



THE ROYAL AIR FORCES ASSOCIATION

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2024**

THE ROYAL AIR FORCES ASSOCIATION LIMITED

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THE ROYAL AIR FORCES ASSOCIATION
REFERENCE AND ADMINISTRATIVE DETAILS
YEAR ENDED 31 DECEMBER 2024

REGISTERED CHARITY NUMBERS	226686 (England and Wales), SC037673 (Scotland)
PRINCIPAL OFFICE	Atlas House, 41 Wembley Road, Leicester, LE3 1UT
PATRON	His Majesty The King
LIFE VICE-PRESIDENTS	<p>Marshal of the Royal Air Force The Lord Stirrup KG GCB AFC FRAeS FCMI</p> <p>Air Chief Marshal Sir Stephen Dalton KCB ADC BSc FRAeS CCMI</p> <p>Air Chief Marshal Sir Joseph Gilbert KCB CBE LLD (hc)</p> <p>Air Chief Marshal Sir Glenn Torpy GCB CBE DSO ADC BSc (Eng) FRAeS</p> <p>Air Chief Marshal Sir Andrew Pulford GCB CBE ADC</p> <p>Air Chief Marshal Sir Stephen Hillier GCB CBE DFC ADC MA</p> <p>Air Marshal Sir Dusty Miller KBE</p> <p>Air Marshal P O Sturley CB MBE BSc FRAeS</p> <p>Air Vice-Marshal J Cliffe CB OBE</p> <p>Air Vice-Marshal P Liddell CB BSc CEng FIET FRAeS</p> <p>Air Vice-Marshal N Bairsto CB MBE</p> <p>Air Commodore A H Vaughan OBE BA FIMgt</p> <p>Air Commodore G A Opie CBE MDA MA BSc FCIPD RAF</p> <p>Dr B Pattison, OBE (deceased November 2024)</p> <p>Mr J Tisbury MBE MRAeS MCMI</p>
TRUSTEE MEMBERS OF THE COUNCIL	
President	Air Marshal Sir Baz North KCB OBE MA FRAeS
Chair	Air Vice-Marshal A N C Reid CB OSTJ MBChB MSc DRCOG DAvMed FFOM
Vice Chair	Air Vice-Marshal M Neal OBE
Honorary Treasurer	Mrs S Munday FCA
Area Elected Members	<p>Flt Lt S Arnett RAF (Wales, Midlands and South-West)</p> <p>Mr R Blunden (South-East and Eastern)</p> <p>Sqn Ldr M Greer RAFAC (Scotland, Northern Ireland and Northern England)</p> <p>Mr G Overton (European and Overseas, to February 2024)</p> <p>Mrs B Dennett Stannard (European and Overseas, February – October 2024)</p> <p>Mr D Forsyth (European and Overseas, from October 2024)</p> <p>Mr M Watkins (Central)</p>

THE ROYAL AIR FORCES ASSOCIATION
REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
YEAR ENDED 31 DECEMBER 2024

Members Appointed by The Royal Air Force	Air Commodore G A Opie CBE MDA MA BSc FCIPD RAF (to October 2024) Air Commodore L Turner BEng (Hons) (from October 2024) Squadron Leader M Aopare RAF (from February 2024) Warrant Officer M Rees-Martin
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Appointed Members	Mrs S Bailey (from February 2024) Ms F Barber Mrs P Bearblock
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SENIOR MANAGEMENT TEAM

Secretary General	Mr N Bunting OBE CDir FIOD CMgr FCMI
Deputy CEO	Ms R Huxford MBE BA
Charity Director	Mr R O'Connor MA
Chief Finance Officer	Mrs K Parkin JP BSc (Hons) ACMA CGMA MCIPP
Chief Information Officer	Mr P Sherwin BSc (Hons) MBCS
Group Company Secretary	Mrs R Brutnall BA (Hons) ACG

PROFESSIONAL ADVISORS

Auditors	UHY Hacker Young LLP, 14 Park Row, Nottingham, NG1 6GR
Solicitors	Freeths LLP, One Colton Square, Leicester, LE1 1QH Bates Wells & Braithwaite London LLP, 10 Queen Street Place, London, EC4R 1BE

The Trustees of The Royal Air Forces Association (the Association) are pleased to present this report and the consolidated financial statements of the Association for the year ended 31 December 2024. The financial statements have been prepared based on the accounting policies set out in Note 2 to the financial statements and comply with the Royal Charter, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) (effective 1 January 2019).

Our charitable object and activities for the public benefit

The Association is a Royal Charter Body and public benefit entity. The Trustees have given due consideration to the Charity Commission's published guidance on the operation of the Public Benefit requirement, and confirm that the object of the Association, as established and incorporated, is to promote, through the comradeship engendered by its members, the welfare by charitable means of all serving and former members of Our Air Forces, their spouses and dependants, together with the widows and widowers and dependants of those who died whilst serving or subsequently.

This has been distilled into our vision: an RAF community which is connected, empowered and resilient. To achieve our vision, we are committed to a simple yet important mission: to support and enable the RAF community to meet the challenges of everyday life. There are only two criteria for assistance: eligibility and need.

We believe that we are at our strongest when we work together. Crucial to the successful delivery of all our charitable activities is our committed global network of over 66,000 members, supporters, volunteers and employees, all committed to making lives better. It is impossible to definitively quantify the value of their contribution in monetary terms, and therefore this is not recorded in the financial statements.

Delivering against our 2024 aims and objectives

Throughout our history we have brought people and communities together who share the goal of improving the lives of those serving and who have served, and their families and loved ones. Our welfare and wellbeing programmes (designed to meet the specific needs of RAF community) and our membership network formed the core of our outputs and outcomes. Our activities and outcomes are structured around the themes identified in our vision: Connected; Empowered; Resilient.

The Association's 213 branches play a unique role, providing a link between the charity and local RAF communities around the world. Throughout 2024 they provided vital support to the RAF community through outreach and wellbeing support, volunteering, fund raising and support for local commemorative events. They are each charities in their own right, managed by their branch committees but subject to the Association's Royal Charter, Rules, Byelaws and Standard Regulations.

Connected

We support all generations to sustain strong relationships and remain connected with the RAF.

Our members have always been at the heart of all we do. At the end of 2024, we had 64,478 members (of whom, nearly 3,000 joined during the year).

Our global outreach programme, supported by branches, volunteers and corporate partners, called over 8,000 individual members of the RAF community during 2024 to check on their wellbeing. Over 1,000 calls resulted in referrals to our welfare and wellbeing services, providing essential support.

During 2024 over 1,880 individuals were supported by our RAFA Connections for Life befriending service, made possible by nearly 800 volunteers.

Our retirement living accommodation, at locations in Dumfriesshire, Leicestershire, Northumbria and West Sussex provided over 100 individuals with the opportunity to live independent lives as part of a supportive community. We continue to explore opportunities to develop and expand this provision.

Empowered

We empower our community by giving them the tools they need to live dignified, fulfilled, and independent lives.

In 2024 the Association continued to play a leading role in supporting the welfare needs of the RAF community, as the primary provider of casework. In 2024 we managed nearly 40% of all RAF cases recorded on the military charity sector-wide case management system. We supported 2,669 people, through over 3,700 cases.

The average number of needs per beneficiary increased to 2.9, from 2.8 in 2023. This is an indication of the continued increase in the complexity of the cases we supported. This work was only possible due to our field-force of highly trained, knowledgeable and experienced casework volunteers.

We were also proud of the specialist support we provided to serving, recently medically discharged and veteran personnel and family members to secure awards under the War Pensions and Armed Forces Compensation Scheme. In 2024 we supported 338 beneficiaries to secure £1.38 million in lifetime awards.

Resilient

We help our RAF community to overcome the challenges of everyday life by increasing resilience and wellbeing.

Being part of the RAF community can present unique challenges arising from military life. We help our RAF community to overcome the challenges of everyday life by increasing resilience and wellbeing.

Being able to access affordable, high-quality childcare is vital to serving families and is one of the eight core workstreams in the UK Armed Forces Families Strategy 2022-32. We are delighted to be able to support this work, which is vital to serving families. In 2024 RAFAKidz enlarged its provision to 17 registered settings (2023: 10), on 16 establishments allowing us to support 2,238 children in the course of the year.

In 2024 we ran over 70 'Finding It Tough' courses (our bespoke wellbeing course, tailored to recognise the unique challenges of military service). These were attended by 479 members of the wider RAF community (family members of serving personnel, contractors, veterans and their families). The course recognises the unique challenges which being part of the RAF community can present, and that everyone may struggle with mental health from time to time. Of those attending, 93 per cent reported that they felt they had an improved knowledge of mental health issues and 88 per cent felt their confidence to talk about mental health had improved.

Our Veterans' Resilience Programme, a holistic programme designed to support veterans who may be experiencing mental health and wellbeing challenges arising from their military service and which run in partnership with Loughborough University, ran again in 2024 supporting seven veterans.

In 2024 we increased the provision of our established Navigating Dementia course on RAF stations, providing 16 courses to serving personnel and three to veteran groups. These increased their understanding of dementia and how they may support loved ones and family members living with the condition.

We recognise the importance of time away from the usual pressures of life in supporting families to increase their resilience and wellbeing. In 2024, 442 people (2023: 292) stayed in our holiday accommodation in Scotland (Dunbar), Norfolk (Hemsby) and West Sussex (Selsey), enjoying time with family and friends and 69 beneficiaries benefitted from respite breaks.

THE ROYAL AIR FORCES ASSOCIATION
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2024

Resources

We are only able to provide the support we do through the commitment and time given by our committed force of volunteers. The Association remains the only military charity to train its volunteers to nationally-accredited standards. Course subjects include Safeguarding, Casework, Equality, Diversity and Inclusion, Prevent and Grief Awareness, as well as those aimed at supporting branch Trustees with their governance responsibilities. In 2024, over 2,013 of our volunteers completed training courses, equipping them with the skills and support they needed.

The Association also relies on fundraising to support its activities now and in the years to come, ensuring that it can continue to support future generations of the RAF community.

We are committed to the highest possible standards of fundraising. During 2024 we continued to work to ensure that all our activities were compliant with legislative, regulatory and best practice standards. We have been registered with the Fundraising Regulator since its inception in 2016, demonstrating our commitment to the Code of Fundraising Practice and the Fundraising Promise.

