

# THE RAF BENEVOLENT FUND HOUSING TRUST LIMITED

England & Wales · Charity number 264636

## Details

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Status	Registered
Legal form	Charitable company
Company number	<a href="#">01058896</a>
Registered	1972-11-24
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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Address	Royal Air Force Benevolent Fund 67 Portland Place London W1B 1AR
Phone	020 7307 3318
Email	<a href="mailto:lisa.harmshaw@rafbf.org.uk">lisa.harmshaw@rafbf.org.uk</a>
Website	<a href="http://www.rafbf.org">www.rafbf.org</a>

## Activities

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**Objects:** TO SUPPORT AND ASSIST, THE ROYAL AIR FORCE BENEVOLENT FUND IN ITS CHARITABLE WORK AND IN PARTICULAR TO CARRY INTO EFFECT THE CHARITABLE OBJECTS OF THE FUND BY PURCHASING OWNING TAKING ON LEASE AND OTHERWISE PROVIDING HOUSING ACCOMMODATION FOR MEMBERS OR FORMER MEMBERS OF THE ROYAL AIR FORCE OR THE WIDOWS OR THE WIDOWS OR OTHER DEPENDANTS OF SUCH MEMBERS OR FORMER MEMBERS WHO ARE IN NEED PARTICULARLY OF ACCOMMODATION WHETHER THROUGH ILLNESS DISABLEMENT OR OTHERWISE.

**Activities:** Provision of housing for RAF personnel who face medical retirement from the RAF following a serious disabling accident or illness, and for the families of those who die whilst serving

## Classification

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- **How:** Provides Buildings/facilities/open Space
- **What:** Accommodation/housing
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Defined Groups

## Geography

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- Northern Ireland
- Scotland
- Throughout England And Wales

## Finances

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Period end	Income	Expenditure	Assets	Employees
2024-12-31	£2,166,411	£1,878,907	£15,011,720	0
2023-12-31	£1,910,787	£1,849,138	£14,724,216	0
2022-12-31	£3,275,048	£1,985,823	£14,662,567	0
2021-12-31	£2,376,205	£1,686,901	£13,373,342	0
2020-12-31	£1,858,192	£1,770,436	£12,684,037	0

## Trustees

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Name	Role	Appointed
Air Commodore Simon Harper		2023-03-28
Air Vice-Marshal Christina Reid Elliot		2020-05-11
Alan Porter		2025-03-25
EMRYS ROGERS		2020-08-03
Patrick Anthony Richard Aylmer		2021-07-01
Sarah-Jane Louise Davis		2020-06-01
VICTORIA Akinboro		2015-10-28

**THE RAF BENEVOLENT FUND HOUSING TRUST LIMITED**

England & Wales - Charity number 264636

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# Accounts

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# THE RAF BENEVOLENT FUND HOUSING TRUST LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

**For the year ended 31 December 2024**

Companies House No: 1058896  
Charity Commission: 264636  
OSCR: SC038218

# **The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements 31 December 2024**

## **Directors and Trustees**

Air Vice-Marshal Chris Elliot CB CBE MA BSc DL (Chair)

Wing Commander Sarah Davis MBA MSc FCIPD

Mrs Victoria Akinboro BSc (Hons) ACMA CGMA

Air Commodore Simon Harper OBE MA FCIPD

Mr Emrys Rogers

Mr Patrick Aylmer FCA

Mr Alan Porter (appointed 25 March 2025)

## **Secretary**

Mrs Victoria Akinboro BSc (Hons) ACMA CGMA

## **Independent Auditors**

Crowe U.K LLP

55 Ludgate Hill

London

EC4M 7JW

## **Bankers**

Barclays Bank Plc,

1 Churchill Place

London

E14 5HP

## **Solicitors**

Charles Russell Speechlys LLP

5 Fleet Place

London

EC4M 7RD

Gillespie MacAndrew

5 Atholl Crescent

Edinburgh

EH3 8EJ

## **Registered office**

67 Portland Place

London

W1B 1AR

# **The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements**

## **31 December 2024**

### **Annual Report**

The Directors, who are also the Trustees of the charitable company, present their report and financial statements for the year ended 31 December 2024.

**Governing Document** The objects for which the Company is established are set out in the Memorandum of Association dated 2 June 1972. The Articles of Association of the Company were approved by a written resolution by the Directors on 24 June 2003.

### **Principal activity**

The RAF Benevolent Fund Housing Trust Limited is a charitable company limited by guarantee and is a wholly owned subsidiary of The Royal Air Force Benevolent Fund. Its sole activity is to hold and operate properties for beneficiaries of the Royal Air Force Benevolent Fund.

The Company is financed and controlled by the Royal Air Force Benevolent Fund and assists in the attainment of the Fund's objectives by purchasing properties for occupation by its beneficiaries. These properties are let for rentals, and rents charged are based on a recognised benchmark, the Joseph Rowntree Foundation Living Rent and take into account the means of beneficiaries. The Company takes responsibility for insurance, external repairs and redecorations, and the preservation of the main structures and installations. Further details of the activities and policies of the Royal Air Force Benevolent Fund and its subsidiaries are included in its Annual Report, a copy of which may be obtained by writing to the registered office at the address shown on page 1 or by accessing it at the Fund's website [www.rafbf.org](http://www.rafbf.org).

### **Public benefit**

As stated in the principal activity section, the Royal Air Force Benevolent Fund Housing Trust Limited's sole activity is to hold and operate properties for beneficiaries of the Royal Air Force Benevolent Fund. It exists to provide security and support to particularly vulnerable beneficiaries through the provision of bespoke housing solutions.

When reviewing the Company's aims and objectives, and in planning future activities and policies, the Directors have given careful consideration to the Charity Commission's general and supplementary guidance on public benefit and fee charging. The Company uses the published Joseph Rowntree Foundation's Minimum Income Standard figures to assist with assessing financial need. This provides a highly respected sector standard that represents the minimum income required to provide a socially inclusive standard of living in the UK. In addition to this, the Company allows additional expenditure for mortgage, rent, council tax, childcare and formal carer costs. Disability benefits are disregarded as income. Where a contribution is invited towards the costs of occupying a residential property, the beneficiary's means based on the above standard are always considered. No eligible member of the RAF Family is prevented from benefiting from the support of the Royal Air Force Benevolent Fund and this means that the rent charged is considerably below the market rate.

## **The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements 31 December 2024**

### **Fundraising Activities**

The charitable company had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

### **2024 Review**

During 2024, four properties were purchased, one other adapted and eight sold. The properties purchased enabled the relocation of existing occupants to more suitable accommodation and one supported a serviceman and his family to relocate from Service Families Accommodation as a result of him being medically discharged due to disability resulting from his service. The purchase of a further three properties were awaiting completion at the end of the year following the beneficiaries identifying suitable properties that would meet their needs. 2024 rental income was £1M (2023: £1M), with the considered application of welfare principles such as ability to pay, Joseph Rowntree Foundation Living Rent calculation and Local Housing Allowance rates being taken into account when calculating affordable rent.

### **Future plans of the Company**

The Company intends to continue to manage a portfolio of properties in support of the beneficiaries of the RAF Benevolent Fund for the foreseeable future.

### **Organisational structure and governance**

Unless otherwise determined, the number of Directors shall not be less than three nor more than twelve. The Directors shall at all times include the Controller of the Fund ex-officio, who shall be the chair of the Board, and shall also include such members of the Grants Committee of the Fund as shall from time to time be nominated by the Fund. The Directors may also appoint any member of the company as a Director, either to fill a casual vacancy or by way of addition to the number of Directors, provided the maximum is not exceeded. At every AGM, one-third of the Directors (except the Controller of the Fund), shall retire from office and shall be eligible for re-election. The business of the Company is managed by the Directors but may be delegated to any Director and/or employee of the Fund. The Company has no employees but pays a charge for the use of Fund staff to carry out operational activity.

### **Major risks and uncertainties**

Trustees of the Royal Air Force Benevolent Fund have overall responsibility for managing risks faced by the Charity and its subsidiary entities. Therefore, the identification of major risks associated with the Housing Trust operation is carried out as part of the risk management process of the Royal Air Force Benevolent Fund.

The major risks, have been reviewed and appropriate mitigation measures put in place to manage downside risks and take advantage of opportunities presented. The major risks identified as having the potential to affect the reputation and subsequent successful performance of the Royal Air Force Benevolent Fund and hence the Royal Air Force Benevolent Fund Housing Trust Ltd along with mitigating actions are:

## The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements 31 December 2024

- **Income and Financial Sustainability:** This can be caused by the inability to generate sufficient income to cover the expenditure required to meet beneficiary needs on a consistent basis. Underlying risk pertaining directly to the Housing Trust are the conditions of the property market leading to properties being vacant for extended periods of time and economic climate leading to rent not being paid by a good number of beneficiaries. These risks are being managed by considering market assessments provided by external RICS registered surveyors and taking proactive steps to sell properties when they become vacant and active oversight and monitoring by an Operations Board. Rental income risk is managed by active regular monitoring, annual rent reviews to identify changes in beneficiary circumstances and enable assistance as required, such as support from the Royal Air Force Benevolent Fund Benefits Advisors to maximise beneficiary income potential
- The Royal Air Force Benevolent Fund continues to provide institutional support to the Housing Trust.
- **Meeting the needs of the RAF Family:** This can be caused by the failure of third parties to deliver timely and quality services on behalf of the Housing Trust or the Royal Air Force Benevolent Fund, who are then not able to carry out this work to an acceptable standard; and not being innovative and responsive to the changing needs of the RAF Family. The main underlying risk of direct relevance to the Housing Trust is Property Management consultants (surveyors) not providing accurate information on property maintenance requirements. This risk is mitigated through the monitoring done by an Operations Board, regular reviews of surveyor performance and engaging with partner organisations to foster wider sector insight.
- **Safeguarding and the duty of care:** This can be caused by an activity that gives rise to a safeguarding incident in which a beneficiary or member of staff is adversely affected by the actions of the Company or the parent Charity.  
This risk is being mitigated by ensuring that we have robust safeguarding policies, procedures, and training plans. There is a Safeguarding Committee that maintains oversight and a designated Safeguarding lead Trustee on the Board of the Royal Air Force Benevolent Fund and assurance from independent audits. Policies are renewed annually with the Royal Air Force Benevolent Fund Safeguarding Lead Trustee
- **Governance and compliance with regulatory requirements:** This can be caused by stricter regulation on housing providers and /or insufficient awareness of regulation changes across all nations. This is mitigated by using the services of duly qualified surveyors and maintaining membership of the Cobseo Housing Cluster and Scottish Landlord Associations. Continuous monitoring of legislation around climate change measures and including energy efficiency in routine maintenance programme.

### Reserves policy

As a wholly owned subsidiary of the Royal Air Force Benevolent Fund the reserves of the Company are considered alongside the Reserves policy of the parent charity.

Free reserves are the resources the Company has available to spend on revenue expenditure in line with its purposes once it has met its commitments and covered its other planned expenditure. The Royal Air Force Benevolent Fund Housing Trust Ltd has free reserves of £0.4M as at 31 December 2024 (2023:

## **The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements 31 December 2024**

£0.8M). This amount is represented by net current assets excluding the amount owed to the parent charity disclosed in note 9.

On the basis of the continued support from the parent charity, the Directors have decided that the minimum level of reserves held should be sufficient to cover about six months operating costs to fund the on-going programme of maintaining the Company's property portfolio. The minimum requirement on 31 December 2024 was £0.5M (2023: £0.5M). The Directors have no concern regarding the free reserves held as at 31 December 2024 as the cashflows for financial year 2025 forecast that the value owing from Housing Trust to Main funds will reduce significantly.

The Reserves policy is reviewed each year by the parent charity as part of the annual planning process. Performance against the reserves policy is monitored during the year as part of regular financial management and is reflected as a key performance indicator at Board level. Full details of the parent charity financial position can be obtained from the Annual Report and Accounts which are available on request from 67 Portland Place, London, W1B 1AR or from [www.rafbf.org](http://www.rafbf.org).

### **Going concern**

The Directors have given consideration to the Company reporting a net current liability position as a result of the large balance owed to the parent undertaking. However, the Company is assured that the Royal Air Force Benevolent Fund has no intention of calling upon this debt and has received written confirmation to this effect. The Directors have also given consideration to the external economic environment, the financial strength of the parent undertaking and income and expenditure forecasts, and concluded that the Company will be able to continue to operate for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

The net assets of the Company as at 31 December 2024 were £15M (2023: £14.7M). £9.9M (2023: £10.9M) was owed to The Royal Air Force Benevolent Fund, the parent undertaking. Given that the Company manages properties solely in order to support the beneficiaries of the Royal Air Force Benevolent Fund, the Trustees of the parent undertaking are committed to providing continued institutional support to the Company in the form of an interest free facility for the foreseeable future. This means that whilst the debt is a short-term liability, the Royal Air Force Benevolent Fund will not be requesting repayment within the next twelve months. On this basis the Directors have reviewed the Royal Air Force Benevolent Fund Housing Trust Ltd and consider that adequate resources continue to be available to fund the activities for the foreseeable future. The Directors are of the view that the Company is a going concern.

### **Financial review**

The Statement of Financial Activities (SOFA) for the year is set out on page 12 of the financial statements and shows a surplus of £287K (2023: £62K).

### **Income**

There was a £256K/ 13% increase in income from £1.9M in 2023 to £2.2M in 2024, due mainly to the £231K /31% year on year increase in the profit on disposal of properties. Eight properties were sold in 2024 compared to five in 2023. The £2.2M total income is made up of rentals received (2024: £1.1M, 2023: £1.1M), the profit on the disposal of properties (2024: £980K, 2023: £749K), bank interest (2024: £48K, 2023: £50K) and some legacy income (2024: £2K, 2023: £35K).

## **The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements 31 December 2024**

### **Expenditure**

Expenditure also increased by 1% from £1.849M in 2023 to £1.879M in 2024. This was primarily due to an increase in expenditure on repairs and maintenance which rose to £866K in 2024 from £692K in 2023, a 25% year on year increase. This was offset with depreciation decreasing from £667k in 2023 to £448k in 2024 following an adjustment to depreciate properties only inline with the depreciation policy.

### **Tangible fixed assets**

As at 31 December 2024, the Trust owned 194 properties (2023: 198). During the year, 4 properties were purchased (2023: 10) and 8 were sold (2023: 5), resulting in a net decrease of 4 properties.

Total cost of new properties was £1.34M (2023: £3.38M) and this includes £183K spent on adaptations on properties purchased. £0.1M (2023: £0.1M) on adaptations.

Proceeds from the sale of properties amounted to £2.26M (2023: £1.3M) and profits on these sales were £1M (2023: £0.8M).

