildings are maintained to a standard that preserves likely residual value at a level at least equal to the book value. Accordingly no provision has been made for depreciation as the amount involved would not be material. Building improvements related to the Centenary Extension project are depreciated over 50 years.

Major improvements to Club premises are written off on a straight line basis over six to fifteen years from the date of completion of the refurbishment.

Computer equipment is written off on a straight line basis over three years.

Minor additions to the furniture, fittings, equipment and other improvements to the Club premises have been written off directly against revenue. The amount expensed in the year was £nil (2022: £nil).

The Club does not capitalise donated assets principally comprising works of art.

### ***Allocation of support costs***

Support costs include back office costs, finance, personnel, payroll and governance costs which support the Club's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The allocations of support costs are set out in note 2.

### ***Staff costs***

The Club operates a Group Personal Pension Plan with Legal and General. Contributions to the Plan are charged to the income and expenditure account. Redundancy and termination payments are included in the income and expenditure account within the relevant activity line on an accruals basis.

### ***Stocks***

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

### ***Debtors***

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

### ***Cash at bank and in hand***

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

***Judgements in applying accounting policies and key sources of estimation uncertainty***

In the process of applying its accounting policies, the Club is required to make certain estimates, judgements and assumptions that it believes are reasonable based on the information available. These judgements, estimates and assumptions affect the amounts of assets and liabilities at the date of the financial statements and the amounts of revenues and expenses recognised during the reporting periods presented.

On an ongoing basis, the Club evaluates its estimates using historical experience, consultation with experts and other methods considered reasonable in the particular circumstances. Actual results may differ significantly from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known. The following paragraph details the estimate and judgement the Club believes to have the most significant impact on the annual results under FRS 102.

***Land & Buildings***

The original land and buildings are recorded at cost within the financial statements. Management have considered depreciation to be immaterial due to the estimated useful economic life of the building being greater than 50 years and the estimated residual value of the building is greater than the carrying value in the accounts.

***Intangible assets***

Intangible assets are recorded at cost within the financial statements and relate to computer software. Software is being amortised over a period of 10 years.

***Creditors and provisions***

Creditors and provisions are recognised where the Club has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

***Financial instruments***

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised as unrealised gains/losses in the Statement of Financial Activities, unless they are included in a hedging arrangement. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

## 2. ANALYSIS OF TOTAL EXPENDITURE

	Charitable expenditure					2024	2023
	Club operating costs £	Fine art £	Donations made £	Trading activities £	Raising funds £	Total £	Total £
Staff costs	5,978,121	-	-	-	2,694	<b>5,980,815</b>	5,532,613
Depreciation	989,457	-	-	-	-	<b>989,457</b>	890,631
Repairs and maintenance	422,178	-	-	-	-	<b>422,178</b>	575,757
House supplies	126,014	-	-	-	-	<b>126,014</b>	142,896
Fine art	-	-	-	-	-	-	-
Donations made	-	-	10,000	-	-	<b>10,000</b>	8,049
Trading activities	-	-	-	171,428	-	<b>171,428</b>	135,126
Bank interest	(4,604)	-	-	-	-	<b>(4,604)</b>	52,374
Support and other costs	3,177,632	-	-	-	-	<b>3,177,632</b>	2,943,696
Governance costs	64,132	-	-	-	-	<b>64,132</b>	109,796
	<u>10,752,930</u>	<u>-</u>	<u>10,000</u>	<u>171,428</u>	<u>2,694</u>	<u><b>10,937,052</b></u>	<u>10,390,938</u>

	Charitable expenditure					2023	2022
	Club operating costs £	Fine art £	Donations made £	Trading activities £	Raising funds £	Total £	Total £
Staff costs	5,502,693	-	-	-	29,920	5,532,613	4,807,553
Depreciation	890,631	-	-	-	-	890,631	881,078
Repairs and maintenance	575,757	-	-	-	-	575,757	346,181
House supplies	142,896	-	-	-	-	142,896	161,598
Fine art	-	-	-	-	-	-	10,850
Donations made	-	-	8,049	-	-	8,049	10,239
Trading activities	-	-	-	135,126	-	135,126	112,951
Bank interest	52,374	-	-	-	-	52,374	101,092
Support and other costs	2,943,696	-	-	-	-	2,943,696	2,614,326
Governance costs	109,796	-	-	-	-	109,796	79,143
	<u>10,217,843</u>	<u>-</u>	<u>8,049</u>	<u>135,126</u>	<u>29,920</u>	<u>10,390,938</u>	<u>9,125,011</u>