In 2024 the main sources of fundraised income were donations and fundraising by individuals, branches and RAF stations, gifts in wills and donations from trusts and corporate partners. The Association is grateful for the support given to its work by all those who funded it during 2024. Some trusts, foundations, corporate partners and individuals who supported us with major gifts wish to remain anonymous; others included:

2Excel	KBR
AeroSuperBatics Ltd	Leonardo UK
Amrik Sandhu	LifeJacket Skin Protection
Anne Jane Green Trust	Little Brown
April Fools Club	Lockheed Martin Corporation
Armed Forces Covenant Fund Trust	Lockheed Martin UK
Aviation Focus Group	Lonestar Analysis
Babcock	Lotus
BAE Systems plc	Lord Naseby
Baron Davenport's Charity	Maud Elkington Charitable Trust
Beryl Doreen (BD) Thomas Charitable Trust	MBDA Missile Systems
Boeing	Ministry of Defence
CAE	Moondance Foundation
CGI	Musketeer Solutions
City Bridge Foundation	Office for Veterans' Affairs
Clare Milne Trust	Plexys
Clarion Events Ltd	Plowright Charitable Trust
Collins Aerospace	QinetiQ
The Digital Line	Queen Mary's Roehampton Trust
dot2dot	RAF Club
Duncan Barber OBE	The Rare Tea Company
Englefield Charitable Trust	Raytheon
Erdinger	Red Arrows Trust
Fujitsu	Roger Raymond Charitable Trust
Gale Family Charity Trust	Schroders Personal Wealth
Gerald Bentall Charitable Trust	Serco RAF Brize Norton
Hobson Charity Ltd	Sir Donald and Lady Edna Wilson Charitable Trust
IMLD Forde Charitable Settlement	Todd and Kathy Ganos
Inzpire	Top Aces
James Weir Foundation	Verizon
John James Bristol Foundation	Wilkin & Sons
John James Leon Varney Will Trust	Wolf Brewery
Liz and Terry Bramall Foundation	ZVM Rangoonwala Foundation

During 2024, all our interactions with the general public were carried out by our employees and volunteers, except for one supplier whose services we employed to interact directly with the public to administer our Wings Lotto. We ensured that the contract with the supplier included fundraising compliance clauses. As part of our work to ensure compliance with fundraising regulation and best practice, we monitor our supplier to ensure they continue to meet the same high standards we expected of our own fundraisers. In a similar vein, we also have contracts in place with all corporate partners who raised funds or donated to us.

Public benefit

When reviewing the Association's aims and objectives and in planning activities and policies, the Trustees have considered the Charity Commission's general guidance on public benefit and to its supplementary guidance on public benefit and fee charging. All services provided by the parent charity are either free or heavily subsidised. Where fees are charged, for occupying a residential property, the beneficiary's means are always considered so that no eligible member of the RAF community is prevented from accessing the services of the Association because they cannot afford the full cost. The Association also provides a public benefit as it promotes efficiency in the RAF, by underpinning a spirit of pride and mutual loyalty, and so contributing to the defence of the United Kingdom and its interests.

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

Income

During the year, the consolidated income raised from members, volunteers, the general public and investments was £21,646k (2023: £16,234k). This includes legacy income of £3,371k (2023: £1,358k).

Investment income contributed £602k to the Association's overall income (2023: £564k).

Expenditure

In 2024, expenditure was £22,178k, an increase of 25 per cent from £17,698k spent in 2023. This reflects the Trustee's commitment to increase services for our beneficiaries in terms of welfare, activities and services. In 2024, £19,714k (£15,608k in 2023) was spent on charitable activities. 89p of every pound raised was spent on welfare activities.

Investment policy and performance

The Trustees have the power to invest any of the Association's funds not immediately required for the purposes of the charity in accordance with the provisions of the Trustee Act 2000. The Trustee-appointed investment managers, Rathbones Investment Management Limited and Rothschild & Co, are managed by the Council's Finance and Audit Committee, assisted with independent oversight provided by Asset Risk Consultants.

The Association's investments were reviewed at quarterly committee meetings in 2024 and performance reported to Council. The Association's investment portfolio was valued at £21,520k at the close of 2024 (2023: £21,152k).

Trustees agreed a strategy to draw on the Association's investment reserves in a managed way to ensure continued provision of welfare services. In addition, the Association receives the dividend income from some of its investments to support its charitable activities. The charity's Medium Term Financial Plan (a rolling plan looking forward five years) takes both factors into account. A net £766k of capital was withdrawn from investments to support the operation of the charity.

Reserves policy

The reserves policy was reviewed by the Council (Board of Trustees) in November 2024. Trustees have adopted an approach to ensure that the Association holds sufficient reserves to respond to current and future welfare needs quickly and effectively. Reserves planning is a key component of the Association's strategic planning process, the Council regularly review the level of reserves to ensure that funds are available to deliver our welfare services and programmes and to secure the long-term sustainability of the Association. As a result of research which it has undertaken in recent years, the Association is aware of a growing need among all generations and this is likely to grow. Linked to this uncertainty is a trend of cuts in social welfare budgets across the UK and there is evidence of increasing levels of social isolation and loneliness amongst all ages – all of which was considered when reviewing the policy.

The Association adopts a forward-looking strategic risk-based outlook on the needs of the RAF community and consequently does not use short-term measures focusing on a limited number of months' operating costs. The Finance and Audit Committee reviews the Medium-Term Financial Plan at each of its meetings and makes recommendations to the Council on the management of financial risks.

The Association is heavily reliant on voluntary income from fundraising, legacies and donations, which is not guaranteed. The increased cost of living continues to affect voluntary income generation. The Trustees have therefore agreed to aim for a level of unrestricted general free reserves of £13.2m to cover the costs associated with normal operations over a 12-month period to address the risks to our services and programmes to beneficiaries, members and employees. A Medium-Term Financial Plan expects this to be achieved in 2027 following a strategic, planned and actively managed investment of reserves into the welfare provision for beneficiaries.

At the end of December 2024, consolidated unrestricted general reserves totalled £13,334k (2023: £13,304k). In addition, designated reserves are held of £12,264k (2023: £12,151k) which are intended to maintain welfare services, reaching more of the RAF community, and support plans to increase and diversify income in the long-term.

The closing balance of the restricted reserves, funds received for specific activity, increased to £2,189k (2023: £1,619k).

Pensions

The value of the defined benefit pension scheme on 31 December 2024 has been calculated in accordance with FRS102 regulations. The valuation resulted in an increase in value to a surplus of £623k in 2024, against a surplus of £149k at the end of 2023. The Association continued to make payments into the Scheme in 2024 of £100k, as agreed with the pension Trustees. In accordance with FRS 102, the surplus is not included in the balance sheet as it contributes towards an existing unrecognised surplus.

Risk Management

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

The Association does not generally have a high-risk appetite; nevertheless, the Trustees recognise that delivering the ambitious strategic aims and objectives established in its strategic plan will involve a degree of risk-taking and uncertainty. In terms of priorities, Trustees have agreed that the need to avoid safeguarding, reputational, compliance and excessive financial risk will take priority over other factors, recognising that balanced assessments must be made and that some risk must be accepted when introducing change or new ways of working.

The Association's risk management and assurance processes are designed to identify and assess risks such that appropriate risk management and mitigation strategies are implemented, and their effectiveness monitored. Trustees are supported in this by the Council Committees, which each scrutinise relevant operational risks, mitigations and

Risk Management (continued)

performance against linked KPIs at every meeting. These assessments inform the strategic risk report presented to Council each quarterly. Trustees have identified the following as the Association's key risks:

- *Failure to deliver quality and safe services.* Ensuring the safety of those who access our services is fundamental to the work of the Association. The Council is supported in its management of this risk by the Safeguarding Committee. The committee reviews progress against a comprehensive action plan, and a specific safeguarding risk register, quarterly. The Independent Safeguarding Chair provides constructive challenge to the work of the Association. The committee oversees the review and development of the Safeguarding Policy, which is reviewed annually.
- *Long term financial sustainability and short-term cash flow failure.* The Association continues to see a recovery in fundraising, following the impact of both the COVID-19 pandemic and cost-of-living increases. The Council has agreed to a planned use of reserves to support the maintenance and expansion of vital welfare and wellbeing support to the RAF community, while income recovers. This is set out in the Medium-Term Financial Plan which is reviewed quarterly by the Finance and Audit Committee and approved each year by the Council, when considering budgets.
- *Branch and Club governance and compliance failure.* The Council has identified regulatory compliance at branch level as a strategic risk, arising from our decentralised structure where branches are separate charities but operate under a shared name and constitution. Considerable progress has been made by branches in meeting the compliance requirements established under charity law and the Association's own constitution. The Association continues to provide dedicated support from subject matter experts on branch governance and wider regulatory matters such as fundraising, safeguarding and property.
- *Failure to sustain a large and engaged membership.* Membership numbers are monitored and reported to the Council quarterly. Mitigating actions include member recruitment, retention and reengagement activities and work by the charity and branches to engage with members.
- *Loss of operational capability.* Mitigation includes business continuity plans, which are tested regularly, provision to work remotely in the event of disruption to our ability to access key premises or systems, cyber security, and a range of measures to ensure that the charity is able to recruit and retain appropriately qualified and trained employees and volunteers.
- *External threats.* Mitigation plans include collaboration with other charities and organisations, the use of research to inform our ability to anticipate the changing needs of the RAF community, informing the development of policy, developing unique service propositions and the diversification of service provision.
- *Significant change management projects.* The Council recognises the need for change and adaptation of services and ways of working to ensure that services remain relevant to the changing needs of the RAF community we serve. Mitigation plans include the implementation of defined project management methodology and documentation.
- *Information risk.* Data and information are recognised as a strategic asset and protected accordingly. The Association employs professionally-qualified staff who regularly review cyber and data policies and processes. During 2024 it maintained its Cyber Essentials Plus certification.
- *Corporate governance failure and group legislative / regulatory failure.* Mitigation includes regular reviews of policies, Council, Committee and / or subsidiary Board oversight, employment of professionally qualified staff and mandatory training.

The Council is satisfied that all risks are being appropriately addressed.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Royal Air Forces Association, which was established in 1930, was incorporated by Royal Charter in 1953. The Association is a registered charity governed by the Royal Charter, its Rules and Byelaws. The charity is also known as the RAF Association and RAFA. The Association is registered with the Charity Commission and with the Office of the Scottish Charity Regulator. It is also registered with the Fundraising Regulator and Information Commissioner's Office (ICO). The Association is a democratic, non-sectarian non-political organisation with no affiliation to any party or party organisation or trade union. The Association is a member of the Confederation of British Service and Ex-service Organisations (Cobseo).

The Association is an international organisation with over 64,400 members and 213 (at end of 2024) branches in the UK and overseas. It is also the ultimate parent undertaking of five trading subsidiaries (RAFATRAD Limited, Royal Air Forces Association Housing Limited, RAFAKidz Limited, RAFA Kidzone Limited and RAFA Events Limited) and two non-active companies (RAFAKidz Wings Limited and RAFA Wellbeing Limited).

