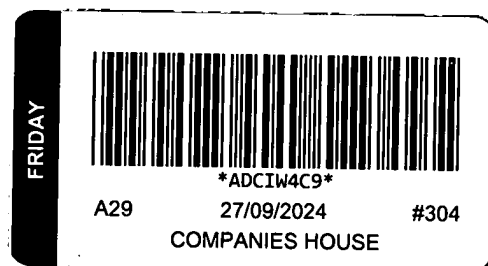


## **RAFA KIDZONE LIMITED**

### **REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**



# RAFA KIDZONE LIMITED

## REFERENCE AND ADMINISTRATIVE DETAILS YEAR ENDED 31 DECEMBER 2023

---

Registered charity number	1154822 (England and Wales)
Registered company number	08418367 (England and Wales)
Registered office	Atlas House Wembley Road Leicester England LE3 1UT
Trustees	R Huxford MBE R Brutnall P Sherwin (appointed 1 March 2024)
Secretary	R Brutnall
Principal Office	Atlas House Wembley Road Leicester LE3 1UT
Auditor	UHY Hacker Young Chartered Accountants 14 Park Row Nottingham NG1 6GR
Bankers	Barclays Barclays Business Park Leicester LE87 2BD
Investment Managers	Rothschild & Co New Court St Swithin's Lane London EC4N 8AL

# **RAFA KIDZONE LIMITED**

## **TRUSTEES' REPORT YEAR ENDED 31 DECEMBER 2023**

---

The Trustees of RAFA Kidzone Limited (the Charity) present this report and the financial statements of the Charity for the period ended 31 December 2023. The financial statements have been prepared based on the accounting policies set out in note 2 to the financial statements.

### **Aims and Objects**

The object of the Charity is to enhance the development and education of children and provide for their individual needs. This is done by offering inclusive and appropriate play and learning facilities that meet the needs of all children regardless of family status, disability, colour, ethnic origin, religion or belief.

### **Activities**

The Charity meets its object by the holding and investing funds for the benefit of children attending the nursery settings at specific stations to benefit RAF personnel.

### **Achievements**

The Charity donated £203,074 to nurseries its Restricted and Designated Funds during the year to fund improvements at the nursery settings.

### **Public benefit**

Whilst the Charity has in the past provided childcare for the children of serving personnel, civil servants and contractors working at RAF Cranwell, its services are available to families in the wider community as well. The charity does not currently have any nursery settings (RAF Cranwell having transferred to RAF Kidz Limited in 2022), it still holds and attracts funding and donations for the purpose of supporting childcare and developing nursery settings.

In drafting the above statements, the Trustees have complied with the duty in the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission.

### **Financial Review**

In the twelve months to 31 December 2023, the Charity's income was £243,630 (2022: £897,919). The Charity's expenditure was £206,515 (2022: £839,871), resulting in a surplus of £52,503 (2022: £56,262). The capital and reserves of the Charity at the end of the year were £266,843 (2022: £214,230).

### **Reserves policy**

Trustees have reviewed the Reserves Policy and have affirmed the restricted and designated funds as set out in note 10, which exist to ensure that the Charity can continue to invest in projects which support the achievement of its charitable object and improve the experience of children attending the specific nursery settings. The designated fund of £38,000 has been created to allocate accumulated funds from when the company had RAF Cranwell Nursery for future application at that nursery. As of 31 December 2023, total funds are £266,843 of which free, unrestricted reserves are £13,358.

# RAFA KIDZONE LIMITED

## TRUSTEES' REPORT (continued) YEAR ENDED 31 DECEMBER 2023

---

### Structure and Governance

The Charity is a company limited by guarantee and a registered charity governed by its Articles of Association. The Charity is registered with the Charity Commission and with Ofsted.

The Charity is a wholly owned subsidiary of RAFA Kidz Limited, which is a wholly owned subsidiary of the Royal Air Forces Association (registered charity number 226686 and SC037673).

The Board of Trustees is collectively accountable for the long-term success of the Charity and Trustees act in accordance with their duties under charity law. Trustees are also company directors and subject to the directors' duties set out in sections 170-177 Companies Act 2006.

The Board is responsible for the Charity's compliance with all relevant legislative and regulatory requirements. It is responsible for determining the strategy and values of the Charity, its performance, standards of conduct and corporate governance. The Board reviews the position of the Charity and receives reports from the Management Team led by the Manager. The Board is responsible for approving the annual business plan and a range of supporting strategies. The Board believes that good governance is key to the ongoing success of the organisation. In terms of maintaining high standards of governance and has adopted of the Charity Governance Code for smaller charities.

