

Charity number: 1132398

Royal Air Force Brize Norton Junior Ranks Welfare Fund

Annual Report and Unaudited Financial Statements

for the year ended

28th February 2023

Wenn Townsend

Chartered Accountants

Oxford

Royal Air Force Brize Norton Junior Ranks Welfare Fund

The Trustees of the Charity

Gp Capt Emily Jane Flynn (resigned 29th July 2022)
Gp Capt Claire Hazel O'Grady (appointed 29th July 2022)

Principal Address:

Royal Air Force Brize Norton Junior Ranks Welfare Fund
Carterton
Oxfordshire
OX18 3LX

Royal Air Force Brize Norton Junior Ranks Welfare Fund

Financial Statements for the year ended 28th February 2023

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Royal Air Force Brize Norton Junior Ranks Welfare Fund

Report of the Trustees for the year ended 28th February 2023

The Trustees present their report and the financial statements for the year ended 28th February 2023.

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the Charity.

Objectives and activities of the Charity

The object of the Junior Ranks Welfare Fund is the promotion, provision and support of social, sporting and other facilities for the military efficiency and well-being of Servicemen and Servicewomen. The objects also extend to making grants to any activity which, in the opinion of the Trustees, is in furtherance of the objectives of the charity.

- Encourage spirit de corps by enabling Service Members to mix together, so as to help keep service traditions alive and encourage the well-being of the Community.
- Encouraging, supporting, and facilitating the development of sport to raise standards and to promote the link to fitness, teamwork and personal development through sporting activity and opportunities.
- Supporting facilities and capital projects to enable the best possible provision for the RAF Brize Norton community, which includes MOD civilians.

The main activities are:

- 1) The provision of grants to personnel of the rank of Corporal or below (junior ranks) to assist with the costs associated with adventurous training or sporting activities.
- 2) Subsidising the cost of social activities organised by or on behalf of junior ranks.
- 3) Grants towards the provision of sporting and welfare grants towards the provision of equipment or facilities which will enhance the working or social environment of the junior ranks at Royal Air Force Brize Norton.

Public benefit statement

The Trustees confirm that they have referred to the guidance on public benefit when reviewing the charity's aims and objectives, and in implementing and planning current and future activities.

Structure, governance and management

Royal Air Force Brize Norton Junior Ranks Welfare Fund was registered with the Charity Commission on 29th October 2009.

The registered number is 1132398. The charity is an unincorporated association governed by its trust deed.

The Station Commander at RAF Brize Norton is appointed as the ex-officio Managing Trustee of all Service Funds at RAF Brize Norton. Appointments are controlled by the RAF Manning, based at Air Command, RAF High Wycombe.

The Trustee delegates the day-to-day management and control of the Junior Ranks Welfare Fund together with the authority for the disbursements of grants and loans, to a management committee chaired by the President of the Service Institute Committee, who is appointed by the Trustee. Members of the committee are appointed from each of the working areas or sections of the unit. However, all management decisions, acquisitions and expenditure are subject to the Trustee's approval by signature in the minute book.

Committee meetings take place each month. The budget for the next financial year is set in January by the Committee for the approval of the Members at a General Meeting. The Annual General Meeting ratifies the Annual Accounts and ratifies any committee appointments. Minutes are taken at each committee meeting and are circulated electronically to the Trustee within ten working days of the meeting for his approval.

The Station investment strategy directs that sufficient income is generated to heavily subsidise running costs. Furthermore, Brize Norton has an internal Accounts Officer who provides financial assistance to the Mess committee. Finally, a Service Funds Internal Audit Board is also convened at the start of each financial year to carry out an internal arithmetical and management audit of the charity to ensure the Fund is run in line with the Charity Commission guidelines and law.

Royal Air Force Brize Norton Junior Ranks Welfare Fund

Report of the Trustees for the year ended 28th February 2023

Investment powers

Trustees have the power to deposit or invest funds in any manner (but to invest only after obtaining such advice from a financial expert as the Trustees consider necessary and having regard to the suitability of investments and the need for diversification).