The Board of Trustees (The Council)

The Council is the Association's Board of Trustees and is collectively accountable to the Association's members, beneficiaries and other stakeholders for the long-term success of the Association. Members of the Council are elected or appointed for a three-year term, in accordance with its Rules and Byelaws, after which they are eligible to stand for re-election on a further two occasions; they may not hold office for a continuous period exceeding nine years. The Council is responsible for the Association's compliance with all relevant legislative and regulatory requirements. It is responsible for determining the strategy and values of the Association, approving the annual business plan, supporting strategies and the associated budget, holding the Secretary General (who is responsible for the day-to-day management of the Association's affairs) and Senior Management Team to account for the Association's performance, standards of conduct and corporate governance.

The Council recognises that good governance is fundamental to the success of the charity and is committed to continuous improvement in terms of its own effectiveness, the governance of all group companies and branch governance. The Council has adopted the Charity Governance Code for larger charities and assesses annually how it meets the principles, outcomes and recommended practice. In 2024 it also undertook a review of its own performance. An action plan has been developed to ensure that the opportunities for continued improvement identified are acted upon.

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Note 9 to the accounts.

When new Trustees are elected or appointed, an induction on the work of the Association and Trustees' roles and responsibilities is provided. The Council, either as a whole or through its sub-committees, also receives ongoing briefings and training from senior management and external advisors in key areas such as risk management, safeguarding, data protection, fundraising, and financial management. Further training and development are provided to meet specific needs and Trustees receive annual (online) refresher training on matters including health and safety, equality and diversity and cyber security.

The Council has appointed designated lead Trustees for Health and Safety (Mr M Watkins), Safeguarding (Air Commodore G A Opie CBE RAF to October 2024; Air Cdre Lee Turner from October 2024), and Whistleblowing (Ms F Barber to October 2024; Mrs S Munday from October 2024).

THE ROYAL AIR FORCES ASSOCIATION
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2024

Council Meetings

The powers of the Council are set out in the Royal Charter, Rules, and Byelaws which are supplemented by the Standard Regulations governing the Areas, Branches and Branch Clubs (collectively the 'Governance Handbook'). The Council may exercise all powers conferred on it by the Governance Handbook and in accordance with the Charities Act 2011 and other applicable legislation. The Council usually holds five face-face meetings each year. The Council has also adopted a procedure for making decisions ex-committee. All ex-committee decisions are subject to ratification at the next Council meeting.

Trustee	Total Meetings	Total Attended	Attendance %
Air Marshal Sir Baz North	5	5	100%
Air Vice-Marshal Alastair Reid	5	5	100%
Air Vice-Marshal Mark Neal	5	5	100%
Mrs Sally Munday	5	5	100%
Air Commodore Alan Opie	3	3	100%
Mrs Beryl Dennett Stannard	2	2	100%
Mr David Forsyth	2	2	100%
Ms Fiona Barber	5	5	100%
Air Commodore Lee Turner	2	2	100%
Ms Margaret Greer	5	5	100%
Mr Martin Watkins	5	5	100%
Squadron Leader Micah Apoare	5	3	60%
Warrant Officer Michelle Rees-Martin	5	5	100%
Ms Pauline Bearblock	5	3	60%
Mr Ray Blunden	5	5	100%
Mrs Sheila Bailey	5	5	100%
Flight Lieutenant Simon Arnett RAF	5	5	100%

Committee Structure

Throughout the year the work of the Council was supported by Committees. Each Committee has written terms of reference approved by the Council. The Terms of Reference were each reviewed and approved by Council in 2024. Members of the committees are a combination of Association Trustees and independent members co-opted as determined by the Council. This allows Council to ensure an appropriate balance of skills on each committee. Each committee is supported by the subject matter expert staff.

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TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2024

Committee Structure (continued)

The Committees in effect in 2024 were as follows:

Committee	Chair	Number of members	Number of meetings
Branch and Membership	AVM M Neal	11	4
Finance and Audit	Mrs S Munday	5	4
Information	AVM M Neal	5	4
Safeguarding	Ms M Jones (to September 2024) Mr K Gibson MBE RN QH (from September 2024)	7	4
Welfare	Ms F Barber	7	4
Annual Conference	Mr A Rees (to October 2024) Mr D Rowlands (from October 2024)	5	4
Remuneration	AVM A Reid	4	1
Nominations	AVM A Reid	3	3

Committees generally meet in advance of Council meetings, with minutes of meetings being provided to the Council, together with any recommendations. Council and its Committees are also supported, from time to time, by Task and Finish Working Groups who are charged with reviewing specific tasks or activities and make recommendations to Council and / or its Committees.

Delegated Authority

The Council has a formal schedule of matters specifically reserved for its approval which cannot be delegated. Other specific matters have been delegated to its Committees and these are clearly defined within the relevant terms of reference. Day-to-day management of the Association is delegated to the Secretary General and his team and the Council reviews its scheme of delegated authority on an annual basis. Notwithstanding any delegation, the Council remains collectively accountable for the work of the Association.

Branches and Areas

Branches are separate organisations from the Association; branch accounts are not consolidated with those of the Association. Branches fundraise on their own behalf and on behalf of the Association (the annual Wings Appeal). The Association provides branches with an annual rebate to support branch membership and welfare activity. Branches share the same object and constitution as the Association though are individual charities in their own right and are required to register as charities in accordance with the relevant local jurisdiction.

Annual Conference

Annual Conference functions as the Association's Annual General Meeting. At Conference 2024, UHY Hacker Young LLP were re-elected as auditors of the Association. The reports by the Chair of Council and the Treasurer were presented, and branches were provided with an opportunity to raise questions with the Officers of the Association and the Secretary General following the presentations.

Following the presentation to Conference in 2024, Conference also considered resolutions proposing changes to the voting system adopted by Conference. These changes were adopted with the 75% majority required to make changes to our Royal Charter and Rules. This historic change will allow all members the right to make their views known by voting at the AGM, for the first time. In February 2025, HM The King approved the proposed changes to the Royal Charter and the Privy Council approved the changes to the Rules of the Association.

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. The law applicable to charities in England and Wales, Scotland and Northern Ireland requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the Association and the group, and of the incoming resources and application of resources of the Association and the group 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 (SORP);
- Make judgments 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 the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Association and the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, The Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the Royal Charter. 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 Association'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.

The Council has given due regard to the continuing pressure on income streams and have concluded that the positive level of general reserves, a healthy cash and investments balance, the benefit of Government measures and support as well as the continued support of its regular contributors, means the going concern basis remains appropriate for the preparation of these financial statements.

Subsidiaries

RAFATRAD Limited is a wholly owned subsidiary of the Association, which sells commemorative items and memorabilia and undertakes fulfilment activity for the charity. RAFATRAD Limited is a company limited by shares incorporated under Companies Act 2006.

Royal Air Forces Association Housing Limited (RAFA Housing) is a community benefit society registered under the Co-operative and Community Benefit Societies Act 2014, regulated by the Financial Conduct Authority (FCA). RAFA Housing is a registered provider of social housing regulated by the Regulator of Social Housing (formerly known as the Homes and Communities Agency).

RAFAKidz Limited is a wholly owned subsidiary company limited by shares incorporated under Companies Act 2006. During 2024 it operated pre-school nurseries in accordance with the Early Years Foundation Stage at RAF Boulmer, RAF Brize Norton (two settings), RAF Cosford, RAF Cranwell, RAF Digby, RAF High Wycombe (three settings), RAF Leeming, RAF Odiham, RAF Shawbury and RAF Valley, as well as at the tri-service facilities at MOD Abbey Wood, MOD Boscombe Down and MOD Worthy Down. It also operated wrap-around care at RAF Cranwell, RAF Digby and RAF Leeming.

RAFA Events is a wholly owned subsidiary company, limited by shares under the Companies Act 2006. In 2024 it operated events in support of the Association's fundraising and welfare activities.

RAFAKidz Wings Limited and RAFA Wellbeing Limited are companies limited by shares incorporated under Companies Act 2006. RAFAKidz Wings Limited is a subsidiary of RAFAKidz Limited. None of these three companies traded in 2024.

Remuneration Policy

The Association is committed to recruiting, retaining and developing people with the necessary skills and knowledge to make a positive contribution in helping deliver the organisation's objectives. Making effective decisions in relation to remuneration and reward is considered both central and crucial to the continued success of the Association's overall aims. The Association's Remuneration Policy is based on the following principles:

- Reward employees using processes that are fair, equitable, and transparent.
- Aim to pay competitively against our relevant comparators in the voluntary sector.
- Enhance the organisation's competitive positioning by promoting a total reward approach, recognising that other aspects of the employment package (e.g. benefits and development opportunities as well as the intrinsic moral value of working for a charity) are also valuable to employees.

Remuneration Review and Annual Pay Award

The Council, through the Remuneration Committee composed of three Trustees, sets pay and conditions for all Association employees, including the senior management team, and reviews the Remuneration Policy annually, ensuring that the principles outlined above are adhered to and remain appropriate within the wider economic context. Employee remuneration is reviewed annually in September and any changes are implemented from the following 1 January. Salary benchmarking is undertaken using data from the Office for National Statistics (ONS) and surveys by Croner. The Association has introduced the National Living Wage Foundation on a discretionary basis.

Employees earning over £60,000 per annum are shown at Note 10 of the accounts. Key management personnel are the Secretary General, Deputy Chief Executive and Charity Director. This remuneration policy and review applies to Association employees only. Employees of subsidiary companies are subject to separate arrangements set by the respective Boards of Directors.

Future Outlook

The Association has continued to adapt in response to the challenge of fulfilling emerging and changing welfare needs at a time where fundraising remains a challenge. Trustees have chosen to prioritise sustaining welfare support for those who need it and as such have chosen to draw on reserves where required to ensure that the needs of the RAF community continue to be met. The Council considers that the actions taken, including a continued focus on reducing operating costs whilst sustaining operational output, are appropriate and the charity continues to operate within the parameters agreed by Trustees as part of the Medium-Term Financial Plan.

Carbon Reporting

The Association is committed to reducing the environmental impact of its activities. In 2024 it voluntarily adopted carbon reporting. This incorporates the energy use and emissions for the Association's operational estate, including rented accommodation where the Association is responsible for the utilities.

Carbon Reporting (continued)

UK Greenhouse Gas emissions and energy use for the period 1 January 2024 to 31 December 2024:

Energy consumption used to calculate (kWh)	2024
Energy consumption breakdown (kWh)	
Electricity	456,985
Gas	1,039,043
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	190
Owned transport – operational fleet (petrol and diesel)	21
Total Scope 1	211
Scope 2 emissions in metric tonnes CO2e	
Purchased Electricity	103
Scope 3 emissions in metric tonnes CO2e	
Business travel in employee-owned vehicles	66
Flights	6
Total Gross emissions in metric tonnes CO2e	386

The Association has followed the HM Government Environmental Reporting Guidelines. We have also used the UK Governments Conversion Factors for Company Reporting.

