
RAFBF Trading Limited

Report and Financial Statements

Year ended 31 December 2013

RAFBF Trading Limited

(Company No 07768120)

DIRECTORS

Christopher Nickols CB CBE MA FRAeS
Dean Benton (retired September 2013)
Mike Forster (appointed January 2013 retired January 2014)
Lesley Baliga (appointed February 2014)
Jim Dooley
Michael Walter
Stephen Gallico
Nick Waring (retired January 2013)
Allan Vaughan

COMPANY SECRETARY

Michael Neville CBE

AUDITORS

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

REGISTERED OFFICE

67 Portland Place
London
W1B 1AR

RAFBF Trading Limited

(Company No.07768120)

DIRECTORS' REPORT

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

ACTIVITIES AND REVIEW

The Royal Air Force Trading Limited is a company limited by shares with the Royal Air Force Benevolent Fund as the sole shareholder. The Trading Company enables the Royal Air Force Benevolent Fund to conduct non-primary purpose trading in order to support its charitable objects. Although the company was incorporated on 9 September 2011 it began trading in September 2012 with the merchandising of Bomber Command 3-D Lancaster pictures, commemorative whiskey, and calendars. Additionally, commercial use of the RAF Memorial on Victoria Embankment was also recorded as a trade and has been included within the Report and Accounts. From 1 January 2013, all Royal Air Force Benevolent Fund merchandising was conducted by RAFBF Trading Ltd.

During the year more RAF related products were introduced at various price points, including cufflinks, Red Arrows flying suits, notebooks and china mugs, with the flying suits proving particularly popular. With the support of the Communications team online marketing and social media activity has taken place around key dates such as Valentine's Day and Mother's Day to encourage interest and sales and this will continue. Following research conducted in 2013 a new market has been identified with a younger audience and a Cadets range, including t shirts, caps, teddy bears and a cadet duck will be available this month.

FINANCIAL STATEMENTS

The financial statements show a surplus for the period of £873 which will be paid under covenant 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

Company law requires the directors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable 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 charity/company/charitable 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 charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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DIRECTORS' REPORT CONTINUED

AUDITORS AND AUDIT INFORMATION

A resolution to re-appoint Kingston Smith LLP as auditors will be put to the members at the May Board of Directors meeting.

So far as each of the directors at the time the directors' report is approved is aware:

- There is no relevant information of which the auditors are unaware; and
- They have taken all relevant steps 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.

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



Company Secretary

Date: 15th May 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAFBF Trading Limited

We have audited the financial statements of RAFBF Trading Limited for the year ended 31st December 2013 which comprise the Income and Expenditure 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 2 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' 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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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 31st December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from preparing a strategic report.

Neil Finlayson Statutory Auditor

Neil Finlayson (Senior Statutory Auditor)

for and on behalf of Kingston Smith LLP, Statutory Auditor

31/7/2014

Devonshire House

60 Goswell Road

London

EC1M 7AD

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR 31 DECEMBER 2013

		<i>12 months</i>	<i>16 month</i>
		<i>2013</i>	<i>2012</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
Sales	2	109,147	37,913
Less Cost of Sales	3	(61,542)	(13,427)
GROSS OPERATING SURPLUS:		<u>47,605</u>	<u>24,486</u>
Less Operating costs	4	(46,732)	(30,836)
Operating Surplus		<u>873</u>	<u>(6,350)</u>
Other Income from the RAF Memorial			<u>10,200</u>
Payment under covenant to the Royal Air Force Benevolent Fund		(873)	(3,850)
Results for the period before taxation		<u>-</u>	<u>-</u>
		<u><u>-</u></u>	<u><u>-</u></u>

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

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BALANCE SHEET**AT 31 DECEMBER 2013**

	Notes	2013 £	2012 £
CURRENT ASSETS			
Debtors	5	-	11,367
Cash at bank		9,096	18,915
Stock		63,648	30,472
		<u>72,744</u>	<u>60,754</u>
CREDITORS: amounts falling due within one year	6	(72,743)	(60,753)
		<u>1</u>	<u>1</u>
NET CURRENT ASSETS			
		<u>1</u>	<u>1</u>
RESERVE			
Investment from the RAF Benevolent Fund		1	1
Retained Earnings		-	-
		<u>1</u>	<u>1</u>

The financial statements on pages 6 to 9 were approved by the Directors on 15 May 2014.

The accounts have been prepared in accordance with the special provisions within part 15 of the Companies Act 2006

DIRECTOR

C M NICKOLS

Company Number 07768120

RAFBF Trading Limited

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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

Sales is recognised on a cash basis, the exception being at the year end when income over a £1,000 is accrued to the related year.

Stock Holding

During the year the majority of our stock is held in a fulfilment house. Throughout the year the regional fundraisers order a small amount from the fulfilment house. At the end of the financial year, both the fulfilment house and all the regions perform a full stock count.

Stock Valuation

The valuation of stock is done on a First In First Out basis. Stock valuation represents the value of stock held in the fulfilment house and across the regions as at 31st December 2013. Stocks are stated at the lower of cost and net realisable value.

2. Sales

	12 months 2013	16 months 2012
Merchandise	102,939	37,913
Cause Related Marketing	<u>6,208</u>	<u>-</u>
	109,147	37,913

3. Cost of Sales

Included in the cost of sales is a stock write off of £15,750 made up of 700 3D pictures.

4. Operating Costs

	12 months 2013	16 months 2012
	£	£
Postage Out	11,576	-
Fulfilment	15,719	9,567
Audit Fee	4,172	1,600
RAFBF Management charge	9,500	19,551
Marketing	3,161	-
Other Expenses	2,604	118
Total Operating Cost	<u>46,732</u>	<u>30,836</u>

The company has no employees. The day to day operation and management is performed by staffs of the RAF Benevolent Fund for which the Trading Company is charged a management fee.

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5. Debtors:

	12 months 2013	16 months 2012
	£	£
Accrued Merchandise Income	-	9,267
Accrued Memorial Income	-	1,440
HMRC VAT	-	660
Total Creditor	<u>-</u>	<u>11,367</u>

6. Creditors: AMOUNTS FALLING DUE WITHIN ONE YEAR

	12 months 2013	16 months 2012
	£	£
The Royal Air Force Benevolent Fund – Main Fund	62,145	55,304
Profit donated to Main Fund	873	3,849
Other creditors	6,362	1,600
VAT	3,363	-
Total Creditor	<u>72,743</u>	<u>60,753</u>

7. Shared Capital:

	2013
	£
Authorised:	
Ordinary shares of £1 each	<u>100</u>
Allotted, called up, and fully paid	£
Ordinary shares of £1 each	
Authorised	<u>1</u>

8. Control

The Company is a wholly owned subsidiary of the RAF Benevolent Fund, a charity registered in England and Wales, charity number 1008109. Consolidated financial Statement for the year ended 31st December 2013 are available from the Royal Air Force Benevolent Fund, 67 Portland Place, London, W1B 1AR