Plans for future periods

The main aim of the Junior Ranks Welfare Fund is to encourage spirit de corps by enabling service Members to mix together, so as to help maintain service traditions and encourage the well-being of the community. To this aim, plans for the future include continuing to provide monetary support for sports or adventurous training activities. Requests for assistance for other activities are decided upon based on the merits of the individual bid.

Review of transactions and financial position (including reserves policy)

The Fund had a contingent liability to the Royal Air Force Central Fund, which was £69,808. On 4th January 2016 the charity was informed by RAF Central Fund that the contingent liability had been reclassified as a permanent endowment grant. There will no longer be an annual increase in the sum and the charity has no power to convert the capital provided into income and the fund is to be held indefinitely. The endowment fund must be invested and be maintained at an investment value no less than the endowed monies, subject to market value losses and deflation.

The fund is represented by investments held in a number of funds. The value of endowment fund monies was £69,808, with further investments valued at £365,685, total £435,493 (2022 total: £469,942).

Unrestricted reserves, £730,008 (2022: £765,125) represent greater than 12 months expenditure which the trustees feel provide sufficient cover.

Principal funding is from swimming pool and bowling income, which represents 47% (2022: 49%) and 26% (2022: 28%) respectively of the fund's total income.

All expenditure is made for the benefit of the members.

The fund has a neutral ethical investment policy through investing in investment funds, which aligns with the generic investment strategy as dictated by HQ Air Command.

Risk Review

The Charity has taken out Employers Liability Insurance, Public Liability Insurance and Trustees Indemnity Insurance.

Commitments to project funding are only ever on the basis that income has been secured by the Charity. The reserves policy enables the Charity to wind up without consequential loss if necessary. Appropriate accounting and financial controls are in place.

Royal Air Force Brize Norton Junior Ranks Welfare Fund

Report of the Trustees for the year ended 28th February 2023

Trustees' responsibilities

Laws applicable to Charities in England and Wales require the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the surplus or deficit 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;
- 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, and;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Society will continue.

The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Charity. They are also responsible for safeguarding the assets of the Charity and hence of taking reasonable steps for the prevention and detection of fraud and other irregularities.

Collectively the trustees ensure they have the correct skill mix to be responsible and accountable for ensuring the Charity complies with its obligations.

The Trustees

Gp Capt Claire Hazel O'Grady

Trustee appointment, induction and training

Appointments are made by the RAF Manning, Air Command, giving proper regard to the range of skills and experience needed to govern the charity. Pre-appointment to trusteeship, future trustees are briefed by Air Command Service Funds Subject Matter experts and attend trustee training. On appointment, Trustees are provided with copies of the Trust Deed, annual reports and other relevant material. On-going advice is thereafter provided to the Trustee as appropriate.

Approved by the Trustees on 16 May 2023 and signed on its behalf by



Gp Capt Claire Hazel O'Grady

Trustee

Royal Air Force Brize Norton Junior Ranks Welfare Fund

**Independent Examiner's Report to the Trustees of
Royal Air Force Brize Norton Junior Ranks Welfare Fund**

I report on the accounts of the Charity for the year ended 28th February 2023 which are set out on page 5 to 13.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Mr Ajay Bahl BA BFP FCA
Partner
Wenn Townsend
Chartered Accountants
Oxford

16 May 2023

Royal Air Force Brize Norton Junior Ranks Welfare Fund

Statement of Financial Activities
for the year ended 28th February 2023

	Note	2023 Endowment Fund £	2023 Unrestricted Fund £	2023 Total £	2022 Endowment Fund £	2022 Unrestricted Fund £	2022 Total £
Incoming resources							
Income from investments		-	16,000	16,000	-	27,412	27,412
Grants receivable	3	-	-	-	-	37,313	37,313
Charitable activities	4	-	497,028	497,028	-	357,486	357,486
Total income		-	513,028	513,028	-	422,211	422,211
Expenditure							
Expenditure on charitable activities	5	-	535,805	535,805	-	465,716	465,716
Total expenditure		-	535,805	535,805	-	465,716	465,716
Net income/(expenditure) (Losses)/gains on investment assets		-	(22,777) (12,340)	(22,777) (12,340)	-	(43,775) (16,221)	(43,775) (16,221)
Net movement in funds		-	(35,117)	(35,117)	-	(59,726)	(59,726)
Reconciliation of funds							
Total funds brought forward		69,808	765,125	834,933	69,808	824,851	894,659
Total funds carried forward		69,808	730,008	799,816	69,808	765,125	834,933

The notes on pages 8 to 13 form part of these accounts.

