



ROYAL AIR FORCE CLUB

— FOUNDED 1918 —

The Royal Air Force Club
(A charity and company limited by guarantee)

Trustees Annual Report and Consolidated Financial Statements for the Year Ended 31 December 2025

Registered Address

The Royal Air Force Club, 128 Piccadilly, London. W1J 7PY

Charity Details

Charity registration number ~ 1108295

Company Details

Company registration number ~ 05321353
A Company registered by Guarantee.

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Introduction from the Chair of the Board of Trustees

I am pleased to submit this report on the activities and financial statements of the RAF Club for the period 1 January 2025 to 31 December 2025.

In starting, I would like to record my sincere thanks to, and recognition for, my predecessor as Chair, Air Vice-Marshal The Hon. David Murray (retd), who served in the role until July 2025. I have inherited the lead of a Club Board that has overseen improving financial resilience, updated governance and is firmly focused on its charitable objectives in support of the Royal Air Force community. The Board joins me in expressing its deep appreciation for his commitment and leadership.

The year 2025 was another productive year for the Club. We entered the year from a position of strong financial stability with a positive reserves strategy, providing a solid foundation for the months ahead.

Throughout 2025, Trustees focused on maintaining financial resilience while continuing to offer excellent value for Members. Particular attention was given to affordability for serving officers and ensuring the Club remains relevant and accessible to the serving community, with emphasis on the On Duty Rate, and the introduction of a new 'Care and Compassion' Welfare and Respite break for Serving Officers and their immediate families who have or are experiencing difficulties.

The Club significantly invested in its facilities, recognising that the quality of the environment is central to Member experience and long-term sustainability (financial, human and environmental). The major focus was the complete refurbishment of the Basement Kitchen and Running Horse Tavern, which progressed strongly and has been very well received by Members. Planning also pre-loaded the effort required to undertake the (Main) Ground Floor Kitchen refurbishment which commenced in January 2026; another important investment in the Club's future.

Alongside physical improvements, the Board supported continued progress in systems modernisation, cyber resilience and environmental accreditation, together with work to further modernise governance and shape the development of a new strategy for 2026 to 2030 and beyond.

During 2025, a portrait of the Club Patron, Marshal of the Royal Air Force His Majesty The King, was commissioned, and we look forward to it being presented in 2026.

I would like to thank the Trustees, President, Vice Presidents, Committee members, the Club Management and Staff alike for their professionalism, endeavour and dedication throughout the year. I am also grateful to the many Members who support the charitable work of the Club through donations, legacies and the Friends programme. It is the combination of many facets, activities, engagement and involvement that make the Club the success it is today.

I look forward to the year ahead as we re-evaluate the Club's service to the RAF community and adjust our structures, practices and ideas to remain 'future fit' in a challenging world.



Warren James CB CBE DL
Air Vice-Marshal (retired)
Chair of the Board of Trustees

Trustees, Officers and Advisors

Trustees (at 31st December 2025)

Air Vice-Marshal Warren James	Chair of the Board of Trustees (appointed in July 2025)
Air Commodore Paul Higgins	
Air Commodore Phil Wadlow	Vice Chair (Serving)
Air Commodore Adam Wardrope	
Air Commodore Dai Whittingham	
Group Captain James Beldon	
Group Captain Peter Brown	
Group Captain Al Lockwood	
Wing Commander Gavin Poole	
Wing Commander Amanda Scarth	
Wing Commander Paula Willmot	
Squadron Leader John Peters	
Flight Lieutenant Haig Tyler	Vice-Chair (Business)
Mr Neeraj Kapur	
Mr Bernie Watson	

Trustees who retired in July 2025

Air Vice-Marshal The Hon. David Murray

Officer and Secretary

Mr Miles Pooley	Chief Executive Officer and Club Secretary
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Principal advisors

Auditors

Moore Kingston Smith LLP,
9 Appold Street
London, EC2A 2AP

Bankers

Coutts & Company
440 The Strand
London, WC2R 0QS

Solicitors – Charity legal advice

Farrer & Co
66 Lincoln's Inn Fields
London, WC2A 3LH

Solicitors - Employment legal advice

Burges Salmon
One Glass Wharf
Bristol, BS2 0ZX

Registered Address

The Royal Air Force Club, 128 Piccadilly, London. W1J 7PY

Reference and Administrative Information

The Royal Air Force Club was founded in 1918 and became registered with the Charity Commission in 1965 under charity number 252720. The Trustees and Chief Executive Officer of the Charity are listed on this page, along with the Club's registered address and principal advisors. The Club became incorporated on 24 December 2004 and received a new Registered Charity Number 1108295 in place of 252720.

The Board of Trustees presents its report for the year ended 31st December 2025.

Governance, Management and Risk

Financial Statements declaration

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including the Statement of Recommended Practice for charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 - second edition effective 1 January 2019 - Charities SORP), and the Companies Act 2006.

Governing Document

The Charity is governed by its Memorandum and Articles of Association which were last revised at the Charity's Annual General Meeting in May 2024 following a review by the Board of Trustees and the Club Lawyers.

Trustee Recruitment and Training

The Charity's elected Trustees are appointed at the Annual General Meeting based on applications received from the Membership through the Nominations Committee. Candidates for election must satisfy the Board's specifications concerning personal competence, specialist skills and availability. New Trustees are inducted into the workings of the Charity, including Policy and Procedures, through a programme which is overseen by the appointed Vice-Chair(s).

Organisational Management

The Trustees of the Charity are legally responsible for the overall management, finances and control of the Club and meet at least six times a year. The work of implementing most of their policies is carried out by the following standing sub-committees which meet as required and whose chairs report at each meeting of the Trustees:

Ad-hoc Working-Groups

The ad-hoc working groups include the Nominations Working Group, the Remuneration Working Group and the Systems Working Group which meet as required.

Risk Management

The Board is responsible for setting the Club's risk appetite and for overseeing the risks faced by the Charity, with The Finance, Audit & Risk Committee playing a key role in the oversight of risks. Continuous horizon scanning and monitoring are used to identify new risks and to evaluate and assess both new and existing risks and controls. Appropriate controls are established and monitored to deal with risks.

Risk Management Responsibilities

The Finance, Audit & Risk Committee & Board of Trustees ~ oversight of risk management
The Chief Executive ~ preparation and management of the risk register

The Trustees and the Finance, Audit and Risk Committee regularly review and set risk appetite statements and the Risk Register against which the risks are measured. The risk register contains an assessment of specific risks, and the highest inherent risks are listed (see the table below) with a description of the mitigation controls in place.

Inherent Risk	Mitigation
Loss of Key Staff resulting in adverse impact on service and functionality	Annual compensation reviews to aid retention, constant review of welfare offerings, offering of flexible working, including 'working from home', training and educational support. Emotional support provided (if applicable).
Control of income and expenditure, including energy costs	An annual approved budget combined with a budgetary control system, monthly management accounts, including variance analysis and dashboard reports. Decisive management action and an Internal Audit Team.
The negative impact of possible International Conflict	Constant review by the Board of Trustees and the Club Executive Management Team.
Cyber Security Breach	The Club undertakes documented training with Staff who have access to susceptible systems, with both regular monitoring and independent 3 rd party penetration and ransomware tests. Cyber Insurance is in place. The Club is also working towards Cyber Essentials and Cyber Essentials Plus certification, which it aims to achieve in 2026. The Club also receives updates from the CISP (Cyber Information Sharing Partnership).
Significant loss of Club facilities through fire or similar disaster	Fire/security prevention measures. H&S Regulation adherence. Crisis Management Plan. Business Interruption Insurance. Independent fire risk assessments are performed, and any issues identified are addressed. Fire suppression system in the kitchens. Fire compartmentalisation issues are also being addressed with work starting in 2025 and continuing in 2026.
Terrorist Activity	Appropriate security measures based on professional advice (RAF and Civil police, and HQP&SS). Disrupting and spotting hostile reconnaissance staff training. Insurance cover in place. Business Continuity Plan (BCP) for recovery, Club security and Front Desk staff for vetting visitors, and upgrading of the Club's CCTV with the installation of additional cameras.
Reputational damage by 3rd party and social media outlets	Monitoring of social media and events held in the Club, and increased engagement with event organisers before events are held.

