

THE ROYAL AIR FORCE CENTRAL FUND TRADING LTD

**Royal Air Force Central Fund
Trading Ltd
Annual Report and Financial
Statements
for the year ended 31 December
2022**

Registered Company Number: 08747522



THE ROYAL AIR FORCE CENTRAL FUND TRADING LTD

Company information

For the year ended 31 December 2022

Company Registration Number: 08747522

Directors:

Mr J Michaelson
Dr E Molloy
Gp Capt (Retd.) M Williams
Mr R Perriam
Mr Atul Hindocha
Wg Cdr Sarah Brewin

Registered Office:

Hurricane Building, HQ Air Command, RAF High Wycombe, Buckinghamshire, HP14 4UE

Auditors:

Mazars LLP, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4JQ

Bankers:

Barclays Bank PLC
4 Waterside Way
The Lakes
Bedford Road
Northampton
NN4 7XD

THE ROYAL AIR FORCE CENTRAL FUND TRADING LTD

Directors' Report for the year ended 31 December 2022

The Directors present their report and the financial statements of the Company for the year ended 31 December 2022.

Principal activity

The principal activity of the Company is the design and build of the property belonging to the RAF Central Fund at RAF Feshiebridge and other service activities.

Results and dividends

The profit for the year amounted to £15,654 (2021: £185,255). All taxable profits will be transferred to the parent charity by a distribution within 9 months of the year end.

Risks

The directors have considered the possible risks and impact on the activities of the company from further impact on markets due to the Ukraine conflict, coupled with rampant inflation affecting the price of commodities and services, and have put in place measures to maintain income and reduce future expenditure if required. The position will be kept under constant review and the Directors will as required take necessary steps to ensure the company continues as a going concern.

Future Developments

The Directors do not anticipate any significant changes to the trade of the Company in the foreseeable future. The Directors are aware that the RAF Central Fund is considering developments at its other properties. While a timescale has yet to be defined, it is anticipated that the Trading Fund will manage further developments at existing sites over the next 5 years.

Directors

The Directors who held office during the year and up to the date of this report are as follows:

Mr J Michaelson
Dr E Molloy
Gp Capt (Retd.) M Williams
Mr R Perriam
Mr Atul Hindocha
Wg Cdr Sarah Brewin

Strategic Report

The Company has taken the exemption under 414B of the Companies Act 2006 from the requirements to prepare a Strategic Report for the financial year.

THE ROYAL AIR FORCE CENTRAL FUND TRADING LTD

Directors' Report for the year ended 31 December 2022 (continued)

Auditors

Mazars LLP were appointed as auditors during the year and will be proposed for reappointment at the annual general meeting.

Each of the Directors has confirmed that so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and that they have taken all the steps that they individually ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

These financial statements were signed on behalf of the Board on 2 August 2023.



Ross Perriam

Director

Statement of Directors' Responsibilities for the year ended 31 December 2022

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the Company and of the profit or loss of the Company for that period.

In preparing these 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 UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Royal Air Force Central Fund Trading Limited

Opinion

We have audited the financial statements of Royal Air Force Central Fund Trading Limited (the 'company') for the year ended 31 December 2022 which comprise the profit and loss account, balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' 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 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- 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 and from the requirement to prepare a strategic report.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. 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.

Based on our understanding of the entity and its sector, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: the Companies Act 2006, tax legislation, safeguarding, pensions legislation, employment regulation, health and safety regulation, anti-bribery, corruption and fraud and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the entity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the entity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, income recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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.


Nicola Wakefield (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

6 Sutton Plaza, Sutton Court Road, Sutton, Surrey SM1 4FS

Date: 26 September 2023

Profit and loss account for the year ended 31 December 2022

	Note	2022 £	2021 £
Turnover	2	171,829	263,957
Cost of sales	3	-125,538	-57,778
Gross profit		<u>46,291</u>	<u>206,179</u>
Administrative Expenses	3	-30,637	-20,924
Profit before and after taxation		<u>15,654</u>	<u>185,255</u>

The Company has no recognised gains or Losses for the year other than as detailed above.