The net book value of properties held was £24.5M at 31 December 2024, (2023: £24.7M). Reported values are based on historical cost, but the Directors recognise that the total market value will in all probability be materially higher.

### **Directors**

The Directors during the year, and up to the date of approval of the financial statements, are as shown on page 1.

### **Statement of Directors' responsibilities**

The Directors (who are also Trustees of the Royal Air Force Benevolent Fund Housing Trust Ltd for the purposes of charity law) are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the outgoing resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures which are disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland)

**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements  
31 December 2024**

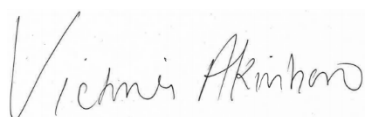
Act 2005 and the Charities Accounts (Scotland) Regulations 2006, Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

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

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board on 27 May 2025



**Victoria Akinboro**

Secretary

Date: 27 May 2025

# **The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements**

## **31 December 2024**

### **Independent Auditor's Report to the Directors of The RAF Benevolent Fund Housing Trust Limited**

#### **Opinion**

We have audited the financial statements of The RAF Benevolent Fund Housing Trust Limited for the year ended 31<sup>st</sup> December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

## **The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements 31 December 2024**

### **Other information**

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the annual report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the annual report have been prepared in accordance with applicable legal requirements.

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

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

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

- adequate accounting records have not been kept or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit [or
- if the small companies regime has been used the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the annual report.

## **The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements 31 December 2024**

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 6 the directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

We have been appointed as auditor under the Companies Act 2006, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

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:

We identified and assessed the risks of material misstatement of the Financial Statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Financial Statements. The laws and regulations we considered in this context were the Companies Act 2006, Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's

## **The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements 31 December 2024**

ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were; General Data Protection Regulation (GDPR), Health and safety legislation and Taxation legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the Financial Statements from irregularities, including fraud, to be the override of controls by management which includes estimates and judgement. Our audit procedures to respond to these risks included enquiries of management, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with Companies House, Charity Commission, OSCR and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Financial Statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the Financial Statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

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



**Vincent Marke**

Senior Statutory Auditor

For and on behalf of **Crowe U.K. LLP**

Statutory Auditor

**London**

**18 September 2025**

**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements  
31 December 2024**

**STATEMENT OF FINANCIAL ACTIVITIES**

**for the year ended 31 December 2024**

**(incorporating income and expenditure account)**

		<b>2024</b>	<b>2023</b>	
		<b>£</b>	<b>£</b>	
<b>Income from:</b>	Note			
Legacies		2,164	34,868	
Charitable activities		1,136,669	1,076,657	
Other activities		<u>1,027,578</u>	<u>799,262</u>	
<b>Total income</b>	2	<u>2,166,411</u>	<u>1,910,787</u>	All funds are
Expenditure on charitable activity	3	<u>(1,878,907)</u>	<u>(1,849,138)</u>	
<b>Net income</b>		<u>287,504</u>	<u>61,649</u>	
<b>Net movement in funds</b>		287,504	61,649	
Total funds brought forward		<u>14,724,216</u>	<u>14,662,567</u>	
<b>Total funds carried forward</b>		<u><b>15,011,720</b></u>	<u><b>14,724,216</b></u>	

unrestricted.

There are no recognised gains or losses in either period other than as disclosed above.

All incoming and outgoing resources arise from continuing activities.

**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements  
31 December 2024**

**BALANCE SHEET**


as at 31 December 2024

	Note	2024 £	2023 £
<b>Fixed assets</b>			
Tangible assets	6	<u>24,482,040</u>	<u>24,742,138</u>
<b>Current assets</b>			
Debtors	7	65,651	123,980
Cash at bank and in hand		<u>722,377</u>	<u>917,365</u>
		<u>788,028</u>	<u>1,041,345</u>
Creditors: amounts falling due within one year	8	<u>(10,258,348)</u>	<u>(11,059,267)</u>
<b>Net current liabilities</b>		<u>(9,470,320)</u>	<u>(10,017,922)</u>
<b>Net assets</b>		<u><b>15,011,720</b></u>	<u><b>14,724,216</b></u>
<b>Unrestricted general funds</b>		<u><b>15,011,720</b></u>	<u><b>14,724,216</b></u>

The notes on pages 15 to 19 form part of these financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved and authorised for issue by the Board on 27 May 2025 and signed on its behalf by



**Victoria Akinboro**  
Director

Date: 27 May 2025

Company registration number: 01058896

**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements  
31 December 2024**

**STATEMENT OF CASH FLOWS**

**For the year ended 31 December 2024**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Net cash inflow/(outflow) from operating activities	(987,345)	1,178,306
<b>Cash flows from investing activities</b>		
Proceeds from sale of tangible fixed assets	2,614,805	1,299,732
Payments to acquire tangible fixed assets	(1,312,826)	(3,517,822)
Net cash provided by investing activities	<u>1,301,979</u>	<u>(2,218,090)</u>
Change in cash and cash equivalents	(194,988)	(1,039,783)
Cash and cash equivalents at beginning of year	<u>917,365</u>	<u>1,957,148</u>
<b>Cash and cash equivalents at end of year</b>	<b><u>722,377</u></b>	<b><u>917,365</u></b>
<b>Reconciliation of net income to net cash flow from operating activities</b>		
Net income for the year ended 31 December	287,504	61,649
Adjustments for		
Depreciation charges	447,659	667,336
Profit on disposal of fixed assets	(979,918)	(749,272)
Decrease/(increase) in debtors	58,329	(34,495)
Increase/(decrease) in creditors	(800,919)	1,233,088
	<u>(987,345)</u>	<u>1,178,306</u>
<b>Analysis of cash and cash equivalents</b>		
Current account	<u><b>722,377</b></u>	<u><b>917,365</b></u>
<b>Analysis of changes in net debt</b>		
Current account:		
As at 1 January	917,365	1,957,148
Movement in year	<u>(194,988)</u>	<u>(1,039,783)</u>
As at 31 December	<u><b>722,377</b></u>	<u><b>917,365</b></u>

# The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements 31 December 2024

## Notes to the Financial Statements

### For the year ended 31 December 2024

#### 1. Accounting Policies

##### Accounting convention

These financial statements are prepared on a going concern basis, under the historical cost convention.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006, the Charities Act 2011 and Charities Accounts (Scotland) Regulations 2006 as amended by The Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

##### Going concern

The Directors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions, including the impact of the economic volatility and high interest rates that might cast significant doubt on the ability of the Company to continue as a going concern. The Directors have made this assessment for a period of at least one year from the date of approval of the financial statements.

The most significant assets included on the Company's balance sheet are fixed assets, the purchase of which is facilitated by a loan from the parent charity, Royal Air Force Benevolent Fund. Amounts due to the Royal Air Force Benevolent Fund are unsecured, interest free, have no fixed date of repayment and are repayable on demand. The Directors have given consideration to the Company having reported a net current liability position as at 31 December 2024 as a result of the large balance owed to Royal Air Force Benevolent Fund. However, the Trustees of the Royal Air Force Benevolent Fund are committed to providing continued institutional support to the Company for the foreseeable future and have provided written confirmation to the Directors of the Company to this effect.

The group is in a healthy position at 31 December 2024 with net current assets of £21.6M including cash balances of £15.7M. The Directors therefore have a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing financial statements.

##### Rental income

Rental income is accounted for on the basis of amounts received in the accounting period. In the opinion of the Directors, this policy is appropriate in view of the uncertainty over whether the rental income, which is not a contractual commitment, can be collected.

## **The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements 31 December 2024**

### **Other income**

Other income consists of the net realised gain on the sale of four properties (five sold in 2023).

### **Fixed assets and depreciation**

Fixed assets that cost more than £5,000 are capitalised and included at cost, including any incidental expense at acquisition.

Depreciation is provided on freehold (excluding land) and long leasehold properties at rates calculated to write off the cost less estimated residual value, based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows:

Freehold buildings	-	over 50 years
Leasehold buildings	-	over the periods of the leases or 50 years, if shorter

A full year of depreciation is charged in the year of acquisition and none in the year of disposal. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

### **Expenditure**

All resources expended relate to the one charitable activity undertaken by the Company. Property repair and renewal expenses are written off to the Statement of Financial Activities as they are incurred. The Company has no employees but pays a charge for the use of Royal Air Force Benevolent Fund staff to carry out the operational activity.

### **Recognition of liabilities**

Expenditure approved for payment but not paid is recorded as a liability in the balance sheet. Current liabilities consist of amounts expected to be settled within 12 months from the balance sheet date.

Current liabilities include payments due to the parent undertaking which is technically payable on demand although the Trustees of the Royal Air Force Benevolent Fund have offered assurances of their continued support to the Company in the form of interest free finance for the foreseeable future.

### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

### **Taxation**

All the Company's income is applied for charitable purposes and therefore the Company is exempt from Corporation Tax.

### **Financial instruments**

Basic financial instruments are measured at amortised cost.

**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements  
31 December 2024**

**Critical accounting estimates and areas of judgement**

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. In the view of the Directors in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements except depreciation, nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

**2. Income**

	<b>2024</b>	<b>2023</b>
	£	£
Legacies	2,164	34,868
Rental income	1,136,669	1,076,657
Bank interest	47,660	49,990
Profit from the disposal of properties	979,918	749,272
	<b>2,166,411</b>	<b>1,910,787</b>

**3. Resources expended on charitable activities**

	<b>2024</b>	<b>2023</b>
	£	£
General rates	13,471	9,038
Insurance	38,772	46,180
Repairs and maintenance	866,412	692,022
Occupational therapist fees	12,157	7,579
Legal fees	29,304	8,242
Property management fees	263,318	232,101
Lease amortisation	9,427	12,619
Property depreciation	438,232	654,717
Audit fees	8,380	9,240
Staff costs	197,329	172,580
Others	2,105	4,820
	<b>1,878,907</b>	<b>1,849,138</b>

Staff costs include:	<b>2024</b>	<b>2023</b>
	£	£
Wages and salaries	151,598	134,863
Pension costs	29,314	23,231
Social security	16,417	14,486
	<b>197,329</b>	<b>172,580</b>

**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements**  
**31 December 2024**

Staff costs relate to five people employed by the Royal Air Force Benevolent Fund and represents amounts recharged based on their time spent on the Company's operational activity.

**4. Directors' remuneration**

None of the Directors has received any remuneration or reimbursement of expenses from the Company. The Directors are deemed key management personnel.

**5. Related party transactions**

The Company maintains an inter-company balance with the RAF Benevolent Fund, its parent undertaking and the balance owed to the RAF Benevolent Fund as at 31 December 2024 was £9.9M (2023: £10.9M). The movement during the year consisted of payments by the RAF Benevolent Fund for various property maintenance costs and staff costs recharged.

Three of the directors are members of the Executive Leadership Team of the Royal Air Force Benevolent Fund. There are no other related party transactions that require disclosure.

**6. Tangible fixed assets**

	<b>Freehold properties</b>	<b>Long leasehold properties</b>	<b>Total</b>
	£	£	£
Cost at 1 January 2024	32,735,824	630,938	33,366,762
Additions during the year	1,342,369	-	1,342,369
Disposals during the year	(1,441,552)	(159,615)	(1,601,167)
Cost at 31 December 2024	32,636,641	471,323	33,107,964
Depreciation at 1 January 2024	8,374,121	250,502	8,624,623
Depreciation for the year	438,232	9,427	447,659
Depreciation on disposals during the year	(385,704)	(60,654)	(446,358)
Accumulated depreciation at 31 December 2024	8,426,649	199,275	8,625,924
Net book value:			
At 31 December 2024	24,209,992	272,048	24,482,040
At 31 December 2023	24,361,702	380,436	24,742,138

The Directors recognise that because properties are recorded on an historical cost basis, the market value is likely to be materially different.

**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements  
31 December 2024**

**7. Debtors**

	<b>2024</b>	<b>2023</b>
	£	£
Accrued income - legacy	-	36,816
Prepayment	20,126	35,740
HMRC	41,247	34,516
Other	4,278	3,348
	<u><b>65,651</b></u>	<u><b>123,980</b></u>

**8. Creditors:** amounts falling due within one year

	<b>2024</b>	<b>2023</b>
	£	£
Trade creditors	280,978	105,204
The Royal Air Force Benevolent Fund – Gulf Trust	107,120	93,124
Interest free finance provided by the RAF Benevolent Fund	9,870,250	10,860,939
	<u><b>10,258,348</b></u>	<u><b>11,059,267</b></u>

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. However, the Trustees of the Royal Air Force Benevolent Fund are committed to providing continued institutional support to the Company for the foreseeable future.

**9. Parent undertaking**

In the Directors' opinion, the ultimate parent undertaking is The Royal Air Force Benevolent Fund, incorporated by Royal Charter, and registered in England and Wales (charity number 1081009) and Scotland (charity number:SC038109). Copies of its group financial statements, which include the results of the Company, are available from 67 Portland Place, London, W1B 1AR.

**10. Guarantee**

In the event of the Company being wound up, each director is liable to pay £1.

**THE RAF BENEVOLENT FUND HOUSING TRUST LIMITED**

England & Wales - Charity number 264636

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# Accounts

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**Royal Air Force  
Benevolent Fund**

# THE RAF BENEVOLENT FUND HOUSING TRUST LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

**For the year ended 31 December 2023**

Companies House No: 1058896  
Charity Commission: 264636  
OSCR: SC038218

**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements  
31 December 2023**

**Directors and Trustees**

Air Vice-Marshal Chris Elliot CB CBE MA BSc DL (Chair)  
Wing Commander Sarah Davis MBA MSc FCIPD  
Mrs Victoria Akinboro BSc (Hons) ACMA CGMA  
Air Commodore Simon Harper OBE MA FCIPD  
Mr Emrys Rogers  
Mr Patrick Aylmer FCA

**Secretary**

Mrs Victoria Akinboro BSc (Hons) ACMA CGMA

**Independent Auditors**

Saffery LLP  
71 Queen Victoria Street  
London  
EC4V 4BE

**Bankers**

Barclays Bank Plc,  
1 Churchill Place  
London  
E14 5HP

**Solicitors**

Charles Russell Speechlys LLP  
5 Fleet Place  
London  
EC4M 7RD

Addleshaw Goddard

Exchange Tower  
19 Canning Street  
Edinburgh  
EH3 8EH

**Registered office**

67 Portland Place  
London  
W1B 1AR

# **The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements**

## **31 December 2023**

### **Directors' Report**

The Directors, who are also the Trustees of the charitable company, present their report and financial statements for the year ended 31 December 2023.