Group Structure

The Charity has a subsidiary trading company, RAFCTC Limited, registered number 6590556. The Company is responsible for using the Charity's facilities and resources so as to increase the total income and hence improve its continuing ability to achieve its Objects. RAFCTC provides meeting room hire, function and banqueting services to persons supportive of, but not directly associated with, the Royal Air Force, and who therefore are not eligible to join the Club. All trading profit is distributed by Gift Aid each year to the Charity. As the RAFCTC does not have any premises and uses agency staff when required, it is not considered that its activities constitute any risk to the finances of the Charity itself, even during periods of economic uncertainty. In 2026, the RAFCTC revenue represented 11% of the Club's charitable revenue.

The Charity Governance Code

The Trustees confirm that the Club's structure, governance and management have been reviewed against the guidance set out in the Charity Governance Code for larger charities issued by the Charity Governance Code Steering Group. In particular, the Trustees have assessed the Board's performance against the following seven principles:

1. Leadership
2. Diversity
3. Board effectiveness
4. Integrity
5. Organisational purpose
6. Decision – making, risk & control.
7. Openness & Accountability

Charitable Objects and Club Operational Objectives

The Trustees confirm that they have complied with the duties specified in the Charities Act 2011 to have due regard to the general guidelines issued by the Charity Commission on public benefit. In particular, the Trustees confirm that they have complied with the Commission's published specific guidance relating to fee-charging charities.

The charitable purpose of the Royal Air Force Club within the meaning of the Act is enshrined within its Charitable Objects:

- To promote the efficiency of the Royal Air Force by improving the condition of officers holding commissions therein and in other associated Services and by preserving and fostering among them the esprit de corps and traditions of those Services by every suitable means.
- By establishing, maintaining and conducting in London a central residential and non-residential club for the use and accommodation of Members, and by making available to them such other services, recreational facilities and leisure time activities as may be desirable at prices which, so far as is possible, can be afforded by all Members of whatever rank.
- By encouraging, by means of discussions, lectures, film shows, visits to places of interest and by any other means, an interest in all matters connected with flying in general and with the Royal Air Force in particular.

- By encouraging and organising the holding at the Club of Service reunions, meetings and similar functions and by placing at the service of His Majesty's Government facilities at the Club for the entertainment of representatives of foreign air forces.
- By encouraging and by providing facilities to enable officers serving in the Royal Air Force and in other associated Services to meet and associate regularly with each other, and with persons who have previously served as officers in such Services and with Members of other air forces and to benefit from the knowledge and experience of such persons.

Public Benefit is not just provided to Members of the Charity. During the year, the Club hosted visits from like-minded organisations and encouraged visits for RAF Cadets. The Club welcomes, with prior arrangement, non-Member visitors to view the Club House, a Grade II listed building, memorabilia, and art collection.

In 2022, and in each subsequent year, the Club has also produced a separate Impact Report to inform the Membership of the work it does help meet its Charitable Objects. The Impact Report (for the previous year) is formally presented to the Membership at the Annual General Meeting.

The wider Royal Air Force Family

The Club supports and works closely with the wider RAF family and other Charities working to support Royal Air Force personnel and their families. Recent examples have included:

- Partnerships and complementary event rooms for the RAF Central Church of St Clement Danes and the Friends of St Clement Danes
- Mutual support received from and supplied to the RAF Benevolent Fund and Royal Air Forces Association.
- Discounted prices for organisations like ICAFOW (International Club for Air Force Officers Wives).
- Complimentary food and beverage for RAF Air Cadets providing the Guard of Honour at events, including the Pride of Britain Awards.

The Club's Mission, Vision and Core Values

The Trustees and Executive Team work together to maintain the Vision, Mission and Core Values. These are:

Vision	Mission
To be the London Club of choice for serving and retired Royal Air Force Officers, their families, and other Members in order to preserve, promote and foster the spirit of the Royal Air Force	To provide high-quality and value-for-money facilities and services in Central London that are in keeping with the heritage and ethos of the Royal Air Force.
Core Values	
Value, respect and support each other	Give personalised, warm and consistently exceptional service
Create positive, memorable experiences for every Member	Care about and give back to our local community

The Club Strategy and Plans for the Future

The Trustees will develop its strategy & deliver the Club's Vision in the following ways:

Data	
Data is required to inform decisions taken by the Trustees and Club management. The data from the Members Survey undertaken in 2023, alongside ongoing Member feedback will be used to:	
A	develop a deeper understanding of the current and likely future requirements of each Member group (serving, former serving, families and other Members), because of the mix of membership types, the membership age profile and the aspirations and expectations of the current Service officer cadre have a direct influence on usage and the Club's ethos.
B	monitor the balance between Membership categories and set limits when necessary to align with the Charitable Objects.
C	help set the balance between revenue, quality and affordability, and to ensure that resources are prioritised with the Vision and Mission clearly in mind.
Information Technology	
We will develop and maintain an IT system that supports appropriate data capture to guide strategic management and the most efficient use of the Club's resources.	
Risk Management	
We will ensure that business, security and operational risks are managed appropriately and within the risk appetite parameters set by the Board.	
Club Membership	
We will work to improve the offer to members to:	
A	Increase the use of the Club by all members.

B	Better attract existing members who serve or live away from London.
C	Promote the Club as the social venue of choice for serving members based in London.
D	Promote the benefits of Club membership to newly commissioned and other non-member serving officers.
E	Increase the membership uptake from former serving officers.
Ethos and heritage	
One of the core responsibilities of the Arts and Heritage Committee is to help the Club remain respectful of its heritage and supportive of the Board and other Committees who ensure it remains relevant for the future.	
Quality	
A	We will improve the condition of 128 Piccadilly and its facilities, including measures in support of the Net Zero 2040 target, whenever possible.
B	We will provide benefits and training for staff such that the Club becomes recognised as an employer of choice.
C	We will provide training for Trustees and managers to improve the governance and efficient management of the Club.
D	We will develop meaningful Key Performance Indicators for Trustees and Executives.

Environmental Strategy

The Board of Trustees have agreed a long-term strategy which includes the ambition for the RAF Club to become carbon neutral by 2040. This commitment reflects a growing awareness of the importance of environmental responsibility and the role organisations such as the Club can play in supporting wider sustainability goals. While this target is still some years away, it provides a clear direction for the Club and ensures that environmental considerations are increasingly integrated into our planning and decision-making.

We are currently identifying the most effective and practical measures that will allow us to work towards this objective over time. As part of this process, sustainability is being placed at the centre of all future facilities improvement projects, ensuring that environmental impact is considered alongside operational and member requirements.

Alongside this longer-term planning, the Club has already begun to introduce several smaller, immediate changes within the building and our day-to-day operations. While individually modest, these steps represent an important starting point and demonstrate the Club's commitment to making steady progress towards a more sustainable future.

Fundraising Strategy

The Club benefits significantly from generous Member support through general donations and campaign appeals, including funds raised by The Friends of the RAF Club programme, which was set up in 2021 to recognise Members who make regular donations. Legacy Giving will also remain a focus of activity in 2026.

The main initiative for 2026 is a large capital project, the complete modernisation of the Club's ground floor kitchens. The Club is also exploring the possibility of improving accessibility between the Centenary block and the original wing of the clubhouse via a 4th-floor walkway. More visibly, a Gymnasium refresh and more acoustic pods for the Business Centre will also be prioritised and 'Care & Compassion' Respite Breaks will continue to be funded.

The Club employs a part-time Fundraising Director to manage its fundraising and legacy activities. The Club is registered with the Fundraising Regulator and adheres to its policies and guidance. Gift Aid is claimed on all eligible activity where Gift Aid consent has been given.

