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# **The RAF Dependants Income Trust Limited**

**(Formerly the RAF Benevolent Fund Fourth Development Trust Limited)**

## **Report and Financial Statements**

Year ended 31 December 2013

## **The RAF Dependants Income Trust Limited**

(formerly The RAF Benevolent Fund Fourth Development Trust Limited)

(Company No. 01285364)

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### **Directors**

Air Marshal Christopher Nickols CB CBE MA FRAes  
Mr Mike Forster (Appointed January 2013 retired January 2014)  
Mrs Lesley Baliga (appointed February 2014)  
Mrs Arabella Hastie MA (Hons)  
Air Commodore Paul Hughesdon MA FloD  
Group Captain Paul McSherry (retired June 2013)  
Group Captain Ian Tolfts (appointed July 2013)  
Air Commodore Allan Vaughan OBE BA  
Mr Nick Waring (Retired January 2014)

### **Company Secretary**

Group Captain Mike Neville CBE

### **The RAF Dependants Income Trust Manager**

Mr Stuart Turnbull

### **Registered Office**

67 Portland Place  
London W1B 1AR

**Company Number:** 01285364

### **Auditors**

Kingston Smith LLP  
Devonshire House  
60 Goswell Road  
London EC1M 7AD

### **Bankers**

Lloyds TSB Bank plc  
Cox's and King's Branch  
7 Pall Mall  
London SW1Y 5NA

### **Solicitors**

Charles Russell LLP  
5 Fleet Place  
London EC4H 7RD

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## **DIRECTORS' REPORT**

The Directors present their report and financial statements for the year ended 31 December 2013.

### **ACTIVITIES AND REVIEW**

The Royal Air Force Dependants Income Trust enables Royal Air Force personnel who are subscribers to The Royal Air Force Dependants Fund to make further financial provision for their dependants in the event of their death. Some 21,041 of the Royal Air Force were members of the RAF Dependants Income Trust. The number of subscribers declined from 23,247 at 31 December 2012 to 21,041 at 31 December 2013.

After reviewing the core function of the Trust, the administration of an Aviva insurance policy for its members, it was decided to continue with the extant practices.

The secondary object is to assist the morale, recruitment and efficiency for the Royal Air Force and to assist the Royal Air Force Benevolent Fund in the provision of benefits for the dependants of members, and former members, of the Royal Air Force. To this latter end the company's net profits are paid to the Royal Air Force Benevolent Fund.

The Directors have considered the key risks and uncertainties facing the Trust and have taken appropriate mitigating actions. The key risk identified is around administrative systems, to which end the Trust has been working with the Royal Air Force and Aviva to improve information flow.

### **FINANCIAL STATEMENTS**

The financial statements show a surplus for the year of £47,364 (2012 - £59,417) which was paid under Gift Aid provisions to The Royal Air Force Benevolent Fund.

### **DIRECTORS**

The directors of the company during the year to 31 December 2013 are listed on page 1.

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The directors of the Royal Air Force Dependants Income Trust Limited are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

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

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

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

In so far as the directors are aware:

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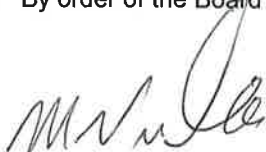
- There is no relevant audit information of which the company's auditor is unaware; and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### **AUDITORS AND AUDIT INFORMATION**

A resolution to re-appoint Kingston Smith LLP as auditors will be put to the members at the Annual Meeting.

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

By order of the Board



M C NEVILLE CBE  
Company Secretary

Date: 30 June 2014

# **The RAF Dependants Income Trust Limited**

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## **INDEPENDENT AUDITORS' REPORT**

### ***To the members of The RAF Dependants Income Trust***

We have audited the financial statements of the Royal Air Force Dependants Trust Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Directors annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. In addition we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its results 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

## The RAF Dependants Income Trust Limited

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- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit.