### **Principal activity**

The RAF Benevolent Fund Housing Trust Limited (RAFBF Housing Trust Ltd) is a charitable company limited by guarantee and is a wholly owned subsidiary of The Royal Air Force Benevolent Fund (RAFBF). Its sole activity is to hold and operate properties for beneficiaries of the RAFBF.

The Company is financed and controlled by the RAFBF and assists in the attainment of its objectives by the purchase of properties for occupation by beneficiaries. These properties are let as rentals, where the rents charged take into account the means of beneficiaries and are set based on a recognised benchmark, the Joseph Rowntree Foundation Living Rent. The Company takes responsibility for insurance, external repairs and redecorations, and the preservation of the main structures and installations. Further details of the activities and policies of the RAFBF and its subsidiaries are included in its Annual Report, a copy of which may be obtained by writing to the registered office at the address shown on page 1 or by accessing it at the Fund's website [www.rafbf.org](http://www.rafbf.org).

### **Public benefit**

As stated in the principal activity section, the RAFBF Housing Trust Limited's sole activity is to hold and operate properties for beneficiaries of the RAFBF. It exists to provide security and support to particularly vulnerable beneficiaries through the provision of bespoke housing solutions.

When reviewing the Company's aims and objectives, and in planning future activities and policies, the Directors have given careful consideration to the Charity Commission's general and supplementary guidance on public benefit and fee charging. The Company uses the published Joseph Rowntree Foundation's Minimum Income Standard figures to assist with assessing financial need. This provides a highly respected sector standard that represents the minimum income required to provide a socially inclusive standard of living in the UK. In addition to this, the Company allows additional expenditure for mortgage, rent, council tax, childcare and formal carer costs. Disability benefits are disregarded as income. Where a contribution is invited towards the costs of occupying a residential property, the beneficiary's means based on the above standard are always considered. No eligible member of the RAF Family is prevented from benefiting from the support of the RAFBF and this means that the rental income charged is considerably below the market rate.

### **2023 Review**

During 2023, ten properties were purchased, three others adapted and five sold. Nine of the properties purchased enabled the relocation of existing occupants to more suitable accommodation and one supported a serviceman and his family to relocate from Service Families Accommodation as a result of him being medically discharged due to disability resulting from his service. The purchase of a further three properties were awaiting completion at the end of the year following the beneficiaries identifying suitable properties that would meet their needs. 2023 rental income was £1M (2022: £1M), with the considered application of welfare principles such as ability to pay, Joseph Rowntree Foundation Living Rent calculation and Local Housing Allowance rates being taken into account when calculating affordable rent.

## **The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements 31 December 2023**

### **Future plans of the Company**

The Company intends to continue to manage a portfolio of properties in support of the beneficiaries of the RAF Benevolent Fund for the foreseeable future.

The net assets of the Company as at 31 December 2023 were £14.7M (2022: £14.7M). £10.9M (2022: £9.4M) was owed to the parent undertaking. Given that the Company manages properties solely in order to support the beneficiaries of the RAFBF, the Trustees of the parent undertaking are committed to providing continued institutional support to the Company in the form of an interest free facility for the foreseeable future. This means that whilst the debt is a short-term liability, the RAFBF will not be requesting repayment within the next twelve months. On this basis the Directors have reviewed the RAFBF Housing Trust Ltd and consider that adequate resources continue to be available to fund the activities for the foreseeable future. The Directors are of the view that the Company is a going concern.

### **Organisational structure and governance**

The Directors of the Company shall at all times be not less than three and not more than twelve and shall include the Controller of the RAFBF ex-officio, who shall be the Chair of the Board and shall also include such members of the Major Grants Committee of the Fund as shall from time to time be nominated by the RAFBF. With the exception of the Controller, the Directors shall retain office only until the next AGM but will then be eligible for re-election. The business of the Company is managed by the Directors but may be delegated to any Director and/or employee of the RAFBF. The Company has no employees but pays a charge for the use of RAFBF staff to carry out operational activity.

The Directors may appoint any member of the Company as a director either to fill a casual vacancy or by way of addition to the Directors. Any member so appointed shall retain office only until the next AGM but will then be eligible for re-election.

### **Major risks and uncertainties**

Trustees of the RAFBF have overall responsibility for managing risks faced by the Charity and its subsidiary entities. Therefore, the identification of major risks associated with the Housing Trust operation is carried out as part of the risk management process of the RAFBF.

The major risks, as identified by the Trustees, have been reviewed and appropriate mitigation measures put in place to manage downside risks and take advantage of opportunities presented. The major risks identified as having the potential to affect the reputation and subsequent successful performance of the RAFBF and hence the RAFBF Housing Trust Ltd along with mitigating actions are:

- **Income and Financial Sustainability:** This can be caused by the inability to generate sufficient income to cover increasing inflation driven costs on a consistent basis. Other underlying risks are the volatility on the property market that may lead to properties being vacant for extended periods of time and a potential change in Government that brings more stringent Energy Performance Certificate (EPC) measures. This risk is being mitigated by an ongoing review of the Housing Trust operating model, including its purpose, decision making, cost drivers and rent setting benchmark. Agreed actions will be implemented on a phased basis, premised on the underlying principle that the Trust exists to provide support to particularly vulnerable members of the RAF Family. EPC work is now part of the Company's regular maintenance programme and

will be included in annual budgets. The RAFBF continues to provide institutional support to the Housing Trust.

- **Meeting the needs of the RAF Family:** This can be caused by the failure of third parties to deliver timely and quality services on behalf of the Housing Trust or the RAFBF, who are then not able to carry out this work to an acceptable standard; and not being innovative and responsive to the changing needs of the RAF Family.

This risk is mitigated through the monitoring done by an Operations Board, regular reviews of surveyor performance and engaging with partner organisations to foster wider sector insight.

- **Safeguarding and the duty of care:** This can be caused by an activity that gives rise to a safeguarding incident in which a beneficiary or member of staff is adversely affected by the actions of the Company or the parent Charity.

This risk is being mitigated by ensuring that we have robust safeguarding policies, procedures, and training plans. There is a Safeguarding Committee that maintains oversight and a designated Safeguarding lead Trustee on the Board of the RAFBF and assurance from independent audits.

- **Governance and compliance with regulatory requirements:** This can be caused by stricter regulation on housing providers and /or insufficient awareness of regulation changes across all nations. This is mitigated by using the services of duly qualified surveyors and maintaining membership of the Cobseo Housing Cluster and Scottish Landlord Associations. Continuous monitoring of legislation around climate change measures and including energy efficiency in routine maintenance programme.

### **Reserves policy**

As a wholly owned subsidiary of the RAFBF the reserves of the Company are considered alongside the Reserves policy of the parent charity.

Free reserves are the resources the Company has available to spend on revenue expenditure in line with its purposes once it has met its commitments and covered its other planned expenditure. The RAFBF Housing Trust Ltd has free reserves of £0.8M as at 31 December 2023 (2022: £1.6M). This amount is represented by net current assets excluding the amount owed to the parent charity.

On the basis of the continued support from the parent charity, the Directors have decided that the minimum level of reserves held should be sufficient to cover about six months operating costs to fund the on-going programme of maintaining the Company's property portfolio. The minimum requirement on 31 December 2023 was £0.5M (2022: £0.7M).

The Reserves policy is reviewed each year by the parent charity as part of the annual planning process. Performance against the reserves policy is monitored during the year as part of regular financial management and is reflected as a key performance indicator at Board level. Full details of the parent charity financial position can be obtained from the Annual Report and Accounts which are available on request from 67 Portland Place, London, W1B 1AR or from [www.rafbf.org](http://www.rafbf.org).

## **The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements 31 December 2023**

### **Going concern**

The Directors have given consideration to the Company reporting a net current liability position as a result of the large balance owed to the parent undertaking. However, the Company is assured that the Royal Air Force Benevolent Fund has no intention of calling upon this debt and has received written confirmation to this effect. The Directors have also given consideration to the external economic environment, the financial strength of the parent undertaking and income and expenditure forecasts, and concluded that the Company will be able to continue to operate for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

### **Financial review**

The Statement of Financial Activities (SOFA) for the year is set out on page 11 of the financial statements and shows a surplus of £62K (2022: £1.3M).

### **Income**

Income is made up of rent received, the profit on the disposal of properties, bank interest and legacy income. There was a £1.4M/ 58% decrease in income from £3.3M in 2022 to £1.9M in 2023, due mainly to the £1.4M decrease in the profit on disposal of properties because the number of properties sold was lower, five in 2023 compared to twelve in 2022.

### **Expenditure**

Charitable expenditure decreased from £2M in 2022 to £1.8M in 2023. This was primarily due to a decrease in the costs incurred in relation to repairs and renewals decreasing from £840K in 2022 to £692K in 2023.

### **Tangible fixed assets**

As at 31 December 2023, the Trust owned 198 properties (2022: 193). During the year, 10 properties were purchased (2022: 2) and 5 were sold (2022: 12), resulting in a net increase of 5 properties.

Total cost of new properties was £3.38M (2022: £2.1M) plus £0.1M (2022: £0.3M) on adaptations. Sales proceeds of properties amounted to £1.3M (2022: £3.8M) and profits on these sales were £0.8M (2022: £2.1M).

The net book value of properties held was £24.7M at 31 December 2023, (2022: £22.4M). Reported values are based on historical cost, but the Directors recognise that the total market value will in all probability be materially higher.

### **Directors**

The Directors during the year, and up to the date of approval of the financial statements, are as shown on page 1.

**Governing Document** The objects for which the Company is established are set out in the Memorandum of Association dated 2 June 1972. The Articles of Association of the Company were approved by a written resolution by the Directors on 24 June 2003.

**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements  
31 December 2023**

**Statement of Directors' responsibilities**

The Directors (who are also Trustees of the RAFBF Housing Trust Ltd for the purposes of charity law) are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the outgoing resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures which are disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

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

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board on 28 May 2024



**Victoria Akinboro**  
Secretary

Date: 2 July 2024

**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements  
31 December 2023**

**Independent auditor's report to the members and the directors of The RAF Benevolent Fund Housing Trust Limited**

**Opinion**

We have audited the financial statements of The RAF Benevolent Fund Housing Trust Limited for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

## **The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements 31 December 2023**

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

### **Other matters prescribed by the Companies Act 2006**

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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

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

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

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

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors (who are also trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements 31 December 2023**

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

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

We have been appointed as auditors under the Companies Act 2006 and under the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with directors and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements  
31 December 2023**

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

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 is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's directors as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members and directors as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
Claire Wills (Senior Statutory Auditor)  
for and on behalf of Saffery LLP

71 Queen Victoria Street  
London  
ECV4 4BE

Chartered Accountants

Statutory Auditors

Date: 19 July 2024

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements  
31 December 2023**

**STATEMENT OF FINANCIAL ACTIVITIES**

**for the year ended 31 December 2023**

**(incorporating income and expenditure account)**

		<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
<b>Income from:</b>	Note		
Legacies		34,868	117,779
Charitable activities		1,076,657	998,221
Other activities		799,262	2,159,048
<b>Total income</b>	2	<u>1,910,787</u>	<u>3,275,048</u>
Expenditure on charitable activity	3	<u>(1,849,138)</u>	<u>(1,985,823)</u>
<b>Net income</b>		<u>61,649</u>	<u>1,289,225</u>
<b>Net movement in funds</b>		61,649	1,289,225
Total funds brought forward		<u>14,662,567</u>	<u>13,373,342</u>
<b>Total funds carried forward</b>		<u><b>14,724,216</b></u>	<u><b>14,662,567</b></u>

All funds are unrestricted.

There are no recognised gains or losses in either period other than as disclosed above.

All incoming and outgoing resources arise from continuing activities.

**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements  
31 December 2023**

**BALANCE SHEET**

**as at 31 December 2023**

	Note	<b>2023</b> £	<b>2022</b> £
<b>Fixed assets</b>			
Tangible assets	6	<u>24,742,138</u>	<u>22,442,112</u>
<b>Current assets</b>			
Debtors	7	123,980	89,485
Cash at bank and in hand		<u>917,365</u>	<u>1,957,148</u>
		<u>1,041,345</u>	<u>2,046,633</u>
Creditors: amounts falling due within one year	8	<u>(11,059,267)</u>	<u>(9,826,178)</u>
<b>Net current liabilities</b>		<u>(10,017,922)</u>	<u>(7,779,545)</u>
<b>Net assets</b>		<u>14,724,216</u>	<u>14,662,567</u>
<b>Unrestricted general funds</b>		<u>14,724,216</u>	<u>14,662,567</u>

The notes on pages 15 to 20 form part of these financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved and authorised for issue by the Board on 28 May 2024 and signed on its behalf by:



**Victoria Akinboro**  
Director

Date:

*2 July 2024*

Company registration number: 01058896

**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements  
31 December 2023**

**STATEMENT OF CASH FLOWS**

**For the year ended 31 December 2023**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Net cash inflow/(outflow) from operating activities	1,178,306	(2,186,468)
<b>Cash flows from investing activities</b>		
Proceeds from sale of tangible fixed assets	1,299,732	3,756,029
Payments to acquire tangible fixed assets	(3,517,822)	(883,872)
Net cash provided by investing activities	<u>(2,218,090)</u>	<u>2,872,157</u>
Change in cash and cash equivalents	(1,039,783)	685,688
Cash and cash equivalents at beginning of year	1,957,148	1,271,460
<b>Cash and cash equivalents at end of year</b>	<b><u>917,365</u></b>	<b><u>1,957,148</u></b>
<b>Reconciliation of net income to net cash flow from operating activities</b>		
Net income for the year ended 31 December	61,649	1,289,226
Adjustments for		
Depreciation charges	667,336	611,499
Profit on disposal of fixed assets	(749,272)	(2,139,941)
Decrease/(increase) in debtors	(34,495)	(73,701)
Increase/(decrease) in creditors	1,233,088	(1,873,551)
	<u>1,178,306</u>	<u>(2,186,468)</u>
<b>Analysis of cash and cash equivalents</b>		
Current account	<b><u>917,365</u></b>	<b><u>1,957,148</u></b>
<b>Analysis of changes in net debt</b>		
Current account:		
As at 1 January	1,957,148	1,271,460
Movement in year	(1,039,783)	685,688
As at 31 December	<b><u>917,365</u></b>	<b><u>1,957,148</u></b>

## **Notes to the Financial Statements**

**For the year ended 31 December 2023**

### **1. Accounting Policies**

#### **Accounting convention**

These financial statements are prepared on a going concern basis, under the historical cost convention.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006, the Charities Act 2011 and Charities Accounts (Scotland) Regulations 2006 as amended by The Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

#### **Going concern**

The Directors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions, including the impact of the economic volatility and high interest rates that might cast significant doubt on the ability of the Company to continue as a going concern. The Directors have made this assessment for a period of at least one year from the date of approval of the financial statements.