### *Composition of the Board of Trustees*

The Trustees who served in the year to 31 December 2023 are listed below.

R P O'Connor (resigned 1 March 2023)  
R Huxford MBE  
R Brutnall  
P Sherwin (appointed 1 March 2024)

All Trustees give their time voluntarily and receive no benefits from the Charity. No expenses were reclaimed from the Charity. RP O'Connor, R Huxford, R Brutnall and P Sherwin are employees of the Royal Air Forces Association. R P O'Connor is a director of RAFA Kidz Limited.

In accordance with the Charity's Articles of Association, Trustees are appointed by the Charity's sole member, RAFA Kidz Limited. When recruiting new Trustees appropriate due diligence is carried out to ensure that candidates have a valid DBS check, are eligible to act as charity trustees and company directors in accordance with the Articles of Association, Charities Act 2011 (as amended by Charities (Protection and Social Investment) Act 2016) and Companies Act 2006 and are fit and proper persons as defined under the management condition in Finance Act 2010.

Each Trustee is provided with a briefing pack and an individual induction programme is agreed and implemented covering all aspects of the role and the work of the Charity as required. Trustees also receive ongoing briefings and training from subject-matter experts and external advisers in critical areas such as Ofsted regulation, safeguarding, health and safety, data protection, risk management and reserves.

# **RAFA KIDZONE LIMITED**

## **TRUSTEES' REPORT (continued)** **YEAR ENDED 31 DECEMBER 2023**

---

### **Risk Management**

The Trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise, to provide reasonable assurance that its assets are safeguarded against unauthorised use or disposal, that proper records are maintained, and information is reliable and that relevant laws and regulations are complied with.

As a member of the Royal Air Forces Association group, the Charity is subject to the Association's Risk Management Policy and Trustees have reviewed their risk appetite during the year. In terms of priorities, Trustees have agreed that the need to avoid reputational, compliance and excessive financial risk will take priority over other factors, whilst recognising a balanced assessment has to be taken as, in many cases, there are risks attached to both doing something and doing nothing.

The risk management process set out in the policy is designed to identify and assess risks and so that appropriate risk management strategies are implemented, and their effectiveness monitored. Trustees have identified the following as its key risks:

- Regulatory compliance. Mitigation includes employment of professionally qualified staff and mandatory training, the support of relevant subject matter experts employed by other group companies and regular reviews of policies;
- Long-term financial sustainability and short-term cash flow failure. Mitigation plans include financial planning and performance monitoring, both in terms of annual budgets and reserves and investments; and
- Loss of operational capability. Plans include a range of processes to ensure recruitment and retention of appropriately qualified and trained employees.

### **Plans for the future**

The Trustees are committed to supporting the delivery of affordable and nurturing early years' childcare in welcoming and safe environments and ensuring the long-term sustainability of the Charity. The Charity is seeking to carefully apply its fund in support of the provision of high-quality childcare.

The Trustees have considered the Charity's performance during 2023 and have reviewed the 2024 full year forecast and the assumptions on which the forecasts were based and are satisfied that the Charity remains a going concern, is financially viable for at least the next twelve months and has a charitable purpose to meet which it is able to deliver.

### **Auditor**

The auditor, UHY Hacker Young, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Trustees' responsibilities in relation to financial statements**

The Trustees are responsible for preparing the Trustees' Report 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 period, which give a true and fair view of the Charity and of the incoming resources and application of resources, including the income and expenditure of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities Statement of Recommended Practice;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

# **RAFA KIDZONE LIMITED**

## **TRUSTEES' REPORT (continued) YEAR ENDED 31 DECEMBER 2023**

---

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

### **Trustees' responsibilities in relation to financial statements (continued)**

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Association and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the Charity's auditor is 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 auditor is aware of that information.

This report was approved by the Trustees on 16 April 2024 and signed on its behalf by:



---

R. HEXTON MBE

**Trustee**

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAFA KIDZONE LIMITED

---

### Opinion

We have audited the financial statements of RAFA Kidzone Limited (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its 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 charitable company 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'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 other information comprises the information included in the Trustees' report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within 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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### 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 includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

---

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAFA KIDZONE LIMITED

---

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report in preparing the Trustees' Report.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 5, 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.

### **Auditor's responsibilities for the audit of the financial statements**

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

### **The extent to which the audit was considered capable of detecting irregularities, including fraud.**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAFA KIDZONE LIMITED

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP, Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are Keeping Children Safe in Education under section 175 of the Education Act 2002, the Childcare Act 2006 and the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of whether the company is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <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.