Club Committees

Committee Members (as at 31 December 2025)

	Art & Heritage Committee	House Committee	Finance, Audit & Risk Committee	Events Committee	Fundraising & Legacies Committee	Membership Committee	Systems Working Group
Chair	Gp Capt Jim Beldon	Air Cdre Dai Whittingham	Mr Neeraj Kapur	Sqn Ldr John Peters	Gp Capt Al Lockwood	Air Cdre Paul Higgins	Flt Lt Haig Tyler
Vice Chair	Air Cdre Adam Wardrope	Wing Commander Gavin Poole	Mr Bernie Watson	Wg Cdr Paula Willmot	Gp Capt Mark Hollingsworth	Wg Cdr Amanda Wolfe	
	Dr Michael Fopp	Wg Cdr Neil Cook	Mr James Calladine	Ms Naomi Miles	Flt Lt Mike Stubbs	Gp Capt Guy Sawyer	Mr David Alexander
	Mr Grant Lewis	Flt Lt Gary Hornby	Flt Lt Jennie Kingston	Sqn Ldr Stuart Quinn	Fg Off Jochim Wrang-Widén	Wg Cdr Louise Clarke	Mr Bernard Brown
	Wg Cdr James Poynton	Sqn Ldr Mike Sewell	Mr Andrew Manning		Mr Richard Ashton	Wg Cdr Neil Tomlin	Mr Joe Hardstaff
	Mr Aubrey Dawson	Sqn Ldr Andrew Whisker	Mrs Sonja Jackman			Sqn Ldr James Traynor	
		Sqn Ldr Gavin Turnbull	Mrs Julia Lucas			Flt Lt Jane Shepherd	
		Mr Richard Ward	Mr Charles Stewart				

Club Committees exist to support the work of the Board of Trustees. Each Committee meets on average five times per year to examine subjects in detail, with recommendations fed into the Board for discussion and decision. Committees are chaired by a Club Trustee, with a second Trustee or Committee Member serving as Vice-Chair if required. Volunteers on Committees are drawn from Club Members across all membership categories, ensuring broad representation.

The table above reflects Committee membership as at 31 December 2025. During the year, a number of Committee members retired from their roles and are therefore not listed. The Board of Trustees wishes to record its sincere thanks to those individuals for their service and valued support to the Club.

Art & Heritage Committee

Management of the Club Art collection

During 2025, the Arts and Heritage Committee continued to safeguard and enhance the Club's art, silver and heritage collections, while increasingly shifting its focus from acquisitions towards proactive conservation and long-term collection management. This work forms part of a wider programme relating to the location, presentation and protection of the Club's most significant artwork. Key activities during the year included the review of donations and the continued restoration, cleaning and rehanging of important paintings, including the portrait of (a former Club President) Marshal of the Royal Air Force (MRAF) Sir John Salmond.

A major priority was the planned replacement of the current inventory system, with work commencing to identify a future-proof successor and ensure robust data migration. This will also enable a copy of the Art Catalogue to be uploaded to the Members section of the Club website. The Committee also supported improvements to the display and protection of the collection, including protective rails for vulnerable badges and stained-glass displays, alongside ongoing review of lighting in key areas.

Progress was also made in strengthening the Club's silver collection through the acquisition of additional pieces from the RAF Museum, and the Committee supported the commissioning of a portrait of the Club Patron, MRAF His Majesty King Charles due to be presented in 2026.

Events Committee

Planning and management of the events programme

In 2025, the Events Committee delivered a varied programme of dinners, talks and social events for Members and their guests, with many events selling out and attracting strong engagement. Highlights included Burns Night, gourmet and jazz evenings, wine tastings, and the New Members' Reception, alongside a well-supported VE Day 80th Anniversary Dinner.

The Committee continued to review event performance and broaden the appeal of the programme, particularly to younger and Serving Members. Planning for 2026 progressed during the year, with an expanded calendar of events and continued work to strengthen outreach to the Serving community.

Finance, Audit & Risk Committee (FARC)

Assisting the Board in fulfilling its governance obligations and oversight responsibilities by providing challenge and support to management and assurance over the Club's financial, audit and risk management procedures, as well as supporting management in making improvements in related performance

The Committee supports the Board in fulfilling its governance responsibilities by providing challenge and support to management and assurance over the Club's financial performance, audit processes and risk management framework.

In 2025, alongside its routine oversight of trading, budgets and reserves, the Committee oversaw completion of the 2024 audit and the appointment of new external auditors following a formal tender process. The internal audit programme continued to strengthen financial controls and balance sheet oversight. The Committee progressed the Financial Strategy and Reserves Policy and supported the establishment of a revolving credit facility to enhance financial resilience. The long-term financial plan (2025–2040) and associated capital expenditure proposals were reviewed to ensure alignment with a sustainable funding and liquidity position.

An upgraded accounting system became operational during the year, improving reporting accuracy and internal controls. Insurance cover, Gift Aid compliance and beneficiary income classification were also reviewed to ensure ongoing regulatory compliance.

House Committee

Ensuring the maintenance and development of the Club's infrastructure and environment is consistent with the Club's ethos and heritage while taking into account members' views

In 2025, the Committee oversaw the successful completion of the Running Horse and Basement Kitchen refurbishment, a major project that enhanced member experience, improved operational efficiency and strengthened the Club's commitment to accessibility. The project addressed significant structural and compliance matters discovered during the works and has since delivered strong operational and financial performance. During the year, the Committee also progressed essential infrastructure upgrades, including lightning protection compliance, replacement of dumb-waiter lifts, and improvements to heating, cooling and mechanical systems.

Looking ahead, significant attention was devoted to the planning of the Ground Floor Kitchen Refurbishment Project, scheduled to commence in January 2026. This non-discretionary project will deliver a fully electric kitchen, renewed mechanical and ventilation systems, and improved workflow, supporting both sustainability objectives and long-term service continuity.

The Committee also undertook a detailed review of the Club's medium and long-term Capital Expenditure programme, extending the planning horizon to ten years and categorising projects to ensure compliance, operational resilience and financial sustainability remain central to decision-making. Sustainability continued to be embedded across projects, with the Club achieving Bronze EarthCheck accreditation during the year and progressing towards further measurable environmental improvements.

Fundraising and Legacies Committee

Supporting the activities of the Royal Air Force Club by enabling and encouraging Members and supporters to contribute funds for the Club's reserves, capital projects and special appeals.

In 2025, the Club received £876,000 income from donations including Gift Aid, a substantial legacy and a sizeable donation, which has been used to bolster the Club's reserves. £157,000 of this was raised through the generous support from the Friends of the RAF Club along with donations to the Club's Victoria Cross Artwork Appeal. Members and Friends also purchased commemorative Tankards with proceeds going towards the Running Horse Refurbishment costs.

Funds from the Friends of the RAF Club and the unrestricted Legacy fund were also allocated towards improving accessibility to the Running Horse for all Members, substantial works which included elevating the existing floor levels, removing steps and widening the entrance to the Tavern.

Monies were also used to fund our new 'Care & Compassion' Respite Breaks for two Club Members and their families which launched earlier in the year. We are grateful for all these donations.

Membership Committee

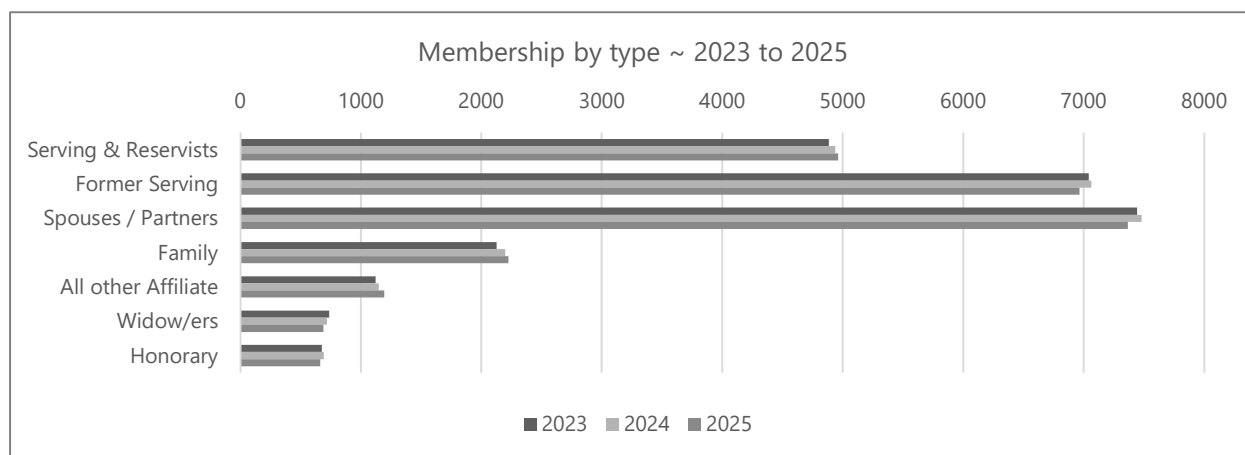
Developing and implementing the Club membership strategy to recruit and retain members