The most significant assets included on the Company's balance sheet are fixed assets, the purchase of which is facilitated by a loan from the parent charity, Royal Air Force Benevolent Fund (RAFBF). Amounts due to the RAFBF are unsecured, interest free, have no fixed date of repayment and are repayable on demand. The Directors have given consideration to the Company having reported a net current liability position as at 31 December 2023 as a result of the large balance owed to RAFBF. However, the Trustees of the RAFBF are committed to providing continued institutional support to the Company for the foreseeable future and have provided written confirmation to the Directors of the Company to this effect.

The group is in a healthy position at 31 December 2023 with net current assets of £13.3M including cash balances of £6.9M. The Directors therefore have a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing financial statements.

#### **Rental income**

Rental income is accounted for on the basis of amounts received in the accounting period. In the opinion of the Directors, this policy is appropriate in view of the uncertainty over whether the rental income, which is not a contractual commitment, can be collected.

## **The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements 31 December 2023**

### **Other income**

Other income consists of the net realised gain on the sale of five properties (12 sold in 2022).

### **Fixed assets and depreciation**

Fixed assets that cost more than £5,000 are capitalised and included at cost, including any incidental expense at acquisition.

Depreciation is provided on freehold and long leasehold properties at rates calculated to write off the cost less estimated residual value, based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows:

Freehold buildings	-	over 50 years
Leasehold buildings	-	over the periods of the leases or 50 years, if shorter

Freehold land is not depreciated.

A full year of depreciation is charged in the year of acquisition and none in the year of disposal. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

### **Expenditure**

All resources expended relate to the one charitable activity undertaken by the Company. Property repair and renewal expenses are written off to the Statement of Financial Activities as they are incurred. The Company has no employees but pays a charge for the use of RAFBF staff to carry out the operational activity.

### **Recognition of liabilities**

Expenditure approved for payment but not paid is recorded as a liability in the balance sheet. Current liabilities consist of amounts expected to be settled within 12 months from the balance sheet date.

Current liabilities include payments due to the parent undertaking which is technically payable on demand although the Trustees of the RAFBF have offered assurances of their continued support to the Company in the form of interest free finance for the foreseeable future.

### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

### **Taxation**

All the Company's income is applied for charitable purposes and therefore the Company is exempt from Corporation Tax.

The Company is not registered for VAT and so all expenditure is shown gross.

**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements  
31 December 2023**

**Financial instruments**

Basic financial instruments are measured at amortised cost.

**Critical accounting estimates and areas of judgement**

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. In the view of the Directors in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements except depreciation, nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

**2. Income**

	<b>2023</b>	<b>2022</b>
	£	£
Legacies	34,868	117,779
Rental income	1,076,657	998,221
Bank interest	49,990	19,107
Profit from the disposal of properties	749,272	2,139,941
	<b><u>1,910,787</u></b>	<b><u>3,275,048</u></b>

**3. Resources expended on charitable activities**

	<b>2023</b>	<b>2022</b>
	£	£
General rates	9,038	11,692
Insurance	46,180	39,032
Repairs and renewals	692,022	840,152
Occupational therapist fees	7,579	11,500
Legal fees	8,242	2,708
Property management fees	232,101	269,340
Lease amortisation	12,619	12,619
Property depreciation	654,717	598,880
Audit fees	9,240	8,520
Staff costs	172,580	172,023
Others	4,820	19,357
	<b><u>1,849,138</u></b>	<b><u>1,985,823</u></b>

**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements**  
**31 December 2023**

Staff costs include:	<b>2023</b>	<b>2022</b>
	£	£
Wages and salaries	134,863	134,374
Pension costs	23,231	22,824
Social security	14,486	14,825
	<u><b>172,580</b></u>	<u><b>172,023</b></u>

Staff costs relate to five people employed by the RAFBF and represents amounts recharged based on their time spent on the Company's operational activity.

**4. Directors' remuneration**

None of the Directors has received any remuneration or reimbursement of expenses from the Company. The Directors are deemed key management personnel.

**5. Related party transactions**

The Company maintains an inter-company balance with the RAF Benevolent Fund, its parent undertaking and the balance owed to the RAF Benevolent Fund as at 31 December 2023 was £10.9M (2022: £9.4M). The movement during the year consisted of payments by the RAF Benevolent Fund for various property maintenance costs and staff costs recharged.

Most of the directors are senior executive staff at the RAF Benevolent Fund. There are no other related party transactions that require disclosure.

**6. Tangible fixed assets**

	<b>Freehold properties</b>	<b>Long leasehold properties</b>	<b>Total</b>
	£	£	£
Cost at 1 January 2023	29,944,007	630,938	30,574,945
Additions during the year	3,517,822	-	3,517,822
Disposals during the year	(726,005)	-	(726,005)
Cost at 31 December 2023	<u>32,735,824</u>	<u>630,938</u>	<u>33,366,762</u>
Depreciation at 1 January 2023	7,894,950	237,883	8,132,833
Depreciation for the year	654,717	12,619	667,336
Depreciation on disposals during the year	(175,545)	-	(175,545)
Accumulated depreciation at 31 December 2023	<u>8,374,122</u>	<u>250,502</u>	<u>8,624,624</u>
Net book value:			
At 31 December 2023	<u>24,361,702</u>	<u>380,436</u>	<u>24,742,138</u>
At 31 December 2022	<u>22,049,058</u>	<u>393,054</u>	<u>22,442,112</u>

**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements  
31 December 2023**

The Directors recognise that properties are recorded at historical cost less any charges for depreciation and therefore the market value could be materially different.

**7. Debtors**

	<b>2023</b>	<b>2022</b>
	£	£
Accrued income - legacy	36,814	47,297
Prepayment	35,740	40,829
HMRC	34,516	-
Other	3,348	1,359
	<u><b>123,980</b></u>	<u><b>89,485</b></u>

**8. Creditors: amounts falling due within one year**

	<b>2023</b>	<b>2022</b>
	£	£
Trade creditors	105,204	328,534
The Royal Air Force Benevolent Fund – Gulf Trust	93,124	74,360
Interest free finance provided by the RAF Benevolent Fund	10,860,939	9,423,284
	<u><b>11,059,267</b></u>	<u><b>9,826,178</b></u>

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. However, the Trustees of the Royal Air Force Benevolent Fund are committed to providing continued institutional support to the Company for the foreseeable future.

**9. Parent undertaking**

In the Directors' opinion, the ultimate parent undertaking is The Royal Air Force Benevolent Fund, incorporated by Royal Charter, and registered in England and Wales (charity number 1081009) and Scotland (charity number: SC038218). Copies of its group financial statements, which include the results of the Company, are available from 67 Portland Place, London, W1B 1AR.

**10. Guarantee**

In the event of the Company being wound up, each director is liable to pay £1.



**THE RAF BENEVOLENT FUND HOUSING TRUST LIMITED**

England & Wales - Charity number 264636

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# Accounts

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# THE RAF BENEVOLENT FUND HOUSING TRUST LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

**For the year ended 31 December 2022**

Companies House No: 1058896  
Charity Commission 264636  
OSCR SC038218:

**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements  
31 December 2022**

**Directors and Trustees**

Air Vice-Marshal Chris Elliot CB CBE MA BSc (Chair)  
Wing Commander Sarah Davis MBA MSc FCIPD  
Ms Victoria Akinboro BSc (Hons) ACMA CGMA  
Air Commodore Paul Hughesdon MA (resigned 28 March 2023)  
Air Commodore Simon Harper (appointed 28 March 2023)  
Mr Emrys Rogers  
Mr Patrick Aylmer

**Secretary**

Ms Victoria Akinboro BSc (Hons) ACMA CGMA

**Independent Auditors**

Saffery Champness LLP  
71 Queen Victoria Street  
London  
EC4V 4BE

**Bankers**

Barclays Bank Plc,  
1 Churchill Place  
London  
E14 5HP

**Solicitors**

Charles Russell Speechlys LLP  
5 Fleet Place  
London  
EC4M 7RD

Addleshaw Goddard  
3 Sovereign Square  
Sovereign street  
Leeds, West Yorkshire  
LS14ER

**Registered office**

67 Portland Place  
London  
W1B 1AR

# **The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements**

## **31 December 2022**

### **Directors' Report**

The Directors, who are also the Trustees of the charitable company, present their report and financial statements for the year ended 31 December 2022.

### **Principal activity**

The RAF Benevolent Fund Housing Trust Limited (RAFBF Housing Trust Ltd) is a charitable company limited by guarantee and is a wholly owned subsidiary of The Royal Air Force Benevolent Fund (RAFBF). Its sole activity is to hold and operate properties for beneficiaries of the RAFBF.

The Company is financed and controlled by the RAFBF and assists in the attainment of its objectives by the purchase of properties for occupation by beneficiaries. These properties are let as rentals, where the rents charged take into account the means of beneficiaries. The Company takes responsibility for insurance, external repairs and redecorations, and the preservation of the main structures and installations. Further details of the activities and policies of the RAFBF and its subsidiaries are included in its Annual Report, a copy of which may be obtained by writing to the registered office at the address shown on page 1 or by accessing it at the Fund's website [www.rafbf.org](http://www.rafbf.org).

### **Public benefit**

As stated in the principal activity section, the RAFBF Housing Trust Limited's sole activity is to hold and operate properties for beneficiaries of the RAFBF. It exists to provide security and support to particularly vulnerable beneficiaries through the provision of bespoke housing solutions.

When reviewing the Company's aims and objectives, and in planning future activities and policies, the Directors have given careful consideration to the Charity Commission's general and supplementary guidance on public benefit and fee charging. The Company uses the published Joseph Rowntree Foundation's Minimum Income Standard figures to assist with assessing financial need. This provides a highly respected sector standard that represents the minimum income required to provide a socially inclusive standard of living in the UK. In addition to this, the Company allows additional expenditure for mortgage, rent, council tax, childcare and formal carer costs. Disability benefits are disregarded as income. Where a contribution is invited towards the costs of occupying a residential property, the beneficiary's means based on the above standard are always considered. No eligible member of the RAF Family is prevented from benefiting from the support of the RAFBF and this means that the rental income charged is considerably below the market rate.

### **2022 Review**

During 2022, two properties were purchased, ten others adapted and twelve were sold. To meet beneficiary need, one of the properties purchased enabled the relocation of existing occupants to more suitable accommodation. The second purchase supported the spouse and children of a service person killed on duty to relocate from Service Families Accommodation. A further 10 purchases were authorised throughout the year and efforts are ongoing to identify and adapt suitable properties to enable the beneficiaries to move into adapted accommodation and live independently.

2022 rental income of £1M remains largely unchanged as compared to the previous year, with the considered application of welfare principles such as ability to pay and Local Housing Allowance rates being taken into account when calculating an affordable rent.

### **Future plans of the Company**

The Company intends to continue to hold and operate properties on behalf of the beneficiaries of the RAFBF for the foreseeable future.

The balance sheet remains strong with net assets of £14.7M (2021: £13.4M). This includes an amount due to the RAFBF, the parent undertaking, of £9.4M. Whilst this debt is technically payable on demand the trustees of the RAFBF are committed to providing continued support to the Company. On this basis the Directors have reviewed the RAFBF Housing Trust Ltd and consider that adequate resources continue to be available to fund the activities for the foreseeable future. The Directors are of the view that the Company is a going concern.

### **Organisational structure and governance**

The Directors of the Company shall at all times be not less than three and not more than twelve and shall include the Controller of the Royal Air Force Benevolent Fund ex-officio, who shall be the Chair of the Board and shall also include such members of the Major Grants Committee of the Fund as shall from time to time be nominated by the RAFBF. With the exception of the Controller, the Directors shall retain office only until the next AGM but will then be eligible for re-election. The business of the Company is managed by the Directors but may be delegated to any Director and/or any employee of the RAFBF. The Company has no employees but pays a charge for the use of RAFBF staff to carry out operational activity. The Directors may appoint any member of the Company as a director either to fill a casual vacancy or by way of addition to the Directors. Any member so appointed shall retain office only until the next AGM but will then be eligible for re-election.

The Company has no employees but pays a charge for the use of RAFBF staff to carry out the operational activity.

### **Major risks and uncertainties**

Trustees of the RAFBF have overall responsibility for managing risks faced by the Charity and its subsidiary entities. Therefore the identification of major risks associated with the Housing Trust operation is carried out as part of the risk management process of the RAFBF.

The major risks, as identified by the Trustees, have been reviewed and appropriate mitigation measures put in place to manage downside risks and take advantage of opportunities presented. The major risks identified as having the potential to affect the reputation and subsequent successful performance of the RAFBF and hence the RAFBF Housing Trust Ltd along with mitigating actions are:

- Failure to maintain long-term financial sustainability due to insufficient income and cost increases driven by inflation. This risk is being mitigated by an ongoing review of the Housing Trust operating model, including its purpose, cost drivers and rent charging procedures. Agreed actions will be implemented on a phased basis, premised on the underlying principle that the Trust exists to provide support to particularly vulnerable members of the RAF Family. The RAFBF is also committed to providing continued institutional support to the Housing Trust.
- Failure to meet the needs of the RAF Family due to a number of reasons including relying on third parties to provide excellent and timely services, who are then not able to carry out this work to an acceptable standard; and not being innovative and responsive to the changing needs

## **The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements 31 December 2022**

of the RAF Family. This risk is being mitigated through working closely with key stakeholders including the RAF, working with suppliers who share our values and engaging closely with sister charities.

- Failure in our safeguarding processes that results in harm to our beneficiaries. This risk is being mitigated by ensuring that we have robust safeguarding policies in place which are reviewed regularly. Staff, directors and trustees receive appropriate training and are made aware of these policies.
- Failure to comply with all statutory and landlord regulations, across all nations. This is mitigated by professional advice from our surveyors, sector awareness and membership of the Cobseo Housing Cluster and Scottish Landlord Associations.
- Mandatory climate change response measures remain a key emerging risk. We have set aside funds to improve the energy efficiency of our properties over a 4-year period in order to contribute to the Government's aim to be carbon neutral by 2050. We continue to monitor legislation and we will respond by ensuring that our decisions on purchasing and managing our properties are legally compliant with emerging legislation, setting aside funds to do so.

### **Reserves policy**

As a wholly owned subsidiary of the Royal Air Force Benevolent Fund (the "parent charity"), the reserves of the RAFBF Housing Trust Ltd are considered along with the reserves of the parent charity.