Chris McKain

Chris McKain  
Senior Statutory Auditor

Date 23 APRIL 2024

For and on behalf of UHY Hacker Young  
Chartered Accountants and Statutory Auditor

# RAFA KIDZONE LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2023


				Total	Total
	Notes	Unrestricted	Designated	Restricted	
		£	£	2023	2022
				£	£
<b>INCOME FROM</b>					
Donations		1,000	-	242,630	243,630
					85,218
<b>Charitable Activities</b>					
Fees		-	-	-	650,277
Grants	3	-	-	-	133,486
Miscellaneous		-	-	-	28,938
<b>Total Income</b>		<b>1,000</b>	<b>-</b>	<b>242,630</b>	<b>243,630</b>
					<b>897,919</b>
<b>EXPENDITURE ON</b>					
Charitable Activities	4	(3,442)	(4,600)	(198,473)	(206,515)
					(839,871)
<b>Total Expenditure</b>		<b>(3,442)</b>	<b>(4,600)</b>	<b>(198,473)</b>	<b>(206,515)</b>
					<b>(839,871)</b>
<b>Net Income/(Expenditure) and net movement in funds for the year</b>		<b>(2,442)</b>	<b>(4,600)</b>	<b>44,157</b>	<b>37,115</b>
					<b>58,048</b>
Gain / (Loss) on Investment		-	-	15,388	15,388
					(1,786)
<b>Net movement in funds</b>		<b>(2,442)</b>	<b>(4,600)</b>	<b>59,545</b>	<b>52,503</b>
					<b>56,262</b>
<b>Reconciliation of Funds</b>					
Total Funds Brought Forward		50,400	-	163,940	214,340
Transfer between Funds		(34,600)	42,600	(8,000)	-
					-
<b>Total Funds Carried Forward</b>		<b>13,358</b>	<b>38,000</b>	<b>215,485</b>	<b>266,843</b>
					<b>214,340</b>

# RAFA KIDZONE LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2023

	Notes	£	2023 £	£	2022 £
<b>FIXED ASSETS</b>					
Investments	7		213,602		98,214
<b>CURRENT ASSETS</b>					
Debtors	8	-		20,671	
Cash as bank and in hand		55,278		140,845	
		55,278		161,516	
<b>CREDITORS</b>					
Amounts falling due within one year	9	(2,037)		(45,390)	
<b>NET CURRENT ASSETS</b>			53,241		116,126
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>266,843</b>		<b>214,340</b>
<b>FUNDS</b>					
Restricted funds:					
Brize Norton Nursery Fund	10		48,583		
Digby Nursery Fund	10		99,422		100,000
Leeming Nursery Fund	10		67,480		65,726
Designated:					
Cranwell Nursery Fund	10		38,000		
General	10		13,358		48,614
<b>TOTAL FUNDS</b>			<b>266,843</b>		<b>214,340</b>

Approved by the Trustees and signed on their behalf on 16 April 2024



R Huxford MBE  
Trustee

# RAFA KIDZONE LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

Cash flows from operating activities		2023	2022
	Notes	£	£
Net cash from/ (used in) operating activities	below	14,433	58,514
Cash flow from investing activities			
Purchase of fixed assets		-	(3,041)
Purchase of investments		(100,000)	(100,000)
Proceeds from sale of fixed assets		-	15,420
Net cash used in investment activities		(100,000)	(87,621)
Changed in cash and cash equivalents in the year		(85,567)	29,107
Cash and cash equivalents at the beginning of the year		140,845	169,952
Cash and cash equivalents at the end of the year		<u>55,278</u>	<u>140,845</u>
Reconciliation of net movements in funds to net cash flows from operating activities			
	Notes	2023	2022
		£	£
Net movement in funds for the reporting period		<u>52,503</u>	<u>56,262</u>
Adjustments for:			
Depreciation on tangible fixed assets		-	5,656
Fair value movement on investments		(15,388)	1,786
(Increase)/ decrease in debtors		20,671	(18,922)
(Decrease)/ increase in creditors		(43,353)	13,732
Net cash generated from operating activities	above	<u>14,433</u>	<u>58,514</u>
Analysis of cash and cash equivalent			
		2023	2022
		£	£
Cash in hand			
Bank accounts		55,278	140,845
		<u>55,278</u>	<u>140,845</u>

# **RAFA KIDZONE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2023**

---

#### **1. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no critical accounting estimates and areas of judgement to note.