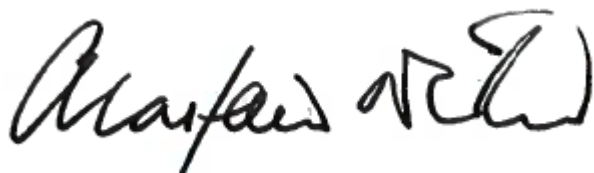
Measures taken to improve energy efficiency.

We are taking steps to move our operational fleet to electric vehicles where appropriate. In 2024, all cars operated by RAFAKidz were switched to electric vehicles. We make extensive use of video conferencing technology to reduce the need for travel, in particular the need for overseas travel, reducing the number of flights taken.

Auditor

In accordance with the Association's rules and byelaws, a resolution proposing that UHY Hacker Young be reappointed as auditor of the Association will be put at a General Meeting.

This report was approved by the Trustees on 21 May 2025 and signed on their behalf by:



Air Vice-Marshal A N C Reid CB

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL AIR FORCES ASSOCIATION FOR THE YEAR ENDED 31 DECEMBER 2024

Opinion

We have audited the financial statements of the Royal Air Forces Association (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the group and Association Statement of Financial Activities, the Consolidated and Association Balance Sheets, the Consolidated and Association Statements of Cash Flows 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 group's and parent charity's affairs as at 31 December 2024 and of the group's and parent charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

Basis for opinion

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under section 151 of the Charities Act 2011 and report in accordance with regulations made under those Acts.

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 and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL AIR FORCES ASSOCIATION FOR THE YEAR ENDED 31 DECEMBER 2024

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' annual report; or
- proper and sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out on page 15 the Trustees 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 group and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or parent charity 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.

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 charity and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the charity, which were contrary to applicable laws and regulations including fraud, 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 FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011, the parent charity's governing document and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to legacy income recognition, fund accounting, valuation of investments and valuation of investment properties.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Care Act 2014. We performed audit procedures to inquire of management (and those charged with governance whether the Association is in compliance with these law and regulations and inspected correspondence with regulatory authorities).

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL AIR FORCES ASSOCIATION FOR THE YEAR ENDED 31 DECEMBER 2024

Audit procedures performed by the engagement team included:

- reviewing the systems, controls and procedures of the charity relevant to the preparation of the financial statements to ensure these were in place throughout the year;
- evaluating management's controls designed to prevent and detect irregularities;
- review of the financial statement disclosures to underlying supporting documentation;
- review of correspondence with and reports to the regulators, including correspondence with OFSTED;
- enquiries of management in so far as they related to the financial statements;
- testing of journals in particular journal entries posted by unusual users, postings with unusual descriptions, postings with unusual dates and postings with unusual and material amounts;
- evaluating whether there was evidence of bias by the Trustees that represented a risk of material misstatement due to fraud;
- challenging assumptions and judgements made by management in their critical accounting estimates;
- reviewing the legacy income documentation to ensure that the legacy income is being recognised in line with the applicable financial reporting standards; and
- review the reasonableness and supporting documentation of the property valuations.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 charity's Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an 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 charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Chris McKain

Chris McKain

Senior Statutory Auditor

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

21 MAY 2025

THE ROYAL AIR FORCES ASSOCIATION
GROUP STATEMENT OF FINANCIAL ACTIVITIES (including consolidated income and expenditure account)
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000	Total 2023 £'000
INCOME:					
Donations, Legacies and Subscriptions	3	5,154	852	6,006	3,672
Donations – assets gifted from branches	28	875	-	875	1,688
Charitable Activities:	6	694	1,516	2,210	2,670
Other Trading Activities:					
Trading income		10,976	-	10,976	5,883
Lotto and other fundraising income		969	-	969	1,754
Investment Income and Interest	5	602	-	602	564
Net interest on Defined Benefit Pension	11	8	-	8	-
Total Income		19,278	2,368	21,646	16,231
EXPENDITURE:					
Cost of Raising Funds		2,450	-	2,450	2,075
Charitable Activities:					
Residential & Respite Care Home		1,306	111	1,417	1,341
Friendship & Welfare Support		15,130	1,549	16,679	12,673
Other Support Costs		1,486	132	1,618	1,594
Other Expenditure:					
Interest Paid on Branch Deposits		14	-	14	15
Net interest on Defined Benefit Pension	11	-	-	-	(3)
Total Expenditure	7	20,386	1,792	22,178	17,695

THE ROYAL AIR FORCES ASSOCIATION
GROUP STATEMENT OF FINANCIAL ACTIVITIES (including consolidated income and expenditure account)
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000	Total 2023 £'000
Net (expenditure)/income		(1,108)	576	(532)	(1,464)
Net gains on investment assets	14(b)	1,272	11	1,283	1,187
Net income/(expenditure)		164	587	751	(277)
Other recognised losses:					
Actuarial losses on defined benefit pension scheme	11	(38)	-	(38)	(36)
Net movement in funds		126	587	713	(313)
Reconciliation of Funds					
Total Funds Brought Forward		25,455	1,619	27,074	27,387
Transfer between funds		17	(17)	-	-
Total Funds Carried Forward		25,598	2,189	27,787	27,074

All income and expenditure derive from continuing activities.

The group Statement of Financial Activities includes all gains and losses recognised in the year.

THE ROYAL AIR FORCES ASSOCIATION
ASSOCIATION STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000	Total 2023 £'000
INCOME:					
Donations, Legacies and Subscriptions	3	5,356	610	5,966	3,445
Donations – assets gifted from branches	28	875	-	875	1,688
 Charitable Activities:	6	956	1,516	2,472	2,737
Other Trading Activities:					
Lotto and other fundraising income		969	-	969	1,754
 Investment Income and Interest	5	610	-	610	564
Net Interest on Defined Benefit Pension	11	8	-	8	-
 Total Income		8,774	2,126	10,900	10,188
EXPENDITURE					
Cost of Raising Funds		1,083	-	1,083	991
Charitable Activities:					
Residential & Respite Care Home		1,125	111	1,236	1,171
Friendship & Welfare Support		6,255	1,389	7,644	7,932
Other Support Costs		1,730	132	1,862	1,847
Other Expenditure:					
Interest Paid on Branch Deposits		14	-	14	15
Net Interest on Defined Benefit Pension	11	-	-	-	(3)
 Total Expenditure	7	10,207	1,632	11,839	11,953

THE ROYAL AIR FORCES ASSOCIATION
ASSOCIATION STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000	Total 2023 £'000
Net (expenditure)/income		(1,433)	494	(939)	(1,765)
Net gains/(losses) on investment assets	14(b)	1,252	-	1,252	1,157
Net (expenditure)/income		(181)	494	313	(608)
Other recognised losses:					
Actuarial losses on defined benefit pension scheme	11	(38)	-	(38)	(36)
Net movement in funds		(219)	494	275	(644)
Reconciliation of Funds					
Total Funds Brought Forward		25,023	1,404	26,427	27,071
Transfer between funds		17	(17)	-	-
Total Funds Carried Forward		24,821	1,881	26,702	26,427

All income and expenditure derive from continuing activities.

The Association Statement of Financial Activities includes all gains and losses recognised in the year.

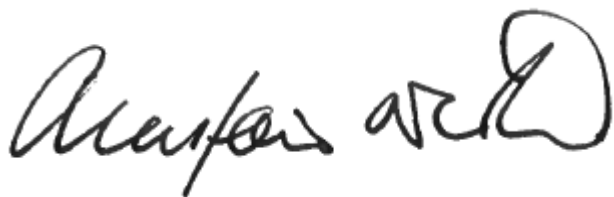
THE ROYAL AIR FORCES ASSOCIATION
CONSOLIDATED AND ASSOCIATION BALANCE SHEETS
AT 31 DECEMBER 2024

	Notes	Group		Association	
		2024	2023	2024	2023
		£'000	£'000	£'000	£'000
Fixed assets:					
Intangible assets	12	349	689	330	680
Tangible assets:					
Properties	13	4,534	4,690	4,121	4,240
Equipment and furniture	13	668	501	255	287
		5,551	5,880	4,706	5,207
Investments:					
Investments	14	21,520	21,152	21,112	20,776
Programme related investments - loan to branches		120	124	120	124
Total fixed assets		27,191	27,156	25,938	26,107
Current assets:					
Assets held for resale	15	875	440	875	440
Stocks		486	449	-	-
Debtors	16	909	667	1,491	1,413
Cash at bank and in hand		3,237	2,951	2,211	2,262
Total current assets		5,507	4,507	4,577	4,115
Current liabilities:					
Creditors: amounts falling due within one year	17	(4,601)	(4,324)	(3,813)	(3,795)
Net current (liabilities)/assets		906	183	764	320
Total assets less current liabilities		28,097	27,339	26,702	26,427
Creditors: amounts falling due after more than one year	18	(310)	(265)	-	-
Net assets including pension scheme liability		27,787	27,074	26,702	26,427

THE ROYAL AIR FORCES ASSOCIATION
CONSOLIDATED AND ASSOCIATION BALANCE SHEETS (CONTINUED)
AT 31 DECEMBER 2024

	Notes	Group		Association	
		2024	2023	2024	2023
		£'000	£'000	£'000	£'000
Funds:					
Restricted funds	20	2,189	1,619	1,881	1,404
Unrestricted funds:					
Designated funds	21	12,264	12,151	12,225	12,113
General funds		13,334	13,304	12,596	12,910
Total funds		27,787	27,074	26,702	26,427

The financial statements on pages 19 to 57 were approved and authorised for issue by the Trustees on 21 May 2025 and signed on their behalf by:



Air Vice-Marshal A N C Reid CB

THE ROYAL AIR FORCES ASSOCIATION
CONSOLIDATED AND ASSOCIATION STATEMENTS OF CASHFLOWS
AT 31 DECEMBER 2024

	Notes	Group		Association	
		2024	2023	2024	2023
		£'000	£'000	£'000	£'000
Cash out flows from operating activities	23	(1,242)	(1,550)	(1,875)	(2,026)
<hr/>					
Cash flows from investing activities					
Investment income		602	564	610	564
Interest payable		(14)	(15)	(14)	(15)
Payments to acquire intangible fixed assets		-	(3)	-	(3)
Payments to acquire tangible fixed assets		(384)	(183)	(88)	(64)
Assets for resale		450	440	450	440
Investment Property		124	400	124	400
Payments to acquire investments		(54)	(622)	(54)	(472)
Receipts from disposals of investments		900	1,335	900	1,335
<hr/>					
Net cash provided by investing activities		1,624	366	1,928	159
<hr/>					
Cash flows from financing activities					
(Decrease)/increase in loans to branches		(1)	1	(9)	1
Decrease in deposits by branches		(95)	(146)	(95)	(146)
<hr/>					
Net cash from financing activities		(96)	(145)	(104)	(145)
<hr/>					
Change in cash and cash equivalents in the year		286	221	(51)	14
<hr/>					
Cash and cash equivalents at the beginning of the year	24	2,951	2,730	2,262	2,248
<hr/>					
Cash and cash equivalents at the end of the year	24	3,237	2,951	2,211	2,262

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.