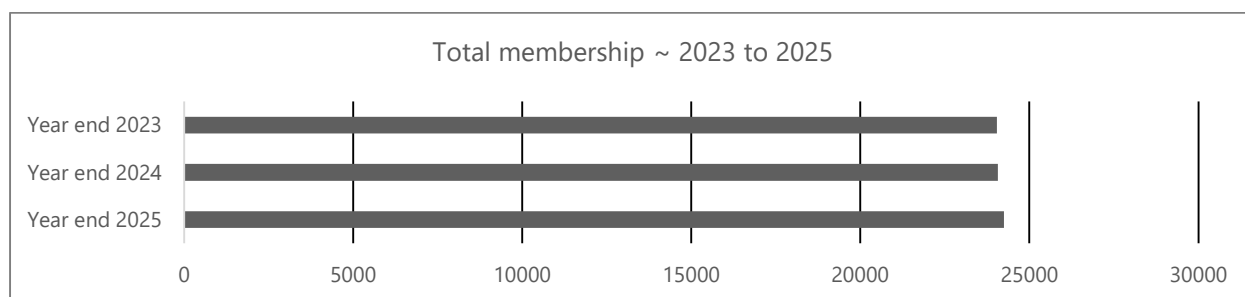
In 2025, the Membership Committee continued to oversee the Club's membership strategy, with a sustained focus on recruiting and retaining Serving and Reservist Officers, strengthening the RAF Station Club Representative network, and ensuring a well-balanced membership across categories. The Club was pleased to report that it currently has the highest number of Serving Officers in over ten years, reflecting the continued success of this long-term priority.

The Committee continued to vet applications, manage renewals and debtor processes, and supported improvements to membership procedures to streamline elections and strengthen governance. During the year, the Committee also progressed important eligibility and Club Rule clarifications, including updates relating to RAFAC subscriptions and clearer criteria for officers serving on exchange, loan service or secondment with the RAF.

In addition, the Committee developed enhanced plans to recognise long-term membership milestones, expanding recognition beyond 50 years, and continued to work closely with the Club's Events and Membership teams to deliver New Member and membership recognition events.

Succession planning also continued during the year, with new Committee members joining and responsibilities being reallocated to support long-term continuity.





The Systems and IT Working Group

Overseeing IT strategy and principles and the usage of data

The Systems Working Group advised on projects including data analysis and evaluating longer-term plans including a smart Club Membership card, a new Member Relationship Management System and changes to the Club website to make it more user friendly and accessible to the Members. The new website will be launched in 2026. In addition, the Working Group has led a project to improve the Club's Wi-Fi capabilities which has included the replacement of over 150 network points and the upgrade of broadband infrastructure supplied to the building.

Club Library and Archive

In 2025, the Library volunteers undertook a complete inventory of the books, donating and selling duplicate editions and purchasing new books missing from the collection. The Club library is supported by a volunteer team of librarians, and the Club's archive is maintained by volunteer archivists:

Club Librarians	Mrs Jacky Atkinson	Mrs Gaynor Cooper	Fg Off Sandy Copland
Dr Peter Elliott (Chair)	Wg Cdr Rob Stephens	Mr Peter Thorne	Sqn Ldr Gavin Turnbull
Club Archivists	Mr Peter Elliott	Wg Cdr Michael Gilbert	Gp Capt Paul Stewart

Contribution by Volunteers

All Trustees, Committee members, Working Group members, Internal Auditors, Librarians and Club Archivists are unpaid volunteers, and it is estimated that over 480 volunteer days were given to the Club in the year for the benefit of all Club Members. The Club benefits enormously from their considerable professional expertise and invaluable advice.

Staff Engagement

Our people remain central to the Club's success, and fostering strong engagement continues to be a key priority. We are committed to ensuring that staff feel valued, supported and fairly rewarded, creating an environment in which they can consistently deliver the high standards of service for which the Club is known.

Throughout 2025, we retained a dedicated and professional team, with staff turnover remaining favourably low in comparison to wider industry trends. Our commitment to charitable and community activity also continued, driven by the staff-led Charity and Community Team. The Staff Welfare Fund, introduced in 2022 to assist in times of need, remains an important source of support and was again available to colleagues during the year. The Club's sustainability initiative, 'The Green Arrows', also continued its work in promoting environmentally responsible practices across the organisation.

The payroll platform introduced previously has now been fully embedded, providing a more efficient process and enabling team members to access payslips and manage personal information easily via the dedicated app. The Health Cash Plan, launched as part of our broader

wellbeing programme, continues to be well received, alongside the launch of a Cycle to Work Scheme. We have also relaunched a dedicated hospitality learning and communications platform.

Staff engagement activities throughout the year were rounded off with the annual awards presentation at the Staff Christmas Lunch, which remains a valued opportunity to recognise individual and team contributions.

Staff Awards

In 2025 we presented the following awards:

Newcomer of the Year ~ 2025 (two winners)	Todor Tsachev - Maintenance Raphaelle Burgess-Jones - Reception
Front of House Star ~ 2025	Dave Holland - Security
Heart of House Star~ 2025	Lily Andrei – Staff Canteen
Casual of the Year ~ 2025	Ashmita Magar - Banqueting
Department of the Year ~ 2025	Housekeeping
Employee of the Year ~ 2025	Daniel Fernandes - Housekeeping
Leader of the Year ~ 2025	Jose Carvalho – Food & Beverage
Chief Executive Special Recognition ~ 2025 (two winners)	Membership Finance
Unsung Hero – 2025	Christian Blaj - Purchasing
Member Recognition Award ~ 2025	Meetings & Events
Champions of Challenge ~ 2025	The Kitchen
Transformation Award ~ 2025	Maintenance

All of our award winners truly embody the very essence of exceptional service and hospitality, and we were delighted to recognise them at the end of the year, along with celebrating all our team's success and commitment to the Club with a very special Christmas lunch celebration.

Staff Visits to RAF Stations

The Membership Department, supported by other members of staff, resumed its quarterly visits to Royal Air Force College, Cranwell, exhibiting at the graduating Initial Officer Training Cadets Freshers Faire, with over 200 officer cadets expressing an interest in joining the Club. Further visits to other units are also being planned for Club Staff.

2025 Financial Review

Quarter 1

	Total revenue	Surplus
Quarter 1	£2,751,195	£59,165

The year started strongly with revenue exceeding the previous year's performance by 3%. Occupancy for the quarter was 70%, which was 2% below the previous year's occupancy of 72%, reflecting lower occupancy rates across central London. The increase in revenue is reflected in the surplus for the quarter, with it being £48k higher than in the same period in 2024.

Quarter 2

	Total revenue	Surplus
Quarter 2	£3,506,860	£573,046

The positive start to the year continued into the second quarter. Revenues were 9% higher than the previous year's performance and exceeded £3.5m. A donation of £400k from Prince Bandar was received in May. The surplus for the quarter was £566k, compared to £381k in the previous year.

Quarter 3

	Total revenue	Deficit
Quarter 3	£2,815,022	-£7,754

Total revenue was £16k lower than the same quarter in 2025, in part due to the renovations of the Running Horse. A deficit was posted in July and August, reflecting lower revenue due to the school holidays and the Running Horse project, however, there was a surplus of £34k in September.

Quarter 4

	Total revenue	Surplus
Quarter 4	£4,058,854	£910,248

In the fourth quarter, overall revenues exceeded £4.1m and was 12% higher than the previous year. Income this quarter included an accrual of £243k related to the estate of RMB Montague. The operating surplus was £910k, which is £353k higher than the same quarter in 2025.