All Income and expenditure arise from continuing activities.

The company is a wholly owned subsidiary of the Royal Air Force Central Fund.

The notes on page 13-16 form part if these financial statements.

Balance Sheet at 31 December 2022

	Note	2022 £	2021 £
Current Assets:			
Cash at Bank and in Hand		32,337	199,586
Debtors	4	58,974	63,612
Total Current Assets		91,311	263,198
Creditors: Amounts Falling due Within One Year			
	5	-75,657	-77,943
Net Assets		15,654	185,255
Capital and Reserves			
Share Capital	6	1	1
Retained Earnings		15,653	185,254
		15,654	185,255

The notes on pages 10-12 form part of these financial statements.

These financial statements have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

Approved and authorised for issue by the Board on 2 August 2023 and signed on its behalf by:



Ross Perriam
Director

Notes to the Financial Statements for the year ended 31 December 2022

1. Principal Accounting Policies 2022

Royal Air Force Central Fund Trading Limited ('the Company') is a private company limited by shares and is incorporated in England.

The financial statements have been presented in £ sterling which is the functional currency of the Company.

The Company has taken advantage of the exemption from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent undertaking, RAF Central Fund, includes the company's cash flows in its consolidated financial statements.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the requirements of the Companies Act 2006.

The directors have considered potential further impacts of cost of living and increased utilities related to the company's business activities and income streams and have reviewed the detailed budget to 31 December 2023 and cash-flow projections to 30 June 2024. The directors have also reviewed working capital and capital expenditure requirements and as a result are satisfied that it is appropriate to prepare these financial statements on a going concern basis under the historical cost convention.

Revenue recognition

Revenue represents amounts receivable for the services provided in the normal course of business, net of trade discounts, VAT and other sales-related taxes.

Expenditure

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation for the company to make payment. Administrative costs consist of salary and other costs recharged by the RAF Central Fund.

Taxation

Tax is recognised in the Profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the Balance Sheet date, and any adjustment to tax payable in respect of previous years.

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.

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

Note 2 Turnover

	2022	2021
	£	£
Guest booking of RAF Central Fund Feshiebridge Lodge	171,029	121,277
Contractor Income	-	115,951
Miscellaneous Income	800	26,729
	<u>171,829</u>	<u>263,957</u>

Note 3 Expenditure

Cost of Sales	2022	2021
	£	£
Sub-contractor payments	63,001	34,236
Audit Fees	6,673	3,031
Professional Fees	914	-3,041
Utility Costs	20,299	19,396
Booking Commission Fees	34,651	4,156
	<u>125,538</u>	<u>57,778</u>
Administrative Expenses		
Salary Contribution	28,569	15,378
Resource Contribution	2,050	5,519
Bank Charges	18	27
	<u>30,637</u>	<u>20,924</u>

Note 4 Debtors and Prepayment

	2022	2021
	£	£
Called up share capital not paid	1	1
Debtors	44,171	49,799
Prepayments	14,304	13,812
Accrued Income	498	-
	<u>58,974</u>	<u>63,612</u>

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

Note 5 - Creditors and Accruals

	2022 £	2021 £
Accruals and Deferred Income	67,008	73,194
Other Creditors	8,734	5,544
VAT Liability	-85	-795
	<u>75,657</u>	<u>77,943</u>

Note 6 Share Capital

	2022 £	2021 £
Allotted and called up share capital	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

Note 7 Related Party Transactions

As a subsidiary undertaking of the RAF Central Fund, the Company has taken advantage of the exemption in Section 33.1A of FRS 102 not to disclose transactions with other 100% members of the group headed by RAF Central Fund.

Note 8 Ultimate Parent Undertaking

The Company's ultimate parent undertaking is the RAF Central Fund, a charity registered in England and Wales.