Accounting Estimates

The Charity makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Defined benefit pension assumptions. The discount rate and inflation rate and the decision not to recognise the gain in excess of the reversing liability are considered to be key estimates in calculating the defined benefit liability and sensitivities have been disclosed within Note 11.

Investment properties are valued at their fair value based on an open market value for existing use of the properties. The valuations are made by a qualified Chartered Surveyor, using a variety of assumptions to determine the valuation of the investment's properties taking account of the fact that the properties are tenanted under lease and providing an income stream rather than being immediately available to occupy. Any changes in these assumptions would impact on the carrying value of these investment properties. Where there is a leasehold agreement in place or planned, then this will form the basis of the valuation, otherwise the open market value may be appropriate.

Critical area of judgement

The Trustees believe there is no critical area of judgment.

2. PRINCIPAL ACCOUNTING POLICIES

General information

The Royal Air Forces Association is incorporated by Royal Charter and is a registered charity at the Charity Commission in England and Wales (charity number 226686) and at the Scottish Charity Regulator (OSCR) in Scotland (charity number SC037673).

The address of the charity's registered office and principal place of business is Atlas House, Wembley Road, Leicester, LE3 1UT. The group consists of the Association and its subsidiaries as set out in Note 4. The nature of the group's operations is set out in the Trustees' Report.

Basis of preparation

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold property and to include investment properties at fair value, 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, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Basis of preparation (continued)

The financial statements of the Association comprise the funds of the Association but not the branches which are separate registered charities and do not share common Trustees with the Association.

The Royal Air Forces Association meets the definition of a public benefit entity under FRS 102 and have therefore applied the relevant public benefit requirements of FRS 102.

Monetary amounts in the financial statements are rounded to the nearest £1,000. Prior year figures are presented to accommodate historical rounding movements carried forward. The financial statements are presented in sterling which is also the functional currency of the Association.

Going Concern

As set out in the Trustees report, Council has given due regard to the increased pressure on income streams and have concluded that the positive general reserves, healthy cash and investment balances, grant opportunities and continued support of its regular contributors, means that the going concern basis remains appropriate for the preparation of these financial statements.

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

Consolidation

The group Statement of Financial Activities and group Balance Sheet consolidate the financial statements of the Association and its subsidiaries. The results of the subsidiaries are consolidated on a line-by-line basis. Intra group transactions, balances and unrealised gains are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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 Association 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 Association for particular purposes. Expenditure is charged to the Statement of Financial Activities when incurred.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Income

All income is included in the Statement of Financial Activities (SOFA) when the Association 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 and subscriptions is included when receivable. Legacies are accounted for as soon as entitlement, probability and a monetary value can be reliably determined. The sums due under the contract from the MoD is included as income in the period it is earned.

Fundraising income is included in income in the period in which the Association becomes entitled to receipt. Trading income is recognised as earned.

Investment income is included when receivable.

Operating lease income is included income in the period in which the Association becomes entitled to receipt.

Income from charitable activities is included in income in the period in which the Association 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 Association 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.

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

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

Support costs, which include the secretariat, finance, information technology and human resources, have been allocated to cost of raising funds and charitable activities on the most appropriate basis. Secretariat and finance costs have been allocated on the basis of time spent. Information technology costs have been allocated on the basis of equipment usage. Human Resource costs have been allocated on the basis of staff numbers.

Grants

Grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant or when the Trustees have agreed to pay the grant without condition.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Intangible fixed assets

Intangible assets are initially recorded at cost and subsequently measured at cost net of accumulated amortisation and any impairment loss. Amortisation is provided for on all intangible assets at rates calculated to write off the cost of each asset less its residual value evenly over its expected useful economic lives as follows:

- | | |
|---------------------------------|--------------|
| - Computer software and Website | over 5 years |
|---------------------------------|--------------|

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

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

Tangible fixed assets

Tangible fixed assets are initially recorded at cost and subsequently measured at cost or valuation net of depreciation and any impairment loss. The Association and each subsidiary will capitalise items over the value of £500. 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 lives as follows:

- | | |
|----------------------------------|---------------------------------------|
| - Freehold properties | 2% on cost |
| - Short leasehold properties | over the terms of the leases |
| - Computer equipment* | 25% on cost |
| - Other equipment and furniture* | between 15% and 25% on net book value |
| - Motor vehicles* | 25% on net book value/over 15 years |

*These fixed asset classes have been combined in Note 13

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.

Revaluation of Properties

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in Other Gains and Losses in the Statement of Financial Activities.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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. Unlisted investments are stated at cost less impairment at the balance sheet date. Both 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.

Investment properties are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value in gains / losses in Investment Assets are recognised in the Statement of Financial Activities.

Stocks

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. A provision is made for obsolete and slow-moving items.

Financial instruments

The group 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.

Pension costs

The Association operates a defined benefit pension scheme that closed to new entrants in December 2000 and to future accrual on 31 December 2012.

Contributions are paid to the scheme in accordance with the recommendations of the scheme actuary.

Actuarial gains and losses arising from any new valuation and from updating the latest actuarial valuation to reflect conditions at the balance sheet date are recognised in the Statement of Financial Activities. The interest costs and the interest on assets are shown as a net amount of income or expenditure as appropriate. Other adjustments are included within employee costs.

As detailed in Note 11, pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis and discounted at a rate equivalent to the current rate of return of a high-quality corporate bond of equivalent currency and term of the scheme liabilities. Full updated actuarial valuations are obtained triennially and are reviewed in the following two years at each balance sheet date. The defined benefit pension scheme asset or liability is presented separately after other net assets on the face of the balance sheet.

The assets relating to the pension scheme are held separately from those of the Association in separate Trustee administered funds.

The Association also contributes to individual employees' personal stakeholder pension arrangements, where employees are not members of the defined benefit scheme. Contributions payable are charged to the Statement Of Financial Activities as they become payable. Differences between contributions payable in the year and contributions actually paid are shown in either accruals or prepayments in the balance sheet.

Operating lease agreements

Rentals under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

Volunteers

No amounts are included in the financial statements to reflect the value of work undertaken by volunteers.

THE ROYAL AIR FORCES ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2024

3. DONATIONS, LEGACIES AND SUBSCRIPTIONS

Group	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000	Total 2023 £'000
Donations				
Armed Forces Covenant Fund Trust	74	242	316	300
Others	1,343	-	1,343	1,012
Legacies	2,761	610	3,371	1,358
Subscriptions	976	-	976	1,002
	5,154	852	6,006	3,672
Association	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000	Total 2023 £'000
Donations				
Armed Forces Covenant Fund Trust	49	-	49	46
Others	1,570	-	1,570	1,039
Legacies	2,761	610	3,371	1,358
Subscriptions	976	-	976	1,002
	5,356	610	5,966	3,445

4. SUBSIDIARIES

During the year, the Association owned the whole of the share capital of RAFATRAD Limited, RAFA Housing Limited, RAFA Events Limited, RAFAKidz Limited and RAFA Wellbeing Limited.

The activity of RAFATRAD Limited (Company No. 03455255) is the sale of commemorative items and memorabilia and the provision of fundraising, membership and marketing products to the Association and its branches.

The activity of RAFA Housing Limited (Registered number IP17723R) is that of the provision of independent housing for retired members of the RAF family based in Storrington, West Sussex.

The activity of RAFA Events Limited (Company No. 11927089) is to hold events for the purpose of raising funds and the profile of the Royal Air Forces Association.

RAFA Wellbeing Limited has not traded for the year ended 31 December 2024 and has been dormant since incorporation.

The activity of RAFAKidz Limited (company number 11927027) is that of operating nurseries and out of school clubs, for the development and education of children.

RAFAKidz Limited owns RAFA Kidzone Limited (company number and 08418367 and charity registration number 1154822) which is an incorporated charity registered in England and Wales. The activity of RAFA Kidzone Limited is to enhance the development and education of children by funding inclusive and appropriate play and learning facilities. This is achieved by holding and investing funds for the benefit of children attending the nursery settings at specific RAF and MOD Stations.

RAFAKidz Limited owns RAFAKidz Wings Limited (company number 12372814), which is currently dormant.

The Trustees of the Association have agreed not to collect the amounts due until such time the subsidiary can pay.

The registered office of all subsidiaries is Atlas House, Wembley Road, Leicester LE3 1UT.

THE ROYAL AIR FORCES ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2024

4. SUBSIDIARIES (CONTINUED)

During the year RAFATRAD Limited charged the group £271k (2023: £286k) in respect of RAF Association branded goods. Also, during the year, the Association charged RAFATRAD Limited £51k (2023: £31k) in respect of premises recharges, RAF Association branded goods and accountant costs.

During the year the Association charged RAFA Housing Limited £31k (2023: £36k). A donation of profits of £45k was also made (2023: £Nil). At the year end the Association owed £33k (2023: £43k) to RAFA Housing Limited.

During the year, there have been recharges between the Association and RAFAKidz Limited for support provided, the net movement amounted to £210k (2023: £6k).

5. INVESTMENT INCOME AND INTEREST

Group and Association	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
UK listed investments	458	417	458	417
Branch and other loans	1	1	9	1
Properties	143	146	143	146
	602	564	610	564

6. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000	Total 2023 £'000
Group				
Accommodation fees	600	-	600	456
Grants and fundraising income	94	1,516	1,610	2,214
	694	1,516	2,210	2,670
Association				
Accommodation fees	600	-	600	456
Grants and fundraising income	356	1,516	1,872	2,281
	956	1,516	2,472	2,737

THE ROYAL AIR FORCES ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2024

7. TOTAL EXPENDITURE

Group

	Employee and related costs £'000	Depreciation and amortisation £'000	Other costs £'000	Total 2024 £'000	Total 2023 £'000
Costs of raising funds:					
Direct costs	1,112	-	1,338	2,450	2,075
Charity's charitable activities					
Direct costs	10,329	-	5,126	15,455	11,351
Allocated support costs	2,180	741	1,338	4,259	4,257
Other expenditure					
Interest Paid on Branch Deposits	-	-	14	14	15
Net Interest on Defined Benefit Pension	-	-	-	-	(3)
	13,621	741	7,816	22,178	17,695

	2024 £'000	2023 £'000
Allocated support costs:		
Other site costs	76	63
Advertising and promotions	143	89
Printing and stationery	179	151
Telephone	48	59
Insurance	134	130
Repairs and maintenance	38	36
Depreciation and amortisation	741	570
Management fee	177	619
Other expenditure	16	21
Other equipment	2,180	2,085
Staff costs	527	434
	4,259	4,257

Included within total expenditure are payments under operating leases as follows:

- Land and buildings payments of £13k (2023: £16k)
- Equipment payments of £58k (2023: £18k)

The costs of raising funds includes Wings Appeal rebates allocated to branches totalling £75k (2023: £83k).

