REGISTERED CHARITY 226686 (England and Wales)
SC037673 (Scotland)

THE ROYAL AIR FORCES ASSOCIATION

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

THE ROYAL AIR FORCES ASSOCIATION LIMITED
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REGISTERED CHARITY NUMBERS	226686 (England and Wales), SC037673 (Scotland)
PRINCIPAL OFFICE	Atlas House, 41 Wembley Road, Leicester, LE3 1UT
PATRON	His Majesty The King
LIFE VICE-PRESIDENTS	Marshal of the Royal Air Force The Lord Stirrup KG GCB AFC FRAeS FCMI
	Air Chief Marshal Sir Stephen Dalton KCB ADC BSc FRAeS CCMI
	Air Chief Marshal Sir Joseph Gilbert KCB CBE LLD (hc)
	Air Chief Marshal Sir Glenn Torpy GCB CBE DSO ADC BSc (Eng) FRAeS
	Air Chief Marshal Sir Andrew Pulford GCB CBE ADC
	Air Chief Marshal Sir Stephen Hillier GCB CBE DFC ADC MA
	Air Marshal Sir Dusty Miller KBE
	Air Marshal Philip O Sturley CB MBE BSc FRAeS
	Air Vice-Marshal John Cliffe CB OBE
	Air Vice-Marshal Peter Liddell CB BSc CEng FIET FRAeS
	Air Vice-Marshal Nigel Bairsto CB MBE
	Air Commodore Allan Vaughan OBE BA FIMgt
	Air Commodore Allan Opie CBE MDA MA BSc FCIPD RAF
	Mr John Tisbury MBE MRAeS MCMI

TRUSTEE MEMBERS OF THE COUNCIL

President	Air Marshal Sir Baz North KCB OBE MA FRAeS
Chair	Air Vice-Marshal Alastair Reid CB OStJ MBChB MSc DRCOG DAvMed FFOM
Vice Chair	Air Vice-Marshal Mark Neal OBE
Honorary Treasurer	Mrs Sally Munday FCA
Area Elected Members	Flight Lieutenant Simon Arnett RAF (Wales, Midlands and South-West)
	Mr Raymond Blunden (South-East and Eastern to November 2025)
	Squadron Leader Margaret Greer RAFAC (Scotland, Northern Ireland and Northern England, to October 2025)
	Mr David Forsyth (European and Overseas, to August 2025)
	Mr Raymond Hall MBE (Scotland, Northern Ireland and Northern England, from October 2025)
	Mr Wilbert Mulders (European and Overseas, from February 2026)
	Mr Martin Watkins (Central, to October 2025)
	Ms Marion Wells (Central, from October 2025)
	Mr Richard Youngs (Southeast and Eastern, from February 2026)

Members Appointed by The Royal Air Force	Air Vice-Marshal Lee Turner BEng (Hons)
	Squadron Leader Micah Aopare RAF
	Warrant Officer Michelle Rees-Martin MBE (to October 2025)
	Warrant Officer Murugesvaran Subramaniam (from October 2025)
Appointed Members	Mrs Sheila Bailey
	Ms Fiona Barber (to May 2025)
	Mrs Pauline Bearblock (to October 2025)
	Ms Lucinda Eggleton (from May 2025)

SENIOR MANAGEMENT TEAM

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

PROFESSIONAL ADVISORS

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

The Trustees of The Royal Air Forces Association (the Association) are pleased to present this report and the consolidated financial statements of the Association for the year ended 31 December 2025. The financial statements have been prepared based on the accounting policies set out in Note 2 to the financial statements and comply with the Royal Charter, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) (effective 1 January 2019).

Our charitable object and activities for the public benefit

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

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

We believe that we are at our strongest when we work together. Crucial to the successful delivery of all our charitable activities is our committed global network of over 60,000 members, supporters, volunteers and employees, all committed to making lives better. It is impossible to definitively quantify the value of their contribution in monetary terms, and therefore this is not recorded in the financial statements.

Delivering against our 2025 aims and objectives

The RAF Association's role is that of a central, coalescing force; one that brings together individuals and communities to improve the lives of those who serve and have served, their families and loved ones. Our welfare and wellbeing services (designed to meet the specific needs of the RAF community) and our membership network formed the core of our charitable outputs and outcomes. These outputs align with the themes identified in our vision: Connected; Empowered; Resilient.

The Association's 239 branches and Registered Members Groups (RMGs) continue to be an integral part of local community networks, delivering wellbeing events and activities that provide local veteran communities with places to find friendship, support and social connections. They are critical to Association's outreach, volunteering, fundraising and commemorative output. The branches are each charities in their own right, managed by their branch committees but subject to the Association's Royal Charter, Rules, Byelaws and Standard Regulations.

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

Connection is at the heart of everything we do. At a time when we are seeing a rise in the number of people experiencing difficulties with their mental health, the importance of strong networks becomes ever greater.

At the end of 2025, we had 60,492 members (of whom, 3,047 joined during the year), across 239 branches and RMGs. Throughout the year, those branch communities delivered more than 4,300 wellbeing and social events.

These events, whether large or small, provided vital social connections and access to essential support for members of the RAF community.

Supported by our members, volunteers and corporate partners, in 2025 we made 7,277 outreach calls to RAF veterans and their family members to ensure that they were not facing difficulties in isolation. 15% needed our help and were referred to one of our welfare and wellbeing services.

The physical and mental impact of loneliness and isolation can be severe. Through the RAF Association's Connections for Life service, 934 volunteers supported 1,796 individuals, helping them to increase their sense of social connection and decrease feelings of loneliness.

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

In 2025 the Association continued to be the leading provider of personalised support to the RAF community, managing nearly 40% of all RAF cases recorded on the military charity sector-wide case management system. Through our team of highly trained, knowledgeable and experienced caseworkers, we supported 3,791 people, through 3,426 cases.

The average number of needs per beneficiary was 2.6, demonstrating the ongoing trend of complex cases with multiple needs. We continued to see an increase in needs among working age veterans, where mental health and daily living costs remained the most significant concerns.

We continued to provide specialist support to serving, recently medically discharged and veteran personnel and family members to secure awards under the War Pensions and Armed Forces Compensation Scheme. In 2025 we supported 375 people (338 in 2024) and the value of lifetime awards secured exceeded £2million. 100 per cent of those supported by the service reported being satisfied with the support they had received, and that the assistance provided had helped them to feel better.

Through our four retirement living complexes in Dumfriesshire, Leicestershire, Northumbria and West Sussex we continued to create tight-knit communities, providing 57 individuals with a place where they could live safely and independently as part of a supportive RAF community. In 2025 we also began work to convert a property in Eastbourne into 10 new independent living apartments for veterans, which will be known as 'Bader House'.

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

Our network of RAFAKidz nurseries continues to be a lifeline for military families, providing them with access to affordable, high-quality childcare which enables children to thrive. RAFAKidz is now the largest provider of early years childcare to the RAF, directly supporting the retention of service personnel and operational effectiveness. RAFAKidz increased its provision in 2025 to 21 settings at 18 locations in the UK, supporting over 2,800 children.

As the number of people reporting mental health concerns rises, our belief that early intervention is vital in supporting people to meet these challenges is more important than ever. In 2025 we delivered essential mental wellbeing training through our *'Finding it Tough?'* courses to 482 members of the RAF community. 93 per cent reported that they felt they had an improved knowledge of mental health issues and 90 per cent felt their confidence to talk about mental health had improved.

35 veterans took part in our Veterans' Resilience Programme, which is run in partnership with Loughborough University and is designed to support veterans who may be experiencing mental health and wellbeing challenges resulting from their military service.

In 2025 we launched our Women's Wellbeing Network, created to provide serving women (Regulars and Reserves) with a safe and inclusive space where they can learn how to improve their resilience and alleviate stressors specific to their lived experience. In addition to building a thriving community which provides mutual support, 13 webinars were held, supporting 357 individual women to discuss issues such as women's health.

We recognise how valuable time away from daily demands can be in helping families strengthen their coping capacity and overall quality of life. In 2025, 326 people stayed in our holiday accommodation in Scotland (Dunbar), Norfolk (Hemsby) and West Sussex (Selsey), enjoying time with family and friends and 53 beneficiaries benefitted from respite breaks.