Free reserves are the resources the Company has or can make available to spend for any or all of the Company's purposes once it has met its commitments and covered its other planned expenditure. The RAFBF Housing Trust Ltd has free reserves of £1.6M as at 31 December 2022 (2021: £0.9M). This amount is represented by net current assets excluding the amount owed to the parent charity.

On the basis of the continued support from the parent charity, the Directors have decided that the minimum level of reserves held should be sufficient to cover about six months operating costs to fund the on-going programme of maintaining the Company's property portfolio. The minimum requirement on 31 December 2022 was £0.7M (2021: £0.6M).

The reserves policy is reviewed each year by the parent charity as part of the annual planning process. Performance against the reserves policy is monitored during the year as part of regular financial management and is reflected as a key performance indicator at Board level. Full details of the parent charity financial position can be obtained from the Annual Report and Accounts which are available on request from 67 Portland Place, London, W1B 1AR or from [www.rafbf.org](http://www.rafbf.org).

### **Going concern**

The Directors have given consideration to the Company reporting a net current liability position as a result of the large balance owed to the parent undertaking. However, the Company has been assured that the Royal Air Force Benevolent Fund has no intention of calling upon this debt and has received written confirmation to this effect. The Directors have also given consideration to the impact of the current economic contraction and inflation on the financial strength of the parent undertaking. Despite the impact

## **The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements 31 December 2022**

of the economic crisis and, in view of its own income and expenditure forecasts, the Company will be able to continue to operate for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

### **Financial review**

The Statement of Financial Activities (SOFA) for the year is set out on page 11 of the financial statements and shows a surplus of £1.3M (2021: £0.7M).

### **Income**

Income is made up of rent received, the profit on the disposal of properties, bank interest and legacy income. There was a £899K or 38% increase in income from £2.4M in 2021 to £3.3M in 2022, which is due mainly to the £843K or 65% increase in the profit on disposal of properties. We also received £118K in legacy income through the parent charity that was restricted to the activities of the Housing Trust.

### **Expenditure**

Charitable expenditure increased from £1.7M in 2021 to £2M in 2022. This was primarily due to inflation which has seen an increase in costs in the building industry and hence had an impact on the level of support to our beneficiaries.

### **Tangible fixed assets**

As at 31 December 2022, the Trust owned 193 properties (2021: 203). During the year, 2 properties were purchased (2021: 6) and 12 were sold (2021: 8), resulting in a net decrease of 10 properties.

Total cost of new properties was £0.6M plus £0.3M on adaptations (2021: £2.1M). Sales proceeds of properties amounted to £3.8M (2021: £2.2M) and profits on these sales were £2.1M (2021: £1.3M).

The net book value of properties held was £22.4M at 31 December 2022, (2021: £23.8M). Reported values are based on historical cost, but the Directors recognise that the total market value will in all probability be materially higher.

### **Directors**

The Directors during the year, and up to the date of approval of the financial statements, are as shown on page 1.

### **Governing Document**

The objects for which the Company is established are set out in the Memorandum of Association dated 2 June 1972. The Articles of Association of the Company were approved by a written resolution by the Directors on 24 June 2003.

**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements  
31 December 2022**

**Statement of Directors' responsibilities**

The Directors (who are also trustees of the RAFBF Housing Trust Ltd for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the outgoing resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures which are disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

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

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board on 23 May 2023



**Victoria Akinboro**  
Secretary

Date: 13 July 2023

**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements  
31 December 2022**

**Independent auditor's report to the members and the directors of The RAF Benevolent Fund Housing Trust Limited**

**Opinion**

We have audited the financial statements of The RAF Benevolent Fund Housing Trust Limited for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

## **The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements 31 December 2022**

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

### **Other matters prescribed by the Companies Act 2006**

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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

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

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

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

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors (who are also trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements 31 December 2022**

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

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

We have been appointed as auditors under the Companies Act 2006 and under the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with directors and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

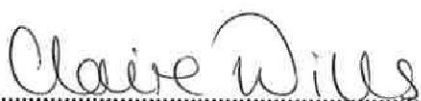
**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements  
31 December 2022**

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional skepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

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 is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's directors as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members and directors as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
Claire Wills (Senior Statutory Auditor)  
for and on behalf of Saffery Champness LLP

71 Queen Victoria Street  
London  
ECV4 4BE

Chartered Accountants

Statutory Auditors

Date: 18 July 2023

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements  
31 December 2022**

**STATEMENT OF FINANCIAL ACTIVITIES**

**for the year ended 31 December 2022**

**(incorporating income and expenditure account)**

		<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
<b>Income from:</b>	Note		
Legacies		117,779	1,524
Charitable activities		998,221	964,385
Other activities		<u>2,159,048</u>	<u>1,410,296</u>
<b>Total income</b>	2	<u>3,275,048</u>	<u>2,376,205</u>
Expenditure on charitable activity	3	<u>(1,985,823)</u>	<u>(1,686,901)</u>
<b>Net income</b>		<u>1,289,225</u>	<u>689,304</u>
<b>Net movement in funds</b>		1,289,225	689,304
Total funds brought forward		<u>13,373,342</u>	<u>12,684,037</u>
<b>Total funds carried forward</b>		<u><b>14,662,567</b></u>	<u><b>13,373,342</b></u>

All funds are unrestricted.

There are no recognised gains or losses in either period other than as disclosed above.

All incoming and outgoing resources arise from continuing activities.

**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements  
31 December 2022**

**BALANCE SHEET**

as at 31 December 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	6	<u>22,442,112</u>	<u>23,785,827</u>
<b>Current assets</b>			
Debtors	7	89,485	15,784
Cash at bank and in hand		<u>1,957,148</u>	<u>1,271,460</u>
		<u>2,046,633</u>	<u>1,287,244</u>
Creditors: amounts falling due within one year	8	<u>(9,826,178)</u>	<u>(11,699,729)</u>
<b>Net current liabilities</b>		<u>(7,779,545)</u>	<u>(10,412,485)</u>
<b>Net assets</b>		<u>14,662,567</u>	<u>13,373,342</u>
<b>Unrestricted general funds</b>		<u>14,662,567</u>	<u>13,373,342</u>

The notes on pages 14 to 18 form part of these financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved and authorised for issue by the Board on 23<sup>rd</sup> May 2023 and signed on its behalf by:



**Victoria Akinboro**  
Director

Date: 13 July 2023

Company registration number: 01058896

**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements  
31 December 2022**

**STATEMENT OF CASH FLOWS**

**For the year ended 31 December 2022**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Net cash inflow/(outflow) from operating activities	(2,186,468)	299,070
<b>Cash flows from investing activities</b>		
Proceeds from sale of tangible fixed assets	3,756,029	2,190,438
Payments to acquire tangible fixed assets	(883,872)	(2,057,377)
Net cash provided by investing activities	<u>2,872,157</u>	<u>133,061</u>
Change in cash and cash equivalents	685,688	432,131
Cash and cash equivalents at beginning of year	<u>1,271,460</u>	<u>839,329</u>
<b>Cash and cash equivalents at end of year</b>	<b><u>1,957,148</u></b>	<b><u>1,271,460</u></b>
<b>Reconciliation of net income to net cash flow from operating activities</b>		
Net income for the year ended 31 December	1,289,226	689,304
Adjustments for		
Depreciation charges	611,499	632,644
Profit on disposal of fixed assets	(2,139,941)	(1,297,316)
Decrease/(increase) in debtors	(73,701)	10,604
Increase/(decrease) in creditors	(1,873,551)	263,834
	<u>(2,186,468)</u>	<u>299,070</u>
<b>Analysis of cash and cash equivalents</b>		
Current account	<u>1,957,148</u>	<u>1,271,460</u>
<b>Analysis of changes in net debt</b>		
Current account:		
As at 1 January	1,271,460	839,329
Movement in year	685,688	432,131
As at 31 December	<u>1,957,148</u>	<u>1,271,460</u>

**Notes to the Financial Statements**

**For the year ended 31 December 2022**

**1. Accounting Policies**

**Accounting convention**

These financial statements are prepared on a going concern basis, under the historical cost convention.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006, the Charities Act 2011 and Charities Accounts (Scotland) Regulations 2006 as amended by The Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

**Going concern**

The Directors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions, including the impact of the economic volatility and high interest rates that might cast significant doubt on the ability of the Company to continue as a going concern. The Directors have made this assessment for a period of at least one year from the date of approval of the financial statements.

The most significant assets included on the Company's balance sheet are fixed assets, the purchase of which is facilitated by a loan from the parent charity, Royal Air Force Benevolent Fund (RAFBF). Amounts due to the RAFBF are unsecured, interest free, have no fixed date of repayment and are repayable on demand. The Directors have given consideration to the Company having reported a net current liability position as at 31 December 2022 as a result of the large balance owed to RAFBF. However, the trustees of the RAFBF are committed to providing continued institutional support to the Company for the foreseeable future and have provided written confirmation to the Directors of the Company to this effect.

The group is in a healthy position at 31 December 2022 with cash balances of £13.5M and net current assets of £20.9M. The Directors therefore have a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing financial statements.

**Rental income**

Rental income is accounted for on the basis of amounts received in the accounting period. In the opinion of the Directors, this policy is appropriate in view of the uncertainty over whether the rental income, which is not a contractual commitment, can be collected.

## **The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements 31 December 2022**

### **Other income**

Other income consists of the net realised gain on the sale of properties (12 sold in 2022).

### **Fixed assets and depreciation**

Fixed assets that cost more than £5,000 are capitalised and included at cost, including any incidental expense at acquisition.

Depreciation is provided on freehold and long leasehold properties at rates calculated to write off the cost less estimated residual value, based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows:

Freehold buildings	-	over 50 years
Leasehold buildings	-	over the periods of the leases or 50 years, if shorter

Freehold land is not depreciated.

A full year of depreciation is charged in the year of acquisition and none in the year of disposal. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

### **Expenditure**

All resources expended relate to the one charitable activity undertaken by the Company. Property repair and renewal expenses are written off to the Statement of Financial Activities as they are incurred. The Company has no employees but pays a charge for the use of RAFBF staff to carry out the operational activity.

### **Recognition of liabilities**

Expenditure approved for payment but not paid is recorded as a liability in the balance sheet. Current liabilities consist of amounts expected to be settled within 12 months from the balance sheet date.

Current liabilities include payments due to the parent undertaking which is technically payable on demand although the trustees of the RAFBF have offered assurances of their continued support to the Company in the form of interest free finance for the foreseeable future.

### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

### **Taxation**

All the Company's income is applied for charitable purposes and therefore the Company is exempt from Corporation Tax.

The Company is not registered for VAT and so all expenditure is shown gross.

**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements  
31 December 2022**

**Financial instruments**

Basic financial instruments are measured at amortised cost.

**Critical accounting estimates and areas of judgement**

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. In the view of the Directors in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements except depreciation, nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

**2. Income**

	<b>2022</b>	<b>2021</b>
	£	£
Legacies	117,779	1,524
Rental income	998,221	964,385
Bank interest	19,107	-
Profit from the disposal of properties	2,139,941	1,297,316
Other income (MOD receipts on adaptations)	-	112,980
	<b>3,275,048</b>	<b>2,376,205</b>

**3. Resources expended on charitable activities**

	<b>2022</b>	<b>2021</b>
	£	£
General rates	11,692	3,022
Insurance	39,032	15,000
Repairs and renewals	840,152	594,018
Occupational therapist fees	11,500	8,277
Legal fees	2,708	7,088
Property management fees	269,340	272,867
Lease amortisation	12,619	12,377
Property depreciation	598,880	620,267
Audit fees	8,520	5,880
Staff costs	172,023	147,650
Others	19,357	455
	<b>1,985,823</b>	<b>1,686,901</b>

**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements  
31 December 2022**

Staff costs include:	<b>2022</b>	<b>2021</b>
	£	£
Wages and salaries	134,374	121,775
Pension costs	22,824	13,126
Social security	14,825	12,749
	<u><b>172,023</b></u>	<u><b>147,650</b></u>

Staff costs relate to 6 people employed by the RAFBF and represents amounts recharged based on their time spent on the Company's operational activity.

**4. Directors' remuneration**

None of the Directors has received any remuneration or reimbursement of expenses from the Company. The Directors are deemed key management personnel.

**5. Related party transactions**

The Company maintains an inter-company balance with the RAF Benevolent Fund, its parent undertaking and the balance owed to the RAF Benevolent Fund as at 31 December 2022 was £9.4M (2021: £11.3M). The movement during the year consisted of payments by the RAF Benevolent Fund for various property maintenance costs and staff costs recharged.

Most of the directors are senior executive staff at the RAF Benevolent Fund. There are no other related party transactions that require disclosure.

**6. Tangible fixed assets**

	<b>Freehold properties</b>	<b>Long leasehold properties</b>	<b>Total</b>
	£	£	£
Cost at 1 January 2022	31,018,999	618,840	31,637,839
Additions during the year	871,775	12,097	883,872
Disposals during the year	(1,946,767)	-	(1,946,767)
Cost at 31 December 2022	<u>29,944,007</u>	<u>630,937</u>	<u>30,574,944</u>
Depreciation at 1 January 2022	7,626,748	225,264	7,852,012
Depreciation for the year	598,880	12,619	611,499
Depreciation on disposals during the year	(330,679)	-	(330,679)
Accumulated depreciation at 31 December 2022	<u>7,894,949</u>	<u>237,883</u>	<u>8,132,832</u>
Net book value:			
At 31 December 2022	<u>22,049,058</u>	<u>393,054</u>	<u>22,442,112</u>
At 31 December 2021	<u>23,392,251</u>	<u>393,576</u>	<u>23,785,827</u>

**The RAF Benevolent Fund Housing Trust Limited Report and Financial Statements  
31 December 2022**

The Directors recognise that properties are recorded at historical cost less any charges for depreciation and therefore the market value could be materially different.

**7. Debtors**

	<b>2022</b>	<b>2021</b>
	£	£
Accrued income - legacy	47,297	-
Prepayment	40,829	15,784
Other	1,359	-
	<u><b>89,485</b></u>	<u><b>15,784</b></u>

**8. Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	£	£
Trade creditors	328,534	333,407
The Royal Air Force Benevolent Fund – Gulf Trust	74,360	55,770
Interest free finance provided by the RAF Benevolent Fund	9,423,284	11,310,552
	<u><b>9,826,178</b></u>	<u><b>11,699,729</b></u>

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. However, the trustees of the Royal Air Force Benevolent Fund are committed to providing continued institutional support to the Company for the foreseeable future.