#### **2. PRINCIPAL ACCOUNTING POLICIES**

##### **General information**

RAFA Kidzone Limited is an incorporated private company (registered number 08418367) and a registered charity at the Charity Commission (charity registration no. 1154822) in England and Wales. The charity is a company limited by guarantee.

The address of the charity's registered office is Atlas House, Wembley Road, Leicester, England LE3 1UT. The nature of the charity's activities are set out in the Trustees Report.

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

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards. 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 United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and the requirements of the Companies Act 2006.

RAFA Kidzone Limited meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

Monetary amounts in the financial statements are rounded to the nearest £1. The financial statements are presented in sterling which is also the functional currency of the Charity.

##### **Going concern**

Based on the company's forecasts, the Directors have adopted the going concern basis in preparing the Financial Statements. The Directors have made this assessment after consideration of the company's cash flows and related assumptions and in accordance with the Guidance published by the UK Financial Reporting Council.

The Company's accounts and cash flow forecasts take all the above factors into account and indicate that the Company will have sufficient funds to operate as a going concern for the foreseeable future.

##### **Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the objectives of the Charity and which have not been designated for other purposes.

Designated funds are unrestricted funds that have been set aside by the Trustees for particular purposes. These funds are reviewed annually.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. Expenditure is charged to the Statement of Financial Activities when incurred.

**RAFA KIDZONE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

---

**2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**Income**

All income is included in the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received, and the amount can be measured reliably. The following specific policies are applied to particular categories of income.

Income in the form of donations is included when receivable.

Fundraising income is included in income in the period in which the Charity becomes entitled to receipt.

Investment income is included when receivable.

Income from charitable activities including grants receivable is included in income in the period in which the charity becomes entitled to receipt.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**Expenditure**

All expenditure is accounted for on an accruals basis as a liability is incurred or when the Charity is deemed to have a legal or constructive obligation which will result in a probable transfer of economic benefits. Expenditure has been classified under headings that aggregate all costs related to the category. Expenditure includes irrecoverable VAT.

Costs of raising funds include fundraising trading costs. These costs are regarded as necessary to generate funds that are needed to finance charitable activities.

Charitable activities expenditure enables the Charity to meet its charitable aims and objectives and include both direct and support costs relating to the activity.

Support costs have been allocated to cost of raising funds and charitable activities on a basis of direct costs where appropriate and for salaries on a proportionate percentage of time.

**Tangible fixed assets**

It is RAFA Kidzone Limited policy that all items either purchased by or donated to RAFA Kidzone Limited for use within the childcare sessions shall not be capitalised due to the expected heavy use and wear and tear within such an environment. These items shall be treated as immediate expenditure with no depreciation. The capitalisation limit for all other items is set at £1,000.

**RAFA KIDZONE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**Tangible fixed assets (continued)**

Tangible fixed assets are initially recorded at cost and subsequently measure at cost or valuation net of depreciation and any impairment loss. Depreciation is provided for on all tangible fixed assets at rates calculated to write each asset down to its estimated value evenly over its expected useful economic life as follows:

- Office equipment	25% straight line
- Furniture & fixtures	25% straight line
- Nursery equipment	25% straight line
- Motor vehicles	25% on net book value

Impairment reviews are carried out where there are indications that recoverable amounts of fixed assets are below their carrying values.

Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairment losses in the Statement of Financial Activities.

**Donations of goods and services**

Donations were made during the year to RAFA Kidz Limited, for the purpose of achieving the objects of the charity and supporting the nurseries at RAF Leeming and RAF Cranwell.

**Investments**

Long term investments are classified as fixed assets. Short term investments are classified as current assets.

Listed investments are stated at fair value at the balance sheet date. Realised and unrealised gains and losses are shown in the Statement of Financial Activities. The fair value of the investments quoted on a recognised stock exchange is the quoted bid price.

**Financial instruments**

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

**Retirement benefits**

For defined contribution schemes the amount charged to the Statement of Financial Activities is the contribution payable in the year. Difference between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

<b>3 GRANTS</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Local Authority	-	133,486
Welfare	-	55
	<u>-</u>	<u>133,541</u>

All grant income is unrestricted in the current year and prior period.