*Neil Finlayson*

**Neil Finlayson (Senior Statutory Auditor)**

**for and on behalf of Kingston Smith LLP, Statutory Auditor**

Date 31/7/2014

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

## The RAF Dependants Income Trust Limited

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### INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR 31 DECEMBER 2013

		12 months 2013	12 months 2012
	Notes	£	£
Commission income	2	75,430	83,109
Administrative expenses	3	(28,239)	(23,877)
<b>NET OPERATING SURPLUS:</b>		<u>47,191</u>	<u>59,232</u>
Bank deposit interest		173	185
Payment under covenant to The Royal Air Force Benevolent Fund		(47,364)	(59,417)
Results for the period before and after taxation		<u>-</u>	<u>-</u>

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

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## BALANCE SHEET

AT 31 DECEMBER 2013

	Notes	2013 £	2012 £
<b>CURRENT ASSETS</b>			
Debtors	4	104	
Cash at bank	5	140,072	158,471
		<u>140,176</u>	<u>158,471</u>
<b>CREDITORS:</b> amounts falling due within one year	6	(136,837)	(155,132)
		<u>3,339</u>	<u>3,339</u>
<b>NET CURRENT ASSETS</b>			
		<u>3,339</u>	<u>3,339</u>
<b>RESERVE</b>			
Inaugural gift received from The Royal Air Force Benevolent Fund Second Development Trust, less accumulated deficits to date of Formation of the company		3,339	3,339
		<u>3,339</u>	<u>3,339</u>

The financial statements on pages 6 to 9 were approved by the Directors on 30 June 2014.

  
LESLEY BALICA  
DIRECTOR

30 June 2014

Company No. 1285364

  
DIRECTOR C M NICKOLS 30 JUN 14



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## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

### 1. ACCOUNTING POLICIES

#### Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

#### Income recognition

Donations and bank deposit interest are brought into account when received.

#### Fixed Assets

The cost of tangible fixed assets was wholly written off prior to the formation of the company and the costs of additions and replacements are charged as administrative expenses in the year of acquisition.

#### Pensions

The company pays pension contributions to The Royal Air Force Benevolent Fund Staff Pension Scheme. Contributions are charged in the profit and loss account as they become payable.

### 2. COMMISSION INCOME

	12 months 2013	12 months 2012
	£	£
Members' subscriptions	1,143,065	1,260,120
Premiums to Norwich Union to cover obligations to members	(1,067,635)	(1,177,011)
Commission income	<u>75,430</u>	<u>83,109</u>

### 3. ADMINISTRATIVE EXPENSES

	12 months 2013	12 months 2012
	£	£
These include:		
Auditor's remuneration current Year audit fee	2,730	3,150
Auditor's remuneration – prior year under/(over) accrual	678	(1,950)
Auditor's remuneration current year mom-audit fee	492	-
	<u>3,900</u>	<u>1,200</u>
Employee's remuneration	14,934	14,642
Employee's pension contributions	1,534	1,511
Employee's national insurance contributions	3,299	2,779
Other Expense	<u>4,572</u>	<u>3,745</u>
	<u>28,239</u>	<u>23,877</u>

The company pays pension contributions for its employee to The Royal Air Force Benevolent Fund Staff Pension Scheme. This is a defined benefit scheme the assets of which are held in a separate trustee administered fund.

The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined contribution scheme.

Information about the existence of the surplus in the scheme and the implications of that surplus are detailed in the financial statements of The Royal Air Force Benevolent Fund.

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### NOTES TO THE FINANCIAL STATEMENTS CONTINUED

#### 4. DEBTORS

	2013	2012
	£	£
Prepayments and accrued interest	104	-

#### 5. CASH AT BANK

	2013	2012
	£	£
AMS investment account	140,072	158,471

#### 6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
The Royal Air Force Benevolent Fund – Main Fund	779	-
Deed of covenant payable to The Royal Air Force Benevolent Fund	47,364	59,417
Premiums payable	85,472	93,090
Other creditors	3,222	2,625
Commission income	136,837	155,132