We also increased the provision of our established Navigating Dementia courses, supporting over 200 people who are dealing with the challenges associated with dementia to better understand the condition and how they can help to support.

Resources

We are only able to provide the support we do through the commitment and time given by our committed force of volunteers. The Association remains the only military charity to train its volunteers to nationally-accredited standards. Course subjects include Safeguarding, Casework, Equality, Diversity and Inclusion, Prevent and Grief Awareness, as well as those aimed at supporting branch Trustees with their governance responsibilities. In 2025, over 1,400 of our volunteers (including 315 new RAF Association Connections for Life volunteers) completed training courses, equipping them with the skills and support they needed.

Our work is supported by research and insight to ensure our resources are used wisely to the greatest impact. At the end of 2025, we held a research symposium, bringing together leading academics and industry experts, as well as presenting the findings from our own extensive research study: *Understanding the characteristics of the RAF community.* The theme of the symposium was 'Using insight and evidence to build an RAF community that is connected, empowered and resilient'. That work has laid the foundation for a deeper understanding of our community and its needs and feedback demonstrated the positive impact of the event, with 100% of those responding rating their experience as good or very good and reporting that the event had enhanced their knowledge of research across the sector.

The Association also relies on fundraising to support its activities now and in the years to come, ensuring that it can continue to support future generations of the RAF community. We are committed to the highest possible standards of fundraising. During 2025 we continued to work to ensure that all our activities were compliant with legislative, regulatory and best practice standards. We have been registered with the Fundraising Regulator since its inception in 2016, demonstrating our commitment to the Code of Fundraising Practice and the Fundraising Promise.

In 2025 the main sources of fundraised income were donations and fundraising by individuals, branches and RAF stations, gifts in wills and donations from trusts and corporate partners. The Association is grateful for the support given to its work by all those who funded it during 2025. Some trusts, foundations, corporate partners and individuals who supported us with major gifts wish to remain anonymous; others included:

2Excel
AeroSuperBatics Ltd
Affinity
Alan Boswell Group Charitable Trust
Amrik Sandhu
Ann Jane Green Trust
Annandale & Nithsdale Community Benefit Company
April Fools Club
Armed Forces Covenant Fund Trust
Aviation Focus Group
Babcock
BAE Systems plc
Bicester Motion
Boeing
Brewers Foundation
CAE
CGI
City Bridge Foundation
Clarion Events Ltd
Collins Aerospace
Davis-Rubens Charitable Trust
Doris Field Charitable Trust
Duncan Barber OBE
Earl Fitzwilliam Charitable Trust
Erdinger
Florence Turner Trust
Foundation Scotland
Frank Russon Charitable Trust
Fujitsu
Gerald Bentall Charitable Trust
Helen Jean Cope Charity
I M L D Forde Charitable Settlement
Inzpire
Jaguar Land Rover
James Wise Charitable Trust
John James Leon Varney Will Trust
KBR
Leonardo UK
LifeJacket Skin Protection
Lincolnshire County Council: Family Hubs Capital Grants Programme
Little Brown
Lockheed Martin Corporation
Lockheed Martin UK
Lonestar Analysis
Lord Carnarvon
Lord Naseby
Mackintosh Foundation
Maud Elkington Charitable Trust
MBDA Missile Systems
Ministry of Defence: Armed Forces Families Fund
Mr & Mrs William Donalds Memorial Trust
Musketeer Solutions
Office for Veterans' Affairs
Pilkington Charities Fund
Plexys
Plowright Charitable Trust
Project Propeller
QinetiQ
RAF Club
Raytheon
Red Arrows Trust
Roger Raymond Charitable Trust
Royal Air Force Lodge No. 7335
Schroders Personal Wealth
Serco RAF Brize Norton
Shoreham Airshow Limited
Sir Donald and Lady Edna Wilson Charitable Trust
Squire Patton Boggs Charitable Trust
Tesco
The Digital Line
The Rare Tea Company
Top Aces
Verizon
Vivo
Wilkin & Sons
Wolf Brewery

During 2025, all our interactions with the general public were carried out by our employees and volunteers, except for one supplier whose services we employed to interact directly with the public to administer our Wings Lotto. We ensured that the contract with the supplier included fundraising compliance clauses. As part of our work to ensure compliance with fundraising regulation and best practice, we monitor our supplier to ensure they continue to meet the same high standards we expected of our own fundraisers. In a similar vein, we also have contracts in place with all corporate partners who raised funds or donated to us.

Public benefit

When reviewing the Association's aims and objectives and in planning activities and policies, the Trustees have considered the Charity Commission's general guidance on public benefit and to its supplementary guidance on public benefit and fee charging. All services provided by the parent charity are either free or heavily subsidised.

Where fees are charged, for occupying a residential property, the beneficiary's means are always considered so that no eligible member of the RAF community is prevented from accessing the services of the Association because they cannot afford the full cost. The Association also provides a public benefit as it promotes efficiency in the RAF, by underpinning a spirit of pride and mutual loyalty, and so contributing to the defence of the United Kingdom and its interests.
In drafting the above statements, the Trustees have complied with the duty in the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission.

FINANCIAL REVIEW

Income

During the year, the consolidated income raised from members, volunteers, the general public and investments was £27,221k (2024: £21,646k). This includes legacy income of £1,880k (2024: £3,371k).

Investment income contributed £578k to the Association's overall income (2024: £602k).

Expenditure

In 2025, expenditure was £28,105k, an increase of 27 per cent from £22,178k spent in 2024. This reflects the Trustee's commitment to increase services for our beneficiaries in terms of welfare, activities and services. In 2025, £25,374k (£19,714k in 2024) was spent on charitable activities. 90p of every pound raised was spent on welfare activities.

Investment policy and performance

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

The investments were reviewed at quarterly committee meetings in 2025 and performance reported to Council. The Group investment portfolio was valued at £21,842k at the close of 2025 (2024: £21,520k).

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

Reserves policy

The reserves policy was reviewed by the Council (Board of Trustees) in November 2025. Trustees have adopted an approach to ensure that the Association holds sufficient reserves to respond to current and future welfare needs quickly and effectively. Reserves planning is a key component of the Association's strategic planning process, the Council regularly review the level of reserves to ensure that funds are available to deliver our welfare services and programmes and to secure the long-term sustainability of the Association. As a result of research which it has undertaken in recent years, the Association is aware of a growing need among all generations and this is likely to grow. Linked to this uncertainty is a trend of cuts in social welfare budgets across the UK and there is evidence of increasing levels of social isolation and loneliness amongst all ages – all of which was considered when reviewing the policy.

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

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

At the end of December 2025, consolidated unrestricted general reserves totalled £13,110k (2024: £13,334k). In addition, designated reserves are held of £13,527k (2024: £12,264k) which are intended to maintain welfare services, reaching more of the RAF community, and support plans to increase and diversify income in the long-term.

The closing balance of the restricted reserves, funds received for specific activity, increased to £2,004k (2024: £2,189k).

Pensions

The value of the defined benefit pension scheme on 31 December 2025 has been calculated in accordance with FRS102 regulations. The valuation resulted in an increase in value to a surplus of £1,186k in 2025, against a surplus of £623k at the end of 2024. In accordance with FRS 102, the surplus is not included in the balance sheet as it contributes towards an existing unrecognised surplus. The Association continued to make payments into the Scheme in 2025 of £75k, as agreed with the pension Trustees. Recognising its financial position, it has been agreed with the scheme trustees that no further contributions would be required in 2026.

Risk Management

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

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

The Association's risk management and assurance processes are designed to identify and assess risks such that appropriate risk management and mitigation strategies are implemented, and their effectiveness monitored. Trustees are supported in this by the Council Committees, which each scrutinise relevant operational risks, mitigations and performance against linked KPIs at every meeting. These assessments inform the strategic risk report presented to Council each quarterly. Trustees have identified the following as the Association's key risks:

- Failure to deliver quality and safe services. Ensuring the safety of those who access our services is fundamental to the work of the Association. The Council is supported in its management of this risk by the Safeguarding Committee. The committee reviews progress against a comprehensive action plan, and a specific safeguarding risk register, quarterly. The Independent Safeguarding Chair provides constructive challenge to the work of the Association. The committee oversees the review and development of the Safeguarding Policy, which is reviewed annually, as well as reviewing the wider policy framework and incident reports.