**RAFA KIDZONE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

<b>4 CHARITABLE ACTIVITIES</b>	<b>Expenditure</b>	<b>2023 Total £</b>	<b>2022 Total £</b>
<b>General Funds:</b>			
Direct Costs	-	-	541,238
Allocated support costs	2,442	2,442	280,359
Donation to RAFA Kidz	1,000	1,000	-
<b>Total Unrestricted Funds</b>	<b>3,442</b>	<b>3,442</b>	<b>821,597</b>
Included within total expenditure is a charge for auditors' remuneration of £2,260 for the current year (2022: £2,000)			
<b>Designated Funds:</b>			
Cranwell Nursery Setting	4,600	4,600	-
<b>Total Designated Funds</b>	<b>4,600</b>	<b>4,600</b>	<b>-</b>
<b>Restricted Funds:</b>			
Donation to RAFA Kidz Limited for Digby Nursery	3,793	3,793	-
Donation to RAFA Kidz Limited for Brize Norton Nursery	152,680	152,680	-
Donation to RAFA Kidz Limited for RAF High Wycombe Nursery	42,000	42,000	-
Donation to RAFA Kidz Limited for RAF Leeming Nursery	-	-	18,274
<b>Total Restricted Funds</b>	<b>198,473</b>	<b>198,473</b>	<b>18,274</b>
<b>Total</b>	<b>206,515</b>	<b>206,515</b>	<b>839,871</b>

**ALLOCATED SUPPORT COSTS**

	<b>2023 £</b>	<b>2022 £</b>
Other site costs	-	1,195
Advertising and promotion	-	312
Printing and stationery	-	2,354
Telephone	-	2,766
Insurance	-	8,335
Repairs	-	1,575
Depreciation	-	5,656
Management fee	-	68,881
Other expenditure	2,442	33,622
Staff costs	-	142,766
Governance costs	-	12,896
	<b>2,442</b>	<b>280,359</b>



**RAFA KIDZONE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

<b>5</b>	<b>STAFF COSTS</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Total staff costs for the charity comprised:		
	Gross salaries	-	592,743
	Employer's National Insurance	-	39,255
	Employer's pension	-	10,196
		<u>-</u>	<u>642,194</u>

The average number of staff employed by the charity during the year ended 31 December 2023 was Nil (2022: 43).

All key management personnel are paid through the parent charity and disclosed in their financial statements.

No employee was paid £60,000 or more in the current year or prior period.

**6. TRUSTEES REMUNERATION**

No remuneration or expenses were paid to the Trustees during the current year or prior year. The trustees were remunerated for their services to the group by the ultimate parent undertaking, The Royal Air Forces Association.

Professional indemnity insurance to cover the Trustees was paid by the charity during the year.

**7. INVESTMENTS**

	<b>Total 2023</b>
	<b>£</b>
<b>Market Value as at 1 January 2023</b>	
at 1 January 2023	98,214
Additions	100,000
Fair value movement on Investment	15,388
<b>Market Value as at 31 December 2023</b>	<u><b>213,602</b></u>
Historical cost as at 31 December 2023	<u><b>200,000</b></u>

RAFA Kidzone Limited invested funds in the year with Rothschild & Co into their pooled New Court Fund. All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The investment funds held are wholly within Rothschild & Co. New Court Fund, in multi asset and hybrid instruments (99.99%) or cash (0.01%), where there are no holdings in excess of 5% of the total market value.

**RAFA KIDZONE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**8. DEBTORS**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade debtors	-	5,251
Amounts owed from group undertakings	-	15,420
	<u>-</u>	<u>20,671</u>

**9. CREDITORS**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Trade creditors	-	8,625
Amounts owed to group undertakings	177	29,500
Accruals	1,860	2,000
Other creditors	-	5,265
	<u>2,037</u>	<u>45,390</u>

**10. ANALYSIS OF FUNDS**

	<b>Balances as at 1 January 2023</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Balances as at 31 December 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted Funds:</b>					
Brize Nursery Fund	-	200,000	(152,680)	1,263	48,583
Digby Nursery Fund	100,000	630	(3,793)	2,585	99,422
High Wycombe Nursery Fund	-	42,000	(42,000)	-	-
Leeming Nursery Fund	65,726	-	-	1,754	67,480
Gain / (Loss) on investment	(1,786)	15,388	-	(13,602)	-
<b>TOTAL</b>	<b>163,940</b>	<b>258,018</b>	<b>(198,473)</b>	<b>(8,000)</b>	<b>215,485</b>
<b>Unrestricted Funds:</b>					
<b>Designated Funds:</b>					
Cranwell Nursery Fund	-	-	(4,600)	42,600	38,000
<b>TOTAL Designated</b>	<b>-</b>	<b>-</b>	<b>(4,600)</b>	<b>42,600</b>	<b>38,000</b>
<b>General Reserve</b>	<b>50,400</b>	<b>1,000</b>	<b>(3,442)</b>	<b>(34,600)</b>	<b>13,358</b>
<b>TOTAL</b>	<b>214,340</b>	<b>259,018</b>	<b>(206,515)</b>	<b>-</b>	<b>266,843</b>