THE ROYAL AIR FORCES ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2024

7. TOTAL EXPENDITURE (CONTINUED)

Support costs include £100k (2023: £100k) in respect of additional payments into the defined benefit pension scheme.

Expenditure includes a loss on disposal of intangible assets £10k (2023: gain on tangible assets of £33k).

Total expenditure includes auditors' remuneration of £43k (2023: £32k), with additional fees of £6k (2023: £10k) for non-audit work.

Association

	Employee and related costs £'000	Depreciation and amortisation £'000	Other costs £'000	Total 2024 £'000	Total 2023 £'000
Costs of raising funds:					
Direct costs	794	-	289	1,083	991
Charity's charitable activities					
Direct costs	2,914	-	3,416	6,330	6,739
Allocated support costs	2,180	634	1,598	4,412	4,211
Other expenditure					
Interest Paid on Branch Deposits	-	-	14	14	15
Net Interest on Defined Benefit Pension	-	-	-	-	(3)
	5,888	634	5,317	11,839	11,953

	2024 £'000	2023 £'000
Allocated support costs:		
Other site costs	76	63
Advertising and promotions	143	89
Printing and stationery	179	151
Telephone	48	59
Insurance	134	130
Repairs and maintenance	38	36
Depreciation and amortisation	634	523
Other expenditure	437	619
Other equipment	16	21
Staff costs	2,180	2,086
Governance costs	527	434
	4,412	4,211

THE ROYAL AIR FORCES ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2024

8. GRANTS PAYABLE

Group and Association	2024	2023
	£'000	£'000
Welfare grants to individuals	77	84
Association property grants to branches	29	56
	<u>106</u>	<u>140</u>

9. TRANSACTIONS WITH TRUSTEES

The Trustees neither received nor waived any emoluments during the year (2023: £nil). Trustees' expenses of £21k (2023: £18k) were reimbursed for directly incurred travel, accommodation and subsistence expenses to 8 Trustees (2023: 8 Trustees).

10. STAFF COSTS

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Wages and salaries	12,240	8,441	5,220	4,646
Social security costs	1,048	716	540	444
Employer contributions to defined contributions schemes	420	320	241	228
	<u>13,708</u>	<u>9,477</u>	<u>6,001</u>	<u>5,318</u>

The average number of employees throughout the year, analysed by location was:

	Group		Association	
	2024	2023	2024	2023
	Number	Number	Number	Number
Welfare	66	60	66	60
Membership	8	12	8	12
Headquarters	68	69	68	69
Governance	6	6	6	6
Families Federation Service	17	16	17	16
Merchandise	13	14	-	-
Social Housing	1	1	-	-
Childcare	394	217	-	-
	<u>573</u>	<u>395</u>	<u>165</u>	<u>163</u>

10. STAFF COSTS (CONTINUED)

The number of employees whose emoluments for the year fell within the following bands was:

Group and Association	2024 Number	2023 Number
£60,001 to £70,000	3	3
£70,001 to £80,000	1	2
£80,001 to £90,000	1	-
£90,001 to £100,000	4	4
£100,001 to £110,000	1	1
	<u>10</u>	<u>10</u>

10 employees (2023: 10) earning more than £60k participated in an Association defined contribution pension scheme. Employer contributions to individual stakeholder schemes were £149k (2023: £125k).

The total employee benefits of the key management personnel of the Association were £405k (2023: £391k), which includes salary, employers' national insurance contribution, employers' pension contribution and all allowances.

11. PENSION SCHEMES (Group and Association)

The Association operates a defined benefit pension scheme, which closed to new entrants in December 2000 and to future accrual on 31 December 2012. The assets of the scheme are held separately from those of the Association in an independently administered fund. Contributions are based upon the recommendations of a qualified actuary.

The most recent actuarial valuation of the scheme was carried out as at 1 January 2024 by an independent actuary using the projected unit method. This valuation showed that the value of the scheme's assets was £12,472k which represents 99 per cent of the benefits that had accrued to members, after allowing for expected future increases in earnings. The scheme deficit is secured against a charge on the Association's headquarters Atlas House at Leicester.

The major assumptions used by the actuary were:

	2024	2023
Rate of increase of pensions in payment	3.0%	2.9%
Discount rate	5.3%	4.5%
Inflation assumption (RPI)	3.2%	3.1%

The mortality assumptions used in the valuation of the pension liabilities were based on S4PA (2023: S3PA) and

	2024 Years	2023 Years
Retiring today (currently aged 65):		
Males	86.1	86.3
Females	88.4	88.6
Retiring in 20 years (currently aged 45):		
Males	87.0	87.2
Females	89.2	89.4

THE ROYAL AIR FORCES ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2024

11. PENSION SCHEMES (CONTINUED)

The Association's assets were transferred from Legal and General with-profits policy to managed fund investments on 15 January 2010. The Association's assets in the scheme on 31 December 2024 were:

	2024	2023
	£'000	£'000
Bonds	2,330	1,192
Equities	1,350	2,555
Insurance contracts	3,265	3,662
Diversified funds	2,123	2,458
LDI funds	2,284	2,227
Net current assets	185	73
Total assets	<u>11,537</u>	<u>12,167</u>
Net of interest and costs	(62)	(64)
Employers' contributions	100	100
Actuarial gain / (losses) on defined benefit pension scheme	<u>(38)</u>	<u>(36)</u>
Balance sheet movement during year	<u>-</u>	<u>-</u>
	2024	2023
	£'000	£'000
Fair value of scheme assets	11,537	12,167
Present value of scheme liabilities	(10,914)	(12,018)
Surplus in the scheme	<u>623</u>	<u>149</u>
Restriction on recognition of scheme surplus	<u>(623)</u>	<u>(149)</u>
Total liability recognised	<u>-</u>	<u>-</u>

Under FRS 102, a pension scheme asset should only be recognised to the extent that the Association is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Given that this is unlikely, especially given current market volatility, the pension fund actuarial net surplus of £623k has not been recognised in the accounts (2023: £149K).

11. PENSION SCHEMES (CONTINUED)

In accordance with FRS102, provision has been made by the Association for the deficit of the scheme. This is reflected in the financial statements as follows:

Analysis of the amounts charged to Statement of Financial Activities

	2024 £'000	2023 £'000
Expenses paid by the scheme	70	67

Analysis of financial element of pensions cost

	2024 £'000	2023 £'000
Interest on assets	532	554
Interest on pension scheme liabilities	(524)	(551)
Net income	8	3

Analysis of the actuarial gain / (loss) on defined benefit pension scheme

	2024 £'000	2023 £'000
(Loss)/Gain on asset return	(457)	194
Experience gain/(loss) on liabilities	19	(220)
Changes in assumptions underlying the present value of the scheme liabilities	874	106
Actuarial gain	436	80

Changes in the present value of defined benefit obligations

	2024 £'000	2023 £'000
Opening defined benefit obligation	12,018	12,112
Interest cost	524	551
Actuarial experience gain/(loss) on liabilities	(19)	220
Actuarial gain on changes in assumptions	(874)	(106)
Benefits paid	(735)	(759)
Closing defined benefit obligation	10,914	12,018

11. PENSION SCHEMES (CONTINUED)

Changes in the fair value of plan assets	2024 £'000	2023 £'000
Opening plan assets	12,167	12,145
Interest on assets	532	554
Gain/(loss) on asset return	(457)	194
Contributions by employer	100	100
Benefits paid	(735)	(759)
Expenses paid by the scheme	(70)	(67)
Closing defined benefit obligation	11,537	12,167

The actual return on plan assets was favourable: £75k (2023: £748k).

The Association expects to contribute to its defined benefit pension plans in the year ended 31 December 2025.

The Association also contributes to a Workplace Pension Scheme at a rate of 4% of each member's gross salary, or 5% for those staff who participate in the salary sacrifice scheme. The pension cost for the year for the group is £420k (2023: £320k).

12. INTANGIBLE FIXED ASSETS

Group	Computer software £'000	Total £'000
Cost or valuation:		
As at 1 January 2024	1,897	1,897
Transfer from tangible assets	29	29
Disposals	(55)	(55)
As at 31 December 2024	1,868	1,868
Amortisation:		
As at 1 January 2024	1,208	1,208
Transfer from tangibles	9	9
Charge for year	343	343
Eliminated in respect of disposals	(41)	(41)
As at 31 December 2024	1,519	1,519
Net book Value:		
As at 31 December 2024	349	349
As at 31 December 2023	689	689

Association	Computer software £'000	Total £'000
Cost or valuation:		
As at 1 January 2024	1,885	1,885
Disposals	(55)	(55)
As at 31 December 2024	1,830	1,830
Amortisation:		
As at 1 January 2024	1,205	1,205
Charge for year	336	336
Elimination in respect of disposals	(41)	(41)
As at 31 December 2024	1,500	1,500
Net book Value:		
As at 31 December 2024	330	330
As at 31 December 2023	680	680

THE ROYAL AIR FORCES ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2024

13. TANGIBLE FIXED ASSETS

Group	Notes	Properties		Equipment	Total
		Freehold	Short Leasehold	and Furniture	
		£'000	£'000	£'000	£'000
Cost or valuation:					
At 1 January 2024		6,663	55	1,937	8,655
Transfer between assets		(55)	-	55	-
Additions		45	-	338	383
Asset Revaluation		-	-	6	6
Disposals		-	-	(211)	(211)
Transfer to intangible assets		-	-	(17)	(17)
At 31 December 2024		6,653	55	2,108	8,816
Depreciation:					
At 1 January 2024		1,973	26	1,465	3,464
Transfer between assets		14	-	(14)	-
Charge for year		132	2	263	397
Depreciation on disposal		-	-	(54)	(54)
Elimination in respect of disposals		-	-	(184)	(184)
Transfer between assets		-	-	(9)	(9)
At 31 December 2024		2,119	28	1,467	3,614
Net book Value:					
At 31 December 2024		4,534	27	641	5,202
At 31 December 2023		4,690	29	472	5,191

Association	Properties		Equipment	Total
	Freehold £'000	Short Leasehold £'000	and Furniture £'000	£'000
Cost or valuation:				
At 1 January 2024	5,947	55	1,411	7,413
Additions	-	-	88	88
Revaluation of asset	-	-	6	6
Disposals	-	-	(2)	(2)
At 31 December 2024	5,947	55	1,503	7,505
Depreciation:				
At 1 January 2024	1,736	26	1,124	2,886
Charge for year	118	1	178	297
Elimination in respect of disposals	-	-	(54)	(54)
At 31 December 2024	1,854	27	1,248	3,129
Net book Value:				
At 31 December 2024	4,093	28	255	4,376
At 31 December 2023	4,211	29	287	4,527

THE ROYAL AIR FORCES ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2024

14. INVESTMENTS

Group	Fair Value		Historical Cost	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
a) Fixed assets				
Listed investments	18,199	17,761	11,365	13,326
Investment properties	3,321	3,391	959	959
Restated historic cost for properties	-	-	2,206	-
	<u>21,520</u>	<u>21,152</u>	<u>14,530</u>	<u>14,285</u>

Association	Fair Value		Historical Cost	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
a) Fixed assets				
Listed investments	17,791	17,385	11,015	12,976
Investment properties	3,321	3,391	959	959
Restated historic cost for properties	-	-	2,206	-
	<u>21,112</u>	<u>20,776</u>	<u>14,180</u>	<u>13,935</u>

The investment properties were revalued in 2023 on the basis of an open market value of the long leasehold interests in the property, subject to a tenancy agreement being in place, otherwise market value. The Trustees believe the valuation is still appropriate.