Yearly Overview

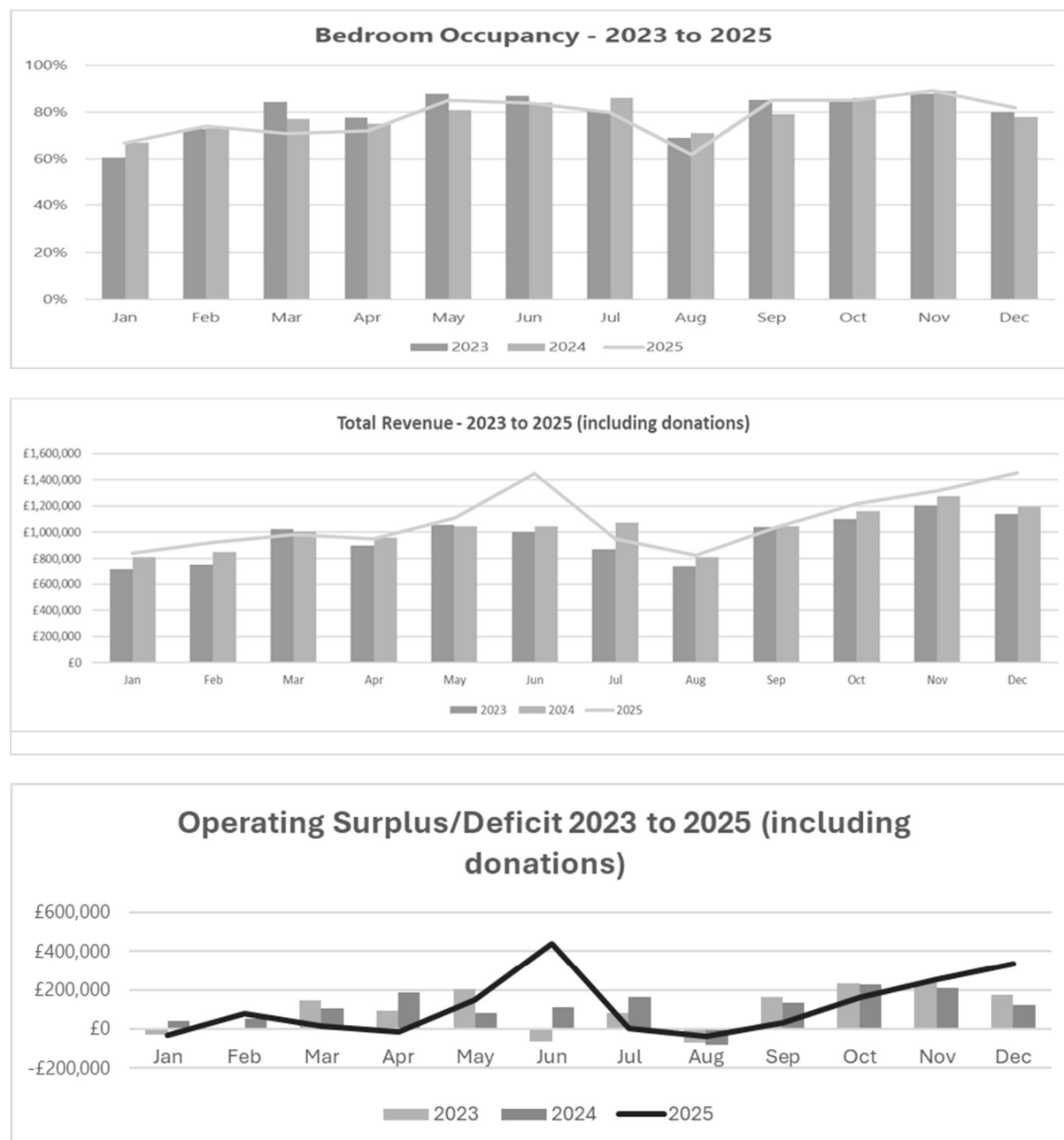
The strong financial performance that was experienced in 2024 continued into 2025 with the Club recording a total income more than £13.0m for the first time in its history. Two drivers for the increase in income were:

- A £400k donation received from His Royal Highness Prince Bandar
- Legacy income from the estate of Air Commodore Ruth Montague

Occupancy for the year was 78% compared to a Budget of 79%, while the Food and Beverage revenues were 1% higher than Budget. The Royal Air Force Club like many in the hospitality sector experienced the negative effect of rising general inflation. Despite this and through the application of tight cost controls, the resultant net operating surplus of £1.37m exceeded Budget by £.083m.

Cash provided by operating activities was £2.4m, down from £2.6m in 2025. Capital expenditure was £2.6m. The net effect was a year-end cash balance of £1.7m which was a decrease of £0.2m compared to the previous year.

The following charts summarise the year's activities by month for the key indicator of Bedroom Occupancy and Total Revenues and Operating Surplus/Deficit with comparisons against the previous year:



2026 Outlook

The Club's financial forecast for 2026 anticipates a marginal improvement in activity levels, however this is against a background of continuing high inflation, high energy costs and labour capacity restraints. The result is that the surplus in 2026 is expected to be lower than 2025.

Capital Improvements to the Club

During 2025, the Running Horse and its kitchen underwent a full refurbishment, which was completed in September 2025.

In 2026, the ground floor kitchen will be refurbished, with the project due to be completed in April 2026.

A short-term 5-year plan alongside the Club's existing 10-year plan has been developed to ensure that refurbishment projects can take into account the future needs of both the building and the Membership.

The Club as a Going Concern

The Board of Trustees consider there are no material uncertainties about the Club's ability to continue as a going concern. The Trustees have reviewed the Club's financial forecast and business plans for the following year and up to 31 March 2027 and anticipate similar levels of trading and financial performance as achieved in the last financial year.

Having considered all available information about current circumstances and future trends, the Trustees have a reasonable expectation that the Club has adequate resources to continue to operate as a viable organisation for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Key Management Personnel and Remuneration

The Board, supported by the Chief Executive and the Executive Team, together comprise the key management personnel of the Charity in charge of directing, controlling, and managing the Club and its operations on a day-to-day basis. All trustees give their time freely and no trustee received remuneration in the year. Note 6 to the Financial Statements gives details of the total remuneration and benefits of the key management personnel of the Club and Trustees' expenses and related party transactions during the year. The pay of the Chief Executive and Executive Team is reviewed annually by the Remuneration Working Group which reports to the Board and the review takes into account comparative data from several external sources.

Reserves Policy

The Trustees reviewed the Club's Reserves policy in September 2025 as part of its annual review of the Club's strategy. Taking into account the Charity Commission's guidance and using the serious adverse financial impact of the global pandemic as an example of a severe event, the Board agreed it was essential to protect the long-term interests of the charity and its beneficiaries by aiming for a General "free" Reserve target of £3m to be achieved over time. This unrestricted Reserve objective will provide financial cover for the key business risks, such as business downturns and uninsurable and unexpected operational interruptions or losses.

Free reserves at 31 December 2025 totalled £412,173. The Club's long-term financial plan will look to add to the Club's free reserves and bring the reserves held in line with the policy set by trustees. In order to protect the Club in the short term a revolving credit facility of £5m is in place to cover the period in which the Club plans to continue building up its free reserves.

Investment Policy and Objectives

It has been the Club's policy to hold any cash surplus to operating and capital expenditure requirements on short-term deposits with financial institutions with high credit ratings.

Statement of Trustees responsibilities

The Trustees (who are also the directors of The Royal Air Force Club for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Club and of the incoming resources and application of resources, including the income and expenditure, of the Club for that period. In preparing those financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Club and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Club and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to auditors

In so far as the trustees are aware at the time the report is approved:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

The Trustees' report, incorporating the Strategic Report, was approved by the Board of Trustees, and signed on their behalf by:



Air Vice-Marshal Warren James

Chair of the Board of Trustees

Wednesday 25th March 2026

Opinion

We have audited the financial statements of The Royal Air Force Club (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2025 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the 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 in the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify

such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Aikens (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor
9 Appold Road, London. EC2A 2AP

Date: 21/04/2026

The Royal Air Force Club

Consolidated Statement of Financial Activities (including Income and Expenditure account)

For the year ended 31 December 2025

	Note	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Total 2024 £
Income from:					
Charitable activities					
Club income	2	10,765,122	-	10,765,122	11,774,552
Donations and Legacies					
Legacies		319,250	-	319,250	-
Donations from appeals and friends of the Club		556,775	-	556,775	173,628
Other trading activities					
Trading activities		1,429,396	-	1,429,396	298,971
Investment income		61,388	-	61,388	34,299
Total Income		13,131,931	-	13,131,931	12,281,450
Expenditure on:					
Charitable expenditure					
Club operating costs		10,477,360	-	10,477,360	10,752,930
Donations made		10,000	-	10,000	10,000
Other trading activities					
Trading activities		1,076,242	-	1,076,242	171,428
Raising funds					
Fundraising costs		33,624	-	33,624	2,694
Total expenditure	3	11,597,226	-	11,597,226	10,937,052
Net income / (expenditure) and net movement in funds		1,534,705	-	1,534,705	1,344,398
Balance brought forward		11,421,000	7,478	11,428,478	10,084,080
Balance carried forward		12,955,705	7,478	12,963,183	11,428,478

All recognised gains and losses are included in the consolidated statement of financial activities.

All transactions are derived from continuing activities.

Full comparative figures for the year ended 31 December 2024 are shown in note 18.

The accompanying notes form part of these financial statements.