## 3. NET EXPENDITURE

	2024 £	2023 £
The net expenditure is stated after charging :		
Auditors' remuneration – audit	<b>28,750</b>	26,525
Auditors' remuneration – other services	<b>23,125</b>	12,630
Depreciation – on owned assets	<b>984,102</b>	890,631
Amortisation	<b>5,355</b>	-



#### 4. EMPLOYEES AND STAFF COSTS

	<b>2024</b>	2023
	<b>No.</b>	No.
The average number of contracts for Full Time and Part Time staff	<b>136</b>	125

7

Staff costs were as follows:

	<b>2024</b>	2023
	<b>£</b>	£
Wages and salaries	<b>5,065,446</b>	4,699,440
Agency	<b>217,574</b>	169,287
Social security costs	<b>454,307</b>	418,338
Other pension costs	<b>243,488</b>	228,002
Termination payments	-	17,546
	<b>5,980,815</b>	5,532,613

The number of staff who fell within the following bands were:

	<b>2024</b>	2023
	<b>No.</b>	No.
£60,001 - £70,000	<b>2</b>	1
£70,001 - £80,000	<b>2</b>	-
£80,001 - £90,000	<b>1</b>	2
£90,001 - £100,000	<b>1</b>	1
£100,001 - £110,000	-	1
£160,001 - £170,000	-	1
£170,001 - £180,000	<b>1</b>	-

The trading subsidiary, RAFCTC, incurred £65,383 in staff costs (2023: £75,138) which are included within Trading Activities expenditure.

#### 5. TRUSTEES' REMUNERATION, REIMBURSED EXPENSES AND RELATED PARTIES

The key management personnel of the parent charity, the Club, comprise the Trustees and the Executive Team. The total employee remuneration and benefits of the key management personnel of the Club were £447,682 (2023: £570,115).

No Trustees received remuneration for their services during the year. The charity trustees were not paid from employment with the Club or its subsidiary in the year (2023: Nil). No Club trustee received payment for professional or other services supplied to the Club (2023: Nil). During the year 12 trustees (2023: 9 trustees) were reimbursed expenses totalling £7,699 (2023: £5,117).

There were no related party transactions during the year (2024: Nil). Consider disclosing donations made by the Trustees in aggregate.

## 6. INTANGIBLE FIXED ASSETS

Intangible fixed assets with a net book value of £97,031 (2023: £Nil) relate to computer software. Amortisation was charged in the year amounting to £5,355..

## 7. TANGIBLE FIXED ASSETS (assets under construction)

Group and club	Assets under construction £	Freehold land and buildings and general improvements £	Bedrooms £	Function rooms and equipment £	Total
<b>Cost</b>					
At 1 January 2024	-	18,817,899	7,693,438	2,370,862	28,882,199
Additions	130,465	564,675	-	12,027	707,166
At 31 December 2024	130,465	19,382,574	7,693,438	2,382,889	29,589,365
<b>Depreciation</b>					
At 1 January 2024	-	9,082,348	7,433,678	1,879,817	18,395,843
Charge for the year	-	836,164	49,166	98,772	984,102
At 31 December 2024	-	9,918,512	7,482,844	1,978,589	19,379,945
<b>Net book value</b>					
At 31 December 2024	130,465	9,464,062	210,594	404,300	10,209,420
At 31 December 2023	-	9,735,551	259,760	491,045	10,486,356

All the fixed assets are used for charitable activities.

In addition to the capitalised fixed assets, the Club has an extensive collection of paintings, sculptures and bronzes, other objects d'art and books and documents, either purchased by or donated or loaned to the Club. These represent a history of both aircraft and those who served in or were associated with the RAF. The cost of those items, and especially paintings, purchased by the Club is insignificant in terms of the value of the whole collection, which is irreplaceable. The Trustees do not believe that the significant cost involved in valuing the whole collection for accounting purposes would derive significant additional benefit to the user of the accounts in terms of assessing the Trustees' stewardship of the assets. Consequently, these assets have not been capitalised in the financial statements. A full inventory is kept for insurance purposes.

## 8. INVESTMENTS

The Club has a wholly owned subsidiary, RAFCTC Limited, which operates the trading activity of the Club and gift aids its surplus to the Club. The subsidiary is registered in England and Wales (registration number 06590556).