Movements on fair value during the year - Group

	Listed Investments £'000	Investment property £'000	Total £'000
1 January 2024	17,761	3,391	21,152
Additions	54	-	54
Disposals	(750)	(70)	(820)
Net investment gains	1,134	-	1,134
31 December 2024	<u>18,199</u>	<u>3,321</u>	<u>21,520</u>

Movements on fair value during the year - Association

	Listed Investments £'000	Investment property £'000	Total £'000
1 January 2024	17,385	3,391	20,776
Additions	54	-	54
Disposals	(750)	(70)	(820)
Net investment gains	1,102	-	1,102
31 December 2024	<u>17,791</u>	<u>3,321</u>	<u>21,112</u>

The net investment gains reflect the revaluation of investments at the year end.

No one investment represents more than 5 per cent of the portfolio by market value.

14. INVESTMENTS (CONTINUED)

The Association holds investments of £106 (2023: £106) representing the entire ordinary share capital of its subsidiary companies which are eliminated on the group consolidation, details of the subsidiary companies are given in Note 4 of the accounts.

Overseas investments

	General & Branch Deposit Fund £'000	Branch Deposit Formby Branch Fund £'000	Total £'000
2024			
North America	2,198	205	2,403
European	354	16	370
Asia Pacific	492	40	532
Emerging market	84	-	84
Global	3,625	224	3,849
	<u>6,753</u>	<u>485</u>	<u>7,238</u>
2023			
North America	1,925	133	2,058
European	336	15	351
Asia Pacific	452	37	489
Emerging market	75	-	75
Global	3,141	193	3,334
	<u>5,929</u>	<u>378</u>	<u>6,307</u>

b) Net gains on investment assets - Group

	2024 £'000	2023 £'000
Group		
Net gains on listed investments	1,134	249
Net gain on disposal of listed investments	150	760
Net gains on investment assets	-	144
Net gains on current asset investments	-	34
	<u>1,284</u>	<u>1,187</u>

b) Net gains on investment assets - Association

	2024 £'000	2023 £'000
Association		
Net gains on listed investments	1,102	219
Net gain on disposal of listed investments	150	760
Net gains on investment assets	-	144
Net gains on current asset investments	-	34
	<u>1,252</u>	<u>1,157</u>

The Revaluation Reserve of £6,990k (2023: £7,901k) included within the unrestricted funds within the balance sheet of both the group and Association, arises on the year end fair value of investments held at fair value, less their historical costs.

THE ROYAL AIR FORCES ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2024

15. ASSETS HELD FOR RESALE

Group and Association	2024 £'000	2023 £'000
Freehold properties	875	440

This property was sold on 10 March 2025 for £875,064

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade debtors	166	78	41	7
Amounts due from subsidiaries	-	-	1,096	1,006
Prepayments and accrued income	465	480	346	388
Other debtors	278	109	8	12
	909	667	1,491	1,413

Within the Association, amounts due from subsidiaries includes £100,000 (2023: £100,000) which is due after more than one year.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Taxation and social security costs	414	183	293	119
Other creditors	501	596	270	564
Accruals and Deferred income	1,215	1,055	720	580
Deposits by branches	1,389	1,484	1,389	1,484
Formby Branch	1,082	1,006	1,082	1,005
Amounts owed to subsidiaries	-	-	59	43
	4,601	4,324	3,813	3,795

	Group £'000	Association £'000
Movement in deferred income:		
2024 opening balance	443	250
Release during the year	(309)	(226)
2024 donations, fulfilment income and grants in advance	673	328
2024 closing balance	807	352

The group and Association deferred income comprises membership subscription income, Government funding, donations and fulfilment income received in advance.

THE ROYAL AIR FORCES ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2024

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Deferred income – capital grant	310	265	-	-
	310	265	-	-

19. OPERATING LEASE COMMITMENTS

The total future minimum lease payments under non-cancellable operating leases are set out below:

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Equipment:				
Due within one year	18	18	10	14
Due between two and five years	38	23	7	15
Land and buildings:				
Due within one year	13	16	2	6
Due between two and five years	18	34	-	8
Vehicles:				
Due within one year	68	35	18	14
Due between two and five years	141	51	10	-
	296	177	47	57

The total future minimum lease receipts under non-cancellable operating leases are set out below:

Group and Association

Land and buildings

	2024	2023
	£'000	£'000
Due within one year	126	136
Due between two and five years	298	423
Due over 5 years	747	401
	1,171	960

THE ROYAL AIR FORCES ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2024

20. RESTRICTED FUNDS

Association	1 January 2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 December 2024 £'000
Befriending	79	7	(32)	-	54
Brighten Your day	7	-	(6)	-	1
Conway Legacy	296	-	(1)	-	295
Dowding Restricted Fund	24	4	-	-	28
Eastern Chalet Area	100	-	(7)	-	93
Finding it Tough	58	96	(18)	-	136
Flowerdown House	113	-	-	(113)	-
Flying Scholarship	10	-	(7)	-	3
Homes Refurbishment	146	-	-	-	146
Residential Properties & Activities	-	414	-	124	538
Military Coworking	36	-	(32)	-	4
Operation RAF Unite	30	115	(145)	-	-
Partner Employment Programme	39	-	(5)	-	34
Positive Pathway programme	17	49	(9)	(17)	40
RAF Benevolent Fund Grants	150	1,169	(1,207)	-	112
Navigating Dementia	33	57	(5)	-	85
Care and Welfare	131	141	(56)	-	216
Rothbury Restricted	21	12	(33)	-	-
Scottish Development Fund	22	-	-	-	22
Storybook Wings & Doodle packs	25	-	(17)	-	8
Volunteer Welfare Officers	12	-	-	-	12
Wexford	6	-	(6)	-	-
Women's Wellbeing Fund	-	17	-	-	17
Other Restricted Funds	49	45	(46)	(11)	37
	1,404	2,126	(1,632)	(17)	1,881
Group					
Boulmer Nursery Fund	-	17	-	-	17
Brize Norton Nursery Fund	48	89	(36)	-	101
Digby Nursery Fund	99	4	-	-	103
Leeming Nursery Fund	68	37	(18)	-	87
Other Nursery Funds	-	106	(106)	-	-
	1,619	2,379	(1,792)	(17)	2,189

The purpose of each fund is as stated above except for the Care and Welfare Fund, which represents an aggregation of each Areas Care Funds, which have the common purpose of contributing towards welfare for eligible individuals.

The Conway Legacy represents a fund for welfare provision in Ireland.

The Finding it Tough Fund supports training courses aimed at members of military community with symptoms of poor mental wellbeing.

Benevolent Fund Grants represent monies received for grants awarded for welfare casework.

The Befriending Fund is used towards keeping in touch with members, providing friendship and connections for life.

THE ROYAL AIR FORCES ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2024

20. RESTRICTED FUNDS (continued)

In 2024, the Association created a Residential Properties and Activities Restricted Fund, into which Richard Peck £11k) and Flowerdown Restricted Funds (£113k) were transferred. This is for sheltered living accommodation.

During the year £17k was transferred from the Association Restricted Funds to the General Fund, being prior year restricted expenditure that has now been allocated to the Positive Pathway Program.

At group level, a new restricted fund was opened, being Boulmer Nursery Fund in RAFA Kidzone Ltd.

PRIOR YEAR

Association	1 January 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 December 2023 £'000
Befriending	149	33	(103)	-	79
Brighten Your day	13	-	(6)	-	7
Conway Legacy	306	-	(10)	-	296
Dowding Restricted Fund	32	-	(8)	-	24
Eastern Chalet Area	119	6	(10)	(15)	100
Finding it Tough	57	72	(71)	-	58
Flowerdown House	113	-	-	-	113
Flying Scholarship	10	-	-	-	10
Homes Refurbishment	146	-	-	-	146
Lunches	15	-	(15)	-	-
Military Coworking	148	-	(112)	-	36
Operation RAF Unite	41	43	(54)	-	30
Partner Employment Programme	35	5	(1)	-	39
Positive pathway programme	61	-	(30)	(14)	17
RAF Benevolent Fund Grants	160	1,914	(1,924)	-	150
Reaching Affected Families (Navigating Dementia)	80	2	(49)	-	33
Care and Welfare	92	56	(17)	-	131
Rothbury Restricted	292	22	(21)	(272)	21
Scottish Development Fund	22	-	-	-	22
Storybook Wings & Doodle packs	50	-	(25)	-	25
Volunteer Welfare Officers	18	-	(6)	-	12
Wexford	18	5	(17)	-	6
Other Restricted Funds	92	10	(3)	(50)	49
	2,069	2,168	(2,482)	(351)	1,404
Group					
Brize Norton Nursery Fund	-	209	(153)	(8)	48
Digby Nursery Fund	100	3	(4)	-	99
Leeming Nursery Fund	65	3	-	-	68
High Wycombe Nursery Fund	-	42	(42)	-	-
	2,234	2,425	(2,681)	(359)	1,619

THE ROYAL AIR FORCES ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2024

21. DESIGNATED FUNDS

Group	1 January 2024 £'000	Movement £'000	31 December 2024 £'000	31 December 2023 £'000
Fixed Assets	2,000	-	2,000	2,000
Membership Engagement	300	-	300	300
Investment Fund	3,400	-	3,400	3,400
Welfare Fund	5,000	-	5,000	5,000
Property Repairs and Maintenance	750	-	750	750
Defined Benefit Pension Scheme	500	(250)	250	500
Residential Designated	-	525	525	-
Rothbury Fund	163	(163)	-	163
Cranwell Nursery Fund	38	1	39	38
	12,151	113	12,264	12,151
Association	1 January 2024 £'000	Movement £'000	31 December 2024 £'000	31 December 2023 £'000
Fixed Assets	2,000	-	2,000	2,000
Membership Innovation	300	-	300	300
Investment Fund	3,400	-	3,400	3,400
Welfare Fund	5,000	-	5,000	5,000
Property Repairs and Maintenance	750	-	750	750
Defined Benefit Pension Scheme	500	(250)	250	500
Residential Designated	-	525	525	-
Rothbury	163	(163)	-	163
	12,113	112	12,225	12,113

To support the business strategy, the Trustees have approved the designation of funds.