- Long term financial sustainability and short-term cash flow failure. The Association continues to see a recovery in income following the impact of both the pandemic and cost-of-living increases. Action to diversify income streams is having a positive effect, supporting the Medium-Term Plan to return to a sustainable operating surplus. The Council has agreed to a planned use of reserves to support the maintenance and expansion of vital welfare and wellbeing support to the RAF community, while income recovers. The Medium-Term Financial Plan is reviewed quarterly by the Finance and Audit Committee and approved each year by the Council, when considering budgets.

- Failure to sustain a large and engaged support base. Membership numbers are monitored and reported to the Council quarterly. Mitigating actions include member recruitment, retention and reengagement activities and work by the charity and branches to engage with members. Council recognises the continued reduction in the number of branches and has commissioned work to develop a Communities Strategy to identify how existing communities may be supported and sustained and future communities identified.

- Information risk. Data and information are recognised as a strategic asset and protected accordingly. The Association employs professionally-qualified staff who regularly review cyber and data policies and processes. During 2025 it maintained its Cyber Essentials Plus certification and took further steps to respond to an increasing cyber threat.

- Branch and Club governance and compliance failure. The Council has identified regulatory compliance at branch level as a strategic risk, arising from our decentralised structure where branches are separate charities but operate under a shared name and constitution. Considerable progress has been made by branches in meeting the compliance requirements established under charity law and the Association's own constitution. The Association continues to provide dedicated support from subject matter experts on branch governance and wider regulatory matters such as fundraising, safeguarding and property.

- Loss of operational capability. Mitigation includes business continuity plans, which are tested regularly, provision to work remotely in the event of disruption to our ability to access key premises or systems, cyber security, and a range of measures to ensure that the charity is able to recruit and retain appropriately qualified and trained employees and volunteers.

- External threats. Mitigation plans include collaboration with other charities and organisations, the use of research to inform our ability to anticipate the changing needs of the RAF community, informing the development of policy, developing unique service propositions and the diversification of service provision.

- Significant change management projects. The Council recognises the need for change and adaptation of services and ways of working to ensure that services remain relevant to the changing needs of the RAF community we serve. Mitigation plans include the implementation of defined project management methodology and documentation.

- Corporate governance failure and group legislative / regulatory failure. Mitigation includes regular reviews of policies, Council, Committee and / or subsidiary Board oversight, employment of professionally qualified staff and mandatory training.

The Council is satisfied that all risks are being appropriately addressed and where necessary appropriate mitigating actions have bene identified and implemented.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

Following the passing of resolutions at Annual Conference 2024, the Royal Charter and Rules were reviewed and submitted to the Privy Council for consideration. The proposed changes, which were required to allow voting by individual members at Annual Conference, were approved in February 2025.

The Association is an international organisation with over 60,000 members and 239 (at end of 2025) branches and Registered Members Groups in the UK and overseas. It is also the ultimate parent undertaking of five trading subsidiaries (RAFATRAD Limited, Royal Air Forces Association Housing Limited, RAFA Kidz Limited, RAFA Kidzone Limited and RAFA Events Limited) and two non-active companies (RAFAKidz Wings Limited and RAFA Wellbeing Limited).

The Board of Trustees (The Council)

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

The Council recognises that good governance is fundamental to the success of the charity and is committed to continuous improvement in terms of its own effectiveness, the governance of all Group companies and branch governance. The Council has adopted the Charity Governance Code for larger charities and assesses annually how it meets the principles, outcomes and recommended practice.

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

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

The Council has appointed designated lead Trustees for Health and Safety (Mr M Watkins to October 2025, Mr R Hall, from October 2025), Safeguarding (Air Vice-Marshal Lee Turner to October 2025, Mrs S Bailey from October 2025), and Whistleblowing (Mrs S Munday).

Council Meetings

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

Trustee	Total Meetings	Total Attended	Attendance %
Air Marshal Sir Baz North	5	5	100%
Air Vice-Marshal Alastair Reid	5	5	100%
Air Vice-Marshal Mark Neal	5	5	100%
Mrs Sally Munday	5	5	100%
Squadron Leader Micah Aopare	5	4	80%
Flight Lieutenant Simon Arnett	5	5	100%
Mrs Sheila Bailey	5	4	80%
Ms Fiona Barber	2	1	50%
Ms Pauline Bearblock	3	2	67%
Mr Raymond Blunden	5	5	100%
Ms Lucinda Eggleton	3	1	33%
Mr David Forsyth	2	2	100%
Ms Margaret Greer	3	5	67%
Mr Raymond Hall	2	2	100%
Warrant Officer Michelle Rees-Martin	3	3	100%
Warrant Officer Murugesvaran Subramaniam	2	1	50%
Air Vice-Marshal Lee Turner	5	5	100%
Mr Martin Watkins	3	3	100%
Ms Marion Wells	2	2	100%

Committee Structure

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

The Committees in effect in 2025 were as follows:

Committee	Chair	Number of members	Number of meetings
Branch and Membership	AVM Mark Neal	11	4
Finance and Audit	Mrs Sally Munday	5	4
Information	AVM Mark Neal	5	4
Safeguarding	Mr Kenneth Gibson MBE RN QH	7	4
Welfare	Ms Fiona Barber (to May 2025) Ms Lucinda Eggleton (from May 2025)	7	4
Annual Conference	Mr Del Rowlands	5	4
Remuneration	AVM Alastair Reid	4	1
Nominations	AVM Alastair Reid	3	3

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

Delegated Authority

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

Branches and Areas

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

Annual Conference

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

Trustees' responsibilities in relation to financial statements

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards. The law applicable to charities in England and Wales, Scotland and Northern Ireland requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the Association and the group, and of the incoming resources and application of resources of the Association and the group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Association and the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, The Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the Royal Charter. They are also responsible for safeguarding the assets of the Association and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the Association's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Subsidiaries

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

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

RAFAKidz Limited is a wholly owned subsidiary company limited by shares incorporated under Companies Act 2006. During 2025 it operated pre-school nurseries in accordance with the Early Years Foundation Stage at RAF Benson, RAF Boulmer, RAF Brize Norton (two settings), RAF Cosford, RAF Cranwell, RAF Digby, RAF Honington, RAF High Wycombe (three settings), RAF Leeming, RAF Odiham, RAF Shawbury, RAF Wittering, RAF Wyton and RAF Valley, as well as at the tri-Service facilities at MOD Abbey Wood, MOD Boscombe Down and MOD Worthy Down and in London. It also operated wrap-around care at RAF Cranwell, RAF Digby and RAF Leeming.

RAFA Events is a wholly owned subsidiary company, limited by shares under the Companies Act 2006. In 2025 it did not trade.

RAFAKidz Wings Limited and RAFA Wellbeing Limited are companies limited by shares incorporated under Companies Act 2006. RAFAKidz Wings Limited is a subsidiary of RAFAKidz Limited. None of these two companies traded in 2025.

Remuneration Policy

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

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

Remuneration Review and Annual Pay Award

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

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

Future Outlook

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

Carbon Reporting

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

UK Greenhouse Gas emissions and energy use for the period 1 January 2025 to 31 December 2025:

Energy consumption used to calculate (kWh)	**2025**	**2024**
Energy consumption breakdown (kWh)		
Electricity	445,734	456,985
Gas	944,199	1,039,043
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	173	190
Owned transport – operational fleet (electric, petrol and diesel)	17.3	21
Total Scope 1	**190.3**	**211**
Scope 2 emissions in metric tonnes CO2e		
Purchased Electricity	**95.3**	**103**
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee-owned vehicles	57	66
Flights	6	6
Rail Travel	3	-
Other	0.3	-
Total Scope 3	**66.3**	**72**
Total Gross emissions in metric tonnes CO2e	**351.9**	**386**

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

Measures taken to improve energy efficiency.

We are taking steps to move our operational fleet to electric vehicles where appropriate. During 2024, all cars operated by RAFAKidz were switched to, and continue to be, electric vehicles. We make extensive use of video conferencing technology to reduce the need for travel, in particular the need for overseas travel, reducing the number of flights taken. Improved data capture and reporting provides a better understanding of the impact of staff travel in their own vehicles.