The Royal Air Force Club
Consolidated Statement of Financial Position
As at 31 December 2025

		2025		2024	
	Note	£	£	£	£
Fixed assets					
Tangible assets	7		11,719,327		10,209,420
Intangible assets	8		272,596		97,031
Investments	9		-		-
			<u>11,991,923</u>		<u>10,306,451</u>
Current assets					
Stocks	10	98,387		94,601	
Debtors	11	678,646		428,256	
Cash at bank and in hand		<u>1,941,337</u>		<u>2,165,831</u>	
		2,718,370		2,688,688	
Current liabilities					
Creditors: amounts falling due within one year	12	<u>(1,747,110)</u>		<u>(1,566,661)</u>	
Net current assets			971,260		1,122,027
Net assets			<u>12,963,183</u>		<u>11,428,478</u>
Funds					
Unrestricted Funds:	16				
- Designated funds			12,543,532		10,451,436
- General funds			412,173		969,564
Restricted funds			7,478		7,478
			<u>12,963,183</u>		<u>11,428,478</u>

The financial statements were approved and authorised for issue by the Board on . 25th March 2026 And were signed below on its behalf by:



W James
Air Vice-Marshal



H Tyler
Trustee

Company number 05321353

The notes on pages 26 to 38 form an integral part of these financial statements.

The Royal Air Force Club
Charity Statement of Financial Position
As at 31 December 2025

		2025		2024	
	Note	£	£	£	£
Fixed assets					
Tangible assets	7		11,719,327		10,209,420
Intangible assets	8		272,596		97,031
Investments	9		100		100
			<u>11,992,023</u>		<u>10,306,551</u>
Current assets					
Stocks	10	98,387		94,601	
Debtors	11	855,565		592,504	
Cash at bank and in hand		<u>1,709,131</u>		<u>1,981,093</u>	
		2,663,083		2,668,198	
Current liabilities					
Creditors: amounts falling due within one year	12	<u>(1,691,923)</u>		<u>(1,546,271)</u>	
Net current assets			971,160		1,121,927
Net assets			<u>12,963,183</u>		<u>11,428,478</u>
Funds					
Unrestricted Funds:	16				
- Designated funds			12,543,532		10,451,436
- General funds			412,173		969,564
Restricted funds			7,478		7,478
			<u>12,963,183</u>		<u>11,428,478</u>

The parent undertaking's total income for the year before gift aid from RAFCTC Limited was £11,702,534 (2024: £11,982,479) and its net income for the year amount to £1,181,554 (2024: £1,216,854).

The financial statements were approved and authorised for issue by the Board on . 25th. March. 2026..... and were signed below on its behalf by:



W James
Air Vice-Marshal



H Tyler
Trustee

Company number 05321353

The notes on pages 26 to 38 form an integral part of these financial statements.

The Royal Air Force Club
Consolidated Cash Flow Statement
For the year ended 31 December 2025

	2025 £	2024 £
Cash provided by operating activities	2,485,929	2,626,628
	<u>2,485,929</u>	<u>2,626,628</u>
Cash flows from investing activities		
Purchase of fixed assets	(2,710,423)	(809,552)
Cash outflows from investing activities	<u>(2,710,423)</u>	<u>(809,552)</u>
Cash flows from financing activities		
Loan repayments	-	(3,779,140)
Cash outflows from financing activities	<u>-</u>	<u>(3,779,140)</u>
Increase / (Decrease) in cash and cash equivalents in the year	(224,494)	(1,962,064)
Cash and cash equivalents at the beginning of the year	2,165,831	4,127,895
Total cash and cash equivalents at the end of the year	<u><u>1,941,337</u></u>	<u><u>2,165,831</u></u>

	At 1 January 2025 £	Cash flows £	At 31 December 2025 £
Analysis of changes in net debt			
Cash at bank and in hand	2,165,831	(224,494)	1,941,337
Bank loans due < 1 year	-	-	-
Bank loans due > 1 year	-	-	-
Net debt	<u><u>2,165,831</u></u>	<u><u>(224,494)</u></u>	<u><u>1,941,337</u></u>

	2025 £	2024 £
Reconciliation of net movement in funds to net cash flow from operating activities		
Net movement in funds	1,534,705	1,344,398
Depreciation and amortisation charges	1,024,951	989,457
(Increase)/Decrease in stock	(3,786)	(2,405)
(Increase)/Decrease in debtors	(250,390)	327,572
Increase/(Decrease) in creditors	180,449	(32,394)
Net cash (used in) / provided by operating activities	<u><u>2,485,929</u></u>	<u><u>2,626,628</u></u>

The notes on pages 26 to 38 form an integral part of these financial statements.

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

General information

The Royal Air Force Club is a charitable company, limited by guarantee, registered in England and Wales. Its registered office is 128 Piccadilly, London, W1J 7PY. The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

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 UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The functional currency is pounds sterling and items are rounded to the nearest pound.

The Royal Air Force Club meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Basis of Consolidation

These financial statements consolidate the results of The Royal Air Force Club and its subsidiary, RAFCTC Limited (registered in England and Wales, registered number 06590556) on a line by line basis. As permitted by Section 408 of the Companies Act 2006, the Statement of Financial Activities of the parent undertaking is not presented as part of these financial statements.

Going Concern

The Board of Trustees consider there are no material uncertainties about the Club's ability to continue as a going concern. The Trustees have reviewed the Club's financial forecast and business plans for the period ending 31 March 2026 and anticipate similar levels of trading and financial performance as achieved in the last financial year.

Having considered all available information about current circumstances and future trends, the Trustees have a reasonable expectation that the Club has adequate resources to continue to operate as a viable organisation for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives. Designated funds are amounts that have been set aside at the discretion of the Trustees. Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

1 ACCOUNTING POLICIES (Continued)

Income

Income represents the total income receivable during the year comprising government grants, donations, subscriptions, entrance fees, bedroom receipts, food, beverages and investment income.

Tangible fixed assets and depreciation

Fixed assets are held at cost less accumulated depreciation.

The original freehold buildings are maintained to a standard that preserves likely residual value at a level at least equal to the book value. Accordingly no provision has been made for depreciation as the amount involved would not be material. Building improvements related to the Centenary Extension project are depreciated over 50 years.

Major improvements to Club premises are written off on a straight line basis over six to fifteen years from the date of completion of the refurbishment.

Computer equipment is written off on a straight line basis over three years.

Minor additions to the furniture, fittings, equipment and other improvements to the Club premises have been written off directly against revenue.

The Club does not capitalise donated assets principally comprising works of art.

Intangible fixed assets and amortisation

Intangible assets are recorded at cost within the financial statements and relate to computer software. Software is being amortised over a period of 10 years.

Allocation of support costs

Support costs include back office costs, finance, personnel, payroll and governance costs which support the Club's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The allocations of support costs are set out in note 2.

Staff Costs

The Club operates a Group Personal Pension Plan with Legal and General. Contributions to the Plan are charged to the income and expenditure account. Redundancy and termination payments are included in the income and expenditure account within the relevant activity line on an accruals basis.

Stocks

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1 ACCOUNTING POLICIES (continued)

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Land & Buildings

The original land and buildings are recorded at cost within the financial statements. Management have considered depreciation to be immaterial due to the estimated useful economic life of the building being greater than 50 years and the estimated residual value of the building is greater than the carrying value in the accounts.

Creditors and provisions

Creditors and provisions are recognised where the Club has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised as unrealised gains/losses in the Statement of Financial Activities, unless they are included in a hedging arrangement. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Judgements in applying accounting policies and key sources of estimation uncertainty

In the process of applying its accounting policies, the Club is required to make certain estimates, judgements and assumptions that it believes are reasonable based on the information available. These judgements, estimates and assumptions affect the amounts of assets and liabilities at the date of the financial statements and the amounts of revenues and expenses recognised during the reporting periods presented.

On an ongoing basis, the Club evaluates its estimates using historical experience, consultation with experts and other methods considered reasonable in the particular circumstances. Actual results may differ significantly from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known. The following paragraph details the estimate and judgement the Club believes to have the most significant impact on the annual results under FRS 102.

The Royal Air Force Club
Notes to the financial statements (continued)
Year ended 31 December 2025

2 Income generated from charitable activities

	2025 £	2024 £
Subscriptions	2,572,492	2,411,199
Food & beverages	4,305,783	4,543,601
Accommodation	3,614,346	4,466,304
Events	229,516	239,767
Other	42,985	113,681
	<u>10,765,122</u>	<u>11,774,552</u>

Income from charitable activities in 2025 has decreased due to a reallocation of income from the Club to RAFCTC, the Club's trading subsidiary.