A designated fund of £2,000k is held to replace fixed assets as required, and also a £750k maintenance reserve to maintain infrastructure integrity of the property portfolio.

A membership innovation fund of £300k is allocated to fund innovation potential within the membership offering.

A designated Fund of £250k is held to cover any future shortfall of the defined benefit pension scheme resulting from adverse financial markets movements and the resulting impact on the scheme assets. This has been reduced in the year from £500k in light of the assets of the fund performing well and the present value of obligations, and that it is 99% funded. This designation will enable accommodation of any ongoing volatility of the markets.

The investment fund designation of £3,400k accounts for the continued uncertainties in the financial markets relating to the global political and trade. The Trustees believe this is sufficient to withstand a significant market correction.

The welfare needs of the Association's beneficiaries will continue to evolve and changing needs have been identified. As a result of the welfare provision fund of £5,000k is set aside to enable continued welfare activities and in support of a strategic plan to utilise reserves for this purpose.

A new Residential Designated Fund has been established to reflect the intended use of income from the closure of Harrow branch.

The Cranwell Nursery Designated Fund of £38k is to support development activity at RAFAKidz Cranwell nursery.

THE ROYAL AIR FORCES ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2024

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group:	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Funds balances at 31 December 2024 are represented by:			
Intangible fixed assets	349	-	349
Tangible fixed assets	5,202	-	5,202
Investments	21,520	-	21,520
Loans to branches	120	-	120
Current assets	3,318	2,189	5,507
Current liabilities	(4,601)	-	(4,601)
Creditors due after more than one year	(310)	-	(310)
Total net assets	25,598	2,189	27,787

Association:	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Funds balances at 31 December 2024 are represented by:			
Intangible fixed assets	330	-	330
Tangible fixed assets	4,376	-	4,376
Investments	21,112	-	21,112
Loans to branches	120	-	120
Current assets	2,696	1,881	4,577
Current liabilities	(3,813)	-	(3,813)
Total net assets	24,821	1,881	26,702

THE ROYAL AIR FORCES ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2024

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

Group:	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Funds balances at 31 December 2023 are represented by:			
Intangible fixed assets	689	-	689
Tangible fixed assets	5,191	-	5,191
Investments	21,152	-	21,152
Loans to branches	124	-	124
Current assets	2,888	1,619	4,507
Current liabilities	(4,324)	-	(4,324)
Creditors due after more than one year	(265)	-	(265)
Total net assets	25,455	1,619	27,074
Association:	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Funds balances at 31 December 2023 are represented by:			
Intangible fixed assets	680	-	680
Tangible fixed assets	4,527	-	4,527
Investments	20,776	-	20,776
Loans to branches	124	-	124
Current assets	2,711	1,404	4,115
Current liabilities	(3,795)	-	(3,795)
Total net assets	25,023	1,404	26,427

THE ROYAL AIR FORCES ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2024

23. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Net expenditure	713	(313)	275	(644)
Adjustments for:				
Gifted properties	(875)	(1,688)	(875)	(1,688)
Gifted properties sold	-	848	-	848
Contributions to defined benefit scheme	(100)	(100)	(100)	(100)
Expenses borne by pension scheme	70	67	70	67
Depreciation charges	397	230	297	185
Amortisation charges	343	340	336	338
Fair value gain on Investment properties	(58)	(144)	(58)	(144)
Gifted Assets	(5)	-	(5)	-
(Gain)/Loss on disposal of fixed assets	(27)	2	-	2
Loss on disposal of intangible assets	14	-	14	-
Gain on gifted properties sold	(10)	-	(10)	-
Fair value gains on Investment	(1,284)	(249)	(1,252)	(219)
Loss on pension	38	36	38	36
Investment income	(602)	(564)	(610)	(564)
Return on defined benefit scheme assets	(532)	(554)	(532)	(554)
Interest paid	14	15	14	15
Interest on defined benefit pension liabilities	524	551	524	551
Increase in assets for resale	-	(140)	-	(140)
Increase in stock	(37)	(155)	-	-
Increase in debtors	(242)	(246)	(78)	(120)
Increase in creditors	372	514	77	105
Increase in creditors > 1yr	45	-	-	-
Net cash (used in) operating activities	(1,242)	(1,550)	(1,875)	(2,026)

24. CASH AND CASH EQUIVALENTS

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Cash and cash equivalents represent:				
Cash at bank	2,047	1,686	1,021	997
Cash held by investment managers	1,190	1,265	1,190	1,265
	3,237	2,951	2,211	2,262

25. LEGACIES

The Association is aware of a number of legacies to be received due to the legacy pipeline information, but these are difficult to quantify as the monetary value is uncertain and cannot be established.

26. RELATED PARTY TRANSACTIONS

The branches forwarded Wings Appeal income of £320k (2023: £477k) to the Association which is included in Wings Appeal income. The Association returned £75k (2023: £83k) to the branches for them to use for their own welfare funds which is included in expenditure. In addition, £5k (2023: £7k) was paid to the branches in respect of Wings Appeal expenditure and these expenses are included in the cost of raising funds.

Membership subscription rebates of £119k (2023: £90k) paid to branches are included in expenditure.

The Association paid interest of £14k (2023: £15k) to the branches holding deposit accounts with the Association (see Note 7). The Association received interest of £0.6k (2023: £0.6K) from branches that have received loans from the Association.

27. FINANCIAL INSTRUMENTS

The carrying amount of the group's and Associations financial instruments at 31 December were:

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Financial assets:				
Equity instruments measured at fair value through net income/expenditure	17,674	17,221	17,226	18,844

28. DONATIONS – ASSETS GIFTED FROM BRANCHES

During the year, the Royal Air Forces Association branch at Harrow closed their Club resulting in the property being transferred to the Royal Air Forces Association for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The property transferred was valued at their fair values and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised in the Statement of Financial Activities as Donations – Assets Gifted from Branches. During 2024 the properties gifted total £875k (2023: £1,688k).

All properties transferred are classified as Unrestricted Funds.

THE ROYAL AIR FORCES ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2024

29. PRIOR YEAR GROUP STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000
INCOME:				
Donations and Legacies	3	3,374	298	3,672
Donations – assets gifted from branches	28	1,688	-	1,688
Charitable Activities:	6	558	2,112	2,670
Other Trading Activities:				
Trading income		5,883	-	5,883
Lotto and other fundraising income		1,754	-	1,754
Investment Income	5	564	-	564
Total Income		13,821	2,410	16,231
EXPENDITURE:				
Cost of Raising Funds		2,075	-	2,075
Charitable Activities:				
Residential & Respite Care Home		1,286	55	1,341
Friendship & Welfare Support		10,047	2,626	12,673
Other Support Costs		1,594	-	1,594
Other Expenditure:				
Interest Paid on Branch Deposits		15	-	15
Interest on Defined Benefit Pension		(3)	-	(3)
Total Expenditure	7	15,014	2,681	17,695

THE ROYAL AIR FORCES ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2024

29. PRIOR YEAR GROUP STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000
Net expenditure		(1,193)	(271)	(1,464)
Net gains on investment assets	14(b)	1,172	15	1,187
Actuarial losses on defined benefit pension scheme	11	(36)	-	(36)
Net movement in funds		(57)	(256)	(313)
Reconciliation of Funds				
Total Funds Brought Forward		25,153	2,234	27,387
Transfer between funds		359	(359)	-
Total Funds Carried Forward		25,455	1,619	27,074

THE ROYAL AIR FORCES ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2024

29. PRIOR YEAR ASSOCIATION STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000
INCOME:				
Donations and Legacies	3	3,389	56	3,445
Donations – assets gifted from branches	28	1,688	-	1,688
 Charitable Activities:	6	625	2,112	2,737
Other Trading Activities:				
Lotto and other fundraising income		1,754	-	1,754
 Investment Income	5	564	-	564
Interest on Defined Benefit Pension		3	-	3
 Total Income		8,023	2,168	10,191
 EXPENDITURE				
Cost of Raising Funds		991	-	991
 Charitable Activities:				
Residential & Respite Care Home		1,116	55	1,171
Welfare Support		5,505	2,427	7,932
Other Support Costs		1,847	-	1,847
 Other Expenditure:				
Interest Paid on Branch Deposits		15	-	15
 Total Expenditure	7	9,474	2,482	11,956

29. PRIOR YEAR ASSOCIATION STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000
Net expenditure		(1,451)	(314)	(1,765)
Net gains on investment assets	14(b)	1,157	-	1,157
Other recognised losses:				
Actuarial losses on defined benefit pension scheme	11	(36)	-	(36)
Net movement in funds		(330)	(314)	(644)
Reconciliation of Funds				
Total Funds Brought Forward		25,002	2,069	27,071
Transfer between funds		351	(351)	-
Total Funds Carried Forward		25,023	1,404	26,427

THE ROYAL AIR FORCES ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2024

Subsidiary Organisations

<p>RAFAKidz Limited</p> <p>Directors:</p> <p>Nicholas Bunting OBE (Chair)</p> <p>Rachel Huxford MBE</p> <p>Rory O'Connor</p> <p>Kristina Parkin</p> <p>Rebecca Reffell</p> <p>WO Michelle Rees-Martin</p> <p>Adam Walker</p>	<p>RAFA Housing Limited</p> <p>Directors / Trustees:</p> <p>Harrinder Rai (Chair)</p> <p>Nicholas Bunting OBE</p> <p>Rory O'Connor</p> <p>Kristina Parkin</p> <p>Carl Dickinson</p> <p>Sqn Ldr Dean Gibson</p> <p>Flt Lt Simon Arnett</p> <p>John Stemp (from January 2024)</p>
<p>RAFA Kidzone Limited</p> <p>Directors / Trustees:</p> <p>Ruth Brutnall</p> <p>Denitsa Pavlinova Raynova (from March 2025)</p> <p>Phil Sherwin (from March 2024)</p>	<p>RAFATRAD Limited</p> <p>Directors:</p> <p>Nicholas Bunting OBE (Chair)</p> <p>Rachel Huxford MBE</p> <p>Kristina Parkin</p> <p>Chris Goss (until October 2024)</p> <p>Lady Elaine Hillier (to April 2024)</p> <p>George Overton (to February 2024)</p>
<p>RAFAKidz Wings Limited</p> <p>Directors:</p> <p>Nicholas Bunting OBE (Chair)</p> <p>Rory O'Connor</p> <p>Kristina Parkin</p>	<p>RAFA Events Limited</p> <p>Directors:</p> <p>Nicholas Bunting OBE (Chair)</p> <p>Rachel Huxford MBE</p> <p>Kristina Parkin</p>
<p>RAFA Wellbeing Limited</p> <p>Directors:</p> <p>Nicholas Bunting OBE (Chair)</p> <p>Rory O'Connor</p> <p>Kristina Parkin</p>	