Auditor

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

This report was approved by the Trustees on 20 May 2026 and signed on their behalf by:



Air Vice-Marshal A N C Reid CB

Opinion

We have audited the financial statements of the Royal Air Forces Association (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise the group and Association Statement of Financial Activities, the Consolidated and Association Balance Sheets, the Consolidated and Association Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2025 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out on page 14 the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

Audit procedures performed by the engagement team included:

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

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

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

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Chris McKain

Chris McKain
Senior Statutory Auditor

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

3 JUNE 2026

THE ROYAL AIR FORCES ASSOCIATION
GROUP STATEMENT OF FINANCIAL ACTIVITIES (including consolidated income and expenditure account)
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2025 £'000	Total 2024 £'000
INCOME:					
Donations, Legacies and Subscriptions	3	4,636	260	4,896	6,006
Donations – assets gifted from branches	28	700	-	700	875
Charitable Activities:	6	965	1,489	2,454	2,210
Other Trading Activities:					
Trading income		17,535	-	17,535	10,976
Lotto and other fundraising income		1,025	-	1,025	969
Investment Income and Interest	5	578	-	578	602
Net interest on Defined Benefit Pension	11	33	-	33	8
Total Income		**25,472**	**1,749**	**27,221**	**21,646**
EXPENDITURE:					
Cost of Raising Funds		2,718	-	2,718	2,450
Charitable Activities:					
Residential & Respite Care Home		1,123	189	1,312	1,417
Friendship & Welfare Support		20,181	1,682	21,863	16,679
Other Support Costs		2,237	(38)	2,199	1,618
Other Expenditure:					
Interest Paid on Branch Deposits		13	-	13	14
Total Expenditure	7	**26,272**	**1,833**	**28,105**	**22,178**

THE ROYAL AIR FORCES ASSOCIATION
GROUP STATEMENT OF FINANCIAL ACTIVITIES (including consolidated income and expenditure account) (CONTINUED), FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2025 £'000	Total 2024 £'000
Net (expenditure)/income		(800)	(84)	(884)	(532)
Net gains on investment assets	14(b)	1,707	13	1,720	1,283
Net income/(expenditure)		907	(71)	836	751
Other recognised losses:					
Actuarial losses on defined benefit pension scheme	11	18	-	18	(38)
Net movement in funds		925	(71)	854	713
Reconciliation of Funds					
Total Funds Brought Forward		25,598	2,189	27,787	27,074
Transfer between funds		114	(114)	-	-
Total Funds Carried Forward		**26,637**	**2,004**	**28,641**	**27,787**

All income and expenditure derive from continuing activities.

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

THE ROYAL AIR FORCES ASSOCIATION
ASSOCIATION STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2025 £'000	Total 2024 £'000
INCOME:					
Donations, Legacies and Subscriptions	3	6,063	2	6,065	5,966
Donations – assets gifted from branches	28	700	-	700	875
Charitable Activities:	6	1,136	1,489	2,625	2,472
Other Trading Activities:					
Lotto and other fundraising income		1,024	-	1,024	969
Investment Income and Interest	5	603	-	603	610
Net Interest on Defined Benefit Pension	11	33	-	33	8
Total Income		**9,559**	**1,491**	**11,050**	**10,900**
EXPENDITURE					
Cost of Raising Funds		1,178	-	1,178	1,083
Charitable Activities:					
Residential & Respite Care Home		955	189	1,144	1,236
Friendship & Welfare Support		5,899	1,292	7,191	7,644
Other Support Costs		2,543	-	2,543	1,862
Other Expenditure:					
Interest Paid on Branch Deposits		13	-	13	14
Total Expenditure	7	**10,588**	**1,481**	**12,069**	**11,839**

THE ROYAL AIR FORCES ASSOCIATION
ASSOCIATION STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2025 £'000	Total 2024 £'000
Net (expenditure)/income		(1,029)	10	(1,019)	(939)
Net gains/(losses) on investment assets	14(b)	1,697	-	1,697	1,252
Net (expenditure)/income		668	10	678	313
Other recognised losses: Actuarial losses on defined benefit pension scheme	11	18	-	18	(38)
Net movement in funds		686	10	696	275
Reconciliation of Funds					
Total Funds Brought Forward		24,821	1,881	26,702	26,427
Transfer between funds		108	(108)	-	-
Total Funds Carried Forward		**25,615**	**1,783**	**27,398**	**26,702**

All income and expenditure derive from continuing activities.

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

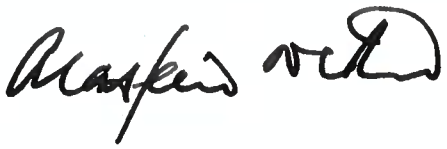
THE ROYAL AIR FORCES ASSOCIATION
CONSOLIDATED AND ASSOCIATION BALANCE SHEETS
AT 31 DECEMBER 2025

	Notes	Group		Association	
		2025	2024	2025	2024
		£'000	£'000	£'000	£'000
Fixed assets:					
Intangible assets	12	15	349	3	330
Tangible assets:					
Properties	13	4,424	4,534	4,000	4,121
Equipment and furniture	13	953	668	528	255
		5,392	5,551	4,531	4,706
Investments:					
Investments	14	21,842	21,520	21,411	21,112
Programme related investments					
- loan to branches		121	120	121	120
Total fixed assets		27,355	27,191	26,063	25,938
Current assets:					
Assets held for resale	15	360	875	360	875
Stocks		469	486	-	-
Debtors	16	1,338	909	2,273	1,491
Cash at bank and in hand		5,124	3,237	2,461	2,211
Total current assets		7,291	5,507	5,094	4,577
Current liabilities:					
Creditors: amounts falling due within one year	17	(5,706)	(4,601)	(3,759)	(3,813)
Net current (liabilities)/assets		1,585	906	1,335	764
Total assets less current liabilities		28,940	28,097	27,398	26,702
Creditors: amounts falling due after more than one year	18	(299)	(310)	-	-
Net assets including pension scheme liability		**28,641**	**27,787**	**27,398**	**26,702**

THE ROYAL AIR FORCES ASSOCIATION
CONSOLIDATED AND ASSOCIATION BALANCE SHEETS (CONTINUED)
AT 31 DECEMBER 2025

	Notes	Group		Association	
		2025	2024	2025	2024
		£'000	£'000	£'000	£'000
Funds:					
Restricted funds	20	2,004	2,189	1,783	1,881
Unrestricted funds:					
Designated funds	21	13,527	12,264	13,527	12,225
General funds		13,110	13,334	12,088	12,596
Total funds		**28,641**	**27,787**	**27,398**	**26,702**

The financial statements on pages 20 to 58 were approved and authorised for issue by the Trustees on 20 May 2026 and signed on their behalf by:



Air Vice-Marshal A N C Reid CB

THE ROYAL AIR FORCES ASSOCIATION
CONSOLIDATED AND ASSOCIATION STATEMENTS OF CASHFLOWS
AT 31 DECEMBER 2025

	Notes	Group		Association	
		2025	2024	2025	2024
		£'000	£'000	£'000	£'000
Cash out flows from operating activities	23	(679)	(1,242)	(2,465)	(1,875)
Cash flows from investing activities					
Investment income		573	601	572	601
Interest receivable		6	1	30	9
Interest payable		(13)	(14)	(13)	(14)
Payments to acquire tangible fixed assets		(477)	(384)	(335)	(88)
Assets for resale		854	450	854	450
Investment Property		-	124	-	124
Payments to acquire investments		(262)	(54)	(262)	(54)
Receipts from disposals of investments		1,992	900	1,992	900
Dividends / Interest on investments not drawn		36	-	36	-
Net cash provided by investing activities		2,709	1,624	2,874	1,928
Cash flows from financing activities					
(Decrease)/increase in loans to branches		(5)	(1)	(21)	(9)
Decrease in deposits by branches		(138)	(95)	(138)	(95)
Net cash from financing activities		(143)	(96)	(159)	(104)
Change in cash and cash equivalents in the year		1,887	286	250	(51)
Cash and cash equivalents at the beginning of the year	24	3,237	2,951	2,211	2,262
Cash and cash equivalents at the end of the year	24	5,124	3,237	2,461	2,211

1. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting Estimates

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

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

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

Critical area of judgement

The Trustees believe there is no critical area of judgment.