The Club's investment in the trading company was as follows:

	2024 £	2023 £
RAFCTC Limited	100	100

## 8a. TRADING ACTIVITIES

	2024 £	2023 £
<b>Profit and loss account</b>		
Turnover	298,971	231,906
Cost of sales	(99,881)	(57,915)
<b>Gross profit</b>	<b>199,090</b>	173,991
Administration expenses (net of interest receivable)	(71,547)	(77,211)
<b>Profit for the financial year</b>	<b>127,543</b>	96,780
Amount payable under gift aid to the Club	127,543	96,780
<b>Balance sheet</b>		
Net current assets	100	100
Share capital	100	100

## 9. STOCKS

	<b>Group and club</b>	
	2024 £	2023 £
Goods for resale	94,601	92,196

## 10. DEBTORS: Amounts due within one year

	<b>Group</b>		<b>Club</b>	
	2024 £	2023 £	2024 £	2023 £
Trade debtors	200,609	239,907	172,159	199,429
Other debtors	128,152	364,035	153,747	341,279
Amounts owed by subsidiary undertakings	-	-	167,103	290,767
Prepayments and accrued income	99,495	105,358	99,495	105,358
Interest rate swap	-	46,528	-	46,528
	<b>428,256</b>	<b>755,828</b>	<b>592,504</b>	<b>983,361</b>

## 11. CREDITORS: Amounts falling due within one year

	Group		Club	
	2024	2023	2024	2023
	£	£	£	£
Bank loans	-	3,779,140	-	3,779,140
Trade creditors	<b>360,544</b>	295,433	<b>357,534</b>	293,586
Other creditors	<b>605,138</b>	301,535	<b>590,298</b>	301,534
Amounts owed to subsidiary undertakings	-	-	-	-
Other taxes and social security	<b>115,639</b>	582,962	<b>115,639</b>	578,517
Accruals and deferred income	<b>485,340</b>	419,125	<b>482,840</b>	416,675
	<b><u>1,566,661</u></b>	<u>5,378,195</u>	<b><u>1,546,311</u></b>	<u>5,369,452</u>

## 12. CREDITORS: Amounts falling due after one year

	Group		Club	
	2024	2023	2024	2023
	£	£	£	£
Bank loan	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Analysis of bank loans:</b>				
Amounts falling due:				
Within one year	<u>-</u>	<u>3,779,140</u>	<u>-</u>	<u>3,779,140</u>
Amounts falling due:				
Between one and two years	-	-	-	-
Between two and five years	-	-	-	-
After five years	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The bank facility comprises a business term loan of £3,779,140 (2023: £3,779,140) which is secured by a first legal charge over the freehold land and buildings at The Royal Air Force Club. The loan was arranged to partly finance the Centenary Extension wing of the Club. The business loan is for a seven-year term and the loan period was determined by the bank's capital risk requirements applicable in 2017 and optimised the loan pricing to the Club's benefit. The loan was paid in full during the year.

### 13. FUNDS

The income funds of the Club include unrestricted and restricted funds comprising of the following:

	As at 1 January 2024 £	Net income/ (expenditure) £	Transfers between funds £	Balance at 31 December 2024 £
<b>Unrestricted funds:</b>				
General fund	-	1,264,381	(294,817)	<b>969,564</b>
Designated funds:				
Fixed asset fund	10,011,634	-	294,817	<b>10,306,451</b>
Legacy fund	35,883	-	-	<b>35,883</b>
Friends of the RAF Club	(9,790)	86,124	-	<b>76,334</b>
Fine art and stained window fund	15,000	(1,541)	-	<b>13,459</b>
Staff welfare	19,859	(550)	-	<b>19,309</b>
Total designated funds	<u>10,072,586</u>	<u>84,033</u>	<u>294,817</u>	<u><b>10,451,436</b></u>
<b>Total unrestricted funds</b>	<u>10,072,586</u>	<u>1,348,414</u>	<u>-</u>	<u><b>11,421,000</b></u>
<b>Restricted funds:</b>				
601 Squadron – Victoria Bar refurbishment	7,478	-	-	<b>7,478</b>
Staff fund	<u>4,016</u>	<u>(4,016)</u>	<u>-</u>	<u>-</u>
<b>Total restricted funds</b>	<u>11,494</u>	<u>(4,016)</u>	<u>-</u>	<u><b>7,478</b></u>
<b>Total funds</b>	<u>10,084,080</u>	<u>1,344,398</u>	<u>-</u>	<u><b>11,428,478</b></u>