Royal Air Force Brize Norton Junior Ranks Welfare Fund

Balance Sheet as at 28th February 2023

	Note	2023 Endowment Fund £	2023 Unrestricted Fund £	2023 Total £	2022 Total £
Fixed assets					
Tangible assets	9	-	241,733	241,733	241,541
Investments	10	69,808	365,685	435,493	469,942
Total fixed assets		<u>69,808</u>	<u>607,418</u>	<u>677,226</u>	<u>711,483</u>
Current assets					
Stock		-	30,159	30,159	24,741
Cash at bank and in hand		-	119,246	119,246	102,425
Debtors		-	-	-	25,272
Total current assets		-	<u>149,405</u>	<u>149,405</u>	<u>152,438</u>
Current liabilities					
Creditors – due within one year	11	-	26,815	26,815	28,988
Net current assets		-	<u>122,590</u>	<u>122,590</u>	<u>123,450</u>
Net assets		<u>69,808</u>	<u>730,008</u>	<u>799,816</u>	<u>834,933</u>
Funds					
Unrestricted		-	730,008	730,008	765,125
Endowment fund – permanent	12	69,808	-	69,808	69,808
		<u>69,808</u>	<u>730,008</u>	<u>799,816</u>	<u>834,933</u>

The accounts were approved at a meeting of the Trustees on 16 May 2023 and signed on its behalf by

Claire O'Grady
Gp Capt Claire Hazel O'Grady
Trustee

The notes on pages 8 to 13 form part of these accounts.

Royal Air Force Brize Norton Junior Ranks Welfare Fund

Cash Flow Statement as at 28th February 2023

	Notes	2023 £	2022 £
Net cash flow from operating activities	13	<u>15,372</u>	<u>(35,470)</u>
Cash flow from investing activities:			
Purchase of tangible assets		(33,000)	(3,940)
Cash receipts for investment disposals		22,109	160,000
Realised profit/(loss) on sale of investments		(972)	(8,412)
Unrealised loss/(gain) on investments		<u>13,312</u>	<u>16,221</u>
Net cash flow from investing activities		<u>1,449</u>	<u>163,869</u>
Cash flow from financing activities			
(Decrease)/increase in overdraft		<u>-</u>	<u>(27,952)</u>
Net cash flow from financing activities		<u>-</u>	<u>(27,952)</u>
Net (decrease)/increase in cash		<u>16,821</u>	<u>100,447</u>
Cash at 1st March 2022		<u>102,425</u>	<u>1,978</u>
Cash at 28th February 2023		<u><u>119,246</u></u>	<u><u>102,425</u></u>

The notes on pages 8 to 13 form part of these accounts.

Royal Air Force Brize Norton Junior Ranks Welfare Fund

Notes to the Financial Statements for the year 28th February 2023

1. Basis of preparation

- a) The charity constitutes a public benefit entity as defined by FRS102. These accounts have been prepared on an accruals basis and include income and expenditure as they are earned or incurred, rather than as cash is received or paid. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Accounting Practice.
- b) The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. Significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years present unless otherwise stated.
- c) The Charity is a charitable institution with exemption from taxation under section 505 of the Income and Corporation Taxes Act 1988.
- d) The Charity is exempt from the requirement to prepare a cash flow statement.
- e) The presentational currency is sterling rounded to the nearest one pound. The comparative figures present information for the period 1st March 2021 to 28th February 2022.
- f) The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements, including a revision of expectations for the potential impact of COVID-19 on the charity. They have concluded that the budgeted income and expenditure is sufficient with the level of reserves held for the charity to be able to continue as a going concern.