2. PRINCIPAL ACCOUNTING POLICIES

General information

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

The address of the charity's registered office and principal place of business is Atlas House, 41 Wembley Road, Leicester, LE3 1UT. The group consists of the Association and its subsidiaries as set out in Note 4. The nature of the group's operations is set out in the Trustees' Report.

Basis of preparation

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold property and to include investment properties at fair value, and in accordance with applicable United Kingdom Accounting Standards. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

Basis of preparation (continued)

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

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

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

Going Concern

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

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

Consolidation

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

Fund accounting

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

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

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

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Income

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

Income in the form of donations and subscriptions is included when receivable. Legacies are accounted for as soon as entitlement, probability and a monetary value can be reliably determined. The sums due under the contract from the MoD is included as income in the period it is earned.

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

Investment income is included when receivable.

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

Income from charitable activities is included in income in the period in which the Association becomes entitled to receipt.

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

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

Expenditure

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

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

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

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

Grants

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

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Intangible fixed assets

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

- Computer software and Website	over 5 years

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

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

Tangible fixed assets

Tangible fixed assets are initially recorded at cost and subsequently measured at cost or valuation net of depreciation and any impairment loss. The Association and each subsidiary will capitalise items over the value of £1,000. Depreciation is provided for on all tangible fixed assets at rates calculated to write each asset down to its estimated value evenly over its expected useful economic lives as follows:

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

*These fixed asset classes have been combined in Note 13

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

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

Revaluation of Properties

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

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

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Investments

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

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

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

Stocks

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

Financial instruments

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

Pension costs

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

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

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

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

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

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

Operating lease agreements

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

Volunteers

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

3. DONATIONS, LEGACIES AND SUBSCRIPTIONS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2025 £'000	Total 2024 £'000
Group				
Donations				
Armed Forces Covenant Fund Trust	49	258	307	316
Others	1,710	-	1,710	1,343
Legacies	1,878	2	1,880	3,371
Subscriptions	999	-	999	976
	4,636	260	4,896	6,006

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2025 £'000	Total 2024 £'000
Association				
Donations				
Armed Forces Covenant Fund Trust	49	-	49	49
Others	3,137	-	3,137	1,570
Legacies	1,878	2	1,880	3,371
Subscriptions	999	-	999	976
	6,063	2	6,065	5,966

4. SUBSIDIARIES

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

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

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

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

RAFA Wellbeing Limited has not traded for the year ended 31 December 2025 and has been dormant since incorporation.

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

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

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

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

The registered office of all subsidiaries is Atlas House, 41 Wembley Road, Leicester LE3 1UT.

4. SUBSIDIARIES (CONTINUED)

The results of the subsidiaries and the amounts included within the Group Statement of Financial Activities, are as follows:

	RAFA Housing £'000	RAFATRAD £'000	RAFA Kidz £'000	RAFA Kidzone £'000
Income	311	1,688	16,352	273
Expenditure	(226)	(1,678)	(16,168)	(394)
Surplus/Loss for the financial period	85	10	184	(121)

All income and expenditure in the subsidiaries is unrestricted except for income of £258k (2024: £242k) and expenditure of £351k (2024: £160k) which relates to restricted activity in RAFA Kidzone Limited.

	RAFA Housing £'000	RAFATRAD £'000	RAFA Kidz £'000	RAFA Kidzone £'000
Assets	1,194	819	3,060	298
Liabilities	(464)	(720)	(2,886)	(58)
Funds (Share capital and reserves)	730	99	174	240

During the year RAFATRAD Limited charged the group £293k (2024: £271k) in respect of RAF Association branded goods. Also, during the year, the Association charged RAFATRAD Limited £96k (2024: £51k) in respect of premises recharges, RAF Association branded goods and personnel costs.

During the year the Association charged Royal Air Forces Association Housing Limited £57k (2024: £31k) and at the year end the Association owed £21k (2024: £33k) to Royal Air Forces Association Housing Limited.

During the year, the Association charged RAFAKidz Limited for various expenses amounting to £312k (2024: £210k). A donation of profits of £1.45m was also made from RAFAKidz to the Association. At the year-end RAFAKidz Limited owed £Nil (2024: £33k) to the Association.

During the year, RAFA Events Limited did not actively trade and has a balance sheet valuation of £0.1k (2024: £Nil)

5. INVESTMENT INCOME AND INTEREST

Group and Association	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
UK listed investments	423	458	423	458
Branch and other loans	5	1	30	9
Properties	150	143	150	143
	578	**602**	**603**	**610**

6. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2025 £'000	Total 2024 £'000
Group				
Accommodation fees	656	-	656	600
Grants and fundraising income	309	1,489	1,798	1,610
	965	1,489	2,454	2,210

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2025 £'000	Total 2024 £'000
Association				
Accommodation fees	656	-	656	600
Grants and fundraising income	480	1,489	1,969	1,872
	1,136	1,489	2,625	2,472

7. TOTAL EXPENDITURE

Group

	Employee and related costs £'000	Depreciation and amortisation £'000	Other costs £'000	Total 2025 £'000	Total 2024 £'000
Costs of raising funds:					
Direct costs	751	-	1,968	2,719	2,450
Charity's charitable activities					
Direct costs	15,639	-	4,869	20,508	15,455
Allocated support costs	2,377	638	1,850	4,865	4,259
Other expenditure					
Interest Paid on Branch Deposits	-	-	13	13	14
	18,767	638	8,700	28,105	22,178

	2025 £'000	2024 £'000
Allocated support costs:		
Other site costs	70	76
Advertising and promotions	133	143
Printing and stationery	148	179
Telephone	38	48
Insurance	136	134
Repairs and maintenance	66	38
Depreciation and amortisation	638	741
Other expenditure	651	177
Other equipment	20	16
Staff costs	2,377	2,180
Governance costs	588	527
	4,865	4,259

7. TOTAL EXPENDITURE (CONTINUED)

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

- Land and buildings payments of £20k (2024: £13k)
- Equipment payments of £35k (2024: £58k)

The costs of raising funds includes Wings Appeal rebates allocated to branches totalling £136k (2024: £75k).

Support costs include £75k (2024: £100k) in respect of additional payments into the defined benefit pension scheme.

Total expenditure includes auditors' remuneration of £47k (2024: £43k), with additional fees of £5k (2024: £6k) for non-audit work.

Association

	Employee and related costs	Depreciation and amortisation	Other costs	Total 2025	Total 2024
	£'000	£'000	£'000	£'000	£'000
Costs of raising funds:					
Direct costs	752	-	426	1,178	1,083
Charity's charitable activities					
Direct costs	3,010	-	3,128	6,138	6,330
Allocated support costs	2,377	512	1,851	4,740	4,412
Other expenditure					
Interest Paid on Branch Deposits	-	-	13	13	14
	6,139	512	5,419	12,069	11,839

	2025	2024
Allocated support costs:	£'000	£'000
Other site costs	70	76
Advertising and promotions	133	143
Printing and stationery	148	179
Telephone	38	48
Insurance	136	134
Repairs and maintenance	66	38
Depreciation and amortisation	512	634
Other expenditure	519	437
Grant to Royal Air Forces Association Housing Limited	133	-
Equipment	20	16
Staff costs	2,377	2,180
Governance costs	588	527
	4,740	4,412

8. GRANTS PAYABLE

Group and Association	2025 £'000	2024 £'000
Welfare grants to individuals	99	77
Association property grants to branches	50	29
	149	106

9. TRANSACTIONS WITH TRUSTEES

The Trustees neither received nor waived any emoluments during the year (2024: £nil). Trustees' expenses of £16k (2024: £21k) were reimbursed for directly incurred travel, accommodation and subsistence expenses to 8 Trustees (2024: 8 Trustees).