3 Analysis of total expenditure

	Staff Costs	Direct costs	Support costs	Depreciation & amortisation	2025 Total
Club operating costs	5,812,396	1,737,314	1,902,699	1,024,951	10,477,360
Donations made	-	-	10,000	-	10,000
Trading activities	536,977	169,541	369,724	-	1,076,242
Raising funds	30,382	-	3,242	-	33,624
	<u>6,379,755</u>	<u>1,906,855</u>	<u>2,285,665</u>	<u>1,024,951</u>	<u>11,597,226</u>

	Staff Costs	Direct costs	Support costs	Depreciation & amortisation	2024 Total
Club operating costs	5,978,081	1,856,183	1,929,209	989,457	10,752,930
Donations made	-	-	10,000	-	10,000
Trading activities	-	171,428	-	-	171,428
Raising funds	2,694	-	-	-	2,694
	<u>5,980,775</u>	<u>2,027,611</u>	<u>1,939,209</u>	<u>989,457</u>	<u>10,937,052</u>

	2025 £	2024 £
Support Costs		
Staff costs	1,437,223	1,421,192
Office expenses	254,708	253,989
Property expenses	1,281,434	1,007,573
Other support costs	660,102	613,515
Governance costs	89,421	64,132
	<u>3,722,888</u>	<u>3,360,401</u>
Governance costs		
Audit costs	31,352	46,000
Legal	37,055	2,966
Trustee costs & committee expenses	21,014	15,166
	<u>89,421</u>	<u>64,132</u>

The Royal Air Force Club
Notes to the financial statements (continued)
Year ended 31 December 2025

4 Net income / (expenditure) for the year

	2025	2024
	£	£
This is stated after charging the following:		
Auditors' remuneration - Audit	26,652	28,750
Auditors' remuneration - Other services	4,700	23,125
Deprecation	999,143	984,102
Amortisation	25,808	5,355

5 Employee and staff costs

	2025	2024
	No.	No.
The average number of contracts for Full Time and Part Time staff were:	174	136

	2025	2024
	£	£
Staff costs were as follows:		
Wages and salaries	5,279,194	5,065,446
Agency	272,959	217,574
Social security costs	577,600	454,307
Pension costs	250,002	243,448
	<u>6,379,755</u>	<u>5,980,775</u>

	2025	2024
	No.	No.
The number of staff who fell within the following bands were:		
£60,000 - £69,999	1	2
£70,000 - £79,999	4	2
£80,000 - £89,999	-	1
£90,000 - £99,999	-	1
£100,000 - £109,999	1	-
£170,000 - £179,999	1	1

The Trading subsidiary, RAFCTC, incurred £536,377 in staff costs (2024: £65,383) which are included within Trading Activities expenditure.

6 Trustees' Remuneration and reimbursed expenses

The key management personnel of the parent charity, the Club, comprise the Trustees and the Executive Team. The total employee remuneration and benefits of the key management personnel of the Club were £705,235 (2024: £683,249).

No Trustees received remuneration for their services during the year. The charity trustees were not paid from employment with the Club or its subsidiary in the year (2024: Nil). No Club trustee received payment for professional or other services supplied to the Club (2024: Nil). During the year 10 trustees (2024: 12 trustees) were reimbursed expenses totalling £3,191 (2024: £7,699).

The Royal Air Force Club
Notes to the financial statements (continued)
Year ended 31 December 2025

7 Tangible fixed assets

Group and Club

	Freehold £	Land & Building £	Plant & Machinery £	Bedrooms £	Computer Hardware £	Assets under Construction £	Total £
Cost or valuation							
At 1 January 2025	1,638,395	15,361,289	2,382,889	7,693,438	2,382,889	130,465	29,589,365
Transfers	-	90,968	15,041	-	-	(130,465)	(24,456)
Additions	-	1,776,580	262,400	298,540	32,184	163,802	2,533,506
Disposals	-	(4,463,877)	(1,019,760)	(6,565,138)	(2,015,718)	-	(14,064,493)
At 31 December 2025	1,638,395	12,764,960	1,640,570	1,426,840	399,355	163,802	18,033,922
Depreciation							
At 1 January 2025	-	7,939,924	1,978,588	7,482,844	1,978,589	-	19,379,945
Provided for the year	-	498,551	156,673	156,103	187,816	-	999,143
Disposals	-	(4,463,877)	(1,019,760)	(6,565,138)	(2,015,718)	-	(14,064,493)
At 31 December 2025	-	3,974,598	1,115,501	1,073,809	150,687	-	6,314,595
Net Book Value							
At 31 December 2025	1,638,395	8,790,362	525,069	353,031	248,668	163,802	11,719,327
At 31 December 2024	1,638,395	7,421,365	404,301	210,594	404,300	130,465	10,209,420

All the fixed assets are used for charitable activities.

In addition to the capitalised fixed assets, the Club has an extensive collection of paintings, sculptures and bronzes, other objects d'art and books and documents, either purchased by or donated or loaned to the Club. These represent a history of both aircraft and those who served in or were associated with the RAF. The cost of those items, and especially paintings, purchased by the Club is insignificant in terms of the value of the whole collection, which is irreplaceable. The Trustees do not believe that the significant cost involved in valuing the whole collection for accounting purposes would derive significant additional benefit to the user of the accounts in terms of assessing the Trustees' stewardship of the assets. Consequently, these assets have not been capitalised in the financial statements. A full inventory is kept for insurance purposes.

During 2025, the Finance Team upgraded the accounting system to include a dedicated fixed assets module. As part of this upgrade, the manual fixed asset records were migrated into the new system. The migration process involved a detailed review of the fixed asset register, including the removal of fully depreciated assets and the expansion of asset categories to improve the accuracy and consistency of fixed asset classification.

8 Intangible fixed assets

	Computer software £	Assets under Construction £	Total £
Cost or valuation			
At 1 January 2025	102,385	-	102,385
Transfers	24,456	-	24,456
Additions	72,465	104,452	176,917
At 31 December 2025	199,306	104,452	303,758
Amortisation			
At 1 January 2025	5,354	-	5,354
Provided for the year	25,808	-	25,808
At 31 December 2025	31,162	-	31,162
Net Book Value			
At 31 December 2025	168,144	104,452	272,596
At 31 December 2024	97,031	-	97,031

The Royal Air Force Club
Notes to the financial statements (continued)
Year ended 31 December 2025

9 Investments

	2025	2024
	£	£
Charity:		
Shares in subsidiary company at cost	100	100
At 31 December 2025	<u>100</u>	<u>100</u>

The Club has a wholly owned subsidiary, RAFCTC Limited, which operates the trading activity of the Club and gift aids its surplus to the Club. The subsidiary is registered in England and Wales (registration number 06590556).

	2025	2024
	£	£
Profit and loss account		
Turnover	1,429,396	298,971
Cost of sales	<u>(940,869)</u>	<u>(99,881)</u>
Gross profit	488,527	199,090
Administration expenses (net of interest receivable)	<u>(135,373)</u>	<u>(71,547)</u>
Profit for the financial year	<u>353,154</u>	<u>127,543</u>
Amount payable under gift aid to the Club	<u>353,154</u>	<u>127,543</u>
Balance sheet		
Net current assets	<u>100</u>	<u>100</u>
Share capital	<u>100</u>	<u>100</u>

10 Stock

Group and Club	2025	2024
	£	£
Goods for resale	98,387	94,601
	<u>98,387</u>	<u>94,601</u>

11 Debtors

	Group		Club	
	2025	2024	2025	2024
	£	£	£	£
Trade debtors	129,055	200,609	91,717	172,159
Other debtors	356,506	128,152	356,506	153,747
Prepayments and accrued income	193,085	99,495	193,085	99,495
Amounts due from subsidiaries	-	-	214,257	167,103
	<u>678,646</u>	<u>428,256</u>	<u>855,565</u>	<u>592,504</u>

The Royal Air Force Club
Notes to the financial statements (continued)
Year ended 31 December 2025

12 CREDITORS: amounts falling due within one year

	Group		Club	
	2025	2024	2025	2024
	£	£	£	£
Trade creditors	553,609	360,544	553,583	357,534
Other creditors	245,902	605,138	198,595	590,298
Other taxation and social security	561,455	115,639	553,601	115,639
Accruals and deferred income	386,144	485,340	386,144	482,840
	<u>1,747,110</u>	<u>1,566,661</u>	<u>1,691,923</u>	<u>1,546,311</u>

13 Analysis of deferred income

	Group		Club	
	2025	2024	2025	2024
	£	£	£	£
Deferred income at 1 January	233,012	229,171	233,012	229,171
Applied during the year	290,189	233,012	290,189	233,012
Released during the year	(233,012)	(229,171)	(233,012)	(229,171)
Deferred income at 31 December	<u>290,189</u>	<u>233,012</u>	<u>290,189</u>	<u>233,012</u>

Deferred income relates to subscriptions received in advance relating to the subsequent year.