**9. Parent undertaking**

In the Directors' opinion, the ultimate parent undertaking is The Royal Air Force Benevolent Fund, incorporated by Royal Charter, and registered in England and Wales (charity number 1081009) and Scotland (charity number: SC038218). Copies of its group financial statements, which include the results of the Company, are available from 67 Portland Place, London, W1B 1AR.

**10. Guarantee**

In the event of the Company being wound up, each director is liable to pay £1.

**THE RAF BENEVOLENT FUND HOUSING TRUST LIMITED**

England & Wales - Charity number 264636

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# Accounts

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# **The RAF Benevolent Fund Housing Trust Limited**

## **Annual Report and Financial Statements**

Year ended 31 December 2021

Companies House No: 1058896  
Charity Commission 264636  
OSCR SC038218

**Directors and Trustees**

Air Vice-Marshal Chris Elliot CB CBE MA BSc (Chair)  
Wing Commander Sarah Davis MBA MSc FCIPD  
Ms Victoria Fakehinde BSc (Hons) ACMA CGMA  
Air Commodore Paul Hughesdon MA  
Mr Al Bennett (until 27 May 2021)  
Mr Emrys Rogers  
Mr Patrick Aylmer (appointed 1 July 2021)

**Secretary**

Air Commodore Paul Higgins (resigned 3 September 2021)  
Ms Rachel Kramer (appointed 3 September 2021 and resigned 22 October 2021)  
Ms Victoria Fakehinde BSc (Hons) ACMA CGMA (appointed 22 October 2021)

**Independent Auditors**

Saffery Champness LLP  
71 Queen Victoria Street  
London  
EC4V 4BE

**Bankers**

Barclays Bank Plc,  
1 Churchill Place  
London  
E14 5HP

**Solicitors**

Charles Russell Speechlys LLP  
5 Fleet Place  
London  
EC4M 7RD

HBJ Gateley  
Exchange Tower  
19 Canning Street  
Edinburgh  
EH3 8EH

**Registered office**

67 Portland Place  
London  
W1B 1AR

## **Directors' Report**

The Directors, who are also the Trustees of the charitable company, present their report and financial statements for the year ended 31 December 2021.

### **Principal activity**

The RAF Benevolent Fund Housing Trust Limited (RAFBF Housing Trust Ltd) is a charitable company limited by guarantee and is a wholly owned subsidiary of The Royal Air Force Benevolent Fund. Its sole activity is to hold and operate properties for beneficiaries of the RAF Benevolent Fund (RAFBF). The Company is financed and controlled by the RAFBF and assists in the attainment of its objectives by the purchase of properties for occupation by beneficiaries. These properties are let as rentals, where the rents charged take into account the means of beneficiaries. The Company takes responsibility for insurance, external repairs and redecorations, and the preservation of the main structures and installations. Further details of the activities and policies of the RAFBF and its subsidiaries are included in its Annual Report, a copy of which may be obtained by writing to the registered office at the address shown on page 1 or by accessing it at the Fund's website [www.rafbf.org](http://www.rafbf.org).

### **Public benefit**

As stated in the principal activity section, the RAFBF Housing Trust Ltd's sole activity is to hold and operate properties for beneficiaries of the RAFBF. It exists to provide security and support to particularly vulnerable beneficiaries through the provision of bespoke housing solutions.

When reviewing the Company's aims and objectives, and in planning future activities and policies, the Directors have given careful consideration to the Charity Commission's general guidance on public benefit and to its supplementary guidance on public benefit and fee charging. The Company uses the published Joseph Rowntree Foundation's Minimum Income Standard figures to assist with assessing financial need. This provides a highly respected sector standard that represents the minimum income required to provide a socially inclusive standard of living in the UK. In addition to this, the Company allows additional expenditure for mortgage, rent, council tax, childcare and formal carer costs. Disability benefits are disregarded as income. Where a contribution is invited towards the costs of occupying a residential property, the beneficiary's means based on the above standard are always considered. No eligible member of the RAF Family is prevented from benefiting from the support of the RAFBF and this means that the rental income charged is considerably below the market rate.

### **2021 Review**

During 2021, six properties were purchased at a cost of £2M, two others had adaptations worth £66K and eight properties were sold realising £2.2M proceeds on disposal and a net profit over the book value of £1.3M. From a welfare perspective, two of the properties purchased enabled the relocation of existing Housing Trust occupants to more suitable accommodation. The remaining purchases supported wounded, injured or sick service personnel to transition from the RAF into adapted accommodation and live independently.

2021 rental income of £1M remains largely unchanged, with the considered application of welfare principles such as ability to pay and Local Housing Allowance rates being taken into account when calculating an affordable rent.

### **Future plans of the Company**

The Company intends to continue to hold and operate properties on behalf of the beneficiaries of the RAFBF for the foreseeable future. The ongoing impact of Covid-19 on the Company has been considered and is not anticipated to have a major effect on the operations of the Company.

The balance sheet remains strong with net assets of £13.4M. This includes an amount due to the RAFBF, the parent undertaking, of £11.3M. Whilst this debt is technically payable on demand the trustees of the RAFBF are committed to providing continued support to the Company. On this basis the Directors have reviewed the RAFBF Housing Trust Ltd and consider that adequate resources continue to be available to fund the activities for the foreseeable future. The Directors are of the view that the Company is a going concern.

### **Organisational structure and governance**

The Directors of the Company shall at all times be not less than three and not more than twelve, and shall include the Controller of the Royal Air Force Benevolent Fund ex-officio, who shall be the Chair of the Board and shall also include such members of the Grants Committee of the Fund as shall from time to time be nominated by the RAFBF. The Directors may appoint any member of the Company as a director either to fill a casual vacancy or by way of addition to the Directors. Any member so appointed shall retain office only until the next AGM but will then be eligible for re-election. The business of the Company shall be managed by the Directors but may be delegated to any director and/or any employee of the Company employed in connection with the management of the affairs of the Company. In practice this is the Company Secretary, who is appointed by the Directors.

The Company has no employees but pays a charge for the use of RAFBF staff to carry out the operational activity.

### **Major risks and uncertainties**

Trustees of the RAFBF have overall responsibility for managing risks faced by the Charity and its subsidiary entities. Therefore the identification of major risks associated with the Housing Trust operation, is carried out as part of the risk management process of the RAFBF.

The major risks, as identified by the Trustees, have been reviewed and appropriate mitigation measures put in place to manage downside risks and take advantage of opportunities presented. The major risks identified as having the potential to affect the reputation and subsequent successful performance of the RAFBF and hence the RAFBF Housing Trust Ltd along with mitigating actions are:

- Failure to maintain long-term financial sustainability due to insufficient income and costs increases driven by inflation. This risk is being mitigated by conducting a review of the Housing Trust operating model, including its purpose, cost drivers and rent charging procedures. Agreed actions will be implemented on a phased basis, premised on the underlying principle that the Trust exists to provide support to particularly vulnerable members of the RAF Family. The RAFBF is also committed to providing continued institutional support to the Housing Trust.
- Failure to meet the needs of the RAF Family due to a number of reasons including relying on third parties to provide excellent and timely services, who are then not able to carry out this work to an acceptable standard; and not being innovative and responsive to the changing needs of the RAF Family. This risk is being mitigated through working closely with key stakeholders including the RAF, working with suppliers who share our values and engaging closely with sister charities.

- Failure in our safeguarding processes that results in harm to our beneficiaries. This risk is being mitigated by ensuring that we have robust safeguarding policies in place which are reviewed regularly. Staff, directors and trustees receive appropriate training and are made aware of these policies.
- failure to comply with all statutory and landlord regulations, across all nations: mitigated by professional advice from our surveyors; sector awareness; as well as membership of the Cobseo Housing Cluster and Scottish Landlord Associations.
- Climate change is a key emerging risk, and we will respond by ensuring that our decisions on purchasing and managing our properties are legally compliant, setting aside funds to do so.

### **Reserves policy**

As a wholly owned subsidiary of the Royal Air Force Benevolent Fund (the "parent charity"), the reserves of the RAFBF Housing Trust Ltd are considered along with the reserves of the parent charity.

Free reserves are the resources the Company has or can make available to spend for any or all of the Company's purposes once it has met its commitments and covered its other planned expenditure. The RAFBF Housing Trust Ltd has free reserves of £0.9M as at 31 December 2021 (2020: £0.6M). This amount is represented by net current assets excluding the amount owed to the parent charity.

On the basis of the continued support from the parent charity, the Directors have decided that the minimum level of reserves held should be sufficient to cover about six months operating costs to fund the on-going programme of maintaining the Company's property portfolio. The minimum requirement on 31 December 2021 was £0.6M.

The reserves policy is reviewed each year by the parent charity as part of the annual planning process. Performance against the reserves policy is monitored during the year as part of regular financial management and is reflected as a key performance indicator at Board level. Full details of the parent charity financial position can be obtained from the Annual Report and Accounts which are available on request from 67 Portland Place, London, W1B 1AR or from [www.rafbf.org](http://www.rafbf.org).

### **Going concern**

The Directors have given consideration to the Company reporting a net current liability position as a result of the large balance owed to the parent undertaking. However, the Company has been assured that the Royal Air Force Benevolent Fund has no intention of calling upon this debt and has received written confirmation to this effect. The Directors have also given consideration to the impact of the Covid-19 pandemic and concluded that the financial strength of the parent undertaking, despite the impact of the crisis and, in view of its own income and expenditure forecasts, the Company will be able to continue to operate for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

### **Financial review**

The Statement of Financial Activities (SOFA) for the year is set out on page 11 of the financial statements and shows a surplus of £0.7M (2020: £0.1M).

### **Income**

Income is made up of received rent, bank interest, legacy income and profit on the disposal of properties. There was an increase in income from £1.9M in 2020 to £2.4M in 2021, which is due to an increase in the profit on disposal of properties. In 2021 there was also a £0.1M contribution from the Ministry of Defence towards adaptations on 2 properties.

### **Expenditure**

Charitable expenditure decreased from £1.8M in 2020 to £1.7M in 2021. This was primarily due to reduced repairs and maintenance in the year, a continuing impact of the Covid-19 pandemic. It was difficult to secure contracts for work to be done because contractors were not available due to high levels of demand after Covid restrictions were removed. However, for the first time, we show attributable staff costs, that offset the decline. Costs are likely to increase in 2022 as the market recovers and inflation in the building industry impacts on the cost of our support.

### **Tangible fixed assets**

As at 31 December 2021, the Trust owned 203 properties (2020: 205). During the year, 6 properties were purchased (2020: 3) and 8 were sold (2020: 6), resulting in a net decrease of 2 properties.

Total cost of new properties was £2.0M (2020: £0.9M). Sales proceeds of properties amounted to £2.2M (2020: £1.5M) and profits on these sales were £1.3M (2020: £0.9M).

The Directors recognise that the market value of the properties which are included in the balance sheet at cost, in all probability is materially different from the net book value at £23.8M (2020: £23.3M)

### **Directors**

The Directors during the year, and up to the date of approval of the financial statements, are as shown on page 1.

### **Governing Document**

The objects for which the Company is established are set out in the Memorandum of Association dated 2 June 1972. The Articles of Association of the Company were approved by a written resolution by the Directors on 24 June 2003.

### Statement of Directors' responsibilities

The Directors (who are also trustees of the RAFBF Housing Trust Ltd for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the outgoing resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures which are disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

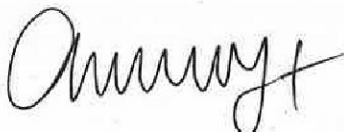
The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

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

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board on 19 May 2022



**Victoria Fakehinde**  
Director/Company Secretary

Date: 21 July 2022

## **Independent auditors' report to the members and the directors of The RAF Benevolent Fund Housing Trust Limited**

### **Opinion**

We have audited the financial statements of The RAF Benevolent Fund Housing Trust Limited for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

#### **Other matters prescribed by the Companies Act 2006**

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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

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

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

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

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors (who are also trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend

to liquidate the charitable company or to cease operations, or have no realistic alternative to do so.

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

We have been appointed as auditors under the Companies Act 2006 and under the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

#### **Identifying and assessing risks related to irregularities:**

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with directors and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

#### **Audit response to risks identified:**

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud

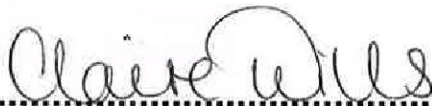
through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

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 is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's directors as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members and directors as a body, for our audit work, for this report, or for the opinions we have formed.



.....

Claire Wills (Senior Statutory Auditor)  
for and on behalf of Saffery Champness LLP

Chartered Accountants      71 Queen Victoria Street,  
London, EC4V 4BE

Statutory Auditors

Date: 28 July 2022

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

## STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2021

(incorporating income and expenditure account)

		2021	2020
		£	£
<b>Income from:</b>	Note		
Legacies		1,524	8,000
Charitable activities		964,385	974,163
Other activities		<u>1,410,296</u>	<u>876,029</u>
<b>Total income</b>	2	<u>2,376,205</u>	<u>1,858,192</u>
Expenditure on charitable activity	3	<u>(1,686,901)</u>	<u>(1,770,436)</u>
<b>Net income</b>		<u>689,304</u>	<u>87,756</u>
<b>Net movement in funds</b>		689,304	87,756
Total funds brought forward		<u>12,684,037</u>	<u>12,596,281</u>
<b>Total funds carried forward</b>		<u>13,373,342</u>	<u>12,684,037</u>

All funds are unrestricted.

There are no recognised gains or losses in either period other than as disclosed above.

All incoming and outgoing resources arise from continuing activities.