10. STAFF COSTS

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Wages and salaries	15,856	12,240	5,268	5,220
Social security costs	1,660	1,048	563	540
Employer contributions to defined contributions schemes	467	420	261	241
	17,983	13,708	6,092	6,001

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

	Group		Association	
	2025 Number	2024 Number	2025 Number	2024 Number
Welfare	65	66	65	66
Membership	8	8	8	8
Headquarters	74	68	74	68
Governance	7	6	7	6
Families Federation Service	14	17	14	17
Merchandise	17	13	-	-
Social Housing	1	1	-	-
Childcare	562	394	-	-
	748	573	168	165

10. STAFF COSTS (CONTINUED)

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

	Group		Association	
	2025 Number	2024 Number	2025 Number	2024 Number
£60,001 to £70,000	5	3	4	3
£70,001 to £80,000	1	1	1	1
£80,001 to £90,000	2	1	2	1
£90,001 to £100,000	2	4	2	4
£100,001 to £110,000	2	1	2	1
	12	10	11	10

12 employees (2024: 10) earning more than £60k participated in an Association defined contribution pension scheme. Employer contributions to individual stakeholder schemes were £233k (2024: £149k).

The total employee benefits of the key management personnel of the Association were £440k (2024: £405k), which includes salary, employers' national insurance contribution, employers' pension contribution and all allowances. Key management personnel had a debtor balance of £1.9k at close of year.

11. PENSION SCHEMES (Group and Association)

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

The most recent actuarial valuation of the scheme was carried out as at 1 January 2025 by an independent actuary using the projected unit method. This valuation showed that the value of the scheme's assets was £11,694k which represents 103 per cent of the benefits that had accrued to members, after allowing for expected future increases in earnings. The scheme deficit is secured against a charge on the Association's headquarters Atlas House at Leicester.

The major assumptions used by the actuary were:

	2025	2024
Rate of increase of pensions in payment	2.7%	3.0%
Discount rate	5.5%	5.3%
Inflation assumption (RPI)	2.8%	3.2%

The mortality assumptions used in the valuation of the pension liabilities were based on 90% of S4PMA/S4PFA.

	2025 Years	2024 Years
Retiring today (currently aged 65):		
Males	87.2	86.1
Females	89.3	88.4
Retiring in 20 years (currently aged 45):		
Males	88.2	87.0
Females	90.1	89.2

11. PENSION SCHEMES (CONTINUED)

The Association's assets were transferred from Legal and General with-profits policy to managed fund investments on 15 January 2010. The Association's assets in the scheme on 31 December 2025 were:

	2025 £'000	2024 £'000
Bonds	2,444	2,330
Equities	1,298	1,350
Insurance contracts	3,251	3,265
Diversified funds	2,198	2,123
LDI funds	2,304	2,284
Net current assets	199	185
Total assets	11,694	11,537
Net of interest and costs	(93)	(62)
Employers' contributions	75	100
Actuarial gain / (losses) on defined benefit pension scheme	18	(38)
Balance sheet movement during year	-	-

	2025 £'000	2024 £'000
Fair value of scheme assets	11,694	11,537
Present value of scheme liabilities	(10,508)	(10,914)
Surplus in the scheme	1,186	623
Restriction on recognition of scheme surplus	(1,186)	(623)
Total liability recognised	-	-

Under FRS 102, a pension scheme asset should only be recognised to the extent that the Association is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Given that this is unlikely, especially given current market volatility, the pension fund actuarial net surplus of £1,186k has not been recognised in the accounts (2024: £623K).

11. PENSION SCHEMES (CONTINUED)

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

Analysis of the amounts charged to Statement of Financial Activities

	2025 £'000	2024 £'000
Expenses paid by the scheme	126	70

Analysis of financial element of pensions cost

	2025 £'000	2024 £'000
Interest on assets	592	532
Interest on pension scheme liabilities	(559)	(524)
Net income	33	8

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

	2025 £'000	2024 £'000
(Loss)/Gain on asset return	339	(457)
Experience gain/(loss) on liabilities	525	19
Changes in assumptions underlying the present value of the scheme liabilities	(283)	874
Actuarial gain	581	436

Changes in the present value of defined benefit obligations

	2025 £'000	2024 £'000
Opening defined benefit obligation	10,914	12,018
Interest cost	559	524
Actuarial experience gain/(loss) on liabilities	(525)	(19)
Actuarial gain on changes in assumptions	283	(874)
Benefits paid	(723)	(735)
Closing defined benefit obligation	10,508	10,914

11. PENSION SCHEMES (CONTINUED)

Changes in the fair value of plan assets	2025 £'000	2024 £'000
Opening plan assets	11,537	12,167
Interest on assets	592	532
Gain/(loss) on asset return	339	(457)
Contributions by employer	75	100
Benefits paid	(723)	(735)
Expenses paid by the scheme	(126)	(70)
Closing defined benefit obligation	11,694	11,537

The Association is no longer required to contribute to its defined benefit pension plan as the scheme is fully funded.

The Association also contributes to a Workplace Pension Scheme at a rate of 4% of each member's gross salary, or 5% for those staff who participate in the salary sacrifice scheme. The pension cost for the year for the group is £464k (2024: £420k).

12. INTANGIBLE FIXED ASSETS

Group	Computer software £'000	Total £'000
Cost or valuation:		
As at 1 January 2025 and 31 December 2025	1,868	1,868
Amortisation:		
As at 1 January 2025	1,519	1,519
Charge for year	334	334
As at 31 December 2025	1,853	1,853
Net book Value:		
As at 31 December 2025	15	15
As at 31 December 2024	349	349

Association	Computer software £'000	Total £'000
Cost or valuation:		
As at 1 January 2025 and 31 December 2025	1,830	1,830
Amortisation:		
As at 1 January 2025	1,500	1,500
Charge for year	327	327
As at 31 December 2025	1,827	1,827
Net book Value:		
As at 31 December 2025	3	3
As at 31 December 2024	330	330

13. TANGIBLE FIXED ASSETS

Group	Properties Freehold £'000	Properties Short Leasehold £'000	Equipment and Furniture £'000	Total £'000
Cost or valuation:				
At 1 January 2025	6,653	55	2,108	8,816
Additions	-	-	477	477
Asset Revaluation	-	-	2	2
At 31 December 2025	6,653	55	2,587	9,295
Depreciation:				
At 1 January 2025	2,119	28	1,467	3,614
Charge for year	136	1	167	304
At 31 December 2025	2,255	29	1,634	3,918
Net book Value:				
At 31 December 2025	4,398	26	953	5,377
At 31 December 2024	4,534	27	641	5,202

Association	Properties Freehold £'000	Properties Short Leasehold £'000	Equipment and Furniture £'000	Total £'000
Cost or valuation:				
At 1 January 2025	5,947	55	1,503	7,505
Additions	-	-	335	335
Revaluation of asset	-	-	2	2
At 31 December 2025	5,947	55	1,840	7,842
Depreciation:				
At 1 January 2025	1,854	27	1,248	3,129
Charge for year	119	2	64	185
At 31 December 2025	1,973	29	1,312	3,314
Net book Value:				
At 31 December 2025	3,974	26	528	4,528
At 31 December 2024	4,093	28	255	4,376

14. INVESTMENTS

Group	Fair Value		Historical Cost	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
a) Fixed assets				
Listed investments	18,191	18,199	11,898	11,365
Investment properties	3,651	3,321	3,105	959
Restated historic cost for properties	-	-	-	2,206
	21,842	21,520	15,003	14,530

Association	Fair Value		Historical Cost	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
a) Fixed assets				
Listed investments	17,760	17,791	11,548	11,015
Investment properties	3,651	3,321	3,105	959
Restated historic cost for properties	-	-	-	2,206
	21,411	21,112	14,653	14,180

Where required, the investment properties were revalued during last year by an employee of the Association, who is a member of the Royal Institution of Chartered Surveyors. The basis of valuation is the open market value of the long leasehold interests in the property, subject to existing tenancies.

Movements on fair value during the year - Group

	Listed Investments	Investment property	Total
	£'000	£'000	£'000
1 January 2025	18,199	3,321	21,520
Additions	262	340	602
Disposals	(919)	-	(919)
Net investment gains	649	(10)	639
31 December 2025	18,191	3,651	21,842

Movements on fair value during the year - Association

	Listed Investments	Investment property	Total
	£'000	£'000	£'000
1 January 2025	17,791	3,321	21,112
Additions	262	340	602
Disposals	(919)	-	(919)
Net investment gains	626	(10)	616
31 December 2025	17,760	3,651	21,411

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

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

14. INVESTMENTS (CONTINUED)

The Association holds investments of £106 (2024: £106) representing the entire ordinary share capital of its subsidiary companies which are eliminated on the group consolidation, details of the subsidiary companies are given in Note 4 of the accounts.