2. Accounting policies

a) Income recognition

All incoming resources are included in the statement of financial activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. Income from lineage is included when the charity has unconditional entitlement to the resources.

Income from charitable activities includes bar, function and gaming income. Income is received in exchange for supplying goods and services and is recognised when entitlement has occurred.

Investments income is earned through holding assets for investment purposes such as bank deposits, it includes interest. The income is recognised as the charity's right to receive payment is established.

The charity receives government grants in respect of the Coronavirus Job Retention Scheme. These grants are recognised using the accrual model and as such are recorded in the SOFA in the period in which the charity is entitled to such grants as a result of having furloughed staff members.

b) Allocation of costs to resources expended

Specific items of expenditure are attributed to the appropriate category, of;

- Cost of generating donations and legacies. These are the costs associated with generating voluntary incoming resources from all sources other than undertaking charitable activities.
- Charitable activities. These are the resources applied by the Charity in undertaking its work to meet its charitable objectives.

Royal Air Force Brize Norton Junior Ranks Welfare Fund

Notes to the Financial Statements for the year 28th February 2023

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b) Allocation of costs to resources expended (continued)

- Governance costs. These are costs that relate to the general running of the charity. The governance costs of the Charity are primarily associated with constitutional and statutory requirements. These are included under charitable costs.
- Support costs such as postage and stationery have been allocated to activity cost categories on a consistent basis.

c) Fund accounting

The Charity mainly holds unrestricted funds which can be used in accordance with the charitable objectives of the charity and at the discretion of the trustees.

Endowment funds represent those assets which must be held permanently by the charity, principally the RAF Central Fund. Income arising on this fund can be used in accordance with the objectives of the charity and is included as unrestricted income. Any capital gains or losses form part of the fund.

- d) No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).
- e) For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met and it is probable that they will be fulfilled.
- f) Tangible fixed assets are stated at cost or deemed cost or valuation less accumulated depreciation and accumulated impairment losses. Items are capitalised if they can be used for more than a year and cost of at least £1,000. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful economic life as follows:

Capital assets	-	Nil
Fixtures, fittings and equipment	-	20% straight line
Property improvement costs	-	6.66% straight line
- g) Investments are recognised initially at their value which is normally the transaction price excluding transaction costs. Subsequently they are measured at fair value with changes recognised in net gains/(losses) on investments in the SOFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.
- h) Stocks are stated at the lower of cost and estimated selling price. Provision is made for damaged, obsolete and stock moving items where appropriate.
- i) Debtors and creditors with no stated interest rate and receivable and payable within one year are recorded at transaction price. Any losses arising from impairments are recognised in expenditure.
- j) The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and expected level of income and expenditure for 12 months from the approval date of the accounts.

Royal Air Force Brize Norton Junior Ranks Welfare Fund

Notes to the Financial Statements for the year 28th February 2023

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3. Grants receivable

	Unrestricted Fund 2023 £	Total 2023 £	Total 2022 £
Government grants receivable	-	-	27,813
Other donations	-	-	9,500
	<u>-</u>	<u>-</u>	<u>37,313</u>

Included within donations, gifts and legacies for the Charity is £Nil (2022: £27,813) of Government grants relating to the Coronavirus Job Retention Scheme.

4. Incoming resources from charitable activities

	Unrestricted Fund 2023 £	Total 2023 £	Total 2022 £
Astra Bowl	138,231	138,231	117,128
Swimming pool	253,676	253,676	202,329
Spotlight club income	1,120	1,120	629
Garage	10,307	10,307	9,665
Families' club income	29,821	29,821	8,990
Sports bar income	19,539	19,539	4,592
Other	44,334	44,334	14,153
	<u>497,028</u>	<u>497,028</u>	<u>357,486</u>

5. Expenditure on Charitable activities

The Charity undertook the following charitable activities:

	Unrestricted Fund 2023 £	Total 2023 £	Total 2022 £
Governance costs (see note 6)	2,200	2,200	1,900
Astra Bowl	165,919	165,919	132,830
Swimming pool	165,829	165,829	168,877
Spotlight club expenditure	2,308	2,308	9,037
Minibus and Camper Van	40,703	40,703	15,811
Sports grant	1,800	1,800	1,800
Families' club expenditure	38,123	38,123	14,097
Sports bar expenditure	10,562	10,562	2,114
Other	108,361	108,361	119,250
	<u>535,805</u>	<u>535,805</u>	<u>465,716</u>