## BALANCE SHEET

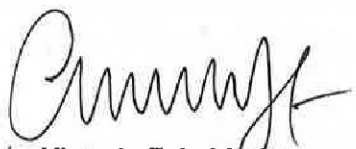
as at 31 December 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	6	<u>23,785,827</u>	<u>23,254,215</u>
<b>Current assets</b>			
Debtors	7	15,784	26,388
Cash at bank and in hand		<u>1,271,460</u>	<u>839,329</u>
		<u>1,287,244</u>	<u>865,717</u>
Creditors: amounts falling due within one year	8	<u>(11,699,729)</u>	<u>(11,435,895)</u>
<b>Net current liabilities</b>		<u>(10,412,485)</u>	<u>(10,570,178)</u>
<b>Net assets</b>		<u>13,373,342</u>	<u>12,684,037</u>
<b>Unrestricted general funds</b>		<u>13,373,342</u>	<u>12,684,037</u>

The notes on pages 14 to 18 form part of these financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved and authorised for issue by the Board on 19 May 2022 and signed on its behalf by:



**Victoria Fakehinde**  
Director/Company Secretary

Date: 21 July 2022

Company registration number: 01058896

## STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Net cash inflow from operating activities	299,070	(745,771)
<b>Cash flows from investing activities</b>		
Proceeds from sale of tangible fixed assets	2,190,438	1,517,123
Payments to acquire tangible fixed assets	(2,057,377)	(927,768)
Net cash provided by investing activities	<u>133,061</u>	<u>589,355</u>
Change in cash and cash equivalents	432,131	(156,416)
Cash and cash equivalents at beginning of year	839,329	995,745
<b>Cash and cash equivalents at end of year</b>	<u>1,271,460</u>	<u>839,329</u>
<b>Reconciliation of net income to net cash flow from operating activities</b>		
Net income for the year ended 31 December	689,304	87,756
Adjustments for		
Depreciation charges	632,644	617,273
Profit on disposal of fixed assets	(1,297,316)	(874,680)
Decrease in debtors	10,604	116,542
Increase/(decrease) in creditors	263,834	(692,662)
	<u>299,070</u>	<u>(745,771)</u>
<b>Analysis of cash and cash equivalents</b>		
Current account	<u>1,271,460</u>	<u>839,329</u>
<b>Analysis of changes in net debt</b>		
Current account:		
As at 1 January	839,329	995,745
Movement in year	432,131	(156,416)
As at 31 December	<u>1,271,460</u>	<u>839,329</u>

## Notes to the Financial Statements

### For the year ended 31 December 2021

#### 1. Accounting Policies

##### Accounting convention

These financial statements are prepared on a going concern basis, under the historical cost convention.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006, the Charities Act 2011 and Charities Accounts (Scotland) Regulations 2006 as amended by The Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

##### Going concern

The Directors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions, including the impact of the Covid-19 pandemic, that might cast significant doubt on the ability of the Company to continue as a going concern. The Directors have made this assessment for a period of at least one year from the date of approval of the financial statements.

The most significant assets included on the Company's balance sheet are fixed assets, the purchase of which is facilitated by a loan from the parent charity, Royal Air Force Benevolent Fund (RAFBF). Amounts due to the RAFBF are unsecured, interest free, have no fixed date of repayment and are repayable on demand. The Directors have given consideration to the Company having reported a net current liability position as at 31 December 2021 as a result of the large balance owed to RAFBF. However, the trustees of the RAFBF are committed to providing continued institutional support to the Company for the foreseeable future and have provided written confirmation to the Directors of the Company to this effect.

The group is in a healthy position at 31 December 2021 with cash balances of £7.4M and net current assets of £15.5M. The Directors therefore have a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing financial statements.

##### Rental income

Rental income is accounted for on the basis of amounts received in the accounting period. In the opinion of the Directors, this policy is appropriate in view of the uncertainty over whether the rental income, which is not a contractual commitment, can be collected.

##### Other income

Other income consists of the net realised gain on the sale of properties (8 sold in 2021).

#### **Fixed assets and depreciation**

Fixed assets that cost more than £5,000 are capitalised and included at cost, including any incidental expense at acquisition.

Depreciation is provided on freehold and long leasehold properties at rates calculated to write off the cost less estimated residual value, based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows:

Freehold buildings	-	over 50 years
Leasehold buildings	-	over the periods of the leases or 50 years, if shorter

Freehold land is not depreciated.

A full year of depreciation is charged in the year of acquisition and none in the year of disposal. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

#### **Expenditure**

All resources expended relate to the one charitable activity undertaken by the Company. Property repair and renewal expenses are written off to the Statement of Financial Activities as they are incurred. The Company has no employees but pays a charge for the use of RAFBF staff to carry out the operational activity. The charge for staff costs was introduced in the current financial statements and the prior year figures have been stated to include these costs.

#### **Recognition of liabilities**

Expenditure approved for payment but not paid are recorded as liabilities in the balance sheet. Current liabilities consist of amounts expected to be settled within 12 months from the balance sheet date.

Current liabilities include payments due to the parent undertaking which is technically payable on demand although the trustees of the RAFBF have offered assurances of their continued support to the Company in the form of interest free finance for the foreseeable future.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

#### **Taxation**

All the Company's income is applied for charitable purposes and therefore the Company is exempt from Corporation Tax.

The Company is not registered for VAT and so all expenditure is shown gross.

#### **Financial instruments**

Basic financial instruments are measured at amortised cost.

#### **Critical accounting estimates and areas of judgement**

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. In the view of the Directors in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements except depreciation, nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

## 2. Income

	2021 £	2020 £
Legacies	1,524	8,000
Rental income	964,385	974,163
Bank interest	-	1,349
Profit from the disposal of properties	1,297,316	874,680
Other income (MOD receipts on adaptations)	112,980	-
	<u>2,376,205</u>	<u>1,858,192</u>

## 3. Resources expended on charitable activities

	2021 £	2020 £
General rates	3,022	2,959
Insurance	15,000	14,001
Repairs and renewals	594,018	849,493
Occupational therapist fees	8,277	-
Legal fees	7,088	-
Property management fees	272,867	281,644
Lease amortisation	12,377	15,974
Property depreciation	620,267	601,299
Audit fees	5,880	4,500
Staff costs	147,650	-
Others	455	566
	<u>1,686,901</u>	<u>1,770,436</u>
Staff costs include:	2021 £	2020 £
Wages and salaries	121,775	-
Pension costs	13,126	-
Social security	12,749	-
	<u>147,650</u>	<u>-</u>

Staff costs relate to 6 people employed by the RAFBF and represents amounts recharged based on their time spent on the Company's operational activity. The recharge of staff costs by RAFBF commenced from 1 January 2021. Prior to this staff costs were borne by RAFBF.

## 4. Directors' remuneration

None of the Directors has received any remuneration or reimbursement of expenses from the Company. The Directors are deemed key management personnel.

## 5. Related party transactions

The Company maintains an inter-company balance with the RAF Benevolent Fund, its parent undertaking and the balance owed to the RAF Benevolent Fund as at 31 December 2021 was £11.3M (2020: £11.1M). The movement during the year consisted of payments by the RAF Benevolent Fund for various property maintenance costs and staff costs recharged. Most of the directors are senior executive staff at the RAF Benevolent Fund. There are no other related party transactions that require disclosure.

## 6. Tangible fixed assets

	Freehold properties £	Long leasehold properties £	Total £
Cost at 1 January 2021	30,064,961	798,665	30,863,626
Additions during the year	2,057,378	-	2,057,378
Disposals during the year	(1,103,340)	(179,825)	(1,283,165)
Cost at 31 December 2021	<u>31,018,999</u>	<u>618,840</u>	<u>31,637,839</u>
Depreciation at 1 January 2021	7,349,769	259,642	7,609,411
Depreciation for the year	620,267	12,376	632,643
Depreciation on disposals during the year	(343,288)	(46,754)	(390,042)
Accumulated depreciation at 31 December 2021	<u>7,626,748</u>	<u>225,264</u>	<u>7,852,012</u>
Net book value:			
At 31 December 2021	<u>23,392,251</u>	<u>393,576</u>	<u>23,785,827</u>
At 31 December 2020	<u>22,715,192</u>	<u>539,023</u>	<u>23,254,215</u>

The Directors recognise that properties are recorded at historical cost less any charges for depreciation and therefore the market value could be materially different.

## 7. Debtors

	2021 £	2020 £
Accrued income - legacy	-	1,000
Prepayment	<u>15,784</u>	<u>25,388</u>
	<u>15,784</u>	<u>26,388</u>

**8. Creditors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	£	£
Trade creditors	333,407	276,328
The Royal Air Force Benevolent Fund – Gulf Trust	55,770	37,180
Interest free finance provided by the RAF Benevolent Fund	<u>11,310,552</u>	<u>11,122,387</u>
	<b><u>11,699,729</u></b>	<b><u>11,435,895</u></b>

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand, however, the trustees of the Royal Air Force Benevolent Fund are committed to providing continued institutional support to the Company for the foreseeable future.

**9. Parent undertaking**

In the Directors' opinion, the ultimate parent undertaking is The Royal Air Force Benevolent Fund, incorporated by Royal Charter, and registered in England and Wales (charity number 1081009) and Scotland (charity number: SC038218). Copies of its group financial statements, which include the results of the Company, are available from 67 Portland Place, London, W1B 1AR.

**10. Guarantee**

In the event of the Company being wound up, each director is liable to pay £1.



**THE RAF BENEVOLENT FUND HOUSING TRUST LIMITED**

England & Wales - Charity number 264636

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# Accounts

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# **The RAF Benevolent Fund Housing Trust Limited**

## **Annual Report and Financial Statements**

Year ended 31 December 2020

Companies House No: 1058896  
Charity Commission 264636  
OSCR SC038218

### **Directors and Trustees**

Air Vice-Marshal David Murray CVO OBE (Chair) (resigned 20 April 2020)  
Air Vice-Marshal Chris Elliot CB CBE MA BSc (Chair) (appointed 20 April 2020)  
Wing Commander Sarah Davis MBA MSc FCIPD (from 1 June 2020)  
Air Vice-Marshal Simon Dougherty MBE MSc MBBS FRCP FFOM DAvMed DObstRCOG FCMIFRAeS (until 11 May 2020)  
Ms Victoria Fakehinde BSc (Hons) ACMA CGMA  
Air Commodore Paul Hughesdon MA  
Mr Al Bennett (until 27 May 2021)  
Mr Emrys Rogers (appointed 3 August 2020)

### **Secretary**

Air Commodore Paul Higgins

### **Independent Auditors**

Saffery Champness LLP  
71 Queen Victoria Street  
London  
EC4V 4BE

### **Bankers**

Barclays Bank Plc,  
1 Churchill Place  
London  
E14 5HP

### **Solicitors**

Charles Russell Speechlys LLP  
5 Fleet Place  
London  
EC4M 7RD

HBJ Gateley  
Exchange Tower  
19 Canning Street  
Edinburgh  
EH3 8EH

### **Registered office**

67 Portland Place  
London  
W1B 1AR

## **Directors' Report**

The Directors, who are also the Trustees of the charitable company, present their report and financial statements for the year ended 31 December 2020.

### **Principal activity**

The RAF Benevolent Fund Housing Trust Limited (RAFBF Housing Trust Ltd) is a charitable company limited by guarantee and is a wholly owned subsidiary of The Royal Air Force Benevolent Fund. Its sole activity is to hold and operate properties for beneficiaries of the RAF Benevolent Fund (RAFBF). The Company is financed and controlled by The Royal Air Force Benevolent Fund and assists in the attainment of its objectives by the purchase of properties for occupation by beneficiaries. These properties are let as rentals, where the rents charged takes into account the means of beneficiaries. The Company takes responsibility for insurance, external repairs and redecorations, and the preservation of the main structures and installations. Further details of the activities and policies of the Royal Air Force Benevolent Fund and its subsidiaries are included in its Annual Report, a copy of which may be obtained by writing to the registered office at the address shown on page 1 or by accessing it at the Fund's website [www.rafbf.org](http://www.rafbf.org).

### **Public benefit**

As stated in the principal activity section, the RAFBF Housing Trust Ltd's sole activity is to hold and operate properties for beneficiaries of the Royal Air Force Benevolent Fund.

Since its formation, the Royal Air Force Benevolent Fund's objectives have been to provide relief and assistance to past and present members of the Royal Air Force and their dependants who are in need as a result of poverty, disability, sickness, infirmity, or other reasons, and to maintain the RAF War Memorial on the Victoria Embankment, London. In October 2008, the Charity's objects were expanded to enable it to promote the efficiency of the Royal Air Force by providing support and assistance to Service personnel and their dependants with a view to enhancing their morale and wellbeing.

When reviewing the Company's aims and objectives, and in planning future activities and policies, the Directors have given careful consideration to the Charity Commission's general guidance on public benefit and to its supplementary guidance on public benefit and fee charging. Where a contribution is invited, for example towards the costs of occupying a residential property, the beneficiary's means are always taken into account when assessing the appropriate value so that no member of the RAF Family is prevented from benefiting from the support of the RAFBF because they cannot afford the full cost.

### **2020 Review**

During 2020, three properties were purchased at a cost of £0.9M and six properties were sold realising £1.5M proceeds on disposal and a net profit over the book value of £0.9M. From a welfare perspective, the three properties purchased enabled the relocation of existing Housing Trust occupants to more suitable accommodation.

2020 rental income of £1M remains largely unchanged, despite a declining housing stock, with the considered application of welfare principles such as ability to pay and Local Housing Allowance rates being taken into account when calculating an affordable rent.

### **Future plans of the Company**

The Company intends to continue to hold and operate properties on behalf of the beneficiaries of the Royal Air Force Benevolent Fund for the foreseeable future. The impact of Covid-19 on

the Company has been considered and is not anticipated to have a major effect on the operations of the Company.

The balance sheet remains strong with net assets of £12.6M. This includes an amount due to the RAFBF, the parent undertaking, of £11.1M. Whilst this debt is technically payable on demand the trustees of the RAFBF are committed to providing continued support to the Company. On this basis the Directors have reviewed the RAFBF Housing Trust Ltd and consider that adequate resources continue to be available to fund the activities for the foreseeable future. The Directors are of the view that the Company is a going concern.

### **Organisational structure and governance**

The Directors of the Company shall at all times be not less than three and not more than twelve, and shall include the Controller of the Royal Air Force Benevolent Fund ex-officio, who shall be the Chair of the Board and shall also include such members of the Grants Committee of the Fund as shall from time to time be nominated by the RAFBF. The Directors may appoint any member of the Company as a director either to fill a casual vacancy or by way of addition to the Directors. Any member so appointed shall retain office only until the next AGM but will then be eligible for re-election. The business of the Company shall be managed by the Directors but may be delegated to any director and/or any employee of the Company employed in connection with the management of the affairs of the Company. In practice this is the Company Secretary, who is appointed by the Directors.

The Company has no employees and pays no emolument for the use of RAFBF staff to carry out the operational activity.

### **Major risks and uncertainties**

A review of the major risks associated with the Housing Trust operation is carried out in conjunction with the overall risk review of the Royal Air Force Benevolent Fund.

Trustees of the RAFBF undertake a regular assessment of business risks and risk management procedures. The major risks, to which the Charity is exposed, as identified by the Trustees, have been reviewed and systems have been established to mitigate those risks. The cycle of reviews form an integral part of the risk management processes adopted by the Charity. The Royal Air Force Benevolent Fund has adopted a cascade system to manage risk with the highest-level strategic risk being reputation – both threat and opportunity. The major risks identified as having the potential to affect the reputation and subsequent successful performance of the RAFBF Housing Trust Ltd in 2020, along with mitigating actions, were:

- failure to identify the RAFBF Housing Trust Ltd needs of its beneficiaries: mitigated by close engagement with beneficiaries, the RAF and with other Service charities through the Confederation of Service Charities (Cobseo) and, importantly, through in-depth research which is designed to understand better the impact of our welfare provision, as well as the changing dynamics of the RAF Family;
- loss of relevance to key audiences: mitigated by the implementation of an effective communication strategy which enables the Company to impart and receive information across all audiences; and
- failure to comply with all statutory and landlord regulations, across all nations: mitigated by professional advice from our surveyors; sector awareness; as well as membership of the Cobseo Housing Cluster and Scottish Landlord Associations.