Overseas investments	Branch Deposit		
	General & Branch Deposit Fund £'000	Formby Branch Fund £'000	Total £'000
2025			
North America	1,746	209	1,955
European	478	21	499
Asia Pacific	424	25	449
Emerging market	232	30	262
Global	3,782	296	4,078
	6,662	581	7,243
2024			
North America	2,198	205	2,403
European	354	16	370
Asia Pacific	492	40	532
Emerging market	84	-	84
Global	3,625	224	3,849
	6,753	485	7,238

b) Net gains on investment assets - Group

Group	2025 £'000	2024 £'000
Net gains on listed investments	657	1,133
Net gain on disposal of listed investments	1,073	150
Revaluation gain on Investment assets	(10)	-
	1,720	1,283

b) Net gains on investment assets - Association

Association	2025 £'000	2024 £'000
Net gains on listed investments	634	1,102
Net gain on disposal of listed investments	1,073	150
Revaluation gain on Investment assets	(10)	-
	1,697	1,252

The Revaluation Reserve of £8,689k (2024: £6,990k) included within the unrestricted funds within the balance sheet of both the group and Association, arises on the year end fair value of investments held at fair value, less their historical costs.

15. ASSETS HELD FOR RESALE

Group and Association	2025 £'000	2024 £'000
Freehold properties	360	875

The property held for resale at 31 December 2024 was sold during 2025 for £875,064. During the year, a new property was gifted to the Association for resale; this remained unsold at the end of the financial year.

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade debtors	275	166	76	41
Amounts due from subsidiaries	-	-	1,806	1,096
Prepayments and accrued income	662	465	383	346
Other debtors	401	278	8	8
	1,338	909	2,273	1,491

Within the Association, amounts due from subsidiaries includes £550,000 (2024: £100,000) which is due after more than one year.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Association	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Taxation and social security costs	586	414	378	293
Other creditors	886	501	346	270
Accruals and Deferred income	1,798	1,215	576	720
Deposits by branches	1,251	1,389	1,251	1,389
Formby Branch	1,185	1,082	1,185	1,082
Amounts owed to subsidiaries	-	-	23	59
	5,706	4,601	3,759	3,813

Movement in deferred income:	Group £'000	Association £'000
2025 opening balance	807	352
Release during the year	(658)	(276)
2025 donations, fulfilment income and grants in advance	788	255
2025 closing balance	937	331

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

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

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Deferred income – capital grant	299	310	-	-
	299	310	-	-

19. OPERATING LEASE COMMITMENTS

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

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Equipment:				
Due within one year	16	18	9	10
Due between two and five years	20	38	5	7
Land and buildings:				
Due within one year	12	13	1	2
Due between two and five years	8	18	-	-
Vehicles:				
Due within one year	68	68	18	18
Due between two and five years	57	141	10	10
	181	296	43	47

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

Group and Association

Land and buildings	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Due within one year	129	126	154	126
Due between two and five years	289	298	389	298
Due over 5 years	572	747	3,572	747
	990	1,171	4,115	1,171

Operating lease income includes £3,125k receivable under an inter-group lease agreement for the property at Eastbourne leased to RAFA Housing Limited. The lease charge is subject to review in 2029 in accordance with the terms of the agreement.

20. RESTRICTED FUNDS

Association	1 January 2025 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 December 2025 £'000
Bader House	-	176	(176)	-	-
Befriending	54	61	(35)	-	80
Brighten Your day	1	-	(1)	-	-
Conway Legacy	295	-	(1)	-	294
Dowding Restricted Fund	28	65	-	(93)	-
Eastern Chalet Area	93	2	(23)	27	99
Finding it Tough	136	45	(66)	3	118
Flying Scholarship	3	-	-	(3)	-
Homes Refurbishment	146	-	-	-	146
Residential Properties & Activities	538	1	-	-	539
Military Coworking	4	-	(1)	-	3
Operation RAF Unite	-	-	-	-	-
Partner Employment Programme	34	-	-	-	34
Positive Pathway programme	40	35	(41)	(10)	24
RAF Benevolent Fund Grants	112	1,021	(1,029)	-	104
Navigating Dementia	85	14	(40)	-	59
Care and Welfare	216	35	(21)	-	230
Rothbury Restricted	-	2	(1)	(1)	-
Scottish Development Fund	22	-	-	-	22
Storybook Wings & Doodle packs	8	-	(8)	-	-
Volunteer Welfare Officers	12	-	(1)	-	11
Women's Wellbeing Fund	17	34	(31)	-	20
Other Restricted Funds	37	-	(6)	(31)	-
	1,881	**1,491**	**(1,481)**	**(108)**	**1,783**
Group					
Boulmer Nursery Fund	17	15	(23)	(1)	8
Brize Norton Nursery Fund	101	23	(114)	(5)	5
Digby Nursery Fund	103	-	(9)	(6)	88
Leeming Nursery Fund	87	7	(90)	(4)	-
Benson Nursery Fund	-	6	(2)	-	4
Boscombe Down Nursery Fund	-	13	(9)	-	4
Brize Preschool Nursery Fund	-	16	(6)	-	10
Cosford Nursery Fund	-	17	(17)	-	-
Cranwell Nursery Fund	-	24	(10)	-	14
High Wycombe Nursery Fund	-	33	(23)	-	10
Honington Nursery Fund	-	13	(10)	-	3
Medmenham Nursery Fund	-	17	-	-	17
Walter's Ash Nursery Fund	-	27	(24)	-	3
Worthy Down Nursery Fund	-	28	(6)	-	22
Wyton Nursery Fund	-	19	(9)	-	10
Other Nursery Funds	-	13	-	10	23
	2,189	**1,762**	**(1,833)**	**(114)**	**2,004**

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

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

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

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

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

The Residential Properties and Activities Restricted Fund is for sheltered living accommodation.

During the year £108k was transferred from the Association Restricted Funds to the General Fund, being prior year restricted expenditure or capital expenditure. £31k of this transfer is for the realignment of funds between categories.

At group level, new restricted funds were opened, being RAFAKidz Benson, RAFAKidz Boscombe Down, RAFAKidz Brize Norton Pre School, RAFAKidz Cosford, RAFAKidz Cranwell, RAFAKidz High Wycombe, RAFAKidz Honington, RAFAKidz Medmenham, RAFAKidz Walter's Ash, RAFAKidz Worthy Down, RAFAKidz Wyton and Kidzone Investment Reserve.

PRIOR YEAR

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

20. RESTRICTED FUNDS (continued)

	1 January 2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 December 2024 £'000
Association	**1,404**	**2,126**	**(1,632)**	**(17)**	**1,881**
Group					
Boulmer Nursery Fund	-	17	-	-	17
Brize Norton Nursery Fund	48	89	(36)	-	101
Digby Nursery Fund	99	4	-	-	103
Leeming Nursery Fund	68	37	(18)	-	87
Other Nursery Funds	-	106	(106)	-	-
	1,619	**2,379**	**(1,792)**	**(17)**	**2,189**

21. DESIGNATED FUNDS

Group	1 January 2025 £'000	Movement £'000	31 December 2025 £'000	31 December 2024 £'000
Fixed Assets	2,000	-	2,000	2,000
Membership Engagement Strategy	300	-	300	300
Investment Fund	3,400	(400)	3,000	3,400
Welfare Fund	5,000	-	5,000	5,000
Property Repairs and Maintenance	750	(50)	700	750
Defined Benefit Pension Scheme	250	-	250	250
Residential Designated	525	(248)	277	525
Innovation Fund	-	2,000	2,000	-
Cranwell Nursery Fund	39	(39)	-	39
	12,264	1,263	13,527	12,264

Association	1 January 2025 £'000	Movement £'000	31 December 2025 £'000	31 December 2024 £'000
Fixed Assets	2,000	-	2,000	2,000
Membership Engagement Strategy	300	-	300	300
Investment Fund	3,400	(400)	3,000	3,400
Welfare Fund	5,000	-	5,000	5,000
Property Repairs and Maintenance	750	(50)	700	750
Defined Benefit Pension Scheme	250	-	250	250
Residential Designated	525	(248)	277	525
Innovation and Growth Fund	-	2,000	2,000	-
	12,225	1,302	13,527	12,225

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

A designated fund of £2,000k is held to replace fixed assets as required, and also a £700k maintenance reserve to maintain infrastructure integrity of the property portfolio.

