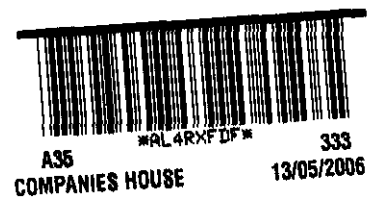


THE R.A.F.C. COMPANY LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2005

Charity Registered Number: 1061987
Company Registered Number: 179795



THE R.A.F.C. COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2005

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THE R.A.F.C. COMPANY LIMITED

DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2005

The directors submit their report and financial statements for the year ended 31st December 2005.

PRINCIPAL ACTIVITY

The company does not trade but holds certain assets on behalf of the members of the Royal Air Force Club (a registered charity, registered number 1108295) and acts as Trustees for the Royal Air Force Club Staff Pension and Life Assurance Scheme.

DIRECTORS AND THEIR INTERESTS

The directors of the company and their shareholdings at 31st December 2005 were as follows:

	2005	2004
Marshal of The Royal Air Force		
Lord Craig of Radley	1*	1*
Air Vice-Marshal S Chisnall	1*	
Air Marshal Sir Christopher Coville	1*	1*
* As Trustee		

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to;

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution reappointing haysmacintyre will be proposed at the AGM in accordance with S385(2) of the Companies Act 1985.

BY ORDER OF THE BOARD


P N OWEN
Secretary

128 Piccadilly
London W1J 7PY

26 April 2006

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

THE R.A.F.C. COMPANY LIMITED

We have audited the financial statements of The R.A.F.C. Company Limited for the year ended 31st December 2005 which comprise the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors, who also act as trustees for the charitable activities of The R.A.F.C. Company Limited, are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

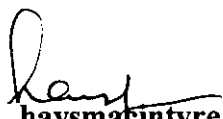
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs as at 31st December 2005 and have been properly prepared in accordance with the Companies Act 1985.


haysmacintyre
Chartered Accountants
Registered Auditors

**Fairfax House
15 Fulwood Place
London
WC1V 6AY**

26 April 2006

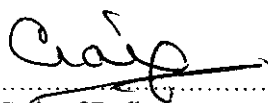
THE R.A.F.C. COMPANY LIMITED

BALANCE SHEET

31ST DECEMBER 2005

	Note	2005 £	2004 £
FIXED ASSETS			
Freehold property at cost	2	1,638,395	1,638,395
CURRENT ASSETS			
Deposit on call with the Royal Air Force Club		1,000	1,000
CREDITORS: Amounts falling due within one year			
Amount due to the Royal Air Force Club	3	(1,638,395)	(1,638,395)
		<u>£1,000</u>	<u>£1,000</u>
Financed by:			
SHARE CAPITAL			
Authorised, allotted and fully paid shares of £1 each		1,000	1,000
EQUITY SHAREHOLDERS' FUNDS		<u>£1,000</u>	<u>£1,000</u>

Approved by the Board on 26 April 2006 and signed on their behalf by:



Lord Craig of Radley
Marshal of the Royal Air Force



S Chisnall
Air Vice-Marshal

THE R.A.F.C. COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2005

1. ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Depreciation

The freehold buildings are maintained to a standard that preserves likely residual value at a level at least equal to the book value. Accordingly no provision has been made for depreciation as the amount involved would not be material.

2. TANGIBLE FIXED ASSETS

	2005	2004
	£	£
Freehold land and buildings		
Cost at 1st January 2005 and 31st December 2005	<u>£1,638,395</u>	<u>£1,638,395</u>

The company owns the freehold of 128 Piccadilly London W1, which is occupied and used by the Royal Air Force Club, a registered charity, registered number 1108295.

The freehold land and buildings are subject to a legal charge held by the bankers of the Royal Air Force Club in respect of borrowings of the club.

3. AMOUNT DUE TO THE ROYAL AIR FORCE CLUB

The amount due to the Royal Air Force Club represents funds contributed by the Royal Air Force Club (the company's parent body) for the purchase of the freehold of 128 Piccadilly London W1.

4. DIRECTORS' EMOLUMENTS AND REIMBURSED EXPENSES

The directors did not receive any reimbursed expenses or emoluments for their services during the year.