### **Reserves policy**

As a wholly owned subsidiary of the Royal Air Force Benevolent Fund (the “parent charity”), the reserves of the RAFBF Housing Trust Ltd are considered along with the reserves of the parent charity.

Free reserves are the resources the Company has or can make available to spend for any or all of the Company’s purposes once it has met its commitments and covered its other planned expenditure. The RAFBF Housing Trust Ltd has free reserves of £0.6M as at 31 December 2020 (2019: £1.1M). This amount is represented by net current assets excluding the amount owed to the parent charity.

On the basis of the continued support from the parent charity the Directors are satisfied that this amount is sufficient to fund an on-going programme of maintenance costs for the Company’s property portfolio.

The reserves policy is reviewed each year by the parent charity as part of the annual planning process. Performance against the reserves policy is monitored during the year as part of regular financial management and is reflected as a key performance indicator at Board level. Full details of the parent charity financial position can be obtained from the Annual Report and Accounts which are available on request from 67 Portland Place, London, W1B 1AR or from [www.rafbf.org](http://www.rafbf.org).

### **Going concern**

The Directors have given consideration to the Company reporting a net current liability position as a result of the large balance owed to the parent undertaking. However, the Company has been assured that the Royal Air Force Benevolent Fund has no intention of calling upon this debt and has received written confirmation to this effect. The Directors have also given consideration to the impact of the Covid-19 pandemic and concluded that the financial strength of the parent undertaking, despite the impact of the crisis and, in view of its own income and expenditure forecasts, the Company will be able to continue to operate for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

### **Financial review**

The Statement of Financial Activities (SOFA) for the year is set out on page 11 of the financial statements and shows a surplus of £0.1M (2019: £1.1M).

### **Income**

Income is made up of received rent, bank interest, legacy income and profit on the disposal of properties. There was a decrease in income from £2.8M in 2019 to £1.9M in 2020, which is due to a decrease in the disposal of properties and a decreased legacy income for the year.

### **Expenditure**

Charitable expenditure increased from £1.7M in 2019 to £1.8M in 2020 and this was due to historical maintenance of works carried out on 6 properties at the start of 2020 coupled with increased cost of materials.

### **Tangible fixed assets**

As at 31 December 2020, the Trust owned 205 properties (2019: 208). During the year, 3 properties were purchased (2019: 5) and 6 were sold (2019: 10), resulting in a net decrease of 3 properties.

Total cost of new properties was £0.9M (2019: £1.9M). Sales proceeds of properties amounted to £1.5M (2019: £2.2M) and profits on these sales were £0.9M (2019: £1.5M).

The Directors recognise that the market value of the properties which are included in the balance sheet at cost, in all probability is materially different from the net book value at £23.3M (2019: £23.6M)

### **Directors**

The Directors during the year, and up to the date of approval of the financial statements, are as shown on page 1.

### **Governing Document**

The objects for which the Company is established are set out in the Memorandum of Association dated 2 June 1972. The Articles of Association of the Company were approved by a written resolution by the Directors on 24 June 2003.

### Statement of Directors' responsibilities

The Directors (who are also trustees of the RAFBF Housing Trust Ltd for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the outgoing resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures which are disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

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

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board on 27 May 2021



**Paul Higgins**  
Secretary

Date: 8 July 2021

## **Independent auditors' report to the members and the directors of The RAF Benevolent Fund Housing Trust Limited**

### **Opinion**

We have audited the financial statements of The RAF Benevolent Fund Housing Trust Limited for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

#### **Other matters prescribed by the Companies Act 2006**

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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

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

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

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

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors (who are also trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either

intend to liquidate the charitable company or to cease operations, or have no realistic alternative to do so.

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

We have been appointed as auditors under the Companies Act 2006 and under the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

#### Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with directors and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

#### Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and

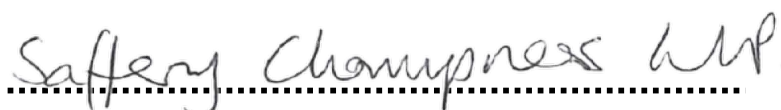
regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

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 is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's directors as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members and directors as a body, for our audit work, for this report, or for the opinions we have formed.



.....

Liz Hazell (Senior Statutory Auditor)  
for and on behalf of Saffery Champness LLP

Chartered Accountants      71 Queen Victoria Street,  
London, EC4V 4BE

Statutory Auditors

Date: 16 July 2021.

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

## STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2020

(incorporating income and expenditure account)

		2020	2019
		£	£
<b>Income from:</b>	Note		
Legacies		8,000	286,000
Charitable activities		974,163	987,535
Other activities		<u>876,029</u>	<u>1,511,640</u>
<b>Total income</b>	2	<u>1,858,192</u>	<u>2,785,175</u>
Expenditure on charitable activity	3	<u>(1,770,436)</u>	<u>(1,680,590)</u>
<b>Net income</b>	4	<u>87,756</u>	<u>1,104,585</u>
<b>Net movement in funds</b>		87,756	1,104,585
Total funds brought forward		<u>12,596,281</u>	<u>11,491,696</u>
<b>Total funds carried forward</b>		<u>12,684,037</u>	<u>12,596,281</u>

All funds are unrestricted.

There are no recognised gains or losses in either period other than as disclosed above.

All incoming and outgoing resources arise from continuing activities.

## BALANCE SHEET

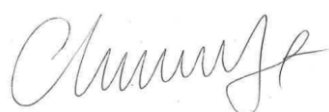
as at 31 December 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	7	<u>23,254,215</u>	<u>23,586,163</u>
<b>Current assets</b>			
Debtors	8	26,388	142,930
Cash at bank and in hand		<u>839,329</u>	<u>995,745</u>
		<u>865,717</u>	<u>1,138,675</u>
Creditors: amounts falling due within one year	9	<u>(11,435,895)</u>	<u>(12,128,557)</u>
<b>Net current liabilities</b>		<u>(10,570,178)</u>	<u>(10,989,882)</u>
<b>Net assets</b>		<u>12,684,037</u>	<u>12,596,281</u>
<b>Unrestricted general funds</b>		<u>12,684,037</u>	<u>12,596,281</u>

The notes on pages 14 to 18 form part of these financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved and authorised for issue by the Board on 27 May 2021 and signed on its behalf by:



**Victoria Fakehinde**

Director

Date: 8 July 2021

Company registration number: 01058896

## STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Net cash inflow from operating activities	(745,771)	680,682
<b>Cash flows from investing activities</b>		
Proceeds from sale of tangible fixed assets	1,517,123	2,169,673
Payments to acquire tangible fixed assets	(927,768)	(1,887,569)
Net cash provided by investing activities	<u>589,355</u>	<u>282,104</u>
Change in cash and cash equivalents	(156,416)	962,786
Cash and cash equivalents at beginning of year	995,745	32,959
<b>Cash and cash equivalents at end of year</b>	<b><u>839,329</u></b>	<b><u>995,745</u></b>
<b>Reconciliation of net income to net cash flow from operating activities</b>		
Net income for the year ended 31 December	87,756	1,104,585
Adjustments for		
Depreciation charges	617,273	782,406
Profit on disposal of fixed assets	(874,680)	(1,510,220)
Decrease in debtors	116,542	40,740
(Decrease)/increase in creditors	(692,662)	263,171
	<u>(745,771)</u>	<u>680,682</u>
<b>Analysis of cash and cash equivalents</b>		
Current account	<b><u>839,329</u></b>	<b><u>995,745</u></b>
<b>Analysis of changes in net debt</b>		
Current account:		
As at 1 January	995,745	32,959
Movement in year	(156,416)	962,786
As at 31 December	<b><u>839,329</u></b>	<b><u>995,745</u></b>

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 1. Accounting Policies

##### Accounting convention

These financial statements are prepared on a going concern basis, under the historical cost convention.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006, the Charities Act 2011 and Charities Accounts (Scotland) Regulations 2006 as amended by The Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

##### Going concern

The Directors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions, including the impact of the Covid-19 pandemic, that might cast significant doubt on the ability of the Company to continue as a going concern. The Directors have made this assessment for a period of at least one year from the date of approval of the financial statements.

The most significant assets included on the Company's balance sheet are fixed assets, the purchase of which is facilitated by a loan from the parent charity, Royal Air Force Benevolent Fund (RAFBF). Amounts due to the RAFBF are unsecured, interest free, have no fixed date of repayment and are repayable on demand. The Directors have given consideration to the Company having reported a net current liability position as at 31 December 2020 as a result of the large balance owed to RAFBF. However, the trustees of the RAFBF are committed to providing continued institutional support to the Company for the foreseeable future and have provided written confirmation to the Directors of the Company to this effect.

The group is in a healthy position at 31 December 2020 with cash balances of £3.4M and net current assets of £7.4M. The Directors therefore have a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing financial statements.

##### Rental income

Rental income is accounted for on the basis of amounts received in the accounting period. In the opinion of the Directors, this policy is appropriate in view of the uncertainty over whether the rental income, which is not a contractual commitment, can be collected.

##### Other income

Other income consists of the net realised gain on the sale of properties (6 sold in 2020).

### **Fixed assets and depreciation**

Fixed Assets that cost more than £5,000 are capitalised and included at cost, including any incidental expense at acquisition.

Depreciation is provided on freehold and long leasehold properties at rates calculated to write off the cost less estimated residual value, based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows:

Freehold buildings	-	over 50 years
Leasehold buildings	-	over the periods of the leases or 50 years, if shorter

Freehold land is not depreciated.

A full year of depreciation is charged in the year of acquisition and none in the year of disposal. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

### **Expenditure**

All resources expended relate to the one charitable activity undertaken by the Company. Property repair and renewal expenses are written off to the Statement of Financial Activities as they are incurred. The Company has no employees and pays no emolument for the use of RAFBF staff to carry out the operational activity.

### **Recognition of liabilities**

Expenditure approved for payment but not paid are recorded as liabilities in the balance sheet. Current liabilities consist of amounts expected to be settled within 12 months from the balance sheet date.

Current liabilities include payments due to the parent undertaking which is technically payable on demand although the trustees of the RAFBF have offered assurances of their continued support to the Company in the form of interest free finance for the foreseeable future.

### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

### **Taxation**

All the Company's income is applied for charitable purposes and therefore the Company is exempt from Corporation Tax.

The Company is not registered for VAT and so all expenditure is shown gross.

### **Financial instruments**

Basic financial instruments are measured at amortised cost.

### **Critical accounting estimates and areas of judgement**

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. In the view of the Directors in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements except depreciation, nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

## 2. Income

	<b>2020</b>	<b>2019</b>
	£	£
Legacies	8,000	286,000
Rental income	974,163	987,535
Bank interest	1,349	1,420
Profit from the disposal of properties	874,680	1,510,220
	<u><b>1,858,192</b></u>	<u><b>2,785,175</b></u>

## 3. Resources expended on charitable activities

	<b>2020</b>	<b>2019</b>
	£	£
General rates and utilities	2,959	5,390
Insurance	14,001	-
Repairs and renewals	849,493	643,173
Legal and survey fees	281,644	241,496
Ground rents	-	7,949
Lease amortisation	15,974	181,729
Property depreciation	601,299	600,677
Audit Fees	4,500	-
Others	566	176
	<u><b>1,770,436</b></u>	<u><b>1,680,590</b></u>

## 4. Net income

The costs of administration for the year ended 31 December 2020 have, from 1 March 2020, been incurred directly by the Company whilst previously they have been borne by the Royal Air Force Benevolent Fund.

## 5. Directors' remuneration

None of the Directors has received any remuneration or reimbursement of expenses from the Company. The Directors are deemed key management personnel.

## 6. Related party transactions

The Company maintains an inter-company balance with the RAF Benevolent Fund, its parent undertaking and the balance owed to the RAF Benevolent Fund as at 31 December 2020 was £11.1M (2019: £12.1M). The movement during the year consisted of payments by the RAF Benevolent Fund for property purchases and for property maintenance costs which was partially offset by cash transfers from the Company to the RAF Benevolent Fund at the first quarter of 2020. Most of the directors are senior executive staff at the RAF Benevolent Fund. There are no other related party transactions that require disclosure.

## 7. Tangible fixed assets

	Freehold properties £	Long leasehold properties £	Total £
Cost at 1 January 2020	30,033,851	798,665	30,832,516
Additions during the year	927,768	-	927,768
Disposals during the year	(896,658)	-	(896,658)
	<u>30,064,961</u>	<u>798,665</u>	<u>30,863,626</u>
Cost at 31 December 2020			
Depreciation at 1 January 2020	7,002,685	243,668	7,246,353
Depreciation for the year	601,299	15,974	617,273
Depreciation on disposals during the year	(254,215)	-	(254,215)
Accumulated depreciation at 31 December 2020	<u>7,349,769</u>	<u>259,642</u>	<u>7,609,411</u>
Net book value:			
At 31 December 2020	<u>22,715,192</u>	<u>539,023</u>	<u>23,254,215</u>
At 31 December 2019	<u>23,031,166</u>	<u>554,997</u>	<u>23,586,163</u>

The Directors recognise that properties are recorded at historical cost less any charges for depreciation and therefore the market value could be materially different.

## 8. Debtors

	2020 £	2019 £
Other debtors – Deposit on purchase of property	-	45,000
Accrued income -Legacy	1,000	86,000
Prepayment	25,388	11,930
	<u>26,388</u>	<u>142,930</u>

## 9. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	276,328	23,524
The Royal Air Force Benevolent Fund – Gulf Trust	37,180	18,590
Interest free finance provided by the RAF Benevolent Fund	11,122,387	12,086,443
	<u>11,435,895</u>	<u>12,128,557</u>

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand, however, the trustees of the Royal Air Force Benevolent Fund are committed to providing continued institutional support to the Company for the foreseeable future.

## **10. Parent undertaking**

In the Directors' opinion, the ultimate parent undertaking is The Royal Air Force Benevolent Fund, incorporated by Royal Charter, and registered in England and Wales (charity number 1081009) and Scotland (charity number: SC038218). Copies of its group financial statements, which include the results of the Company, are available from 67 Portland Place, London, W1B 1AR.

## **11. Guarantee**

In the event of the Company being wound up, each director is liable to pay £1.