Royal Air Force Brize Norton Junior Ranks Welfare Fund

Notes to the Financial Statements for the year 28th February 2023

..... continued

6. Governance costs

	Unrestricted Fund 2023	Total 2023	Total 2022
	£	£	£
Independent review of accounts	2,200	2,200	1,900
	<u>2,200</u>	<u>2,200</u>	<u>1,900</u>

Governance costs are included under charitable activities.

7. Analysis of employee costs

No employees are employed directly by the charity.

8. Trustees and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration or expenses during the year (2022: £Nil).

The total amount of employee benefit received by key management personnel is £nil (2022: £nil). The trustees are considered to be the key management personnel.

There were no high paid staff in the current or previous years.

9. Tangible fixed assets

	Fixtures, Fittings & Equipment £	Total £
Cost		
As at 1st March 2022	397,353	397,353
Additions	33,000	33,000
As at 28th February 2023	<u>430,353</u>	<u>430,353</u>
Accumulated depreciation		
As at 1st March 2022	155,812	155,812
Charge for the period	32,808	32,808
As at 28th February 2023	<u>188,620</u>	<u>188,620</u>
Net book value		
As at 28th February 2023	<u>241,733</u>	<u>241,733</u>
As at 28th February 2022	<u>241,541</u>	<u>241,541</u>

Royal Air Force Brize Norton Junior Ranks Welfare Fund

**Notes to the Financial Statements
for the year 28th February 2023**

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10. Fixed asset investments

	2023	2022
	£	£
Market value at beginning of year	469,942	637,751
Less: disposals at opening market value	(22,109)	(151,588)
Add/(deduct): Net gains/(loss) on revaluation	(12,340)	(16,221)
Market value at end of year	<u>435,493</u>	<u>469,942</u>

Listed investments at fair value:

	2023	2022
	£	£
Property fund	8,678	11,967
Japan Far East Fund	22,668	23,609
UK Fixed Interest	93,522	90,421
Structured Return	26,565	53,452
North American Equities	27,814	28,337
Hedge Funds	50,385	54,490
International and Thematic	54,465	59,080
UK Equities	72,880	74,653
Cash	24,434	14,005
International Fixed Interest	54,082	59,928
Market value at end of year	<u>435,493</u>	<u>469,942</u>

11. Creditors due within one year

	2023	2022
	£	£
Trade creditors	5,590	7,419
Other taxes and social security	17,785	19,679
Accruals and deferred income	1,890	1,890
Other creditors	1,550	-
	<u>26,815</u>	<u>28,988</u>

Royal Air Force Brize Norton Junior Ranks Welfare Fund

Notes to the Financial Statements for the year 28th February 2023

..... continued

12. Permanent endowment fund

	At 1st March 2022 £	Unrealised loss £	Transfers from unrestricted reserves £	At 28th February 2023 £
RAF Central Fund	69,808	-	-	69,808
	<u>69,808</u>	<u>-</u>	<u>-</u>	<u>69,808</u>

During 2015 the RAF Central Fund reclassified the sums advanced to a permanent endowment grant. There is no power to convert the capital provided into income and the fund is to be held indefinitely. The endowment fund must be invested and the investment value must be maintained at a value no less than the endowed grant monies, subject to market value losses and deflation. The income generated from the invested funds must be used to support appropriate charitable activities of the Fund.

13. Reconciliation of net movement in funds to net cash flow from operating activities:

	2023 £	2022 £
Net movement in funds	(35,117)	(59,726)
Add back depreciation charge	32,808	22,926
(Increase)/decrease in stock	(5,418)	(308)
Increase/(decrease) in creditors	(2,173)	16,770
(Increase)/decrease in debtors	25,272	(15,132)
Net cash flow from operating activities	<u>15,372</u>	<u>(35,470)</u>