14 Operating lease commitments

As at 31 December 2025, the club had annual lease commitments totalling:

	2025	2024
	Other	Other
	£	£
Leases expiring within 1 year	24,308	3,224
Leases expiring within 1-5 years	33,735	3,224
	<u>58,043</u>	<u>6,448</u>

15 Capital commitments

There were £1,548,508 in capital commitments in the year ended 2025 (2024: Nil) relating to the refurbishment of the main kitchen. The project included a redesign to enhance operational efficiency, the replacement of obsolete gas ovens with energy-efficient induction ovens, and upgrades to the extraction systems. In addition, the Dining Room air conditioning system was upgraded as part of the overall works.

The Royal Air Force Club
Notes to the financial statements (continued)
Year ended 31 December 2025

16 Statement of funds

Group	At 1 January 2025	Income	Expenditure	Transfers	At 31 December 2025
	£	£	£	£	£
Unrestricted Funds					
General fund	969,564	12,655,681	(11,511,600)	(1,701,472)	412,173
Designated:					
Fixed assets fund	10,306,451	-	-	1,685,472	11,991,923
Legacy fund	35,883	319,250	-	-	355,133
Friends of the RAF Club	76,334	157,000	(73,909)	-	159,425
Fine art and stained window fund	13,459	-	(11,717)	16,000	17,742
Staff welfare	19,309	-	-	-	19,309
Total designated funds	10,451,436	476,250	(85,626)	1,701,472	12,543,532
Total unrestricted funds	11,421,000	13,131,931	(11,597,226)	-	12,955,705
Restricted Funds					
601 Squadron - Victoria Bar refurbishment	7,478	-	-	-	7,478
Total restricted funds	7,478	-	-	-	7,478
Total funds	11,428,478	13,131,931	(11,597,226)	-	12,963,183

Group	At 1 January 2024	Income	Expenditure	Transfers	At 31 December 2024
	£	£	£	£	£
Unrestricted Funds					
General fund	-	1,264,381	-	(294,817)	969,564
Designated:					
Fixed assets fund	10,011,634	-	-	294,817	10,306,451
Legacy fund	35,883	-	-	-	35,883
Friends of the RAF Club	(9,790)	86,124	-	-	76,334
Fine art and stained window fund	15,000	-	(1,541)	-	13,459
Staff welfare	19,859	-	(550)	-	19,309
Total designated funds	10,072,586	86,124	(2,091)	294,817	10,451,436
Total unrestricted funds	10,072,586	1,350,505	(2,091)	-	11,421,000
Restricted Funds					
601 Squadron - Victoria Bar refurbishment	7,478	-	-	-	7,478
Staff fund	4,016	4,814	(8,830)	-	-
Total restricted funds	11,494	4,814	(8,830)	-	7,478
Total funds	10,084,080	1,355,319	(10,921)	-	11,428,478

16 Statement of funds (cont.)

The income funds of the Club comprise Restricted and Unrestricted Funds. The Unrestricted Funds include the following designated funds which have been set aside out of the unrestricted funds by the Trustees for specific purposes.

The Fixed Assets fund represents the net book value of fixed assets held by the group. The transfer represents the movements in the net book value of fixed assets in the year.

The Legacy Fund was created to receive monies specifically left to the Club in Members' wills. The Board authorises expenditure against the fund for the benefit of the Club.

The Friends of the RAF Club was launched in November 2021 and is open to all Club Members who wish to formally contribute to the enhancement of the Club's facilities through making regular donations in addition to the annual membership subscription. Regular donations are not tied to specific projects or particular expenditure and flow through the designated unrestricted Friends of the RAF Club Fund. The Funds are deployed to finance tangible enhancements to the Club's facilities or fund acquisition of additional equipment for the benefit of Members. Investments are made in consultation with Friends.

The Fine Art and Stained Window Fund, which resulted from an appeal, is used to purchase works of art that primarily cover historical gaps in the Club's collection. The transfer is to increase the fund to the expected amount to be spent in the future.

The Staff Welfare Fund has been set up to support employees and their families who are in short-term need, hardship or stress.

The Restricted Fund, 601 Squadron — Victoria Bar Refurbishment, was established in 2021 and includes donations from members of 601 Squadron, Royal Auxiliary Air Force, specifically to fund the refurbishment of the Victoria Bar for the benefit of all Club Members. The refurbishment commenced in the final quarter of 2021 and was completed in the first half of 2022.

The Royal Air Force Club
Notes to the financial statements (continued)
Year ended 31 December 2025

17 Analysis of group net assets between funds

At 31 December 2025	General Funds £	Designated Funds £	Restricted Funds £	Total £
Fixed assets	-	11,991,923	-	11,991,923
Net current assets	412,173	551,609	7,478	971,260
	<u>412,173</u>	<u>12,543,532</u>	<u>7,478</u>	<u>12,963,183</u>

At 31 December 2024	General Funds £	Designated Funds £	Restricted Funds £	Total £
Fixed assets	-	10,306,451	-	10,306,451
Net current assets	969,564	144,985	7,478	1,122,027
	<u>969,564</u>	<u>10,451,436</u>	<u>7,478</u>	<u>11,428,478</u>

Analysis of Club net assets between funds

At 31 December 2025	General Funds £	Designated Funds £	Restricted Funds £	Total £
Fixed assets	-	11,992,023	-	11,992,023
Net current assets	412,173	551,509	7,478	971,160
	<u>412,173</u>	<u>12,543,532</u>	<u>7,478</u>	<u>12,963,183</u>

At 31 December 2024	General Funds £	Designated Funds £	Restricted Funds £	Total £
Fixed assets	-	10,306,551	-	10,306,551
Net current assets	969,464	144,985	7,478	1,121,927
	<u>969,464</u>	<u>10,451,536</u>	<u>7,478</u>	<u>11,428,478</u>

The Royal Air Force Club
Notes to the financial statements (continued)
Year ended 31 December 2025

18 Comparative Statement of Financial Activities - year ended 31 December 2024

	Note	Unrestricted Funds £	Restricted Funds £	Total 2024 £
Income from:				
Charitable activities				
Club income	2	11,774,552	-	11,774,552
Donations and Legacies				
Donations from appeals and friends of the Club		168,814	4,814	173,628
Other trading activities				
Trading activities		298,971	-	298,971
Investment income		34,299	-	34,299
Total Income		<u>12,276,636</u>	<u>4,814</u>	<u>12,281,450</u>
Expenditure on:				
Charitable expenditure				
Club operating costs		10,744,100	8,830	10,752,930
Donations made		10,000	-	10,000
Other trading activities				
Trading activities		171,428	-	171,428
Raising funds				
Fundraising costs		2,694	-	2,694
Total expenditure	3	<u>10,928,222</u>	<u>8,830</u>	<u>10,937,052</u>
Net income / (expenditure) and net movement in funds		1,348,414	(4,016)	1,344,398
Balance brought forward		10,072,586	11,494	10,084,080
Balance carried forward		<u><u>11,421,000</u></u>	<u><u>7,478</u></u>	<u><u>11,428,478</u></u>

The Royal Air Force Club
Notes to the financial statements (continued)
Year ended 31 December 2025

19 Members' liability

The Charity is governed by its Memorandum and Articles of Association and limits the liability of each member to £1. The members of the Board of Trustees are Directors of the Company for the purposes of the Companies Act 2006 and serve as Trustees of the charitable company.

20 Related party disclosures

At the year end RAFCTC Limited, a subsidiary wholly owned by the Royal Air Force Club, Owed the Club £214,257 (2024: £275,178).

During the year Trustees made donations to the club totalling £2,710 (2024: nil).

Members of the Board of Trustees are also members of the Royal Air Force Club and pay membership fees on an arm's length basis. These amounts are immaterial and fall due in the normal course of membership and thus the balances have not been disclosed in the financial statements.