21. DESIGNATED FUNDS (continued)

During 2025 the Membership Innovation fund of £300k was renamed to Membership Engagement Strategy. This is to fund innovation potential within the membership offering.

A designated Fund of £250k is held to cover any future shortfall of the defined benefit pension scheme resulting from adverse financial markets movements and the resulting impact on the scheme assets. This designation will enable accommodation of any ongoing volatility of the markets.

The investment fund designation of £3,000k accounts for the continued uncertainties in the financial markets relating to the global political and trade, and has been reduced in the year from £3,400k. The Trustees believe this is sufficient to withstand a significant market correction.

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

The Residential Designated Fund reflects the intended use of income from the closure of Harrow branch.

A new Innovation and Growth designated fund has been established to support the centenary pathway new projects and future innovation strategies.

The Cranwell Nursery designated fund of £39k has now been fully utilised by applying the funds to RAFAKidz Cranwell and so no longer remains.

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group:	**Unrestricted Funds £'000**	**Restricted Funds £'000**	**Total Funds £'000**
Funds balances at 31 December 2025 are represented by:			
Intangible fixed assets	15	-	15
Tangible fixed assets	5,377	-	5,377
Investments	21,842	-	21,842
Loans to branches	121	-	121
Current assets	5,287	2,004	7,291
Current liabilities	(5,706)	-	(5,706)
Creditors due after more than one year	(299)	-	(299)
Total net assets	26,637	2,004	28,641

Association:	**Unrestricted Funds £'000**	**Restricted Funds £'000**	**Total Funds £'000**
Funds balances at 31 December 2025 are represented by:			
Intangible fixed assets	3	-	3
Tangible fixed assets	4,528	-	4,528
Investments	21,411	-	21,411
Loans to branches	121	-	121
Current assets	3,312	1,782	5,094
Current liabilities	(3,759)	-	(3,759)
Total net assets	25,616	1,782	27,398

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

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

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

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

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Net expenditure	854	713	696	275
Adjustments for:				
Gifted properties	(700)	(875)	(700)	(875)
(Gain) on value of fixed assets	(2)	-	(2)	-
Contributions to defined benefit scheme	(50)	(100)	(50)	(100)
Expenses borne by pension scheme	101	70	101	70
Depreciation charges	304	397	185	297
Amortisation charges	334	343	327	336
Fair value (gain)/loss on Investment properties	10	(58)	10	(58)
Gifted Assets	-	(5)	-	(5)
(Gain)/Loss on disposal of fixed assets	-	(27)	-	-
Loss on disposal of intangible assets	-	14	-	14
Gain on gifted properties sold	-	(10)	-	(10)
Fair value gains on Investment	(1,733)	(1,284)	(1,709)	(1,252)
(Gain)/Loss on pension	(18)	38	(18)	38
Investment income	(578)	(602)	(603)	(610)
Return on defined benefit scheme assets	(592)	(532)	(592)	(532)
Interest paid	13	14	13	14
Interest on defined benefit pension liabilities	559	524	559	524
Increase in assets for resale	-	-	-	-
Increase in stock	17	(37)	-	-
Increase in debtors	(429)	(242)	(782)	(78)
Increase in creditors	1,241	372	100	77
Increase in creditors > 1yr	(10)	45	-	-
Net cash (used in) operating activities	(679)	(1,242)	(2,465)	(1,875)

24. CASH AND CASH EQUIVALENTS

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Cash and cash equivalents represent:				
Cash at bank	3,899	2,047	1,240	1,021
Cash held by investment managers	1,225	1,190	1,221	1,190
	5,124	3,237	2,461	2,211

25. LEGACIES

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

26. RELATED PARTY TRANSACTIONS

The branches forwarded Wings Appeal income of £331k (2024: £320k) to the Association which is included in Wings Appeal income. The Association returned £89k (2024: £75k) to the branches for them to use for their own welfare funds which is included in expenditure. In addition, £8k (2024: £5k) was paid to the branches in respect of Wings Appeal expenditure and these expenses are included in the cost of raising funds.

Membership subscription rebates of £136k (2024: £119k) paid to branches are included in expenditure.

The Association received interest from RAFAKidz Ltd £13k (2024: £8k) and from RAFATRAD Ltd £16k (2024: £Nil).

The Association paid interest of £15k (2024: £14k) to the branches holding deposit accounts with the Association (see Note 7). The Association received interest of £0.6k (2024: £0.6K) from branches that have received loans from the Association.

27. FINANCIAL INSTRUMENTS

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

	Group		Association	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Financial assets:				
Equity instruments measured at fair value through net income/expenditure	17,469	17,674	17,038	17,226

28. DONATIONS – ASSETS GIFTED FROM BRANCHES

During the year, the Royal Air Forces Association branch at Batley and Birstall and at Wallasey closed their Club resulting in the properties being transferred to the Royal Air Forces Association for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The property transferred was valued at their fair values and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised in the Statement of Financial Activities as Donations – Assets Gifted from Branches. During 2025 the properties gifted total £700k (2024: £875k).

All properties transferred are classified as Unrestricted Funds.

29. PRIOR YEAR GROUP STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000
INCOME:				
Donations and Legacies	3	5,154	852	6,006
Donations – assets gifted from branches	28	875	-	875
Charitable Activities:	6	694	1,516	2,210
Other Trading Activities:				
Trading income		10,976	-	10,976
Lotto and other fundraising income		969	-	969
Investment Income	5	602	-	602
Net interest on Defined Benefit Pension	11	8	-	8
Total Income		**19,278**	**2,368**	**21,646**
EXPENDITURE:				
Cost of Raising Funds		2,450	-	2,450
Charitable Activities:				
Residential & Respite Care Home		1,306	111	1,417
Friendship & Welfare Support		15,130	1,549	16,679
Other Support Costs		1,486	132	1,618
Other Expenditure:				
Interest Paid on Branch Deposits		14	-	14
Net interest on Defined Benefit Pension	11	-	-	-
Total Expenditure	7	**20,386**	**1,792**	**22,178**
Net expenditure		(1,108)	576	(532)
Net gains on investment assets	14(b)	1,272	11	1,283
Actuarial losses on defined benefit pension scheme	11	(38)	-	(38)
Net movement in funds		126	587	713

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

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000
Reconciliation of Funds				
Total Funds Brought Forward		25,455	1,619	27,074
Transfer between funds		17	(17)	-
Total Funds Carried Forward		**25,598**	**2,189**	**27,787**

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

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

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

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

Subsidiary Organisations

RAFAKidz Limited **Directors:** Nicholas Bunting OBE (Chair) Rachel Huxford MBE Rory O'Connor MBE Kristina Parkin Rebecca Reffell WO Michelle Rees-Martin MBE (to October 2026) Adam Walker	**RAFA Housing Limited** **Directors / Trustees:** Harrinder Rai (Chair) Nicholas Bunting OBE Rory O'Connor MBE Kristina Parkin Carl Dickinson (to March 2026) Sqn Ldr Dean Gibson Flt Lt Simon Arnett John Stemp
RAFA Kidzone Limited **Directors / Trustees:** Ruth Brutnall Denitsa Pavlinova Raynova (from March 2025) Phil Sherwin	**RAFATRAD Limited** **Directors:** Nicholas Bunting OBE (Chair) Rachel Huxford MBE Kristina Parkin
RAFAKidz Wings Limited **Directors:** Nicholas Bunting OBE (Chair) Rory O'Connor MBE Kristina Parkin	**RAFA Events Limited** **Directors:** Nicholas Bunting OBE (Chair) Rachel Huxford MBE Kristina Parkin
RAFA Wellbeing Limited **Directors:** Nicholas Bunting OBE (Chair) Rory O'Connor MBE Kristina Parkin	