	As at 1 January 2023 £	Net income/ (expenditure) £	Transfers between funds £	Balance at 31 December 2023 £
<b>Unrestricted funds:</b>				
General fund	-	1,228,763	(1,228,763)	-
Designated funds:				
Fixed asset fund	8,797,871	-	1,213,763	10,011,634
Legacy fund	33,962	1,921	-	35,883
Friends of the RAF Club	135,630	(145,420)	-	(9,790)
Fine art and stained window fund	10,654	(10,654)	15,000	15,000
Staff welfare	24,000	(4,141)	-	19,859
Total designated funds	<u>9,002,117</u>	<u>(158,294)</u>	<u>1,228,763</u>	<u>10,072,586</u>
<b>Total unrestricted funds</b>	<u>9,002,117</u>	<u>1,070,469</u>	<u>-</u>	<u>10,072,586</u>
<b>Restricted funds:</b>				
601 Squadron – Victoria Bar refurbishment	7,478	-	-	7,478
Staff fund	<u>-</u>	<u>4,016</u>	<u>-</u>	<u>4,016</u>
	<u>7,478</u>	<u>4,016</u>	<u>-</u>	<u>11,494</u>
<b>Total funds</b>	<u>9,009,595</u>	<u>1,074,485</u>	<u>-</u>	<u>10,084,080</u>

The income funds of the Club comprise Restricted and Unrestricted Funds. The Unrestricted Funds include the following designated funds which have been set aside out of the unrestricted funds by the Trustees for specific purposes.

The Fixed Assets fund represents the net book value of fixed assets held by the group, net of related loan balances, and includes a further amount relating to equity funds earmarked for exceptional early loan repayments.

The Legacy Fund was created to receive monies specifically left to the Club in Members' wills. The Board authorises expenditure against the fund for the benefit of the Club.

The Fine Art and Stained Window Fund, which resulted from an appeal, is used to purchase works of art that primarily cover historical gaps in the Club's collection.

The Staff Welfare Fund has been set up to support employees and their families who are in short-term need, hardship or stress.

The Restricted Fund, 601 Squadron – Victoria Bar Refurbishment, was established in 2021 and includes donations from members of 601 Squadron, Royal Auxiliary Air Force, specifically to fund the refurbishment of the Victoria Bar for the benefit of all Club Members. The refurbishment commenced in the final quarter of 2021 and was completed in the first half of 2022. During the year £nil (2022: £62,601) has been capitalised in respect of expenditure incurred and a transfer from the Restricted Fund has therefore been made for this amount.

The Friends of the RAF Club was launched in November 2021 and is open to all Club Members who wish to formally contribute to the enhancement of the Club's facilities through making regular donations in addition to the annual membership subscription. Regular donations are not tied to specific projects or particular expenditure and flow through the designated unrestricted Friends of the RAF Club Fund. The Funds are deployed to finance tangible enhancements to the Club's facilities or fund acquisition of additional equipment for the benefit of Members. Investments are made in consultation with Friends.

#### 14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Fixed assets £	Net current assets/ liabilities £	Non-current assets/ liabilities £	Total £
Restricted funds		7,478	-	<b>7,478</b>
General fund	-	969,564	-	<b>969,564</b>
Designated funds – fixed assets	10,306,451	-	-	<b>10,306,451</b>
Designated funds - other	-	144,985	-	<b>144,985</b>
	<u>10,306,451</u>	<u>1,122,027</u>	<u>-</u>	<b><u>11,428,478</u></b>

The difference between Group and Club asset positions is the £100 investment into the wholly owned trading subsidiary.

## Comparative consolidated statement of financial activities including the income and expenditure account

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £
<b>INCOME FROM:</b>				
<b>Charitable activities</b>				
Club income		11,147,566	-	11,147,566
<b>Donations and legacies</b>				
Legacies		1,921	-	1,921
Restricted Donations		-	34,016	34,016
Donations from appeals and Friends of the Club		151,223	-	151,223
<b>Other trading activities</b>				
Trading activities	7a	231,906	-	231,906
<b>Total income</b>		<u>11,532,616</u>	<u>34,016</u>	<u>11,566,632</u>
<b>EXPENDITURE ON:</b>				
<b>Charitable expenditure</b>				
Club operating costs	2	10,187,843	30,000	10,217,843
Fine art	2	-	-	-
Donations made	2	8,049	-	8,049
<b>Other trading activities</b>				
Trading activities	7a	135,126	-	135,126
<b>Raising funds</b>				
Fundraising costs	2	29,920	-	29,920
<b>Total expenditure</b>	2	<u>10,360,938</u>	<u>30,000</u>	<u>10,390,938</u>
<b>Net income/(expenditure) before investment gains/(losses)</b>		1,171,678	4,016	1,175,694
Net (loss) gain on investment of interest rate swap		(101,209)	-	(101,209)
<b>Net income/(expenditure)</b>		<u>1,070,469</u>	<u>4,016</u>	<u>1,074,485</u>
Transfers between funds		-	-	-
Balance brought forward		9,002,117	7,478	9,009,595
<b>Balance carried forward</b>		<u>10,072,586</u>	<u>11,494</u>	<u>10,084,080</u>