**Restricted funds**

This restricted fund is to enable the future development of those nurseries. New Restricted funds were created in the year as funds were received for the purpose of development and support of the Nurseries. Investment gains of £8,000 (2022: £Nil) are allocated to the General Fund towards the costs of running the organisation, and the residual amounts are proportionality across the restricted funds balances at the end of the year. Total restricted funds at 31 December 2023 are £215,485 (2022: £163,940).

**Designated funds**

The Trustees created a designated fund from Cranwell accumulated reserves for the future development of Cranwell nursery. Total Designated funds at 31 December 2023 are £38,000 (2022: £Nil).

**RAFA KIDZONE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**11. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds	Designated Funds	Restricted Funds	Total
	£	£	£	£
Investments	-	-	213,602	213,602
Current Assets	15,395	38,000	1,883	55,278
Current Liabilities	(2,037)	-	-	(2,037)
<b>Total Net Asset</b>	<b>13,358</b>	<b>38,000</b>	<b>215,485</b>	<b>266,843</b>

Prior Year	Unrestricted funds		Restricted Funds	Total
	£		£	£
Investments	-	-	98,214	98,214
Current Assets	161,516	-	-	161,516
Current Liabilities	(45,390)	-	-	(45,390)
<b>Total Net Asset</b>	<b>116,126</b>	<b>-</b>	<b>98,214</b>	<b>214,340</b>

**12. RELATED PARTY TRANSACTIONS**

During the year the Charity paid management fees of £Nil (2022: £38,848) to RAFA Kidz Limited, the immediate parent undertaking. At the year end the Charity owed £177 (2022: £29,500) to RAFA Kidz Limited. RAFA Kidz Limited owes £Nil (2022: £15,240) to RAFA Kidzone Limited at the end of the year.

During the year the Charity made purchases of £Nil (2022: £3,156) from RAFATrad Limited, a company owned by the ultimate parent undertaking, the Royal Air Forces Association.

**13. PARENT COMPANY**

RAFA Kidzone Limited is a wholly owned subsidiary of RAFA Kidz Limited (Company number 11927027, registered in England and Wales). This is the Charity's immediate parent undertaking. The registered office is the same as its ultimate parent undertaking. The principal activity of RAFA Kidz Limited is that of running a children's nursery.

RAFA Kidz Limited is a wholly owned subsidiary of the Royal Air Forces Association, a charity registered in England and Wales (registration number 226686) and Scotland (registered number SC037673). Purpose of Association is to promote the welfare by charitable means of all serving and former members of the Air Forces. This is the Charity's ultimate parent undertaking. The Charity is only included in the consolidated accounts of The Royal Air Force Association. Their accounts are available from the registered office being Atlas House, Wembley Road, Leicester, England LE3 1UT.

**RAFA KIDZONE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**14. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022**

	Continuing operations at 31 December 2022		Discontinued operations at 31 December 2022		Total
	Unrestricted £	Restricted £	Unrestricted £	Restricted £	2022 £
<b>INCOME FROM</b>					
Donations	-	84,000	1,218	-	85,218
<b>Charitable Activities</b>					
Fees	-	-	650,277	-	650,277
Grants	-	-	133,486	-	133,486
Miscellaneous	-	-	28,938	-	28,938
<b>Total Income</b>	<b>-</b>	<b>84,000</b>	<b>813,919</b>	<b>-</b>	<b>897,919</b>
<b>EXPENDITURE ON</b>					
Charitable Activities	(10,000)	(18,274)	(811,597)	-	(839,871)
Investment					
<b>Total Expenditure</b>	<b>(10,000)</b>	<b>(18,274)</b>	<b>(811,597)</b>	<b>-</b>	<b>(839,871)</b>
<b>Net Income/(Expenditure) and net movement in funds for the year</b>	<b>(10,000)</b>	<b>65,726</b>	<b>2,322</b>	<b>-</b>	<b>58,048</b>
Loss on Investment		(1,786)	-	-	(1,786)
<b>Net movement in funds</b>	<b>(10,000)</b>	<b>63,940</b>	<b>2,322</b>	<b>-</b>	<b>56,262</b>